

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 104
(To be answered on the 20th July 2023)**

RECOVERY OF GOFIRST AIRLINE

104. SHRI MANISH TEWARI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to facilitate GoFirst's recovery and lend external support, if so, the details thereof and if not, the reasons therefor;
- (b) the Government's response to GoFirst's distress call and its implications for the aviation industry in the country;
- (c) whether it is a fact that domestic airfares have spiked significantly during the last six months, if so, the details thereof including month-wise percentage increase in prices; and
- (d) whether the Government has taken any measures or given any guidelines to airlines to stem the sharp spike in airfares and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a) & (b): Go Airlines (India) Ltd is a Private Scheduled Commercial Operator. With the repeal of Air Corporation Act in March 1994, the Indian domestic aviation sector has been deregulated. M/s Go Airlines filed an application under Section 10 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP), which was admitted. The resumption plan submitted by the Resolution Professional for Go First is being reviewed by Directorate General of Civil Aviation (DGCA) subject to the outcome of the safety audit and the ongoing legal cases.

(c) & (d) : Suspension of operations by Go First resulted in capacity constraints. In the wake of suspension of operations by Go First, airlines have been advised to self regulate the air fares and maintain reasonable price levels and also to introduce new flights on the sectors that had substantial number of Go First flights.

Airfares are neither established nor regulated by the Government. Under the provisions of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services is required to establish tariff having regard to all relevant factors including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

The airline pricing system runs in multiple levels (buckets) which are in line with practices 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 seats 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 discounted fares are 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(1) of Rule 135 of the Aircraft Rules, 1937 as long as fares charged by them is in line with tariff displayed on their website.

Directorate General of Civil Aviation (DGCA) has a Tariff Monitoring Unit that monitors airfares on certain routes on random basis to ensure that the airlines do not charge airfares outside a range declared by them. The analysis has shown that the airlines remained well within the fare bucket uploaded by the airlines on the respective websites.
