

# Product details



## [Jet Airways Meets a Tragic Fate](#)

**Case** - Reference no. 320-0265-1

**Subject category:** [Strategy and General Management](#)

**Authors:** [Reeti Kulshrestha](#); [Arun Sahay](#)

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**Topics:** [Aviation industry](#); [Competition](#); [Corporate strategy](#); [Business strategy](#); [Organizational decline](#); [Turnaround](#)

## About

### Abstract

On 14th February, 2019, Jet Airways announced a State bank of India (SBI) led provisional resolution plan (BLPRP), to revive the struggling carrier. In pursuance of the plan, Jet Airways founder Naresh Goyal had to step down from the board of the beleaguered carrier on the 26th March, 2019. This opened the door for new investors. Experiencing a downslide since 2017, cash-starved Jet Airways was in deep trouble now. The Airline has defaulted on several payment obligations including non-payment of salaries of March, 2019 to its 1600 employees. On Wednesday, the 9th April, 2019, Indian Oil stopped fuel supplies to the airline. On 10th April, 2019, one of the Boeing 777 aircrafts of Jet Airways was seized in Amsterdam by European cargo services provider for non-payment of dues. Finally, moving the steep downhill, it announced suspension of all operations on April 17, 2019 creating a big gap between demand and supply. TPG Capital, Sovereign Wealth Fund, National Infrastructure Investment Fund, Consortium of Redcliffe Capital, Think Equity, Etihad Airways, and Indigo Partners have submitted Expression of Interest (EOI). The Tata group, which is present in two airlines namely Vistara and Air Asia India, would be interested in adding Jet Airways to its portfolio only through Bankruptcy route. Etihad, which is facing stiff competition from Emirates, would be interested only if Goyal's stake is reduced at least to 22% for perpetuity, thus, locking him out of the airline. Banks were trying to minimize their losses by getting investors while Naresh Goyal was trying to stage a comeback through a back door. Only some Expression of Interest (EOI) was received but no binding proposal. Stranded travelers were waiting for the refund of their money while shareholders were feeling deceived. Bankers and the Ministry of Aviation were trying to resolve the issue and prop the company for its turnaround but the analysts were wondering whether the company can ever turnaround; the world at large was waiting for the cat to come out of the bag. While insolvency resolution process extends its deadline up to 21st August, 2020 due to COVID19, to help maximize the value of the defunct airline, the overseas debts get paid off by transferring the title of six aircrafts to the corporate debtor. Did Naresh Goyal see it all coming? Was it a classic case of better three hours too soon than a minute too late? Only he would know.

### Teaching and learning

This item is suitable for postgraduate and executive education courses.

## Settings

### Time period

The events covered by this case took place in 2019-2020.

### Geographical setting

<b>Region:</b>	Asia
<b>Country:</b>	India
<b>Location:</b>	Different parts of India

### Featured company

#### Jet Airways

<b>Employees:</b>	10000+
<b>Turnover:</b>	USD 3.5 billion (FY 2017-18) last updated
<b>Industry:</b>	Aviation
<b>Other keywords:</b>	Strategy; Etihad; Jetair

### Featured protagonist

- Naresh Goyal (male), Founder

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**Teaching note** - Reference no. 320-0265-8

**Subject category:** [Strategy and General Management](#)

**Authors:** [Reeti Kulshrestha](#); [Arun Sahay](#)



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