

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2827
(To be answered on the 5th December 2019)**

MRO IN THE AVIATION SECTOR

**2827. SHRI RAJESHBHAI CHUDASAMA
SHRIMATI KIRRON KHER**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether Maintenance, Repair and Overhaul (MRO) in the civil aviation sector of the country is unable to match with the steadily increasing pace of this sector and airline operators fly to other destinations due to the lack of such facilities which results into loss of business as well as foreign exchange;**
(b) if so, the details of MRO facilities at present in the country and reaction of Government thereto; and
(c) the various steps taken by Government to increase MRO facilities and expand business, create employment opportunities and increase foreign exchange in the country in respect of the airlines?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) to (c): Line maintenance requirements are generally met by the domestic airline operators through self-handling or third party domestic sourcing. For base maintenance, repair and overhaul (MRO), only about 4 domestic Aircraft Maintenance Organizations (AMOs) out of the 48 standalone AMOs approved by Directorate General of Civil Aviation (DGCA) in India have the capacity and requisite certifications to meet a part of the base MRO needs of India's aviation sector. An estimated 85% to 90% of the base MRO is supplied by overseas AMOs approved by DGCA.

Given the technical and skill base and in recognition of the potential for attaining self-sufficiency in MRO sector, attracting business from foreign airlines, and developing India as a hub for MRO services, various interventions have been made from time to time under the National Civil Aviation Policy, 2016. There has been a renewed focus on development of engine shops, component and airframe MRO in India by aviation original

equipment manufacturers (OEMs) and logistics services providers. The major initiatives for creation of a congenial atmosphere for broad-based development of MRO in the country, inter alia, include the following:

- (i) Exempted Customs Duty on tools and tool kits,
- (ii) Reduced Goods and Services Tax rates on various spare parts, accessories, and consumables,
- (iii) Simplified clearance processing of parts,
- (iv) Relaxed restriction on utilization of duty-free parts from one year to three years,
- (v) Extended stay in India of foreign aircraft for entire duration of MRO work or 6 months, whichever is lesser,
- (vi) Revised the Notification to enable export of serviceable parts,
- (vii) 100% Foreign Direct Investment permitted via automatic route for MRO,
- (viii) Liberalised policy for borrowing and lending in Foreign Currency and Rupees on competitive terms for MROs, and
- (ix) Prescribed modalities for concessional temporary imports of spare parts by foreign airlines for repair of their aircraft in transit.
