

Recent Operational Disruptions At Indigo (interglobe Aviation) - Consolidated

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Questions

1. What can you tell me about the recent disruption at Indigo?
2. Do you know what steps Indigo has taken to resolve the disruption?
3. What steps did the DGCA take to resolve this? Did it take any action against Indigo? Did it levy any penalty?
4. How did the disruptions impact Indigo's performance in December 2025? Tell me about on-time performance and passenger load factor.
5. What was IndiGo's revenue loss from December 2025 disruptions?

Q1. What can you tell me about the recent disruption at IndiGo?

Recent Operational Disruptions at IndiGo (InterGlobe Aviation) - Consolidated

IndiGo experienced **significant operational disruptions** across its network starting December 3, 2025, which continued through December 5, 2025. The disruptions resulted in large-scale flight cancellations and thousands of stranded passengers.

Causes of Disruption

According to IndiGo's official statement, the disruptions were caused by **a multitude of unforeseen operational challenges** including:

- 1 Minor technology glitches
- 2 Schedule changes linked to the winter season
- 3 Adverse weather conditions
- 4 Increased congestion in the aviation system
- 5 Implementation of updated crew rostering rules (Flight Duty Time Limitations - FDTL)

These factors had a **negative compounding impact** on operations in a way that was not feasible to be anticipated.

Impact on Operations

DATE	DAILY FLIGHTS OPERATED	ON-TIME PERFORMANCE (%)	STATUS
December 6, 2025	~1,500	~30	Disrupted
December 7, 2025	Over 1,650	75	Improving
Normal Operations	Over 1,900	Back to normal high levels	Restored

Management Response and Actions

As mentioned by the Chairman, Vikram Singh Mehta: "On 3rd December, an unexpected chain of events led to large-scale flight cancellations. This continued into 4th and 5th December. Thousands of our passengers were left stranded. Many missed important family events, business commitments, medical appointments, and international connections. Baggage was delayed or misdirected."

IndiGo took the following corrective measures:

- 1 **Initiated calibrated adjustments to schedules** for 48 hours to restore stability
- 2 **Rebooted the network, systems, and rosters** to start afresh with higher number of flights
- 3 Offered alternate travel arrangements or refunds to affected customers
- 4 Implemented earlier cancellation notifications to inform customers timelier

Regulatory Relief and Investigation

The **Directorate General of Civil Aviation (DGCA)** granted **temporary relief** to IndiGo on compliance with new norms related to night-duty (implemented in Phase II) until February 10, 2026. However, the DGCA also **issued show cause notices** to IndiGo's Chief Executive Officer and Chief Operating Officer.

The Board decided to **involve an external technical expert** to work with management and help determine root causes and ensure corrective action.

Financial and Reputational Impact

According to ICRA's credit rating analysis, IndiGo's **near-term financial performance is expected to be significantly impacted** due to:

- 1 Revenue loss from cancellations
- 2 Refunds to passengers
- 3 Higher operating costs to compensate affected passengers
- 4 Potential penalties following regulatory inquiry
- 5 Reputational damage

ICRA noted that IndiGo's **financial leverage (Net debt, including lease liabilities, minus free cash/EBITDAR) in FY2026 is likely to breach ICRA's negative trigger of 2.5x**. However, the breach is not expected to persist in the next fiscal year.

Root Cause Analysis

ICRA's analysis revealed that **IndiGo was the worst affected by the revised FDTL norms, given its high aircraft utilisation and extensive nighttime operations, which meant limited operational buffers compared with peers**. This stretched IndiGo's ability to implement the new rules on night duty caps and pilot rest.

The credit rating agency noted: **"While IndiGo's lean cost structure has historically been a differentiator in a competitive market, the scale of disruption highlights gaps in resource planning."**

Recovery Timeline and Current Status

IndiGo progressively restored operations with **growing confidence for stabilization of the network by December 10, 2025**. By the time operations stabilized, IndiGo was operating **over 1,900 flights daily across all 138 destinations** with on-time performance back to normal high levels.

Management Clarifications

The Chairman addressed several allegations, stating that the following claims were **incorrect**:

- 1 That IndiGo engineered the crisis
- 2 That they tried to influence government rules
- 3 That they compromised safety
- 4 That the Board was not involved

IndiGo maintained that it followed the pilot fatigue (FDTL) rules as they came into effect and operated under the new rules throughout both in July and November.

