

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

STARRED QUESTION NO:94  
ANSWERED ON:14.07.2014  
ARBITRARY AIRFARES  
Adityanath Shri Yogi

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the Government has taken note of various malpractices indulged into including arbitrariness in fixing airfares by private operators and if so, the details thereof;
- (b) whether the Directorate General of Civil Aviation (DGCA) has taken action against such erring private airlines in this regard and if so, the details thereof and if not, the reasons therefor; and
- (c) the steps taken or being taken by DGCA to bring in transparency in regulating airfares of airlines including private airlines?

**Answer**

Minister of CIVIL AVIATION (Shri Ashok Gajapathi Raju Pusapati)

(a) to (c):- A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN REPLY TO STARRED QUESTION NO. 94 DATED 14.7.2014 REGARDING ARBITRARY AIRFARES.

(a)and (b):- Air fares are fixed by the airlines based on interplay of market forces and are not determined by the Government.

Airlines are free to fix tariff under the provision of Sub-rule (1) of Rule 135, Aircraft Rules 1937 having regard to relevant factors, including the cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

Scheduled airlines offer different fare buckets for each flight. The airline pricing runs into multiple levels in keeping with global industry practice and airlines offer fares in different fare buckets as per respective airline policy.

Airline remains compliant with the regulatory provisions of Rule - 135 of Aircraft Rules 1937 as long as the fare charged by them are within the fare bucket and does not exceed the fare established and displayed on their website.

(c):- In order to prevent excessive charging and sudden surges in airfares and to promote transparency by scheduled domestic airlines, 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 in which 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. The analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on their respective websites.