

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 820
(TO BE ANSWERED ON THE 28th July 2015)

ACTION AGAINST AVIATION COMPANIES

820. SHRI HARIVANSH

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether any action has, so far, been taken by the Ministry against the aviation companies which are charging arbitrary fares and if not, the reasons therefor;
- (b) by when a system for monitoring the air fares will be in place;
- (c) whether common man are bearing the brunt of the connivance of some companies; and
- (d) whether some days ago the Civil Aviation Ministry had expressed its dissent to fix the airfare and if so, the reasons for considering this now by the Ministry?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Dr Mahesh Sharma)

(a) to (d) Air fares are not regulated by the Governments. Under the provision of Sub Rule (1) of Rule 135, aircraft Rules 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff.

Air fare so established by the airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937.

The domestic airline pricing runs in multiple levels (bucket or RBD-Reservation Booking Designator) which are in line with the practice followed globally. Usually, the lower levels of the fare in the fare bucket are assigned to advance purchase (popularly known as Apex Fares) bookings (e.g. up to 90,60,30,14 and 07 days before departure). As time lapses and date of journey approaches closer (from 07 days to date of departure), the fare in higher side

of fare bucket are available for purchase.

Airline remains complaint to the regulatory provisions of Rule- 135 as long as the fare charged by them does not exceed the fare established and displayed on their website.

In order to prevent excessive charging and sudden surges in airfares and to promote transparency by scheduled domestic airlines, Directorate General of Civil Aviation (DGCA) has issued Air Transport Circular 02 of 2010 wherein airlines are required to display on their respective websites the tariff sheet route-wise across their network in various fare categories and the manner it is offered in the market.

DGCA has already set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes on monthly basis to insure that the airlines do not charge airfares outside the range declared by them. The past analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective websites.
