



Cabinet approves Regional Connectivity Scheme – Modified UDAN with a total outlay of Rs.28,840 crore

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the launch and implementation of the **Regional Connectivity Scheme – Modified UDAN** for a period of ten years from FY 2026-27 to FY 2035-36 with a total outlay of Rs.28,840 crore with the budgetary support of the Government of India.

Impact:

- Enhanced regional air connectivity to underserved and unserved areas.
- Boost to economic growth, trade and tourism in Tier-2 and Tier-3 cities.
- Support affordable air travel for common citizens.
- Improved emergency response and healthcare access in remote and hilly regions.
- Greater viability and sustainability for regional aerodromes and airline operators.
- Promotion of the indigenous aerospace sector under Atmanirbhar Bharat.
- Progress towards Viksit Bharat 2047 goal.

The key components of the scheme are as under:

(a) Development of Aerodromes (CAPEX)

Under the Modified UDAN Scheme, it is proposed to develop 100 airports from existing unserved airstrips to enhance regional connectivity, in line with the Viksit Bharat 2047 vision of infrastructure expansion and transforming India into a globally competitive aviation ecosystem with a total outlay of Rs.12,159 crore over the next eight years.

(b) Operation & Maintenance (O&M) of Aerodromes

Given the high recurring O&M costs and limited revenue streams for Regional Connectivity Scheme (RCS)-only aerodromes, the Scheme proposes to provide O&M support for three years capped at Rs.3.06 crore per annum per airport and Rs.0.90 crore per annum per heliport/water aerodrome, estimated at Rs.2,577 crore for around 441 aerodromes.

(c) Development of Modern Helipads

To address connectivity challenges in hilly, remote, island and aspirational regions, the Scheme proposes developing 200 modern helipads at Rs.15 crore each, amounting to a total requirement of Rs.3,661 crore over the next eight years (inflation-adjusted), focused on priority and aspirational districts to improve last-mile connectivity and emergency response.

(d) Viability Gap Funding (VGF)

Under the Regional Connectivity Scheme, airline operators receive financial support in the form of VGF for operating awarded routes. Recognising the need for longer market development, VGF support to airline operators is proposed amounting to Rs.10,043 crore over 10 years.

(e) Atmanirbhar Bharat Aircraft Acquisition

To address the shortage of small fixed-wing aircraft and helicopters required for operations in remote and difficult terrains and to advance the Atmanirbhar Bharat vision, the scheme also proposes to procure two HAL Dhruv helicopters for Pawan Hans and two HAL Dornier aircraft for Alliance Air.

Background:

The original UDAN Scheme was launched in October 2016 with the objective of making air travel affordable and strengthening connectivity to Tier-2 and Tier-3 cities. Over nine years of implementation:

- 663 routes have been operationalised across 95 airports, heliports and water aerodromes (as on 28 February 2026).
- More than 3.41 lakh flights have been operated, carrying 162.47 lakh passengers.
- Connectivity has been established in remote, hilly and island regions, boosting tourism, healthcare access and emergency services.
- The scheme has fostered growth in regional airlines and diverse fleet operations, laying a strong foundation for the Modified UDAN Scheme.

MJPS

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