
COST OF NO CHOICE: THE INDIGO MELTDOWN AND COMPETITION LAW CONCERNS

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ABSTRACT

In early December 2025, the Indian aviation industry was brought to a standstill when the market leader, IndiGo, cancelled more than 5,600 flights, leaving nearly nine hundred thousand passengers stranded. While the airline's management described the crisis as “unprecedented,” this paper argues it was a foreseeable result of “negligent dominance” a state where a firm's market power allows it to ignore the costs of its own operational fragility. The meltdown was ultimately sparked by IndiGo's failure to align its high-utilisation, night-heavy business model with revised pilot safety regulations (FDTL) that had been notified by the regulator nearly two years earlier.

This research examines the collapse through the lens of the Competition Act, 2002, specifically analysing how the airline's actions restricted the “provision of services” to the detriment of consumers under Section 4(2)(b). It further explores how IndiGo’s control over vital infrastructure, including prime metro airport slots, exclusive training academies, and proprietary scheduling software effectively blocked rival airlines from stepping in to absorb the displaced demand. This concentrated control turned the airline into a singular failure point for the nation's entire aviation sector.

Finally, the paper identifies a regulatory void that emerged between the aviation regulator (DGCA) and the competition watchdog (CCI). Due to jurisdictional friction and legal precedents that stall competition enquiries, the deep-seated market harm and the subsequent spike in airfares remained largely unaddressed. The study concludes that dominant firms in essential sectors carry a “special responsibility” to ensure that their pursuit of over-optimisation does not compromise public safety or distort the competitive landscape.

I. INTRODUCTION

In the opening week of December 2025, the Indian aviation industry experienced a sudden collapse. The market leader of the aviation sector, IndiGo, cancelled over 5,689 flights affecting nearly 9 lakh passengers due to an unprecedented operational crisis. Other airlines also faced disruptions during the same period, but their cancellations were limited in scale compared to the market leader. While the Air India Group cancelled under a thousand flights, cancellations by other carriers remained in the double or low triple digits, underscoring the impact of IndiGo's operational failure on overall market supply.¹

This disrupted the supply, and the law of supply and demand kicked in, leading to almost a four-fold rise in fares. Due to this, the civil aviation ministry had to enforce nationwide fare caps based on the distance between two locations. The fare for a Delhi–Mumbai flight shot up to Rs.65,460.² After the initial dust settled, it was clear that the crisis had occurred due to IndiGo's failure to adequately plan for new Flight Duty Time Limitation (FDTL) regulations that came into full effect on November 1, 2025. It is difficult to believe that the crisis was unprecedented, given that the revised FDTL regulations came out on January 8, 2024, when the DGCA (Directorate General of Civil Aviation) notified the new Civil Aviation Requirements (CAR).³

According to official records from the Press Information Bureau (PIB), the seventy-two-hour window in early December saw a near-total paralysis of IndiGo's domestic network.⁴ The initial corporate narrative attributed these failures to “industry-wide challenges” and “unavoidable operational constraints”; however, a four-member inquiry committee constituted by IndiGo's management found that the airline had systematically failed to maintain a sufficient operational buffer, particularly regarding flight crew and roster integrity.⁵ Despite having an eighteen-month lead time to implement the revised FDTL norms, the airline prioritised the maximisation

¹Dhruv Gajara, IndiGo Cancelled 5,689 Flights in December 2025, Affecting Over 9 Lakh Passengers: Civil Aviation Ministry Tells Lok Sabha, Free Press Journal (Jan. 30, 2026), <https://www.freepressjournal.in/india/indigo-cancelled-5689-flights-in-december-2025-affecting-over-9-lakh-passengers-civil-aviation-ministry-tells-lok-sabha>.

²Shweta Sinha, Rs 7,500 for Flights up to 500 km: Centre Caps Airfares Amid IndiGo Chaos, India Today (Dec. 6, 2025), <https://www.indiatoday.in/india/story/indigo-cancellation-chaos-government-directive-reasonable-airfare-flights-2831740-2025-12-06>.

³Press Information Bureau, DGCA Makes Significant Changes in Fatigue Risk Management System for Flight Crew (Jan. 8, 2024), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1994183>.

⁴Press Information Bureau, IndiGo Flight Disruptions – December 2025: Findings, Enforcement Action and Systemic Reforms (Jan. 17, 2026), <https://www.pib.gov.in>.

