

Indigo Crisis Explained



Context:

- India's largest airline, **Indigo** is currently grappling with a **massive operational crisis**.
- The **root cause of this disruption** is a shortage of crew members following the implementation of new **Flight Duty Time Limitation (FDTL)** rules
- **IndiGo Chairman and Non-Executive Independent Director Vikram Singh Mehta** termed the situation “**serious operational difficulties**” that began on **December 3**, triggered by a chain of unexpected events that led to **widespread flight cancellations over several days**.



1. What is Indigo Airline crisis?

To each one of our customers – We are truly sorry and we will take care!!! 🙏

We do deeply apologize and understand how difficult the past few days have been for many of you. While this will not get resolved overnight, we assure you that we will do everything in our capacity to help you in the meantime and to bring our operations back to normal at the earliest.

We are known for our reliability but in these last few days we have a serious operational crisis. For many customers, their journeys were cancelled, and many of you were at the airports, with long wait times and little information.

Today should be the day with highest number of cancellations, as we are doing all that is necessary to reboot all our systems and schedules for progressive improvement starting tomorrow. Our teams are working to reinstate regular operations in alignment with the Ministry and DGCA. Short term proactive cancellations are being made to ease operations, decongest the airports to prepare for starting stronger tomorrow.

We wish to share the following information with you:

- We will ensure that all refunds for your cancellations will be processed automatically to your original mode of payment
- We will offer full waiver on all cancellations/ reschedule requests of your bookings for travel between 05 December 2025 to 15 December 2025
- Thousands of hotel rooms across cities and surface transport have been arranged for the convenience of our customers
- We are trying to ensure that food and snacks are being provided to our waiting customers at the airports
- Lounge access is being arranged for senior citizens, wherever possible

We cannot do this without your support:

- Kindly check the flight status on our website and the notifications sent to you. Please do not come to the airport if your flight is cancelled
- We are sorry for the wait time, we have massively increased our contact centre capacity to ease some wait times
- Our AI assistant óÉskai can help with flight status, refunds, and rebookings

👉 goindiGo.in/óÉskai

We want you to know that you will see incremental progress. We will do everything to earn back your trust and the love you have showered on us in the last 19 years and we can't lose it at any cost.

Our frontline staff and the entire team remain dedicated to restoring normal operations and helping every customer with care and respect. Thank you for your patience, understanding, and kindness during this difficult time. We shall keep you updated on the progress on an ongoing basis.

And once again... our sincere apologies!

INDIGO PROTESTS DISRUPTION-TIMELINE



NOV 1

New DGCA FDTL rules come into force

Phase-II of the DGCA's Flight Duty Time Limitation (FDTL) rules takes effect (stricter night-duty limits, longer weekly rest, limit on weekly night landings)



DEC 3-4

Disruption sharpens into crisis

Major, repeated cancellations begin across metros as crew availability tightens; airports report hours-long queues and stranded passengers



DEC 6

Crisis enters Day 5

As the disruption enters its fifth day, 400+ flights remain cancelled across major airports. The Centre has issued 10 key directives to airlines which included refunds by Dec 7, fare-caps, baggage return within 48 hrs, no rescheduling fees & relief to stranded passengers.

NOV, 2025

Planning pains appear across network

Through November IndiGo cuts many flights citing crew constraints as the new FDTL norms bite; airline cancels large numbers across the month



DEC 5-6

Government steps in: rules put in abeyance / temporary exemptions

Centre places the new FDTL crew-duty orders in abeyance and DGCA grants a one-time temporary exemption to IndiGo to stabilise ops. A high-level probe was announced



- The **Indigo crisis** began on **2 December**.
- **By 6 December**, Indigo had to **cancel more than 2000 flights**.
- Thousands of passengers were troubled across the **country including Delhi, Mumbai, Bangalore, Kolkata**.
- They **had to stay at airports for many hours**.
- Several videos and photos of this have already surfaced.



FLIGHT CANCELLATIONS

3 December
around 150

4 December
around 800

5 December
more than
1,000

6 December
more than
800

AIRPORT	ARRIVALS	DEPARTURES	TOTAL
Delhi	49	37	86
Mumbai	54	55	109
Bengaluru	61	63	124
Hyderabad	34	35	69
Kolkata	21	20	41
Ahmedabad	24	35	59
Pune	20	22	42



2. How IndiGo and DGCA is responsible for the crisis?

Indigo	<ul style="list-style-type: none"> • IndiGo did not prepare according to DGCA guidelines The Flight Duty Time Limitation (FDTL) regulations issued by DGCA were first notified in January 2024. • IndiGo had sufficient time to prepare according to these guidelines. • When the situation deteriorated, they cancelled more than 4,000 flights in 5 days. • This left passengers stranded on different routes and created chaos at airports.
DGCA	<ul style="list-style-type: none"> • DGCA had to enforce rules, overlooked in IndiGo's case DGCA was responsible for enforcing Flight Duty Time Limitation rules.

	<ul style="list-style-type: none"> • Indian National Congress has questioned what DGCA was doing. • Party MP Shashi Tharoor said that DGCA knew the country's largest airline was not ready for this. These rules were fully implemented from November 1, 2025. Why didn't DGCA make IndiGo comply with them?
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3. How did the new flight regulations lead to flight cancellations?



- **India's tightened pilot fatigue management** norms have caused significant **turbulence for IndiGo** this week, after the **country's largest airline** acknowledged it had failed to adequately prepare its crew rosters for the new regulatory framework.
- The lapse triggered **extensive delays and cancellations, disrupting thousands of passengers across the country.**



- The rules introduced by the **Directorate General of Civil Aviation (DGCA)**, were drawn up in **early 2024** and rolled out in two phases **this year, with the latest phase taking effect on November 1.**
- The **overhaul is designed** to address longstanding concerns raised by **pilot associations about excessive work hours**, reduced rest, and rising fatigue levels, issues that have safety implications for both **crew and passengers.**

Various Rules	About
<p>Longer weekly rest for Pilots</p>	<ul style="list-style-type: none"> • The DGCA has increased mandatory weekly rest from 36 hours to 48 hours, adding 12 extra hours of downtime. • The regulator says the extended rest window is essential for pilots to recover from cumulative fatigue built up over multiple flying days. • This rule remains fully in force, despite the ongoing operational challenges at IndiGo. 
<p>Cap on night landings</p>	<ul style="list-style-type: none"> • Pilots can now perform a maximum of two landings per week between midnight and early morning, compared to the earlier limit of six. • Night hours are considered the most fatigue-inducing, with lower alertness and reduced visibility contributing to safety risks. • Given IndiGo's disruptions, the DGCA has temporarily suspended this rule for the airline until

	February 10.
Tighter flight duty limits at night	<ul style="list-style-type: none"> • Under the revised Flight Duty Time Limit (FDTL) norms, pilots operating flights that extend into the night can fly no more than 10 hours. • The “night” period for these calculations covers midnight to early morning, again aimed at mitigating fatigue when alertness is at its lowest. • This rule, too, has been put on hold for IndiGo until February 10 as part of a temporary relief package.
Separation of leave and rest time	<ul style="list-style-type: none"> • The DGCA has clarified that personal leave cannot be counted as part of the mandated 48-hour weekly rest. • This ensures that rest time is exclusively used for recovery, not clubbed with leave days, a practice pilots argue was common in the past. • For now, all airlines have received a temporary exemption from this requirement so that normal flight operations can resume across India.
Mandatory fatigue reporting	<ul style="list-style-type: none"> • Airlines must now submit quarterly fatigue and alertness reports to the DGCA, along with corrective actions taken.

OLD VS NEW FDTL RULES



Weekly Rest

OLD 36 HOURS

NEW 48 HOURS

Night Definition

OLD 00:00-05:00

NEW 00:00-06:00

Maximum Night Landings

OLD UP TO 6

NEW 2 (before temporary relaxation)

Maximum Flight Time During Night Duty

OLD NO SPECIFIC CAP

NEW 8 HOURS

Maximum Duty Period (FDP) in Night Window

OLD UP TO 13 HOURS (GENERAL LIMIT)

NEW 10 HOURS

Consecutive Night Duties

OLD NO STRICT LIMIT

NEW MAXIMUM 2 IN A ROW



4. How did the crisis emerge 35 days after rule implementation?

- Airlines Pilots Association's Captain Anil Rao says that it is wrong to say that everything happened suddenly.
- FDTL has been in effect since November 1 and this crisis came about 35 days later.
- If you look at ATC and crew records, you'll see that all pilots and crew were going on time, then why were there delays in flight arrivals and departures.
- This entire system is not transparent and it's not clear what the real reason for the crisis is.'

