

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 5460
(To be answered on the 6th April 2017)**

CHARGING OF ARBITRARY AIR FARE

5460. SHRI R.K. SINGH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the air fare between Srinagar - Mumbai and Srinagar - Delhi went up to absurd levels Rs. 73647/- for a one way ticket to Mumbai on the 24th/25th January, 2017 and the ticket from Srinagar to Jammu cost Rs. 20648/- whereas on the same day a ticket from New York to Mumbai was available for Rs. 38379/- and if so, the details thereof;
- (b) whether the Government has failed in its primary duty of preventing exploitation of the citizens by the unscrupulous airline which had formed a cartel, if so, the details thereof;
- (c) whether such incidents have happened in past as well, if so, the details thereof; and
- (d) The steps, the Government proposes to take to ensure that such exploitation of the people does not recur?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a): As per prevailing regulation, date wise, sector wise air fare details are not required to be submitted to this Ministry by the scheduled airlines. Therefore, no such analysis has been carried out by Director General of Civil Aviation (DGCA).

(b) to (d): Air fares are not regulated by the Government. Under the provision of Sub Rule (1) of Rule 135, Aircraft Rules 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff. Air fare so established by the airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937.

The domestic airline pricing runs in multiple levels [bucket or RBD (Reservation Booking Designator)] which are in line with the practice followed globally. Usually, the lower levels of the fare in the fare bucket are assigned to advance purchase (popularly known as Appex Fares) bookings (e.g. up to 90,60,30,14 and 07 days before departure). As time lapses and date of journey approaches closer (from 07 days to date of departure), the fare in higher side of fare bucket are available for purchase.

Airline remains compliant to the regulatory provisions of Rule- 135 as long as the fare charged by them does not exceed the fare established and displayed on their website. Directorate General of Civil Aviation 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 displayed by the airlines on the respective website. Anti-competitive actions such as Cartelisation, Predatory pricing, Price fixing and Gouging are regulated by Competition Commission of India. If necessary, appropriate action is taken by them.
