Ministry of Civil Aviation

INDIA AIRCRAFT LEASING & FINANCING SUMMIT 2.0

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The Ministry of Civil Aviation, Government of India (MoCA), jointly with the International Financial Services Centres Authority (IFSCA) and the Federation of Indian Chambers of Commerce & Industry (FICCI), successfully organised the 2nd edition of the India Aircraft Leasing and Financing Summit 2.0 (IALFS 2.0) on Friday, 8th May 2026, at the GIFT City, Gandhinagar, Gujarat. Union Civil Aviation Minister Shri Ram Mohan Naidu presided over the summit and Chief Minister of Gujarat Shri Bhupendra Patel was the Chief Guest.

Building on the success of its inaugural edition in 2025, IALFS 2.0 brought together experts from policy, finance, and the aviation industry to deliberate on strengthening GIFT IFSC’s role in aircraft leasing and aviation finance, with a focus on GIFT IFSC as an emerging global hub.

In his **Chief Guest address**, **Shri Bhupendra Patel, Chief Minister of Gujarat**, reaffirmed Gujarat’s commitment to strengthening GIFT City as a global financial and fintech hub. He also pointed to Gujarat's expanding aviation infrastructure, including new airport development projects, and invited global stakeholders to participate in the state's aviation growth journey.

Shri Ram Mohan Naidu Kinjarapu, Union Minister of Civil Aviation, in his Guest of Honour address, stated that under the leadership of Prime Minister Shri Narendra Modi, India is positioning itself not only as one of the world’s fastest-growing aviation markets, but also as an emerging global aviation financing and leasing jurisdiction. He projected significant expansion of India’s commercial fleet across aircraft categories over the coming years, underscoring the urgent need for a strong domestic financing and leasing ecosystem to support this growth.

Highlighting the scale of opportunity in the leasing sector, he stated: "India's commercial aircraft fleet is expected to reach 1,100 aircraft by 2027 and further expand to over 2,250 aircraft by 2035. Indian carriers currently have outstanding deliveries of 1,640 aircraft. That translates into a USD 50 billion opportunity for India's leasing ecosystem over the coming decade."

Shri Ram Mohan Naidu also highlighted the major commitments fulfilled following the first India Aircraft Leasing & Financing Summit. He referred to the enactment of the Protection of Interests in Aircraft Objects (PIAO) Act, 2025, describing it as a landmark reform aligning India's legal framework with the Cape Town Convention. He stated, "For years, lessors faced prolonged delays in exercising their IDERA rights, increasing costs for Indian airlines and ultimately impacting passengers through higher airfares. That gap has now been addressed".

The Minister further announced that another key assurance made at the conclusion of the first summit, the constitution of a High-Level Stakeholder Committee for leasing has also been fulfilled.

Minister Shri Ram Mohan Naidu highlighted the Government's continued support towards ensuring the operational stability and long-term growth of Indian airlines. He noted that the Government has capped ATF price increases at 25 percent, reduced landing and parking charges by 25 per cent across airports, and extended credit support measures to airlines. Referring to a recent Cabinet decision, he shared that the Union Government has approved a Credit Line Guarantee Scheme with an outlay of ₹5,000 crore aimed at easing liquidity pressures faced by airlines which no other government of the world has done.

Shri K. Rajaraman, Chairperson, IFSCA, set the tone for the summit by noting that GIFT IFSC currently hosts aircraft lessors and aviation financing structures covering aircraft, engines, helicopters, and other aviation assets. He pointed to key recent reforms — including the extension of the tax holiday framework, operationalisation of the single-window IT system, and introduction of SPV and trust structures — as foundations for globally accepted financing models. The next phase, he said, would focus on deepening the ecosystem through greater regulatory flexibility and broader institutional participation across the aviation finance value chain.