'Indigo has created this crisis themselves to put pressure on the government. The company wanted relief in regulations. When they didn't get relief, they overturned the system. No clear answer has been given as to why this problem arose.'



Passengers' safety is being compromised. Tomorrow, the airline company might make some other excuse, like a shortage of aircraft, a shortage of crew, or difficulty in operations. This will only cause harm to the people.

Captain Anil Rao

General Secretary, ALPA

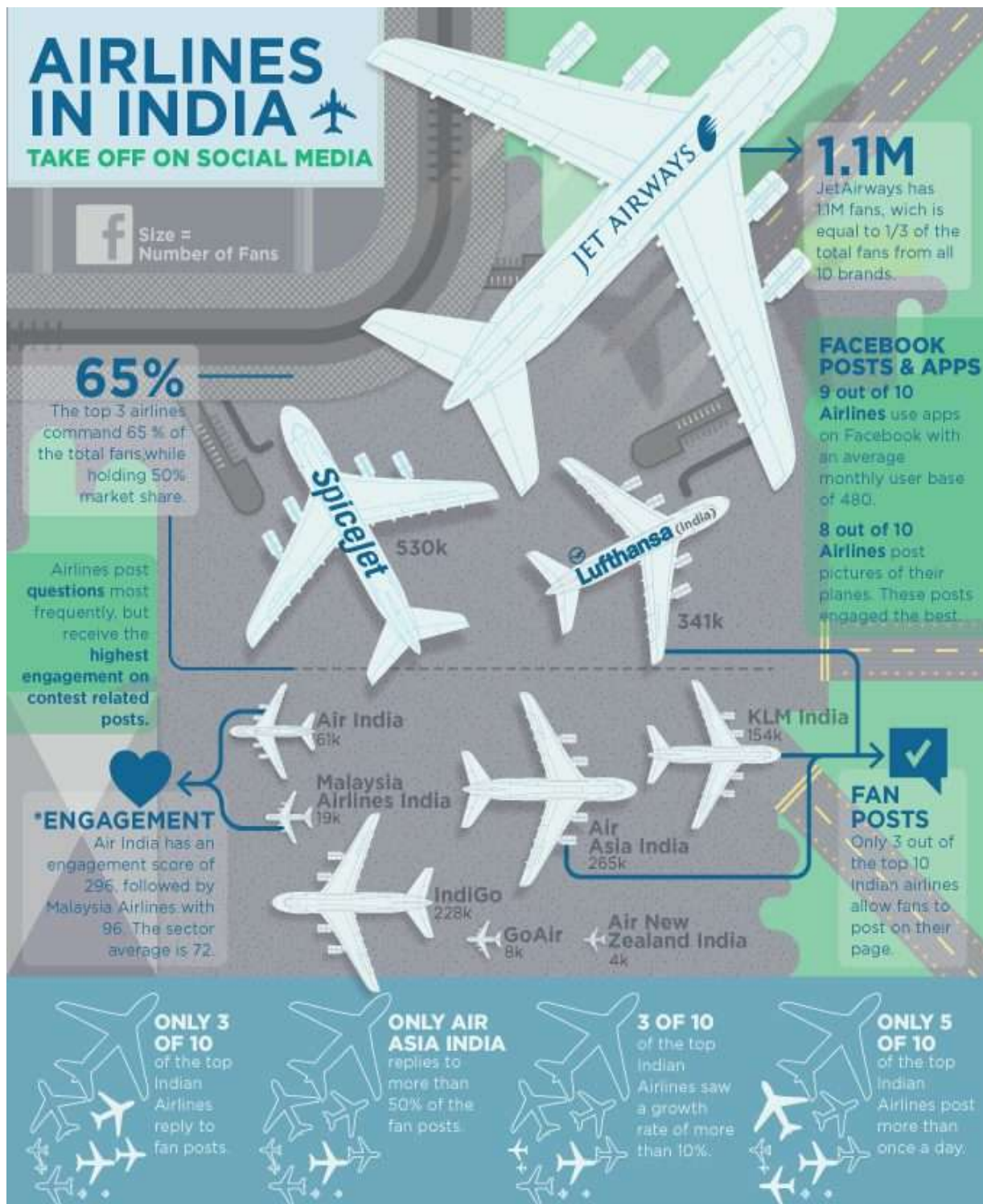
5. What is the market share of various airlines in India's aviation sector?

Jan' 25 Airlines Market Share



Disclaimer: Investment in securities market are subject to market risks, read all the related documents carefully before investing.
For disclaimers visit : www.sbisecurities.in/disclaimer

Source: Directorate General of Civil Aviation
Research Disclaimer: https://bit.ly/R_disclaimer02



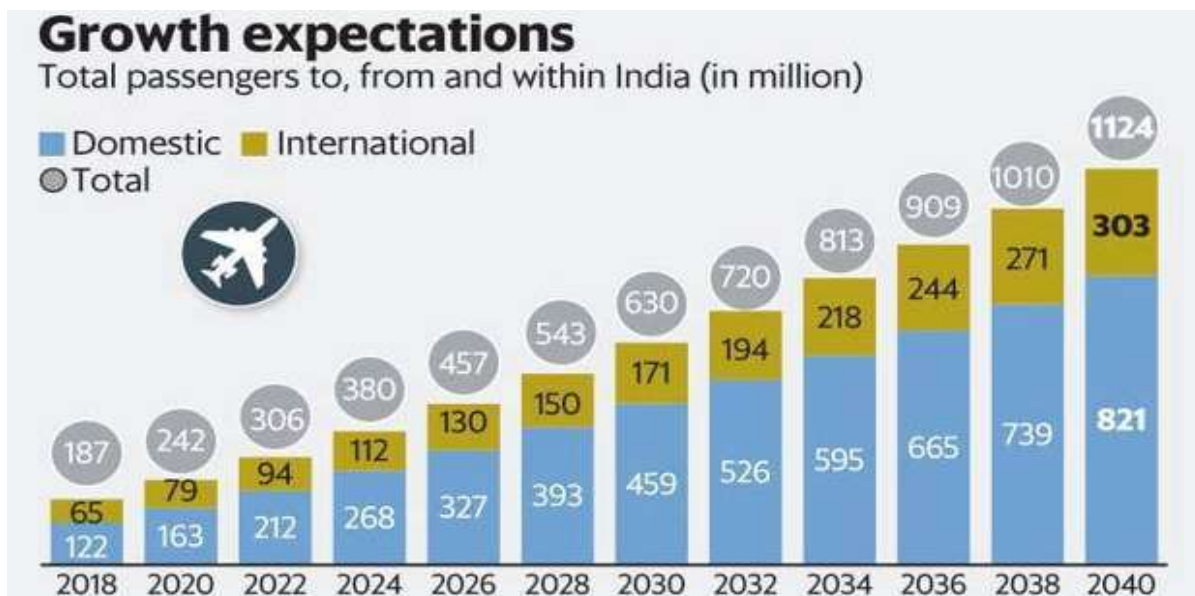


6. What is the global standing of India's domestic aviation market?

- The India Aviation market size stands at **USD 14.78 billion in 2025** and is forecast to expand to **USD 26.08 billion by 2030**, translating into a **12.03% CAGR**.

- **Domestic traffic** has almost regained its **pre-pandemic momentum**, and **policy support** through the **UDAN regional** connectivity scheme keeps **new routes commercially viable**.
- The intensification of **fleet modernization** by leading airlines, **higher defense outlays**, and a **widening e-commerce footprint in Tier 2 and Tier 3 cities** reinforces demand for aircraft, engines, and air cargo infrastructure.
- However, **fuel-price swings**, **infrastructure gaps at smaller airports**, and **shortages of flight crews and maintenance engineers** act as counterweights to growth.
- The **India Aviation market** benefits from synchronized **public spending**, **private capital**, and **latent travel demand**, creating a **compelling medium-term outlook**.





7. Did IndiGo's dominance led to the crisis?

INDIGO UNDER FIRE!

'ABUSE OF DOMINANCE...'



- The crisis has raised concerns about the risks of over reliance on a single carrier, with IndiGo controlling 65 percent of the market share.
- IndiGo along with Air India control 92 percent of the market share, raising questions about lack of competition.
- Experts have raised concerns about the duopoly in the aviation sector.

