

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 4242  
(To be answered on the 18<sup>th</sup> July 2019)**

**UNJUSTIFIED TARIFF HIKE**

**4242. SHRI BENNY BEHANAN**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Government is aware about the “unjustified tariff hike” imposed by airlines to various sectors in the country;  
(b) if so, the details thereof;  
(c) whether airfares on various domestic and international routes have jumped after Jet Airways shut down its operations; and  
(d) if so, the details thereof?

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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(a)&(b): As per prevailing regulation, air fare is neither regulated nor established by the Government. Airlines are free to fix the 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, characteristics of service, reasonable profit and the generally prevailing tariff. The airline pricing system runs in multiple levels (buckets or Reservation Booking Designator (RBDs)) which are in line with practice being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare increases with increase in demand of seat as the lower fare buckets get sold out fast when bookings are offered by airlines. Some of the airlines have introduced Apex-90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc., in which highly discounted fares being offered which would entail travelling even during peak seasons on low fares. The fare structures stated above have been displayed by airlines on their websites. The airlines are compliant to the Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937 as long as the fare charged by them is in line with fare displayed on their website. As per prevailing regulation, all scheduled domestic airlines are required to display route-wise and category-wise fares on their respective websites. With a view to maintain transparency, DGCA 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 fare monitoring analysis carried out in the recent past has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective

**websites. In case, any steep fare hike is observed, Ministry of Civil Aviation/Directorate General of Civil Aviation sensitize the airlines for necessary intervention.**

**(c)&(d): Due to suspension of operation of Jet Airways and grounding of Boeing B737 Max, there was a reduction in the capacity on few domestic sectors. With a view to maintain transparency, Directorate General of Civil Aviation (DGCA) started monitoring of airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. During monitoring, it was observed that though there was a marginal hike in airfares, it remained within the fare brackets established. Subsequently, some of the domestic airlines started inducting additional aircrafts in their fleets which resulted in an increase in the capacity on the domestic sectors as a result of which fares are observed to be fairly normalized at present.**

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