

## AIR INDIA ACQUISITION Eight decades of being ‘Maharaja’

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### Abstract

Air India's Remarkable Turnaround Under Tata Sons. A year after Tata Sons acquired Air India from the government, the airline has doubled its average daily revenue, a testament to the remarkable progress that has been made in a very short space of time.

The transformation plan, named "Vihaan.AI", is focused on re-establishing Air India as a world-class global airline with improved customer service, technology, product offering, reliability, and hospitality.

Under the leadership of Managing Director and Chief Executive Officer Campbell Wilson, Air India has set out to create an airline that ranks among the best in the world and proudly represents the new India on the global stage.

This ambitious turnaround is one of the most significant in international aviation history, and Wilson has praised his employees for their dedication and hard work in making it a reality.

Wilson's message to employees is both inspiring and humbling. He acknowledges the challenges that lie ahead, but he is confident that Air India is on the right track to becoming a truly world-class airline. His words are a reminder of the power of human ingenuity and determination. Air India's turnaround is a story of hope and resilience. It is a story that shows us that even the most daunting challenges can be overcome with hard work, dedication, and a vision for a better future.

### Keywords

Acquisition, Air India, Management, strategy

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## INTRODUCTION

Founded by the legendary JRD Tata, Air India stands as a venerable pioneer in the annals of India's aviation sector. Its history weaves seamlessly into the rich tapestry of civil aviation in India, tracing its origins back to that historic moment on October 15, 1932, when it took its inaugural flight. Since then, Air India has unfurled its wings to ascend to the echelons of major international carriers, weaving an intricate web connecting the United States, Canada, United Kingdom, Europe, Asia, Australia, and the Persian Gulf. But Air India's influence extends beyond global skies, reaching into the very heart of India, with an extensive domestic network that stretches even to the remote corners of the country, including India's north-eastern regions, Ladakh, and the Andaman & Nicobar Islands. In July 2014, Air India entered a new chapter by becoming a member of the prestigious Star Alliance, cementing its role in the largest global airline consortium.

Adding to its legacy, Air India Express, a subsidiary, took flight in 2005, marking India's first foray into the realm of international budget carriers. Its mission was clear: to meet the burgeoning demand for affordable air travel, especially on short and medium-haul routes connecting smaller Indian towns to the bustling Gulf and vibrant southeast Asian regions.

Yet, Air India's significance transcends its operational prowess. It plays a crucial role as a national lifeline, standing steadfast in times of crisis. During the unprecedented turbulence of the Covid-19 pandemic, Air India and Air India Express emerged as beacons of hope and resilience. They orchestrated daring rescue missions, evacuating stranded citizens from far flung corners of the globe as part of the Government of India's Vande Bharat Mission and Air Transport Bubble flights, demonstrating unwavering commitment to their homeland.

The genesis of this aviation giant can be traced back to the visionary Jamsetji Tata, founder of the Tata group, who, in 1903, defied skepticism to materialize his dream—the iconic Taj Mahal Hotel. This splendid establishment, which defied expectations, became a symbol of opulence and cosmopolitanism in the thriving city of Bombay. Jamsetji Tata's dreams didn't stop there. His enduring legacy continued with the founding of Tata Airlines, which later evolved

into the beloved Air India. In 1956, this airline was nationalized, forging its path as a symbol of national pride.

Today, the Tata group's influence extends far beyond aviation, encompassing a diverse spectrum of companies in the tourism and travel sectors. Their unwavering commitment to serving both individual and corporate customers resonates throughout every facet of their operations, leaving an indelible mark on India's tourism landscape. As the wheels of time turn, the saga of Air India and the Tata group continues to evolve, a testament to the enduring spirit of innovation and excellence that defines their journey through the skies and beyond.

## Business Highlights

One year after Tata Sons' acquisition of Air India, Indian Airlines, and AI SATS, the transformation journey of these iconic brands has been nothing short of remarkable. The Tata group's strategic move to bring these aviation giants under its wings has already yielded substantial results. In an impressive one-year assessment report, Air India proudly states that its average daily revenue has doubled since the acquisition, signalling a promising future for the airline. At the heart of this transformation lies Air India's ambitious plan, aptly named 'Vihaan.AI.' This comprehensive strategy is designed to reposition Air India as a global airline par excellence with an unwavering commitment to enhancing the customer experience in every facet of its operations. The ambitious goals encompass technological advancements, a diversified and appealing product portfolio, heightened reliability, unparalleled hospitality, and, above all, a sustainable path to profitability.