Shri Samir Kumar Sinha, Secretary, Ministry of Civil Aviation, Government of India, underscored the Government's commitment to building a stable, investor-friendly ecosystem, observing that India's aviation growth story is expanding beyond passenger traffic into ownership, financing, and financial innovation. He confirmed that efforts are underway to channel long-term domestic capital from financial institutions, insurance entities, pension funds, and infrastructure financing institutions into the aviation sector.

Providing an industry perspective, **Shri Jürgen Westermeier, Chairman, FICCI Civil Aviation Committee and President & MD, Airbus India and South Asia**, observed that India's aviation and aerospace sector continues to advance on the pillars of safety, affordability, competitiveness, and sustainability. Citing the large order backlog of Indian carriers and the scale of financing required for aircraft acquisitions, he concluded that the opportunity ahead offers significant scope for both domestic and international financiers and lessors.

The summit also witnessed key industry announcements. AI Fleet Services IFSC Ltd (Air India) announced plans to expand its portfolio from over 50 aircraft to 76 aircraft by March 2027, while InterGlobe Aviation Financial Services IFSC (IndiGo) announced plans to expand its portfolio from around 75 aircraft to nearly 150 aircraft during the same period.

Akasa Air announced establishment of its entity, 'Akasa Air Leasing IFSC Private Limited' (AALI), at GIFT City. AALI office at GIFT City will support Akasa Air's fleet expansion with leasing of ~60 aircraft over the next five years. Star Air announced establishment of Ghodawat Aviation IFSC Pvt Ltd in GIFT IFSC, to lease Embraer E190 aircraft in May 2026. In FY 2027, Star Air aims to lease 6 to 8 more regional aircrafts from GIFT IFSC.

Vistra as a Trust and Company Service Provider (TCSP) under the recently amended IFSCA (TechFin C Ancillary Services) Regulations, 2025 announced providing services to lessors by setting up of SPV structures for Aircraft leasing from Gift IFSC.

KPMG in collaboration with MoCA and FICCI announced the release of its report "Advancing the aircraft leasing ecosystem in India – From reforms to powering future growth"

The plenary session concluded with the signing of an MoU between IFSCA and FICCI for promoting GIFT IFSC as an international financial centre and a global hub for aviation finance.

Sessions on Strengthening Aircraft Leasing and Aviation Financing Ecosystem in GIFT IFSC.

The sessions focused on strengthening GIFT IFSC as a competitive global hub for aircraft leasing, financing and aviation investment. Discussions brought together airlines, cargo operators, helicopter operators, lessors, banks, financial institutions, legal and tax experts, regulators and other stakeholders.

Participants appreciated the Government's continued efforts in building a robust aviation leasing ecosystem through key reforms such as the Bharatiya Vayuyan Adhiniyam, the PIOA Act, extension of tax benefits for leasing entities, reduction in corporate tax rates and measures aimed at providing greater regulatory and tax certainty. Stakeholders noted that these reforms have enhanced investor confidence and improved the ease of doing business in the sector.

Airlines and operators highlighted the need to further strengthen domestic aircraft and engine financing capabilities, improve access to funding and create a more competitive financing environment. Discussions also covered issues such as talent availability, tax certainty, DTAA-related clarity, domestic aircraft financing capabilities and the transition towards asset-based financing models. Cargo and helicopter operators also emphasised the need for streamlined customs procedures, easier import processes and dedicated institutional support mechanisms for addressing sectoral issues.

Banks and financial institutions discussed the importance of creating a deeper and more competitive aviation financing market in GIFT IFSC, including the development of refinancing mechanisms, pooled funding structures and a vibrant secondary market for aircraft financing.

The DGCA provided regulatory clarity on the evolving framework for aircraft leasing, financing and asset recovery. The framework established for implementation of the Cape Town Convention was highlighted as a significant step reflecting the regulator's commitment towards strengthening and supporting the growth of India's civil aviation sector.

Overall, the sessions reflected a shared commitment among Government, industry, leasing entities and financial stakeholders to further strengthen India's aviation financing and leasing ecosystem and position GIFT IFSC as a globally competitive aviation hub.

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