Grounded Amidst Blue Skies

In the morning hours of December 5, 2025, India’s aviation sector woke up to one of its greatest periods of turbulence in passenger services. The country’s airline giant IndiGo cancelled around 1,000 of its flights operating across 138 destinations within India. The surge in flight cancellations left thousands stranded in airports across the country, exposing deep planning and compliance failures in India's aviation sector.

This meltdown revives a decade-old clash between the airlines and pilots over Flight Duty Time Limitations (FDTL), which govern their rest and duty hours. In April 2019, the DGCA (Directorate General of Civil Aviation) brought new rules that reversed some of the pilot-friendly provisions in the 2011 rules, especially those governing night duties. In January 2024, the DGCA (Directorate General of Civil Aviation) notified the airlines and pilots about the revised provisions. These were widely welcomed as they increased the weekly rest from 36 to 48 hours and restricted night flying. The maximum flying time was reduced to eight hours, with the duty time limited to 10 hours. Yet IndiGo, with over a year’s notice, had an extremely delayed response to this regulation- much like their flights now. The DGCA has now exempted IndiGo from these regulations until February 10, 2026, giving it ample time to get its act together.

India’s domestic aviation market has increasingly taken the shape of a duopoly dominated by IndiGo and the Air India Group. IndiGo alone commands roughly two-thirds of the domestic passenger market, while the Air India Group, after its merger with AirAsia India (AIX Connect) and Vistara, controls about a quarter. Together, these two carriers account for about 90% of domestic air traffic, leaving very little competitive space for smaller players such as Akasa Air and SpiceJet. The bigger tragedy in all of this mess made by IndiGo is probably the fact that its biggest competitor, Air India, didn’t even gain much. While IndiGo managed to trip over its own wings, Air India barely took off. In fact, most people’s immediate alternative to this crisis was to look at the railways. The good news is that the crisis nudged the aviation ministry to approve the initial clearance for two new airlines to operate.

IndiGo additionally faced regulatory scrutiny after losing a recent appeal against an order passed by the Directorate General of Civil Aviation (DGCA). The appeal concerned penalties imposed for alleged lapses in pilot training procedures, particularly related to the use of simulators and compliance with regulatory norms. The DGCA appellate authority upheld the penalties, including fines imposed on senior executives. Although the monetary value of the fine was relatively small, the decision sent out a significant message. The appeal’s rejection also coincided with the current attention on IndiGo following operational disruptions, amplifying investor and public concerns. Analysts estimated that the airline cancelled nearly 4,800 flights, contributing to a 17% drop in profit before tax compared with earlier expectations. On the stock market, shares of InterGlobe Aviation (the company behind IndiGo) fell sharply during the peak of the crisis in early December. The stock slid as much as 10% intraday, wiping out over ₹37,000 crore in market value in under a week. At one point, the share price retreated from an earlier all-time high of above ₹6,200 in 2025 to below ₹5,000. After the appellate court decided to uphold penalties on January 9, 2026, the stock has been in free fall.

Crisis-hit IndiGo exposed the harsh reality and truth behind the Indian aviation sector. From the regulator's side, there is a need to expand the understanding of human factors responsible for aviation safety and not dismiss labour issues as employee-employer issues. The aviation ministry should regularly be in talks to ensure that airline operators are making efforts to adapt to new rules and regulations. Furthermore, the ministry should ensure that India's aviation sector isn't a textbook example of a duopoly. Any crisis in one of them can quickly snowball into a national aviation problem. Worst of all, penalising them for their mistakes would prove to be quite difficult and not doing so removes all sense of consequences for actions like IndiGo's. Ultimately, the crisis reminds us that safety and resilience cannot be left at the mercy of two giants and negligent rule enforcement alone. On average, about 376 million people travel by air every year. This figure is projected to only grow in the coming years. With demand set to rise, the real question is whether governance can keep pace with the altitude.