Tata brand's Vistara, AirAsia India both report increased losses

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New Delhi : Two more airlines under India's Tata brand shared their results for the last financial year - AirAsia India and Vistara. Both airlines also reported increased losses mainly due to successive Covid waves, increasing fuel prices, and depreciation of the Indian rupee against the US dollar.

Launched in 2014 as a joint venture between the Tata Group and AirAsia Investment Limited, AirAsia India has had a rough couple of years due to the pandemic, with its loss increasing by 42 per cent on a year-on-year basis to almost USD 275 million.

Its revenue grew by nearly 39 per cent to USD 238 million, but a 67 per cent hike in aviation turbine fuel and a weakening Indian rupee against the US dollar impacted the overall numbers.

Last year, AirAsia India posted an annual loss of USD193 million, almost double the previous year, and a revenue of USD 171 million.

It has been shrinking its operations and returned seven Airbus A320 planes to AirAsia Berhad, according to reports, and currently has a fleet of 26 A320s.

Tata Group's full-service carrier Vistara also struggled in the last fiscal. Its losses increased by 35 per cent to USD 256 million on a year-on-year basis, while revenues grew more than twice to USD 659 million.

According to reports, the airline said, "The first half of FY22 was significantly impacted by the second wave of Covid-19, whereas the second half enabled demand recovery, although high fuel prices continued to be a challenge. We also spent a large part of 2021 densifying our domestic network, expanding our international footprint and investing in expanding our fleet."

Fleet and network expansion has been a big part of Vistara's strategy, with the carrier aiming to have 70 aircraft by March next year.