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Beyond Privatisation: Assessing the Transformation of India's Civil Aviation Sector Through the Air India Case Study

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ABSTRACT

India's civil aviation sector has expanded to become the third-largest aviation market in the world, yet its rapid commercial growth has outpaced the legal and institutional frameworks meant to govern it. This paper adopts a socio-legal perspective to assess whether the privatisation of Air India, acquired by the Tata group in January 2022, has genuinely transformed the sector or merely effected a change of ownership. It argues that the transfer, though a significant milestone, leaves the industry's deeper structural problems unresolved: a duopolistic market in which IndiGo and the Air India group together hold roughly ninety per cent of domestic traffic; fragmented regulation in which the DGCA, AERA and CCI operate in silos; and a consumer-protection regime that is formally sound but practically ineffective. Examining the democratisation of air travel, market concentration, passenger rights and the social dimensions of privatisation, and analysing the risk of abuse of dominance under the Competition Act, 2002, the paper concludes that genuine reform requires a statutory, automatic passenger-compensation regime modelled on EU Regulation 261/2004, an independent aviation ombudsman with binding powers, and stricter merger review conditioned on slot divestiture at congested airports.

Keywords: civil aviation, Air India privatisation, Tata group, competition law, abuse of dominance, duopoly, passenger rights, consumer protection, aviation ombudsman, EU Regulation 261/2004

I. INTRODUCTION

India's civil aviation sector has undergone immense development. Once an activity enjoyed largely by the affluent, air travel is today undertaken by millions of Indians every year. India is now the third-largest aviation market in the world, with more than 350 million passengers travelling by air annually. This progress has been remarkable; yet it has been accompanied by challenges that remain unaddressed.

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The acquisition of Air India by the Tata group in January 2022 was widely regarded as a step in the right direction. Air India had operated for years under governmental inefficiency, accumulating losses of more than Rs 61,562 crore by the time of its divestment. The transfer was seen as the beginning of a new era in Indian aviation, in which efficiency would prevail over bureaucracy. To an extent, this expectation has been borne out. It has not, however, resolved every problem.

Although the acquisition is an important milestone, this paper contends that the transfer of Air India to the Tata group fails to address the structural issues that continue to affect India's civil aviation industry. Only two carrier groups now hold roughly ninety per cent of the domestic market: IndiGo and the Air India group. Consumer rights remain inadequately protected, and regulatory bodies such as the Directorate General of Civil Aviation (DGCA), the Airports Economic Regulatory Authority (AERA) and the Competition Commission of India (CCI) frequently operate in silos rather than in coordination.

Adopting a socio-legal perspective, this paper examines what has been achieved since the liberalisation and privatisation of the industry, and what remains to be done to render the sector more efficient, fair and accountable to those it serves.

II. OBJECTIVES OF THE STUDY

India's civil aviation industry stands at a pivotal moment. The sale of Air India to the Tata group in 2022 marked the end of decades of state support for the national carrier; the transfer of ownership was nonetheless insufficient to cure the deeper structural infirmities of the sector: fragmented regulation, duopolistic market concentration and inadequate consumer protection. This paper employs a combined social and legal analysis to examine the institutional dimensions of the Indian aviation industry, focusing on Air India's transition to the Tata group. The objectives set out below are to evaluate whether the regulatory reform accompanying privatisation is genuine and structural or merely cosmetic, and to identify the systems that must change in order to create a fair and equitable aviation sector in India.

The study is guided by three questions. First, to what extent were the structural constraints on India's civil aviation sector addressed through Air India's privatisation, and what regulatory changes remain necessary for authentic market liberalisation? Second, does the passenger-protection framework currently in place afford air travellers adequate and accessible remedies, and what improvements are required to bring it into line with international standards? Third, how prepared is India's civil aviation sector, in terms of social safeguards, to sustain equitable and compliant growth in the post-privatisation era?

III. SOCIAL ANALYSIS

A. Aviation as a social institution

India's civil aviation sector has undergone dramatic transformation in recent years. An industry once characterised by strict regulation and limited accessibility, confined largely to the wealthy, has become one of the fastest-developing aviation markets in the world. More than 350 million passengers now fly on Indian carriers every year. Air travel has shifted from a luxury service to something approaching a public utility, touching the lives of people irrespective of their financial background.

