GOVERNMENT OF INDIA MINISTRY OF CIVIL AVIATION LOK SABHA

STARRED QUESTION NO. : 384 (To be answered on the 27th March 2025)

AFFORDABLE AIR TRAVEL UNDER UDAN SCHEME

*384. SHRI RAJKUMAR ROAT

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether it is true that the Ude Desh Ka Aam Nagrik (UDAN) scheme provides affordable air travel to common citizens;
- (b) if so, the details thereof along with the rules governing ticket pricing by the airlines under UDAN scheme;
- (c) whether it is also true that airlines charge different fares for the same destination based on the time of booking the ticket;
- (d) if so, the details thereof along with the rules under which ticket price is being fixed;
- (e) whether the Government proposes to frame rules to provide tickets at concessional rates to the public under the said scheme; and
- (f) if so, the details thereof along with the timeline fixed for framing such rules and if not, the reasons therefor?

ANSWER

Minister of CIVIL AVIATION नागर विमानन मंत्री

(Shri Kinjarapu Rammohan Naidu)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 384 FOR REPLY ON 27.03.2025 REGARDING AFFORDABLE AIR TRAVEL UNDER UDAN SCHEME ASKED BY SHRI RAJKUMAR ROAT.

- (a): Ministry of Civil Aviation launched the Regional Connectivity Scheme UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 to stimulate regional air connectivity from unserved and underserved airports for the expansion of air services in small cities and remote areas in the country by making air travel affordable to the masses. More than 149 lakhs domestic passengers have travelled through RCS-UDAN in more than 2.97 lakh RCS flights.
- (b) to (f): The Scheme provides financial incentives to airline operators on regional routes that include: Concessions by the Central Government, State Governments/ Union Territories and airport operators to reduce airline operation costs and also the Viability Gap Funding (VGF) to bridge the gap between operational costs and expected revenues on such routes so as to make air travel affordable under the scheme.

Airlines are required to commit 50% of the seats as RCS seats (limited to 40 seats) on RCS flights. The airfare on the RCS seats, on which VGF is provided to the Selected Airline Operators (SAOs) for a period of 3-years, is capped at a subsidised rate and indexed every quarter. Remaining seats are sold by the airlines as non-RCS seats on commercial fares.

The Government does not regulate the commercial fares set by airlines - Indian or foreign. The fares on any route are dependent, inter-alia, on seasonality, holidays and festivals, cost of Aviation Turbine Fuel, competition and other similar factors. Airline pricing runs in multiple levels {buckets or RBDs} which are in line with the practice being followed globally and due to dynamic fare pricing, the tickets bought in advance are much cheaper than those purchased near the travel date. Under the provisions of Rule 135(1) of the Aircraft Rules, 1937, the airlines are free to fix tariffs, having regard to all relevant factors, including cost of operation, characteristics of services, generally prevailing tariff etc. DGCA's Tariff Monitoring Unit (TMU) ensures that the fares being charged by the airlines are as per the tariff established by the airlines.
