

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2582  
(To be answered on the 27<sup>th</sup> December 2018)**

**PROFITS OF AI EXPRESS**

**2582. SHRI A. ARUNMOZHITHEVAN**

**Will the Minister of CIVIL AVIATION**

**तागर विमानतल मंत्री**

**be pleased to state:-**

- (a) whether the AI Express has reported a net profit of Rs.262 crore for the financial year 2017-18, down 11% from the previous fiscal's Rs.297 crore;  
(b) if so, the details thereof;  
(c) whether this is the third consecutive year that AI Express has reported a profit; and  
(d) whether there is a proposal to expand the services of the AI Express to other destinations as well?

**ANSWER**

**Minister of State in the Ministry of CIVIL AVIATION**

**तागर विमानतल मंत्रालय में राज्य मंत्री**

**(Shri Jayant Sinha)**

---

**(a) & (b):** Air India Express Limited (a wholly owned subsidiary of Air India) has recorded a net profit of Rs.262 Crore during the FY 2017-18 and a net profit of Rs.297 Crore during the FY 2016-17 as per the provisional figures. The reasons for the reduction in the net profit during the FY 2017-18 were mainly due to the following factors:

- i.** Increase in fuel costs. Fuel costs constitute more than 40 % of the operating expenses and the fuel rates have increased more than 20 % during the fiscal.
- ii.** Fluctuation in the Rate of Exchange.
- iii.** Inability to improve yields in line with the increased costs. and
- iv.** Intense competition with the entry of other Low Cost Carriers(LCCs).

**(c):** During the FY 2015-16, FY 2016-17 and FY 2017-18, Air India Express has reported net profit of Rs.362 Crore, Rs.297 Crore and Rs.262 Crore respectively.

**(d):** Air India Express Limited may consider expansion of its services subject to demand and availability of resources.

\*\*\*\*\*