



# **DISTINATION** **UTTAR PRADESH**

Invest in BIDA

---

**Civil Aviation Promotion Policy  
of Uttar Pradesh 2017**



## **Civil Aviation Promotion Policy of Uttar Pradesh 2017**

### **Table of Contents**

1. Introduction
2. Objectives of Civil Aviation Promotion Policy of UP 2017
3. Current Scenario of Aviation in U.P.
4. Development of Airport and Related Infrastructure
  - 4.1. Incentives under Industrial Investment and Employment Promotion Policy (IEPP) UP 2017
  - 4.2. Upgradation of Airstrips into No-Frills Airports/Civil Airports
  - 4.3. Aircraft Manufacturing and Procurement
  - 4.4. Aviation Support Infrastructure
  - 4.5. Connecting U.P. with International Destinations
5. Development of Air Cargo Hubs and MRO facilities
6. Development of Human Resources for Civil Aviation
7. Improving Connectivity at non-RCS airports
8. Focus and Incentives under Regional Connectivity Scheme (RCS-UDAN)
  - 8.1. Expectations from State Government under RCS scheme
  - 8.2. RCS MoU between State Government, Government of India, Airport Authority of India
  - 8.3. Enabling Infrastructure
  - 8.4. Enabling Eco-System
  - 8.5. Fiscal Incentives
  - 8.6. Summary of Incentives and Concessions for RCS Routes/Airports

Annexure- I. UP : Details of Main Airports/Airstrips in Uttar Pradesh

Annexure- II. UP : Examples of possible new routes proposed to be included in RCS 2<sup>nd</sup> bidding

## 1. Introduction

Civil aviation sector is an enabler of economic growth and development of the state and the country. To facilitate the inclusive growth in this sector, Government of India has launched National Civil Aviation Policy 2016 and Regional Connectivity Scheme (RCS) with a vision to connect the underserved as well as unserved airports/airstrips/locations through incentives from central and state governments. Such airports/locations are marked as RCS airports/locations. State governments are expected/encouraged to identify the locations as well as the routes and to declare incentives beyond the mandates envisaged in RCS to attract the airlines and start new routes.

There is no comprehensive state civil aviation policy in U.P. so far. First round of bidding under RCS has not been very successful from U.P. perspective. There is a need to develop state civil aviation policy to attract the airlines/air operators in U.P. to cover underserved and unserved airstrips and cities during second round of RCS bidding. Civil Aviation Promotion Policy of Uttar Pradesh 2017 intends to provide the necessary direction for the growth of this sector in the state.

## 2. Objectives of Civil Aviation Promotion Policy of UP 2017

- To create a conducive business environment, provide adequate incentives for the development of robust civil aviation infrastructure and to aid in attracting investments to realize the untapped potential in the aviation sector
- To improve the air connectivity through development of new routes under RCS by providing incentives and also to facilitate inter-connectivity of non-RCS airports of U.P.
- To realize the full potential of tourism by linking major state tourist destinations with rest of India and the world.
- To facilitate trade and generation of employment opportunities.
- To give a boost to agro-exports, other perishable goods, manufacturing and e-commerce businesses in UP by supporting the development of air cargo hubs and fulfillment centers.
- To support the growth of aviation sector by developing human resource and generate direct, indirect and induced employment opportunities in the sector
- To facilitate the growth of Maintenance, Repair and Overhaul (MRO) facilities in the state.

## 3. Current scenario of Aviation in U.P.

The passenger air traffic in Uttar Pradesh has grown in the year 2016-17 by 30% to 6.1 million<sup>1</sup> passengers on a year on year basis whereas air cargo has witnessed a negative growth from 5.91MMT (million metric tons) during year 2015-16 to 5.89 MMT during 2016-17. According to Census of India 2011, the approximate population of Uttar Pradesh is 199.8 million and

