

# **IndiGo Airlines' Operational Crisis and its Consequences for Indian Aviation**

## **Quick Take**

IndiGo Airlines, India's largest domestic carrier, recently hit a massive snag with a large number of cancelled and delayed flights. The main reason was that IndiGo was not ready for the strict new safety rules about how long pilots can fly, called Flight Duty Time Limitation (FDTL), norms set by the aviation watchdog, the DGCA. This blunder was made way worse because the airlines also had 50 to 70 planes sitting idle due to technical glitches involving ongoing issues with Pratt & Whitney engines.

The fallout was nasty: big financial hits evidenced by a decline in stock valuation and substantial refund expenditures, and a seriously bruised reputation with IndiGo's On-Time Performance (OTP) tanking to an abysmal 19.7% which typically exceeded 80%, before the crisis. It also left a whole lot of unhappy passengers stranded across major airports particularly during the high-demand winter period. Competitors like Air India and Akasa Air cashed in with higher prices and snatched up market share. The IndiGo crisis also imposed considerable stress on the overall airport infrastructure across the country.

The whole chaos was a wake-up call demonstrating that running a "bare-bones crew" model just doesn't fly in the face of non-negotiable safety rules mandated by the regulators or as in this case, the judiciary. It also underscored the role of the regulatory and judicial authorities in fundamentally shaping the operational and financial strategies of both private and public airline entities.

## **Why the Wheels Came Off?**

The disaster was the result of new safety rules colliding with a risky strategy, particularly of the IndiGo Airlines. The new rules involve the implementation of the revised FDTL norms by the DGCA, which were intended to mitigate pilot fatigue and enhance flight safety standards.

**Table 1.**

| <b>Cause Category</b>       | <b>Specific Cause/Factor</b>         | <b>Description</b>   |
|-----------------------------|--------------------------------------|--|
| <b>Regulatory Change</b>    | <b>New FDTL Norms</b>                | The DGCA mandate necessitated an increase in the weekly pilot rest period from 36 to 48 hours, an expansion of the definition of night hours, and a severe limitation on the maximum number of night landings (from six to two per roster cycle).  |
| <b>Operational Strategy</b> | <b>Under-Rostering/Crew Shortage</b> | IndiGo historically operated with a paradigm focused on high aircraft utilization. Its standard crew buffer (estimated at approximately 4%) became effectively zero under the new regulatory framework. Pilot associations contend that this shortfall resulted from management’s “lean manpower strategy” and hiring moratoria, despite a two-year period for preparatory action. |
| <b>Technical Factors</b>    | <b>Grounded Aircraft</b>             | The airline’s capacity for operational flexibility was severely constrained by the grounding of an estimated 50–70 Airbus A320neo family aircraft. This was principally attributable to inspection requirements and component shortages related to Pratt & Whitney engines.  |
| <b>Outside Interference</b> | <b>Winter/Airport Traffic</b>        | Bad winter weather, small technical hiccups, and already overcrowded major airports made the crew-related delays rippled across their entire flight network, resulting in a substantial volume of daily flight cancellations.  |

## **Consequences**

### **The Damage and the Industry Reaction**

The consequences of the IndiGo crisis were immediate and painful which spread across the entire aviation industry.

- **Money and Image:** The stock price for the parent company, InterGlobe Aviation, dropped due to higher costs and refund payments with its image as a punctual and on-time service provider biting the dust. Widespread public indignation and negative media coverage concerning delays, inadequate timely communication, and poor passenger support, severely dented its brand equity. The widespread chaos also made the entire Indian aviation industry a suspect from the perspective of the investors and passengers.
- **Operations and Oversight:** The disruptions and loss of operational control cascaded across the entire network causing immense inconvenience not only to the passengers and the operational system of IndiGo, but of other carriers as well.

- **Regulatory:** The DGCA stepped in with a formal investigation, putting IndiGo under the microscope.