- **“IndiGo’s size has grown to the point where operational setbacks pose systemic risk,” Harsh Vardhan, chairman of Starair Consulting, told Reuters.**
 - **If IndiGo or Air India get into “trouble, there will be mayhem in Indian aviation,” he said.**
- **GR Gopinath, founder of now-defunct low-cost airline Air Deccan, wrote in a weekend editorial in the Economic Times newspaper: “A country cannot grow robustly with duopolies, or effective monopolies, in any sector.”**
- **The government of Prime Minister Narendra Modi has made efforts to expand airport operations under its Udaan (meaning to fly in Hindi), but high taxes, rising fuel costs and shrinking competition have made air travel unaffordable to most Indians.**
- **Several airlines, including Jet Airways and Go First have been shutdown in recent years, leaving little choice for travelers.**
- **Since India opened its economy in early 1990s, a number of private airlines such as Kingfisher and Deccan airline, one of the first low-cost carriers, have shut down operations.**
- **“The government needs to reduce jet fuel taxes and encourage more competition,” Harsh Vardhan, the chairman of Starair Consulting, said.**



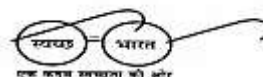
8. What steps has the government taken to address the crisis?

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GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF CIVIL AVIATION,
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मिसिल संख्या File No: DGCA-22011/04/2021-FSD

दिनांक Dated : 5th December, 2025

Subject: Withdrawal of Instructions Regarding Published Weekly Rest

Refer to letter No. DGCA-22011/04/2021-FSD dated 20.01.2025.

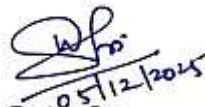
Whereas, reference is invited to the above-mentioned letter, specifically to the paragraph stipulating that "no leave shall be substituted for weekly rest"; and

Whereas, in view of the ongoing operational disruptions and representations received from various airlines regarding the need to ensure continuity and stability of operations, it has been considered necessary to review the said provision;

Now, therefore, the instruction contained in the referenced paragraph that no leave shall be substituted for weekly rest is hereby withdrawn with immediate effect.

This issues with the approval of the Competent Authority (CA).




05/12/2025
(हिमांशु श्रीवास्तव)

(Himanshu Srivastava)

सहायक निदेशक प्रचालन (उड़ान मानक निदेशालय)
Asstt. Director of Operations (FSD)
कृते महानिदेशक नागर विमानन
for Director General of Civil Aviation

To All operators.

- The government has ordered a **high-level inquiry to determine the reasons and accountability for flight disruptions.**
- **Civil Aviation Minister Kinjarapu Rammohan Naidu** blamed IndiGo for “**mismanagement regarding their crew**”, adding that **other airlines were prepared for the changes.**
- The government on **December 5th**, announced **exemptions from the new rules for the carrier and provided stranded passengers with train tickets to continue their journey.**
- **IndiGo has been exempted until February 10** from the **requirement to cap the weekly number of landings for a pilot between midnight and early morning.**
 - It has also been **exempted from the pilots’ flight duty time.**
- The **Airline Pilots Association of India** has, protested against the exemptions, saying the rules “**exist solely to safeguard human life**”.
- On December 6th, India’s aviation watchdog, the **DGCA**, sent a **letter to IndiGo CEO Pieter Elbers**, warning him of regulatory action amid flight cancellations.
- “**You have failed in your duty to ensure timely arrangements for conduct of reliable operations,**” Reuters reported, quoting DGCA official Ravinder Singh Jamwal.
- The **Ministry of Civil Aviation** on **December 6th**, also announced **capping of airfares to control the surge in ticket prices due to a breakdown in IndiGo’s flight services.**
 - The civil aviation ministry has imposed **temporary maximum fare limits across domestic routes** after widespread **IndiGo disruptions** led to capacity shortages and sharp fare hikes.
 - Under its order, airlines cannot charge more than **Rs 7,500 (up to 500 km), Rs 12,000 (500–1,000 km), Rs 15,000 (1,000–1,500 km) and Rs 18,000 (above 1,500 km), excluding taxes and statutory charges.**
 - The cap applies uniformly across all booking platforms and will remain in force **until fares stabilise.**

- Notably, these caps do not apply to business class.

Maximum domestic flight fare cap and conditions

Stage Length (Distance)	Up to 500 km	500–1000 km	1000–1500 km	Above 1500 km
Insoliration (Price)	 ₹7,500	 ₹12,000	 ₹15,000	 ₹18,000
Notes / Conditions	Notes / Conditions: Fare limits exclude UDF, PSF and Taxes	Notes / Conditions: Not applicable to Business Class and RCS UDAAN flights	Notes / Conditions: Applies until fares stabilise or further review	Notes / Conditions: Applies to bookings from airline websites and OTAs

ADDITIONAL CONDITIONS



- Airlines must maintain ticket availability across all fare buckets.



- Airlines may increase capacity on high-demand sectors if required.

Note: All fares are in Indian Rupees (₹). Limits are subject to change based on government review and market stability.

- **GOVT SLASHES INDIGO'S CORRECTION DEADLINE FROM 21 DAYS TO 2 DAYS, ISSUES A DGCA SHOW-CAUSE NOTICE, AND TREATS THE DISRUPTION AS AN EXCEPTIONAL CASE REQUIRING IMMEDIATE FIXES.**
- **DAILY MONITORING OF INDIGO'S OPERATIONS BEGINS, WITH SCRUTINY OF CANCELLATIONS, CREW SHORTAGE, SCHEDULING ISSUES, AND OVERALL SERVICE STABILITY.**
- **PASSENGERS GET STRONGER PROTECTIONS: REFUNDS WITHIN 48 HOURS, NO RESCHEDULING FEES, AND A STRICT BAN ON SURGE PRICING UNTIL OPERATIONS NORMALIZE.**
- **INDIGO MUST RE-ACCOMMODATE PASSENGERS ON THE NEXT AVAILABLE FLIGHT AT NO EXTRA COST, ENSURING SMOOTH ALTERNATIVES FOR STRANDED TRAVELERS.**



Ram Mohan Naidu Kinjarapu ✓
@RamMNK



During the last week, many passengers faced severe inconvenience due to Indigo's internal mismanagement of crew rosters, flight schedules and inadequate communication. While the enquiry and necessary actions are underway, another meeting with Indigo's top management was held to review the stabilization measures.

Today again, @IndiGo6E CEO Pieter Elbers was summoned to the Ministry to provide an update. He confirmed that 100% of the refunds for flights affected till 6th December have been completed. A strict instruction to expedite the completion of the remaining refunds and baggage handover was given.

The Ministry considers it necessary to curtail the overall Indigo routes, which will help in stabilizing the airline's operations and lead to reduced cancellations. A curtailment of 10% has been ordered. While abiding with it, Indigo will continue to cover all its destinations as before.

Indigo has been instructed to comply with all the directives of the Ministry, including fare capping and passenger convenience measures without any exception.

@MoCA_GoI @AAI_Official



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Dec 9, 2025 · 1883 Views

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9. When will the IndiGo operations return to normal?

- Acknowledging its **failure to adapt to the new rules**, IndiGo has **apologised for the serious “operational crisis”**.
 - It attributed the mass cancellations to **“misjudgement and planning gaps”**.
- IndiGo CEO Pieter Elbers said in a **video statement**, that it would **“take some time” for the flight operations to get back to normal**.
 - *“Given the size, scale, and complexity of our operations, it will take some time to return to a full normal situation, which we anticipate between 10 and 15 December,”* he said.
- In his message, **Elbers announced that the airline has three lines of action to address the crisis**, which include **customer support measures to effectively communicate cancellations and refunds, aligning with the DGCA’s regulations**.
- IndiGo CEO Pieter Elbers today said the airline's immediate goal is to normalise operations and bring punctuality back on track "which is not an easy target".



10. How has the crisis affected airfares?

- With **IndiGo dominating the Indian aviation market**, other airlines have **hiked prices on many routes**, especially return flights from metro cities **New Delhi, Mumbai and Bengaluru**.

“That wasn’t pricing. It was profiteering. When systems collapse, the market becomes a vulture,” posted an X user after ticket prices soared.