This expansion has not been without drawbacks. Growth has been accompanied by inequality in access to quality services, the emergence of a duopoly, a persistent failure to protect passenger rights, and significant organisational upheaval, including the sale of national assets to private ownership.

A social analysis of these developments must therefore move beyond statistics and regulation. It must consider the industry's impact on passengers and workers in terms of citizenship, rights and well-being; the role of air transport in the life of different regions and social groups; and the social costs associated with the failures of aviation operators and regulators.

This analysis explores four interconnected social themes: the democratisation of air travel and whom it has actually reached; the rise of market concentration and its implications for ordinary passengers; the state of consumer protection in an unequal market; and the social dimensions of Air India's privatisation under the Tata group.

B. Democratisation of air travel and social access

The liberalisation of the Indian aviation industry in 1994, effected by the repeal of the Air Corporations Act, 1953, altered the social character of air travel.¹ Before this reform, the industry was dominated by Air India and Indian Airlines, with a fare structure that placed flying beyond the reach of most Indians. The subsequent entry of private carriers, notably Jet Airways and Air Sahara, followed by low-cost carriers, made air travel affordable to the growing Indian middle class.²

The democratisation of air travel in India nonetheless remains incomplete and socially uneven. As Invest India's sectoral overview notes, India continues its rise in global civil aviation,

¹ The Air Corporations (Transfer of Undertakings and Repeal) Act, No. 13 of 1994, INDIA CODE (repealing the Air Corporations Act, No. 27 of 1953, and ending the statutory monopoly of Air India and Indian Airlines).

² Pandya et al., *Merger of Tata Group and Air India*, J. EMERGING TECHS. & INNOVATIVE RSCH. (Mar. 2023).

becoming the third-largest market on the strength of investment in airport infrastructure, regional connectivity programmes such as UDAN (Ude Desh ka Aam Naagrik), and the development of Tier-2 and Tier-3 city routes. In social terms, these developments promise to increase inter-regional connectivity, reduce the remoteness of underserved areas, strengthen local economies and improve access to healthcare and education.³

Such benefits are, however, persistently undermined. Unpredictable pricing, the proliferation of ancillary charges and the inherent fragility of the market erode the promise of affordable flights. According to the Parliamentary Standing Committee's report on civil aviation, complaints have grown in proportion to passenger numbers. Flight delays and cancellations account for between thirty-eight and sixty per cent of all complaints received, while refund issues represent ten to thirteen per cent. It is troubling that, as passenger volumes rise, the flying experience appears increasingly to fall short of expectations.⁴

The consequences of delayed or cancelled flights for social welfare are significant: a missed job interview, a doctor's appointment or the inability to assist one's family in an emergency. Certain categories of traveller bear disproportionate risk of inconvenience. Business travellers and frequent flyers can generally address their difficulties through loyalty programmes, corporate support, lounges, legal advice and other resources that first-time flyers, migrant workers, students and senior citizens lack. Scholars of consumer law have observed that India's regulatory measures remain inadequate to a mass-market service, notwithstanding the DGCA's Air Passenger Charter, which nominally supports passenger interests.

C. Market concentration, duopoly and social consequences

The most structurally significant feature of Indian aviation today is market consolidation. By early 2026, IndiGo and the Air India group, which comprises Tata-owned Air India, its low-cost affiliate Air India Express, Vistara and AIX Connect, together captured approximately ninety per cent of domestic traffic. IndiGo alone accounts for between sixty and sixty-five per cent of the domestic passenger market.⁵

This concentration is not accidental but the product of a sequence of events: the bankruptcy of Jet Airways, the protracted financial difficulties of SpiceJet, decades of mismanagement of Air India under state ownership, and the eventual consolidation of the Tata group's airline holdings. Overlaid on this sequence are structural factors that render larger airlines inherently more

³ INVEST INDIA, *Investment Opportunities in Civil Aviation* (2024).

⁴ PARLIAMENTARY STANDING COMM. ON TRANSP., TOURISM & CULTURE, *Report on Passenger Rights: Gaps in Indian Aviation* (2025).

