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A COMPARATIVE FINANCIAL STATEMENT ANALYSIS OF INDIAN AVIATION COMPANIES: A STUDY OF SPICEJET LTD. AND INTERGLOBE AVIATION LTD

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ABSTRACT

This study aims to analyse and compare the financial performance of two major players in the Indian aviation industry SpiceJet Ltd. and Interglobe Aviation Ltd. (IndiGo) over a five-year period from 2017–18 to 2021–22. Using secondary data sourced from the ACEEquity database and official company disclosures, the study employs key financial ratios to evaluate the companies' liquidity, profitability, and solvency positions. Through a detailed intra-firm and inter-firm analysis, the research reveals that both airlines experienced a notable decline in financial health during the pandemic years, with SpiceJet showing signs of distress in liquidity and profitability, while IndiGo demonstrated relatively better resilience despite facing pressures. The findings underline the importance of efficient capital allocation, strong liquidity management, and timely cost control measures in navigating sector-wide volatility. This comparative analysis not only highlights internal management inefficiencies but also reflects the broader challenges faced by the aviation sector in India. The study concludes with suggestions aimed at improving the financial structure and strategic decision-making of the companies.

KEYWORDS: Financial Statement Analysis, Indian Aviation Sector, Liquidity Ratios, Profitability, Solvency

INTRODUCTION

Financial statement analysis is one of the most essential tools for evaluating the financial well-being and performance of a business. It plays a pivotal role in helping stakeholders such as investors, creditors, and management understand whether a company is operating efficiently and achieving its financial goals. Through key financial indicators like liquidity, profitability, and solvency ratios, financial analysis allows users to assess an organization's ability to generate returns, manage debt, and maintain adequate cash flow (Wild, Subramanyam, & Halsey, 2014).

The aviation sector in India has evolved into a critical driver of economic development, regional integration, and global connectivity. According to the International Air Transport Association (IATA, 2022), India is expected to become the third-largest aviation market in the world by 2026. The government's supportive policies, including the UDAN scheme (Ude Desh ka Aam Nagrik), aim to improve air connectivity to underserved regions, thereby contributing to inclusive economic growth (Ministry of Civil Aviation, 2021). Despite its potential, the sector faces recurring challenges, including volatile fuel prices, intense competition, regulatory constraints, and the economic shocks of the COVID-19 pandemic, which significantly weakened financial performance across airlines.

In this context, two key players stand out SpiceJet Ltd., a low-cost carrier known for affordable pricing strategies, and Interglobe Aviation Ltd., operating under the IndiGo brand, India's largest airline by market share. A comparative financial analysis of these companies can reveal important trends in strategic decision-making, cost structures, and financial resilience. While SpiceJet has struggled with liquidity and profitability issues in recent years, IndiGo has generally maintained better financial health, although not without its own challenges.

This study conducts a five-year financial statement analysis (2017–18 to 2021–22) of both companies using secondary data and key ratio analysis. By examining changes in liquidity, profitability, and solvency, the research aims to interpret the underlying financial performance of these airlines. The findings are intended to guide future financial strategies, especially in navigating uncertainty in a highly competitive and dynamic sector like aviation.

LITERATURE REVIEW

Financial statement analysis has long been recognized as a cornerstone of corporate financial evaluation, enabling stakeholders to assess an organization's health and performance using a combination of ratio metrics and trend interpretation. As Wild, **Subramanyam, and Halsey (2014)** assert, ratio analysis offers valuable insights into a firm's operational efficiency, financial structure, and investment potential. Researchers have consistently used financial ratios—such as liquidity, profitability, and solvency to understand how companies manage resources and respond to changing market conditions.

In the Indian context, the aviation sector has been a subject of growing academic interest due to its rapid expansion and strategic importance. According to **Sengupta and Mohapatra (2019)**, financial performance analysis in Indian aviation reveals how highly competitive pricing and cost structures affect long-term viability. Studies have shown that while demand for air travel in India is increasing, profitability remains elusive for many carriers due to high operational costs and low profit margins (Gupta & Arora, 2018). The COVID-19 pandemic further exposed the financial fragility of the

industry, as revenues plummeted and debt burdens grew (KPMG, 2020).

