COMPETITION COMMISSION OF INDIA

Case No. 42 of 2025

In Re:

Kannadiputhur Sundararaman Suresh	**Informant**
And	
Interglobe Aviation Limited	**Opposite Party No. 1 (OP-1)**
Air India Limited	**Opposite Party No. 2 (OP-2)**

CORAM

Ravneet Kaur
Chairperson

Anil Agrawal
Member

Sweta Kakkad
Member

Deepak Anurag
Member

Order under Section 26(2) of the Competition Act, 2002

1. The Information has been filed by Shri Kannadiputhur Sundararaman Suresh ('**Informant**') against Interglobe Aviation Limited ('**Opposite Party No.1**'/ '**OP-1**') and Air India Limited ('**Opposite Party No.2**'/ '**OP-2**') alleging contravention of Sections 3 and 4 of the Competition Act, 2002 ('**the Act**').

2. The Informant has submitted that OP-1, with over 65% market share in the domestic sector, is by far the largest and dominant player. OP-2, accounts for 27% market share. Together, both these players control over 90% market share and dominate the domestic aviation market. It is alleged that by acting individually and in concert, they have been maintaining unconscionable and illegal rates of cancellation charges. They are guilty of imposing unfair discriminatory and arbitrary conditions and prices for sale of services. The Informant states that although OP-2 may not have as large a market share as OP-1, by virtue of it being a duopolistic player along with OP-1 and adopting and maintaining the same practice of OP-1, they are in a position to act independently of competitive forces in the matter of cancellation charges.

3. The Informant has alleged that on a plain reading of Section 4(2) of the Act, the practice of OP-2 of unfair cancellation would also amount to abuse of its dominant position. The Informant also states that OP-1 and OP-2 are guilty of engaging in anti- competitive practice by acting in concert that has the effect of determining the cancellation charges of air tickets. The Informant has submitted that the airlines' practice of levying penal charges for ticket cancellation by a passenger is not only irrational and indiscriminate, but is also unfair, abuse of dominant position and violative of the law of contract.

4. The Informant has claimed that under Section 74 of the Indian Contract Act, 1872, where a contract mentions a penalty amount in case of breach, the non-breaching party would still be entitled only to a "reasonable compensation" not exceeding the amount mentioned as penalty. The Informant states that, if a passenger cancels a ticket and thereby breaks the contract, the airlines is at best entitled to a "reasonable compensation". This reasonable compensation must represent a genuine estimate of loss suffered as a result of the breach (which in the present instance, it clearly does not). The Informant has stated that when a passenger cancels their booking, the airline is placed in the same position as before the passenger made the booking in the first place. As per the Informant, the law of contract mandates compensation for loss on account of breach; it does not permit the non-breaching party to exploit the situation and profit

from it. The Informant claims that the cancellation does not put the airline in any position worse than it was in prior to the booking, and, thus, the airline does not suffer any loss on account of the cancellation. The Informant adds that the question of loss would arise only if, as a direct result of the cancellation, the airline is prevented from selling that ticket to another potential passenger.

5. The Informant has submitted that such a situation can arise only if immediately prior to the cancellation (a) the flight was fully booked, (b) therefore, a purchaser who wanted to book a ticket had to be refused, and (c) after the cancellation there was no purchaser for a ticket on the same flight. However, the Informant states that if any of the above conditions are not satisfied, there can be no presumption of the airlines suffering any loss, especially in today's aviation market.

6. The Informant has referred to his own experience where he paid a sum of Rs. 12,488 and booked the following tickets through MakeMyTrip.com on 03.11.2024:

Route	Airline	Travel date	Amount paid(In Rs)
Chennai-Kolkata	Air India	10-11-2024	6,010
Kolkata-Chennai	Indigo	12-11-2024	6,477.5

The Informant has submitted that within minutes, he realized that he had booked for the wrong dates as the intended dates were 10.11.2024 and 12.11.2024. The Informant cancelled the tickets for which he received a refund of a mere Rs. 3,054/- after deducting the penalty and other charges made by OP-1 and OP-2. The Informant states that a penalty of Rs. 9,434/-, which works out to 75.54% of the booking amount for a cancellation made within a few minutes is in stark contrast with the general international practice of permitting free cancellation in the first 24 or 48 hours.

7. The Informant has submitted the refund amounts arrived at by the two airlines as follows:

	Details	**(In Rs)**
Airlines: Air India Route: Chennai-Kolkata Travel date: 10-11-2024	Amount Paid	6,010.00
	Total Deduction	-5,517.5
	Airline cancellation Fee	4,200
	MMT cancellation Fee	300
	MMT convenience Fee	267.5
	Ancillary charges	750
	Total Refund	**493**
	Details	**(In Rs)**
Airline Indigo Route: Kolkata-Chennai Travel date: 12-11-2024	Amount Paid	6,477.5
	Total Deduction	-3,916.5
	Airline cancellation Fee	2,999
	MMT cancellation Fee	300
	MMT convenience Fee	267.5
	Ancillary charges	350
	Total Refund	**2,561**

8. The Informant has alleged that this conduct of OP-1 and OP-2 is an egregious case of extortion and airlines in India have been unjustly profiting through this unfair and abusive trade practice, which has long gone unchecked, to the serious detriment of the passengers who have no option but to suffer. The Informant has further stated that if a passenger cancels their ticket, it can, under the Indian Contract Act, 1872, invite only "reasonable compensation" for the airlines, assuming there is a loss.