⁵ *Duopoly in the Aviation Sector and the Role of the CCI*, POLICY CIRCLE (2026).

competitive than smaller ones. They can negotiate better terms for aircraft leasing and airport slots, and possess the financial strength to withstand shocks that would force smaller carriers out of business. As early as 2015 the Competition Commission of India examined allegations of cartelisation among domestic airlines in passenger fare pricing; a decade later, the underlying problem has intensified.^{6,7}

The socio-economic implications of such a duopoly are real and varied. First are the consequences for consumers. The absence of price discipline becomes apparent when two firms control so large a share of capacity, resulting in higher fares during demand surges, reduced frequencies on less profitable routes and a markedly weaker bargaining position for passengers. As Policy Circle observes, the principal concern is not merely the ability of dominant carriers to dictate prices, but the structural vulnerability that their dominance creates.⁸

Second are the geographical consequences. Regional connectivity has long been an object of public policy, yet in a duopolistic market it becomes vulnerable. Barriers to entry rise sharply: slots at major airports are held by incumbents, new aircraft deliveries are prioritised for larger customers, and elevated leasing costs render regional routes unprofitable. The interaction between market concentration, infrastructural constraints and connectivity outcomes has been examined by the Indian Institute of Corporate Affairs.⁹

Third are the employment consequences. Aviation is a major source of employment, both among carriers and in airport-related services such as ground handling, catering and ancillary operations. Consolidation entails fewer employers and reduced bargaining power over wages. The absorption of Vistara into Air India illustrates the point and has been the subject of recent academic study. Questions concerning employees rendered redundant, or whose terms of service are disrupted by integration, must be squarely addressed. The personal impact of aviation consolidation seldom enters the boardroom business case, yet it falls upon airline staff facing uncertainty and upon passengers enduring poor service during turbulent transitions.¹⁰

In light of the antitrust literature considered in this study, an important point must be stressed: competition policy must move beyond price effects alone and attend to the structures that enable

⁶ *In re Alleged Cartelization in the Airlines Industry*, Suo Motu Case No. 03 of 2015 (Competition Comm'n of India).

⁷ *In re Alleged Cartelization in the Airlines Industry*, Suo Motu Case No. 03 of 2015 (Competition Comm'n of India).

⁸ *Duopoly in the Aviation Sector and the Role of the CCI*, *supra* note 5.

⁹ INDIAN INST. OF CORP. AFFS., *Research Study of the Civil Aviation Sector in India*.

¹⁰ *The Air India-Vistara Merger: Implications and Analysis*, INT'L J. FOR MULTIDISCIPLINARY RSCH. (2025); *see also Acquisition and Corporate Revival: The Strategic Turnaround of Air India by the Tata Group*, INT'L J. INNOVATIVE RSCH. & LEGAL STUD. (2025).

or undermine effective competition. Social justice in the aviation sector requires more than the mere existence of rivalry among service providers; genuine competition is a precondition for equitable access and good-quality service.¹¹

D. Consumer protection, passenger rights and social justice

Consumer protection in Indian aviation raises a grave social concern, for the law has failed to keep pace with a rapidly expanding market. Air travel has become a public utility in all but name, yet it continues to operate under a regime that relies heavily on airline discretion rather than on enforceable passenger rights.

The Consumer Protection Act, 2019 classifies transport as a "service" and air passengers as "consumers", so that grievances may be brought before the district, state or national consumer commissions. The DGCA's Civil Aviation Requirements further specify airlines' obligations in cases of cancellation, delay and denied boarding, including refund or rebooking, the provision of meals and accommodation during prolonged delays, and compensation not exceeding Rs 10,000 for domestic flights.^{12,13}

In practice, several structural shortcomings render this framework ineffective. The Parliamentary Standing Committee's report of 2025 identified the absence of a comprehensive statutory framework of passenger rights comparable to those in leading aviation markets. The Committee observed that, notwithstanding the introduction of a 24/7 air services helpline, the underlying problem remains unresolved. The airlines' complaint-resolution rate was assessed at close to one hundred per cent, but that figure is highly misleading, since "resolution" in this context denotes some form of response rather than any award of compensation. Where compensation is offered, passengers typically receive travel vouchers rather than cash, and even those require repeated follow-up.¹⁴

The inequity of this system becomes still more apparent by comparison with practices elsewhere. Under EU Regulation 261/2004, passengers are entitled to a refund and to fixed compensation in the event of cancellation or lengthy delay, calibrated between EUR 250 and EUR 600 by distance and independent of the airline's willingness to pay or of the passenger's familiarity with legal process. In India, by contrast, the statutory maximum compensation of Rs 10,000 (approximately EUR 110) frequently falls far short of actual loss, and even that sum can

¹¹ *Competition Law vis-a-vis the Aviation Sector in India*, NAT'L L. UNIV. JODHPUR.

