

March 23, 2026

## SNV Aviation Private Limited (d.b.a Akasa Air): Ratings placed on Watch with Negative Implications

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term – Non-fund based – SBLC	125.00	125.00	[ICRA]A3; Placed on rating watch with negative implications
Short-term – Non-fund based – Bank Guarantee	125.00	125.00	[ICRA]A3; Placed on rating watch with negative implications
Long-term – Non-fund based – Bank Guarantee	98.00	98.00	[ICRA]BBB-; Placed on rating watch with negative implications
Short-term –Fund-based – Overdraft	1.00	1.00	[ICRA]A3; Placed on rating watch with negative implications
Short-term –Non-fund based – Loan equivalent risk	0.50	0.50	[ICRA]A3; Placed on rating watch with negative implications
Short-term – Non-fund based – Interchangeable limits	(40.00)	(40.00)	[ICRA]A3; Placed on rating watch with negative implications
Short-term – Non-fund based – Interchangeable limits	(98.00)	(98.00)	[ICRA]A3; Placed on rating watch with negative implications
Short-term –Interchangeable – Overdraft	(1.00)	(1.00)	[ICRA]A3; Placed on rating watch with negative implications
Short term – Unallocated limit	50.50	50.50	[ICRA]A3; Placed on rating watch with negative implications
<b>Total</b>	<b>400.00</b>	<b>400.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has placed the ratings of SNV Aviation Private Limited (d.b.a Akasa Air) on Watch with Negative Implications, considering the expected pressure on the company's operating and financial performance following the escalation of geopolitical tensions in West Asia since late February 2026. The conflict has disrupted the availability of international airspace and triggered a sharp rise in crude oil prices.

The disruptions have resulted in significant flight cancellations and selective curtailment of international routes. For Akasa Air, international operations form a relatively modest share of overall capacity, with West Asian routes accounting for a limited share of its total flights. While certain international services were impacted during the period, the company was able to partially redeploy aircraft towards domestic routes, which helped moderate the immediate impact on capacity utilisation and revenues. Further, Akasa Air does not operate long-haul international services, which limits its exposure to prolonged rerouting-related inefficiencies compared to some larger peers.

The key source of earnings pressure on the company stems from the sharp increase in aviation turbine fuel (ATF) prices alongside the depreciation of the INR against the USD. Brent crude prices have risen sharply following the conflict, leading to heightened fuel cost pressures. Given that fuel constitutes a significant portion of the aviation industry's (including Akasa Air's) operating costs and a sizeable share of expenses is denominated in Dollar terms, sustained elevated crude oil prices, coupled with depreciation of the INR against the USD, is expected to result in heightened earnings pressure than earlier estimated. While the company has already levied a fuel surcharge and may need to further undertake pricing and network optimisation measures, the ability to fully pass on incremental cost increases remains constrained.

Despite the above challenges, ICRA takes comfort from Akasa Air’s adequate liquidity position, which has been supported by fresh capital infusion and gains from aircraft sale and leaseback (SLB) transactions. As the company is in growth phase, the company’s cash losses to date have largely been funded through SLB inflows, which have provided liquidity support despite continued operating losses. However, the liquidity position remains dependent on the timely delivery of aircraft from Boeing, as the realisation of SLB proceeds is directly linked to aircraft inductions, making this a key rating monitorable.

The Rating Watch with Negative Implications indicates the uncertainty around the duration and severity of airspace disruptions, the trajectory of crude oil prices and currency movements, the extent of deviation in losses from earlier estimates, and the company’s ability to sustain liquidity through timely aircraft deliveries, operational adjustments, and additional fund raising, if needed.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description:

[Click here](#)

### Liquidity position: Adequate

While Akasa Air's operations are yet to turn profitable, its existing cash balances, inflows from the SLB transactions, and the fund infusion from investors in 9M FY2026 are estimated to be adequate to fund its business losses and repayment obligations (against lease payments) over the near term.

### Rating sensitivities

**Positive factors** – The rating watch could be favorably resolved if geopolitical risks subside, leading to moderation in fuel prices and easing of airspace restrictions, thereby improving visibility and comfort around the airline’s operational and financial performance. A demonstrated track record of sustainable increase in the company’s scale of operations and profitability indicators, while maintaining an adequate liquidity profile, could lead to an improvement in ratings.

**Negative factors** – The ratings could be revised downward if geopolitical tensions persist or intensify, resulting in sustained elevated fuel prices, prolonged airspace restrictions, and a consequent material weakening of the airline’s operating performance, cash flow metrics and liquidity buffers. Delay in deliveries of aircraft and, hence, lower SLB gains, resulting in weakening of liquidity position could also exert pressure on the ratings.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials SNV Aviation Private Limited (d.b.a Akasa Air). As on March 31, 2025, the company had one wholly-owned subsidiary, Wingworld Ground Services Private Limited.

## About the company

SNV Aviation Private Limited (d.b.a Akasa Air), operating as Akasa Air, is a private airline company incorporated on November 24, 2020. It follows a low-cost carrier business model, serving both domestic and international markets. The airline began its commercial operations on August 7, 2022. As on March 1, 2026, Akasa Air expanded its fleet to 35 leased aircraft. The airline currently serves 32 destinations, including five international and 27 domestic routes. The Jhunjhunwala and Dube families along with Premji Invest, Claypond Capital, and funds managed by 360 ONE Asset are the major shareholders of the company.