- According to **Indian media reports**, the **Civil Aviation Ministry** has warned airlines that it has **“taken a serious note of unusually high airfares being charged by certain airlines during the ongoing disruption”** and has in turn **“invoked its regulatory powers to ensure fair and reasonable fares across all affected routes.”**
- As per a **Reuters report**, the government has said flight journeys between **1,000km and 1,500km (620-930 miles)** should be capped at **15,000 rupees (\$167)**.
- Airfares were previously capped in India in **May 2020, during the COVID-19 pandemic**, when the subcontinent ordered lockdowns and reduced flight operations.
 - According to a study published last November by global trade association **Airports Council International (ACI)**, India, however, saw a **43 percent rise in domestic fares in the first half of 2024 compared with 2019**.
- So far, **Air India and Air India Express**, which hold **26 percent of the market share**, have addressed the situation and clarified that **“economy class airfares on non-stop domestic flights have been proactively capped to prevent the usual demand-and-supply mechanism being applied by revenue management systems”**.
- The **two airlines** added that they are **seeking to add capacity to help travellers and their baggage reach their final destinations efficiently**.



11. How are other leading Indian airlines managing the crisis?

- Other Indian carriers, including **Air India** and **Akasa Air**, continue with their **operations amid the chaos**.
- According to Indian media reports, **Mumbai-based low-cost carrier Akasa Air**, focused on recruiting **new pilots**, which **helped it adapt to the new FDTL norms**.
- A report by **Indian business portal Money Control** noted that **Tata-owned Air India** also **boosted flight crew for domestic flights**, helping it better handle the new rules.
- **International flights by Air India** and its sister company, budget carrier **Air India Express**, have reduced international flight operations to undertake more **safety checks** after a deadly June plane crash that killed **241 people in Gujarat state**.



12. What compensation measures has IndiGo provided to affected passengers during its recent operational disruptions?

With you, all the way.

Our foremost priority continues to be the care of our customers. As part of this, following the operational disruption, we have ensured that all necessary refunds for cancelled flights have been initiated, most of which have already reflected in your accounts, with the remainder following shortly.

If the booking was made through a travel partner platform, the necessary actions for your refund have also been initiated. As we may not have your complete details in our system, we request you to write to us at customer.experience@goindigo.in so we can continue to assist you promptly.

IndiGo regrettably acknowledges that part of our customers travelling on December 3/4/5 were stranded for many hours at certain airports and number of them were severely impacted due to congestion. We will offer travel vouchers worth ₹10,000 to such severely impacted customers. These travel vouchers can be used for any future IndiGo journey for the next 12 months.

This compensation is in addition to the commitment under the existing Government guidelines as per which, IndiGo will provide compensation of ₹5,000 to ₹10,000 depending on the block time of the flight, to those customers whose flights were cancelled within 24 hours of departure time.

At IndiGo, we are committed to restoring the experience you expect from us — safe, smooth, and reliable. Thank you for giving us the opportunity to serve you again.

COMPENSATION MEASURES (DEC 11)

IndiGo announced **travel vouchers worth Rs 10,000** for passengers severely impacted by cancellations or long delays during December 3-5.


The compensation is in addition to the commitment under existing government guidelines, the airline said in a statement.

The vouchers **can be used for any future IndiGo journey** for the next 12 months.



13. Enlist various major domestic Airlines in India?

- **India's domestic air transport** market is one of the **fastest-growing markets** globally, driven by **increasing middle-class incomes**, government policies like **UDAN** to foster **regional connectivity**, and **demand for low-cost, efficient air travel**.
- According to **India possesses a diverse full-service** and low-cost as well as regional carrier fleet that serves over **90 domestic destinations as of 2025**.

Major Domestic Airlines	About
IndiGo	<ul style="list-style-type: none"> • IndiGo is India's leading domestic market-share airline (over 60%), known for punctuality, low cost, and high connecting density of covering key metros to tier-2 towns.  <ul style="list-style-type: none"> • It operates with a fleet dominated by Airbus A320 family aircraft and has strong dominance in hubs like Delhi, Mumbai, Bengaluru, and Hyderabad.
Air India	<ul style="list-style-type: none"> • The national carrier, now part of Tata Group, is a three-class full-service operation (First, Executive, Economy). • It serves an extensive domestic and international network and is part of Star Alliance. • Air India is known for upscale facilities and high connectivity.

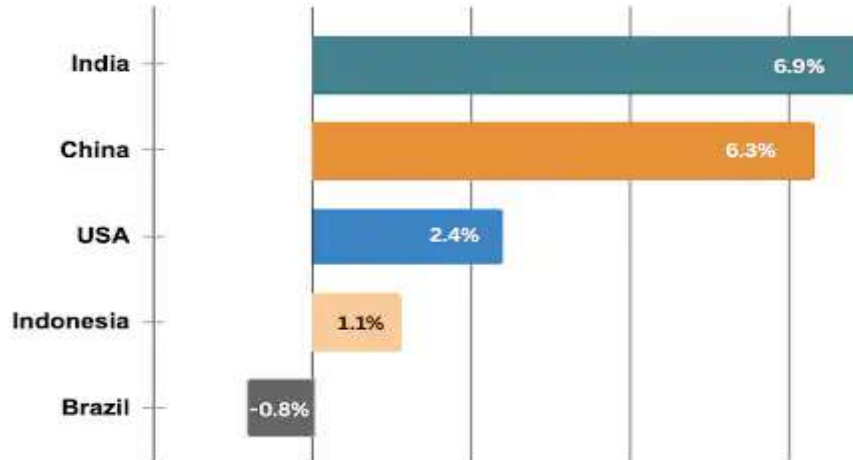
Vistara	<ul style="list-style-type: none">• A partnership company of Tata Sons and Singapore Airlines, Vistara is India's sole 5-star-rated airline (Skytrax 2022).• It has three cabin classes and concentrates on high-end service, operating from Delhi, Mumbai, and Bengaluru primarily.
SpiceJet	<ul style="list-style-type: none">• One of the leading low-cost carriers, SpiceJet connects several tier-2 cities at affordable fares.• It operates Boeing 737 and Q400 turboprops and features services such as SpiceMax (extra legroom) and SpiceXpress cargo.
AirAsia India (AIX Connect)	<ul style="list-style-type: none">• AirAsia India, which is now owned completely by Tata Sons and has been renamed AIX Connect, flies Airbus A320s with emphasis on on-time performance and low prices, primarily covering southern and eastern India.
Akasa Air	<ul style="list-style-type: none">• Inducted in 2022, Akasa Air is a new low-cost airline with a contemporary Boeing 737 MAX fleet, with an emphasis on sustainability and low fares with free snacks on board.

14. What are the reasons for the success of Indigo airlines?

Parameter	Value
CASK (Rupee)	4.38
Avg distance per flight (Km)	908
Avg cost per Seat (65kg)	3,977.04
Daily no of Flights	2,016
Cost Saved Daily (Rupee)	8,017,713
Yearly cost saved	2,926,465,114

Domestic Monthly Airline Capacity

10 Year Average Annual Growth Rate



Reasons	Description
Cost Efficiency Masterclass	<ul style="list-style-type: none"> • Homogenous Fleet: <ul style="list-style-type: none"> ▪ IndiGo primarily uses the Airbus A320 family, which simplifies maintenance, crew training, and procurement.