⁵Supra note 4.

of crew and aircraft utilisation over systemic resilience. In the eyes of the regulator, this was a failure in systemic planning and operational control.⁶

The resulting penalty of Rs.22.20 crore served as a financial acknowledgement of this negligent dominance. This penalty was bifurcated into a systemic fine of Rs.1.80 crore and a daily non-compliance penalty of Rs.20.40 crore.⁷ As noted in recent empirical studies on the Indian market, while competition law interventions have short-term effects, long-term price stability is often limited in brand-driven markets where demand is inelastic.⁸

The regulatory framework that triggered these disruptions was neither sudden nor unforeseen. In January 2024, the DGCA notified revised Flight Duty Time Limitation norms governing flight time, duty periods, and rest requirements for flight crew.

Under the CAR 2019, the regulatory framework was often criticised by aviation safety experts for failing to account for the physiological impact of “Window of Circadian Low” (WOCL) operations. The previous norms included:⁹

(a) Definition of Night Duty: The nocturnal period was restricted to the hours between 00:00 and 05:00. This definition was considered inadequate as it failed to cover the critical early morning hour (05:00–06:00) when fatigue-related errors are statistically most prevalent.

(b) Weekly Rest Requirements: Flight crews were entitled to a minimum continuous rest period of 36 hours within any seven consecutive days.

(c) Operational Intensity at Night: Pilots were permitted to undertake up to six landings during a single night duty period, a threshold that significantly heightened cognitive load during low-alertness windows.

(d) Maximum Flight Duty Period (FDP): The FDP for night operations was comparatively lenient, often exceeding 10 hours depending on the base of operation and the number of

⁶The Hindu, IndiGo Vacated 717 Slots at Domestic Airports After DGCA Curtailed Winter Flights (Jan. 24, 2026).

⁷Outlook Business, DGCA Slaps ₹22.2-cr Penalty on IndiGo Following December Disruptions (Jan. 18, 2026).

⁸Shubham Madan, Do Competition Laws Actually Lower Prices? An Empirical Study of the Indian FMCG Market, 10(8) Int'l J. Soc. Sci. & Econ. Rsch. (2025).

⁹Directorate General of Civil Aviation, Civil Aviation Requirements, Section 7 – Flight Crew Standards Training and Licensing, Series 'J', Part III, Issue III: Duty Period, Flight Duty Period, Flight Time Limitations and Prescribed Rest Periods for Flight Crew Engaged in Scheduled Air Transport Operations (Aug. 16, 2011, as amended 2019).

landings involved.

(e) Flight Time Limitations: The total flight time permitted for night-encroaching duties was higher than the current amended standards, allowing for extended cockpit occupancy during biologically sensitive hours.

II. REVIEW OF LITERATURE

Supriya Rai et al., *A Study on Indigo Airlines in India: Managing Mergers with Others*: This research examines IndiGo's strategic use of mergers and acquisitions to consolidate its market presence within the Indian aviation sector. The authors analyse key drivers such as fleet enhancement and operational efficiency while acknowledging significant hurdles like regulatory barriers and cultural integration. By synthesising primary and secondary data, the study explores how consolidation enables airlines to achieve economies of scale. It ultimately provides a critical assessment of how these mergers influence financial stability and long-term market competitiveness.

Prakhar Gupta & Tanya Gupta, *Antitrust Regulatory Gap in IndiGo Airlines 2025 Fiasco: Lessons from the US and EU*: Centred on the 2025 operational crisis, this study identifies a systemic regulatory gap within India's competition framework. The authors contrast the domestic “restrained” approach to market concentration with the more proactive enforcement paradigms found in the US and EU. Utilising the Herfindahl–Hirschman Index to demonstrate extreme market density, the paper argues that efficiency-driven dominance necessitates stricter guardrails. It concludes that existing laws are ill-equipped to protect consumers when essential infrastructure services experience massive operational failures.

Surender Kumar et al., *Addressing the Abuse of Dominance in India Under the Competition Act, 2002*: This paper offers a detailed exploration of Section 4 of the Competition Act, 2002, focusing on the regulation of dominant firms to ensure market equity. The authors meticulously review the Competition Commission of India's (CCI) investigative procedures and the evolution of judicial interpretations through seminal case laws. The research highlights the shift in jurisprudence required to address emerging challenges in digital markets, arguing that robust enforcement is essential for safeguarding consumer welfare against monopolistic practices.

