

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3297
(TO BE ANSWERED ON THE 12th March 2026)

REGULATION OF AIRFARE

3297. SHRI P V MIDHUN REDDY

Will the Minister of CIVIL AVIATION

be pleased to state:-

(a) whether the Government intends to define "reasonable profit" as specified under the Aircraft Rules, 1937 in order to curb excess fares charged by airlines and if so, the details thereof;

(b) whether the Government proposes to empower the Directorate General of Civil Aviation (DGCA) to regulate airfares and if so, the details thereof;

(c) whether the Government intends to set up any independent body for monitoring airfares on the lines of SEBI and if so, the details thereof; and

(d) whether the Government plans to introduce any policy for uniform fees or tariffs across all domestic airports and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (Shri Murlidhar Mohol)

(a) to (d): Airfares are not subject to regulation by the Government and every air transport undertaking shall establish a tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit, while adhering to Rule 135 of the Aircraft Rules, 1937.

The Government generally refrains from regulating airfares to maintain market competitiveness, however, it remains vigilant and intervenes in exceptional circumstances by adopting measures like redistributing capacity across various sectors and imposing temporary fare caps, such as during Pandemic, Maha kumb, Pahalgam incident & recently massive Indigo flight disruptions.

In order to enhance the transparency in airfare, Directorate General of Civil Aviation (DGCA) has set-up Tariff Monitoring Unit (TMU) that monitors airfares on selected 78 routes on a random basis by using airlines websites on

monthly basis to ensure that the airlines do not charge airfares outside the range declared by them. This covers about 27% of the domestic traffic. By doing so, the TMU plays a critical role in maintaining airfare levels within the boundaries of the airlines' prescribed tariffs.

Airport charges for aeronautical services rendered at major airports are determined by considering the cost of running the airport plus the reasonable return on airport investments made for expansion/modernization/up-gradation of airports as per the provisions of the Airports Economic Regulatory Authority of India (AERA) Act, 2008 and AERA Tariff Guidelines, 2011.
