

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

UNSTARRED QUESTION NO:3056

ANSWERED ON:12.08.2010

PENDING DUES OF AIRLINES

Das Gupta Shri Gurudas; Siddeswara Shri Gowdar Mallikarjunappa; Tarai Shri Bibhu Prasad

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

- (a) whether a number of private airlines in the country is owing huge sum to Public Sector Oil Companies;
- (b) if so, the details thereof along with a list of amounts of private airlines owe to various oil companies for the last four quarters ending on 30 June, 2010;
- (c) whether this holding up of payments by the private airlines adds to losses of oil companies;
- (d) if so, the details thereof;
- (e) whether this Government has taken any step to recover the due amounts from those airlines; and
- (f) if so, the details thereof?

Answer

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

(a)&(b): Airline-wise detail of outstanding dues of the private airlines for the last four quarters ending on 30.06.2010 is given in Annexure. The Oil Marketing Companies (OMCs) extend credit on commercial terms to the Airlines and not all outstandings are overdue.

(c) & (d): Holding up of payments by the private airlines do not add to the losses of OMCs as interest is being recovered on overdue payments.

(e)&(f): In case Airlines fails to pay their dues, OMCs take action for recovery of dues in line with the mutually agreed commercial terms between them and the Airlines. The defaulting airlines are also put on 'Cash and Carry' and interest is recovered on all overdue payments. OMCs also encash bank guarantee and post dated cheques for recovery of their outstanding dues wherever applicable as per commercial terms agreed between them and Airlines. However, in case OMCs fail to recover their outstanding dues as per commercial agreement between them and Airlines, OMCs resort to take legal route by filing suit against the defaulting Airline in the Court of law for recovery of same. Hindustan Petroleum Corporation (HPC) has put Kingfisher Airlines on cash and carry since 1st July, 2010. Bharat Petroleum Corporation (BPC) has also filed a winding up petition in Mumbai High Court against Kingfisher Airlines. Recovery is being made by BPC in line with consent terms between BPC and Kingfisher Airlines before the court in November 2009 whereby the entire dues are to be cleared by November, 2010.