TRANSPORT DEPARTMENT

REGIONAL CONNECTIVITY SCHEME - UDAN - MEMORANDUM OF UNDERSTANDING SIGNED ON 08-06-2017 BETWEEN GOVERNMENT OF TAMIL NADU AND MINISTRY OF CIVIL AVIATION, GOVERNMENT OF INDIA - CONCESSIONS/SUPPORT PROVIDED BY THE GOVERNMENT OF TAMIL NADU FOR REGIONAL CONNECTIVITY SCHEME AIRPORTS.

[G.O.(Ms) No. 254, Transport (I-2), 7th August 2018, மறு வாணிய, வியாபாரமேற்படுத்தும் திட்டம் - 2049,]

No. II(1)/TRA/15(I)/2018.

Government of Tamil Nadu hereby notify the following Airports (hereinafter called "Regional Connectivity Scheme Airports") within the State under the Regional Connectivity Scheme (RCS)-UDAN of the Ministry of Civil Aviation, Government of India:-

(a) Neyveli
(b) Salem
(c) Hosur

2. In terms of the Memorandum of Understanding dated 8th June 2017 signed between and Government of Tamil Nadu and Government of India and Airports Authority of India (Implementing Agency), Government of Tamil Nadu notify that the following concessions / support shall be extended to the selected Airline operators (including Helicopter operators) for operating flights at the above mentioned Regional Connectivity Scheme Airports within the State:-

(a) Value Added Tax (VAT) at the rate of one percent shall be levied on Aviation Turbine Fuel at the Regional Connectivity Scheme Airports within the State from the date of notification;
(b) Government of Tamil Nadu shall provide minimum land if required for the Development of Regional Connectivity Scheme Airports on lease basis;
(c) Government of Tamil Nadu shall provide security and fire services free of cost at Regional Connectivity Scheme Airports;
(d) Government of Tamil Nadu shall provide a certain share as applicable (20%) for State other than for North-Eastern States and island groups where the ratio will be 10% (ten percent) of Viability Gap Funding (VGF) determined pursuant to this Scheme. The State Government will fund the 20% (twenty percent) of Viability Gap Funding (VGF) as State share from Tamil Nadu Infrastructure Development Fund (TNIDF). The State Government shall need to reimburse its Viability Gap Funding (VGF) share within three months of being asked by the Central Government;

(e) Government of Tamil Nadu is encouraged to consider giving additional incentives including underwriting of seats, etc., over and above the incentives being provided under the Scheme by Central Government and State Government;

(f) Government of Tamil Nadu shall need to continue the concessions as mandated in the National Civil Aviation Policy, 2016 and the Scheme document.

P.W.C. DAVIDAR,
Additional Chief Secretary to Government.