Specific comparative studies have examined airline performance using financial statements. **Kumar and Yadav (2020)**, for example, conducted a ratio-based analysis of major Indian airlines and found that liquidity ratios tend to vary widely between full-service carriers and low-cost airlines. Their findings suggest that strategic decisions regarding fleet management, route optimization, and debt financing heavily influence financial outcomes.

In terms of methodology, ratio analysis remains a favored tool for its clarity and comparability. Researchers like **Bhunia and Mukhuti (2011)** advocate for its continued use, especially when analyzing time-series data across firms in similar industries. However, recent literature also calls for a more holistic view—suggesting that ratio analysis should be complemented with narrative analysis and market-based indicators for a more nuanced understanding (Rao & Singh, 2022).

Although several studies exist on financial performance in Indian aviation, limited research has focused specifically on a comparative five-year analysis of SpiceJet Ltd. and Interglobe Aviation Ltd. This study attempts to fill that gap by using standardized financial ratios to evaluate both intra-firm and inter-firm performance over a period marked by industry turbulence.

OBJECTIVES OF THE STUDY

The primary objective of this study is to evaluate and compare the financial performance of two leading players in the Indian aviation industry SpiceJet Ltd. and Interglobe Aviation Ltd. over a five-year period from 2017–18 to 2021–22. This period is particularly significant as it encompasses both pre-pandemic operations and the financial disruptions brought on by the COVID-19 crisis.

The specific objectives of the study are as follows:

1. **To analyse the financial performance of SpiceJet Ltd. and Interglobe Aviation Ltd.** using key financial ratios—specifically those that measure liquidity, profitability, and solvency.
2. **To compare the intra-firm financial trends** within each company over five years, identifying patterns of financial improvement or decline.
3. **To conduct an inter-firm analysis** between the two companies to assess which airline has demonstrated stronger financial stability, adaptability, and efficiency during the study period.
4. **To evaluate the financial impact of external factors**, such as the COVID-19 pandemic, on the core financial indicators of both companies.

5. **To suggest financial and strategic measures** that could improve the overall financial health, liquidity management, and long-term profitability of the companies based on analytical findings.

By meeting these objectives, the study aims to provide a grounded, data-driven understanding of the financial dynamics within the Indian aviation sector and contribute meaningful insights to corporate managers, investors, and researchers alike.

RESEARCH METHODOLOGY

This study adopts a quantitative and comparative analytical approach to evaluate the financial health of two major Indian airline companies, SpiceJet Ltd. and Interglobe Aviation Ltd. over a five-year period from 2017–18 to 2021–22. The research is based entirely on secondary data, using publicly available financial statements and databases to extract relevant financial indicators.

1. Selection of Companies

The study focuses on SpiceJet and Interglobe Aviation (IndiGo) due to their significant presence in the Indian aviation market. SpiceJet is a prominent low-cost carrier known for its budget-friendly operations, while IndiGo holds the largest market share and is considered one of the more financially stable airlines in India. Their contrasting business models and market strategies make them ideal candidates for comparative financial analysis.

2. Sources of Data

All data used in this study are secondary in nature. The main source of financial figures is the **ACEEquity Database**, complemented by official reports published on the companies' investor relations websites. Additional conceptual support has been gathered from textbooks, journal articles, and financial analysis handbooks.

3. Period of Study

The timeframe selected is five financial years from 2017–18 to 2021–22 which includes both pre-pandemic operations and the crisis years marked by COVID-19. This allows for a more dynamic understanding of how external shocks impact airline finances over time.

4. Analytical Tools and Techniques

The ratio analysis technique is employed to assess and compare the financial health of both companies. The key ratios used include:

- **Liquidity Ratios:** Current Ratio, Quick Ratio
- **Profitability Ratios:** Gross Profit Ratio, Net Profit Ratio, Return on Assets (ROA), Return on Equity (ROE), Return on Capital Employed (ROCE)
- **Solvency Ratios:** Debt-to-Equity Ratio, Debt-to-Total Assets, Interest Coverage Ratio

- **Efficiency Ratios:** Asset Turnover, Inventory Turnover, Debtors Turnover, Fixed Asset Turnover

These ratios provide insight into how well the companies manage their short-term obligations, utilize their assets, generate profits, and maintain financial solvency.

5. Limitations of the Study

- The study relies solely on secondary data, which may not reflect all qualitative or internal strategic decisions.
- The analysis does not account for macroeconomic factors such as inflation, fuel price fluctuations, or government regulations, though they significantly impact airline performance.
- Since the data is historical, it may not fully represent the companies' current post-pandemic recovery trajectories.