¹² The Consumer Protection Act, No. 35 of 2019, INDIA CODE; *see also Airline Passenger Rights Under Consumer Law in India*, LAWBOOMI (2025).

¹³ *Airline Passenger Rights Under Consumer Law in India*, *supra* note 12; *see also IndiGo Flight Disruptions: Consumer Rights and Regulatory Response in India*, RECORD OF LAW (2026).

¹⁴ PARLIAMENTARY STANDING COMM. ON TRANSP., TOURISM & CULTURE, *supra* note 4.

be recovered only through complaints actively pursued by procedures inaccessible to elderly passengers, rural travellers and digitally disadvantaged citizens.¹⁵

This became painfully clear during the mass disruption of IndiGo flights in December 2025, when thousands of passengers were stranded at Indian airports following failures in crew management after changes to flight duty time limitation regulations. Passengers suffered genuine losses, missing medical appointments, family occasions and other commitments. The regulatory response was purely reactive and the available compensation mechanisms proved inadequate. The episode underscores a broader lesson: air transport regulation should treat airline services not as private contracts but as public services carrying substantial accountability obligations.¹⁶

The International Bar Association's review of passenger rights during the COVID-19 pandemic highlighted the inherent weakness of regimes that depend on airline discretion rather than legal entitlement in times of crisis.¹⁷ Its subsequent assessment of passenger rights following the IndiGo disruption reinforces the point, confirming that the difficulty is systemic rather than a collection of isolated incidents.¹⁸

From the standpoint of social justice, the appointment of a dedicated aviation ombudsman becomes critical. Such an office has been advocated by both the Parliamentary Committee and consumer-law scholars. Where general consumer legislation fails to address passengers' specific concerns, a dedicated ombudsman would furnish a proper mechanism for redress. The Parliamentary Committee has recommended its inclusion within a Passenger Rights Charter under the Bharatiya Vayuyan Adhiniyam, 2024.¹⁹

E. Air India's privatisation: social dimensions of a historic transition

The privatisation of the Air India group in January 2022, together with the subsequent merger of Vistara into Air India, is not merely a business and finance case study. It is also a significant social event, engaging questions of national identity, employee welfare, consumer expectation and the proper role of the state in public-service delivery.

¹⁵ Council Regulation 261/2004, 2004 O.J. (L 46) 1 (EC) (establishing common rules on compensation and assistance to air passengers, fixing compensation at EUR 250-600 by distance); *see also IndiGo Flight Disruptions: Consumer Rights and Regulatory Response in India*, *supra* note 13.

¹⁶ *IndiGo Flight Disruptions: Consumer Rights and Regulatory Response in India*, *supra* note 13.

¹⁷ *Air Passenger Rights Amid COVID-19*, INT'L BAR ASS'N (2020).

¹⁸ *Passenger Rights in the Context of IndiGo Flight Disruptions*, INT'L BAR ASS'N (2026).

¹⁹ PARLIAMENTARY STANDING COMM. ON TRANSP., TOURISM & CULTURE, *supra* note 4; *see* The Bharatiya Vayuyan Adhiniyam, No. 40 of 2024, INDIA CODE (replacing the Aircraft Act, No. 22 of 1934).

Air India was never merely an aviation company. It was a symbol of post-independence aspiration and, in later decades, evidence of poor governance and weak public accountability. The corporation's history, from its foundation as Tata Air Services in 1932, through nationalisation under the Air Corporations Act, 1953, to decades of accumulating deficits and debts totalling Rs 61,562 crore at the time of divestment, is well documented. The social dimension of this case study concerns the consequences of irresponsible stewardship of public entities: a workforce of some 30,000 employees, inefficient procurement (including 111 wide-body aircraft acquired without evident commercial rationale) and an organisational structure ill-suited to competition.^{20,21}