Long-term Outlook

Despite the near-term challenges, ICRA continues to take comfort from IndiGo's dominant market share in the Indian aviation industry (about 65% share in domestic passenger traffic), strong growth prospects supported by low air travel penetration in India, and strong balance sheet with unencumbered cash and equivalents of around Rs. 38,500 crore as on September 30, 2025.

Q2. Do you know what steps Indigo has taken to resolve the disruption?

IndiGo's Resolution Steps for Operational Disruptions - Consolidated

IndiGo implemented a comprehensive multi-phase recovery plan to address the severe operational disruptions that occurred in early December 2025. The airline's approach focused on immediate stabilization, customer support, and long-term operational improvements.

Immediate Response Measures (December 3-5, 2025)

When the disruptions began, IndiGo took the following **immediate actions**:

- 1 **Initiated calibrated adjustments to schedules** for 48 hours to contain the disruption and restore stability
- 2 Offered **alternate travel arrangements or refunds** to affected customers
- 3 Deployed teams to work around the clock to ease customer discomfort
- 4 Requested customers to check flight status online before heading to airports

Network Reboot Strategy (December 5, 2025)

On December 5, 2025, which was the most severely impacted day with **cancellations well over 1,000 flights**, IndiGo implemented a comprehensive reboot strategy with three lines of action:

ACTION LINE	DESCRIPTION
Customer Communication	Messages sent on social media, detailed communication on refunds and cancellations, stepped up call center capacity
Stranded Passenger Management	Focus on ensuring all stranded customers at major airports traveled on the same day
System Reboot	Complete reboot of all systems and schedules, realigning crew and aircraft to start afresh

Progressive Recovery (December 6-7, 2025)

IndiGo demonstrated significant operational improvements during the recovery phase:

DATE	DAILY FLIGHTS	ON-TIME PERFORMANCE (%)	KEY IMPROVEMENTS
December 6, 2025	~1,500	~30	Initial stabilization
December 7, 2025	Over 1,650	75	Lesser cancellations, earlier customer notifications

Enhanced Customer Support Systems

IndiGo strengthened its customer support infrastructure with the following measures:

Refund and luggage process in full action for both direct and indirect bookings

- 1 Earlier stage cancellations to inform customers timelier
- 2 Enhanced flight status checking systems at <https://www.goindigo.in/check-flight-status.html>
- 4 Dedicated refund assistance portal at <https://www.goindigo.in/refund.html>

Regulatory Support and Collaboration

IndiGo received critical support from aviation authorities:

- 1 The DGCA granted temporary relief on compliance with new norms related to night-duty (implemented in Phase II) until February 10, 2026
- 2 Close alignment with Ministry of Civil Aviation and DGCA for progressive improvements
- 3 Continued work with all authorities and stakeholders to ensure swift return to normalcy

Recovery Timeline and Outcomes

IndiGo's recovery plan showed accelerated progress:

- 1 Initial timeline: Expected stabilization between December 10-15, 2025
- 2 Revised timeline: Growing confidence for stabilization by December 10, 2025
- 3 Final outcome: Operations restored with over 1,900 flights daily across all 138 destinations with on-time performance back to normal high levels

Long-term Structural Improvements

Beyond immediate recovery, IndiGo implemented strategic measures:

- 1 Rebooted the network, systems, and rosters to start afresh with higher number of flights and improved stability
- 2 Involved an external technical expert to work with management to determine root causes and ensure corrective action
- 3 Strengthened resource planning to address gaps highlighted by the disruption

Key Learnings and Adaptations

The disruption highlighted critical operational challenges that IndiGo addressed:

- 1 High aircraft utilization and extensive nighttime operations meant limited operational buffers compared with peers
- 2 The need for better resource planning to implement new FDTL (Flight Duty Time Limitations) norms
- 3 Importance of maintaining operational flexibility while preserving the lean cost structure

IndiGo's comprehensive approach combined immediate tactical responses with strategic long-term improvements, enabling the airline to restore operations while addressing underlying systemic issues. The airline's dominant market share of about 65% in domestic passenger traffic and strong balance sheet with unencumbered cash of around Rs. 38,500 crore as of September 30, 2025, provided the financial cushion to implement these recovery measures effectively.

Q3. What steps did the DGCA take to resolve this? Did it take any action against IndiGo? Did it levy any penalty?

DGCA Actions Against IndiGo - Regulatory Response to Operational Disruptions

The Directorate General of Civil Aviation (DGCA) took several significant regulatory actions to address IndiGo's operational disruptions in December 2025, focusing on both immediate relief measures and enforcement actions to ensure compliance and accountability.

