

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1234
ANSWERED ON:04.03.2010
OUTSTANDING DUES AGAINST AIRLINES
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the details of the amount of dues for aviation fuel of the various airlines payable to Public Sector Oil Marketing Companies for the last four quarters ending 31 December 2009, PSU-wise and airline-wise;
- (b) whether any notice was given to these airlines to clear their dues;
- (c) if so, the details thereof and the amount recovered from them, airline-wise; and
- (d) the action being contemplated against erring airlines?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): The details of the amount of dues for aviation fuel of the major airlines payable to Public Sector Oil Marketing Companies (OMCs) and payments received from them during the last four quarters ending 31.12.2009, PSU-wise and airline-wise are given at Annexure.

The issue of outstanding dues has been taken up several times with defaulting airlines by the OMCs to clear their outstanding dues. Even notices to put them on Cash and Carry were also sent. Continuous efforts are being made by OMCs to collect the outstanding payments from the Airlines.

(d): Due to repeated default, M/s Kingfisher Airlines was put on Cash and Carry effective 29.01.2009 and bank guarantee was encashed by Indian Oil Corporation Limited (IOC). Bharat Petroleum Corporation Limited (BPC) has also put Kingfisher Airlines on Cash and Carry effective 06.02.2009 and invoked Arbitration/ legal proceedings to recover the dues as per fuel supply agreement. BPC has now reported that M/s Kingfisher Airlines have consented to settlement in Mumbai High Court to a schedule of payment along with interest on the principal amount.