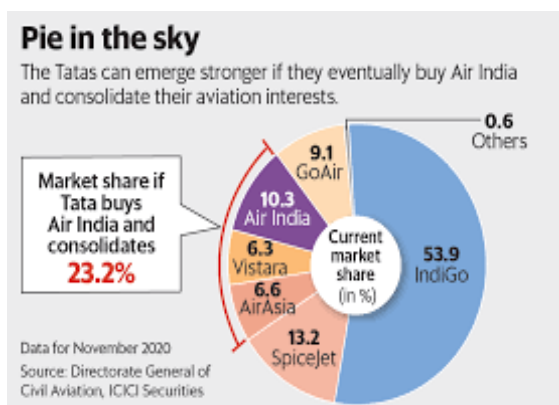
Under the visionary leadership of Air India's Managing Director and Chief Executive Officer, Campbell Wilson, the company is on a mission to rise to unparalleled heights. Wilson passionately articulates their collective vision: "Together, we have embarked upon one of the most ambitious turnarounds in international aviation history. We have set out to create an airline that ranks amongst the best in the world, and will proudly represent India on the global stage. And we have made quite remarkable progress in a very short space of<sup>55</sup> time..."

Indeed, the Tata group's strategic portfolio

expansion goes beyond Air India alone. IHCL's innovative launch of QMIN, featuring a tantalizing array of culinary delights available for home delivery via a user-friendly app, has redefined the culinary landscape. Meanwhile, VISTAARA's growing fleet of 45 brand-new aircraft and the addition of multiple international destinations have ushered in a new era of connectivity and convenience for travelers.

With Tata Sons at the helm, these iconic brands are not just evolving; they are transcending expectations, symbolizing the unwavering spirit of progress and transformation that defines the Tata legacy. As they continue to soar to new heights, the future of Air India, Indian Airlines, AI SATS, IHCL, and VISTAARA shines brighter than ever, promising a remarkable journey ahead for both the brands and the passengers they serve.

Fig1: Pie in sky



The Tata Group's acquisition of Air India represents a significant milestone in the Indian aviation industry and has far-reaching implications for both organizations. This executive summary provides an overview of the acquisition case and offers recommendations for Tata Group's future actions.

**Acquisition Background**

In 2021, Tata Sons, the parent company of the Tata Group, won the bid to acquire a 100% stake in Air India, India's national carrier. This acquisition marked a return of the airline to the Tata Group, which had founded the airline in 1932 before it was nationalized in 1953. The acquisition includes Air India, Air India Express, and a 50% stake in Air India SATS Airport Services.

**Relationship between TATA and Air India**

Tata Sons, the holding company of the Tata

Group, has a rich legacy in the aviation industry dating back to the 1930s. In 1932, J.R.D. Tata, a visionary industrialist, founded Tata Airlines, which later became Air India. Under J.R.D. Tata's leadership, Tata Airlines played a pivotal role in shaping civil aviation in India. Tata Airlines operated the first domestic scheduled flight in India on October 15, 1932, from Karachi to Bombay (now Mumbai). The Tata Group's commitment to aviation continued until 1953 when the government of India nationalized the airline, merging it into Air India. This nationalization led to Tata Airlines becoming a part of Air India, marking the end of Tata's direct involvement in the aviation sector. Tata's connection to Air India remained dormant for decades as the airline operated as a government-owned entity. However, in 2021, Tata Sons emerged as the successful bidder in the privatization process of Air India. This marked a significant milestone as Tata Sons reclaimed its historic connection to the airline industry, acquiring a majority stake in Air India. The acquisition by Tata Sons signalled a new chapter in the relationship between the Tata Group and Air India, with the potential for revitalizing the national carrier and shaping the future of Indian aviation.

