

**GOVERNMENT OF INDIA**  
**MINISTRY OF PETROLEUM AND NATURAL GAS**  
**RAJYA SABHA**  
**QUESTION NO 02.03.2010**  
**ANSWERED ON**  
**NON PAYMENT OF ATF CHARGES BY AIRLINES .**

542

SHRI DHARAM PAL SABHARWAL

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING, PETROLEUM AND NATURAL GAS be pleased to state :-

- (a) whether it is a fact that several private airlines owe more than Rs 1000 crores to oil companies on account of non-payment of Aviation Turbine Fuel (ATF) charges;
- (b) if so, the details of amount due from private airlines on account of ATF charges; airline-wise; and
- (c) what steps Government has taken so far to recover the dues from private airlines?

**ANSWER**

## MINISTER OF PETROLEUM & NATURAL GAS

(SHRI MURLI DEORA)

(a) & (b) As on 15.02.2010, major private Airlines i.e. M/s Jet Airways and M/s Kingfisher Airlines owed Rs.1079.33 crore and Rs.913.96 crore respectively to Oil Marketing Companies (OMCs) namely Indian Oil Corporation Ltd. (IOCL), Hindustan Petroleum Corporation Ltd. (HPCL) and Bharat Petroleum Corporation Ltd. (BPCL). Airline-wise and Company-wise details of outstanding dues are given below: Figure in Crore

Name of Airlines	Outstanding dues as on 15.02.2010	TOTAL	IOCL	HPCL	BPCL
Jet Airways	915.73	0.00	163.60	1079.33	
Kingfisher Airlines	30.71	602.88	280.37	913.96	
Total Amount	946.44	602.88	443.97	1993.29	

(c) : 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 Airlines. Details of security available to OMCs against these private airlines are given below: -

Name of Airlines IOCL BPCL HPCL Jet Airways Bank guarantee 750 crore and post dated cheque Rs 400 crores Bank guarantee 100 crore and post dated cheque Rs 84.09 crores No business Kingfisher Airlines Cash and carry Cash and carry Corporate guarantee of United Breweries Holdings Limited of Rs 250 crores To recover the dues, BPCL had filed court case against Kingfisher Airlines in Mumbai and Bangalore High Courts. Subsequently, Kingfisher Airlines and BPCL have signed consent terms in Mumbai High Court for settlement of payment of dues. Kingfisher Airlines has agreed to pay the full amount as claimed by BPCL as on 31st March 2009 on the consent terms agreed between them. As per agreed terms Kingfisher Airlines has paid Rs.40 Crores in November 2009. Balance outstanding will be repaid over the 12 months in monthly installments of not less than Rs.10 crore each. Interest is payable on the principal till the date of respective payments. Further, Kingfisher Airlines will pay Rs. 60 Crore out of any funding arrangement exceeding Rs. 400 Crores made by them. 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.

The issue of outstanding dues was also taken up with Ministry of Civil Aviation which advised the airlines to clear their outstanding dues promptly.