

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 4498  
(To be answered on the 27<sup>th</sup> March 2025)**

**PRICE RISE IN AVIATION TURBINE FUEL**

**4498. SHRI BALYA MAMA SURESH GOPINATH MHATRE**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) the details of the measures being taken by the Government to control the rising prices of Aviation Turbine Fuel (ATF);  
(b) whether the Government has taken any steps to reduce the charges levied at various airports; and  
(c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

**Minister of State in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री**

**(Shri Murlidhar Mohol)**

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**(a):** Taking cognizance of the high value added tax (VAT) on ATF levied by States/UTs, the issue was taken up with them by Ministry of Civil Aviation (MoCA). As a result, VAT on ATF has been reduced by 19 States/ UTs. The States/ UTs which still levy high VAT rates viz. Karnataka, Goa, Maharashtra, West Bengal, Assam, Bihar, Delhi, Tamil Nadu, Lakshadweep, Haryana and Telangana have been requested to reduce VAT rates on ATF.

**MoCA** has also taken up the issue of extending the GST regime to include ATF with the Ministry of Finance. Final decision on this matter rests with the GST Council, where States are also represented.

**(b) & (c):** Government of India has established an Independent Economic Tariff Regulator i.e. Airports Economic Regulatory Authority of India (AERA) in 2009, under the AERA Act, 2008 to determine tariff for aeronautics service provided at major airports. AERA determines aeronautical charges such as landing, parking and UDF of all the major airports, inter-alia considering the following factors :

- (i) Return on Investment for aeronautical assets,**
- (ii) Operating expenditure,**

- (iii) Depreciation,**
- (iv) Tax**

**The Regulator aims to balance optimally the interest of service provider and the end user and ensures that the airport operator maintains and operates the airport with reasonable return on investment consisting with risk profile. As each airport has different capital expenditure profile, return on capital employed, operational expenditure, traffic inflows, under/ over- recovery in previous control period as well as revenue collection from cargo operators, Ground Handlers and Fuellers, AERA maintains balanced approach for ensuring reasonable tariff keeping interest of all stakeholders in mind and translates these factors to different entitled revenue requirements apportioning them reasonably to Landing, Parking and User Development Fee (UDF) charges for different airports.**

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