Fig2: Air India details



**Mr Goh Choon Phong, Chief Executive Officer, Singapore Airlines, said:**

“Tata Sons is one of the most established and respected names in India. Our collaboration to set up Vistara in 2013 resulted in a market-leading full-service carrier, which has won many global accolades in a short time. With this merger, we have an opportunity to deepen our relationship with Tata and participate directly in an exciting new growth phase in India’s aviation market. We will work together to support Air India’s transformation program, unlock its significant potential, and restore it to its

position as a leading airline on the global stage.”

**Fig3: Air India & Vistara**



**Tata Son’s motive behind acquisition of Air India**

Tata Sons' acquisition of Air India is driven by a combination of historical legacy, strategic vision, and economic opportunities. With a deep-rooted historical connection to the aviation industry in India through the founding of Tata Airlines, later known as Air India, Tata Sons seeks to rekindle its aviation heritage and contribute to national pride. Beyond the symbolic value, this acquisition aligns with Tata's strategic expansion plans, enabling the conglomerate to diversify its portfolio and gain a stronger foothold in the growing Indian aviation market. Additionally, the acquisition offers the potential for synergies with Tata's existing businesses, improved global reach, and the opportunity to revitalize the airline, ultimately positioning it competitively in the global aviation landscape. Tata Sons' long-term investment perspective and its commitment to shaping the future of India's aviation sector underpin the motives behind this historic acquisition.

**Fig4: Acquisition snapshots**

**REALIGNMENT ON THE CARDS?**

**January:** Tata group completes acquisition of Air India

**June:** Competition Commission of India clears merger of Air India with AirAsia India

**September:** Air India announces five-year transformation plan, targets 30 per cent domestic market share

**October:** Singapore Airlines confirms that talks on for merging Vistara with Air India

| FLEET SIZE    |     |
|---------------|-----|
| Air India     | 113 |
| Vistara       | 53  |
| AirAsia India | 28  |
| AI Express *  | 24  |

\*Air India Express



**Advantages and Disadvantages**

**Advantages:**

**Historical Reconnection:** Tata Sons' acquisition of Air India re-establishes a historic connection to the aviation industry in India, showcasing the conglomerate's commitment to its legacy.

**Increased Market Presence:** The acquisition expands Tata Sons' presence in the aviation sector, positioning it as a major player in a growing industry, both domestically and internationally.

**Synergy Potential:** The integration of Air India with Tata Group's existing businesses, including hospitality and tourism, offers the potential for operational synergies and cross-promotion of services.

**Global Reach:** Air India's international routes provide Tata Sons with a broader global reach, benefiting not only the airline industry but also other Tata Group businesses seeking international expansion.

**Competitive Advantage:** Owning a national carrier like Air India can provide Tata Sons with a competitive edge in offering integrated travel services, making it a preferred choice for travellers and businesses alike.

**Disadvantages:**

**Financial Challenges:** Air India has a history of financial losses and debt, which could pose significant financial challenges for Tata Sons in terms of restructuring and turning the airline profitable.

**Operational Complexity:** Revitalizing Air India may require substantial investments in modernization and operational improvements, which can be complex and time-consuming.

**Labor Issues:** The airline industry often faces labor disputes and unions, and Tata Sons may encounter challenges in managing and negotiating with existing employee groups.

**Market Competition:** The aviation sector in India is highly competitive, with several private airlines vying for market share. Tata Sons will need to navigate this competitive landscape effectively.

**Government Regulations:** The aviation industry is subject to various government regulations and policies, which may impact Tata Sons' ability to implement its strategic vision for Air India.

**Fig 5: Tata Carriers – All in one**



The TATA GROUP's recent triumph in the bid for Air India and its subsidiary, Air India Express, marks a significant turning point in the Indian aviation landscape. This conglomerate, steeped in history and tradition, has agreed to take on a substantial portion of Air India's total debt, amounting to a staggering Rs 15,300 crore, thereby demonstrating its commitment to revitalizing the beleaguered national carrier. As part of this complex disinvestment deal, the TATA GROUP is obliged to maintain a majority stake of at least 51% in Air India for a duration of one year, preserving the employment of its 12,000 dedicated employees. Furthermore, they are tethered to a stringent business continuity clause for three years, ensuring the stability and growth of the airline, and they must safeguard the Air India brand for a minimum of five years.