III. STAKEHOLDER CONSULTATION AND ADMINISTRATIVE PROCESS

The formulation of the CAR 2024¹⁰ was characterised by a complex and at times adversarial consultation process involving three primary stakeholder groups:

(a) The Regulator (DGCA): The DGCA maintained that the amendments were developed following an internal review of pilot fatigue reports and international best practices. However, the DGCA's decision to defer the implementation of these norms suggested a reactive approach to industry pressure.

(b) Airlines (The Operators): Major carriers, represented by bodies such as the Federation of Indian Airlines (FIA), expressed significant opposition. Their primary contention was that the amended norms would necessitate an immediate fifteen to twenty-five percent increase in pilot strength, leading to escalated operational costs and potential flight cancellations. They argued for a “phased implementation” to allow for recruitment and training.

(c) Pilot Unions (The Employees): Organisations like the Indian Commercial Pilots Association (ICPA) and the Indian Pilots Guild (IPG) argued that the consultation process was compromised by “back-door” negotiations between the regulator and airline management. While they supported the 2024 norms, they vehemently opposed the subsequent exemptions and extensions granted to airlines.

Airlines were allowed a transition period, but it was clearly stipulated that full compliance was mandatory by June 1, 2024, after which no scheduled airline could operate without aligning its rosters and operations with the revised limits.

IV. THE LEGAL ENFORCEABILITY OF PILOT FATIGUE REGULATIONS AND ADMINISTRATIVE DISCRETION

Case Name: *Indian Commercial Pilots Association (ICPA) & Ors. v. Union of India & Ors.*¹¹ (Including subsequent Contempt Petitions in 2025/2026).

The petitioners approached the Delhi High Court seeking the immediate implementation of the 2024 FDTL norms. They contended that the DGCA's delay in enforcement, past the June 2024

¹⁰The Aircraft Rules, 1937, r. 42A (Authorisation to Issue CARs) and r. 133A (General Power of Director-General to Issue Directions).

¹¹*Indian Commercial Pilots Ass'n v. Union of India*, W.P.(C) 9721/2019 (Delhi H.C.). See also *Indian Pilots Guild v. Directorate General of Civil Aviation*, CM APPL. 73851/2024 in W.P.(C) 9721/2019; Delhi High Court Order dated Jan. 30, 2026, in *ICPA v. Union of India*.

deadline, constituted a violation of the Right to Life (Article 21) by prioritising corporate profitability over the safety of the travelling public and crew.

The central dispute involved whether the DGCA could legally stay or relax notified safety regulations through executive circulars without a fresh scientific or safety assessment. The unions argued that the DGCA was acting *ultra vires* by allowing airlines to continue under the 2019 norms despite the formal notification of the 2024 amendment.

The Court took a rigorous stance on the phased implementation schedule. In recent proceedings, the Court observed that while administrative challenges in recruitment are valid, they do not justify the indefinite suspension of safety-critical norms.

The litigation has resulted in a court-monitored transition plan. By 2026, the Court mandated that any airline seeking a variation or exemption from the 48-hour rest rule or the two-landing night limit must submit a specific Fatigue Risk Management System (FRMS) data-driven justification, rather than receiving blanket extensions. The case remains a landmark in establishing that regulatory safety minimums cannot be diluted by executive discretion alone.

The revised FDTL norms substantially tightened operational constraints to address fatigue-related safety risks. Weekly rest requirements were increased to a minimum of 48 continuous hours, including two local nights, with enhanced rest obligations where repeated night duties were assigned. The definition of night duty was expanded to cover the period between 00:00 and 06:00 hours, corresponding to the window of lowest human alertness. For flight operations encroaching upon night duty, stricter caps were imposed on flight time, flight duty periods, and the number of permissible landings, directly limiting aircraft utilisation during high-frequency operations.¹²

V. MARKET CONCENTRATION AND THE LIMITS OF COMPETITIVE SELF-CORRECTION

The structure of the Indian aviation market further explains why the crisis could not correct itself. The market is highly concentrated, as reflected by a Herfindahl–Hirschman Index (HHI) of over 4,000. The HHI is a standard competition law measure that aggregates the squares of

¹²Directorate General of Civil Aviation, Civil Aviation Requirements, Section 7, Series 'J', Part III, Issue IV: Revised Duty Period, Flight Duty Period, Flight Time Limitations and Prescribed Rest Periods (Jan. 8, 2024).

