

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:115

ANSWERED ON:24.11.2014

ARBITRARY AIRFARES

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

- (a) whether certain airlines are indulged in predatory pricing of air tickets or charging airfares arbitrarily from the passengers and if so, the details thereof;
- (b) whether the Government has received complaints in this regard during the last three years and the current year;
- (c) if so, the details thereof along with the action taken by the Government thereon; and
- (d) the steps taken or being taken by the Government to stop such practices and bring about uniformity in airfares?

**Answer**

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

a) & (b): Air fares are not fixed by the Government as they are determined by the airline based on interplay of market forces.

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.

Scheduled airlines offer different fare buckets for each flight. The airline pricing runs into multiple levels (buckets or RBDs) which are in line with the practice followed globally. The lower fare in the fare buckets is available for advance booking much earlier. As time lapses and the date of journey approaches closer, the fare in higher side of fare bucket is made available as per the respective airline policy. This practice is followed the world over.

Airline remains compliant to the regulatory provisions of Rule -135 as long as the fare charged by them does not exceed the fare established and displayed on their website.

(c) & (d) 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 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 the respective websites.