

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3024
(To be answered on the 17th December 2015)**

AIR INDIA DUES

3024. SHRI RAMSINH RATHWA

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether a number of travel agents had reportedly duped Air India of crores of rupees during the last two years;**
- (b) if so, the details thereof indicating the names of travel agents and amount involved therein and the action taken thereon; and**
- (c) the steps taken or proposed to be taken by the Government to avoid such incidents in future and also to recover Air India dues from such travel agents?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Dr Mahesh Sharma)

(a). Yes, Madam.

(b). The details of outstanding dues from such agents and the status of dues are attached as Annexure A. Air India has undertaken recovery process with these agents through IATA BSP Insurance/Bank Guarantee Coverage (International Air Transport Association- Billing and Settlement Plan) and through litigation. In some cases, FIR has been filed against defaulting agents.

(c). Steps taken to recover money from defaulting agents and to avoid occurrence of such incidents in future are as follows:

I. Immediate Action initiated against Defaulting Agents:

- i) The defaulting agency's ticket capping on Air India is reduced to zero.**
- ii) The agent's access to Air India reservation system and to Billing and Settlement Plan (BSP) is blocked in order to deny the agent from processing any refund of the tickets.**

iii) Subsequently, the Agent also gets terminated from IATA BSP. (International Air Transport Association- Billing and Settlement Plan)

II. Action taken to recover outstanding dues :

- i) IATA BSP is informed to invoke the Financial Insurance coverage.
- ii) Regular visit by Air India team to the agency to impress upon them to make good the payment due to Air India.
- iii) Legal action is initiated against the agents. In some cases FIR is filed along with civil suit against the agent for recovery of outstanding dues.

In addition to the above, the capping levels of agents are regularly monitored by Air India and following action is initiated to avoid such instances in future:

- i) The regional offices have been informed to be cautious and vigilant with regard to the over trading limits assigned to the agents as per the current policy.
- ii) Due diligence of all agents who are allowed to overtrade is being done at the regional level. In case of any market information about the vulnerability of agents, their capping is restricted and they are not allowed to overtrade.
- iii) After discussion with representatives of various regions, certain changes have been made in the existing capping policy which was reviewed in March 2015.

ANNEXURE - A

BSP DEFAULTS DURING 2013-14 (1st April 2013- to 31st March 2014)					
Agent Name	Station	Total default Amount on BSP (All Airlines)	Total default Amount	Amount Recovered	Total unrecovered amount on Air India
AIRZIP HOLIDAYS	Bhubaneswar	126,912,904	4,319,257	-	4,319,257
I-Nova Aviation Services	Kolkata	4,310,830	187,994	-	187,994
Amar Air Travels	Vadodara	4,100,683	517,587	-	517,587
Global Passages Pvt Ltd	Delhi	2,750,985	194,169	-	194,169
DOLPHIN TRAVELA P. LTD.	Delhi	48,241,558	9,657,757	3,200,000	6,457,757
SHREE SATI TRAVELS PVT. LTD.	Mumbai	238,819,953	99,883,785	-	99,883,785
Aerojet Travel Services	Delhi & Bengaluru	616,103,872	596,899,406	224,700,000	372,199,406
Total 2013-2014		1,041,240,785	711,659,955	227,900,000	483,759,955
BSP Defaults 2014-2015 (1st April 2014- to 31st March 2015)					
Airworth Travels	Delhi	251,857,272	144,909,285	69,830,663	75,078,622
Jewria Service Club	Mumbai	856,033	164,680	-	164,680
Olumpus Travel Pvt Ltd	Thiruvananthapuram	801,135	109,092	-	109,092
Kshitj Travels	Rourkela	961,387	110,797	-	110,797
Facilities	Indore	25,505	24,380	-	24,380
Total 2014-2015		254,501,332	145,318,234	69,830,663	75,487,571
* The recovery processes through IATA BSP Insurance/BG Coverage is being pursued. Also, Air India is separately following up the matter with agents to recover money.					