

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2628
(To be answered on the 17th March 2022)**

RCS-UDAN SCHEME

2628. DR. MANOJ RAJORIA

Will the Minister of CIVIL AVIATION

be pleased to state:-

- (a) the details of the Regional Connectivity Scheme (RCS)-UDAN (Ude Desh Ka Aam Nagrik);**
(b) the details of concessions and benefits which are being given to airline operators under this scheme;
(c) the steps being taken by the Government to provide adequate benefits to airlines; and
(d) the details of advantages and disadvantages regarding selection of cities under UDAN scheme?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

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

(a) to (c): Ministry of Civil Aviation launched Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 to stimulate regional air connectivity and make air travel affordable for the masses.

Under the UDAN Scheme, support shall be provided to the Selected Airline Operators (SAOs) in the form of Viability Gaps Funding (VGF) and other concessions offered by Central Government, State Governments and airport operators as below:-

Concessions offered by the airport operators shall be as below:

- i) Airport operators shall not levy Landing and Parking Charges on RCS Flights.**
- ii) AAI shall not levy any Terminal Navigation Landing Charges (TNLC) on RCS Flights.**
- iii) Route Navigation and Facilitation Charges (RNFC) will be levied by AAI on a discounted basis @ 42.50% of Normal Rates on RCS Flights.**
- iv) Selected Airline operators shall be allowed self-ground handling for operations under the Scheme at all airports.**

Concessions offered by Central Government shall be as below:-

- i) Excise Duty at the rate of 2% shall be levied on Aviation Turbine Fuel (ATF)**

purchased by selected Airlines Operators from RCS Airports for initial period of three (3) years from the date of notification of this scheme.

ii) Selected Airline Operators will have the freedom to enter into code sharing arrangements with both domestic as well as international airlines.

iii) Concession on Service Tax on ticket will levy on 10% of taxable value (abatment of 90%) of tickets for RCS Seats on RCS Flight for an initial period of 1 year from notification of the Scheme.

Concessions offered by States Government at RCS Airports within their States shall be as below:-

i) Reduce VAT to 1% or less on ATF at RCS Airports located within the states for a period of 10 years.

ii) Provide minimum land, if required, free of cost and free from encumbrances for development of RCS Airports and provide multi-modal hinterland connectivity as required.

iii) Provide security and fire services free of cost at RCS Airports.

iv) Providing, or cause to be provided, electricity, water and other utility services at substantially concessional rates at RCS Airports.

v) Provide a certain share (20% for States other than North-Eastern States where the ratio will be 10%) of determined VGF .

(d) UDAN is a market driven scheme. The interested airlines based on their assessment of demand on particular routes submit their proposals at the time of bidding under the UDAN scheme.
