

84 Routes Under the UDAN Scheme Have No Operator Now

In March 2017, the Airports Authority of India (AAI) had awarded 128 routes to five airlines under UDAN – the government’s ambitious regional connectivity scheme (RCS).

Currently, 54 of the routes have been given to SpiceJet and Alliance Air which are operational.

IndiGo and Jet Airways also operate UDAN flights.

Only one regional carrier, TruJet, is presently operating flights under UDAN.

Air Odisha and Deccan Charters after being allotted the routes in March 2017 were scheduled to start operations by September 2017. But, initially there was a delay because some airports were not ready. AAI subsequently addressed this issue.

“Even after the airports were ready, they did not commence operations and we can’t give any more extensions,” Senior AAI executives said. Eventually the AAI had to cancel 58 licences of Air Odisha and Deccan Charters who between them were awarded 84 routes under the UDAN scheme. Most of these routes connect smaller towns in Chhattisgarh, Tamil Nadu and Odisha.

Guruprasad Mohapatra, chairman, AAI, told newsmen that licences given to these airlines for flights on metro routes –Delhi and Mumbai – have also been cancelled. The routes have been cancelled because the airlines were unable to either start or sustain operations.

In addition, AAI has served Air Odisha and Deccan Charters notices for cancellation for the remaining 26 routes. The carriers are yet to kick off operations in these 26 geographies, including Gujarat, Uttar Pradesh and some north-eastern sectors.

Deccan Charters, promoted by Captain Gopinath, first operated the Mumbai-Jalgaon stretch, according to the ministry of civil aviation website, on December 23, 2017.

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Similarly, Air Odisha commenced with the Ahmedabad network in February this year. It plied aircraft on 16 routes, but AAI executives said the flights were infrequent. "The airlines would suddenly withdraw from the routes after a few weeks without any valid reasons. Right now, neither airline is operating any Udan routes," the official added.

Thus it is once again being felt that regional airlines' participation in UDAN made little business sense given huge cost structure of the airline business. The success of UDAN depends on the participation established airlines. It does not make a business case for small and independent operators without scale. (See: UDAN)