

IndiGo's triumphant ascent runs into turbulence

Air travel meltdown caused by mass flight cancellations rock reputation of Indian carrier

CHRIS KAY — BENGALURU
ANDRES SCHIPANI — NEW DELHI
KRISHN KAUSHIK — MUMBAI

Pieter Elbers took the job of chief executive of India's largest airline, IndiGo, in order to — as he put it earlier this year — expand the low-cost carrier's reach "towards new heights and across new frontiers".

The Dutch industry veteran, who was until 2022 the CEO of KLM, told the Financial Times that IndiGo's rise and evolution was "one of the most incredible aviation stories in the world".

But that triumphant narrative has been devastated in the past fortnight. The cancellation of thousands of flights by the airline, which controls nearly two-thirds of India's domestic traffic, caused a nationwide air travel meltdown and rocked IndiGo's reputation for ruthless efficiency and reliable performance.

A shortage of crew caused by new pilot resting hours rules was coupled with what Shakti Lumba, a former IndiGo executive, called "a too-big-to-fail mindset" among the airline's management.

That was compounded by technical glitches and airport traffic congestion due to routine winter smog and fog.

The mayhem has put IndiGo's senior management under direct scrutiny from New Delhi. The Directorate General of Civil Aviation ordered both Elbers and chief operating officer Isidro Porqueras to explain the chaos and why action should not be taken against them for what it called "significant lapses".

Combined with financial damage

from flight cancellations, refunds, compensation and potential fines, the so-called show cause notices "could ultimately affect continuity of senior leadership at IndiGo", Moody's Ratings said. IndiGo did not respond to requests for comment.

The crisis has raised broader questions about how the world's most populous country is managing the expansion and global ambitions of its now heavily concentrated aviation industry.

IndiGo's take-off has been central to Prime Minister Narendra Modi's goal of opening the skies to hundreds of millions of Indians.

Elbers told the FT this year that IndiGo was shedding its budget image while expanding internationally and adding business-class seating on key domestic routes.

In 2024, it ordered 30 Airbus wide-body planes after IndiGo's historic record purchase of 500 narrow-body aircraft from the European manufacturer.

Aviation consultancy CAPA India expects annual domestic and international passenger trips to more than double in the next five to seven years to about half a billion.

But India, like many countries, has been struggling with a shortfall of pilots.

IndiGo's sudden crunch left tens of thousands stranded at the height of India's wedding season and busiest travel period when domestic passenger numbers swell and the vast diaspora visits family and friends. At the peak of disruption, IndiGo cancelled half of its more than 2,200 daily flights.

IndiGo, which expects to return to full schedules by mid-December, plastered front-page adverts across national newspapers stating: "We're sorry."

Yet the mea culpa did little to stem outrage. At airports across the country, frontline staff absorbed the fury of frustrated crowds.

Neelam Mathews, a New Delhi-based independent aviation analyst, said IndiGo's passengers had been treated very badly. "The crew shortage should not have been there if they had followed the [new regulations]," she said. "They were dragging it and did not take any more pilots."

Known for its lean staffing, the carrier admitted that it failed to prepare adequately for pilot fatigue rules that were signposted almost two years ago and came into force last month.

The changes increased mandatory weekly rest for pilots from 36 hours to 48 hours and reduced allowable weekly night landings from six to two.

Founded in 2006, IndiGo built a reputation for no-frills reliability. Its rise rested on discipline, punctuality and a focus on costs while scores of other rival local airlines, such as Go First, Jet Airways and Kingfisher Airlines, soared

and fell, creating a near duopoly with Tata Group's Air India.

IndiGo's cancellation rate was just under 0.5 per cent in October, better than the industry average of 0.7 per cent, according to the DGCA.

But IndiGo's trim structure left it uniquely exposed. Analysts at Jefferies called the mix of regulatory changes, technical snags, adverse weather and airport congestion "a perfect storm for the lean machine". Airlines with smaller fleets and more flexible schedules suffered less, they said.

The public fury over IndiGo's breakdown has become a political issue. To curb the chaos, the government passed the pilot rest rules and capped fares to halt soaring ticket prices.

Pilot lobby groups expressed dismay at the relaxing of the regulations, claiming that IndiGo had "engineered" the crisis to exert pressure on the government for "commercial gain".

Opposition leader Rahul Gandhi blamed the government's "monopoly model" for the fiasco, saying India deserved "fair competition in every sector, not match-fixing monopolies".

Civil aviation minister Ram Mohan Naidu Kinjarapu told India's parliament last week that the government would take "strict action" over the disruption and would encourage the establishment of more airlines.

Shares in IndiGo's parent company, InterGlobe Aviation, have tumbled 17 per cent since the start of the month.

But the Jefferies analysts said IndiGo would retain its "strategic edge", given most airlines were suffering their own plane and pilot shortages.

"We have no alternative," agreed Mathews, the independent analyst. "We are stuck with them."



IndiGo's take-off has been central to Indian government travel strategy