The Tata group acquired Air India at an enterprise value of Rs 18,000 crore, prevailing over a rival consortium led by Ajay Singh of SpiceJet. The acquisition completed a circle that returned Air India to the ownership of its original founders, a development of considerable symbolic resonance. As the strategic-turnaround analysis in the International Journal of Innovative Research and Legal Studies observes, Air India is no longer a state-controlled enterprise but an entity governed by a wholly different social contract, one in which its obligations are defined by competition and consumer demand rather than by political mandate.²²

Not every development, however, has been favourable. As Pandya and others explain in their review published in the Journal of Emerging Technologies and Innovative Research, the hundred-day improvement plan implemented by the Tata group signalled a genuine intention to restore quality of service, long neglected. The integration of Vistara and Air India Express produced a consolidated carrier better positioned for international competition, with direct consequences for India's tourism, global connectivity and diaspora relations. As Invest India's sectoral overview notes, the aviation industry contributes substantially to tourism, trade and foreign investment.^{23,24}

The attendant social costs must nonetheless be acknowledged. Reshaping a workforce formed over decades under public-sector norms into a leaner, commercially oriented organisation may generate serious concerns regarding job security, working conditions and the loss of institutional expertise. In its analysis of the Air India-Vistara merger, the International Journal for Multidisciplinary Research illustrates the difficulty of reconciling two corporate cultures with

²⁰ Pandya et al., *supra* note 2; see also *A Case Study on the Acquisition of Air India by Tata Sons*, IEM J. MGMT. REV. (2023).

²¹ The Air Corporations Act, No. 27 of 1953, INDIA CODE (nationalising India's air transport undertakings); see also Pandya et al., *supra* note 2.

²² *Acquisition and Corporate Revival: The Strategic Turnaround of Air India by the Tata Group*, *supra* note 10.

²³ Pandya et al., *supra* note 2.

²⁴ INVEST INDIA, *supra* note 3.

divergent business philosophies, seniority systems and pay structures. Employees who joined Vistara for its premium positioning may find the cost-conscious ethos of the merged carrier unwelcome. Such a social dimension appears in no financial statement.²⁵

F. Conclusion: towards a socially accountable aviation sector

A social analysis of India's aviation industry reveals a sector at a critical juncture. Structural expansion, in the form of more routes, lower fares and improved regional connectivity, represents a genuine social gain; yet these gains remain fragile, uneven and persistently undermined by regulatory gaps, market concentration and ineffective consumer-protection rules.

With respect to Air India, privatisation under the Tata group presents real social opportunities: an improved corporate culture, a counterweight to IndiGo's dominance and a carrier capable of representing India credibly in the international market. To realise these gains, however, the regulatory environment must not lag behind. Passenger rights should be secured by statute; an ombudsman's office should be established to afford passengers an effective means of redress; competition law should be applied so as to forestall monopoly; and the social obligation to maintain connectivity on commercially unviable routes should not be neglected.

One consistent observation emerges from the sources examined in this study: aviation is not merely an industry but a form of social infrastructure. Failures such as cancellations, high fares, the absence of accessible redress and insecure employment are ultimately social failures, borne most heavily by those least able to afford them.

IV. LEGAL ANALYSIS: ABUSE OF DOMINANCE IN INDIA'S AVIATION SECTOR

A. Introduction and legal framework

The principal legal problem arising from the present state of India's aviation industry concerns the growing risk of abuse of dominance under section 4 of the Competition Act, 2002. The sector has consolidated towards a duopoly in which IndiGo and the Air India group, following the Tata group's acquisition and the merger of Vistara, together command approximately ninety per cent of the market. Financial analysis alone cannot address the competition-law concerns that this concentration raises. The applicable regulatory framework comprises the Competition Commission of India (CCI), the Directorate General of Civil Aviation (DGCA), the Airports Economic Regulatory Authority (AERA) and the Ministry of Civil Aviation.

²⁵ *The Air India-Vistara Merger: Implications and Analysis*, *supra* note 10.