	<ul style="list-style-type: none"> ▪ By operating a single type of aircraft, IndiGo can achieve significant cost efficiencies across several operational aspects. • Maintenance Cost Efficiency: <ul style="list-style-type: none"> ▪ Utilizing a homogenous fleet allows IndiGo to streamline its maintenance processes. ▪ The airline can consolidate its spare parts inventory, which means it can stock fewer parts since the same components are used across multiple aircraft. ▪ This reduces the complexity of inventory management and minimizes costs associated with acquiring and storing spare parts. ▪ Additionally, maintenance crews become highly specialized in the A320, enabling quicker and more efficient repairs, which ultimately leads to reduced aircraft downtime. • Training Cost Savings: <ul style="list-style-type: none"> ▪ Crew training is another area where cost savings are substantial. ▪ With a single aircraft model, IndiGo can standardize its training programs for pilots and cabin crew. ▪ This not only lowers training costs but also accelerates the training process since new hires only need to learn the operational procedures for one type of aircraft. ▪ This efficiency means that crew members can be deployed faster, enhancing operational productivity and reducing the costs associated with training multiple aircraft types.
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	<ul style="list-style-type: none"> • Procurement Efficiency: <ul style="list-style-type: none"> ▪ The procurement process is also streamlined, as IndiGo can negotiate bulk purchases for the A320 family. ▪ By committing to a single aircraft type, the airline can secure better deals from suppliers and manufacturers, leading to lower acquisition costs. • No-Frills Approach: <ul style="list-style-type: none"> ▪ Ever noticed that IndiGo doesn't provide bottled water? ▪ This seemingly minor detail is part of IndiGo's broader cost-cutting strategy, which focuses on delivering low-cost, efficient service to its passengers. ▪ By minimizing in-flight services, IndiGo reduces operational costs that can otherwise accumulate quickly. • Sale and Leaseback Model: <ul style="list-style-type: none"> ▪ Rather than owning its fleet outright, IndiGo employs a sale-and-leaseback approach, which is one of the most efficient strategies in the aviation industry. ▪ By purchasing aircraft at bulk prices, IndiGo can sell them to lessors and lease them back for operational use. ▪ This method significantly reduces upfront capital costs and frees up cash flow, allowing the airline to invest in other critical areas of its business, such as expanding its network or enhancing customer services.
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	<ul style="list-style-type: none"> ▪ This strategy not only helps IndiGo maintain financial flexibility but also enables it to operate with a leaner balance sheet, further solidifying its position as a profitable player in the competitive airline market.
A Duopoly Market Advantage	<ul style="list-style-type: none"> • The Indian airline market has recently turned into a duopoly, with IndiGo commanding a 60% market share, while Tata's airlines collectively hold about 25–30%. <ul style="list-style-type: none"> ▪ This concentrated market gives IndiGo greater pricing power, an unusual advantage in the competitive airline industry. ▪ This power has allowed IndiGo to strengthen its foothold and increase ticket prices where necessary without losing market share.
Weight and fuel reduction strategy:	<ul style="list-style-type: none"> • Fuel consumption rises with every extra kg on board. <ul style="list-style-type: none"> ▪ IndiGo strategically trims weight wherever possible to cut costs. ▪ It removed hot meals from its menu, so ovens were no longer needed. ▪ Each oven on average weighs about 20 kg, and as 2-4 ovens are used, it saves around 60 kg per flight. • Moreover, IndiGo employs only female cabin crew, who are on average 15-20 kg lighter than the male crew. • With 5–6 crew, this reduces total weight by another 60–80 kg.

INDIGO AIRLINE



FOUNDERS



Rahul Bhatia

Licence obtained
2004

First flight
4 August 2006

Delhi to Guwahati



Rakesh Gangwal

KEY POINTS

IndiGo has focussed on the middle class since its start; **only economy-class seats were fitted on the plane**



Every flight was arranged for 180 people to sit; to cut costs free food was removed during the flight

OPERATIONAL FLEET

Daily flights
2,200 plus

Domestic flights
90 plus

International
40 plus

Market share: 61.4% — that means 6 out of 10 Indian passengers travel with IndiGo