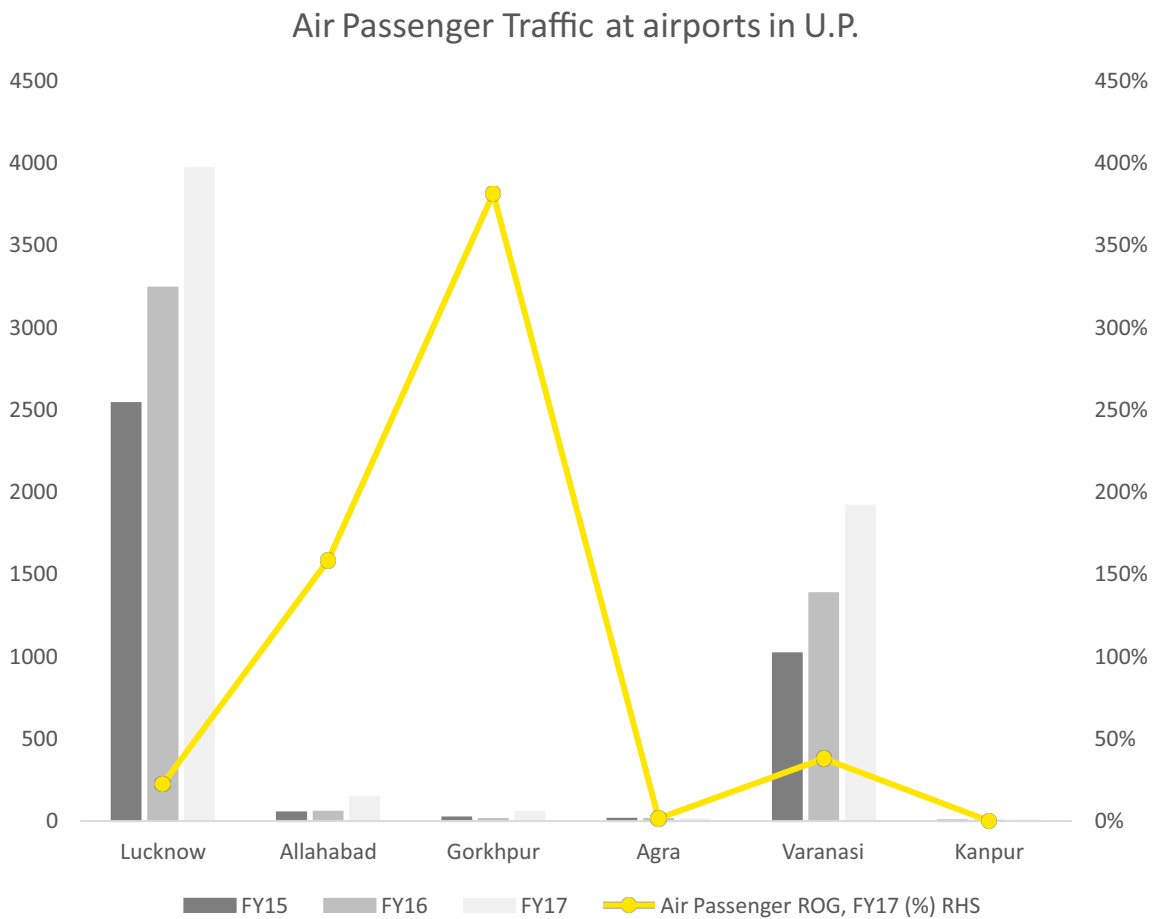
---

<sup>1</sup> Air Traffic Statistics, Airport Authority of India

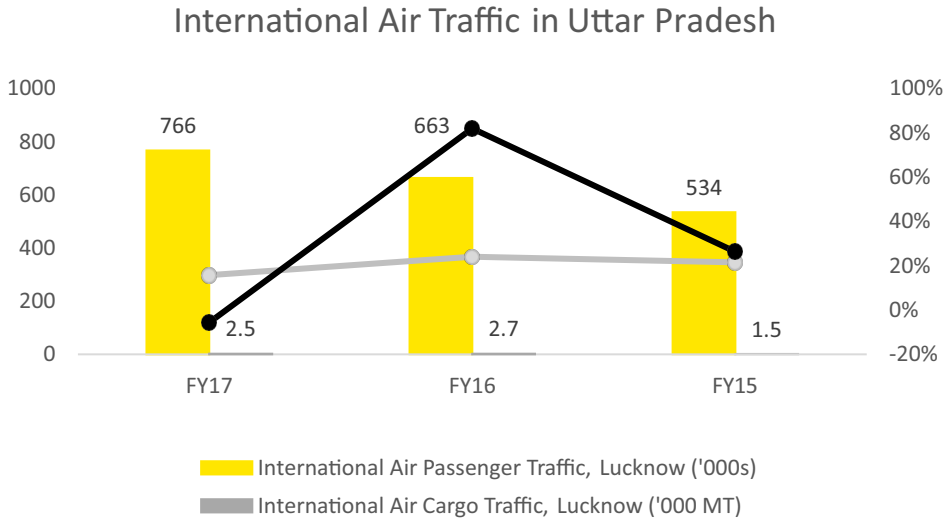
the corresponding per capita air trips would be an approximate 0.031 reflecting the immense untapped potential in air transport sector in the state.

In Uttar Pradesh the following six airports are providing intra-state and inter-state air connectivity Lucknow, Varanasi, Allahabad, Gorakhpur, Agra and Kanpur. Lucknow airport serving 65% of the passenger air traffic demand in Uttar Pradesh followed by Varanasi 32%, Allahabad 2.4% , Gorakhpur 0.9%, Agra 0.2% and Kanpur 0.1% in 2016-17.

The following graphs reflect the air transport growth in U.P. in passenger traffic.



ROG=Rate of Growth  
Source: AAI



Source: AAI

There are 18 divisional headquarters and 75 districts in U.P. The existing status of airports/air connectivity to 18 Divisional headquarters in Uttar Pradesh is as follows:

- Airports at **Lucknow, Varanasi, Gorakhpur** are fully functional airports
- Airports at **Agra, Allahabad, Kanpur** are operational defence airports, wherein civil enclave is under construction
- **Bareilly** has an air force station where civil enclave is being developed by AAI
- Through an MOU with AAI, airstrips at **Meerut, Moradabad, and Faizabad** have been handed over to AAI for upgradation.
- **Jhansi, Chitrakoot, Azamgarh, Aligarh** are having state owned airstrips at Divisional level which can be developed as No-Frills Airports
- Divisions of Sonbhadra (**Mirzapur**) and Shravasti (**Gonda/Devipatan**) have airstrips at a place other than Divisional headquarters, which need to be upgraded to No-Frills Airports
- **Saharanpur** division has a defence airport, which can be developed as No-Frills Airports
- **Basti** division–does not have any airport related facility.

#### 4. Development of airport and related infrastructure

State government is committed to improve civil aviation related infrastructure and air connectivity in Uttar Pradesh. There is scope for development of Greenfield /Brownfield airports in U.P. Site clearance has already been received from Government of India to develop a Greenfield international airport at Jewar in District Gautam Budh Nagar. State government will procure/acquire land for core aviation activities and city side development to develop the airport in Jewar on PPP mode in a phased manner.

For the development of brownfield airports (to upgrade existing airports), the cost of land procurement/acquisition will be borne by Airport Authority of India or state government or by both on sharing basis on mutually agreed terms and conditions.

#### **4.1 Incentives under IIEPP 2017:**

Under Industrial Investment and Employment Promotion Policy of Uttar Pradesh 2017 (IIEPP 2017) para 3.6.2, it is mentioned *“Airways: UP has major national and international airports at Lucknow, Varanasi, Allahabad and Gorakhpur. For further improving the air connectivity in the state, GoUP intends to develop new airports to connect all the regions of the state with the rest of the country. Private sector participation will be encouraged for the same. Along with facility of dry cargo, aircraft maintenance hubs will also be encouraged”*.

Concessions and incentives on industrial investment under para 5 of IIEPP 2017 will be admissible, as per eligibility - for Investment to develop new or upgrade existing airports/ airstrips/ heliports/ helipads including all infrastructure required to operationalize air transport.

