

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO. : 979

(TO BE ANSWERED ON THE 5th February 2026)

RATIONALISATION OF AVIATION TURBINE FUEL

979. SHRI TAPIR GAO
SMT D K ARUNA
SHRI DAMODAR AGRAWAL
SHRI KALI CHARAN SINGH
DR. K SUDHAKAR
SHRI YOGENDER CHANDOLIA
SHRI ASHOK KUMAR RAWAT
SHRI BHARTRUHARI MAHTAB
SHRI MANISH JAISWAL
SHRI YADUVEER WADIYAR
SHRI PRAVEEN PATEL
SHRI DINESHBHAI MAKWANA
SHRI CHANDRA PRAKASH JOSHI

Will the Minister of CIVIL AVIATION

be pleased to state:-

- (a) the manner in which Aviation Turbine Fuel (ATF) price movements have influenced ticket pricing and airline cost structures;
- (b) whether discussions have been held with the State Governments to rationalise ATF taxation and if so, the details thereof;
- (c) the safeguards in place to prevent excessive surge in pricing during peak travel periods;
- (d) the improvements made to passenger grievance redressal and refund enforcement mechanisms;
- (e) the steps taken by the Government to prevent aviation monopoly by certain airlines in the country; and
- (f) the details of new airline licenses pending before the Ministry of Civil Aviation including the steps taken to expedite the same?

ANSWER

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

(a) & (b): 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. 06 States/UTs are still charging VAT, 18% or more.

(c): 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.

(d): 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.

(e) & (f): There are no regulatory entry barriers for new airline entrants, and any company desirous of starting an airline can approach the Government with their proposed business plan for obtaining initial NOC. In last two years, the Ministry has given NOC to 07 airlines.

Further, capacity diversification is being encouraged through rationalisation of traffic rights, expansion of airport infrastructure, facilitation of fleet induction by multiple carriers, and broadening of regional air connectivity under the UDAN Scheme, which enables several airlines to operate on underserved and unserved routes.

MoCA has implemented the e-Sahaj (Single Window Digital Platform) for online processing of civil aviation related approvals, including issuance of NOCs, to ensure transparency and time-bound clearances and DGCA processes applications for AOC through its online e-GCA / digital certification systems, enabling electronic submission, tracking and monitoring of applications.
