

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1452
(To be answered on the 15th December 2022)**

VIABILITY GAP FUNDING

1452. SHRI ASHOK KUMAR RAWAT

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether Airports Authority of India (AAI) allocates funds through Regional Connectivity Fund (RCF) for providing Viability Gap Funding (VGF) to the selected airline operators under Regional Connectivity Scheme (RCS) - UDAN;**
- (b) if so, the details thereof; and**
- (c) whether the Government proposes to provide a fixed number of berths to the people living below poverty line at a nominal fair in each flight through RCF to enable poor people realise their dream of air travel 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))

(a) to (c): Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)- UDAN (Ude Desh ka Aam Nagrik) on 21.10.2016 to enhance regional air connectivity across the country from unserved and underserved airports in the country and making air travel affordable to the masses. Under the UDAN Scheme, the Government has targeted an indicative airfare at Rs. 2500 for a distance of 500 km to 600 km per RCS seat under Regional Connectivity routes (equivalent to one-hour flight). Selected Airline Operator is required to provide upto 50% of the aircraft seating capacity or maximum 40 seats, whichever is lower, as Seats in a fixed wing aircraft under UDAN. This airfare is subject to indexation as per the formula specified in the UDAN Scheme document. UDAN is a market driven scheme. Interested airlines based on their assessment of demand on particular routes, submit their proposals at the time of bidding under UDAN.

Airports Authority of India, the Implementing Agency makes payment of VGF (Viability Gap Funding) to the Selected Airlines Operators (SAOs) from Regional Air Connectivity Fund for the operation of UDAN flights as per the

provisions of Scheme Document. As on 30.11.2022, approximately Rs. 2218 crore has been paid to the SAOs as VGF.
