

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 1267  
(To be answered on the 9<sup>th</sup> February 2017)

**REGULATION OF AIR FARE**

1267. **SHRI HARISHCHANDRA CHAVAN**  
**SHRI KODIKUNNIL SURESH**  
**SHRI DINESH TRIVEDI**  
**SHRI RAM TAHAL CHOUDHARY**  
**DR. NEPAL SINGH**  
**SHRI KESINENI NANI**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether airline companies are exploiting the passengers often travelling by air by charging them 25 to 50 thousand rupees as fare for one sector and if so, the reaction of the Government thereto;
- (b) the reasons for not fixing the fares of each sector on minimum basis by the Government;
- (c) whether the Government is conducting an enquiry into allegations of domestic airlines charging exorbitant rates for tickets even in events of natural calamities as allegedly happened during the period for Chennai floods, if so, the details thereof;
- (d) whether the Government proposes to revise existing fare calculation and determination policies and set a limit or bar dynamic pricing to prevent exorbitant pricing for tickets by domestic airlines during calamities and if so, the details thereof;
- (e) whether there are monitoring mechanisms to ensure that airline companies follow the above regulations and if so, the details thereof; and
- (f) whether the Government has made any announcement regarding the airfare being 2500/- rupees per hour which was published in the newspapers and if so, the details thereof?

**ANSWER**

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

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- (a): No such analysis has been carried out by Directorate General of Civil Aviation (DGCA) as airline remain compliant with the statutory provisions of regulation by keeping airfare within the fare bucket limits displayed by them on their respective website.
  - (b): With the repeal of Air Corporation Act in March 1994, the provision of air fare approval was dispensed with 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. The fares so established, are required to be displayed by the airlines on their websites in compliance of Sub Rule (2) of Rule 135 of the Aircraft Rule, 1937.
  - (c) & (d): Airlines remain compliant with the regulations as long as the fare charged by them does not exceeds the fare structure displayed on their website. Special attention is paid by DGCA in coordinated with scheduled domestic airlines during occurrence of natural calamity period specifically for evacuation of stranded at nominal charges, carriage of relief material, operation of additional flights and ensuring that airline does not revise their airfare during such

period by active airfare monitoring.

(e): 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.

(f): The Regional Connectivity Scheme (RCS) - UDAN has been launched on 21.10.2016 to facilitate / stimulate regional air connectivity making it affordable.

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