

**DECISION 2012 – 04 - 18**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road,  
Remuera, Auckland 1050,  
New Zealand

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**Applicant:**

Grin Travels Pvt Ltd.,  
12A Bezzola Complex, Opp Suman  
Nagar, Sion Trombay Rd.  
Chembur, Mumbai  
India  
Represented by Mr Tejas Kapasi, Chief Executive Officer and Director.

**Respondent:**

Agency Administrator, Geneva,  
International Air Transport Association, IATA,  
111 Somerset Road, #14-05,  
TripleOne Somerset,  
Singapore.  
Represented by Mr Nadarajah Prabaharan, Manager, Agency Management Asia Pacific.

**The Case and Decision:**

Both parties have agreed to waive their right to an oral hearing and have allowed the undersigned to reach a Decision based on the written information submitted.

In brief, the Agent failed to settle the full amount for the remittance period 16 – 31 – January 2012 by INR265.00 (USD5.12) and was sanctioned with 2 Instances of Irregularity (IRR) by IATA in a letter dated 13 February 2012. Failure to make settlement by close of business on the first working day following the date of the demand would result in a declaration of Default.

The payment was not made by the deadline and in a 15 February 2012 letter IATA advised the Agent that it was in Default and gave warning that if settlement was not made by 31 March 2012 the Agent would be terminated. This action could be avoided if the Agent paid at least 50 percent of the outstanding amount and agreed a firm schedule of repayments in installments plus interest at the prime rate plus 1 percent.

On 2 April 2012 IATA terminated the Agent as the amount now of INR530.00 (USD10.24) had not been paid by 31 March 2012. The Agent was advised that a review

could be requested of the Travel Agency Commissioner if made within 30 days of the termination letter's date which the Agent chose to do and contacted the writer on 4 April 2012. The Agent also settled the INR530.00 on 9 April 2012 post termination.

The Agent had been made fully aware of the consequences of non-action by a series of e-mails from IATA Mumbai staff.

The INR530.00 indebtedness turned out to be ADMs of INR265.00 each which related to a carrier's charges in connection with the Agent's misuse of a GDS. On being questioned by the writer as to why such a paltry sum was allowed to seriously affect the Agent's business the Agent advised that it was in the process of moving to a new location and during that time there was "miscommunication" and they had not received any supporting documents or answers from the airline.

Instead of initiating the Disputed Agency Debit Memos provisions of Paragraph 1.7.9 of Atch A to Resolution 818g the Agent chose to ignore the issue only to discover the severe consequences of so doing.

Having examined the factors involved in this Review I have come to the conclusion that a combination of being distracted by the move to a new location, ignorance of the avenues open to it relative to ADM handling and underestimating the severity of the situation faced led the Agent into this unfortunate, for it, situation.

IATA handled the matter in full compliance with the Resolutions and had no choice but to act as it did.

Consequently it is decided as follows:-

1. The Agent is to be re-instated subject to the following conditions:-
  - (a) an audited set of financial statements is to be provided to IATA for prompt examination and must be found to be satisfactory.
  - (b) a Bank Guarantee of the amount determined by IATA is to be put in place
  - (c) the IATA inspection of the new premises finds them satisfactory and the fee associated therewith is paid.

Decided this 18<sup>th</sup> day of April 2012 in Auckland

**Jorgen Foged**  
**Travel Agency Commissioner Area 3**

**Note:**

**Either party may, if considered aggrieved by this decision, seek review by arbitration in accordance with Resolution 820e, Section 4 subparagraphs 4.1 and 4.3.**