each firm's market share, and higher values indicate greater concentration. In competition law practice, any market with an HHI above 2,500 is considered highly concentrated. IndiGo alone accounts for more than 60 percent of the national market, with even higher shares on key routes. In such a market, competitive pressure is weak. When the dominant airline withdraws capacity, consumers cannot easily switch to alternatives, and rival airlines lack the scale, aircraft, or slots to expand quickly.¹³

From this standpoint, the December 2025 disruption was foreseeable because the revised FDTL norms directly engaged the very concerns that the Competition Act seeks to prevent. The Act places consumer welfare and protection of consumer surplus at its core, recognising that healthy competition depends on sellers being constrained by competitive forces such as rival firms, potential entrants, and alternative products. Where an enterprise enjoys a position of strength that allows it to operate independently of such competitive forces, its conduct can influence market conditions in a manner that directly affects consumers.

A dominant enterprise is characterised by its ability to affect competitors, consumers, or the relevant market in its favour. Such an enterprise can adopt non-price strategies that competitors cannot easily counter, including decisions that influence output, availability, and market conditions. In this sense, dominance allows an enterprise to shape how the market responds, rather than being disciplined by it. When this position of strength exists, the consequences of operational decisions are no longer confined to the firm itself but extend to the market as a whole.¹⁴

Applying these principles, the revised FDTL norms imposed known and measurable constraints on flight crew availability, duty periods, and night operations; all of which are central to airline capacity. These constraints were publicly notified well in advance and required substantial changes in scheduling and deployment. Given IndiGo's position of strength in the market and the dependence of consumers on its network, any failure to adjust to these norms was likely to restrict output and reduce supply in the market. Such a restriction of output directly affects prices and consumer choice, impairing consumer surplus. The resulting cancellations and fare escalation, therefore, cannot be seen as an unforeseen operational mishap, but as a foreseeable market outcome where a dominant enterprise proceeded despite

¹³Prakhar Gupta & Tanya Gupta, *Antitrust Regulatory Gap in IndiGo Airlines 2025 Fiasco: Lessons from the US and EU* (Dec. 7, 2025) (unpublished manuscript), <https://ssrn.com/abstract=5880605>.

¹⁴S.M. Dugar, *Guide to Competition Law* 489–491 (7th ed.).

known constraints that would predictably affect supply and consumer welfare.

Dominance by itself is not objectionable. However, an enterprise occupying a dominant position carries a special responsibility not to allow its conduct to impair genuine and undistorted competition. This responsibility arises because the conduct of a dominant firm can affect consumers directly, through prices and availability, and indirectly, by reducing the intensity of existing or potential competition. Where such an enterprise is insulated from competitive pressure, its operational decisions are capable of shaping market outcomes in a manner that competitors cannot counter.¹⁵

In this context, IndiGo's position of strength in the aviation market meant that it was under a special responsibility to ensure that its conduct did not disrupt competition or harm consumer welfare. The failure to adjust capacity planning in response to known regulatory constraints did not remain an internal operational issue. Instead, it translated into widespread cancellations, reduced supply, and sharp fare increases, directly affecting consumers and distorting competitive conditions.

VI. INDIGO'S DISPROPORTIONATE NIGHT OPERATIONS DEPENDENCY AND THE FDTL IMPACT

A. The Business Model: Night Flying as Competitive Advantage

IndiGo's operational model relies heavily on high aircraft utilisation, including night and early-morning flights. This allows aircraft to spend less time on the ground and generate more revenue per day.¹⁶

By winter 2024, as the revised FDTL norms approached full implementation, IndiGo scheduled 225 night and early-morning flights. Despite Phase 1 implementation in July 2025 and the upcoming November 1, 2025 Phase 2 deadline, IndiGo increased these flights to 297 in winter 2025, a 32 percent increase.¹⁷

This scheduling pattern meant that when stricter night limits became binding, the operational

¹⁵Id. at 525.

¹⁶Newslaundry, The 2019 Rule Change That Accelerated Indian Aviation's Growth Journey, Helped Fuel IndiGo's Supremacy (Dec. 13, 2025), <https://www.newslaundry.com/2025/12/13/the-2019-rule-change-that-fastened-indian-aviations-growth-journey-helped-fuel-indigos-supremacy>.

¹⁷Id.

impact on IndiGo was greater than on airlines with fewer night flights.

