

Air India logs record USD 2.8 billion loss under Tata ownership

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Dhaka: Air India posted its largest annual loss since the Tata Group regained control of the carrier in 2022, reporting SGD 3.56 billion, equivalent to approximately USD 2.8 billion, in losses for fiscal year 2025-26.

The figures emerged from Singapore Airlines' annual financial statements, released May 14. Singapore Airlines holds a 25.1 percent stake in the Air India Group following the merger of Vistara with Air India in November 2024.

Singapore Airlines Group's net profit fell 57.4 percent year-on-year to SGD 1.184 billion in the financial year ended March 2026, compared with SGD 2.778 billion the previous year.

The group attributed the decline primarily to the absence of a one-time

accounting gain tied to the Air India-Vistara merger and the impact of Air India's losses.

"The swing from a share of profits of associated companies last year to a loss this year (SGD 846 million) was due to the group accounting for its share of Air India's full-year losses, versus only four months the previous year," Singapore Airlines said.

The previous year's earnings had included a non-cash accounting gain of SGD 1.098 billion, recognized upon completion of the merger.

Air India has been facing several headwinds, including rising jet fuel prices, airspace restrictions over Pakistan and the Middle East, and supply chain constraints affecting the broader aviation industry.

The Air India Group, comprising Air India and Air India Express, is projected to have incurred losses exceeding INR 22,000 crore in fiscal year 2025-26.

On May 13, Air India announced cuts to nearly 100 international flights and the temporary suspension of six overseas routes, including Mumbai-Dhaka, to reduce operational costs.

Despite the losses, Singapore Airlines reaffirmed its commitment to Air India, describing it as a long-term strategic move providing direct access to one of the world's largest and fastest-growing aviation markets.

Singapore Airlines noted that Air India has continued making progress in fleet renewal, aircraft retrofits, and operational improvements and said it is working closely with Tata Sons to support the carrier's multi-year transformation program.

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