

## **PRESS RELEASE**

### **India MRO 2015 Aerospace & Defence expo concludes on a high note**

**Bangalore, December 03, 2015:** The **India MRO Aerospace & Defence**, India's only Maintenance, Repair & Overhaul expo hosted by **MM Activ Sci-Tech Communications** and **CANEUS International**, in association with **MRO Association of India** came to an end yesterday. Over 300 delegates and over 30 speakers from regulatory, Industry and Defense forces participated in the 2-day conference debating and deliberating on policy matters, civil military cooperation's, skill development, leasing aspects, legal aspects etc. involving the Indian MRO Industry. Overall, 20 companies participated in the exhibition.

India MRO 2015 saw over 70 organizations like Air India Engineering Services Ltd. (AIESL), Hindustan Aeronautics Ltd, Max MRO, Indocopter, and original equipment manufacturers like Honeywell, Airbus, Snecma of the Safran Group, converge on the platform to make India an Emerging MRO Destination. That apart, the event was hosted by the State Government of Karnataka and the participating Government of Gujarat, exhibiting their product and services.

**Mr. Pulak Sen, Founder Secretary General MRO Association of India** said, "The takeaway from 2 days of conference and exhibition has been more than satisfactory for the Indian MRO Industry. The ministry of Civil Aviation was represented by senior Officer Entrusted with MRO who proactively participated with the industry specialist and stake holders giving them confidence that the government is willing to support this sunshine industry to achieve growth."

**Mr. Jagdish Patankar, Managing Director, MM Activ and Publisher BioSpectrum India & Asia**, said, "The Government of Karnataka has proved the aviation friendly policy by hosting India MRO 2015 in Bangalore. I am hopeful that this type of Aerospace Expositions will make Industry stakeholders aware of Govt. of Karnataka Aviation Incentive. The next edition of India MRO would be held in December 2016."

**Dr. Milind Pimprikar Founder & Chairman CANEUS International** said that, "The event culminated into creating the community of the stakeholders leading to India International centre of excellence that will help growth of the MRO Industry competitive with the global market. Support of major Aerospace OEMS like Airbus, Safran and others have demonstrated the commitment to the industry and event and coming editions of INDIA MRO."

**Highlights of India MRO Forum: *The need to develop the MRO industry in India and to reduce outsourcing to International MROs.***

R.N. Johri, Ms. Usha Padhee, Mr. Bharat Malkani, Mr. Uday Naidu and Mr. Jagnnath, the speakers of the ***Ramifications of Civil Aviation Policy***, tax exemption continues to be the key barrier and manpower and skills development can enhance the development of Indian MROs. They further mentioned that efficient clearance and tax exemptions are key drivers for industry development and emphasized that supporting Indian MROs will promote the Prime Minister's 'Make in India' initiative.

Mr. Uday Naidu, Mr. Ashwani Sharma, Mr. Sampath, Mr. Bala and Mr. Daniel Davis laid down the **Airlines Expectations** from MRO highlighting that local MROs are taking the FA route as FA rating is faster than DS. There is a need for European standards and design organizations approval (DOA). Emphasis needs to be on quality standards, cost effectiveness, timeliness and the availability of quality spares without delay. The DCGA needs to be tackled for policy implementation to be effective and has more foreign approved companies than Indian. There is also a need to indigenize tools and equipment.

Covering the various aspects of **New Technology in MRO + InCoE-MRO: Industry led Centre of Excellence**, speakers, Dr. Milind Pimprikar, Mr. Gerard H, Mr. Anup Vittal, Mr. Sasi Kancharla, Mr. Satish Kirtikar, Mr. Bharat Malkani, and Air Vice Marshal C.S. Sohoni stated that three important tenets – manual, material and manpower should work together to adopt new technology. Technology can be further used to predict the functionality of parts. They warned that OEM provides a possible threat to MROs and don't share any inputs. It is essential for OEMs to recognize MROs as key partners. Safran has set up a completely difference wing for data analysis in addition to absorbing new technology to support OEMs. The digital MRO framework needs to be worked upon. MRO is planning and implementing the launch of the Centre of Excellence in February, 2016. The Centre of Excellence for MRO will encompass talent from the design and maintenance fraternity. Furthermore, structures, airframes, vehicle health management and lifestyle costing will be important components of the Centre of Excellence.

On the **Impact of leasing of MRO maintenance cost**, speakers, Mr. Uday Naidu, Mr. Ashwani Sharma, Air Cmde R.P. Kashyap, Mr. Gerard H and Mr. Sasi Kancharla state that the main cost is procured from certification. Documentatrion of airlines is to be maintained during leasing in addition to focusing on accuracy and preservation. The off-lease period should be kept to a minimum. Overall the documentation process is to comply with overall standards to meet lessor and lessee requirements.

Highlighting the **Expectations of the Indian Defense Forces** from the Indian MRO Industry, speakers, Air Vice Marshal B.K. Murali, Rear Admiral Srinivas Kanugo, Air Cmde Suresh Singh, Mr. Bharat Malkani and Mr. Johri mentioned that Defense MRO holds great potential and is a strong field. While we have the world's 8<sup>th</sup> largest defense budget in India (accounts for 2.5% of GDP), there is still a need for quality consciousness, documentation and reliability. At the moment, 90-95% of parts are in the float and move category and are manufactured outside India. There needs to be a zero import policy for aircraft batteries and ground support equipment from India.

