Spicejet Limited

July 22, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	364.02	CARE D / CARE D	Downgraded from CARE B+; Stable / CARE A4
Long-term bank facilities	RBI	680.89	CARE D	Downgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has downgraded ratings assigned to bank facilities of Spicejet Limited (Spicejet) to "CARE D/ CARE D" considering instances of delays in the servicing of its debt repayment obligations in past 3-4 months as confirmed by its lenders on July 20, 2026. Lenders have also indicated an invocation of bank guarantee in July 2026. The rating action is in line with CareEdge Ratings' policy on default recognition. CareEdge Ratings notes that Spicejet had been submitting clean No-Default Statements, indicating no payment delays or defaults to CareEdge Ratings up to and including the month ended June 30, 2026.

Earlier vide its press release dated April 09, 2026, CareEdge Ratings downgraded the long-term ratings on bank facilities of Spicejet from CARE BB-; Stable/CARE A4 to CARE B+; Stable/ CARE A4, factoring in continued deterioration in its financial risk profile and stretched liquidity. The company reported operating losses in FY25 and 9MFY26, primarily due to low number of operational fleet in a highly competitive and regulated industry. Profitability was further impacted by low operational efficiency, with a significant portion of its fleet grounded adding costs, and rising fuel costs and slowdown of demand momentum in the airlines industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely servicing of debt obligations (i.e. principle and interest) for minimum 3 continuous months

Analytical approach: Consolidated

For analysing Spicejet, consolidated financials have been considered due to presence of common management, operational and financial linkages with subsidiaries. Consolidated entities have been listed under Annexure-5.

Outlook: Not applicable

Detailed description of key rating drivers

Key weaknesses

Delays in debt servicing

Per feedback received from Spicejet's lenders on July 20, 2026, there has been several instances of delays in monthly debt servicing (principal and monthly interest) by Spicejet in the past 3-4 months and an invocation of bank guarantee in July 2026.

Operational losses due to liquidity constraints, exposure to fuel prices and foreign exchange rates

In the last 3-4 fiscal years through FY25 and in 9MFY26, Spicejet has been reporting operating losses of ₹470.9 crore and ₹437.3 crore, respectively, which is estimated to continue further as well. The company has not published/ shared its FY26 financials so far. Initially, operating profitability was impacted by significant spike in fuel costs, adverse forex rate leading to higher lease rental outgo and other dollar dominated expenses. However, major impact was from grounding 13 Boeing 737 Max aircraft in March 2019, which impacted the company's revenue and profitability. Boeing 737 Max consumes 15% lesser fuel compared to other Boeing aircraft. While Boeing 737 Max grounding impacted the fleet composition of Spicejet, competitors inducted Airbus 320 NEO considering better cost competitiveness. COVID-19 impacted the company's operations, considering restrictions on travel, further

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

constraining Spicejet's liquidity and led to alleged nonpayment of dues to aircraft lessors and lack of maintenance on such aircraft. Resultantly, Spicejet's grounded aircraft started increasing, leading to higher fixed outgo without generation of income. This is reflected in its breakeven plant load factor (PLF) crossing 100% in FY22 and FY23, and significant spike in prices of ATF. Pressure on the company's profitability and liquidity continued through the recent fiscals, despite significant fund raising. Lease rentals and repairs/maintenance costs, which also form significant portion of the cost structure, are dollar denominated. Fuel filled at international destinations is also in foreign currency, which has led to certain adverse impact, particularly, in recent years as USD-INR depreciated. However, the company partly has a natural hedge, as it also earns in foreign currency from international passengers.

Weak financial risk profile

Over the years, the company's financial performance remained weak, marked by increasing operating losses, negative net worth base, inadequate debt coverage metrics, and stretched liquidity. In FY24 and FY25, Spicejet raised significant funds through preferential share issue (including share warrants) and qualified institutional placement (QIP), totalling to ₹4,172 crore. While this provided some improvement in the company's net worth position and provided liquidity for repayment of pending dues, the operating losses continued through FY25 and 9MFY26 due to rising fuel costs, high opex towards grounded fleet and de-growth of its total operating income (TOI) amid demand slowdown in the travel industry. Despite fund-raising, net worth remained subdued considering operating losses, against which the company's total debt remains high at ₹4,218.5 crore as on March 31, 2025, of which lease liability was ₹3,329.3 crore and remaining being term loans. This resulted in inadequate debt coverage metrics and stretched liquidity position in recent years. Spicejet plans to monetise its assets and optimise its fleet, which is expected to bring in some operational efficiencies and reduce its operating losses gradually. However, with the airline industry witnessing increase in ATF costs, the company's ability to pass it on to its customers through fare hikes and maintain a healthy PLF will remain a monitorable for a sustained turnaround of its profitability.

Ongoing litigations

CareEdge Ratings takes note of the significant ongoing litigations towards the company related to the Delhi High Court case and settlement of vendor disputes.

Liquidity: Poor

Spicejet's liquidity remains poor as reflected by the ongoing delays in the debt servicing.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Airline

Spicejet was setup as an air taxi provider in 1984 by SK Modi, which diversified into domestic aviation services in 1993. The company was acquired by Ajay Singh in 2004 and operates as a low-cost carrier (LCC) under the brand name of 'SpiceJet' in India since May 23, 2005. The company is engaged in providing air transport services for carriage of passengers and cargo. The company's controlling stake was acquired by Kalanidhi Maran through the Sun group in 2010. In January 2015, Ajay Singh acquired the controlling stake and continues to be a promoter. As on December 31, 2025, the company had total operational fleet (dry lease/owned) of 33 aircraft. The company is undertaking efforts to operationalise its grounded aircraft.

Brief Financials (₹ crore) Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	9M FY26 (UA)
Total operating income	6,924.90	5,226.91	3581.7
PBILDT*	-369.36	-470.92	-437.3

Profit after tax (PAT)	-409.44	58.07	-1117.2
Overall gearing (x)	-2.08	6.17	-
Interest coverage (x)	-0.77	-1.56	-2.59

A: Audited; UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2029	680.89	CARE D
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	364.02	CARE D / CARE D

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	680.89	CARE D	1)CARE B+; Stable (09-Apr-26)	-	1)CARE BB-; Stable (28-Jan-25)	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	364.02	CARE D / CARE D	1)CARE B+; Stable / CARE A4 (09-Apr-26)	-	1)CARE BB-; Stable / CARE A4 (28-Jan-25)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	SpiceJet Merchandise Private Limited	Full consolidation	Subsidiary
2	SpiceJet Technic Private Limited	Full consolidation	Subsidiary
3	SpiceJet Interactive Private Limited	Full consolidation	Subsidiary
4	SpiceJet Shuttle Private Limited	Full consolidation	Subsidiary
5	SpiceJet Club Private Limited	Full consolidation	Subsidiary
6	Canvin Real Estate Private Limited	Full consolidation	Subsidiary
7	SpiceXpress and Logistics Private Limited	Full consolidation	Subsidiary
8	Spice Ground handling Services Private Limited	Full consolidation	Subsidiary
9	SpiceTech System Private Limited	Full consolidation	Subsidiary
10	AS Air Lease 41 (Ireland) Limited	Full consolidation	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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