

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5439

ANSWERED ON:27.04.2015

AIRFARES

Mohan Shri P. C.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Competition Commission of India (CCI) is having the power to interfere in fixing lower airfare in the interest of general public;
- (b) if so, the details thereof;
- (c) whether CCI has made any suggestions to the Government regarding fixation of airfares;
- (d) if so, the details thereof along with the response of the Government thereto; and
- (e) whether all the airlines have been asked to disclose the minimum and maximum airfare charged by them and if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Dr Mahesh Sharma)

(a) & (b) No, Madam. Does not arise.

(c) & (d) No, Madam. Does not arise.

(e) Airlines are free to fix 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, characteristic of service, reasonable profit and the generally prevailing tariff.

Under the provision of Sub rule (1) of Rule 135, Aircraft Rules 1937, every air transport undertaking is required to publish the tariff established by him under sub-rule (1) in his website or two daily newspapers, and is required to display such tariff in a conspicuous part of his office and in the office of his agent, if any.

However, in order to prevent excessive charging and sudden surges in airfares and to promote transparency by scheduled domestic airlines. Directorate General of Civil Aviation (DGCA) has issued Air Transport Circular 2 of 2010 wherein airlines are required to display on their respective websites the tariff sheet route-wise across their network in various fare categories and the manner it is offered in the market. The intention behind the above directions is to keep the passengers informed of pricing pattern of airlines.

DGCA has also set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them.