#### **4.2 Upgradation of airstrips into No-Frills Airports/civil airports:**

Airport Authority of India will be developing the airstrips into no-frills airports with the financial assistance of Government of India, once successful RCS bidding covers that airport. The state government has the option to form an SPV/company on its own or with Airport Authority of India for developing airports, upgrading airstrips to no-frill civil airports and managing these airports. State government may explore the possibilities of development or upgradation of airports on PPP mode. The No-Frills Airports will be later upgraded **on requirement basis**. The cost of upgradation of airstrips to No-Frills airports including the cost of all equipment, furniture etc. will be borne by Government of India at an indicative cost of Rs 50 cr to Rs 100 cr **without insisting on financial viability** as indicated in para 4.d of National Civil Aviation Policy 2016

**4.3 Aircraft manufacturing and procurement:** Towards promotion of *“Make in India”* and *“Make in U.P.”*, for all aircraft/helicopters manufactured or assembled in U.P. the corresponding S-GST receivable to Govt. of U.P. will be reimbursed for 10 years up-to a maximum of 10 units.

In case airlines purchase aircraft/helicopter, which is manufactured or assembled in U.P. and deployed primarily routes in U.P\* (*\*route where at least 50% of takeoffs are from airports in U.P.*), for at least five years, will be eligible for the following incentives:

- a. Concessions and incentives as given under para 5 of IIEPP 2017 on plant and machinery will be admissible for cost for acquisition of aircraft through purchase, as per eligibility.

#### **4.4 Aviation Support Infrastructure**

Concessions and incentives (including capital interest subsidy on loan taken for plant and machinery and infrastructure interest subsidy for loan taken on infrastructure development as the case may be) under para 5 of IIEPP 2017 will be admissible, as per eligibility, for capital investment for creating *Aviation Support Infrastructure* including aircraft maintenance, ground handling facilities, air cargo and warehouse facilities and passenger transport facilities on any airport in UP.

#### **4.5 Connecting U.P. with international destinations**

The state government to promote international connectivity with its airports, will facilitate the inclusion of its airports under bilateral rights for airlines desirous of linking airports in U.P. with international destinations.

### **5. Development of Air Cargo hubs and MRO facilities**

- 5.1** Air cargo hubs are the engines of growth for aviation industry. U.P. has the largest consumer base in India with a population of approximately 199 million as per Census 2011. State government is committed towards the growth of aviation sector with a focus on employment generation and industrial development. Concessions and incentives on investment under para 5 of IIEPP 2017 will be admissible, as per eligibility - for investment to develop air cargo hubs and related facility development and logistics infrastructure in U.P.
- 5.2** State government will provide enabling infrastructure, support in development of fulfillment centres and support to attract new trending e-commerce businesses etc.
- 5.3** Special facilitation centers with single window clearance facility for promotion of air cargo and logistics businesses will be provided.
- 5.4** Growth in aviation sector necessitates the development of adequate Maintenance, Repair and Overhaul (MRO) facilities for aircraft. State government will facilitate and incentivize the proposals for setting up of new MRO facilities at existing airports or at new locations in U.P. There exists potential for development of MRO hub near proposed Jewar airport in Gautam Buddha Nagar District. Concessions and incentives on investment under para 5 of IIEPP 2017 will be admissible, as per eligibility, for investment made for building hangar and other such necessary facilities.

- 5.5** Fiscal incentives for MRO setups in U.P. will be 100% reimbursement of S -GST levied on MRO job contracts from domestic or international airlines. Also, 50% of S-GST levied will be reimbursed on the purchase of aircraft parts or other accessories used for aircraft maintenance. These incentives will be provided for ten years.
- 5.6** In order to promote agro-exports and other perishable commodity exports from the state, the state government will facilitate the development of facilities at airports for handling perishable goods.

## **6. Development of Human Resources for Civil Aviation**

- 6.1** Growth in civil aviation will require trained work force like Pilots, Aircraft Maintenance Engineers, Ground Handling Professionals, Cabin Crew, IT and Support service professionals, airport related professionals etc. State government will promote aviation related courses in premier institutes / universities in U.P. e.g. IITs, NIT and universities like Lucknow, Allahabad, Aligarh, Agra, BHU, Rohilkhand, Meerut etc. to generate skilled work force and professionals for civil aviation sector.
- 6.2** At present, in U.P., IGRUA in Amethi and six private flying training academies (these are 3 at Aligarh, 1 at Faizabad, Sultanpur and Kanpur each) are functional and conducting commercial pilot license (CPL) courses approved by DGCA. Aeronautical Training Institute (ATI) at Lucknow owned by state government is engaged in providing diploma courses for AME in Airframe & Engine, avionics, helicopter operations and Power Plant. State government will give support to facilitate the training of aviation professionals as follows:
- 6.2.1 State government will extend the scholarship scheme available for diploma and graduate courses to the courses related to AME, Cabin Crew and other civil aviation professionals.
- 6.2.2 A special cell will be made at directorate level to engage with airlines to support placement services to graduating and aspiring civil aviation professionals of Uttar Pradesh

## **7. Improving connectivity at non-RCS airports**

RCS scheme of Government of India covers the air connectivity on un-served and under-served airports . U.P has 3 non-RCS airports: Lucknow, Gorakhpur and Varanasi, but they are not inter connected presently. The state Government intends to improve air connectivity on existing non-RCS airports also by providing certain incentives for short term.



Incentives or provisions for non-RCS airports will be valid **initially for one year** and will only be applicable to single flight per route to the first bidder/proposer. In case of multiple bidders in the same bidding process, the one with proposal of least incentives in monetary terms will be considered. Only airlines/air operators fulfilling DGCA norms and standards shall be covered under this.

**7.1 Provisions for connecting non-RCS airports in U.P with non-RCS airport in or outside U.P:**

All new flights connecting a non-RCS airport in U.P. to non-RCS airport in or outside U.P. after 01.04.2017 (*wherein origin and destination were not connected through a direct flight.*) will be eligible for the following incentives/concessions.

- 7.1.1 **VAT on ATF** for all such new routes will be waived off for one year from date of operation.
- 7.1.2 **Reimbursement of S-GST on sale of air tickets on new flights:** The airlines will be reimbursed S-GST received by state government on account of sale of air tickets on new flights on monthly basis for one year from the date of operation.