**Planes
417**

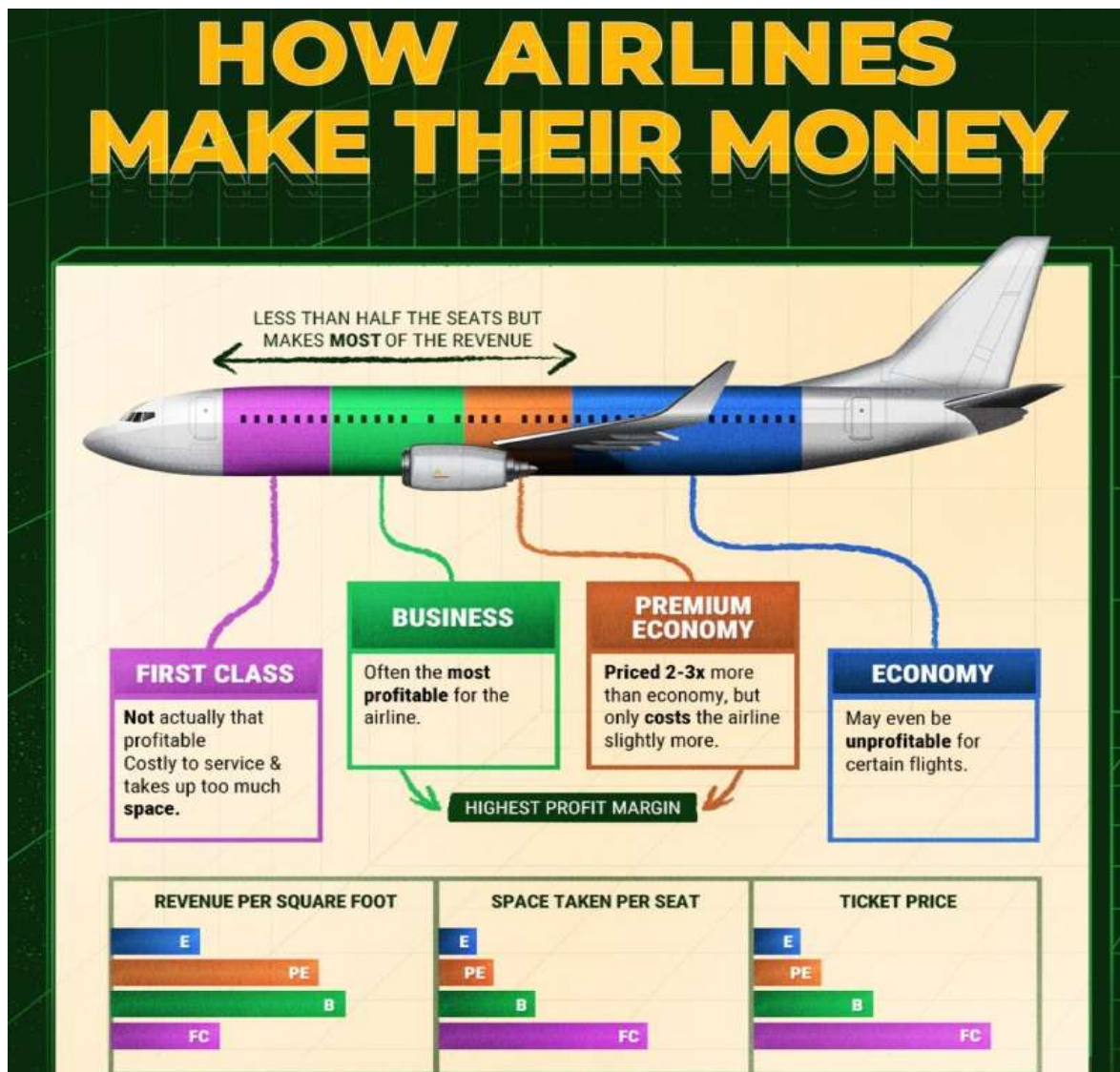


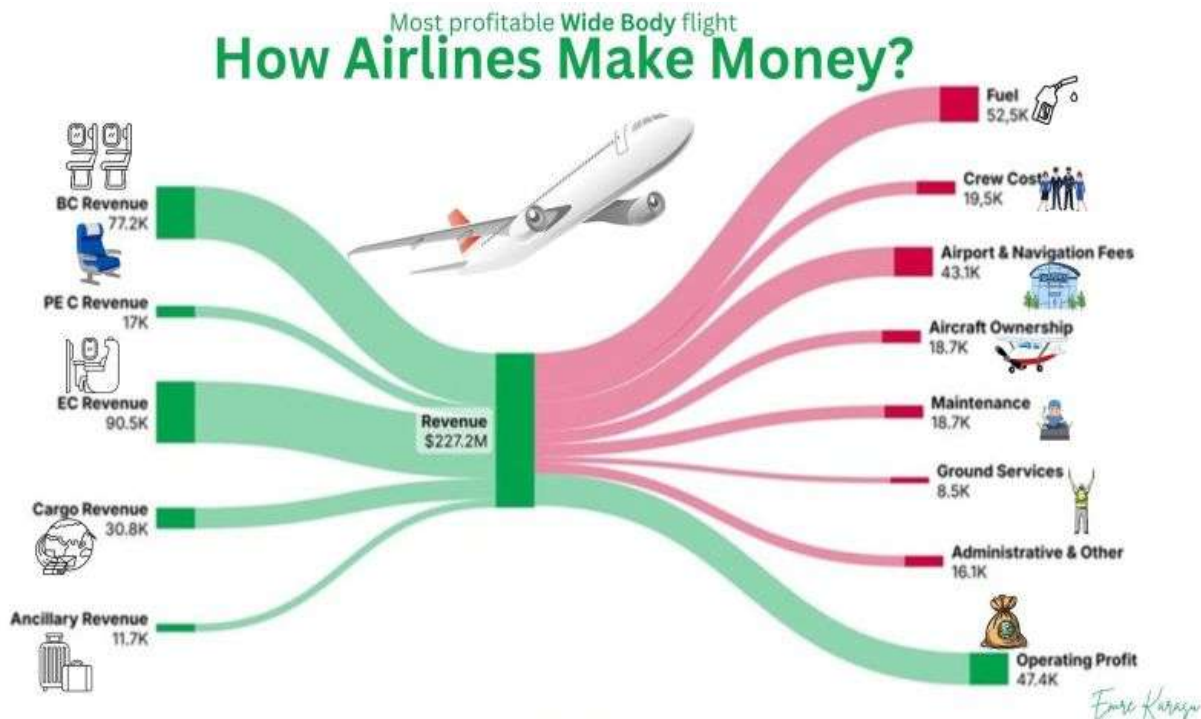
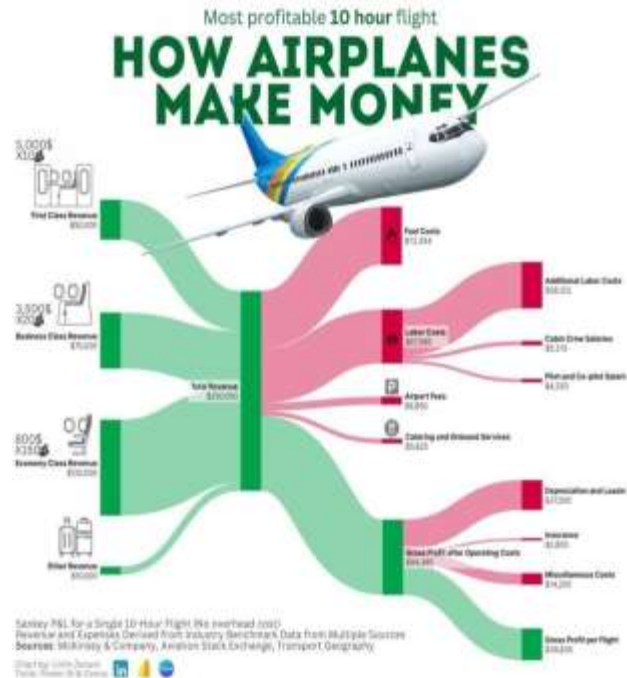
15. How is India's aviation sector emerging as a catalyst for inclusive and regional growth?

- In the last decade, **India's skies** have grown **busier than ever**.
- India has emerged as the **world's third-largest domestic aviation market**.
 - The number of **airports increased from 74 in 2014 to 163 in 2025**.
 - Meanwhile, as India **celebrates hundred years of independence in 2047**, the government's vision is to increase airports to **350-400 by then**.
- The **aviation sector is also one of the fastest-growing sectors** in India's economy, contributing through **air transport services and indirectly through tourism, trade, logistics, and manufacturing**.
- According to the **International Civil Aviation Organization (ICAO)**, investments in aviation have a **strong ripple effect on the economy**.
 - For every **rupee spent**, the sector generates more than three times that value in economic activity and supports over six times as many jobs in connected industries.
- Today, the sector supports over **7.7 million jobs indirectly**, including **369,000 jobs directly**, the demand for skilled personnel—pilots, engineers, ground staff, and logistics professionals—is expected to rise sharply.
 - With over **116 bilateral Air Service Agreements**, India is deepening **global connectivity** as Indian carriers expand internationally, reinforcing the country's position as an **aviation hub in Asia**.
- **Civil aviation** is also driving **FDI inflows, technology transfer, and Make in India initiatives** in aircraft manufacturing, ground handling, and **Maintenance, Repair, and Operations (MRO) services**.

- Over the past decade, **domestic air passenger traffic** has grown **10-12% annually**.
- By **2040**, the passenger traffic is expected to grow six-fold to around **1.1 billion**.
- India's **commercial airline fleet** is predicted to grow from **400** in 2014 to around **2359** in March 2040.
- The **total employment** due to aviation sector in **2040** is expected to be around **25 million** - emerging as a **core engine** of India's journey towards becoming a developed economy.

16. How do an airline makes money?



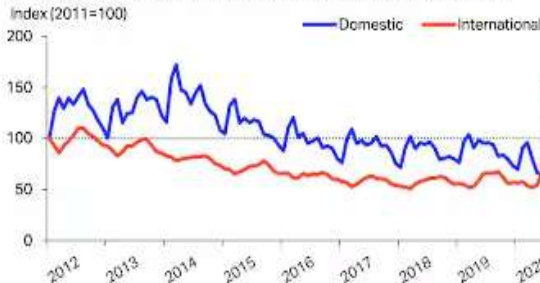


17. What are the challenges of aviation industry?



- **Running an airline** is like **flying through a storm**: unexpected changes and **high costs** can make for a **bumpy ride**.
- Here are the key factors that make this industry tough:

Challenges	Description
Fluctuating Fuel Prices	<ul style="list-style-type: none"> • Fuel is one of the largest expenses for airlines, and its price volatility can wreak havoc on profits.

	<ul style="list-style-type: none"> • Aviation turbine fuel accounts for around 30-40% of the airlines' operating costs in India (as of FY25), compared with a global average of 26%, making it the largest expense • Airlines have to calculate precisely how much fuel is needed for its shortage so that it doesn't overuse the costly fuel or go into shortage where it needs a refueling in a nearby airport.
Currency Exchange Rate	<ul style="list-style-type: none"> • For an international airline, fluctuating exchange rates can impact the cost of operations, especially for fuel and parts procured from overseas. • The crew's overnight stay and allowance and another heavy expense for the airline.
Lack of pricing power	<ul style="list-style-type: none"> • India's aviation market is one of the most price-sensitive markets in the world. Passenger traffic has grown over 62% since 2015, yet domestic airfares have largely remained stagnant, often close to or below 2015 levels. • This has failed to keep pace with rising operational costs, including higher fuel prices and inflation. <p>Chart 21: Real average airfare, India (2012-2024, indexed to 2011)</p>  <p>Source: IATA Sustainability & Economics, using data from DDS</p>

Government Policies and Taxes	<ul style="list-style-type: none"> • The aviation industry operates under stringent government regulations, encompassing everything from safety standards to environmental controls, which can add significant operational complexity and costs for airlines. • Additionally, airlines are subject to multiple layers of taxes, such as excise duty on fuel, airport charges, and service taxes. • India's aviation sector faces varied taxes, but recent reforms introduced a uniform 5% GST on aircraft & parts (boosting MRO), while Aviation Turbine Fuel (ATF) has high central excise (11%) plus state VAT, and luxury/private aviation now faces higher GST slabs (around 40% special slab).
Inflation	<ul style="list-style-type: none"> • Rising inflation affects everything from airport fees to onboard snacks.
Lack of Pricing Power	<ul style="list-style-type: none"> • In India, the airline industry has been characterized by fierce competition among carriers, leading to a pricing environment that often favors consumers at the expense of profitability for airlines. • While flying is still a luxury in India, airlines have to make it affordable for the vast working class. • With multiple airlines vying for market share, fare wars are common, forcing carriers to slash prices to attract customers.

18. What is UDAN (Ude Desh ka Aam Nagrik) scheme?

“Aviation was once considered the domain of a select few, but that has changed now with the advent of UDAN. My dream is to see a person who wears a 'hawai chappal' to fly on the 'hawai jahaz’.”

- Prime Minister, Shri Narendra Modi

- The sky, long seen as a symbol of aspiration, was once an unattainable dream for many in India.
- To bridge this gap, the **Government of India**, under the leadership of **Prime Minister Shri Narendra Modi**, launched the **Regional Connectivity Scheme (RCS) – UDAN** (“Ude Desh ka Aam Nagrik”) on **October 21, 2016**.
- Rooted in the **Prime Minister’s vision** that even a common man in slippers should be able to afford air travel, **UDAN aims to democratize aviation by making flying accessible and affordable for all**.
- Implemented by the **Ministry of Civil Aviation**, this **flagship scheme** has since transformed India’s regional connectivity landscape.
- The dream of **affordable air travel** for the common citizen began to take tangible form with the **first UDAN flight**.
- This landmark flight took off on **April 27, 2017**, connecting the serene hills of Shimla to the bustling metropolis of Delhi.
- On **April 27, 2025**, this landmark event, which marked the beginning of a **transformative journey** in Indian aviation, opening up the **skies to countless citizens**, will complete **8 years**.
- The **UDAN scheme** was conceptualised under the **National Civil Aviation Policy (NCAP) 2016**, with a **10-year vision**, to connect **Tier-2 and Tier-3 cities** through a market-driven yet financially supported model.