B. Abuse of dominance in a duopolistic aviation market

The CCI has been active in enforcing competition law against anti-competitive conduct in aviation. In *Suo Motu Case No. 03 of 2015*, the Commission examined allegations of cartelisation among domestic airlines in the pricing of passenger air fares. Although the allegations were ultimately not sustained, the proceeding demonstrated that the aviation sector is not beyond the reach of competition enforcement. That demonstration is significant in the present market, in which competitive constraints have weakened following the bankruptcy of Jet Airways, the protracted difficulties of SpiceJet and the consolidation of Air India and Vistara under the Tata group. Where two firms hold dominant capacity, the conditions for exploitation contemplated by section 4 of the Competition Act, including predatory pricing, denial of market access and the imposition of unfair terms, become embedded in the structure of the industry rather than occasional.²⁶

This risk is compounded by the allocation of slots at major hub airports, which confers frequency advantages on dominant carriers over smaller rivals unable to compete on cost. As the International Comparative Legal Guides' Aviation Laws and Regulations report notes, although tariff regulation by AERA and safety oversight by the DGCA operate in parallel, neither is coordinated with competition policy.²⁷ As Policy Circle observes, CCI enforcement is inadequate where the relevant conditions, including unequal access to aircraft supply, asymmetric leasing rates and slot allocation, themselves stem from regulatory disorder within the sector.²⁸

C. The financial-legal nexus: Air India's turnaround and market power

The legal complexity of Air India's acquisition by the Tata group lies in a tension: while the carrier has been transformed from an uncompetitive liability into a viable competitor through acquisition and merger with Vistara, that very transformation entrenches the industry's duopolistic structure. As the Indian Institute of Corporate Affairs' research study observes, the economies of scale characteristic of aviation are self-reinforcing, since larger order volumes yield better delivery positions and stronger network connectivity. Air India's turnaround is unobjectionable as a matter of competition law; but no post-merger conduct should deploy the merged entity's market power and slot holdings against the interests of other participants.²⁹

²⁶ *In re Alleged Cartelization in the Airlines Industry*, *supra* note 6.

²⁷ *Aviation Laws and Regulations 2026: India*, INT'L COMP. LEGAL GUIDES (2026).

²⁸ *Duopoly in the Aviation Sector and the Role of the CCI*, *supra* note 5.

²⁹ INDIAN INST. OF CORP. AFFS., *supra* note 9.

D. Conclusion

The challenge facing Indian aviation is not one of occasional non-compliance but of the fundamental design of the market. The CCI's engagement with alleged cartelisation, the complex regulatory architecture comprising the DGCA, AERA and the Ministry of Civil Aviation, and the changing fortunes of Air India under Tata management together demonstrate that competition-law enforcement cannot be left to litigation alone but must be integrated into industry policy. That integration will require regulatory reform of slot allocation and aircraft access, among other matters.

V. FINDINGS OF THE STUDY

This part synthesises the principal findings on the Indian civil aviation sector, with particular reference to Air India's privatisation and the surrounding regulatory environment.

A. Democratisation remains incomplete and privatisation carries unresolved social costs for labour

India is the world's third-largest aviation market, yet affordable and dependable air service is not evenly available. Rising fares and hidden charges, delays and cancellations, and refund difficulties disproportionately affect first-time travellers, particularly migrant workers, older passengers and those from rural areas. The regional-connectivity gains achieved through the UDAN policy remain at risk owing to the dominance of a few carriers that prioritise profit maximisation. Privatisation has also produced social costs arising from the transition of Air India's workforce and its merger with Vistara, which have disrupted established workforce structures and created uncertainty over pay, seniority and job security. The human consequences of such transitions, including interrupted service, employee stress and the loss of institutional knowledge, deserve express consideration in any discussion of aviation reform.

B. The consumer-protection framework is formally sound but practically ineffective, and merger control approved consolidation without adequate structural safeguards

Passenger protection in Indian aviation is regulated principally through legislation, but the applicable rules are poorly enforced. Compensation for cancellation is too low, no protection exists for shorter delays, and the complaint system is often cumbersome and slow. While some passengers have obtained relief through litigation, most cannot afford the cost and delay of legal proceedings. India requires a compensation system that automatically indemnifies passengers affected by cancellation, comparable to the entitlement enjoyed by passengers under EU law. Appropriate regulation is also necessary to remedy market concentration, particularly following

the consolidation of Air India and Vistara. That merger substantially increased concentration without adequate safeguards such as the divestiture of airport slots; regulators must accordingly subject aviation mergers to stricter review and establish closer coordination among regulatory agencies in order to protect passengers and to advance fair and competitive markets.