**7.2 Additional Provisions for inter-connecting non-RCS airports in U.P.**

Lucknow, Varanasi and Gorakhpur are not inter-connected at present. For new air connectivity via any aircraft (*Lucknow-Gorakhpur, Lucknow-Varanasi and Varanasi-Gorakhpur*), the following incentives will be admissible –

1. Compensation equivalent to state's V share (i.e Rs 400/seat) on 50% of total seats(i.e.<=40 seats)
2. Seat underwriting @2500/vacant seat {on 15% of total seats, up to maximum of 360 seats per month per one way trip}. Seat underwriting will be calculated on monthly basis (*and not on daily basis*) i.e *total monthly vacant seats* per route in a month will be calculated and seat underwriting will be applicable on *total monthly vacant seats*. Mechanism for availing seat underwriting will be similar to RCS flights.

## 8. Focus & Incentives under Regional Connectivity Scheme RCS-UDAN

Government of India has launched Regional Connectivity Scheme 2016 with the objective of connecting underserved and unserved locations in India at affordable rates to bring air travel close to common person. The theme of RCS scheme is *Ude Desh Ka Aam Naagrik (UDAN)*.

The terms used in this policy will have the same meaning as defined in the RCS policy of GoI. Any change in definition in RCS scheme of GoI will automatically become applicable to this policy unless otherwise specified.

**Underserved Airports** are considered as those airports at which, there are no more than 7 scheduled commercial departures/week as per latest flight schedule approved by DGCA.

**Unserved Airports** are those where there had been no scheduled flights during the last two flight schedules approved by DGCA.

Under RCS, State governments are expected to play a pivotal role to promote regional air connectivity by giving incentives to air operators to make business viable and simultaneously bring down the airfare on RCS flights to affordable levels. Only airlines/air operators fulfilling DGCA norms and standards shall be covered under this scheme. All mandatory provisions of RCS with respect to obligations of state government will be applicable as such.

Additional state incentives will only be applicable to single flight per route to the first bidder. In case of multiple bidders in the same bidding process, one with proposal of least incentives in monetary terms will be considered:

### 8.1 RCS scheme - Expectations from state governments

As per para 2.1.2.3 of the RCS policy 2016 states concessions/ support offered by the respective State Governments at RCS Airports within their States, which shall be as follows:

8.1.1 *Reduction of VAT to 1% or less on ATF at RCS Airports located within the State for a period of ten (10) years from the date of notification of this Scheme. Upon transition to GST, rates will be applicable as determined under GST and exemptions/ concessions shall be given as permissible so that such a reduced level of taxation could ideally be continued.*

8.1.2 *Coordinating with oil marketing companies for provision of fueling infrastructure on best effort basis.*

- 8.1.3 *Provision of minimum land, if required, free of cost and free from all encumbrances for development of RCS Airports and also provide multimodal hinterland connectivity (road, rail, metro, waterways, etc.) as required;*
- 8.1.4 *Provision of security and fire services free of cost at RCS Airports through appropriately trained personnel and appropriate equipment as per applicable standards and guidelines by relevant agencies;*
- 8.1.5 *Provision of, directly or through appropriate means, electricity, water and other utility services at substantially concessional rates at RCS Airports; and*
- 8.1.6 *Provision of a certain share (20%) towards VGF for respective RCS Routes (pertaining to the State), provided the share of States in the northeast region of India and Union Territories would be (10%).*

*State Governments are encouraged to also consider extending any additional incentives like underwriting of passenger seats to encourage operators additionally support. Selected Airline Operators in undertaking operations under this Scheme. For avoidance of doubt, the Selected Airline Operators shall not be debarred under the Scheme from getting any additional concessions/incentives as may be offered by the State Governments from time to time.*

## **8.2 RCS MoU between State Government, Government of India, Airport Authority of India**

*After the approval from Hon. Cabinet (GoUP), the Uttar Pradesh government has signed an MOU with the Ministry of Civil Aviation, GoI and Airport Authority of India under which the state will provide the following concessions*

- 8.2.1 *State government shall reduce VAT to 1% on ATF at RCS airports and for RCS flights from other airports located within the state for the entire period of MOU*
- 8.2.2 *State government shall provide minimum land if required, free of cost and free from all encumbrances for development and expansion of RCS airports and also provide multi-modal hinterland connectivity(road, rail, metro, waterways etc) as required.*
- 8.2.3 *State government shall provide security and fire services free of cost at RCS airports*
- 8.2.4 *State government shall provide , or cause to be provided, electricity, water and other utility services subject to applicable law at substantially concessional rates, at RCS airports;*

- 8.2.5 *State government shall provide 20% share of VGF determined pursuant to this scheme. The state government shall need to reimburse its VGF share within 3 months of being asked by the central government. In case the state government does not reimburse, a notice will be sent by the Central government requiring within 1 month of the notice, failing which, the Central government/implementing agency will not consider any further RCS proposals under the scheme for connecting airports from the state.*
- 8.2.6 *In addition to the VGF provided under RCS- UDAN for 50% of the seats of RCS Flight capacity (Limiting 40 seats), state government shall provide additional benefits to the selected airline operators who are willing to avail the benefits in the form of underwriting the remaining 50% non VGF seats of RCS flights (limited to 40 seats). Provided that aforesaid underwriting of non VGF seats shall be subject to following conditions*
- 8.2.7 *State government shall underwrite 30% of non VGF seats with a condition of reimbursement of vacant seats @ Rs 2500/-per seat per hour flying and*
- 8.2.8 *The State government shall utilize these underwritten non VGF seats for travelling of state government's officials at no additional cost*
- 8.2.9 *The state government shall need to continue the concessions as mandated in the NCAP, 2016 and the scheme document. In case the state government stops providing the concessions during the tenure of the scheme, they will be required to resume their concessions immediately. In case the concessions are not resumed within 1 month from the date of discontinuation, the central government/implementing agency will not consider any further RCS proposals under the scheme for connecting airports from the state.*

**The above provisions of earlier cabinet decision will stand modified after the approval of competent authority to the extent as mentioned in this policy.**

### **8.3 Enabling Infrastructure**

Under RCS annexure-1A and 1B, airports/airstrips have been identified as RCS airports in Uttar Pradesh as per documents of First Bidding of RCS. It is an indicative list and is under revision. Final list of RCS airports will be published by Government of India before/**during** second round of RCS bidding.

