

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
STARRED QUESTION NO. 343
ANSWERED ON TUESDAY, THE 27TH MARCH, 2018**

CARTELISATION BY JET AIRWAYS

QUESTION

*343. SHRI SARDAR BALWINDER SINGH BHUNDER:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that Jet Airways have been colluding with other airlines in fixing and revising fuel surcharges, cargo prices and cancellation charges, etc.;
- (b) if so, the details of cases being investigated by Competition Commission of India (CCI) in this regard;
- (c) whether CCI has received complaints from Express Industry Council of India against Jet Airways for cartelisation; and
- (d) if so, the details in this regard and action taken against the airlines?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO PARTS (a) TO (d) IN ANSWER TO RAJYA SABHA STARRED QUESTION NO. 343 FOR 27.03.2018 REGARDING CARTELISATION BY JET AIRWAYS

(a) to (d) It has been stated by Competition Commission of India (CCI) that Express Industry Council of India had filed an Information under section 19 (1) (a) of the Competition Act, 2002 ('the Act') against Jet Airways (India) Ltd., InterGlobe Aviation Limited, Spice Jet Limited, Air India Limited and Go Airlines (India) Ltd. alleging contravention of the provisions of Section 3 of the Act.

The CCI decided the case on 17.11.2015 and imposed penalties of Rs.151.69 crores, Rs.63.74 crores and Rs.42.48 crores on Jet Airways (India) Ltd., InterGlobe Aviation Limited and Spice Jet Limited, respectively. Besides, cease and desist order was also issued against the Airlines. No penalty, however, was imposed upon Air India Limited as its conduct was not found to be in parallel with other Airlines. Similarly, no penalty was imposed upon Go Airlines (India) Limited as it gave its cargo belly space to third party vendors with no control on any part of commercial/economic aspects of cargo operations done by vendors including imposition of Fuel Surcharge.

The order dated 17.11.2015 passed by the Commission was challenged by the contravening Airlines before the then Hon'ble Competition Appellate Tribunal [COMPAT]. The Hon'ble Tribunal, vide its order dated 18.04.2016, passed in the batch of appeals preferred by the contravening Airlines, set aside the order of the Commission on technical grounds and the matter was remanded back to the Commission with certain directions.

The matter was re-considered by the Commission and the final order was passed on 07.03.2018 holding the three airlines, including Jet Airways, for concerted action in fixing and revising Fuel Surcharge, a component of freight charge, thereby contravening provisions of section 3 of the Act, which prohibits anti-competitive agreements including cartels. The CCI has now imposed penalties of Rs.39.81 crores, Rs.9.45 crores and Rs.5.10 crores on Jet Airways (India) Ltd., InterGlobe Aviation Limited and Spice Jet Limited, respectively, and has directed to deposit the penalty amount within 60 days from the receipt of the order. Besides, a cease and desist order was also issued against these airlines.