B. The 2024 FDTL Revisions: Targeting IndiGo's Core Operations

The revised FDTL regulations introduced provisions that directly constrained airlines operating dense night schedules. Three changes were particularly significant:

(a) Extension of the Night Definition (00:00 to 06:00): The DGCA expanded the definition of "night duty" from 00:00–05:00 to 00:00–06:00, aligned with the Window of Circadian Low (02:00–06:00). Flights departing between 05:00 and 06:00, which were previously outside the night window, now fell within it, triggering stricter duty and rest limits and reducing pilot availability.

(b) Reduction of Permissible Night Landings (Six to Two): Under the earlier framework, pilots could perform up to six night landings per week. The 2024 norms reduced this to two, a 67 percent reduction.¹⁸ IndiGo maintained approximately 5,500 pilots as of December 2025, but reports indicated it required over 1,100 additional pilots, including over 200 first officers, to operate under the revised constraints. Of the 1,232 cancellations reported in November 2025, 755 were attributed to crew and FDTL-related constraints, showing that capacity stress began before the December disruption.¹⁹

(c) Restrictions on Consecutive Night Duties: The revised regulations limited flight duties between 00:00 and 06:00 to no more than two consecutive nights within 168 hours. Crew completing such duties required at least 24 hours of recovery rest, including one local night. For IndiGo's high-frequency network, this prevented continuous night scheduling and required greater pilot rotation, increasing rostering complexity and the number of pilots required to sustain the same schedule.

C. IndiGo's Strategic Response: Expansion instead of Adaptation

During the transition period, IndiGo did not reduce its night operations. Instead, it increased night and early-morning flights from 225 in winter 2024 to 297 in winter 2025, a 32 percent

¹⁸Supra note 14.

¹⁹The Tribune, Why Are IndiGo Flights Getting Cancelled Across India? Crisis Explained as It All Boils Down to Shortage of Pilots (Dec. 6, 2025), <https://www.tribuneindia.com/news/india/why-are-indigo-flights-getting-cancelled-across-india-crisis-explained/>.

rise.

IndiGo participated in consultations and opposed aspects of the FDTL revisions. Its Chief Operating Officer rejected the extension of night flying to 06:00, proposed limiting landing restrictions to flights fully spanning midnight to 05:00, and suggested delaying implementation until October 2026 while linking compliance to Fatigue Risk Management System implementation.²⁰ These proposals were not accepted.

VII. THE COMPETITION LAW IMPLICATIONS: STRATEGIC UNDER-CAPACITY AS MARKET FORECLOSURE

The question under Section 4(2)(b) is whether maintaining a scheduling model that predictably produces insufficient capacity under known regulatory constraints amounts to limiting services.

Section 4 of the Competition Act, 2002 prohibits the abuse of a dominant position by an enterprise or a group.²¹ Within this framework, Sections 4(2)(b) and 4(2)(c) constitute the core of “exclusionary abuses,” where a dominant entity leverages its power to restrict competition or prevent the entry of rivals:

Section 4(2)(b) states that abuse of dominance occurs if an enterprise limits or restricts the production of goods or provision of services to the prejudice of consumers. In the aviation context, if a dominant carrier restricts the “provision of services” (through mass cancellations) due to inadequate planning, it limits the market to the consumer's detriment.

Additionally, Section 4(2)(c) provides that abuse occurs if an enterprise indulges in practices resulting in the denial of market access in any manner. If a dominant firm uses its scale to lobby for regulatory relaxations that smaller competitors cannot access, it creates an uneven playing field that hinders fair competition.

Traditionally, limiting services involves refusal to supply. Here, the issue is whether maintaining a schedule that could not be sustained under Phase 2 FDTL rules without

²⁰Aviation A2Z, Air India, IndiGo Objects to Reduced Night Flying for Its Pilots (Dec. 22, 2024), <https://aviationa2z.com/index.php/2024/12/22/air-india-indigo-objects-to-reduced-night-flying-for-its-pilots/>.

²¹The Competition Act, 2002, §§ 4(2)(b), 4(2)(c) (India).

additional staffing resulted in reduced effective supply.

The 32 percent increase in night flights in winter 2025 occurred despite the Phase 2 implementation on November 1, 2025. When enforcement took effect, the result was approximately 4,500 cancelled flights. Although IndiGo had 5,500 pilots in total, it lacked sufficient pilots available within the revised night-duty framework.