- 8.3.1 As per Annexure- 1A of RCS- list of Underserved Airports/airstrips in U.P.

| <b>Underserved Airports/airstrips in Uttar Pradesh</b> |                      |
|--|----------------------|
| <b>12. Agra</b>  | <b>13. Allahabad</b> |

8.3.2 As per Annexure -1 B of RCS- indicative list of 29 Unserved Airports/airstrips in U.P.

| Unserved Airports/airstrips in UP |                   |     |                         |     |                             |
|-----------------------------------|-------------------|-----|-------------------------|-----|-----------------------------|
| 330                               | Akbarpur          | 340 | Jagatpur                | 350 | <b>Muirpur(Korba)</b>       |
| 331                               | <b>Aligarh</b>    | 341 | <b>Jhansi</b>           | 351 | Phaphamau                   |
| 332                               | Bakshi KaTalab    | 342 | Jhingura                | 352 | Pirthiganj                  |
| 333                               | <b>Bareilly</b>   | 343 | <b>Kanpur</b> (Chakeri) | 353 | Rajwari                     |
| 334                               | Etawah            | 344 | Kanpur(Civil)           | 354 | <b>Saharanpur</b> (Sarsawa) |
| 335                               | <b>Faizabad</b>   | 345 | Kanpur(Kalyanpur)       | 355 | Sah-baj-quli                |
| 336                               | Fursatganj IGRUA) | 346 | Kasia                   | 356 | Sardarnagar                 |
| 337                               | Ghazipur          | 347 | Lalitpur                | 357 | <b>Shravasti</b>            |
| 338                               | Hindan            | 348 | Madhosingh              | 358 | Sultanpur(Amhai)            |
| 339                               | Iradatganj        | 349 | <b>Meerut</b>           |     |                             |

8.3.3 Airstrips which are being considered for inclusion in RCS as unserved airports/airstrips category

|   |            |   |                           |
|---|------------|---|---------------------------|
| 1 | Moradabad  | 4 | Paliya (Kheri-Dudhwa)     |
| 2 | Azamgarh   | 5 | Farrukabad                |
| 3 | Chitrakoot | 6 | Rasoolabad (Kanpur Dehat) |

8.3.4 The top tourist destinations in U.P. are Agra, Vrindavan, Mathura, Varanasi, Kushinagar, Allahabad, Lucknow, Naimisharanya, Ayodhya, Jhansi, Chitrakoot, Sarnath, Dudhwa, Chandra Prabha, Mahoba, Chunar, Deogarh.

8.3.5 Out of which Agra, Varanasi/Sarnath, Kushinagar, Allahabad, Lucknow, Ayodhya/Faizabad, Jhansi, Chitrakoot, Dudhwa (Palia airstrip) have functional airport/airstrips.

8.3.6 The government will consider development of helipads/heliports to connect the remaining of the following tourist destinations: Vrindavan, Mathura, Naimisharanya, Chandra Prabha, Mahoba, Chunar, Deogarh.

8.3.7 State government may ask the Airports Authority of India to develop and operate the RCS airports or state government can form an **SPV** with AAI or a **Company** of its own **or through Directorate of Civil Aviation** to- develop, upgrade and operationalize the airports to be undertaken under RCS scheme. State government is exploring possibility to upgrade **10** airstrips in 10 divisional initially: **Meerut, Moradabad, Faizabad, Saharanpur, Jhansi, Chitrakoot, Azamgarh, Aligarh, Sonebhadra (Mirzapur)** and Shravasti

(*Gonda/Devipatan*) airstrips to No-Frills Airports. 1 Defence airport at **Bareilly** is being developed to have Civil Enclave by Airports Authority of India. 4 divisional hqrs at **Gorakhpur, Allahabad, Varanasi, Agra** have functional airports. This will enable state capital connectivity with 15 divisional headquarters [except Kanpur and Basti]. In case of development/ upgradation of airport any additional land so required will be provided free of cost and free from all encumbrances.

8.3.8 Other airports/airstrips, where RCS flights can be successfully connected with other parts of the country, are: Kushinagar, Kanpur, Hindan (Ghaziabad), Palia (Kheri- near Dudhwa National Park).

8.3.9 If the passenger traffic at Lucknow airport necessitate decongestion as a result of RCS, then airstrip owned by air force at *Bakshi ka Talab* can be considered for civil operation as RCS alternative airport at Lucknow.

8.3.10 The state government will provide the following at RCS airports in U.P:

- Security arrangements at RCS airports
- Fire services free of cost
- Electricity at substantially subsidized rates
- Water free of cost
- Provision of ATF fueling facilities at RCS airports in coordination with Oil Marketing Companies
- Ambulance and Medical facilities
- Bus connectivity with the nearby main city

## **8.4 Enabling eco-system**

8.4.1 The government will facilitate the air travel by allowing following categories of officers and employees to travel on RCS flights for all official purposes or for LTC travel purpose

1. All India Service officers (IAS, IPS, IFS) on any RCS flight across country.
2. PCS and PPS officers on all RCS flights with origin and destination of U.P.
3. Group "A" officers on all RCS flights with origin and destination of U.P.
4. Any other officer / employee (who is not entitled for air travel) with the approval of competent authority on all RCS flights with origin and destination of U.P.

8.4.2 Publicity support for RCS routes will be provided by state government through information and tourism department

- 8.4.3 Ambulance services and medical facilities at the airports will be provided by Department of Medical and Health of state govt. free of cost.
- 8.4.4 Dedicated bus service to and fro from airport will be provided by U.P. State Transport Corporation.
- 8.4.5 Road connectivity of all RCS airports will be ensured and maintained by PWD department on priority.
- 8.4.6 To promote medical tourism in U.P.- the Department of Tourism and Department of Medical and Health of state government will facilitate airlines to collaborate with reputed medical institutions and hospitals.