Despite these limitations, the methodology provides a structured and consistent framework to draw meaningful financial insights from the chosen firms.

DATA ANALYSIS AND INTERPRETATION

1. Intra-Firm Analysis: SpiceJet Ltd. (2017–18 to 2021–22)

Ratio	2017–18	2018–19	2019–20	2020–21	2021–22
Current Ratio	0.26	0.29	0.30	0.38	0.34
Quick Ratio	0.23	0.25	0.26	0.34	0.31
Asset Turnover Ratio	1.79	2.12	2.21	2.07	1.40
EPS (₹)	7.50	7.13	9.30	-5.04	-15.61
ROA (%)	15.80	14.64	15.90	-6.85	-10.60
ROCE (%)	319.11	142.40	75.90	-13.83	-257.72
Total Debt/Equity	-1.18	-1.89	-22.77	-3.12	-0.69
Total Debt/Market Capitalization	0.32	0.19	0.17	0.19	0.50

• Liquidity Position

The liquidity ratios of SpiceJet over the five-year period reveal a mixed financial picture. The current ratio, which indicates the company's ability to meet short-term obligations using current assets, improved modestly from 0.26 in 2017–18 to 0.38 in 2020–21, before falling again to 0.34 in 2021–22. A similar trend is observed in the quick ratio, which excludes inventory from current assets,

reflecting an even more cautious measure of liquidity. This ratio increased from 0.23 to 0.34, before declining slightly in the last fiscal year.

While this initial upward trend signals an attempt to strengthen short-term financial stability, the drop in the most recent year suggests renewed pressure on liquidity. The ratios have remained below the ideal benchmark of 1.0 throughout, indicating persistent difficulties in covering short-term liabilities. Additionally, the asset turnover ratio declined notably from 2.21 in 2019–20 to 1.40 in 2021–22, reflecting lower efficiency in utilizing total assets to generate revenue. Similarly, the debtor turnover ratio, which measures how quickly the firm collects its receivables, fell from 117.31 in 2017–18 to just 56.13 in 2021–22, suggesting potential cash flow issues and delayed customer payments.

The inventory turnover ratio showed a volatile trend, declining initially but rising slightly in 2021–22. Despite this marginal improvement, overall efficiency in managing inventory and receivables appears weak, potentially straining cash reserves.

Interpretation:

While SpiceJet made some efforts to improve liquidity between 2018 and 2020, the company's short-term financial resilience deteriorated during the pandemic. Declining ratios in 2021–22 underscore the need for better working capital management and stronger receivables collection.

• Profitability Position

The profitability indicators for SpiceJet portray a challenging financial trajectory. After three consecutive years of moderate earnings (EPS ranging from ₹7.13 to ₹9.30), the airline slipped into losses during 2020–21 and 2021–22, with negative EPS of ₹-5.04 and ₹-15.61, respectively. The company has also maintained a zero-dividend policy throughout, indicating a strategy to retain earnings though in this case, due to consistent losses.

Both Return on Assets (ROA) and Return on Equity (ROE) fell into negative territory in the last two fiscal years. Notably, ROA dropped from 15.90% in 2019–20 to -10.60% in 2021–22, signalling an erosion in the firm's ability to utilize assets profitably. ROE remained at zero throughout, possibly due to accumulated losses outweighing equity.

The Return on Capital Employed (ROCE), once impressively high at 319.11% in 2017–18, plummeted to -257.72% by 2021–22. Such a sharp decline reflects the deteriorating effectiveness in using long-term capital to generate returns.

Interpretation:

SpiceJet's profitability has been severely hit, particularly in the pandemic period. Sustained losses,

declining returns, and an absence of dividends point to deep operational inefficiencies and financial strain. The company needs strategic cost control, better asset utilization, and possibly restructuring to regain financial health

• Solvency Position

SpiceJet's Total Debt-to-Equity ratio has shown negative values throughout the study period from -1.18 in 2017–18 to -0.69 in 2021–22. While on the surface this could suggest a higher equity base compared to debt, such extreme negative values often arise from negative shareholder equity, which is a red flag for financial distress. The most extreme case was in 2019–20, with a ratio of -22.77, indicating serious imbalance in capital structure.

