

December 13, 2024

Tata SIA Airlines Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term Non-fund Based (SBLC/BG)	2,672.15	2,672.15	[ICRA]A; Rating Watch with Positive Implications /[ICRA]A1; Rating Watch with Positive Implications; withdrawn
Short-term Fund-based Interchangeable Limits (Overdraft/WCDL)	(11.74)	(11.74)	[ICRA]A1; Rating Watch with Positive Implications; withdrawn
Short-term Fund-based Limits (Overdraft)	21.10	21.10	[ICRA]A1; Rating Watch with Positive Implications; withdrawn
Total	2,693.25	2,693.25	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Tata SIA Airlines Limited (Tata SIA/ Vistara)** as the company has been merged with Air India Limited. The ratings have been withdrawn at the request of the company and in accordance with ICRA's policy on withdrawal.

The key rating drivers, liquidity position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group Support	Parent Company: Tata Sons Private Limited and Singapore International Airlines ICRA expects both the JV partners to continue supporting Tata SIA financially and operationally, given its strategic importance. It also shares a common name with both the parent entities, which in ICRA's opinion would persuade them to provide financial support to protect their reputation from the consequences of a group entity's distress.
Consolidation/Standalone	Standalone

About the company

Tata SIA Airlines Limited is a joint venture of Tata Sons Private Limited and Singapore Airlines Limited, wherein Tata Sons holds a 51% stake in the partnership and SIA owns the remaining 49%. The company operates under the brand, Vistara, and is positioned as a full-service airline with its hub in New Delhi. It commenced operations with a maiden flight from New Delhi to Mumbai on January 09, 2015. At full capacity, the airline serves more than 50 destinations with over 300 daily flights with a combined fleet of 70 Airbus A320s, Airbus A321s and Boeing 787-9 Dreamliner. The airline commenced its international operations in FY2020, serving more than 15 destinations at present. The airline has a major share in international flights originating from or terminating in India.

SIA and Tata Sons have merged Air India and Vistara, with SIA investing ~Rs. 2,058.5 crore (~\$250 million) in Air India as part of the transaction. The transaction would provide SIA with a 25.1% stake within the enlarged Air India Group, which will have a significant presence in all key market segments in the Indian aviation industry.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs crore)	December 13, 2024	Date	Rating	FY2024		FY2023		FY2022	
						Date	Rating	Date	Rating	Date	Rating
Short-term Fund-based Interchangeable Limits (Overdraft/WCDL)	Short Term	(11.74)	[ICRA]A1; Rating Watch with Positive Implications; withdrawn	14-Aug-2024	[ICRA]A1 Rating Watch with Positive Implications	17-Jul-2023	[ICRA]A1 Rating Watch with Positive Implications	07-Apr-2022	[ICRA]A1	-	-
				-	-	-	-	07-Dec-2022	[ICRA]A1 Rating Watch with Positive Implications	-	-
Short term Fund-based limits (Overdraft)	Short Term	21.10	[ICRA]A1; Rating Watch with Positive Implications; withdrawn	14-Aug-2024	[ICRA]A1 Rating Watch with Positive Implications	17-Jul-2023	[ICRA]A1 Rating Watch with Positive Implications	07-Apr-2022	[ICRA]A1	-	-
				-	-	-	-	07-Dec-2022	[ICRA]A1 Rating Watch with Positive Implications	-	-
Long term / short term-unallocated	Long Term/ Short Term	-	-	-	-	17-Jul-2023	[ICRA]A/ [ICRA]A1 Rating Watch with Positive Implications	07-Apr-2022	[ICRA]A (Negative)/ [ICRA]A1	-	-
				-	-	-	-	07-Dec-2022	[ICRA]A/ [ICRA]A1 Rating Watch with Positive Implications	-	-
Short term-unallocated	Short Term	-	-	-	-	17-Jul-2023	[ICRA]A1 Rating Watch with Positive Implications	07-Apr-2022	[ICRA]A1	-	-

		Current (FY2025)				Chronology of rating history for the past 3 years					
						FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs crore)	December 13, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	-	-	07-Dec-2022	[ICRA]A1 Rating Watch with Positive Implications	-	-
Long-term/Short-term Non-fund Based (SBLC/BG)	Long Term/ Short Term	2,672.15	[ICRA]A; Rating Watch with Positive Implications / [ICRA]A1; Rating Watch with Positive Implications; withdrawn	14-Aug-2024	[ICRA]A/ [ICRA]A1 Rating Watch with Positive Implications	17-Jul-2023	[ICRA]A/ [ICRA]A1 Rating Watch with Positive Implications	07-Apr-2022	[ICRA]A (Negative)/ [ICRA]A1	-	-
				-	-	-	-	07-Dec-2022	[ICRA]A/ [ICRA]A1 Rating Watch with Positive Implications	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/Short-term non-fund Based (SBLC/BG)	Simple
Short-term Fund-based interchangeable limits (Overdraft/WCDL)	Simple
Short term Fund-based limits (Overdraft)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/ Short-term non-fund Based (SBLC/BG)	NA	NA	NA	2,672.15	[ICRA]A; Rating Watch with Positive Implications / [ICRA]A1; Rating watch with Positive implications; Withdrawn
NA	Short-term Fund-based interchangeable limits (Overdraft/WCDL)	NA	NA	NA	(11.74)	[ICRA]A1; Rating watch with Positive implications; Withdrawn
NA	Short term Fund-based limits (Overdraft)	NA	NA	NA	21.10	[ICRA]A1; Rating watch with Positive implications; Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - Not Applicable

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