

IndiGo: India's first airline to record profit after pandemic

A Monitor Report

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New Delhi : For the first time in over two years, IndiGo recorded a profit of USD 17.3 million) in the third quarter of 2021, backed by a massive 90 per cent rise in revenue compared to the same quarter in 2020.

Also, the announcement saw the appointment of Rahul Bhatia as the airline's Managing Director.

With the largest fleet and cash reserves, IndiGo upped its flights through the end of 2021, capturing a large market share. Compared to the same time in 2020, capacity was 50.3 per cent.

However, revenue jumped far more to USD 1.24 billion, an 89 per cent rise compared to the previous year.

This boost in passenger demand made IndiGo the first Indian airline to record a profit since the pandemic first hit in 2020.

Yet, fuel costs remain notably high for the airline, making up over half of all expenses. Costs shot up 186 per cent in Q3, with the figure nearing that seen in Q3 2019 while the airline is nowhere near full capacity.

IndiGo also announced another vital piece of information. Following a three-year feud between owners Rahul Bhatia and Rakesh Gangwal, the two sides have finally reached a truce.

After a meeting in December, the carrier announced that Bhatia will become the new Managing Director, allowing IndiGo to move past the public accusations that have spooked investors.