### Key financial indicators (audited)

(Consolidated)	FY2024	FY2025
Operating income	3,069.6	4,582.7
PAT	-1,670.1	-1,983.5
OPBDIT/OI	-31.9%	-23.0%
PAT/OI	-54.4%	-43.3%
Total outside liabilities/Tangible net worth (times)	-3.5	-2.2
Total debt/OPBDIT (times)	-6.2	-6.4
Interest coverage (times)	-2.4	-2.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

**Rating history for past three years**

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2026)		Chronology of rating history for the past 3 years						
			March 23, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>SBLC</b>	Short-term	125.0	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Bank Guarantee</b>	Short-term	125.0	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Bank Guarantee</b>	Long term	98.00	<b>[ICRA]BBB-; Rating watch with negative Implications</b>	May 12, 2025	[ICRA]BBB- (Stable)	-	-	-	-	-	-
<b>Overdraft</b>	Short-term	1.00	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Loan Equivalent risk</b>	Short term	0.50	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Interchangeable limits</b>	Short-term	(40.00)	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Interchangeable limits</b>	Short-term	(98.00)	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Interchangeable limits</b>	Short-term	(1.00)	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-
<b>Unallocated Limits</b>	Short-term	50.50	<b>[ICRA]A3; Rating watch with negative implications</b>	May 12, 2025	[ICRA]A3	-	-	-	-	-	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Short term - Non-Fund Based - SBLC	Simple
Short term - Non-Fund Based - Bank Guarantee	Simple
Long term – Non Fund Based - Bank Guarantee	Simple
Short term – Fund Based - Overdraft	Simple
Short term – Non-Fund Based - Loan Equivalent risk	Simple
Short term - Non-Fund Based - Interchangeable limits	Simple
Short term - Non-Fund Based - Interchangeable limits	Simple
Short term - Non-Fund Based - Interchangeable limits	Simple
Short-term - Unallocated Limits	Not applicable

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 analyzing 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, is 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	SBLC	NA	NA	NA	125.0	[ICRA]A3; Rating watch with negative implications
NA	Bank Guarantee	NA	NA	NA	125.0	[ICRA]A3; Rating watch with negative implications
NA	Bank Guarantee	NA	NA	NA	98.00	[ICRA]BBB-; Rating watch with negative implications
NA	Overdraft	NA	NA	NA	1.00	[ICRA]A3; Rating watch with negative implications
NA	Loan Equivalent risk	NA	NA	NA	0.50	[ICRA]A3; Rating watch with negative implications
NA	Interchangeable limits	NA	NA	NA	(40.00)	[ICRA]A3; Rating watch with negative implications
NA	Interchangeable limits	NA	NA	NA	(98.00)	[ICRA]A3; Rating watch with negative implications
NA	Interchangeable limits	NA	NA	NA	(1.00)	[ICRA]A3; Rating watch with negative implications
NA	Unallocated Limits	NA	NA	NA	50.5	[ICRA]A3; Rating watch with negative implications

Source: Company

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

### Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Wingworld Ground Services Private Limited	100.00%	Full Consolidation

Source: Annual report, \*As on March 31, 2025

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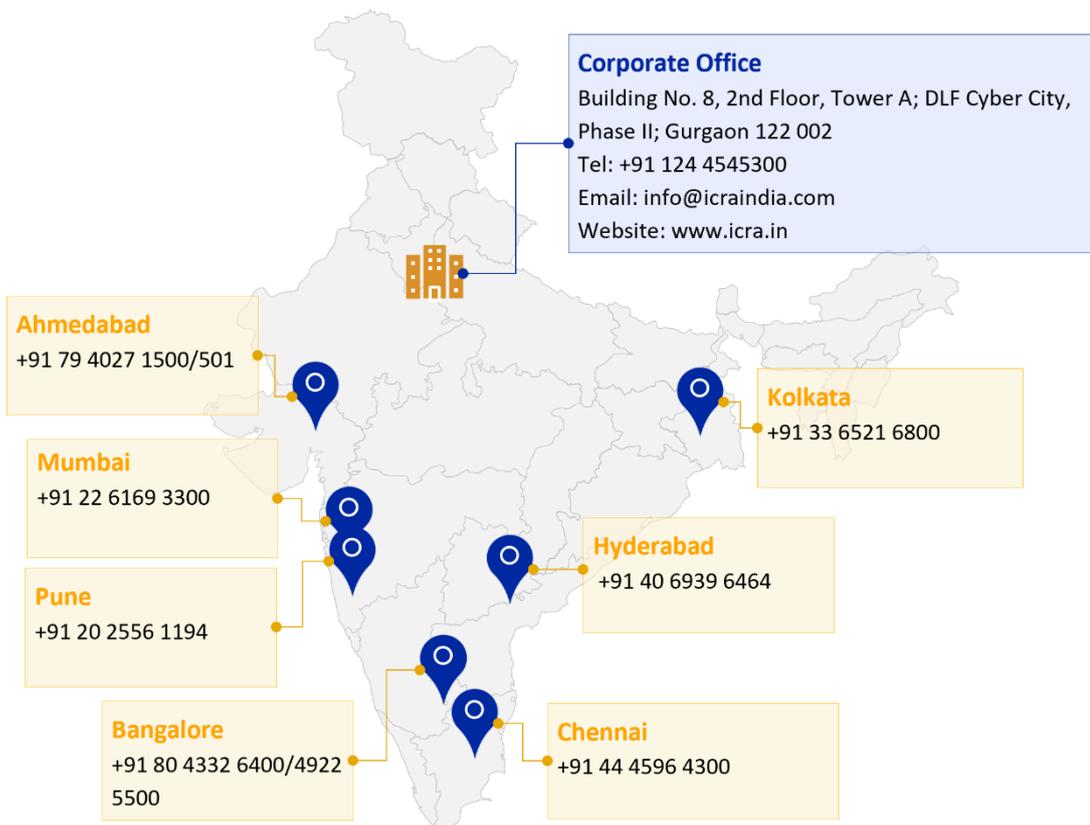
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### Branches



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