

AI Express reports ₹262cr profit for FY18

Air India Arm In Green For 3rd Yr Amid Industry Turbulence

TIMES NEWS NETWORK

Mumbai: At a time when Indian carriers have been reporting losses, Air India Express — the low-cost arm of Air India — has reported a net profit of Rs 262 crore for the financial year 2017-18, down 11% from the previous fiscal's Rs 297.

It's the third consecutive year that AI Express has reported a profit. With the rupee depreciation and high fuel prices, what remains to be seen is whether the airline will manage to stay profitable this fiscal year too.

The airline's statement added that it has been registering an operating profit for the last five years, and earned a net profit for the first time in 2015-16.

"The net profit earned in 2017-18 is particularly significant as the aviation sector had to face many challenges, including high input costs. Added to that was the sluggishness of Gulf economies where 90% of our capacities are deployed," said K Shyam Sundar, CEO, Air India Express. "Unit costs have increased over the past 12 months due to a steady increase in global fuel rates. The average cost of fuel in March 2018 was about 20% more compared to what it was in March 2017," he added.

However, prudent

commercial and management interventions, including better utilisation of assets, contributed to the positive financial outcome, he added.

WHERE THE TWO AIRLINES STAND

FY18 Profit/Loss (in Rs cr)



The Kochi-headquartered airline had posted an 11% higher net profit of ₹297cr for the fiscal 2016-17

Air India Express increased its revenues by 8.7% to Rs 3,648 crore. "Average daily aircraft utilisation rose to 12.7 hours from 12.2 hours in the previous year," the airline said. The number of passengers carried by the airline increased by 13.7% to 3.89 million from 3.42 million in 2016-17.

The year also saw Air India Express expanding its wings to markets out of Madurai, Coimbatore and Vijayawada. With a fleet size comprising 24 Boeing 737-800NG aircraft, the airline flies to 13 international and 18 Indian destinations, offering value-for-money services to customers in tier II and III Indian cities.