

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 509
TO BE ANSWERED ON THE 12th December 2022
ARBITRARY HIKING OF FARES BY AIRLINES

509. SHRI NEERAJ DANGI

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

- (a) whether Government is aware of the fact that aviation companies are arbitrarily collecting fares from passengers, especially during the festive season, if so, the details thereof;**
- (b) the details of complaints received by Government in this regard during the last three years and the current year; and**
- (c) the action taken by Government thereon and Government policy in place in this regard along with the measures taken?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (GEN. (DR) V. K. SINGH (RETD))

(a) to (c): As per prevailing regulation, airfares are not 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 require to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. Airlines are free to charge reasonable air fares as per their operation viabilities subject to compliance to above said rule.

The airline pricing system runs in multiple levels [buckets or RBDs (Reservation Booking Designators)] which are in line with practice being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare

increases as the lower fare buckets get sold by the airlines Some of the airlines have introduced Apex-90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc., in which highly discounted fares are being offered which would entail travelling even during peak seasons on low fares. The fare structures stated above have been displayed by airlines on their websites. Directorate General of Civil Aviation (DGCA) has a Tariff Monitoring Unit that monitors airfares on certain routes on monthly basis to ensure that the airlines do not charge airfares outside a range declared by them. The airlines are compliant to the Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937 as long as fare charged by them is in line with fare displayed on their website.

With the repeal of the Air Corporations Act in March 1994, tariff fixation has been deregulated and airlines are free to fix reasonable tariffs under the provisions of sub-rule (1) of rule 135 of the Aircraft Rules, 1937. The prices are accordingly fixed by the airlines keeping in view the market forces including, inter-alia, the operating cost, demand, seasonality, sustainability etc.

Ministry of Civil Aviation / Directorate General of Civil Aviation, from time to time, has been receiving grievances related to services provided by airlines. As submitted by the Airlines to the Directorate General of Civil Aviation (DGCA), as a part of their monthly submission, traffic data, percentage of complaints received regarding fares during the last three years are attached as Annexure-I.

Grievances/Complaints are redressed as per the established mechanism / extant guidelines in the matter. Further, Ministry of Civil Aviation has launched Air-Sewa Application - a digital platform, for enabling travellers to submit grievances and seek information on air

**travel in India. Passengers may report their grievances on Air-Sewa
Application for expeditious disposal.**

Annexure-I

Complaints of Fare (%)			
Month	2020	2021	2022
Jan	0.0	0.0	3.4
Feb	0.0	0.0	0.6
Mar	0.0	0.0	0.7
Apr		0.0	12.4
May	0.0	0.3	4.5
Jun	0.0	0.0	4.0
Jul	0.0	0.0	1.9
Aug	0.0	0.0	1.3
Sep	0.2	0.0	2.5
Oct	0.0	13.3	0.5
Nov	0.0	5.8	-
Dec	0.0	5.1	-