

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

UNSTARRED QUESTION NO:535
ANSWERED ON:24.11.2011
SUPPLY OF FUEL TO AVIATION COMPANIES
Joshi Shri Pralhad Venkatesh

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

- (a) whether the public sector oil companies are allowing the supply of huge quantity of fuel to various private aviation companies like Jet Airways, Kingfisher, Spice Jet Airways and other on credit basis;
- (b) if so, whether these private aviation companies have kept payment of dues pending for a long time;
- (c) if so, the details of the dues pending from various aviation companies during the last three years;
- (d) whether the Government is reconsidering the facility of credit for supply of fuel to the private aviation companies; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIS. JAIPAL REDDY)

(a) & (b) :The Public Sector Oil Marketing Companies (OMCs) supply Aviation Turbine Fuel to Private Airlines as per mutually agreed commercial terms. Credit supplies are extended to the airlines and the airlines make payments depending upon the agreed commercial terms. In case airlines fail to pay their dues, OMCs take action for recovery of dues in line with the mutually-agreed commercial terms. The defaulting airlines are also put on 'Cash and Carry' and interest is recovered on overdue payments. OMCs encash bank guarantee and post dated cheques for recovery of their outstanding dues, wherever applicable, as per commercial terms agreed between them and airlines. In some cases, OMCs also resort to the legal route by filing suit against defaulting airlines in the Court of law for recovery of dues.

(c) : Details of outstanding dues of OMCs from private airlines for the last three years and current year (April-September, 2011) are given below :

(Rs. in crores)

Name of OMC private airlines as on 30.09.11	Name of private airlines as on 31.03.11	Outstanding dues as on 31.03.10	Outstanding dues as on 31.03.09
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Indian Jet Airways	695.90	395.3	816.7	756.38
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Oil Go Airway	39.05	39.79	11.6	6.56
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Corpo Spice jet	93.70	73.71	88.9	102.58
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-ration Kingfisher	nil	2.05	30.6	313.14
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Ltd. Airlines
(IOC)

Bharat Jet Airways	153.24	119.38	116.80	119.40
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Petro Go Airway	1.41	1.41	1.41	5.30
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-leum Spice jet	nil	nil	nil	nil
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Corpo Kingfisher				
-ration Airlines	nil	187.18	278.55	325.76

Ltd.
(BPCL)

Hindu Jet Airways 0.01 0.00 0.00 4.03

-stan Kingfisher 636.79 423.35 474.67 537.12

Petro Airlines

-leum Paramount 19.28 19.28 32.58 30.57

Corpor Airways

-ation

Ltd.

(HPCL)

(d) & (e):At present, there is no proposal for reconsidering the credit facility for supply of fuel to private aviation companies.