9. The Informant has also stated that usurping and retaining the lion's share of the fare as cancellation "charges" when the airline has not incurred any loss on account of the cancellation, is illegal enrichment, made possible by the dominant position OPs hold.

This amounts to an unfair trade practice and an abuse of their dominant position in the domestic civil aviation sector in India.

10. In light of the averments made above, the Informant has prayed for the following reliefs from the Commission:
    (i) To investigate/enquire into the abusive, unfair and anti-competitive practice of Indigo Airlines and Air India charging extortionate amounts in the name of cancellation fees, and pass appropriate orders directing the domestic airlines operating in India to restrict the cancellation charges to a reasonable level i.e. 10% of the fare excluding the taxes, or Rs. 1,000/- whichever is lower, considering Section 74 of the Indian Contract Act, 1872;
    (ii) Further, the airlines may be directed to not charge for cancellations made within 24 hours of the booking, considering the international practice in this regard. The Commission may also be pleased to order them to disgorge the amounts that they have collected beyond a reasonable level that the Commission may be pleased to determine.

11. The Commission considered the present matter in its ordinary meeting held on 14.01.2026 and decided to pass an appropriate order in due course.

12. The Commission noted that the Informant has made an allegation of violation of Section 3(1) and Section 3(3)(a) of the Act. The presumption under Section 3(3) of the Act would require existence of an agreement, and establishing conduct which is presumed to be anti-competitive. Under Section 2(b) of the Act; an agreement need not be "formal or in writing" and it may be any arrangement, understanding or action in concert. However, the Informant, in support of his allegation that the OPs are acting in concert, has not submitted any evidence/conduct to adduce that OP-1 and OP-2 have entered into an agreement, whether formal or informal, to influence cancellation charges.

13. The Commission also noted that the Informant has also alleged violation of Section 4(1), 4(2)(a)(i) and 4(2)(a)(ii) of the Act. The Commission notes that, as per the Informant, OP-1 and OP-2 are dominant enterprises having 65% and 27% market share, respectively. The Commission notes the averment of the Informant that OP-1 and OP-2 are acting individually and in concert, and that they have been maintaining unconscionable and illegal rates of cancellation charges.

14. The Commission is of the view that the concept of collective dominance is beyond the purview of the Act. The Commission has reiterated the said position in the recent case of *Airen Metals Private Limited Vs Hindalco Industries Limited; Case No. 31 of 2024* decided on 30.05.2025. The relevant extract is reproduced here for reference:

> *"At the outset, the Commission notes that the concept of 'collective dominance' is not present in the provisions of the Act, and thus, the allegations against the OPs, who are stated to be functioning as a duopoly in the market, falls outside the jurisdiction of the Act."*

15. The Commission notes that even otherwise, in the facts of the present case, Informant's allegation of abuse of dominance, does not warrant further examination as OPs have in place a system for refund of tickets and it is possible to have a substantial refundable ticket by passengers if they opt for that category of ticket. A passenger has options to select a fare that will give him the maximum or full refund depending on the airline and type of air fare selected, time of cancellation of the ticket, amongst other factors. The refund and cancellation terms are disclosed to passengers in advance. These are applied equally to all consumers and not in a discriminatory, unfair or exclusionary manner.

16. The Commission notes that the Informant, is seen to have received less refund for the flight from Chennai to Kolkata for which he had less than 7 days remaining and received a higher refund for the flight from Kolkata to Chennai for which he had over 7 days' time to cancel the ticket.

17. The Commission also notes that the remedy of the Informant for alleged breach of the Indian Contract Act, 1872 in the present matter does not lie before the Commission. Further, dissatisfaction with a contractual term or desire for more favourable terms and conditions does not constitute violation of the Act.

18. The Informant has also filed an Interlocutory Application ('**IA**') No. 50/2026 filed on 13.02.2026 in the present matter requesting to take into consideration additional information related to cancellation of his ticket on Chennai-Mumbai route with the date of intended travel on 02.01.2026. The ticket was cancelled by the Informant on 21.12.2025 due to personal exigencies. The Informant received a refund of Rs 5,385 from OP 1. The Commission notes that the issue raised in the aforementioned IA has already been dealt with in the above paragraphs and the said IA is disposed of in the same terms.

19. The Commission also notes that the Informant has also made a passing reference in the above IA to the cancellation of several thousands of flights by OP-1 in the month of December, 2025. However, the Commission notes that the gravamen of the present matter is on a totally different subject and cannot be considered to have a bearing on the subject of cancellation of flights by OP-1. In any case, the Commission has ordered investigation under Section 26(1) of the Act against OP-1 in relation to its mass cancellation of flights in December, 2025 in Case No. 44 of 2025.

20. The Informant has also filed an IA No. 63/2026 on 03.03.2026 praying for a joint investigation in the present matter and Case No. 44 of 2025 which has been sent to the Director General for Investigation. The Commission notes that the basis of Section 26(1) order in Case No. 44 of 2025 is entirely different from the present matter and in the facts of the same, there is no occasion for a joint investigation. Consequently, IA No. 63/2026 stands disposed of.

21. In view of the Information provided and analysis carried out in preceding paragraphs, the Commission is of the opinion that no *prima facie* case of contravention of Sections 3 and

4 of the Act is made out against OP-1 and OP-2. Accordingly, the Information is directed to be closed forthwith under Section 26(2) of the Act.

22. The Secretary is directed to communicate to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

Place: New Delhi
Date: 11.03.2026