

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1864
(To be answered on the 31st July 2025)**

OBJECTIVES OF AIRCRAFT OBJECTS BILL, 2025

**1864. SHRI SATISH KUMAR GAUTAM
SHRI YOGENDER CHANDOLIA
SHRI VISHWESHWAR HEGDE KAGERI
SHRI MUKESH RAJPUT
SHRI CHINTAMANI MAHARAJ
SHRI DAMODAR AGRAWAL
SMT APARAJITA SARANGI
DR. MANNA LAL RAWAT
SHRI JAGDAMBIKA PAL
SMT KAMALJEET SEHRAWAT
SHRI JANARDAN MISHRA
SHRI PRATAP CHANDRA SARANGI
SHRI SHANKAR LALWANI
DR. LATA WANKHEDE
SHRI PRAVEEN PATEL**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the key objectives of the Protection of Interest in Aircraft Objects Bill, 2025;**
- (b) the estimated reduction in the cost of lease of aircraft for Indian carriers due to the provisions of the said Bill;**
- (c) the estimated number of aircrafts taken on lease and operating in the country; and**
- (d) whether the said Bill is likely to have any impact on the system of determining prices of air tickets in the country and if so, the details thereof?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a):India had acceded to the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment signed in Cape Town on 16th November, 2001. In order to implement the said Convention and Protocol, 'The Protection of Interests in Aircraft Objects Bill, 2025' was passed by the Parliament and thereafter has received Presidential assent on 16th April, 2025. The key objectives of the legislation are as follows:

(i) To improve India's CTC Compliance Index score and enhance its position in the global aircraft leasing and financing market.

(ii) To provide legal certainty through primary legislation, thereby reducing the risk premium, lowering interest rates and lease rentals for financing/leasing of aircraft.

(iii) To ensure better contract enforceability and repossession certainty for creditors and lessors, which will improve the ease of doing business in India and boost the growth of domestic leasing hubs such as the GIFT City.

(iv) To facilitate favourable international financing and leasing markets for Indian carriers, enabling them to expand their network connectivity and modernize their fleets.

(b):The airlines have informed that through the enactment of the legislation, aircraft leasing costs are likely to be reduced by 8% to 10%.

(c):The estimated number of leased aircraft in India is 870, out of which 750 are deployed in scheduled operations and 120 are deployed in non-scheduled operations.

(d) :The augmentation of fleet, expansion of airline networks and reduced financing/leasing costs is expected to encourage healthy competition and translate into lower airfares for passengers and cargo.
