

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2422
(TO BE ANSWERED ON THE 11th August 2025)**

INDIA'S MRO INDUSTRY POTENTIAL AND ROADMAP

2422. SHRI MILIND MURLI DEORA

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

- (a) whether Government has taken steps to meet its target of fulfilling 90 per cent of Indian MRO requirements domestically by 2040;
- (b) the initiatives launched to attract investment and upgrade the capabilities of Indian MRO providers such as Air India Engineering Services Ltd., Max MRO and others; and
- (c) the projected contribution of the Indian MRO industry towards employment and GDP by 2030?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (c) The Government has taken various measures to create a conducive environment for the development of aircraft Maintenance, Repair and Overhaul (MRO) sector which include:

- i. In a major boost to the domestic MRO industry, the 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 Harmonised 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

As per industry estimates, the market size of the MRO sector in India is projected to reach USD 4.0 billion by 2031, registering a CAGR of 8.9% as compared to the global average of 5.6%.
