

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 3
TO BE ANSWERED ON THE 22nd July 2024
EXORBITANT AIR FARES

3. SHRI DEREK O' BRIEN

SHRI ANIL KUMAR YADAV MANDADI

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

(a) whether Government has taken cognizance of the exorbitant airfares being charged by airlines;

(b) whether there are plans to cap airfares to make air travel accessible for all, if so, the details thereof; and

(c) the amount paid to airlines under Viability Gap Funding to compensate for low airfares in the last three years, year-wise and airline-wise?

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(Shri Murlidhar Mohol)**

a) As per prevailing regulation airfare is neither required to be established nor to be regulated by the Government.

Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services was required to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

The airfare established by the airline are dynamic in nature and follow the principle of demand & supply. The fares are also dependent on a number of other factors such as the number of seats already sold on a particular flight, prevailing fuel price, the capacity of the aircraft operating on the route, competition on the sector, season, holidays, festivals, long weekends, events (sports, fairs, contests) etc.

(b) At present, airfares are not fixed by the government as they are determined by the interplay of market forces. Airlines remain compliant to the regulatory provisions of Sub-Rule (2) of Rule 135 as long as the fare charged by them does not exceed the fare established and displayed on their website.

Given the complex dynamics of the Indian aviation industry, Government is playing the role of a facilitator by way of creating enabling environment to support the growth of the sector.

No plan for capping on Airfares is under consideration of Ministry of Civil Aviation.

(c) Details are attached as Annexure 1.

Details of VGF (incld. GST reimbursed on Airfare) paid to
SAO's during last three FY

Rs. (in
Crore)

Sr. No.	Name of the SAO's	2021-22	2022-23	2023-24 (Prov)	Total
1	AIR ASIA (INDIA) PVT LTD	0	0	0	0.00
2	AIR INDIA EXPRESS LIMITED	0	0	0	0.00
3	AIR INDIA LTD.	0	0	0	0.00
4	AIR ODISHA AVIATION PVT. LTD.	0	0		0.00
5	AIRLINE ALLIED SERVICES LTD.	167.42	177.54	130.05	475.01
6	AKASA AIR	0	0	0	0.00
7	AVIATION CONNECTIVITY AND INF. DEV. PVT. LTD.	0.34	0	3.75	4.09
8	BIG CHARTERS PVT. LTD. (FLY BIG)	29.81	86.63	64.52	180.96
9	DECCAN CHARTERS PVT. LTD.	0	0	0	0.00
10	GHODAWAT ENTERPRISES PVT. LTD.	65.81	75.17	116.76	257.74
11	GO AIRLINES (INDIA) PVT LTD	0	0	0	0.00
12	GSEC MONARCH & DECCAN AVIATION PVT. LTD.	0	5.94	16.83	22.77
13	HERITAGE AVIATION PVT. LTD.	3.81	12.78	15.22	31.81
14	INTERGLOBE AVIATION LTD. (INDIGO)	207.06	298.61	296.98	802.65
15	JET AIRWAYS (INDIA) LTD.	0	0	0	0.00
16	JETLITE (INDIA) LTD	0	0	0	0.00
17	PAWAN HANS LTD.	4.59	25.5	32.52	62.61
18	SPICEJET LIMITED	101.87	116.17	129.99	348.03
19	TATA SIA (AIR VISTARA)	0	0	0	0.00
20	TURBO MEGHA AIRWAYS PVT. LTD.	45.23	0	0	45.23
21	ZESUX AIR SERVICE PVT. LTD.	0	0	0	0.00
22	Just Udo Aviation P. Ltd.	0	0	0.4	0.40
	TOTAL	625.94	798.34	807.02	2231.30

