Tatas regain airloom: Book Rs 18,000 crore return ticket on

struggling carrier



NEW DELHI/ MUMBAI: It's a lost-and-found story like no other in business folklore. A 153-year-old conglomerate reclaims an airline behemoth after 68 years

and several governments, tracing a policy arc from nationalisation to

disinvestment to privatisation. It's also a homecoming that's been two decades in the making, with the Tatas first making an unsuccessful bid to buy and the government of the day then making an unsuccessful bid to sell its stake. The Tatas finally got third time lucky, marking the first successful privatisation by a government in nearly 17 years. Tata Sons - which bid through its wholly-owned subsidiary Talace Pvt Ltd quoted an enterprise value of Rs 18,000 crore for the bleeding national carrier.

crore cash that will flow into government coffers. The rest of Al's Rs 61,562 crore debt (at the end of August) will be borne by the government. HAPPY HOMECOMING: MAHARAJA BACK IN EMPIRE What's The Deal? TATA doesn't always Tata Sons to acquire Air India, AIR-IN

mean goodbye!

Air India Express & 50% of Air

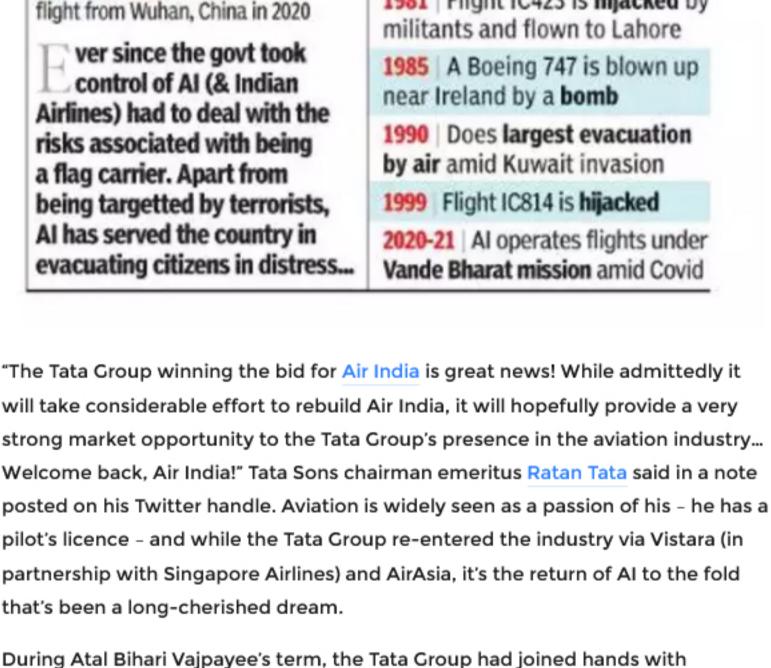
➤ Govt to get ₹2,700cr cash; rest is govt's debt that AI will take over Deal doesn't include noncore assets, including land and

India-Sats for ₹18,000 crore

This includes the debt of Rs 15,300 crore that it will take over and the Rs 2,700



CALL OF DUTY: FLAG SELECT INCIDENTS 1955 Al faces its first terrorist CARRIER'S BURDEN attack, a bomb targeting then Chinese Premier Zhou Enlai, who missed the flight, exploded over the South China Sea MISSION AIRLIFT: Al's evacuation 1981 | Flight IC423 is hijacked by



near Ireland by a bomb 1990 Does largest evacuation by air amid Kuwait invasion 1999 Flight IC814 is hijacked 2020-21 Al operates flights under Vande Bharat mission amid Covid

militants and flown to Lahore

1985 A Boeing 747 is blown up

Singapore Airlines to bid for a 40% stake in Air India, which was then the national carrier only flying overseas. Adding Air India in the hangar will make it the largest player from the country on international routes, while it will be the second largest player in the domestic sector, after IndiGo. "Air India provides a unique and attractive international footprint," Tata Sons said in a statement, adding that more than two-thirds of Al's revenue comes from international markets such as North America, Europe and West Asia. The airline's frequent flyer programme has more than three million members.

government restarted the sale process after another unsuccessful attempt in 2018. The transaction marks a return to an aggressive privatisation plan chalked out by the Modi administration, which has made it clear that the government should exit non-strategic businesses. It has taken seven years to complete a major privatization of a state-run entity.

The government is looking to use the money being spent on keeping the national

almost Rs 84,000 crore and the government was taking a daily hit of Rs 20 crore.

carrier afloat for social welfare schemes. Air India had accumulated losses of

The salt-to-software conglomerate was seen as the frontrunner once the

"If you have year after year after year of losses, all these losses have actually been funded, some part by equity, which was a minor part, and largely through the government-guaranteed debt... Taxpayers have actually put in Rs 1,10,276 crore in Air India since 2009-10," DIPAM secretary Tuhin Kanta Pandey said at a press conference, adding that the transaction will be completed by end-December.

The sale came with the assurance that none of the 13,500 employees of Air India and Air India Express will be removed by the new owner during the first year. After that, the 8,084 permanent AI employees can be offered a voluntary retirement scheme, civil aviation secretary Rajiv Bansal said at the press conference.

The terms of the transaction allow the Tatas to sell up to 49% in Air India after a year, although they can undertake realignment of the airline during the first year itself. The Tata Group will also sign a business continuity plan for three years.

with a five-year lock-in, and the new owner cannot sell them to a foreign entity. "Air India's return to @TataCompanies marks a new dawn for the airline! My best

wishes to the new management, and congratulations to @SecyDIPAM &

While the brand and eight logos will also be transferred to the Tatas, they come

@MoCA_GoI for successfully concluding the difficult task of paving a new runway for the airline to take off! I hope the airline will continue to deliver on its mission of bringing people closer through its successful operations," civil aviation minister Ivotiraditya Scindia tweeted