

Air India trims gap with IndiGo

FROM PAGE 1

Sons' latest annual report.

Talace and Tata SIA, or Vistara, were merged under the Air India banner in FY25. Talace was a wholly owned Tata Group subsidiary created for acquiring Air India from the Indian government.

After buying back the airline in 2022, Tata Sons chair N. Chandrasekaran hired former Singapore Airlines executive Campbell Wilson to lead Air India. Wilson's 5-year revival strategy, started in September 2022, includes refitting old planes, buying new planes, increasing Air India's domestic market share to at least 30%, and expanding its international routes.

Air India currently has a domestic market share of 26-27%, behind IndiGo, which dominates with a 64-65% market share.

According to analysts, 60-65% of Air India's revenue comes from international routes and 35-40% from domestic routes.

Apart from a \$400 million



Air India has a domestic market share of 26-27%. MINT

refit programme for upgrading 67 legacy aircraft, Air India, at the 2023 Paris Air Show, signed deals worth \$70 billion to buy 470 aircraft from Airbus and Boeing.

In December 2024, Air India placed an additional order for 100 Airbus planes, taking its total number of aircraft ordered to 570. Deliveries from these orders are expected to be completed by 2030.

However, last month's crash of Air India's AI-171 Boeing flight, which killed all but one of the 242 people on board and

19 others, may have pushed back the airline's revival plans.

While the air crash directly may not impact Air India's expansion plans and profitability, an inexplicable crash of this magnitude may further delay the delivery timelines of Boeing, which are already backed up by months, said industry experts.

In such a case, Air India may also see delays in acquiring new aircraft, affecting its turnaround strategy.

"The air crash was a rare unfortunate event that may not impact the company's expansion plans, but Boeing's troubles can delay the aircraft delivery, which could jolt their profits" said Mayur Milak, senior vice president at Asian Markets Securities.

Boeing delivered 60 airplanes to global airlines in June, a 27% increase compared with a year earlier, according to a *Reuters* report.

Meanwhile, India's aviation industry is expected to post a net loss of ₹2,000-3,000 crore in FY26, according to rating agency ICRA.

Air India narrows gap with IndiGo

Dipali Banka

dipali.banka@livemint.com

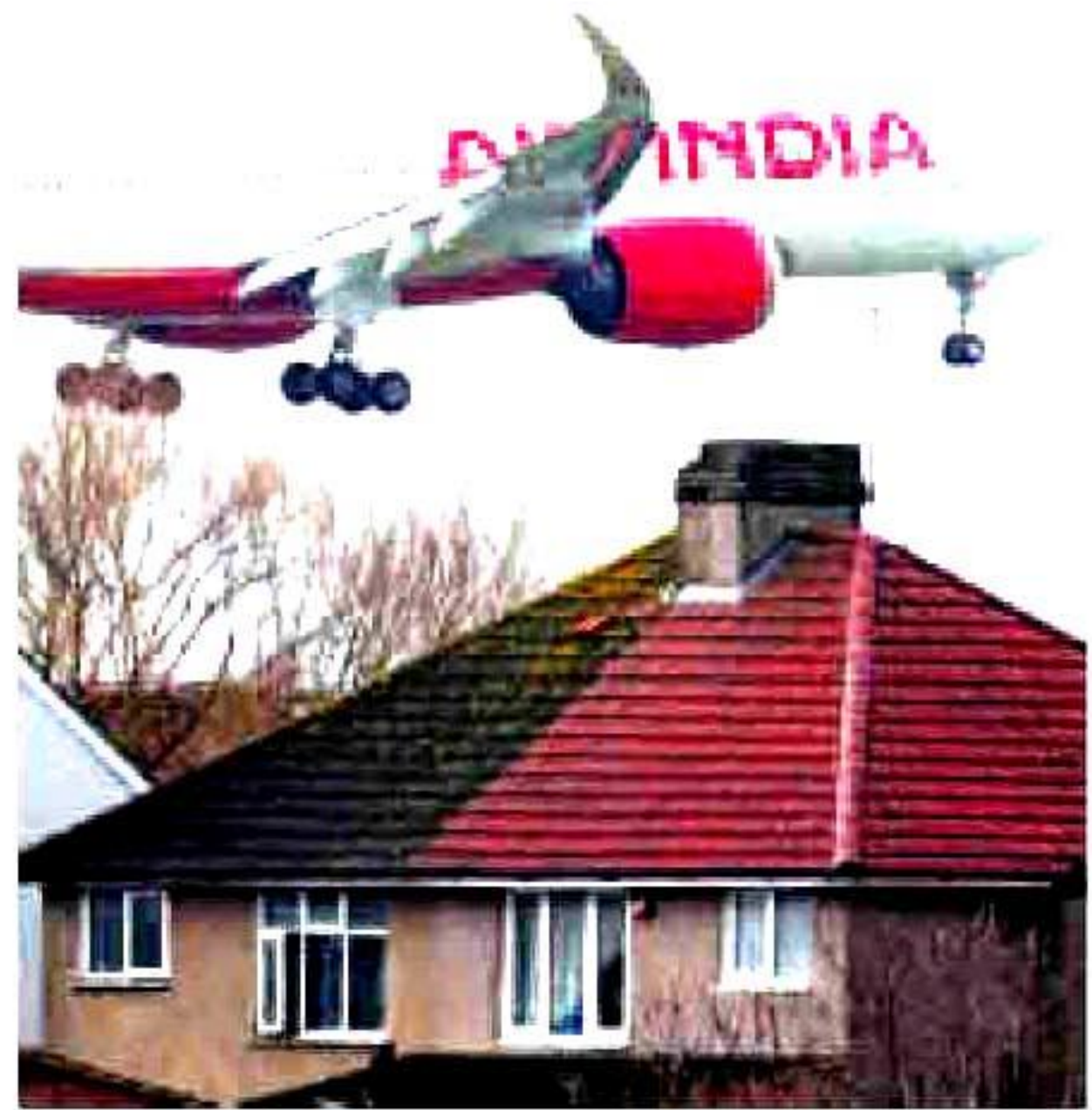
MUMBAI

Air India has inched closer to India's largest airline, IndiGo, in the three years since the Tata Group brought the nationalised carrier back into its fold.

Air India's revenue in 2024-25 jumped 15% to ₹78,636 crore from ₹66,556.21 crore in FY24, after combining the finances of Air India, Tata SIA Airlines Ltd, Talace Pvt. Ltd—making the airline among the largest contributors to Tata Group's ₹15.3 trillion topline in FY25.

IndiGo, operated by Inter-globe Aviation", saw its revenue rise to ₹84,098.2 crore in FY25 from ₹68,904.3 crore in the year before.

However, Air India was the largest lossmaker for Tata



But AI is still in losses while IndiGo makes profits. **REUTERS**

Group in FY25, with its loss widening to ₹10,859 crore from a combined loss of ₹7,356.3 crore for the three related entities in FY24, according to Tata

TURN TO PAGE 6

Related stories on Tata firms' performance in P7