

June 12, 2026

SNV Aviation Private Limited (d.b.a Akasa Air): Rating continues to be on Watch with Negative Implications; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short-term Fund-based Short-term loan	-	10.00	[ICRA]A3 Rating Watch with Negative Implications; assigned
Short-term Unallocated limits	50.50	0.50	[ICRA]A3; continues to be on Rating Watch with Negative Implications
Short-term –Non-fund based – Loan equivalent risk	0.50	0.50	[ICRA]A3; continues to be on Rating Watch with Negative Implications
Short-term – Non-fund based – SBLC	125.00	215.00	[ICRA]A3; continues to be on Rating Watch with Negative Implications/ assigned for enhanced amount
Short-term Interchangeable limits	-	(10.00)	[ICRA]A3 Rating Watch with Negative Implications; assigned
Short-term Interchangeable limits	(138.00)	(313.00)	[ICRA]A3; continues to be on Rating Watch with Negative Implications/ assigned for enhanced amount
Short-term Fund-based Overdraft	1.00	1.00	[ICRA]A3; continues to be on Rating Watch with Negative Implications
Short-term Interchangeable limits-Overdraft	-	(1.00)	[ICRA]A3 Rating Watch with Negative Implications; assigned
Short-term Interchangeable limits-Overdraft	(1.00)	(1.00)	[ICRA]A3; continues on Rating Watch with Negative Implications
Short-term Non-fund based Bank guarantee	125.00	125.00	[ICRA]A3; continues on Rating Watch with Negative Implications
Long-term Non-fund based Bank guarantee	98.00	223.00	[ICRA]BBB-; continues on Rating Watch with Negative Implications/ assigned for enhanced amount
Total	400.00	575.00	

*Instrument details are provided in Annexure II

Rationale

The ratings of SNV Aviation Private Limited (d.b.a Akasa Air) continue to be on Watch with Negative Implications, indicating uncertainty around the extent of the impact of geopolitical tensions in West Asia on the company's operating and financial performances and liquidity position.

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 the overall capacity, with West Asian routes accounting for a limited share of its total flights. Further, Akasa Air does not have 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 besides depreciation of the INR against the USD. Brent crude prices have increased sharply following the conflict, leading to heightened fuel cost pressure. As 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 the earlier estimates. 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 in a competitive environment, especially during seasonally weaker periods. However, certain supportive measures by the Government of India, including reduction in VAT on ATF in some key states, lowering of airport tariffs (including landing and parking charges), and the recently approved Rs. 10,000-crore ATF Price Stabilisation Fund aimed at cushioning airlines from sharp fuel price volatility, provide partial relief.

Despite the above challenges, ICRA takes comfort from Akasa Air's adequate liquidity position, supported by fresh capital infusion in FY2026 and continued gains from aircraft sale and leaseback (SLB) transactions. As the company is in the growth phase, it continues to incur cash losses despite relatively comfortable operational metrics vis-à-vis its peers, with such losses largely funded through SLB inflows, providing liquidity support. ICRA notes that the company reported higher-than-expected net losses in FY2026, however, a part of the net loss was on account of foreign exchange (forex) fluctuations. The company does not hedge its forex exposure currently, however, SLB inflows and revenues from international operations provide a partial natural hedge. The extent of losses in FY2027 owing to the impact of the current challenging operating environment is a key monitorable. Nevertheless, the liquidity position remains supported by adequate existing cash and bank balance, expected SLB proceeds and likely tapping of the emergency credit line guarantee scheme (ECLGS) support. These will help the company meet its fixed expenses in FY2027. 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.

Key rating drivers and their description

Credit strengths

Extensive experience of its key management personnel in the Indian aviation industry – Akasa Air leverages the extensive expertise of its key management personnel, including Mr. Vinay Dube, Mr. Ankur Goel and Mr. Aditya Ghosh. These individuals have nearly three decades of experience in the aviation industry, having held key leadership roles in various other airlines. Their deep understanding of the sector and proven track record in managing airline operations provide Akasa Air with a strong foundation.