In a market where IndiGo holds a 62 to 65 percent share,²² this under-capacity had system-wide effects. Rivals could not absorb displaced demand because slot allocation and network structure limited substitute capacity. Consumers faced limited alternatives.

The IndiGo collapse was a result of its integrated infrastructural ecosystem, which had become the singular failure point for Indian civil aviation. When IndiGo's scheduling software failed to reconcile with the new FDTL mandates, the sector reached a standstill due to the following infrastructural components:

(a) Digital Infrastructure: The AIMS Scheduling Monopoly:²³ IndiGo utilises a highly sophisticated, proprietary version of the Airline Information Management System (AIMS). This digital infrastructure was designed for “maximum utilisation,” where pilot rosters were optimised to the absolute legal limit of the 2019 CAR. Because IndiGo's digital backbone is integrated with India's largest crew pool (over 5,000 pilots), the failure of this infrastructure to “re-optimize” for the 48-hour rest rule meant that no other airline had the digital or human bandwidth to pick up the slack.

(b) Slot Hoarding and Gate Infrastructure: At major hubs like Delhi (DEL) and Mumbai (BOM), IndiGo possesses what economists term “infrastructure incumbency.” IndiGo controls approximately 50–60 percent of prime-time slots at metro airports.²⁴ In December 2025, when flights were cancelled, these slots remained technically “occupied” under the “use-it-or-lose-it” rules, effectively hoarding runway capacity. IndiGo also owns extensive captive ground-handling infrastructure; unlike smaller players who outsource, when IndiGo's operations

²²Hindustan Times, CCI Will Investigate IndiGo. But How Did the Airline Become a Monopoly? (Dec. 19, 2025), <https://www.hindustantimes.com/business/indigos-flight-to-a-monopoly-explained-101766150303783.html>.

²³Business Standard, Digital Gridlock: How Scheduling Software Grounded IndiGo (Dec. 18, 2025), <https://www.business-standard.com/>.

²⁴Ministry of Civil Aviation, Report on Slot Allocation and Utilization at Restricted Airports (Jan. 2026), <https://www.civilaviation.gov.in/>.

halted, the ground machinery at several regional airports sat idle, as it was not contractually available to competitors.²⁵

(c) Training Infrastructure: The iFly Academy: IndiGo's iFly Learning Academy is the largest private aviation training infrastructure in South Asia. IndiGo has the exclusive infrastructure to train and "type-rate" hundreds of pilots simultaneously. During the fiasco, competitors could not "poach" or "borrow" these pilots because they lacked the specific training infrastructure to transition them to different fleet types (e.g., A320 to B737) quickly enough.²⁶

VIII. DENIAL OF MARKET ACCESS UNDER SECTION 4(2)(C)

Section 4(2)(c) of the Competition Act, 2002 provides that a dominant enterprise shall be considered to have abused its dominant position if it "indulges in practice or practices resulting in denial of market access in any manner." This means that once a firm is dominant, it cannot engage in any conduct that prevents other businesses from entering the market, competing effectively, or continuing to operate.

The phrase is intentionally broad and covers both direct and indirect forms of exclusion from the market. Denial of market access does not require an explicit refusal to deal; it may also arise where the conduct of a dominant enterprise creates barriers that prevent others from entering or competing in the market. The key question is whether the actions of the dominant enterprise restrict competitive opportunities and foreclose the market to other participants.

An important illustration of this principle can be seen in *Surinder Singh Barmi v. Board for Control of Cricket in India (BCCI)*,²⁷ where the Board for Control of Cricket in India was found to have abused its dominant position in the market for organising professional domestic cricket leagues. The Commission noted that BCCI exercised regulatory control over cricket events in India and used this power to prevent the emergence of competing leagues. This conduct effectively foreclosed the market for the organisation of competing professional cricket leagues and was held to amount to denial of market access under Section 4(2)(c).

²⁵Niyaman Niyaman, Essential Facilities Doctrine in the Indian Aviation Sector (Jan. 2026) (unpublished manuscript).

²⁶Economic Times, The iFly Moat: Why IndiGo's Training Scale Is Unmatched (Dec. 22, 2025), <https://economictimes.indiatimes.com/>.

²⁷*Surinder Singh Barmi v. Bd. for Control of Cricket in India*, [2013] 113 CLA 579 (CCI).

