

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. : 969**

TO BE ANSWERED ON THE 9th February 2026

**AIRFARE TRENDS, ATF PRICING AND CONSUMER IMPACT**

969. SHRI MITHLESH KUMAR  
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Will the Minister of CIVIL AVIATION be pleased to state:-

(a) the impact of fluctuations in Aviation Turbine Fuel (ATF) cost on fixation of prices of air ticket and the cost structure of airlines;

(b) whether consultations have been held with State Governments for rationalisation of taxation on ATF;

(c) if so, the details thereof;

(d) the safeguards in place to prevent excessive surge in pricing during peak travel periods; and

(e) the improvements made in passenger grievance redressal and refund enforcement mechanisms;

**ANSWER**

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

(a) to (c): Aviation Turbine Fuel (ATF) constitutes approx. 40-50% of the total operating expenses of an airline. Levying of VAT by the State/UT Government on ATF also affects its prices. The issue of high VAT on ATF has been taken up with the States/ UTs by this Ministry on regular basis.

(d): Airfares are not subject to regulation by the Government and airlines have the flexibility to determine their airfares based on their operational needs, while adhering to Rule 135 of the Aircraft Rules, 1937. The Government generally refrains from regulating airfares to maintain market competitiveness, however, it remains vigilant and intervenes in exceptional circumstances by adopting measures like redistributing capacity across various sectors and

imposing temporary fare caps, such as during Pandemic, Maha kumb, Pahalgam incident & recently massive Indigo flight disruptions.

In order to enhance the transparency in airfare, Directorate General of Civil Aviation (DGCA) has set-up Tariff Monitoring Unit (TMU) that monitors airfares on selected 78 routes on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them. This covers about 27% of the domestic traffic. By doing so, the TMU plays a critical role in maintaining airfare levels within the boundaries of the airlines' prescribed tariffs.

(e): Ministry of Civil Aviation (MoCA) has established a 24x7 Passenger Assistance Control Room (PACR) to enhance passenger-centric governance. This initiative integrates MoCA, DGCA, AAI, and airlines for real-time monitoring of flight disruptions, baggage issues, and refunds, aiming to accelerate grievance redressal and improve the overall travel experience. Further, passenger can lodge their grievances on Air Sewa Portal for timely redressal.

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