## **8.5 Fiscal incentives**

8.5.1 Director, Civil Aviation, GoUP will be the implementing agency for this purpose. He will develop required forms, maintain documentation, receive the proposals, will process and take decisions. State government will appoint a Nodal Officer for allocation of non VGF seats on RCS routes.

### **8.5.2 Incentives for flights originating from or terminating at an RCS airport in UP under RCS provisions:**

8.5.2.1 **VAT on ATF** will **be waived off** for **ten years** on all RCS flights that commence after 01.04.2017.

8.5.2.2 **State's share of 20% on VGF seats** (50 % (< 20 seats) of total seats (<40 seats) will be provided for a duration as stipulated under RCS.

#### **8.5.2.3 Seat underwriting**

##### **A: Provisions :**

1. For aircraft under Category-1 as per RCS categories (passenger seat capacity <= 20) and connecting Lucknow with Divisional headquarters through a direct flight on RCS routes, **100% of non-VGF seats (up to maximum of 300 seats per month per one way trip)** shall be eligible for seat underwriting by state government initially for **three** years from date of operation.
2. For aircraft under Category-2 and 3 (passenger seat capacity > 20), or connecting RCS airports other than as indicated in clause (1) above; **30% of non-VGF seats (up to maximum of 360 seats per month per**

**one way trip)** shall be eligible for seat underwriting by state government initially for **three** years from date of operation.

**B: Mechanism for implementation :**

1. Seat underwriting will be calculated on monthly basis (*and not on daily basis*) i.e *total monthly vacant seats* in a month will be calculated and seat underwriting will be applicable on *total monthly vacant seats*
2. If airline operator is willing to avail the benefit of seat underwriting then State government shall underwrite non-VGF seats as indicated before with a condition of reimbursement of vacant seats at the rate of Rs 2500/- per seat.
3. The state government shall utilize these underwritten non-VGF seats towards fulfillment of travel requirements of State government's officials at no additional cost.
4. The following operational mechanism will be adopted for sale/allocation of non VGF seats:

A software will be developed to provide the necessary interface for airlines and state government, to aid seats underwriting provisions for airlines in the event of unsold non-VGF seats. These will be conducted and monitored as follows.

- i. The airlines will try to sell all non-VGF seats at any rate in open market.
- ii. 24 hours prior to the time of departure the airlines are expected to indicate, through the software, the unsold seats on which they wish to avail seat underwriting facility (To the extent of seat underwriting provisions)
- iii. On such indication these seats will be made available for allocation by the state government through a **Nodal Officer of state government**.
- iv. **Nodal Officer of state government** will allocate these seats to the government officials if they require so. They will indicate the seats as 'Allocated' if they use, otherwise the seats will remain Unsold and Unallocated.



- v. Such unsold and unallocated seats can be withdrawn and sold by the airlines at any time before departure if they can sell it in open market. In such case of withdrawal from the underwriting the state government will not compensate for such seats
- vi. The no. of seats which are allocated by **Nodal Officer of state government** or remain vacant finally, will be deemed to have been sold to state government at the rate applicable for underwriting
- vii. The payment towards availing underwritten provisions from state govt. by an airline would be done on monthly basis

#### **8.5.2.4 Reimbursement of S-GST on sale of air tickets on RCS flights**

The airlines will be reimbursed S-GST received by state government on account of sale of air tickets on RCS flights on monthly basis.

#### **8.5.2.5 Airport parking / night halts at RCS airports**

On all the RCS airports managed by state government, airlines will not be charged any fee or charges for parking aircraft or night halts at RCS airports

#### **8.5.2.6 Free office space at RCS airports :**

Office space of about 100 sqm will be provided on lease basis free of cost at No-Frills RCS Airports in UP

#### **8.5.2.7 Route Navigation and Facilitation Charges (RNFC)**

50% of RNFC upto Rs 2000 will be reimbursed on RCS airports or flights connecting divisional hqrs to Lucknow (initially for 3 years)

### 8.6 Summary of Incentives and Concessions for RCS Airports/Routes

| S. No.   | Description of Incentive/Concession   | Incentives/Concessions for RCS Routes/Airports   |
|--|---|--|
| <b>Mandatory Support by State Government under RCS and MoU</b> |   |  |
| 1  | VAT on ATF  | Zero for 10 years  |
| 2  | Viability Gap Funding<br>(for 50% of total seats)   | 20% state share as per RCS   |
| 3  | Security arrangements at RCS Airports<br><i>[Mandatory support by State Government under RCS]</i>             | Will be provided by the State Government   |
| 4  | Fire Services   | Will be made available by the State Government free of cost  |
| 5  | Electricity   | Will be made available by the State Government at concessional rate (Rate of subsidy will be Rs 4/Unit upto 30000 units per month)   |
| 6  | Water   | Will be made available by the State Government free of cost  |
| 7  | Provision of ATF fueling facilities at RCS airports   | The State Government will facilitate and provide necessary land at zero rental to Oil Marketing Companies to develop ATF fueling facilities at RCS Airports owned by the State Government  |
| 8  | Road Connectivity   | Road Connectivity for all RCS airports will be ensured and maintained by the PWD Department of GoUP from its own resources.  |
| 9  | Bus service to the nearby main city   | Bus Service to all RCS airports will be ensured and maintained by UPSRTC.  |
| 10   | Ambulance and Medical facilities  | Will be made available by the Medical & Health Department of the State Government  |
| <b>Additional support by state government</b>                  |   |  |
| 11   | Underwriting of Non VGF Seats<br>(from remaining 50% of Total seats)<br>@Rs 2500/underwritten seat            | 100%- For category-1 Aircraft connecting Lucknow with Divisional Headquarters (initially for 3 years)<br>30% - for other categories of Aircraft or on other routes (initially for 3 years) |
| 12   | Reimbursement of S-GST on sale of air tickets on RCS flights as applicable                                    | 100% reimbursement initially for 3 years   |
| 13   | Airport Parking / Night Halts at RCS Airports   | Zero Charges (initially for 3 years) at Airports/Airstrips owned by the State Government   |
| 14   | Space at No-Frills Airports for office of airlines upto 100 sqm and aircraft maintenance engaged in RCS in UP | Zero Rental (initially for 3 years) at Airports/Airstrips owned by the State Government  |
| 15   | Route Navigation and Facilitation Charges (RNFC)  | 50% of RNFC (upto Rs 2000 ) will be reimbursed on RCS Airports or flights connecting Divisional Headquarters (initially for 3 years)   |

