

Tata officially completed takeover of Air India

January 29, 2022

In news- Recently, the Tata Group has regained control of Air India, 69 years after the Mumbai-based conglomerate relinquished its stake in the airline to the Central government. It was officially confirmed by the Department of Investment and Public Asset Management (DIPAM).

History of Air India-

- Air India was started in 1932 by Tata Group's former Chairman Jehangir Ratanji Dadabhoy (J.R.D.) Tata was the nation's first carrier, flying mail between Karachi, then a part of undivided British-ruled India, and Bombay.
- It was then known as Tata Airlines and was renamed Air India only in 1946.
- After the country got independence, the airline was nationalized in 1953 by the then prime minister Jawaharlal Nehru.
- Nationalization created two corporations—one for domestic service, called Indian Airlines Corporation (merging Air-India Limited with six lesser lines), and one for international service, Air-India International Corporation.
- The latter's name was abbreviated to Air-India in 1962.
- In fact, industrialist JRD Tata served as the chairman of Air India till 1977.
- After India began allowing private airlines in 1994, Air India struggled to remain competitive.

- It **began posting losses in 2007 and merged with Indian Airlines later** that year to form National Aviation Company of India Ltd. (NACIL; renamed Air India Ltd. in 2010).
- After accumulating billions of dollars in debt over the next decade, the government began looking to privatize the company in 2017.
- In October 2021, the Tata Group emerged as the winning bidder for 100% of Air India (including the airline's 100% stake in budget airline Air India Express and 50% stake in ground handling firm AI-SATS), having placed a bid of Rs 18,000 crore.
- Of this amount, Tatas have taken over Rs 15,300 crore worth of debt and Rs 2,700 crore to be paid to the government in cash.

AIR INDIA'S FLIGHT PATH



J.R.D. Tata at the golden jubilee of the first Tata Airlines mail flight and (below) Ratan Tata in the cockpit of a plane

1932 | Tata Sons (TSL) sets up Tata Airlines (TAL) with an investment of Rs 2 lakh. **J.R.D. Tata** pilots a 'de Havilland Puss Moth' monoplane carrying mail from Karachi to Mumbai

1946 | TAL goes public, becomes Air India (AI)

1948 | AI, with the famous Maharaja as mascot, becomes the first Asian airline to fly to Europe

1953 | Govt takes complete control of AI

1995 | TSL ties up with Singapore Airlines (SIA) to launch a domestic airline, approach civil aviation ministry; file doesn't move; the govt later comes out with rules that foreign airlines can't hold stake in Indian carriers

2001 | Led by **Ratan Tata**, TSL again partners with SIA to bid for AI that was put on the block by the govt; privatisation plan is later shelved

2006 | TSL picks up a small stake in SpiceJet

2013 | TSL forms alliance with Malaysia's AirAsia and Arun Bhatia of Telesra Tradepace to start a budget airline

2013 | TSL starts a full service airline, Vistara, in partnership with SIA

AIR INDIA TODAY



Destinations	Debt	Loss
72 domestic & 41 overseas	₹52,000cr	₹3,837 crore (FY18)
Fleet	Assets	
105 aircraft	₹ 48,000cr	

► Prime slots in key domestic and international airports

► Holds stake in Air Mauritius, owns Centaur hotels in Delhi & Srinagar