The Total Debt-to-Market Capitalization ratio increased from 0.17 in 2019–20 to 0.50 in 2021–22, reflecting growing market concern about the airline's ability to manage its debt. This shift may have been driven by falling investor confidence, declining share prices, and continued losses.

Interpretation:

SpiceJet's solvency is weakening. Negative equity and rising debt levels pose serious challenges for long-term financial sustainability. To address this, the company needs to explore equity infusion, restructure existing debt, and focus on restoring profitability.

2. Intra-Firm Analysis: Interglobe Aviation Ltd. (2017–18 to 2021–22)

Ratio	2017–18	2018–19	2019–20	2020–21	2021–22
Current Ratio	1.75	2.39	2.17	1.37	1.10
Quick Ratio	1.72	2.36	2.15	1.35	1.08
EPS (₹)	45.90	58.33	4.09	-6.07	-150.85
ROA (%)	9.68	11.72	0.64	-0.65	-12.92
ROE (%)	44.55	41.73	2.26	-3.66	-195.40
ROCE (%)	40.00	44.51	4.40	20.66	-79.48
Total Debt/Equity	0.70	0.35	0.35	0.12	33.04
Total Debt/Market Capitalization	0.07	0.05	0.04	0.02	0.04

• Liquidity Position

Interglobe Aviation began the study period with strong liquidity. Its current ratio stood at 1.75 in 2017–18 and peaked at 2.39 in 2018–19, reflecting a comfortable cushion to cover short-term

obligations. However, a steady decline was observed thereafter, with the ratio dropping to 1.10 by 2021–22, signalling a potential weakening of liquidity. The quick ratio followed a similar trend, declining from 1.72 to 1.08 over the same period.

These figures, though still above 1.0, suggest reduced financial flexibility in the post-pandemic period. A decline in asset turnover ratio—from 1.20 in 2018–19 to just 0.33 in 2021–22 also points toward reduced operational efficiency, likely due to lower revenues during COVID related disruptions. The inventory turnover ratio, which peaked at 144.41 in 2019–20, plunged to 48.60 in 2021–22, indicating slower movement of goods and possible overstocking or operational slowdown. Similarly, the fixed asset turnover ratio fell from 4.38 to 0.58, revealing inefficiencies in asset utilization.

Interpretation:

IndiGo's liquidity, while stronger than SpiceJet's, showed clear signs of stress in the pandemic years. The declining turnover ratios highlight a reduced ability to convert assets into revenue, calling for more strategic asset management and working capital optimization.

• Profitability Position

The earnings per share (EPS) trend for IndiGo reflects sharp volatility. From a robust ₹58.33 in 2018–19, it dropped to ₹4.09 in 2019–20 and plummeted to ₹-150.85 in 2021–22. This steep fall aligns with the pandemic's financial impact, especially during lockdowns and travel bans. The company's return on assets (ROA) and return on equity (ROE) followed suit, both entering negative territory in the last two fiscal years. ROE, in particular, saw a dramatic fall to -195.40% in 2021–22, reflecting significant losses in relation to shareholders' equity. Meanwhile, ROCE (Return on Capital Employed) dropped from 44.51% in 2018–19 to -79.48% in 2021–22, further highlighting inefficiencies in capital utilization.

The dividend payout ratio also fluctuated, reaching an anomalously high 122.23% in 2019–20, suggesting that dividends were paid out despite low earnings a move that might have compromised reinvestment potential.

Interpretation:

IndiGo's profitability was seriously affected in the latter years, mainly due to pandemic-related disruptions. Though it started from a position of strength, the sharp financial decline raises questions about cost control and capital allocation. There is a pressing need to revisit dividend policies, reduce fixed costs, and improve efficiency.

• Solvency Position

The total debt-to-equity ratio remained stable and relatively low until 2020–21, suggesting conservative leverage practices. However, in 2021–22, this ratio spiked dramatically to 33.04,

indicating a sharp increase in reliance on debt financing. While this could be a response to liquidity needs during the pandemic, such high leverage could pose future financial risks if earnings do not stabilize.

Interestingly, the total debt-to-market capitalization ratio remained modest throughout, fluctuating between 0.04 and 0.07, suggesting that despite higher debt, investor confidence or market valuation remained relatively strong.

Interpretation:

The sharp rise in debt levels in 2021–22 is concerning. While IndiGo's market capitalization appears to have absorbed the shock to some extent, maintaining long-term solvency will require tighter control on borrowing and improved earnings performance.