The wider effect on the Indian aviation market was concerning as well.

### Impact on Other Major Airlines in India

Given IndiGo’s dominant market position (exceeding 60% of the domestic market), its operational disruptions invariably influenced the entirety of the Indian aviation ecosystem, albeit with a varied impact.

### IndiGo Versus Competitors

The differential impact of the FDTL norms as described in Table -2, highlights the varying operational strategies employed by major Indian carriers.

**Table 2**

| <b>Carrier</b>                        | <b>Operational Strategy</b>  | <b>FDTL Impact &amp; On-Time Performance (OTP)</b>  |
|---------------------------------------|--|---|
| <b>IndiGo</b>                         | Low-Cost Carrier (LCC) model focused on high fleet utilization, fast turnarounds, and aggressive scheduling, particularly late-night flights.            | Impact of FDTL was the hardest due to insufficient crew planning. OTP dropped to lows of 19.7% from more than 80% before the crisis.  |
| <b>Air India/Vistara (Tata Group)</b> | More diversified/Full-Service models; typically maintain larger pilot buffers and fewer highly aggressive night schedules compared to IndiGo’s LCC core. | While the group also lobbied against the rules, they were largely unaffected by the immediate operational meltdown. Their OTP remained relatively stable (e.g., 66.8%–67.2% during the crisis). |
| <b>Akasa Air</b>                      | Newer, agile LCC. Benefited from learning from older airlines’ mistakes and potentially scaling up its crew faster.                                      | Maintained strong operational stability during the crisis, reporting OTPs in the range of 67.5%–73.2%.  |
| <b>SpiceJet</b>                       | Legacy LCC, often facing its own financial/operational challenges.   | While not immune to industry pressures, their OTP (e.g., 68.7%–82.5% range) remained significantly higher than IndiGo’s during the disruption period.   |

## Market and Systemic Effects of IndiGo's Crisis

**Table 3**

| <b>Airline/Sector</b>                                    | <b>Impact Description</b>              | <b>Market Effect</b>  |
|--|--|---|
| <b>Competitors (e.g., Air India, Vistara, Akasa Air)</b> | <b>Temporary Market Share Gain</b>     | IndiGo cancellations moved affected passengers to competing carriers that profited albeit in the short-term   |
| <b>Competitors (Revenue)</b>                             | <b>Surge Pricing and Higher Yields</b> | The sudden diminution in available network capacity resulting from IndiGo's cancellations permitted other airlines to institute substantial surge pricing, yielding significantly higher ticket revenues on specific routes (e.g., Delhi-Bengaluru).  |
| <b>Airport Operations</b>                                | <b>Systemic Strain</b>                 | The disorder at major aviation hubs (Delhi, Pune, Mumbai, Bengaluru) was not restricted to IndiGo. Grounded IndiGo aircraft occupying parking positions impeded the movement and punctuality of all other airlines. Furthermore, other flights were also affected due to operational chaos and passenger unrest at IndiGo boarding gates. |
| <b>Broader Market</b>                                    | <b>Negative Sector Sentiment</b>       | Although competitors realized short-term financial gains, the extensive chaos undermined overall investor and passenger confidence regarding the stability and planning efficiency of the Indian aviation sector.   |

The IndiGo crisis vividly demonstrated the fragility of a hyper-efficient, operationally lean business model when confronted by abrupt, non-negotiable regulatory shifts, particularly ordained by those prioritizing aviation safety, such as the FDTL norms. While competitors accrued temporary benefits from increased fares and passenger diversion, the underlying issue underscored the necessity for long-term human resource planning across the entire industry.

Besides, ultimately, the Indian aviation sector functions under the guidelines and standards including critical safety mandates that the regulators like DGCA and AAI, enforce, while economic regulators, determine market structure and operational costs. Policies, whether judicial in origin (e.g., the High Court's directive leading to new FDTL) or governmental (e.g., AERA tariffs and privatization initiatives), emphasize the parameters that all airlines, public or private, must navigate to ensure safety (for the customers) viability and stability (for the industry).

