

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 5407  
(To be answered on the 25<sup>th</sup> July 2019)**

**EXORBITANT AIR FARE**

**5407. SHRI N.K. PREMACHANDRAN**

**Will the Minister of CIVIL AVIATION**

नागर विमानन मंत्री

**be pleased to state:-**

- (a) whether the Government is aware that the airways are charging exorbitant rate during the peak season and if so, the details thereof and the action taken thereon;
- (b) whether the Government proposes to fix a maximum charge in ticket to each destination and if so, the details thereof and the action taken in the matter so far;
- (c) whether the Government is aware that certain companies cancel the early booked tickets without getting the request from the concerned person and sell on higher rate during peak season;
- (d) if so, the details thereof and the action taken by the Government to prohibit such illegal cancellation; and
- (e) whether it has come to the notice of the Government that the companies are not providing accommodation and food to the passengers during the cancellation and inordinate delay of the flights and if so, the action taken by the Government to provide sufficient service?

**ANSWER**

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

**(Shri Hardeep Singh Puri)**

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(a) & (b): The Ministry of Civil Aviation has been receiving complaints on exorbitant rate charged by airlines during the peak season. With this in view, Directorate General of Civil Aviation (DGCA) monitors airfares on 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. In case, any steep fare hike is observed, Ministry of Civil Aviation/Directorate General of Civil Aviation sensitize the airlines for necessary intervention. However, as per prevailing regulation, air fare is neither regulated nor established by the

**Government. Airlines are free to fix the reasonable tariff under the provision of Sub-rule (1) of Rule 135, 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 being 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.**

**(c) & (d): No such information substantiating that the companies cancelled the early booked tickets without getting the request from the concerned person and selling on higher rate during peak season has come to the notice of this Ministry.**

**(e): Complaints regarding high cancellation charges by airlines have been received from various quarters from time to time. To address this issue, this Ministry released Charter of passenger's rights on 27.02.2019 after consultation with various concerned stakeholders. The charter of the passengers' rights, inter-alia, has defined certain rights to passengers in case of flight delays, flight cancellations, boarding denied due to overbooking, flight diversions, cancellation charges, lost /delayed / damaged baggage. To make the passenger charter enforceable, DGCA has inter-alia amended the Civil Aviation Requirement (CAR), Section-II, Series M, Part-II titled "Refund of Airline Tickets to Passengers of Public Transport Undertakings", with the following provisions:**

- (i) Cancellation charges must be indicated prominently at the time of booking.**
- (ii) Under no circumstances, the airline or its agent shall levy cancellation charge more than the basic fare plus fuel surcharge.**
- (iii) The airlines shall not levy any additional charge to process the refund.**

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