

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Tata SIA Airlines Limited: Ratings withdrawn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| 2,672.15 | [ICRA]A; Rating Watch with Positive Implications /[ICRA]A1; Rating Watch with Positive Implications; withdrawn |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Interchangeable Limits (Overdraft/WCDL) | (11.74) | (11.74) | [ICRA]A1; Rating Watch with Positive Implications; withdrawn |
| Short-term Fund-based Limits (Overdraft) | 21.10 | 21.10 | [ICRA]A1; Rating Watch with Positive Implications; withdrawn |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ICRA has withdrawn the ratings assigned to the bank facilities of **Tata SIA Airlines Limited (Tata SIA/ Vistara)** as the company has been merged with Air India Limited. The ratings have been withdrawn at the request of the company and in accordance with ICRA's policy on withdrawal.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position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn.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

| | 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 |
| 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

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

Rohan Kumar Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Srikumar Krishnamurthy
+91 44 45964 318
ksrikumar@icraindia.com

Akshit Goel
+91 98215 64274
akshit.goel@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.