### **The Fix: Getting Back on Track**

Solving these critical issues needs both a quick patch-up and a fundamentally sound long-term strategy.

The central challenge involves addressing immediate resource constraints specifically, the deficit of pilots due to the new FDTL norms and the incapacitation of 50–70 aircrafts due to issues with Pratt & Whitney engines while simultaneously pursuing long-term, systematic solutions to ensure sustainable expansion of the aviation sector.

### **Short-Term Fixes**

**Cut flights:** IndiGo has to actively reduce its flight schedule with “calibrated adjustments” to match the limited, FDTL-compliant crew they actually have. The airlines should focus on cutting back night-time flights to comply with mandate of the new norms. The DGCA must formally approve the diminished schedule and enforce a strict timeline for restoration, ensuring the rebalancing measure is authentic and not a transient manoeuvre.

**Temporary FDTL Exemption:** On 5 December 2025, the DGCA provided IndiGo with a one-time exemption from new pilot night-duty rules and revoked a regulation that prohibited airlines from classifying pilot leave as weekly rest. However, this exemption has generated widespread apprehension, most importantly from the International Federation of Air Line Pilots’ Associations (IFALPA), stating that crew fatigue “clearly affects safety.”

**Fast Leasing:** IndiGo need to quickly hire temporary aircraft and foreign crew through wet and damp leasing arrangements to instantly inject pilots and capacity. The DGCA must streamline the security clearance and licensing endorsement procedures for wet-leased crew and aircraft to facilitate rapid deployment

**Fix the Planes:** IndiGo and other affected carriers must engage in intensified collaboration with Pratt & Whitney (P&W) to expedite the delivery of spare engines and components. This cannot be done alone by a particular airline. This issue involves regulators and the government at large as it requires aggressive follow-up on P&W’s parent company (RTX Corporation) to prioritize Indian carriers, given the magnitude of the crisis.

**Maintenance, Repair, and Overhaul (MRO) Push:** Domestically, there is a need to establish capability for expedited engine maintenance through the utilization of established repair and training Centres in India and augment the capacity with incentives (such as the reduced GST on MRO components).

### **Long-Term Strategy**

To ensure that future growth of the industry, particularly involving demand, does not precipitate a recurrence of systemic failure, the industry requires strategic, large-scale investment in both human capital and physical infrastructure.

**Invest in People:** All airlines must set aside resources for a mandatory 15-20% crew buffer as is the rule now. This means saying goodbye to the “lean manpower” idea, and build a required crew reserve pool to ensure compliance to the new rules and also absorb future regulatory adjustments, training demands, and natural attrition rates.

**Better Training:** The Indian Ministry of Civil Aviation (MoCA) needs to incentivize the rapid expansion of local flying schools and flight simulators to keep up with the massive number of new planes ordered by various airlines and reduce the reliance on expensive foreign training.

**Upgrade Infrastructure:** The government need to speed up the building of secondary airports (like Jewar and Navi Mumbai) to take the pressure off the completely packed primary hubs. The Airports Authority of India (AAI) must invest in modern Air Traffic Management (ATM) systems to allow more planes in the airspace and reduce delays caused by weather.

**Stronger Supply Chain:** Airlines should think about mixing their fleets (e.g., using both Airbus and Boeing jets). The “Make in India” scheme needs to aggressively focus on building local MRO capacity for the new-generation engines to reduce the reliance on fragile global supply chains for crucial maintenance.

To sum up, IndiGo has been advised to honestly cut its schedule in the short term, with the regulators keeping a close watch on any temporary waivers. But for lasting stability, the entire Indian aviation sector has to make coordinated major investments in its human capital and physical assets to comply with the necessary regulatory and judicial mandates. The primary focus for entire industry is safety and passenger comfort which can't be overemphasized.

Arabinda Acharya