Currently, 120 billion US dollars is being spent on imports and 90% commercial aircrafts being overhauled abroad. Maintenance cost entails the lion's share of aircraft ownership and the investment increases manifold for older aircrafts. Coastal surveillance is the need of the hour for the Navy and Naval aircrafts need high maintenance. The number of airports should go up from the current 80 to 250 by 2020. MRO also emphasized the need for DGCA and CEMILAC to explore available certifications, overcome anti-MRO legislation (20% duty on imports) for better MRO service to meet the aviation budget. Effective management of offsets can create a 12,000 crore revenue for the Indian MRO industry. Overall, Defense highlighted the need for a cost-effective approach with trained manpower to make India self-reliant.

## **Power Talk:**

Rekha Nagraj, speaking on **Rotary Wing: Military and Civil Organization**, mentioned that in 2009-10 an independent MRO center came into being to meet customer demand and emphasized the need for a quality manufacturing facility that is in compliance to ALS specifications. The facility will need to have a dedicated hangar facility, test strip, in-house LRU lab and a center for Avionics. A mini MRO hub framework to be put in place for providing door-step delivery of services. Taking from the 'Make in India' concept, she suggested a Public Private partnership for the MRO industry in India.

Speaking on **Air India Engineering Services Ltd Facilities**, Mukesh Kumar stated that Air India is MRO's national carrier with the biggest MRO setup in India, with DGCA, FAA, EASA and CMEILAC approvals. The line and base maintenance for Boeing and Airbus is done at the Nagpur Facility. There is also an engine and APU overhaul facility, component overhaul and repair, and engineering support services. OEM support is provided onsite including Boroscope inspection and boreland repair.

Covering the aspects of **PBH (Power by the Hour) for Engine, Component and Maintenance program Optimization**, speakers, C.S.Tomar, Daniel, Ashwani Sharma and Uday Naidu started that the PBH agreement required going forward and is driven by the modern trend of low cost, less labour and lean management. It is essential for airlines to be aware of the requisites that go into the PBH agreement. The agreement in itself is an insurance policy for inventory. Airlines will benefit from the agreement with low inventory, access to the international line network, and a provision for upgrades from the pool for parts. While MRO growth may be stunted by the PBH agreement, MROs must gear up or partner with bigger international firms for providing value services and products.

C.S.Toamr, Vishok Mansingh, Uday Naidu and Ashwani Sharma outlined **the Lessors Perspective of Indian Market- Lease Contract and Management**. There is a clear trend towards leasing of aircrafts with 1 billion USD going into airline lease management. The transition from one jurisdiction to another entails a cost of 275,000 USD for paperwork and compliance certificates. India falls under harsh lease conditions. Lessors are weary of Indian airlines leasing flights because of the Kingfisher fiasco and not signing the Cape Town Convention Treaty. Airlines should have a sound business plan to ensure lessor interest and sustainable plans with justification of costs are pertinent for lessor. There is a growing bulk order of aircrafts for lease. However, India has a high clearance time causing delay with is a barrier for MRO. Finally, it is the muscle and money power of an airline that dictates the leading contract.

**Skill Development and Human Resource Planning in the MRO Sector** was covered by speakers, Dr.C.G.K.Krishnadas Nair, Peter Immanuel, A Radhakrishnan, Dinesh Menon and Jonathan Manuel who listed many initiatives that have taken place. A computer based training program for Standard XI & XII students was launched by Dr.C.G.K. Krishnadas Nair and developed by Mr.Dinesh Menon, for creating interest in Aviation. The Govt. of India has taken initiative by setting up the Ministry of Skill Development and Entrepreneurship and National Skill Development Council (NSDC). NSDC offers training for various sectors, including Aerospace and Aviation Council- design, manufacture, MRO, airline and airport services. The Govt. is planning to setup multi-skilling institutes, provided that it is a high tech

segment with high demand and industry led encouragement. The Karnataka government has an agenda to promote aerospace technology courses across 60 institutions in the state for skill development

Currently, AME institutes are lacking proper modules, infrastructure and practical training. High maintenance cost, lack of employability and lack of practical training has reduced enrollment. EASA approval for restructuring modules in AME institutions is required to train EASA certified staff. Harmonizing Indian and international standards is required for training staff effectively. There is also a need for practical experience through simulators and on-hand experience. Trained students will be beneficial to MRO but there is a need to reduce the cost of courses. The application of modern tools and technology, employability, better infrastructure, certification and a modernized syllabus are the key factors for skill development.

#### **MM Activ Sci-Tech Communications**

MM Activ was conceived in the year 2001 as an integrated B2B Knowledge Media Organization in the field of Science & Technology, with a global perspective. MM Activ has been engaged in the field of Frontier Science & Technology through its key business verticals of Media, Events, Partnering and Advisory. They also are the publishers of Leading Business Magazines - BioSpectrum (India & Asia) and NuFFooDS Spectrum. MM Activ has created Knowledge & Business Platforms in sectors like Agrotech & Commodities, Coffee Export & Equipment's, MRO, Biotechnology, IT & Electronics, Nutraceuticals, Nanotechnology, Renewable Energy, Space Technology and R&D & Higher Education.

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