



AIRLINE USERS RIGHTS AND GRIEVANCE REDRESSAL FORUM

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Date: 22 January 2026

To

1) Shri Kinjarapu Rammohan Naidu

Hon'ble Minister of Civil Aviation, MoCA, Government of India, New Delhi – 110003

2) Shri Murlidhar Mohol

Hon'ble Minister of State for Civil Aviation, MoCA, Government of India, New Delhi – 110003

Subject: Request to Continue and Institutionalise Domestic Fare Capping in the Interest of Passenger Welfare

Respected Sirs,

Greetings from the Airline Users Rights and Grievance Redressal Forum (AURGRF).

The Airline Users Rights and Grievance Redressal Forum (AURGRF), representing the collective interests of airline passengers across India, respectfully submits this memorandum seeking the continuation—and institutionalisation—of domestic airfare capping in the larger interest of passenger welfare, market stability, and sustainable growth of the aviation sector.

Although domestic airfares are formally deregulated, the temporary fare capping introduced by DGCA in May 2020, linked to flight duration, proved to be a timely and effective intervention in restoring affordability and public confidence during the post-COVID recovery phase. Over time, however, unchecked dynamic pricing, unbundling of essential services, fuel surcharges, and ancillary fees have diluted these safeguards, exposing passengers to escalating, opaque, and often unpredictable costs.

Recent operational disruptions—particularly involving IndiGo Airlines—highlighted systemic vulnerabilities, including large-scale flight cancellations, acute pilot shortages, and inconsistent enforcement of CAR-2024 and FDTL norms, raising legitimate safety and consumer protection concerns. The Ministry's timely intervention, by permitting other airlines to deploy additional capacity and by capping fares between ₹7,500 and ₹18,000, was widely welcomed. It effectively prevented surge pricing, protected passengers during periods of emergency travel demand, and restored operational balance in the market.

As we enter 2026, stable operations and the absence of major passenger disruptions clearly demonstrate that calibrated regulatory intervention supports market stability without undermining airline viability. Current pricing on even the longest domestic routes, at ₹8,000–₹10,000, despite Brent crude prices remaining around USD 64.72 per barrel—far below the historic peak of USD 145.11 per barrel in July 2008—confirms that excessive surge-based pricing lacks both economic and operational justification.

The capital-intensive nature of aviation demands sound financial governance. Past airline failures—Jet Airways, Kingfisher, and GoAir—were rooted in chronic mismanagement rather than fare regulation. At present, however, weak oversight, unchecked dynamic pricing, and route-level monopoly or duopoly conditions have normalised high fares often disconnected from distance flown or actual operating costs.

Airline Users Rights and Grievances Redressal Forum (AURGRF)

Reg Office: 70/1474, GF, Enchakalody Tower, LFC Road, Kaloor,
Kochi - 682017, Kerala, India.

National Office: D-144-A, Ashram, New Delhi South,
Pin Code: 110014, Delhi, India.

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Helpline & WhatsApp: +91 8089463930

Web: www.airlineusersforum.com | **e-mail:** info@airlineusersforum.com / president@airlineusersforum.com

While the Aircraft Act explicitly empowers the regulator to monitor and restrain exorbitant fares, this authority remains under-utilised, leaving passengers—particularly economically vulnerable travellers—without an effective voice.

India today carries over 5.38 lakh domestic passengers daily across 164 airports, including millions travelling under the UDAN scheme. With domestic passenger traffic projected to reach 40 crore by 2029, affordable, predictable, and transparent airfares are central to regional connectivity, domestic tourism, and inclusive economic growth. The growing anomaly of international sectors—especially to Gulf destinations—being cheaper than comparable domestic routes risks undermining state investments in tourism and infrastructure.

Market concentration is not a deliberate policy outcome but the consequence of past airline failures. With three new carriers—Shankh Air, Al Hind Air, and Fly Express—approved to commence operations in 2026, competition is expected to improve further, reinforcing the case for stable and transparent fare regulation rather than price volatility.

In this context, AURGRF respectfully urges the Ministry to consider the following measures:

1. Mandate that all domestic airfares, without exception, remain strictly within the existing fare capping limits, and institutionalise these caps as a permanent, enforceable ceiling applicable under all market conditions.
2. Institutionalise structured and periodic consultations with recognised passenger associations and key stakeholders in the formulation and review of fare policies and aviation safety regulations.
3. Establish a transparent and automatic regulatory mechanism to ensure that any temporary or crisis-driven pricing adjustments remain within the prescribed fare caps and are withdrawn immediately once normal conditions resume, irrespective of seasonal peaks or demand fluctuations.

These measures are essential to safeguard passenger interests, strengthen regulatory credibility, ensure fair competition, support sustainable airline operations, and uphold India's aviation growth as equitable, safe, and globally respected.

Respectfully submitted,

Airline Users Rights and Grievance Redressal Forum (AURGRF)



BIJI EAPEN

President

Mob: 9846055730

E-mail: president@airlineusersforum.com

biji@speedwings.org



Adv. AJITH MARATH

Secretary

Mob: 9605955020

E-mail: secretary@airlineusersforum.com

ajithms@hotmail.com

Copy: **Shri N.K. Premachandran**, Hon Member of Parliament, Gol, India