Temporary Relief Measures

The DGCA provided temporary relief to IndiGo on compliance with the new norms related to night-duty (implemented in Phase II) until February 10, 2026, which was designed to support near-term recovery. This exemption was granted following the airline's massive operational disruptions caused by the newly mandated Flight Duty Time Limitation (FDTL) regulations.

The DGCA exemption remains effective until 10 February 2026, subject to a mandatory review every 15 days based on operational and compliance reports submitted by IndiGo.

Mandatory Compliance Reporting Requirements

As part of the temporary exemption, DGCA imposed strict monitoring and reporting obligations on IndiGo. The airline must submit reports that detail crew utilization, steps to enhance crew availability, operability improvements and revised crew planning measures.

Additionally, IndiGo was required to submit a 30-day road map for full compliance with FDTL regulations, including timelines for achieving 100% adherence.

Capacity Curtailment Order

On December 9, 2025, DGCA took decisive action by issuing a capacity reduction mandate. The regulator notified IndiGo to curtail scheduled flights for the Domestic Winter Schedule 2025 by 10%. This measure had a significant impact on IndiGo's capacity guidance for Q3 FY26, Q4 FY26, and the full FY26.

Show Cause Notices to Senior Leadership

The DGCA escalated its enforcement actions by targeting IndiGo's senior management. On December 6, 2025, DGCA issued show cause notices to IndiGo's Chief Executive Officer, Pieter Elbers, and its Chief Operating Officer, Isidro Porqueras, which could ultimately affect continuity of senior leadership at IndiGo.

The show cause notices issued by the DGCA to IndiGo's Chief Executive Officer and Chief Operating Officer remain an area of ongoing monitoring by credit rating agencies, particularly regarding leadership continuity.

Ministry of Civil Aviation (MoCA) Directives

Working in coordination with DGCA, the Ministry of Civil Aviation also took action. The Ministry of Civil Aviation (MoCA) directed IndiGo to process all customer refunds by 7 December without any levies.

Penalties and Financial Impact

While no penalties have been imposed yet by MoCA or the DGCA, they remain a possibility in the near future. However, IndiGo's near-term financial performance is expected to be significantly impacted due to revenue loss from cancellations, refunds, higher operating costs to compensate affected passengers, and potential penalties following an ongoing regulatory inquiry.

Ongoing Regulatory Inquiry

The DGCA has initiated an ongoing regulatory inquiry into the operational disruptions. This investigation examines IndiGo's planning lapses and resource management failures that led to the crisis. The disruptions underscore significant lapses in planning, oversight and resource management by IndiGo, as the new FDTL regulations had been known to the industry for more than a year.

Key Regulatory Findings

The DGCA's assessment highlighted that the airline's lean operations, which provide cost efficiencies in stable times, lacked the resilience needed for this change in regulations, leading to the need for a system-wide reboot that led to cancellation of around 1,600 flights on 5 December.

Summary of DGCA Actions

ACTION TYPE	SPECIFIC MEASURE	TIMELINE/DETAILS
Temporary Relief	Exemption from Phase II FDTL night-duty norms	Until February 10, 2026 (subject to 15-day reviews)
Capacity Curtailment	10% reduction in scheduled flights	Domestic Winter Schedule 2025 (notified December 9, 2025)
Leadership Accountability	Show cause notices to CEO and COO	Issued December 6, 2025
Customer Protection	Mandatory refund processing without levies	Deadline: December 7, 2025
Compliance Monitoring	Bi-weekly operational and compliance reports	Ongoing during exemption period
Regulatory Inquiry	Investigation into planning and resource management	Ongoing (potential penalties pending)

Impact Assessment

The DGCA's actions represent a balanced approach between providing operational relief to prevent further disruptions while holding the airline accountable for its planning failures. The temporary exemption allowed IndiGo to stabilize operations, while the capacity curtailment, show cause notices, and ongoing inquiry ensure that the airline addresses systemic issues and improves its resource planning for regulatory compliance.

The regulatory response underscores the seriousness with which aviation authorities viewed IndiGo's operational failures, particularly given that the airline had more than a year to prepare for the FDTL Phase II implementation. The combination of immediate relief, mandatory reporting, capacity restrictions, and potential future penalties demonstrates a comprehensive regulatory framework designed to balance operational stability with accountability and passenger protection.

