

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 675
(To be answered on the 4th February 2021)**

REFUND OF AIR TICKET

675. **SHRI PRADEEP KUMAR SINGH
SHRI RAVNEET SINGH BITTU
SHRI T.R. PAARIVENDHAR
SHRI SUNIL KUMAR SINGH
SHRI A. GANESHAMURTHI**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether many airlines including Air India have increased air fare many fold to various destinations during Covid-19 pandemic period;
- (b) whether air commuters are facing the problem of delayed refund on flights which have been cancelled mainly due to Covid-19 pandemic, especially for Air India flights and if so, the details thereof;
- (c) the number of complaints received in this regard during the last one year;
- (d) whether the Government is taking any steps to ensure time-bound refund of air tickets on flight cancellations etc., especially by Air India;
- (e) if so, the details thereof and if not, the reasons therefor; and
- (f) the rate of interest on the amount refundable by Air India?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a); Due to Covid-19, the operations of all scheduled international commercial passenger flights to/from India and scheduled domestic flights (except all cargo flights) were suspended with effect from 22.03.2020 and 25.03.2020 respectively. The scheduled domestic operations were recommenced with effect from 25.05.2020 in a calibrated manner with fare capping to ensure that the airlines do not charge excessive fare and journey is performed for essential purposes. Due to capping on fare, there is no increase in air fare in domestic operations.

The scheduled international commercial passenger operations are presently suspended upto 28.02.2021 and flights on international sector are presently operating only under Vande Bharat Mission (VBM) and Air Transportation Bubble arrangements. Although, the fares of flights operated under the Vande Bharat Mission were higher, however, these cannot be compared with fares of

scheduled operations on the same route. The reasons for higher fares on flights operated during VBM interlia include:

- i. One way traffic due to visa/entry restrictions;
 - ii. Many of the points where Air India is operating VBM flights are not regular online points, hence, Air India had short-term contracts for handling of flights at those stations, which are generally higher priced than normal contracts;
 - iii. Additional cost due to extra-precautions taken in view of operating under COVID conditions for both Crew and Passengers;
 - iv. Turnaround time was more at many places due to restrictions on crew/pilots;
 - v. Additional seat blocks for extra set of crew due to no layover at the destination stations;
 - vi. VBM fares are all one-way fares, which are generally higher than RT (Return Fares), which have a discounting factor of variable percentages; and
 - vii. The COVID situation added to the cost of operation towards PPE kits, new guidelines for ground handling, sanitizers etc.
- Further, with the establishment of air bubble arrangements with various countries, the fares have come down.

(b) and (c): Due to complete stoppage of flights during lockdown period followed by gradual restoration of flights in domestic and international sector, the revenue streams of the airlines including Air India were severely impacted resulting in delays in refunds. Air India instead of processing automatic refunds in Global Sales Distribution, processed refunds only through Air India's own offices within pre-assigned budgeted amount. Air India received about 5211 complaints for refunds during the last one year and has refunded an amount of about Rs 220 crore in the Indian market till 24.01.2021.

(d) to (f): The Directorate General of Civil Aviation (DGCA) has issued a circular dated 07.10.2020 addressed to all scheduled Indian airlines and scheduled international airlines operating to /from India in respect of refunds on cancellation of air tickets during COVID -19 lockdown, as per directions issued by Hon'ble Supreme Court of India in the judgement passed in the matters concerning Pravasi Legal Cell and ors Vs Union of India and ors in Writ Petition (WP) (C) D. No. 10966 of 2020 with WP (C) No. 570 of 2020, WP(C) No. 595 of 2020 and WP No. 952 of 2020 on 01.10.2020. The refund on cancellation of Air tickets during COVID-19 lockdown including any incentives to compensate the passengers is governed by the aforementioned DGCA circular.
