

IndiGo misses profit targets despite travel boom

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New Delhi: InterGlobe Aviation Ltd., the parent company of India's largest airline by market share, IndiGo, reported a quarterly profit that fell short of expectations.

This was primarily due to a significant foreign exchange-related loss, which outweighed the benefits from an increase in passenger numbers during a period of strong travel demand.

Net income for the three months ending September 30 dropped by 18pc to 24.5 billion rupees (\$284 million), according to the company's stock exchange filing on Friday (January 24). This result missed analysts' consensus estimate of 26.4 billion rupees.

Revenue for the quarter came in at 221.1 billion rupees, beating estimates. Total costs jumped 20 per cent to 204.7 billion rupees, while fuel costs slipped 6.2 per cent compared with the same period last year.

The airline posted a foreign exchange-related loss of 14.6 billion rupees up from 509 million rupees last year, the filing said.

The numbers mark the second straight quarter of disappointing results for IndiGo, after a shock loss in the three months to September.

IndiGo also launched its business class product on some key routes in India in November, paving way for its transition from a low-cost carrier to a full-service airline.

The premium offering is also set to add to its topline, as premium class seats earn higher yields as compared to economy seats.

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