

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 818
(To be answered on the 2nd December 2021)**

FARE RATIONALISATION

818. SHRI G.M. SIDDESHWAR

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has any plan to rationalize airfare charged by domestic airlines to ensure that these do not incur losses because of tough competition amongst themselves;
- (b) if so, the details thereof;
- (c) whether the Government has any plan to allot specific routes to each airline under UDAN scheme to maintain healthy competition as well as reasonability in airfare; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a) & (b): Air fares are not regulated by the Government and the airlines are free to fix the reasonable tariff under the provision of Aircraft Rules, 1937 having regard to all relevant factors including the cost of operations, characteristic of service, reasonable profit and the generally prevailing tariff. Further, with a view to maintain transparency, Directorate General of Civil Aviation (DGCA) monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by Airlines on their websites.

However, due to the outbreak of COVID 19, scheduled domestic operations were suspended w.e.f. 25.03.2020 which were subsequently resumed in a calibrated manner w.e.f. 25.05.2020 with fare capping (lower and upper limit on different sector) to ensure that airlines do not charge excessive fare. The fare band serves the dual purpose of protecting the interests of the travelers as well as the airlines. As per the Order dated 18.09.2021 issued by Ministry of Civil Aviation(MoCA), the minimum and maximum airfares chargeable is rolled over for the next 15 days cycle.

(c) & (d): MoCA has launched Regional Connectivity Scheme (RCS)- UDAN (Ude Desh ka Aam Nagrik) scheme on 21.10.2016 for providing connectivity to un-served and under-served airports of the country and by making air travel affordable to the masses. Interested airlines based on their assessment of demand on particular routes submit their proposals at the time of bidding. For sustainability of operations, Selected Airline Operators are granted exclusivity for operating air transport services / flights for a period of three (3) years from commencement of operations on an RCS Route under the Scheme. UDAN is a demand driven scheme where bidding rounds are conducted periodically for covering more destinations/stations and routes under the scheme. Till date, four rounds of UDAN have been conducted and 948 routes have been awarded involving over 100 airports. Out of these awarded routes, 395 UDAN routes have already been operationalized connecting 63 UDAN airports including 2 water aerodromes & 6 heliports.