Adequate liquidity position – Akasa Air has received equity infusion in FY2026 from a consortium of investors, including Premji Invest, funds managed by 360 ONE Asset, Claypond Capital, and the Jhunjhunwala family. The infusion has supported the company's liquidity position and funded its ongoing expansion. In addition, the company has continued to benefit from cash inflows through aircraft sale-and-leaseback (SLB) transactions, which remain a key source of funding, given its growth stage and continued operating losses. Further, the company has the option to avail liquidity support under the Government's ECLGS scheme, which, along with existing funding lines, provides an adequate liquidity headroom. Overall, these factors provide a buffer to the company's liquidity against near-term operational volatility while supporting its planned scale-up.

Efficient fleet utilisation levels – Despite commencing operations only three years ago, the company has successfully maintained healthy passenger load factor (PLF) of 88-90% in FY2024, FY2025 and FY2026. The company has steadily expanded its capacity, currently operating 38 aircraft, with an order book of 188 additional aircraft as of April 30, 2026. These deliveries are scheduled to take place till 2032. This gradual addition of fleet size is expected to support the maintenance of a healthy PLF, driven by robust demand and increasing penetration of domestic air travel in India. Additionally, the anticipated rise in the number of aircraft and routes, along with the expansion of international operations, will be crucial factors to monitor.

Credit challenges

Weak leverage and coverage indicators – Akasa Air has weak financial leverage and coverage indicators, given its nascent stages of operations with the company reporting operating and cash losses over the last four years, given the long gestation period, as inherent to the nature of the aviation industry. These cash losses have primarily been funded through gain on aircraft sale and leaseback at the time of delivery of aircraft, which has also supported its liquidity position. Thus, Akasa Air is highly reliant on timely deliveries of aircraft from Boeing to maintain its adequate liquidity position, and this is a key rating monitorable. While the company's operating performance is expected to improve gradually in future, supported by scale-up

of operations, improvement in RASK, and better cost absorption, continuing geopolitical tension in West Asia is likely to exert additional pressure on the company’s financial profile unless the disruptions subside. Elevated aviation fuel costs and currency volatility are expected to weigh on margins and delay the pace of improvement in cash flows and coverage metrics. As a result, the company is expected to continue reporting cash losses over the medium term, with the trajectory of improvement now subject to the evolution of external factors, including fuel prices, currency movements, and operating disruptions.

Exposed to volatility in crude oil prices and fluctuations in exchange rates – In line with the industry, Akasa Air’s profitability is highly vulnerable to volatility in fuel prices and forex rates. Fuel costs account for 35-40% of its expenses, which remain linked to the movement in volatile crude oil prices and foreign exchange rates. Besides fuel costs for international routes, the airline also has other operating expenses such as lease liabilities, aircraft and engine maintenance expenses in dollar terms. Overall, the company’s profitability remains exposed to adverse movements in fuel prices and exchange rates, particularly in the current volatile macroeconomic environment. While ATF prices witnessed moderation in FY2024 and FY2025, the escalation of geopolitical tensions in West Asia has led to a sharp increase in crude oil prices, thereby exerting pressure on the company’s cost structure. Easing of geopolitical tensions and moderation in crude oil prices are key towards alleviating cost pressures for the industry. ICRA notes that the company’s inflows in foreign currency (through international flights, sale and lease credits etc.) mitigate its forex risk to an extent.

Intense competition in industry; price-sensitive nature of domestic aviation market may restrict pricing power – As a mid-sized player in the low-cost carrier (LCC) segment, Akasa Air faces limitations in commanding a pricing premium due to the price-sensitive nature of the market and intense competition among LCCs. However, gradual addition of new aircraft and the subsequent expansion into international routes are expected to increase the airline's yield. Scaling up of operations while maintaining healthy yield levels, coupled with effective cost management, will be crucial for achieving sustainable profitability.