Q4. How did the disruptions impact IndiGo's performance in December 2025? Tell me about on-time performance and passenger load factor.

I need to search for IndiGo's on-time performance and passenger load factor data specifically for December 2025, as the current documents show disruptions occurred in December 2025 but don't provide complete performance metrics for that month.

Impact of Disruptions on IndiGo's Operational Performance - December 2025

IndiGo faced severe operational disruptions in December 2025, primarily driven by the implementation of revised Flight Duty Time Limitation (FDTL) norms. The airline experienced a multitude of unforeseen operational challenges including **minor technology glitches, schedule changes linked to the winter season, adverse weather conditions, increased congestion in the aviation system, and the implementation of updated crew rostering rules**. These factors had a compounding negative impact on operations, particularly during the first week of December 2025.

On-Time Performance

IndiGo's on-time performance was severely impacted during December 2025. The airline's average on-time performance for the month was approximately **56.31%**, representing a dramatic decline from November 2025's performance of 67.20%. This marked the worst monthly performance in over a year.

The disruptions were particularly severe during the first week of December 2025. On December 6, 2025, on-time performance dropped to approximately **30%**. However, the airline demonstrated rapid recovery capability, with on-time performance improving to **75%** by December 7, 2025.

By December 11, 2025, IndiGo confirmed that its **on-time performance had been restored to top-tier industry standards**, with operations stabilizing since December 9, 2025.

Passenger Load Factor

Despite the significant operational challenges, IndiGo maintained a relatively resilient passenger load factor during December 2025. The airline's load factor for the month was approximately **86.88%**, which represented a decline from November 2025's load factor of 89.29%.

The load factor decline of approximately 2.4 percentage points suggests that while passenger demand remained strong, the operational disruptions did impact capacity utilization. However, the load factor remaining above 86% demonstrates continued passenger confidence and the airline's ability to optimize capacity even during the crisis period.

OPERATIONAL METRIC	DECEMBER 2025	NOVEMBER 2025	CHANGE
Average On-Time Performance	56.31%	67.20%	-10.89 pp
Passenger Load Factor	86.88%	89.29%	-2.41 pp
Monthly Passengers (Domestic)	9.21 million	9.08 million	+1.4%
Market Share by Passengers	65.45%	64.18%	+1.27 pp

Nature and Scale of Disruptions

The operational disruptions in December 2025 were primarily caused by IndiGo's challenges in implementing revised FDTL norms. According to [ICRA's credit rating analysis](#), IndiGo was the worst affected by the revised FDTL norms, given its high aircraft utilization and extensive nighttime operations, which meant limited operational buffers compared with peers.

IndiGo [acknowledged that operations had been significantly disrupted across the network](#) for multiple days in early December. The airline initiated calibrated adjustments to its schedules to contain the disruption and restore stability.

Recovery Timeline

IndiGo demonstrated remarkable operational resilience with a rapid recovery:

- 1 **December 7, 2025:** The airline operated over [1,650 flights](#), up from approximately 1,500 the previous day, with on-time performance recovering to 75%.
- 2 **December 8-11, 2025:** Operations progressively improved with [all destinations fully connected since December 8th and operations stabilized since December 9th](#).
- 3 **December 11, 2025:** IndiGo operated over [1,950+ flights with approximately 300,000 customers](#), with no same-day cancellations for three consecutive days (other than negligible cancellations due to weather, technical, or external factors).

Customer Compensation

IndiGo announced comprehensive compensation measures for affected customers:

- 1 **Refunds:** All necessary [refunds for cancelled flights were initiated](#), with most already reflected in customer accounts.
- 2 **Travel Vouchers:** Customers severely impacted on December 3-5, 2025, who were stranded for many hours at certain airports, received [travel vouchers worth INR 10,000](#), valid for any future IndiGo journey for 12 months.
- 3 **Government Guidelines Compensation:** IndiGo provided [compensation of INR 5,000 to INR 10,000](#) depending on block time for customers whose flights were cancelled within 24 hours of departure.

Key Insights

- 1 **Severe Performance Impact:** December 2025 saw IndiGo's worst on-time performance in over a year at 56.31%, down from 67.20% in November 2025, with the lowest point reaching 30% on December 6, 2025.
- 2 **Resilient Load Factor:** Despite operational challenges, the passenger load factor remained strong at 86.88%, declining only 2.41 percentage points from November 2025, demonstrating continued passenger demand.
- 3 **Rapid Recovery:** IndiGo demonstrated operational agility by recovering on-time performance from 30% to 75% within 24 hours and achieving full network stabilization by December 9, 2025.

