

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 1290  
(To be answered on the 27<sup>th</sup> July 2023)**

**REGULATORY FRAMEWORK FOR AIRFARE**

**1290. SHRI M.V.V. SATYANARAYANA**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

**(a) whether there is a need for a regulatory framework to establish affordable air travel in the country; and**

**(b) if so, the details thereof and if not, the reasons therefor?**

**ANSWER**

**Minister of State in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री**

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

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**(a) & (b) Airfares are market driven and are neither regulated nor established by the Government. Airlines are free to fix reasonable tariffs taking into consideration all relevant factors which include the cost of operation, characteristics of service and reasonable profit. Airlines, however, remain compliant with the regulatory provisions under Aircraft Rules, 1937 as long as the fare charged by them does not exceed the fare established and displayed on their website.**

**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. The airlines have introduced 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.**

**Directorate General of Civil Aviation (DGCA) has established Tariff Monitoring Unit which monitors fares on select sectors on random basis. This ensures that the airfares charged by the airlines are within the established tariff of the airlines, which is displayed on their website.**

**Consultations are held with airlines on regular basis to keep passenger**

**interest in mind and for moderation in airfares.**

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