Liquidity position: Adequate

While Akasa Air’s operations are yet to turn profitable, its existing free cash and liquid investments, inflows from SLB transactions, and fund infusion from investors in 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 favourably 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 the liquidity position could also exert pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
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, 2026, 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 of April 30, 2026, Akasa Air had a fleet of 38 leased aircraft. The airline currently covers 33 destinations, comprising 26 domestic and seven international locations. 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	FY2025	FY2026
Operating income	4,582.7	6,167.9
PAT	-1,983.5	-2,716.0
OPBDIT/OI	-23.0%	-25.6%
PAT/OI	-43.3%	-44.0%
Total outside liabilities/Tangible net worth (times)	-2.2	-2.4
Total debt/OPBDIT (times)	-6.4	-6.5
Interest coverage (times)	-2.0	-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

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2027	FY2026		FY2025		FY2024	
			June 12, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan	Short term	10.00	[ICRA]A3; Rating Watch with Negative Implications	-	-	-	-	-	-
Unallocated limits	Short term	0.50	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
Loan Equivalent risk	Short term	0.50	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
SLBC	Short term	215.00	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
Interchangeable limits	Short term	(10.00)	[ICRA]A3; Rating Watch with Negative Implications	-	-	-	-	-	-
Interchangeable limits	Short term	(313.00)	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
Overdraft	Short term	1.00	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
Overdraft	Short term	(1.00)	[ICRA]A3; Rating Watch with Negative Implications	-	-	-	-	-	-
Interchangeable limits-Overdraft	Short term	(1.00)	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with	-	-	-	-

				negative implications					
				May 12, 2025	[ICRA]A3	-	-	-	-
Bank guarantee	Short term	125.00	[ICRA]A3; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]A3; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]A3	-	-	-	-
Bank guarantee	Long term	223.00	[ICRA]BBB-; Rating Watch with Negative Implications	Mar 23, 2026	[ICRA]BBB-; Rating watch with negative implications	-	-	-	-
				May 12, 2025	[ICRA]BBB- (Stable)	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Short-term Fund-based Short-term loan	Simple
Short-term Unallocated limits	NA
Short-term- Non-fund based Others	Simple
Short-term- Interchangeable limits	Simple
Short-term- Fund-based- Overdraft	Simple
Short-term- Interchangeable limits-Overdraft	Simple
Short-term- Non-fund based- Bank guarantee	Simple
Long-term- Non-fund based- Bank guarantee	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	NA	NA	NA	10.00	[ICRA]A3; Rating Watch with Negative Implications
NA	Unallocated limits	NA	NA	NA	0.50	[ICRA]A3; Rating Watch with Negative Implications
NA	Loan equivalent risk	NA	NA	NA	0.50	[ICRA]A3; Rating Watch with Negative Implications
NA	SLBC	NA	NA	NA	215.00	[ICRA]A3; Rating Watch with Negative Implications
NA	Interchangeable limits	NA	NA	NA	(10.00)	[ICRA]A3; Rating Watch with Negative Implications
NA	Interchangeable limits	NA	NA	NA	(313.00)	[ICRA]A3; Rating Watch with Negative Implications
NA	Overdraft	NA	NA	NA	1.00	[ICRA]A3; Rating Watch with Negative Implications
NA	Overdraft	NA	NA	NA	(1.00)	[ICRA]A3; Rating Watch with Negative Implications
NA	Interchangeable limits-Overdraft	NA	NA	NA	(1.00)	[ICRA]A3; Rating Watch with Negative Implications
NA	Bank guarantee	NA	NA	NA	125.00	[ICRA]A3; Rating Watch with Negative Implications
NA	Bank guarantee	NA	NA	NA	223.00	[ICRA]BBB-; Rating Watch with Negative Implications

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Wingworld Ground Services Private Limited	100.00%	Full consolidation

Source: Annual Report

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