

IndiGo's December-quarter profit slumps as new crew rules trigger disruptions



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New Delhi, January 22. India's largest airline IndiGo reported a sharp drop in net profit for the quarter ended December 31, posting earnings of Rs. 5.49 billion compared with Rs. 24.48 billion in the same period a year ago, weighed down by exceptional costs linked to new aviation labour rules and operational disruptions.



In a regulatory filing to the Bombay Stock Exchange, the Delhi-based low-cost carrier said the reported profit excludes exceptional items totalling Rs. 15.46 billion, commercial aviation news website Airinsight reported. This includes Rs. 9.69 billion related to the implementation of new labour laws and Rs. 5.77 billion arising from operational disruptions.

The exceptional charges stemmed from the Directorate General of Civil Aviation's (DGCA) introduction of revised Flight Duty Time Limitation (FDTL) norms for cockpit crew late last year. A shortage of pilots following the rollout of the new rules led to widespread flight disruptions between December 3 and December 5, affecting over 300,000 passengers. During the period, more than 2,500 flights were cancelled and over 1,800 delayed. Earlier this month, the aviation regulator imposed a record fine of Rs. 2.22 billion (\$24.4 million) on IndiGo over the incident.

Excluding exceptional items and foreign exchange impacts, IndiGo's net profit declined 18.6 percent year-on-year to Rs. 31.30 billion, compared with Rs. 38.46 billion in the corresponding quarter last year.

On a consolidated basis, the airline said domestic capacity rose 11.2 percent year-on-year to 45.4 billion, while revenue from operations increased 6.2 percent to Rs. 234.71 billion. EBITDAR – earnings before interest, taxes, depreciation, amortisation, and restructuring or rent costs – excluding forex stood at Rs. 70.43 billion, translating into an EBITDAR margin of 30 percent.

This compares with Rs. 74.56 billion and a margin of 33.7 percent a year earlier.

Despite the challenges, Chief Executive Officer Pieter Elbers said the airline delivered a strong topline performance.

"IndiGo reported revenues of around Rs. 245 billion in the December quarter, reflecting growth of about 7 percent. While reported profit was around Rs. 5 billion, underlying profit excluding exceptional items and forex was approximately Rs. 31 billion," he said.

Elbers added that the airline's long-term fundamentals remain robust, supported by fleet expansion and a growing domestic and international network.

Total revenues for the quarter rose 6.7 percent to Rs. 245.40 billion from Rs. 229.92 billion a year ago. Passenger ticket revenues increased 6.2 percent to Rs. 204.64 billion, while ancillary revenues grew 13.6 percent to Rs. 24.46 billion.

Looking ahead, IndiGo said capacity in the fourth quarter of fiscal year 2026, measured in available seat kilometres (ASKs), is expected to expand by around 10 percent compared with the same quarter of the previous fiscal year.