

Civil Aviation Minister Ram Mohan Naidu chairs High Level Committee on Aircraft Leasing and Financing

Posted On: 02 SEP 2026 8:56PM by PIB Delhi

The first meeting of the High-Level Committee (HLC) on Aircraft Leasing and Financing was held under the chairmanship of Union Minister of Civil Aviation Shri Ram Mohan Naidu. The Committee deliberated on measures to develop a robust and globally competitive aircraft leasing and financing ecosystem in India, in line with the rapid expansion of the country's aviation sector.



The meeting was attended by Shri Samir Kumar Sinha, Secretary, Ministry of Civil Aviation; Shri Puneet Kansal, Additional Secretary, Ministry of Civil Aviation; senior officials of the Ministry of Civil Aviation; Ministry of Finance, Department of Commerce; DGCA; RBI; IFSCA and representatives of industry associations.



Opening the discussion, Union Minister Shri Ram Mohan Naidu said, “Last year, we organized the first Aircraft Leasing Summit in GIFT City. One of the key suggestions from stakeholders was the ratification of the Cape Town Convention, which we addressed through the enactment of the Protection of Interests in Aircraft Objects Act. This year, at the second Aircraft Leasing Summit, one of the suggestions I received from the industry was the formation of a High-Level Committee. I am pleased that we are holding its first meeting today.”



The Minister observed that aircraft leasing is an established and commercially viable business, with the risks associated with the sector being progressively addressed through appropriate legal and regulatory measures. He also suggested exploring mechanisms for greater allocation of bank credit to the aircraft sector and identifying joint ventures for technical and skill development in aircraft leasing.

Government efforts to encourage aircraft leasing and boost lessor confidence are yielding results, with 422 assets, including 250 aircraft and 87 engines, having been leased through IFSC and 474 leasing agreements having been signed.

Highlighting the importance of aircraft leasing, the Minister said that under the leadership of Prime Minister Shri Narendra Modi, India's aviation sector is witnessing exponential growth. While India has been expanding its airport infrastructure at a rapid pace, with an airport being operationalized every 45 days, the availability of aircraft remains a key bottleneck. With more than 85% of the fleet of Indian carriers being leased, he emphasized the significance of continued engagement with stakeholders to strengthen the leasing ecosystem.

The Committee also took up a range of issues to create an enabling environment for aircraft leasing and financing, including taxation, regulatory frameworks, availability of finance and ease of doing business. Discussions included the potential for rupee-denominated financing for aircraft, greater clarity on the applicability of GAAR, and the possibility of renegotiating the Double Taxation Avoidance Agreement framework with Ireland.

Concluding the deliberations, Shri Ram Mohan Naidu emphasized the need for a coordinated and time-bound approach towards addressing the identified regulatory, financing and taxation-related issues. The Committee agreed that the proposed measures should be examined in consultation with the concerned Ministries, Departments and stakeholders, with a focus on developing predictable policy framework for aircraft leasing and financing in India.

These reforms have the potential to fundamentally reshape India's aviation landscape by making aircraft acquisition and financing easier, faster and more competitive. A predictable and globally aligned leasing ecosystem will significantly enhance Ease of Doing Business for airlines and investors, while greater availability of aircraft will ultimately translate into better connectivity, more choices and greater Ease of Flying for passengers. This will further strengthen India's emergence as a major global aviation hub.

Divyanshu Kumar

(Release ID: 2306123) Visitor Counter : 673

Read this release in: Urdu , हिन्दी , Telugu