

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO. : 1602
TO BE ANSWERED ON THE 3rd August 2026

JUSTIFICATION FOR THE HIKE IN AIRFARES

1602. SHRI NEERAJ DANGI

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

(a) whether it is a fact that the Supreme Court of India has expressed concern over exorbitant airfares, describing them as exploitative for passengers and has urged Government to ensure their rationalisation at the earliest;

(b) if so, the steps taken by Government in compliance with the directions and observations of the Supreme Court;

(c) whether it is also a fact that airlines substantially increase airfares during festivals such as Diwali, Christmas and other peak travel seasons without any justifiable reason; and

(d) if so, the measures proposed to be taken by Government to regulate and keep airfares at reasonable levels during festivals and peak travel seasons?

ANSWER

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

(a) to (d): A writ petition has been filed in this regard before the Supreme Court of India towards the end of Year 2025 and the hearing is in progress.

With the repeal of Air Corporation Act in March 1994, airfares are not subject to be regulated by the Government. Airlines have the autonomy to establish airfare based on their operational & economic viability on a particular route while adhering to Rule 135 of the Aircraft Rules, 1937.

The pricing of airfares is subject to dynamic fluctuations influenced by the forces of supply and demand. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, seasonal fluctuations and other relevant factors significantly impact airline ticket pricing.

The airline fare system runs in multiple levels (buckets or Reservation Booking Designators) which are in line with practice being followed globally. The airfare increases with increase in demand of seats as the lower fare buckets get sold out faster and move to higher fare buckets. The dynamic pricing framework adopted by airlines, at times enables passengers to get more affordable fares during peak travel periods or when bookings are made close to the date of departure, depending on prevailing market conditions.

The Government generally refrains from regulating airfares to maintain market competitiveness, however, it retains vigilant oversight role, intervening in exceptional circumstances by redistributing capacity across various sectors and imposing temporary fare caps, such as during the Covid Pandemic, festivals like Maha kumb or other extraordinary instances like Pahalgam incident & the Indigo flight disruptions.

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. This covers about 27% of the domestic traffic. By doing so, the TMU plays a critical role in maintaining airfare levels within the boundaries of the airlines' prescribed tariffs.
