



Case Studies in Contemporary Management

Edited By

Dr. Sumanta Dutta | Dr. Soumya Saha

Dr. Shivaji Banerjee | Prof. Shaunak Roy



About the Editors



Dr. Sumanta Dutta at present is an Assistant Professor in the Post-Graduate Department of Commerce, St. Xavier's College (Autonomous), Kolkata under the University of Calcutta. He has over 18 years of experience in teaching and research. He has presented numerous papers in various national and international conferences. He has authored a book published by Lambert Academic Publishing (Germany) and text book on Strategic Management. His work has been cited well both in SSRN top ten-download list as well as in Google Scholar.



Dr. Soumya Saha is an Assistant Professor in Commerce at Vivekananda Mission Mahavidyalaya, Haldia, Purba Medinipur. He is also associated with Department of Commerce, University of Calcutta as a guest faculty. He has an experience in teaching over 15 years. He has contributed numerous research papers in various National and International Conferences. Along with this, he has authored a book published by Lambert Academic Publishing (Germany) and has edited two volumes, which have been published by Regal Publications (New Delhi).



Dr. Shivaji Banerjee is an Assistant Professor and former head in the Department of Management under the Faculty of Commerce (Morning) at St. Xavier's College (Autonomous), Kolkata. With an overall teaching experience spanning twelve years, he has been associated as an accomplished professor of management in the college as well as a guest faculty in reputed institutions such as the University of Calcutta, IISWBM and IEST, Shibpur. Dr. Banerjee also serves as a management trainer and consultant in various corporate houses.



Prof. Shaunak Roy is presently engaged as an Assistant Professor of Management in the Department of Commerce and Management Studies at St. Xavier's College (Autonomous), Kolkata. He has several publications in leading national and international journals. Prof. Roy has co-authored a book entitled 'Entrepreneurship Development and Business Ethics' published by Oxford University Press. His research interests are primarily focussed on the dimensions of Marketing, and Entrepreneurship.



Bharti Publications, New Delhi

E-mail: info@bhartipublications.com • bhartipublications@gmail.com

www.bhartipublications.com

ISBN 978-93-89657-06-7



Price- Rs. 585/-

10
CASE

The Rise and Fall of Jet Airways (India) Limited

Pingala Roy Chowdhury & Dr. Tanupa Chakraborty

1

BACKGROUND

The history of Indian Aviation Industry dates back to the year 1912 and since then, it has been one of the leading and fastest growing airline industries in the world. Presently, there are a total of 127 airports in India including 13 international airports, 7 custom airports, 80 domestic airports and 27 civil enclaves which are under the direct control and supervision of The Airport Authority of India (AAI). Till mid 1990s, the Indian Aviation Industry was dominated primarily by government owned airlines which slowly witnessed a turn of events with the announcement of Open-Skies policy (an agreement between two countries allowing restriction free fly of airlines between the respective countries irrespective of the number of flights, destinations, seats, prices, etc.) by the government in that very year. By the year 2000, private airlines started entering into the industry and the present scenario clearly depicts the prevalence and dominance of the private airlines in the industry. Thus, the aviation industry today has both public players like Air India and Indian Airlines, and private players such as Indigo, Spice Jet, Go Air Airlines, and Jet Airways until recently.

Jet Airways (India) Limited was incorporated as a private company on April 1, 1992 with limited liability. The company was funded 20 percent by Gulf Air, Kuwait Airways contributing 20 percent, and the major contributor to the extent of 60 percent was Mr. Naresh Goyal, a non-resident businessman, who completed his bachelor's degree in Commerce from Patiala, Punjab. An aspiring chartered accountant, unable to pursue his studies due to financial crisis, Mr. Goyal started his career as a cashier in his uncle's travel agency. After this, he was recruited as the public

- Correspondent. (2019, August 13). Etihad clears the air. *The Telegraph*, p. 9.
- Correspondent. (2019, July 19). Jet Air starts sifting claims. *The Telegraph*, p. 7.
- Cummins, N. (2019, April 12). The Story of Jet Airways- From Boom to Near Bust. Retrieved from <https://simpleflying.com/jet-airways-story/>.
- Good Returns. (2019). Jet Airways (India) Ltd. Company History and Annual Growth Details. Retrieved from <https://www.goodreturns.in/company/jet-airways-india/history.html>.
- Joshi, A. (2019, April 23). Downfall of Jet Airways: How Naresh Goyal's Airline walked into a trap of its own making from where there was no return. *Firstpost*. Retrieved from <https://www.firstpost.com/business/downfall-of-jet-airways-how-naresh-goyals-airline-walked-into-a-trap-of-its-own-making-from-where-there-was-no-return-6499081.html>.
- Kaushik, M. (2019, April 30). BT Buzz: Jet Airways- Hanging by a thread. *Business Today*. Retrieved from <https://www.businesstoday.in/bt-buzz/news/bt-buzz-jet-airways-hanging-by-a-thread/story/341582.html>.
- Reuters. (2019, April 10). The Rise, the fall and the challenges of Jet Airways. *Business Today*. Retrieved from <https://www.businesstoday.in/sectors/aviation/the-rise-the-fall-and-the-challenges-of-jet-airways/story/335811.html>.
- Reuters. (2019, July 20). Interim Relief for Jet. *The Telegraph*, p. 7.
- SNS Web. (2019, April 11). Jet Airways suspends all international flights for Thursday. *The Statesman*. Retrieved from <https://www.thestatesman.com/business/jet-airways-cancels-international-flights-thursday-1502744790.html>.
- Staff Writer. (2019, June 20). NCLT admits lender's move for bankruptcy proceedings against Jet Airways. *Live Mint*. Retrieved from <https://www.livemint.com/companies/news/nclt-admits-lenders-move-for-bankruptcy-proceedings-against-jet-airways-1561038831117.html>.
- Stepanyan, A. (2014). Altman's Z-Score in the Airline Business. Case Study of Major US Carriers. Are They Potential Bankruptcy Candidates? *International Journal of Advances in Management and Economics*, 3(1), 16-24. Retrieved from <https://www.managementjournal.info/index.php/IJAME/article/view/147/141>.