## Annexure- I-UP

### Details of main airports/airstrips in Uttar Pradesh

(For categories- served/unserved/underserved airports, please refer to MoCA, GoI documents)

| Sl No | Name of the airport/Airstrip                | District            | State | Airport Operator /Owner | Runway Length | Runway Width | Boundary Wall | Apron | VIP Lounge | Hanger | Suitable for aircraft ?      | Aerial distance (km) of nearby airport/airstrip |
|-------|---|---------------------|-------|-------------------------|---------------|--------------|---------------|-------|------------|--------|------------------------------|---|
| 1     | Chaudhri Charan Singh International Airport | Lucknow             | U.P.  | AAI                     | 2742 M        | 45 M         | Yes           | Yes   | Yes        | Yes    | Airbus 320/ Boeing 747       | 4 KM (Bakshi Ka Talab, Lucknow)                 |
| 2     | Lal Bahadur Shastri International Airport   | Varanasi            | U.P.  | AAI                     | 2742 M        | 45 M         | Yes           | Yes   | Yes        | Yes    | Airbus 320/ Boeing 747       | 113 KM (Allahabad Airport)                      |
| 3     | Gorakhpur Civil Terminal                    | Gorakhpur           | U.P.  | IAF/AAI                 | 2743 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 45 KM (Kushinagar)                              |
| 4     | Agra Civil Terminal                         | Agra                | U.P.  | IAF/AAI                 | 2744 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 18 KM (Aligarh)                                 |
| 5     | Bamrauli Civil Terminal                     | Allahabad           | U.P.  | IAF/AAI                 | 2477 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 113 KM (Varanasi Airport)                       |
| 6     | Kanpur Chakeri Civil Terminal               | Kanpur              | U.P.  | IAF/AAI                 | 2744 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 0 KM (Kanpur Civil )                            |
| 7     | Trishul Airport                             | Bareilly            | U.P.  | IAF                     | 2750 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 52 KM (Moradabad)                               |
| 8     | Sarsawa                                     | Saharanpur          | U.P.  | IAF                     | 2743 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 111 KM (Meerut)                                 |
| 9     | Dr. Bhim Rao Ambedkar                       | Meerut              | U.P.  | GoUP                    | 1500 M        | 23 M         | Yes           | Yes   | Yes        | Yes    | Small Aircraft upto 5700 kgs | 56 KM (Hindan, Ghaziabad)                       |
| 10    | Faizabad                                    | Faizabad            | U.P.  | GoUP                    | 1500 M        | 30 M         | Yes           | Yes   | Yes        | Yes    | Small Aircraft upto 5700 kgs | 10 KM (Sultanpur)                               |
| 11    | Moradabad                                   | Moradabad           | U.P.  | GoUP                    | 2238 M        | 30 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 52 KM (Bareilly)                                |
| 12    | Jhansi                                      | Jhansi              | U.P.  | GoUP/Indian Army        | 1200 M        | 23 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 121 KM (Saifai, Etawah)                         |
| 13    | Chitrakoot                                  | Chitrakoot (u/ exp) | U.P.  | GoUP                    | 2500 M        | 45 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 66 KM (Allahabad)                               |
| 14    | Dhanipur                                    | Aligarh             | U.P.  | GoUP                    | 1240 M        | 25 M         | Yes           | Yes   | Yes        | Yes    | Small Aircraft upto 5700 kgs | 18 KM (Agra)                                    |
| 15    | Azamgarh                                    | Azamgarh            | U.P.  | GoUP                    | 1400 M        | 23 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 113 KM (Varanasi Airport)                       |
| 16    | Myorpur                                     | Sonbhadra           | U.P.  | GoUP                    | 1422 M        | 25 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 112 KM (Varanasi Airport)                       |

| Sl No | Name of the airport/Airstrip   | District            | State | Airport Operator /Owner | Runway Length | Runway Width | Boundary Wall | Apron | VIP Lounge | Hanger | Suitable for aircraft ?      | Aerial distance (km) of nearby airport/airstrip |
|-------|--------------------------------|---------------------|-------|-------------------------|---------------|--------------|---------------|-------|------------|--------|------------------------------|---|
| 17    | Shravasti                      | Shravasti           | U.P.  | GoUP                    | 1450 M        | 23 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 111 KM (Faizabad)                               |
| 18    | Akbarpur                       | Ambedkar Nagar      | U.P.  | GoUP                    | 1820 M        | 30 M         | Yes           | Yes   | Yes        | -      | Hawker 900XP                 | 35 KM (Faizabad)                                |
| 19    | Saifai                         | Etawah              | U.P.  | GoUP                    | 2500 M        | 45 M         | Yes           | Yes   | Yes        | -      | Airbus 320/ Boeing 747       | 118 KM (Farrukhabad)                            |
| 20    | Andhau                         | Ghazipur            | U.P.  | GoUP                    | 1580 M        | 24 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 113 KM (Varanasi Airport)                       |
| 21    | Kasia                          | Kushinagar (u/ exp) | U.P.  | GoUP                    | 3200 M        | 45 M         | Yes           | Yes   | Yes        | -      | Airbus 320/ Boeing 747       | 45 KM (Gorakhpur)                               |
| 22    | Amhat                          | Sultanpur           | U.P.  | GoUP                    | 1500 M        | 30 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 10 KM (Faizabad)                                |
| 23    | Paliya                         | Kheri               | U.P.  | GoUP                    | 1640 M        | 23 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 110 KM (Shravasti)                              |
| 24    | Farrukhabad                    | Farrukhabad         | U.P.  | GoUP                    | 1228 M        | 24 M         | Yes           | Yes   | Yes        | -      | Small Aircraft upto 5700 kgs | 100 KM (Kanpur Dehat)                           |
| 25    | Rasoolabad                     | Kanpur Dehat (u/c)  | U.P.  | GoUP                    | 2400 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 100 KM (Farrukhabad)                            |
| 26    | Bakshi Ka Talab [Lucknow city] | Lucknow             | U.P.  | IAF                     | 2472 M        | 45 M         | Yes           | Yes   | -          | -      | Airbus 320/ Boeing 747       | 4 KM (Lucknow)                                  |
| 27    | Fursatganj (IGRUA)             | Amethi              | U.P.  | AAI                     | 1850 M        | 45 M         | Yes           | Yes   | -          | -      | Big Aircraft                 | 48 KM (Lucknow)                                 |
| 28    | Hindan                         | Ghaziabad           | U.P.  | IAF                     | 2743 M        | 45 M         | No            | No    | -          | -      | Airbus 320/ Boeing 747       | 30 KM (Meerut)                                  |
| 29    | Lalitpur                       | Lalitpur            | U.P.  | IAF/AAI                 | 1890 M        | 45 M         | No            | No    | No         | -      | Non Operational              | 112 KM (Jhansi)                                 |

