

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2127
(TO BE ANSWERED ON THE 12th February 2026)
INCREASE IN DOMESTIC AIRFARE

2127. SHRI GOVIND MAKTHAPPA KARJOL

Will the Minister of CIVIL AVIATION

be pleased to state:-

(a) whether the Government has taken note of the sudden and steep increase in domestic airline fares on several routes in recent times;

(b) if so, the reasons therefor along with the impact of Aviation Turbine Fuel (ATF) prices, demand–supply dynamics, operational costs and airline pricing practices on such increase;

(c) the impact of these fare hikes on passengers, particularly students, senior citizens, patients and middle-income travellers; and

(d) the steps taken/proposed to be taken by the Government to regulate unreasonable increase in airfares and protect the interests of air passengers?

ANSWER

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

(a) to (d): The Government has taken a note of increased airfare in early December, 2025 and has capped maximum airfare in order to protect passenger interest.

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 oversight role, intervening in exceptional circumstances by redistributing capacity across various sectors and imposing temporary fare caps, such as during Pandemic, festivals like Maha kumb, Pahalgam incident & recently massive Indigo flight disruptions.

Airlines operating costs are dynamic in nature and their individual component varies due to multiple factors such as price of Aviation Turbine Fuel (ATF) in international markets, foreign exchange rates, excise duties and Value Added Tax (VAT), lease rentals, etc. ATF alone accounts for 35% to 40% of total operating expenses of airlines.

The government is taking proactive steps to make air travel more affordable, such as, enactment of the Protection of Interests in Aircraft Objects Act, 2025 to lower interest rates and lease rentals, rationalization of Central Excise Duty & GST on MRO components and contracts, and reduction of high VAT on ATF by requesting States/UTs, providing connectivity to un-served and underserved airports of the country through Regional Connectivity Scheme (RCS) - Ude Desh ka Aam Nagrik (UDAN).

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.