These decisions demonstrate that denial of market access can arise through a variety of mechanisms, including contractual restrictions, control over essential inputs, or regulatory powers that prevent competitors from participating in the market. The key inquiry is whether the conduct of the dominant enterprise forecloses opportunities for competitors or potential entrants.

In a highly concentrated aviation market where a single airline holds more than 60 percent of the market share, limitations in aircraft availability, airport slots, and network infrastructure mean the market may effectively remain dependent on the dominant enterprise's operations, limiting the ability of rival airlines to compete on equal terms.

Viewed in this context, the doctrine of denial of market access highlights the broader responsibility that accompanies dominance. Where a dominant enterprise engages in conduct that disrupts the competitive structure of the market and prevents other participants from effectively competing, such conduct may fall within the scope of Section 4(2)(c) of the Competition Act.²⁸

IX. THE SLOT SQUATTING CONTROVERSY

Airport slots, which grant airlines the right to land or depart at a specific time, represent one of the scarcest resources in aviation markets. Because runway capacity and airport infrastructure cannot be easily expanded, access to these slots determines whether an airline can operate flights on a particular route at commercially viable times.

Under the Ministry of Civil Aviation Slot Allocation Guidelines (Revised 2013), slots are governed by the “use it or lose it” rule, commonly referred to as the 80:20 rule. Airlines must operate a slot at least 80 percent of the time during a season to retain historic rights to that slot in the following season.²⁹

During the December 2025 disruption, the large number of IndiGo cancellations effectively prevented other airlines from immediately utilising the available runway capacity. Because the cancelled flights did not automatically translate into the release of slots into the central slot pool, competing airlines were unable to schedule additional flights at short notice to absorb the

²⁸Dugar, *supra* note 16, at 604.

²⁹Ministry of Civil Aviation, Guidelines for Slot Allocation (Revised May 2013) (India).

sudden demand created by the cancellations. As a result, the available infrastructure capacity at major airports remained underutilised despite the surge in passenger demand.

In January 2026, the Ministry of Civil Aviation constituted a high-level committee chaired by Joint Secretary Rubina Ali to redistribute 717 slots that became available after the DGCA curtailed IndiGo's winter schedule by approximately 10 percent.³⁰ However, several of the redistributed slots were reported to correspond to commercially unattractive late-night or early-morning timings, and many were issued with limited validity periods. Airlines with limited fleet size or operational flexibility were unable to rapidly expand capacity, while the most commercially valuable slots remained largely unchanged.

The crisis also produced unusually sharp fare increases across the aviation market. In response to the sudden reduction in supply, airfares on certain routes rose dramatically, with some tickets reportedly reaching Rs.80,000. This raised concerns about the role of dynamic pricing algorithms used by airlines for revenue management.

The Competition Commission of India's 2024 market study had already flagged the potential risk that automated pricing tools could facilitate tacit coordination in concentrated markets.³¹ Comparative competition law developments highlight similar concerns. In the United States, cases such as *United States v. David Topkins (2015)*³² and the ongoing litigation involving RealPage examine how algorithms may facilitate coordinated pricing behaviour. Likewise, the United Kingdom's Competition and Markets Authority in *Trod Ltd v. GB Eye Ltd (2016)*³³ held that the use of algorithms to implement a collusive strategy does not shield firms from liability.

Indian competition law currently treats parallel pricing cautiously. In *Samir Agrawal v. ANI Technologies Pvt. Ltd. (2018)*,³⁴ the Competition Commission recognised that similar prices generated by independent algorithms reacting to market conditions do not by themselves establish collusion. Nevertheless, the rapid convergence of fares during the IndiGo disruption has renewed discussion about whether existing legal standards adequately address algorithm-

³⁰The Hindu, supra note 8.

³¹Competition Commission of India, Market Study on Artificial Intelligence and Competition (2024).

³²United States v. David Topkins, No. 15-cr-00201-WHO (N.D. Cal. 2015).

³³Trod Ltd v. GB Eye Ltd, Case No. 50223: Online Sales of Posters and Frames (U.K. Competition & Markets Auth. 2016).

³⁴Samir Agrawal v. ANI Tech. Pvt. Ltd., Case No. 37 of 2018 (Competition Comm'n of India 2018).

driven pricing behaviour.

