IndiGo posts record quarterly loss of USD 426m

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Mumbai : IndiGo announced the biggest quarterly loss in its history on July 27. The airline posted a loss of Rs 3,174 crores (USD 426.3m) for the April-June quarter as passenger demand plunged following the second wave of Covid-19.
This quarter's loss is even greater than the one IndiGo saw last year when flights were grounded for two months. The losses were larger than most expectations as the airline saw passenger traffic fall and costs remain high. Revenues were halved from last quarter to only Rs 3,170 crores (USD 425.7mn) but were still higher than the same quarter in 2020.
The falling revenue refers, IndiGo's daily cash burn jumped from Rs 19 crores (USD 2.5mn) to Rs 33.4 crores (USD 4.48mn) in the June quarter. Considering the airline's load factor stood at a meager 51.2 per cent in May and 62.7 per cent in June, the Rs 3,174 crore (USD 426.3mn) loss was to be expected during these times, since airlines worldwide have witnessed their finances take huge hit amid the resurgence of the virus.
Following the announcement of the loss, the airline's CEO Ronojoy Dutta mentioned that the airline's focus now is to add capacity quickly, hoping to see the government lift its capacity limits on flights.
In a statement, Dutta said, "Our financial results for the first quarter were severely impacted by the second Covid wave. The number of passengers travelling declined sharply in the months of May and June. With the second Covid wave receding, we

are seeing a measured recovery in bookings for July and August."

IndiGo's results paint a sad picture for the Indian aviation industry. Other airlines have already resorted to extreme measures to stay afloat, including huge pay cuts and even deferring salaries.

The coming months will remain choppy for the airline industry, and with no government support coming forward, the recovery will take a while.

Fortunately, India is quickly resuming domestic flights. States are now allowing fully vaccinated travellers to visit without taking a test, boosting demand. Also, with international destinations like the Maldives opening their doors once again, airlines have the chance to increase capacity and grow revenues once again.