

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 4929  
(To be answered on the 25<sup>th</sup> March 2021)**

**INDIA AIRCRAFT LEASING SUMMIT**

**4929. SHRI ANURAG SHARMA**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Ministry has organized India Aircraft Leasing Summit recently and if so, the details thereof along with the theme of the summit;  
(b) whether aircraft financing is the most profitable segment of the aviation value chain and currently foreign financiers and lessors are the biggest beneficiaries of India's growing opportunity and if so, the details thereof; and  
(c) the other steps taken by the Government to develop Aviation Leasing and Financing Hub in India?

**ANSWER**

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

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

- (a): Yes, Sir. Ministry of Civil Aviation organized the "India Aircraft Leasing Summit" in collaboration with International Financial Services Centre (IFSC) Authority on 26 February 2021 at New Delhi with a focus on policy and regulatory reforms undertaken for making India an aircraft leasing and financing hub.
- (b): As per assessments shared by participants and knowledge reports presented by stakeholders, the aircraft financing sector is generally considered more profitable than other segments of civil aviation mainly due to the ability of lessors and financiers to deploy capital efficiently and deployment of smart asset management strategies for aircraft. Indian scheduled airline operators presently have over 80% of their total fleet procured on lease basis, all of them from foreign lessors.
- (c): The essential elements of the roadmap to put in place the necessary ecosystem for aircraft leasing and financing in India have been implemented. These cover various tax and non-tax measures, including (i) exemption from corporate tax for a block period of 10 years within the first 15 years for leasing units, (ii) exemption from Stamp Duty on documents for such transactions carried out from IFSC at GIFT-City, (iii) enactment of the IFSC

**Authority Act providing for a Unified Regulator, (iv) notification of "aircraft lease" as a financial product, (v) permission to insurance companies to undertake aircraft insurance and invest in leasing and financing business, (vi) enabling pension funds and alternate investment funds to participate in aircraft financing, (vii) enabling re-leasing of aircraft and engines within India at the end of expiry or termination of an existing lease without physical re-export of aircraft, and (viii) granting waivers from Importer Exporter Code (IEC) and from General Remittances (GR) for overseas lessors and financiers. Aircraft Leasing Framework was released through the IFSC Authority on 19 February 2021.**

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