

# UDAN 4.0

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## Why in news?

- The Airports Authority of India (AAI) on Tuesday initiated bidding of routes under the fourth round of bidding of its regional connectivity scheme UDAN.
- The focus of this round would be mainly on connecting north-eastern states, hilly states, Jammu and Kashmir, Ladakh and islands
- The operation of helicopter and sea plane would be allowed under this round

## What is UDAN?

- The Centre had launched the scheme in 2016, to stimulate regional air connectivity by making it affordable.
- Under the UDAN scheme, financial incentives in terms of concessions from the Centre, state governments and airport operators are extended to selected airlines to encourage operations from unserved and underserved airports, and keep airfares affordable.
- As at least half of the seats in UDAN flights are offered at subsidized fares, and the participating carriers are provided a certain amount of VGF – an amount shared between the Centre and the state concerned