C. Conclusion

These findings converge on a single observation: while India's aviation sector has undergone rapid commercial growth and major changes in ownership, its regulatory, legal and institutional frameworks have not kept pace. The divestment of Air India removed the largest single source of market distortion, namely the state funding of a loss-making carrier, but it did not resolve the more intractable problems of a fragmented, under-regulated and self-perpetuating duopoly and of inaccessible consumer-protection procedures that call for proactive policy rather than reactive compliance. The recommendations recurring most frequently are threefold: first, a statutory, automatic passenger-compensation regime modelled on EU Regulation 261/2004; second, the establishment of a genuinely independent aviation ombudsman empowered to render binding decisions; and third, a requirement that aviation mergers be conditioned on the divestiture of slots and on guaranteed access to airports. Without these structural reforms, Air India's commercial turnaround, though an important part of the solution, cannot by itself create a competitive and consumer-accountable air transport system for India.

VI. SUGGESTIONS AND RECOMMENDATIONS

Drawing on the literature reviewed for this study and on a consultation with a former senior aviation risk analyst with industry experience, the following recommendations are offered to address the issues identified.

First, on passenger accessibility. First-time flyers, migrant labourers and senior citizens remain the most vulnerable travellers, lacking corporate connections and convenient means of lodging complaints. Air India could establish dedicated help desks for elderly and first-time passengers. Complaint procedures should be simplified through multilingual support and mobile-based portals. Compensation and refunds should be processed automatically rather than requiring passengers to pursue repeated follow-up. Airlines should provide meals, accommodation and transport during prolonged delays, and passengers should be informed of their rights at airports through displays and SMS notifications.

Second, on employee integration following the Air India-Vistara merger. Ambiguities concerning job roles, salaries and seniority were not resolved satisfactorily. To manage the challenges of integration, airlines should ensure transparency in employee integration, payroll

and seniority from the outset. Retraining and redeployment programmes should be offered to affected employees. Management should maintain open communication with trade unions throughout the process, and psychological support should be provided to employees during the transition.

Third, on passenger compensation. Under present Indian regulation, passengers affected by cancellation may recover up to Rs 10,000, whereas passengers in Europe are automatically entitled to between EUR 250 and EUR 600 without documentary formality. A move toward an automatic system would clearly benefit Indian passengers, though carriers such as Air India would face challenges relating to operating costs and documentation. Such a system could be introduced in phases, with clearly defined exceptions for extreme weather or national emergencies.

Fourth, on slot concentration. Since the Tata group acquired Air India and merged it with Vistara, the CCI has not required Air India to release any slots. Air India consequently holds a disproportionate number of slots at the congested airports of Mumbai and Delhi, to which new entrants cannot gain access, conferring what critics regard as an unfair competitive advantage. The CCI should review slot concentrations at these airports periodically. A "use it or lose it" policy should be adopted to prevent slot hoarding, and a proportion of peak-hour slots should be reserved for new entrants. Future mergers that would produce excessive concentration should be conditioned on structural remedies. Expanding airport capacity and developing secondary airports would further help to relieve congestion at primary hubs and to reduce the dominance of a few carriers.

VII. CONCLUSION

The future of India's civil aviation industry stands at a crossroads. The privatisation of Air India was an important and courageous decision. It ended decades of state expenditure on a loss-making carrier and introduced a private enterprise with both the capacity and the incentive to effect change. The Tata group has, to a considerable degree, delivered on that promise by improving service, merging Vistara into Air India and creating a globally competitive carrier.

This paper has sought to show, however, that the decision forms only part of a larger picture. The structural problems that predated 2022 persist. The market is highly concentrated, with IndiGo and the Air India group together holding almost ninety per cent of domestic traffic, a duopoly that poses serious risks to consumers and to prospective competitors alike.

Consumer-protection difficulties likewise endure. The current framework appears adequate on paper, yet in practice passengers, particularly new flyers, migrants and senior citizens, struggle to obtain refunds, compensation and even basic information about their rights.

Genuine reform demands far more than a change of management. India requires a statutory compensation regime for passengers modelled on the European Union's Regulation 261/2004, an independent aviation ombudsman, and stricter merger-review criteria incorporating slot divestiture at congested airports.

The history of Air India constitutes a significant chapter in the story of Indian aviation. The chapter that follows should be that of a system that serves all its passengers, and not only those who can afford to fight for their rights.