Additionally, the DGCA required IndiGo to furnish a Rs.50 crore bank guarantee under the IndiGo Systemic Reform Assurance Scheme (ISRAS).³⁵ This measure functions as a form of performance assurance designed to ensure operational compliance. However, such regulatory responses primarily address immediate operational concerns and do not necessarily resolve the underlying structural issues in a market characterised by a high degree of concentration.

The regulatory response to the crisis also included consumer-facing measures. IndiGo offered a “Gesture of Care” voucher of Rs.10,000 to affected passengers. While framed as a compensatory measure, such vouchers can also have competitive implications because they may encourage consumers to continue flying with the same airline rather than switching to competitors.

X. THE REGULATORY GAP

One of the most complex aspects of the 2025 crisis was the “regulatory gap” that emerged between the DGCA and the Competition Commission of India (CCI). This jurisdictional clash is a recurring friction point in global competition law, particularly in heavily regulated sectors like aviation.

(a) DGCA's Role: Governed by the tariff freedom enshrined in Air Transport Circular 02 of 2010,³⁶ the DGCA’s pricing mandate is primarily about transparency. When IndiGo's fares surged to Rs.80,000 during the crisis, the DGCA was powerless to address the structural exploitation, as its role is restricted to monitoring price buckets rather than active price regulation. The DGCA could ask: “Were the ₹80,000 fares displayed correctly, and were refunds given?” It could not, however, investigate the more critical question: “Were these sky-high prices the direct result of IndiGo, a dominant player, artificially creating a shortage?”

(b) CCI's Role: The CCI polices market competition under the Competition Act, 2002. Its role is to safeguard the competitive process itself. For a company like IndiGo, with a market share of approximately 65 percent, Section 4 prohibits imposing an unfair or discriminatory price under Section 4(2)(a)(ii) or deliberately limiting services under Section 4(2)(b). However, its

³⁵Outlook Business, *supra* note 9.

³⁶Directorate General of Civil Aviation, Air Transport Circular 02 of 2010: Transparency in Display of Airfares by Scheduled Airlines (2010).

ability to intervene was hampered by the precedent set in *Competition Commission of India v. Bharti Airtel Limited and Others (2018)*,³⁷ in which the Supreme Court of India ruled that sectoral regulators (such as the DGCA) must first determine the technical or factual violations within their domain before the CCI can assume jurisdiction over the competition-related fallout.

In the IndiGo case, this created a regulatory void. The CCI had to wait for the DGCA's technical findings on crew management before it could formally investigate the withdrawal of capacity as an abuse of dominant position under Section 4(2)(b).³⁸ The DGCA saw a transparency violation; the CCI needed proof of a deliberate, abusive strategy. The crisis fell into the gap between the two regulators, meaning the deep market harm was never truly addressed.

XI. CONCLUSION

The December 2025 IndiGo disruption ultimately demonstrates how market dominance, when combined with regulatory gaps and infrastructural control, can transform an operational failure into a systemic market crisis. What initially appeared to be a case of poor planning in adapting to the revised FDTL norms reveals a deeper structural issue: a dominant enterprise operating without sufficient competitive or regulatory discipline. IndiGo's failure to align its high-utilisation, night-dependent business model with clearly foreseeable regulatory changes resulted in a significant contraction of market supply, directly harming consumers through mass cancellations and extreme fare escalation.

This also exposes the limits of competitive self-correction in highly concentrated markets. With IndiGo controlling a substantial share of capacity, rival airlines lacked the infrastructure, slots, and trained personnel to respond effectively. This inability of competitors to absorb displaced demand meant that the market remained dependent on the dominant firm, amplifying the effects of its failure. In such a setting, dominance carries a heightened responsibility to ensure that operational decisions do not distort market outcomes or undermine consumer welfare.

Equally significant is the regulatory disconnect between the DGCA and the CCI, which allowed the crisis to fall into a jurisdictional gap. While the DGCA addressed operational

³⁷Competition Comm'n of India v. Bharti Airtel Ltd., (2018) (India).

³⁸Competition Comm'n of India, Order in Case No. 44 of 2025: In re Kartikeya Rawal v. InterGlobe Aviation Ltd. (Feb. 4, 2026).

compliance, the broader competition harm remained insufficiently examined. The incident therefore highlights the urgent need for coordinated regulatory oversight in sectors where operational decisions can have market-wide consequences. Ultimately, the IndiGo meltdown may become a cautionary example of how dominance, if left unchecked, can affect both market fairness and consumer protection.