

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
RAJYA SABHA  
UNSTARRED QUESTION NO : 647  
(TO BE ANSWERED ON THE 2<sup>nd</sup> December 2024)**

**DEVELOPMENT OF AVIATION SECTOR**

647. SHRI PRAMOD TIWARI

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether country is among the fastest-growing major aviation markets globally
- (b) if so, the details thereof
- (c) whether Government plans to develop its large airports into international hubs while also building a domestic aircraft maintenance and manufacturing ecosystem
- (d) if so, the steps taken or proposed to be taken to make the country a leading aviation hub and
- (e) the number of persons who have travelled under the UDAN scheme?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

- (a) & (b) Yes. India is one of the fastest-growing major aviation markets in the world and has become the third largest domestic aviation market globally.
- (c) & (d) Ministry of Civil Aviation has issued the National Civil Aviation Policy, 2016. Under the Policy, various steps have been initiated to promote the growth of Civil Aviation sector in the country, which include developing International Aviation Hubs and setting up of Maintenance, Repair and Overhaul (MRO) facilities. For the developments of aviation hubs, this Ministry has formulated an International Aviation Hub Strategy.

Further, the Government has taken several steps to facilitate setting up of aircraft MRO services in India through various policy, regulatory framework and other incentives which include:

- i. Government has announced that a uniform rate of 5% IGST will apply to imports

of parts, components, testing equipment, tools and tool-kits of aircraft, irrespective of their Harmonized System of Nomenclature (HSN) classification subject to specified conditions.

ii. As part of the announcements made in Union Budget 2024-25, the period for export of goods imported for repairs has been extended from six months to one year. Also, the time-limit for re-import of goods for repairs under warranty has been extended from three to five years.

iii. New MRO Guidelines announced on 1st September, 2021 inter alia abolish royalties and build in transparency and certainty in land allotments for MROs in AAI airports.

iv. GST on MRO has been reduced from 18% to 5% with full Input Tax Credit from 1st April, 2020.

v. Transactions sub-contracted by foreign original equipment manufacturers (OEMs)/ MRO to domestic MRO are treated as 'exports' with zero-rated GST from 1st April, 2020.

vi. Exempted Customs Duty on tools and tool kits.

vii. Simplified clearance processing of parts.

viii. 100% Foreign Direct Investment permitted via automatic route for MRO

(e) So far, more than 146 lakhs domestic passengers have travelled through RCS-UDAN flights.

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