

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 1620
TO BE ANSWERED ON THE 4th August 2025
REGULATION OF AIRFARE AND AIR TARIFFS

1620. SHRI MEDA RAGHUNADHA REDDY

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

(a) whether Government intends to define reasonable profit as specified under "The Aircraft Rules, 1937" in order to curb the excess fares charged by airlines;

(b) whether Government intends to empower the Directorate General of Civil Aviation (DGCA) to regulate airfare;

(c) whether Government intends to set up an independent body for monitoring airfares on the lines of Securities and Exchange Board of India;

(d) whether Government plans to introduce a policy for uniform fees/tariffs across all domestic airports; and

(e) if so, the details thereof?

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(Shri Murlidhar Mohol)**

(a) to (e): As per Rule 135 of the Aircraft Rules, 1937, every air transport undertaking shall establish a tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit, and the generally prevailing tariff.

In order to enhance the transparency in airfare, Directorate General of Civil Aviation (DGCA) has set-up Tariff Monitoring Unit (TMU) that

monitors airfares on selected 78 routes on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them, under the provision of sub-rule (2) of Rule 135 of the Aircraft Rules, 1937. This covers about 27% of the domestic traffic.

Airfares are not subject to regulation by the Government and airlines have the flexibility to determine their airfares based on their operational needs, while adhering to Rule 135 of the Aircraft Rules, 1937. The pricing of airfares is subject to dynamic fluctuations influenced by the fundamental economic forces of supply and demand. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, and competitive factors significantly impact airline ticket pricing.

To ease surge in air fare, Ministry remains vigilant and sensitize airlines to exercise moderation/ self- regulation, measures like increase in the number of flights, reallocating capacity, etc. are adopted as done during Pandemic, festivals, Mahakumb and Pahalgam Incident.

Given the complex dynamics of the Indian aviation industry, Government is playing the role of a facilitator by way of creating enabling environment to support the growth of the sector.