- The scheme incentivised airlines through **concessions and Viability Gap Funding (VGF)** to **operate on regional routes**, ensuring **affordable fares and improved accessibility**.

Objectives & Significance of UDAN Scheme

- Enhances regional air connectivity** by operationalizing unserved and underserved airports across India.
- Makes air travel affordable** through Viability Gap Funding (VGF) and operational cost concessions.
- Promotes tourism and boosts local economies**, leading to balanced regional development.
- Generates employment opportunities** in the aviation sector and related industries.
- Strengthens socio-economic integration** by bridging the rural-urban connectivity divide.
- Encourages private participation** in aviation through a market-driven approach.

The infographic features a blue background with a green map of India on the right. A white dashed line traces a path across the map, ending in a red location pin. Below the map, there are three photographs: a couple looking at a map, a commercial airplane in flight, and an airport control tower. At the bottom left is the UDAN logo, which includes a blue circle with a white airplane and the text 'UDAN' and 'Ude Desh ko Aam Wing'.

UDAN 5.0 Series

Reforming for Greater Efficiency and Reach

UDAN 5.0 (April 2023)

- ✓ Focused on Category-2 (20–80 seats) and Category-3 (>80 seats) aircraft.
- ✓ Distance cap (600 km) removed to allow longer routes.
- ✓ Prioritised routes linked to airports that are operational or near completion.
- ✓ Airlines must commence operations within 4 months, improving turnaround time and planning.

UDAN 5.1 (May 2023)

- ✓ Tailored to helicopter connectivity, especially in priority areas.
- ✓ Viability Gap Funding (VGF) caps increased; airfare caps reduced.
- ✓ Allowed routes where at least one endpoint is a heliport, expanding access to remote regions.

UDAN 5.2 (July 2023)

- ✓ Designed for small aircraft operations (<20 seats).
- ✓ Enhanced flexibility with airlines allowed to operate 10%–40% of the annually quoted RCS seats per quarter.
- ✓ Aimed at bolstering last-mile connectivity and supporting rural tourism.

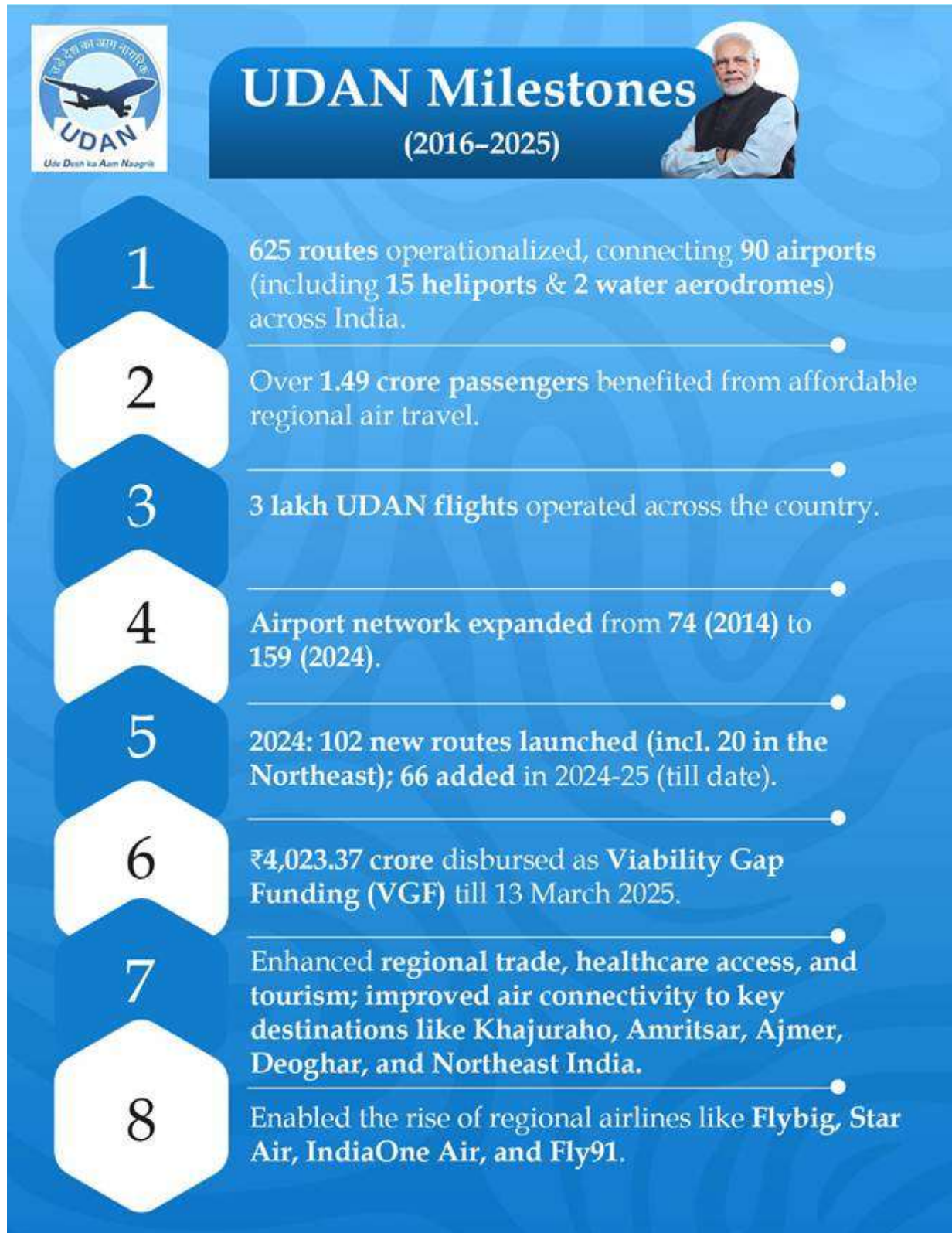
UDAN 5.3 (January 2024) and UDAN 5.4 (August 2024)


- ✓ Special rounds to re-bid discontinued or terminated routes.
- ✓ Open to all airline categories, aimed at reviving connectivity on strategic routes.

UDAN 5.5

- ✓ Further refined route allocations and bidding guidelines.
- ✓ Included seaplane operations, with bids invited for 50+ water bodies, enhancing multimodal regional access.



Mention various milestones achieved by UDAN?

UDAN Milestones	Description
RCS-UDAN Connecting India:	<ul style="list-style-type: none"> • The Regional Connectivity Scheme (RCS) – UDAN has operationalised 649 routes and connected 93 aerodromes (including 2 water aerodromes and 15 heliports) across the country, among which 12 airports/heliports in the North-East region. • It has also integrated the Andaman, Nicobar, and Lakshadweep Islands into the national aviation network.  <p>The poster for UDAN (Ude Desh Ka Aam Naagrik) features a portrait of Narendra Modi. It states: 'Endeavour to make common people fly', 'Modi government's regional connectivity scheme', 'UDAAN launched', 'Air travel will be made affordable for common people', 'First scheme of its type in the world', 'First flight of this scheme to take off in January 2017', and 'A cap of Rs. 2,500 fixed for one hour commercial flight for distance up to 500 kms (30 minutes travel by helicopters)'.</p>
Milestone Achieved:	<ul style="list-style-type: none"> • Over 1.56+ crore passengers have travelled on RCS–UDAN flights, and a total of 3.23 lakh RCS flights have been operated across regional routes nationwide. • Around ₹4,300 crore in Viability Gap Funding (VGF) has been disbursed to make regional routes commercially sustainable for airlines.
Expanded UDAN:	<ul style="list-style-type: none"> • The scheme aims to increase regional connectivity to 120 new destinations across the country, catering to 4 crore passengers in the next 10 years.