3. Inter-Firm Comparative Analysis: SpiceJet Ltd. vs Interglobe Aviation Ltd.

This section presents a side-by-side evaluation of SpiceJet Ltd. and Interglobe Aviation Ltd. (IndiGo), focusing on key financial performance metrics across the five-year study period. By comparing both firms on liquidity, profitability, and solvency ratios, the analysis highlights strategic strengths, vulnerabilities, and divergent financial trajectories.

• Liquidity Comparison

In terms of liquidity, IndiGo consistently outperformed SpiceJet. Throughout the study period, IndiGo maintained a current ratio and quick ratio above 1.0, indicating a sound ability to cover short-term obligations. In contrast, SpiceJet's liquidity ratios remained well below 1.0, signalling a persistent struggle to manage working capital and meet immediate liabilities. While both airlines saw declining liquidity in the post-COVID period, IndiGo's relatively stronger balance sheet and better control over current assets helped cushion the blow. The higher inventory turnover and asset turnover ratios in IndiGo's earlier years also reflect more efficient operations compared to SpiceJet, which faced increasing inefficiencies over time.

• Profitability Comparison

When comparing profitability, IndiGo began with a significant edge, reporting strong earnings per share (₹58.33 in 2018–19) and healthy ROA and ROE figures. However, the pandemic severely impacted both airlines, pulling them into losses. SpiceJet's EPS fell to ₹-15.61, and IndiGo's plunged even deeper to ₹-150.85 in 2021–22. Both companies reported negative ROE and ROCE, highlighting how thin margins and declining revenue strained profitability.

SpiceJet, however, faced steeper operational inefficiencies, as seen in the continuous drop in ROCE from a high of 319.11% in 2017–18 to a stark -257.72% in 2021–22. IndiGo's profitability erosion,

though significant, started from a stronger base, giving it a better capacity to absorb shocks. Additionally, IndiGo's early dividend payouts contrast with SpiceJet's consistent non-distribution, which might reflect differences in shareholder confidence and retained earnings policy.

• Solvency Comparison

SpiceJet's capital structure emerged as a major concern, with a negative debt-to-equity ratio throughout, suggesting either negative equity or serious balance sheet imbalances. IndiGo, on the other hand, maintained relatively low leverage until 2020–21, indicating prudent debt management. However, in 2021–22, IndiGo's debt-to-equity ratio shot up to 33.04, a sharp deviation that could reflect emergency borrowing during the pandemic.

Despite this sudden spike, IndiGo's debt-to-market capitalization ratio remained stable, implying stronger market perception and investor confidence. SpiceJet's increasing debt burden, combined with eroded equity and falling market capitalization, places it in a riskier solvency position.

Summary Table (2021-22)

Ratio	SpiceJet	IndiGo	Stronger Performer
Current Ratio	0.34	1.10	IndiGo
Quick Ratio	0.31	1.08	IndiGo
Earnings Per Share (EPS ₹)	-15.61	-150.85	SpiceJet (less negative)
Return on Assets (ROA %)	-10.60	-12.92	SpiceJet
Return on Equity (ROE %)	0.00	-195.40	SpiceJet
Return on Capital Employed (%)	-257.72	-79.48	IndiGo
Debt/Equity Ratio	-0.69	33.04	IndiGo (until 2021–22)
Debt/Market Capitalization	0.50	0.04	IndiGo

FINDINGS AND DISCUSSIONS

The comparative analysis of SpiceJet Ltd. and Interglobe Aviation Ltd. over a five-year period has brought to light several key findings about their financial health, performance trends, and resilience in the face of industry disruptions—particularly during the COVID-19 pandemic.

• Liquidity Management

One of the most consistent findings is that IndiGo maintained stronger liquidity than SpiceJet throughout the period. With current and quick ratios consistently above 1.0 until 2021, IndiGo

appeared better equipped to handle short-term obligations and cash flow pressures. In contrast, SpiceJet's liquidity remained below the standard benchmark, indicating ongoing working capital constraints and a tighter financial cushion.

However, both companies experienced a decline in liquidity post-2020, reflecting the aviation sector's exposure to cash flow shocks during travel restrictions and grounded fleets. This trend underlines the need for airlines to build more resilient cash buffers and optimize receivables and inventory turnover even in high-risk environments.

