

## IMPACT OF GLOBAL FINANCIAL CRISIS ON INDIAN AVIATION INDUSTRY: A CASE STUDY OF AIR INDIA LIMITED

MOHD. MOHSIN KHAN<sup>1</sup> & SWARICHAJOHRI<sup>2</sup>

<sup>1</sup>Professor, Department of Commerce Aligarh Muslim University, Aligarh, Uttar Pradesh, India

<sup>2</sup>Research Scholar, Department of Commerce Aligarh Muslim University, Aligarh, Uttar Pradesh, India

### ABSTRACT

The Civil aviation sector is the prime movers for the economic growth and the strategic element of the employment generation. The global financial crisis that was emerged due to failure of the major financial institutions had left the drastic impact over the world economy and as the aviation is an important part of the economy so it was heavily affected by the crisis. Negative growth rate, huge debt burden, high operating cost etc. have become the integral features of the airlines operating in India. The National carrier Air India is continuously reporting losses. The Global financial crises have spread to India through the financial channel, the real channel and the confidence channel. In this paper an attempt has been made to know the impact of global financial crisis on the financial performance and growth of Air India Limited. For this purpose the annual reports of Air India Limited from the period of year 2007-08 to 2013-14 have been analyzed and the impact has been measured by making the use of Multiple Regression Analysis. EBIT has been taken as the dependent variable and Aviation Turbine Fuel price, increasing payments to employees, passenger revenue and other expenses are treated as independent variable. The present study addressed the major causes of the negative growth of the Air India Limited.

**KEYWORDS:** Global Financial Crisis, Air India Limited, Financial Performance and Growth



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