

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1276
(To be answered on the 27th July 2023)**

CAP ON AIRFARE AND ATF

1276. SHRI VELUSAMY P.

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government is having any proposal to cap the air fare vis-à-vis with the price of Air Turbine Fuel (ATF) and having any proposal to continue the cap on fare and if so, the details thereof;**
- (b) the steps taken by the Union Government for the reduction in price for ATF;**
- (c) whether the ATF would be brought into the GST scheme to bring uniform price for ATF and if so, the details thereof; and**
- (d) whether the Government is having any proposal to implement Electrical Vertical Take-Off and Landing (EVTOL) in future and if so, the details thereof?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

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- (a) No such proposal is under consideration.**
 - (b) Government has facilitated the consultations between the airlines and Oil Marketing Companies (OMCs) on rationalisation of Aviation Turbine Fuel (ATF) pricing. Mean of Platts Arab Gulf (MOPAG) pricing was adopted, bringing more transparency and parity between global jet fuel price and jet fuel price in India. This protects airlines from abnormal ATF prices fluctuations. Issue of high Value Added Tax (VAT) on ATF levied by States/Union Territories (UTs) has been taken up with the States/ UTs resulting in reduction of VAT by 19 States/ UTs.**
 - (c) Ministry of Civil Aviation has taken up the issue of inclusion of ATF under the ambit of GST with Ministry of Finance.**
 - (d) M/s Ubifly Technologies Pvt. Ltd., Chennai (a company incubated out of IIT, Madras) has applied to DGCA for design and development of an electrical plane with EVTOL concept. DGCA has recently approved them as a Design Organisation to Design and Develop the prototype of the ePlane.**