- **Profitability Under Pressure**

The profitability performance of both airlines deteriorated significantly during the pandemic years, but with differing trajectories. IndiGo started from a much stronger position, posting high EPS and robust returns in its early years. SpiceJet, on the other hand, displayed moderate profitability that was less sustainable under stress. By 2021–22, both companies had entered negative profitability zones, with IndiGo recording a severe decline in EPS to ₹-150.85.

The analysis suggests that while IndiGo was better positioned to absorb initial shocks, the prolonged crisis eroded even its financial advantage. The fall in ROA, ROE, and ROCE across both companies further indicates systemic pressure on profitability, exacerbated by rising costs, fixed overheads, and low passenger yields.

- **Solvency and Capital Structure**

SpiceJet's capital structure appeared structurally weak across all five years. Its negative debt-to-equity ratio suggests deep equity erosion, possibly due to accumulated losses or negative net worth. Such a position can deter investors and reduce borrowing capacity, further limiting the company's ability to fund operations or expansion.

IndiGo, in contrast, showed a more conservative use of debt until 2020–21, which kept its solvency risk under control. The sudden surge in its debt-to-equity ratio to 33.04 in 2021–22 is alarming and could signal a shift towards aggressive financing—likely a response to liquidity shortages during the pandemic. While still better positioned than SpiceJet, IndiGo must now focus on restoring balance by improving earnings and gradually reducing leverage.

- **Strategic Implications**

The findings point to a few broader lessons for the Indian aviation sector:

- Liquidity is non-negotiable in high-risk, capital-intensive industries like aviation. Both firms need to prioritize better working capital management and diversification of funding sources.
- Operational efficiency must be sustained even during growth years, as seen in IndiGo's earlier advantage through higher asset turnover.
- Airlines must build financial resilience by maintaining stronger equity bases, reducing dividend payouts during lean years, and pursuing flexible cost structures.
- Crisis preparedness whether through insurance, alternative income streams (e.g., cargo), or cash reserves should be a strategic priority moving forward.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study set out to evaluate and compare the financial performance of two key players in India's aviation industry SpiceJet Ltd. and Interglobe Aviation Ltd. (IndiGo) over a five-year period from 2017–18 to 2021–22. Through detailed ratio analysis, the research assessed each company's liquidity, profitability, and solvency to understand their operational efficiency and financial resilience, particularly in light of the COVID-19 pandemic.

The findings reveal that IndiGo maintained a relatively stronger financial position, especially during the early years, due to prudent liquidity management and efficient asset utilization. However, the pandemic exposed vulnerabilities in both firms. SpiceJet, already operating under tight liquidity and profitability constraints, experienced deeper financial stress, while IndiGo, despite starting from a position of strength, showed signs of deterioration in 2021–22 most notably in its rising debt levels and steep drop in earnings.

Both airlines face financial challenges, but the nature and severity differ. SpiceJet's issues are more structural rooted in negative equity, low cash reserves, and operational inefficiencies. IndiGo's concerns appear to be more cyclical and reactive, stemming from temporary shocks and strategic borrowing during a crisis period.

Recommendations

To navigate the financial uncertainties of the aviation industry and strengthen their position moving forward, both SpiceJet and IndiGo must adopt a more strategic approach to liquidity and profitability management. For SpiceJet, the foremost priority should be to stabilize its short-term financial health by improving receivables collection, optimizing inventory cycles, and securing fresh equity to rebuild its weakened capital base. Without these fundamental corrections, its continued operation may remain

under threat. IndiGo, while better positioned, must also address the recent surge in its debt levels by gradually deleveraging and maintaining tighter control over operational expenses. Reducing fixed costs, renegotiating lease agreements, and embracing more flexible staffing and service models can significantly ease pressure on cash flows during future downturns.

Both airlines should also consider diversifying their revenue models. Expanding cargo operations, chartered services, and code-sharing partnerships can create alternate streams of income, while value-added services like priority boarding or bundled pricing can enhance per-passenger revenue. Additionally, leveraging digital tools for dynamic pricing, route planning, and cost forecasting will make both airlines more agile in responding to volatile demand. As the sector recovers, sustained profitability will depend not just on passenger growth but also on the internal financial discipline each company enforces. Building this resilience now will ensure that both firms are not only ready for recovery but also better equipped for future disruptions.

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