

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 964
(TO BE ANSWERED ON THE 19th December 2018)

ARBITRARY INCREASE OF FARE BY PRIVATE AIRLINES

964. SHRI SURENDRA SINGH NAGAR

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

- (a) whether it is a fact that private airlines increase their fares arbitrarily because there is no monitoring mechanism by Government in place;
- (b) if so, reasons for not bringing the operations of private airlines and their fare determination policy under any regulatory commission so far; and
- (c) if not, what steps Government takes to monitor the fares and other matters relating to the private airlines?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a) & (b): As per prevailing regulations, air fares are neither established nor regulated by the Government. Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services are required to establish tariff having regard to all relevant factors, including the cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

The fares established by airlines under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937 are required to be displayed by the airlines on their websites in compliance of Sub Rule 02 of Rule 135, of the Aircraft Rule, 1937.

(c): DGCA has issued Air Transport Circular 2 of 2010 wherein airlines are required to display on their respective website the tariff sheet route-wise across their network in various fare categories and the manner it is offered in the market. The intention behind the above directions is to keep the passengers informed of pricing pattern of airlines.

DGCA has also set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. The analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective website. On regular basis, random monitoring of air fares on certain routes, published on the airline's website, it has been observed that fare charged by the airlines does not exceed the fare established and displayed by them on their respective website.