**Annexure- I-UP****Details of other airports/airstrips in Uttar Pradesh not offered under RCS scheme**

| Sl No | Name of the airport/Airstrip | District     | State | Airport Operator/Owner    | Runway Length             | Runway Width | Boundary Wall | Apron | VIP Lounge | Hanger | Suitable for aircraft ? | Aerial distance (km) of nearby airport/airstrip |
|-------|------------------------------|--------------|-------|---------------------------|---------------------------|--------------|---------------|-------|------------|--------|-------------------------|---|
| 1     | Iradatganj                   | Allahabad    | U.P.  | IAF                       | Information not available |              | No            | No    | No         | -      | Abandoned               | 15 KM (Allahabad)                               |
| 2     | Jagatpur                     | Rai Bareilly | U.P.  | Information not available |                           |              | No            | No    | No         | -      | Abandoned               | 05 KM (Fursatganj, Rai Bareilly)                |
| 3     | Jhingura                     | Mirzapur     | U.P.  | IAF                       | Information not available |              | No            | No    | No         | -      | Abandoned               | 30 KM (Varanasi)                                |
| 4     | Kanpur (Civil)               | Kanpur Nagar | U.P.  | AAI                       | 1128 M                    | 45 M         | Yes           | Yes   | -          | -      | Aircraft upto 5000 kgs  | 0 KM (Chakeri Kanpur)                           |
| 5     | Kanpur (Kalyanpur)           | Kanpur Nagar | U.P.  | IIT Kanpur                | 1000 M                    | -            | Yes           | Yes   | -          | -      | Info. not available     | 17 KM (Chakeri Kanpur)                          |
| 6     | Madhosingh                   | Bhadohi      | U.P.  | GoUP                      | Information not available |              | No            | No    | No         | -      | Abandoned               | 30 KM (Varanasi)                                |
| 7     | Phaphamau                    | Allahabad    | U.P.  | IAF                       | Information not available |              | No            | No    | No         | -      | Abandoned               | 13 KM (Allahabad)                               |
| 8     | Pirthiganj                   | Pratapgarh   | U.P.  | Information not available |                           |              | No            | No    | No         | -      | Abandoned               | 17 KM (Allahabad)                               |
| 9     | Rajwari                      | Varanasi     | U.P.  | Information not available |                           |              | No            | No    | No         | -      | Abandoned               | 27 KM (Varanasi)                                |
| 10    | Sah-baj-quli                 | Ghazipur     | U.P.  | Information not available |                           |              | No            | No    | No         | -      | Abandoned               | 11 KM (Ghazipur)                                |
| 11    | Sardarnagar                  | Gorakhpur    | U.P.  | Information not available |                           |              | No            | No    | No         | -      | Abandoned               | 10 KM (Gorakhpur)                               |

## **Possible new routes**

*(This is only a suggestive list subject to fulfilling MoCA, GoI criterion. Please refer the GOI, Bidding documents for the status of eligible airports for RCS flights)*

### **A: Non RCS Routes- eligible for state incentives**

1. Lucknow-Varanasi
2. Lucknow-Gorakhpur
3. Varanasi-Gorakhpur
4. Lucknow-Jaipur
5. Lucknow-Dehradun
6. Lucknow-Bhopal

### **B: Divisional headquarters RCS routes:**

1. Lucknow-Agra
2. Lucknow-Allahabad
3. Lucknow-Bareilly
4. Lucknow-Faizabad
5. Lucknow- Meerut
6. Lucknow-Saharanpur
7. Lucknow-Moradabad
8. Lucknow-Aligarh
9. Lucknow-Shravasti (Devipattan)
10. Lucknow-Azamgarh
11. Lucknow-Jhansi
12. Lucknow-Chitrakoot
13. Lucknow- Muirpur (Sonebadra, Mirzapur)

### **C: Other RCS Routes:**

14. Lucknow-Bareilly-Meerut
15. Allahabad-Bareilly-Meerut
16. Lucknow-Moradabad-Saharanpur
17. Lucknow-Aligarh-Ghaziabad
18. Lucknow-Shravasti-Gorakhpur-Kushinagar-Sarnath
19. Gorakhpur-Kushinagar-Sarnath
20. Gorakhpur- Meerut
21. Kanpur-Faizabad(Ayodhya)-Allahabad (Prayag)
22. Lucknow-Sonbhadra-Chitrakoot
23. Agra-Allahabad
24. Ghaziabad-Allahabad
25. Meerut-Allahabad

### **D: Inter-state RCS Routes**

1. Lucknow-Bareilly-Dehradun
2. Delhi-Bareilly-Allahabad
3. Delhi-Allahabad
4. Allahabad-Dehradun
5. Allahabad-Lucknow-Nagpur
6. Lucknow-Bhopal-Ujjain
7. Lucknow-Varanasi-Patna
8. Agra-Lucknow-Kolkata
9. Lucknow-Jhansi-Bhopal
10. Lucknow-Bhopal-Mumbai
11. Varanasi(Kashi)-Allahabad(Prayag)-Nemisharanya (Sitapur)-Haridwar-Nemisharanya