

**Import of Aircraft/Aircraft Engine/
Helicopter on lease basis
A.P.(DIR Series)Circular No.24 (March 1, 2002)**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001**

A.P.(DIR Series)Circular No.24

March 1, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Import of Aircraft/Aircraft Engine/
Helicopter on lease basis**

Authorised dealers are aware that the Reserve Bank is considering applications from airline companies and air taxi operators for payment of the lease rentals for import of aircraft/aircraft engine/helicopter on lease basis, based on the approval issued by the Director General of Civil Aviation (DGCA), Government of India.

2. It has been decided that authorised dealers may allow remittance of payment of lease rentals, opening of letter of credit towards security deposit etc. in respect of import of aircraft/aircraft engine/helicopter **on operating lease basis**, after verifying documents to show that necessary approval from the appropriate authorities, like Ministry of Civil Aviation/Director General of Civil aviation, Government of India has been obtained. In this connection attention is also invited to paragraph 8 of Annexure I to A.D.(M.A. Series) Circular No.11 dated May 16, 2000.

3. It is clarified that **financial lease transaction** i.e. the lease transaction containing option to purchase the asset at the end of the lease period will continue to require prior approval from the Reserve Bank of India.

4. Authorised dealers may bring the contents of this circular to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under Section 10(4) & Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager