

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO. : 1796
TO BE ANSWERED ON THE 9th March 2026
AVIATION SECTOR LOSSES

1796. SMT PRIYANKA CHATURVEDI

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

- (a) whether Government has noted Investment Information and Credit Rating Agency forecast that the Indian aviation sector will incur net losses of Rs. 9,500-10,500 crore in Financial Year 2026 and if so, which policy failures are driving this catastrophic financial downturn;
- (b) breakdown of factors causing these losses and Government's inaction on each;
- (c) whether Government will immediately revise aviation taxation policy, particularly ATF pricing and airport charges; and
- (d) whether any structured financial health monitoring mechanism has been established for airlines and whether Government can commit to publishing a roadmap for financial stabilisation with concrete timelines and accountability metrics?

ANSWER

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

(a) and (b) As per information submitted by scheduled Indian operators, the details of financial performance of the airlines for the last three Financial Years is as follows:

Profit or Loss (after extraordinary items) (Rs. in Crore)

FY 2022-23 FY 2023- 24 FY 2024-25 (P)

-18,606.78 -924.39 -5,289.73

With the repeal of the Air Corporations Act in March 1994, the Indian domestic aviation industry has been deregulated. The financial and operational decisions, including resource mobilization and debt restructuring, are managed by the respective airlines based on commercial considerations. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, seasonal fluctuations and other relevant factors significantly impact airline ticket pricing.

(c) Price of Aviation Turbine Fuel (ATF) is market-determined since 01.04.2001 and the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of ATF in line with international product prices and other market conditions. Presently, ATF attracts a rate of 11% central excise duty. Whereas, the central excise duty is only 2% for Regional Connectivity Scheme (RCS) flights. Different rates of value added tax (VAT) are levied on ATF by the States/Union Territories (UTs).

(d) Financial and operational aspects of airlines are monitored through regulatory and statutory frameworks. Scheduled airlines are required to comply with financial and operational requirements prescribed under the Aircraft Rules, 1937 and the Civil Aviation Requirements issued by the Directorate General of Civil Aviation (DGCA). Airlines are also subject to statutory financial disclosures and oversight under applicable corporate and regulatory laws. Government is committed to create an enabling ecosystem for civil aviation to grow in a safe and sustainable manner and enhance ease of doing business through deregulation, simplified procedures and e-governance.
