

AIRLINES THAT WENT BUST



The US had 50 airline bankruptcies in the last three decades. In India, at least 10 airlines have failed since aviation was opened to the private sector in the 1990s. Kingfisher Airlines' troubles show yet again why the airline industry is a tough business to crack

	Started operations	Promoter/ Promoter group	Ceased operations	Why it went out of business
East West Airlines	1991	Thakiyudeen Wahid	1996	> After MD Thakiyudeen Wahid was murdered in Mumbai, airline ran into cash crunch
ModiLuft²	1993	S K Modi	1996	> Differences with Lufthansa saw it part ways, which led to its downfall
VIF Airways	1995	Syed Ainuddin Arif ³	1996	> Could not scale up. Connected Hyderabad with smaller cities with one aircraft
Damania Airways¹	1993	Pervez Damania	1997	> Was acquired by NEPC Group in 1995, which ceased operations in 1997
NEPC Airlines	1994	Khemka Group	2000	> Could not absorb the financial burden of a key technical regulatory requirement
Archana Airways	1993	Uday Kiran Nag	2000	> Ran into heavy losses due to low load factors and high cost of operations
Mesco Airlines	1996	Mesco Group	2001	> An air taxi operator with 3 choppers; regulator withdrew permit in 2001
Gujarat Airways	1995	Amrita Koszarek	2001	> Connected smaller cities, but shut shop due to intense competition
Air Sahara	1991	Subrata Roy	2006*	> Jet Airways acquired it in 2006; renamed it as budget carrier Jet Lite
Air Deccan	2003	G R Gopinath	2007*	> Merged with Kingfisher Airlines, which flew it as a budget carrier till 2011
Indus Air	2005	Kapil Mohan	2007	> Connected Delhi with smaller cities with 2 Bombardier CRJ 700s
MDLR Airlines	2007	Gopal Goyal Kanda	2009	> Launched when oil prices were beginning to rise; could not pay lessors & folded up
Paramount Airways	2005	M Thiagarajan	2010	> Legal tangle with lessors; fleet was grounded and later seized by lessors

¹Was acquired by NEPC Group & renamed as Skyline NEPC in May 1995; *Changed hands

²Tried to come back as Royal Airways with a different owner; finally came back as Spicejet, in 2005

³Promoters included Syed Ainuddin Arif, Mohammed Abdus Saleem, Syed Azeemuddin Mahmood