

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
RAJYA SABHA  
UNSTARRED QUESTION NO : 1766  
(TO BE ANSWERED ON THE 17<sup>th</sup> March 2025)**

**PROJECTED LOSS OF 2,000 CRORE**

1766. DR. ASHOK KUMAR MITTAL

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

- (a) the measures being taken to address the supply chain disruptions and engine shortages contributing to a projected loss of Rs. 2,000 crore for FY 2025-26;
- (b) the extent to which these challenges are impacting passenger services and fleet expansion plans of domestic airlines, and the steps being taken to facilitate timely resolutions thereof;
- (c) the details of collaborative efforts, if any, with global manufacturers or stakeholders being pursued to ensure the availability of components and engines; and
- (d) the plans to ensure long-term sustainability and resilience of the aviation industry against recurring supply chain and equipment related challenges?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) Airlines face various operational issues which sometimes include supply chain issues on spares/components from vendors and OEMs (Original Equipment Manufacturer). The details of losses incurred by the Indian Aviation Industry due to Supply chain disruption and engine related issues are not maintained by this Ministry. However, the losses of the Scheduled Indian Airlines/Operators for the year 2023-24 (Provisional) is 924 Cr Indian Rupees.

(b) The Indian airlines are expanding at a fast pace. Orders for 2026 aircraft have also been placed by major airlines and 350 aircraft have already been imported as on 31.01.2025.

(c) and (d) The Government has also taken several proactive measures to ensure long term sustainability and resilience of the aviation industry against recurring supply chain and equipment related challenges which include:  
i. The National Civil Aviation Policy, 2016 seeks to provide a conducive ecosystem for overall growth of the Indian aviation sector in a harmonised manner that

includes growth of all its sub-sectors.

ii. The Government has put in place a set of policy provisions for broad-based development of aircraft MRO in India. There are many incentives /rebates like Exempted Customs Duty, Simplified clearance processing, land allotment etc. that have been provided under the NCAP-2016 for development of MRO sector in India. The Government announced new MRO guidelines on September 1, 2021 which inter alia abolish royalties and build in transparency and certainty in land allotments for MROs in AAI airports.

iii. Government has reduced the taxes (IGST) on imports of aircraft components and aircraft engine parts to 5% from the earlier rates which were from 5% to 28%. Also, the period for export of goods imported for repairs has been extended from six months to one year and the time-limit for reimport of goods for repairs under warranty has been extended from three to five years.

\*\*\*\*\*