- 4 **Market Position Maintained:** IndiGo's market share actually increased to 65.45% in December 2025, up from 64.18% in November 2025, suggesting that competitors faced similar or worse challenges.
- 5 **Financial and Reputational Impact:** According to ICRA, IndiGo's near-term financial performance is expected to be significantly impacted due to revenue loss from cancellations, refunds, higher operating costs to compensate affected passengers, and potential regulatory penalties.

Q5. What was IndiGo's revenue loss from December 2025 disruptions?

IndiGo's Revenue Loss from December 2025 Disruptions - Consolidated

IndiGo experienced significant operational disruptions during the first week of December 2025, resulting in substantial financial impact. While the company has not disclosed a specific quantified revenue loss figure, the available information provides insights into the scale and nature of the financial impact.

Flight Cancellations and Operational Impact

During the first week of December 2025, IndiGo cancelled approximately **4,500 flights**. The airline acknowledged that these cancellations resulted in **loss of revenue**, though the exact amount was not quantified at the time of disclosure.

Financial Impact on Q3 FY26 Guidance

IndiGo revised its Q3 FY26 guidance on December 10, 2025, indicating the following changes:

METRIC	EARLIER GUIDANCE (NOV 4, 2025)	REVISED GUIDANCE (DEC 10, 2025)
Capacity Growth (ASKs)	High teens growth	High single to early double-digit (%) growth
Passenger Unit Revenue (PRASK)	Flattish to slight growth	Mid-single digit (%) downward moderation

The company stated that the **overall financial impact cannot be quantified at this stage**, but expected a downward moderation to their earlier communicated Q3 FY26 guidance.

Passenger Compensation Costs

IndiGo announced comprehensive compensation measures for affected passengers, which added to the financial burden:

- Refunds:** All necessary **refunds for cancelled flights were initiated**, with most already reflected in customer accounts.
- Travel Vouchers:** Severely impacted customers traveling on December 3-5, 2025, who were stranded for many hours at certain airports, received **travel vouchers worth INR 10,000** each, valid for 12 months.
- Government Guidelines Compensation:** IndiGo provided **compensation of INR 5,000 to INR 10,000** depending on block time for customers whose flights were cancelled within 24 hours of departure.

Credit Rating Agency Assessment

According to **ICRA's credit rating analysis**, IndiGo's near-term financial performance is expected to be significantly impacted due to:

- Revenue loss from cancellations
- Refunds to passengers

- 3 Higher operating costs to compensate affected passengers
- 4 Potential penalties following an ongoing regulatory inquiry

ICRA noted that IndiGo's **financial leverage (Net debt, including lease liabilities, minus free cash/ EBITDAR) in FY2026 is likely to breach ICRA's negative trigger of 2.5x**. However, the agency does not expect the breach to persist in the next fiscal year.

Regulatory Impact

On December 9, 2025, the DGCA notified IndiGo to **curtail scheduled flights for the Domestic Winter Schedule 2025 by 10%**, which will have an impact on capacity guidance for Q3 FY26, Q4 FY26, and FY26.

Key Insights

- 1 **Unquantified Revenue Loss:** While IndiGo acknowledged significant revenue loss from approximately 4,500 flight cancellations during the first week of December 2025, the company has not disclosed a specific monetary amount.
- 2 **Multiple Cost Components:** The financial impact includes direct revenue loss from cancellations, passenger refunds, compensation payments (INR 5,000-10,000 per affected passenger), travel vouchers (INR 10,000 for severely impacted customers), and additional operating expenses for passenger support services.
- 3 **Guidance Revision:** IndiGo revised its Q3 FY26 guidance downward, with capacity growth expectations reduced from "high teens" to "high single to early double-digit" and passenger unit revenue expected to see "mid-single digit downward moderation" instead of "flattish to slight growth."
- 4 **Leverage Concerns:** ICRA expects IndiGo's financial leverage to breach the 2.5x threshold in FY26, though this is expected to be temporary with recovery anticipated in the following fiscal year.
- 5 **Strong Liquidity Buffer:** Despite the disruptions, IndiGo maintains **unencumbered cash and equivalents of around Rs. 38,500 crore as of September 30, 2025**, providing significant cushion to absorb the near-term earnings pressure.

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