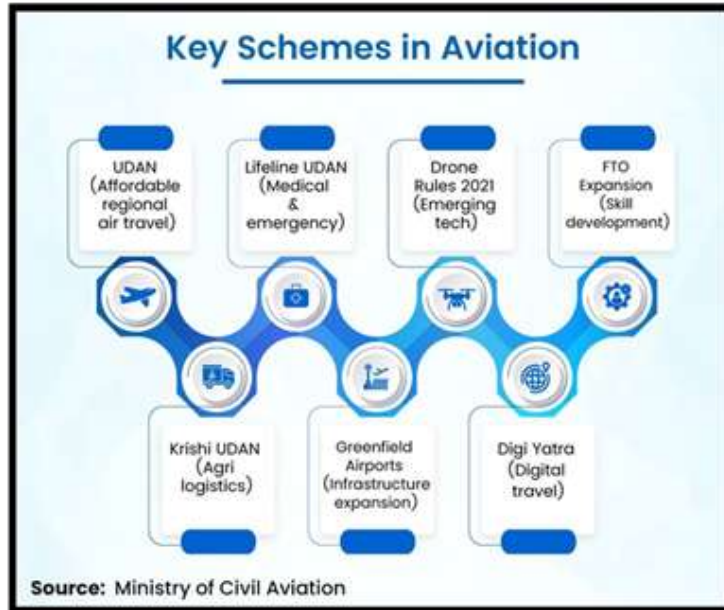
	 <p>India Extends UDAN Scheme for 10 More Years</p> <ul style="list-style-type: none"> The scheme will also support helipads and smaller airports in hilly, aspirational and North East region districts. 														
<p>Affordable Food at Airports with UDAN Yatri Café:</p>	<ul style="list-style-type: none"> The UDAN Yatri Café initiative, launched at Kolkata and Chennai airports, provides affordable, quality meals (tea at ₹10, samosa at ₹20) — making air travel more inclusive and accessible to all.  <p>The image shows the interior of a UDAN Yatri Café and a menu board. The menu board lists the following items and prices:</p> <table border="1"> <thead> <tr> <th colspan="2">उडान यात्री कॅफे UDAN YATRI CAFE</th> </tr> <tr> <th colspan="2">MENU</th> </tr> </thead> <tbody> <tr> <td>Tea</td> <td>10</td> </tr> <tr> <td>Water Bottle</td> <td>10</td> </tr> <tr> <td>Coffee</td> <td>20</td> </tr> <tr> <td>Sweet of the day</td> <td>20</td> </tr> <tr> <td>Samosa</td> <td>20</td> </tr> </tbody> </table>	उडान यात्री कॅफे UDAN YATRI CAFE		MENU		Tea	10	Water Bottle	10	Coffee	20	Sweet of the day	20	Samosa	20
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Tea	10														
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19. What is India's Aviation Vision 2047?

- As India moves **toward its centenary of independence**, the aviation sector is charting an ambitious growth path — **from 163 airports in 2025 to over 350 by 2047**, and passenger traffic expected to cross **one billion**.
- These numbers **represents a shift toward cleaner fuels, digital airways, and inclusive mobility**.
- With **25 million jobs projected by 2047** and expanding opportunities in **MRO, drone manufacturing, and pilot training**, aviation will become a vital pillar of India's \$10 trillion economy.






Following initiatives in aviation sector are pivotal in achieving India's 2047 vision of connecting remote regions, supporting livelihoods, and advancing sustainable growth.

Krishi Udan 2.0
To facilitate & incentivise Agri-produce in the Northeast, Tribal & Hilly regions

- Scheme to be implemented at 53 airports in the Northeast & tribal regions (including two islands)
- International trade export for organic farm & seafood produce to begin soon
- Will remove barriers in supply chain, logistics & transportation to double farmers' income

myGov
मेरी सरकार

Initiatives to achieve India's 2047 vision	About
Krishi UDAN:	<ul style="list-style-type: none">• Launched in September 2020, Krishi UDAN enables faster transport of agricultural produce and perishables, especially to benefit the tribal and northeastern states. In convergence with the Operation Greens Scheme, it offers 50% freight subsidy, multimodal transport options, and coverage of horticulture and allied produce.
Lifeline Greenfield Airports Policy:	<ul style="list-style-type: none">• This special initiative was launched in March 2020, during the COVID-19 lockdown, to ensure uninterrupted medical and essential supply deliveries.• Over 588 flights carried 1,000 tons of cargo across 5.45 lakh km, focusing particularly on the North Eastern region, the Islands, and hilly terrains. Lifeline UDAN also supported setting up COVID labs, transporting medical teams, and responding to emergencies like the Vishakhapatnam gas leak.
Enhancing Travel Experience:	<ul style="list-style-type: none">• To enhance the travel experience, reduce redundancy, and save time, the government has launched various initiative including Digi Yatra.

	 <p>The poster for 'Digi Yatra is EASY' features the title in large blue and orange letters. Below it, a blue box says 'To use Digi Yatra App'. Three bullet points follow: 'Register through DigiLocker', 'You can also register through online Aadhaar authentication.', and 'Create your identity credentials on the Digi Yatra app.'. At the bottom, it says 'You can now use the Digi Yatra App For Paperless check-in at airports!'. The background includes a smartphone illustration with a padlock and a checkmark, and a circular graphic with an airplane icon.</p> <ul style="list-style-type: none"> • Implemented from 2022 onwards, Digi Yatra enabled paperless, contactless processing of passengers using facial recognition technology. • By March 2025, more than 52.2 million passengers had used this facility. • Digi Yatra App is available on Android as well as iOS platforms and has been downloaded by over 12.1 million users so far.
Flight Training and Pilot Development:	<ul style="list-style-type: none"> • To meet the projected demand of 30,000–34,000 pilots in the next 10–15 years, government is expanding Flight Training Organizations (FTOs) and commercial pilot licensing. • Promoting gender inclusion, with 13–18% women pilots, DGCA targets 25% female representation in all aviation roles by 2025.
Drone Rules 2021, Production-Linked Incentive (PLI):	<ul style="list-style-type: none"> • The Drone Rules, 2021, liberalized India’s drone sector by simplifying regulations and enabling wider commercial use. Complementing this, the Production-Linked Incentive (PLI) scheme, with Rs 34.79 crore disbursed in FY 24–25, has encouraged domestic manufacturing and reduced reliance on imports, boosting India’s self-reliant drone ecosystem.

<p>Bharatiya Vayuyan Adhiniyam, 2024:</p>	<ul style="list-style-type: none"> • Legislative reform aimed at modernizing India's aviation sector by re-enacting the Aircraft Act, 1934, in alignment with contemporary needs and global standards.  <ul style="list-style-type: none"> • The new legislation fosters indigenous manufacturing under Make in India and Atmanirbhar Bharat initiatives, aligning with international conventions like the Chicago Convention and ICAO, and streamlining regulatory processes, such as simplification of the issuance of licenses. • The Act removes redundancies and provides provisions for appeals.
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20. What is the relevance of the topic for UPSC CSE?

GS Paper 02

- Important International Institutions
- Government Policies & Interventions

GS Paper 04

- Civil/Public Service Values and Ethics in Public Administration

- Corporate Governance
- Accountability and Ethical Governance
- Case studies on all the above Cases

Some questions from this year and previous years interview transcripts.

Board Suman Sharma mam:

- If we divide aviation between civil and military, which one should we focus on given recent deals?

Board Suman Sharma mam:

- How does the Civil aviation sector impact tourism?

Board Dinesh Dasa sir:

- Why do new airlines fail in the aviation market?

Board RN Choubey sir:

- Tell me something about the aviation sector.

Some questions for QUIZ.

Q1. The Chicago Convention is related to which of the following:

- (a) Women safety
- (b) Road Accidents
- (c) Cyber security
- (d) Aviation rules and safety

Ans: (d)

Some questions for POLL.

Q1. Do you think DGCA's regulatory guidelines contributed to operational friction between IndiGo management and pilots?

- (a) YES
- (b) NO
- (c) Can't say.

- Q2. Has IndiGo's recent operational crisis exposed gaps in DGCA's oversight mechanisms?
- (a) YES
 - (b) NO
 - (c) Can't say.
- Q3. Should DGCA introduce binding standard operating procedures (SOPs) for pilot scheduling to avoid disputes?
- (a) YES
 - (b) NO
 - (c) Can't say.
- Q4. Is IndiGo's crisis an indicator that India needs an independent aviation safety & labour commission separate from DGCA?
- (a) YES
 - (b) NO
 - (c) Can't say.
- Q5. Do you think IndiGo's crisis will push DGCA to undertake long-pending regulatory reforms in civil aviation?
- (a) YES
 - (b) NO
 - (c) Can't say.
- Q6. Should DGCA mandate better welfare and rest-period norms for pilots to avoid future confrontations?
- (a) YES
 - (b) NO
 - (c) Can't say.

