

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2145  
(To be answered on the 4<sup>th</sup> July 2019)

REGULATION OF PRICE OF AIR TICKET

2145. DR. UMESH G. JADHAV

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

(a) whether the Government has proposed a ticket pricing regulations in the airlines sector and if so, the details thereof; and

(b) whether the Government has received any proposal from the various private airlines services in this regard, if so, the details thereof and if not, the reasons therefor?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) & (b): With the repeal of Air Corporation Act in March, 1994, the provision of air fare approval was dispensed with by the Government. Airlines are free to fix the reasonable tariff under the provision of Sub-rule (1) of Rule 135 of the Aircraft Rules 1937 having regard to all relevant factors including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff. The airline pricing system runs in multiple levels [buckets or Reservation Booking Designator (RBDs)] which are in line with practice being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare increases with increase in demand of seat as the lower fare buckets get sold out fast when bookings are offered by airlines. Some of the airlines have introduced Apex-90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc., in which highly discounted fares are offered which would entail travelling even during peak seasons on low fares. The fare structures stated above have been displayed by airlines on their websites. The airlines are compliant to the Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937 as long as the fare charged by them is in line with fare displayed on their website. As per prevailing regulation, all scheduled domestic airlines are required to display route-wise and category-wise fares on their respective websites. However, the issue of hike in airfare are brought to the notice of this Ministry from time to time. With a view to maintain transparency, Directorate General of Civil Aviation (DGCA) 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 fare monitoring analysis carried out in the recent past has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective websites. Ministry of Civil Aviation/DGCA monitors fare hike on regular basis and sensitize the airline whenever required.

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