



**ORIGINAL RESEARCH PAPER**

**Management**

**WORKING CAPITAL MANAGEMENT OF SELECTED PRIVATE AIRLINE COMPANIES IN INDIA**

**KEY WORDS:** surveys, life blood, domestic civil aviation.

**M. Jothi muthu**

Assistant professor, Department of commerce, Dr.Umayal ramanathan college for women, karaikudi.

**S. Nivethitha Devi\***

M.phil scholar, Department of commerce, Dr.Umayal ramanathan college for women, karaikudi. \*Corresponding Author

**ABSTRACT**

India is expected to become the world's largest domestic civil aviation market in the next 10 to 15 years. In this paper helps to know the working capital efficiency of selected airlines companies. The working capital is the life blood for every business. The overall surveys of the company depends upon its working capital position. Indian aviation industry has completed a century of its existence and these 100 years have witnessed severe highs and lows. To analysis the efficiency of working capital management in private airlines companies in India.

**INTRODUCTION**

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world. India is expected to become the world's largest domestic civil aviation market in the next 10 to 15 years.

**IMPORTANCE OF THE STUDY**

Aviation industry is one among the most important industries of any country because of its economic and social viability. The aviation industry not only contributes to the Gross Domestic Product (GDP) of the country and improves employment statistics, but also aids in domestic and international trade, and facilitates many other businesses. Socially the industry connects people to people leading to cultural exchange and enhancement. Indian aviation industry has completed a century of its existence and these 100 years have witnessed severe highs and lows. On the one hand, there has been rise in the number of companies competing in the industry along with a simultaneous growth in the number of airline passengers; on the other hand the industry players are still struggling against poor infrastructure and high operating costs.

In this paper helps to know the working capital efficiency of selected airlines companies. The working capital is the life blood for every business. The overall survey of the company depends upon its working capital position.

**OBJECTIVE**

To analysis the efficiency of working capital management in private airlines companies in India.

**METHODOLOGY**

The study of analytical nature and executed using the data published by civil aviation in India. The research study based on secondary data the financial data related to the selected private airlines where collected from websites. For selected companies the statistical analysis such as ratios (PI,UI ,and EI) the period of the study taken from 2013-14 to 2017-2018.

**SAMPLING DESIGN**

In this paper the sample based selection on convenient sample method. The sample of two private airlines has been selected on the basis of availability of data and also these two private airlines are the main largest air transportation in India.

The selected private airlines are as follows:

- Jet airways
- IndiGo

**ANALYSIS AND INTERPRETATION**

**Jet airways**

Items of current asset	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Inventories	481.10	498.76	1,049.71	927.02	803.76
Cash And Cash Equivalents	1,360.44	1,537.54	1,477.65	2,068.60	1,145.41
Short Term Loans And Advances	26.98	6.15	1,518.82	1,082.82	836.17
Trade Receivables	1,279.35	1,333.62	1,625.48	1,374.48	1,209.22
Total index	3147.87	3376.07	5671.66	5452.92	3994.56
Average index	786.97	844.02	1417.92	1363.23	998.64
Turnover index	13.52	15.66	26.79	27.86	23.09
PI	10.6375	13.2211	37.9921	37.9779	23.0560
UI	0.1352	0.1566	0.2679	0.2786	0.2309
EI	1.4382	2.0704	10.1781	10.5806	5.3236

The data presented in the above table reveals that the performance index, utilization index, and efficiency index of the Jet airways in the year from 2013-14 to 2017-18: In this study the PI for jet airways is more than one in four accounting periods out of five accounting years ; it is highest in the year 2015-16 of the performance index was 37.99 and lowest in the year of 2017-2018 of the PI was 10.63so the overall performance of the Jet airways reflects a satisfactory position over the study period so for as the PI is concerned.

In the present study the UI for Jet airways in the year from 2013-14 to 2017-18 of five accounting periods. In the year 2014-2015 the utilization index of Jet airways was 0.2786.after that the next year 2013-2014 the UI performance is year after year, fluctuating trend. In the next year 2013-2014 the UI performance is decreased to 0.2309.

In this study the EI for Jet airways in the year from 2013-14 to 2017-18 of five accounting periods. The efficiency index for Jet airways is more than one in four accounting periods out of five accounting years. It is highest in the year 2014-2015 of the efficiency index was 10.5806 and the lowest in the year of 2017-2018 of the EI was 1.4382 .so the overall performance of the Jet airways which indicates a quite satisfactory position during the study period.

**Indigo**

Items of current asset	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Inventories	183.23	163.15	76.28	130.55	67.29
Cash And Cash Equivalents	6,580.60	4,632.54	3,718.67	1,999.38	1,101.53
Short Term Loans And Advances	191.5	3.98	9.05	155.56	223.13

Trade Receivables	226.32	158.7	157.11	104.55	89.12
Total index	7,181.65	4,958.37	3,961.11	2,390.04	1,481.07
Average index	1795.41	1239.59	990.28	597.51	370.27
Turnover index	31.20	26.69	24.54	17.16	13.32
PI('000)	56.01	33.08	24.30	10.25	4.9331
UI	0.3120	0.2669	0.2454	0.1716	0.1332
EI	17.48	8.83	5.96	1.76	0.66

The data presented in the above table reveals that the performance index, utilization index, and efficiency index of the Indigo airways in the year from 2013-14 to 2017-18. In this study the PI for Indigo airways is more than one in four accounting periods out of five accounting years; it is highest in the year 2017-2018 of the performance index was 56.01 and lowest in the year of 2013-2014 of the PI was 4.9331 so the overall performance of the Jet airways reflects a satisfactory position over the study period so for as the PI is concerned.

In the present study the UI for Indigo airways in the year from 2013-14 to 2017-18 of five accounting periods. In the year 2017-2018 the utilization index of Jet airways was 0.3120 after that the next year 2016-2017 the UI performance is year after year, fluctuating trend. In the next four years 2016-2017, 2015-2016, 2014-2015, and 2013-2014 the UI performance is decreased to 0.2669, 0.2454, 0.1716 and 0.1332.

In this study the EI for Indigo airways in the year from 2013-14 to 2017-18 of five accounting periods. The efficiency index for Jet airways is more than one in four accounting periods out of five accounting years. It is highest in the year 2017-2018 of the efficiency index was 17.48 and the lowest in the year of 2013-2014 of the EI was 0.66. So the overall performance of the Indigo airways which indicates a quite satisfactory position during the study period.

**CONCLUSION**

By the present study the researcher concludes that Jet airways have the higher profitable performance when compared to Indigo private airlines in India. The working capital efficiency of Jet airways and Indigo private airline companies was satisfactory position was the over the study period.

**REFERENCES**

1. <https://www.ibef.org/industry/indian-aviation.aspx>
2. <https://www.ibef.org/download/Aviation-July-2017.pdf>