

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4635

ANSWERED ON:22.12.2014

LOW AIRFARES

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether certain low-cost carriers have been offering discounted airfares on domestic sectors;
- (b) if so, whether Air India also proposes to offer cheap airfares in order to attract air passengers; and
- (c) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) Air fares are not regulated by the Government. Under the provision of Sub Rule (1) of Rule 135, Aircraft Rules 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of services, reasonable profit and the generally prevailing tariff. Air fares so established by airlines are published on their respective websites under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937.

The domestic airlines pricing runs in multiple levels (bucket or RBD) which are in line with the practice followed globally. Usually, the lower levels of the fare in the fare bucket are assigned to advance purchase (popularly known as Apex Fares) bookings (e.g. up to 90, 60, 30, 14 and 07 days before departure). As time lapses and date of journey approaches closer (from 07 days to date of departure), the fare in higher side of fare bucket are available for purchase.

(b) & (c) Air India offers cheap airfare to attract air passengers. Such fares are offered for short window sale period, for advance sale and carry limited inventory with restrictive conditions. In domestic market Passengers have the option of availing low fares by booking in advance.