

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 350
TO BE ANSWERED ON THE 24th July 2023

REGULATORY MECHANISM TO MONITOR AIRFARES OF AIRLINES

350. SHRI VAIKO

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

- (a) whether Government has asked airlines to not levy penal charges for cancellation and rescheduling of air tickets in case of emergency and festival rush;**
- (b) if so, whether Government has monitored compliance of airlines, if so, the details thereof;**
- (c) whether there is any regulatory mechanism to monitor the airfares of airlines which are fleecing the passengers, whenever there is hike in demand; and**
- (d) the steps taken by Government to ensure common man also travels by air, by having reasonable airfare in Economy class during emergency?**

ANSWER

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

(a) & (b) Charges for cancellation and rescheduling of air tickets are not regulated by the Government. However, the Directorate General of Civil Aviation (DGCA) has issued Civil Aviation Requirements (CAR), Section -3, Series -M, Part - II titled - Refund of Airline Tickets to Passengers of Public Transport Undertakings wherein the following provisions in respect of cancellation charges has been laid down:

Cancellation charges must be indicated prominently at the time of booking. The airlines shall refund all statutory taxes and User Development Fee (UDF)/Airport Development Fee (ADF)/Passenger Service Fee (PSF) to the passengers in case of cancellation/non-utilisation of tickets/no show. This provision shall also be applicable for all types of fares offered including promos/special fares and where the basic fare is non- refundable.

(c) Directorate General of Civil Aviation (DGCA) has established Tariff Monitoring Unit which monitors fares on select sectors on random basis.

(d) Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)- UDAN (Ude Desh ka Aam Nagrik) on 21.10.2016 to enhance regional air connectivity from unserved and underserved airports in the country and making air travel affordable to the masses.

Under the UDAN Scheme, the Government has targeted an indicative airfare at Rs. 2500 for a distance of 500 km to 600 km per RCS seat under Regional Connectivity routes (equivalent to one-hour flight). Selected Airline Operator is required to provide upto 50% of the aircraft seating capacity or maximum 40 seats, whichever is lower, as seats in a fixed wing aircraft under UDAN. This airfare is subject to indexation as per the formula specified in the UDAN Scheme document.

Government has also taken steps to sensitise the airlines on maintaining reasonable price levels by self regulating airfares during emergency. Consultations are held with airlines to keep passenger interest in mind and exercise moderation.