The subsidiary responsible for this game-changing acquisition, Talace Pvt Ltd, has outbid competitors, securing Air India's future for an enterprise value of Rs 18,000 crore, surpassing the reserve price of Rs 12,906 crore. The financial intricacies of this transaction highlight the TATA GROUP's determination to reinvigorate Air India and restore it to its former glory. This development occurs against the backdrop of a cautiously optimistic economic outlook, with the country poised to attain a growth rate of 8-8.5% in the fiscal year 2022-23, as indicated by the Economic Survey presented recently. While it affirms that economic activity has rebounded to pre-pandemic levels, it also underscores the presence of lingering risks. The government's

commitment to privatization and strategic disinvestment of Public Sector Enterprises is reaffirmed through the Economic Survey, which celebrates the Air India sale as a boon to its privatization agenda. However, as Air India embarks on this new journey under TATA's stewardship, questions arise about its future trajectory. The challenges facing the TATA GROUP in ensuring Air India's smooth flight include revitalizing its operational efficiency, enhancing customer experience, and navigating the competitive aviation landscape.

The financial markets, historically responsive to the Budgets presented by the Modi government, eagerly anticipate the fiscal direction that will be unveiled. Last year's pro-growth Budget catalyzed benchmark indices to soar over 5%. The lingering question now is whether the markets will replicate this bullish performance, or if the bears will exert greater influence in today's economic climate.

For a substantial segment of the population, the Budget holds personal significance, particularly concerning taxation. Following the 2020 Budget, Union Finance Minister Nirmala Sitharaman introduced a new tax regime that impacted individuals directly. As individuals across the nation tune in to their TV sets or mobile phones on Budget Day, the details of this year's tax regime, including the differences in slab rates between the new and old tax regimes, take center stage in their collective consciousness, adding an element of personal financial planning to the broader economic narrative.

**Fig 6: Air India Record deal**

### Sealing Record Deal

The Air India acquisition team was led by M&A experts

Airline will get 92 aircraft in next 18 months, including six **A350-900**

Negotiating hard, AI managed to win cost-effective Power-By-Hour agreements from engine makers

These bind engine makers to offer replacement and maintenance for which the airline pays on utilisation basis

AI will enjoy lower cost of capital and lease rates due to the profile of its parent Tata Sons

Carrier aims to connect maximum cities in the US from Delhi, Mumbai & Bengaluru



**Strategies and measurements:**

To implement their strategies, they have been taken several measures like-

- They have launched 16 new international routes
- They introduced a 5-year plan called VIHAAN.ai to become the lord of skies
- They have increased more network & air fleet
- They have introduced new technology & also the innovation to increase sustainability & improve efficiency & timeliness

**Privatizing process was started in year 2017, which concluded with ownership of the airline and associated properties transferred to Tata in 2022.**

- Air India has to have a strong top-level management who are knowledgeable in the aviation industry. Thus, including them will have better management which till now was lacking in Air India which was managed by the government.
- They have to increase new routes and bring new technology and innovation to compete with their competitors.
- Air India has to get new fundings for the operational activities and also to provide facilities which the customers require such as good food, Increase cabin crew, Timeliness of the flight & On time performance.

**Fig 7: Vihaan AI plan**



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**CONCLUSION**

Tata Sons' acquisition of Air India represents a historic reconnection to India's aviation legacy and a strategic move to expand its presence in the aviation industry. While this acquisition offers several advantages, such as the potential for synergy, increased market presence, and global reach, it also comes with substantial financial, operational, and regulatory challenges. The success of this venture will depend on Tata Sons' ability to effectively address these challenges, cut on the economy of the airline, and position it competitively in the dynamic aviation landscape.

- Tata merging with VISTARA AIRLINES [which is privately owned by Tata & Singapore Airlines] which is a great move by Tata to bring back the legacy & to make a comeback to the aviation sector which once were.
- VIHAAN.ai places a major role in bringing Air India back to the top spot including the public safety & uses (low cost & reasonable pricing). The main moto of the Company is to maintain the sentence like **ATHITHI DEVO BHAVA & VOCAL FOR LOCAL.**

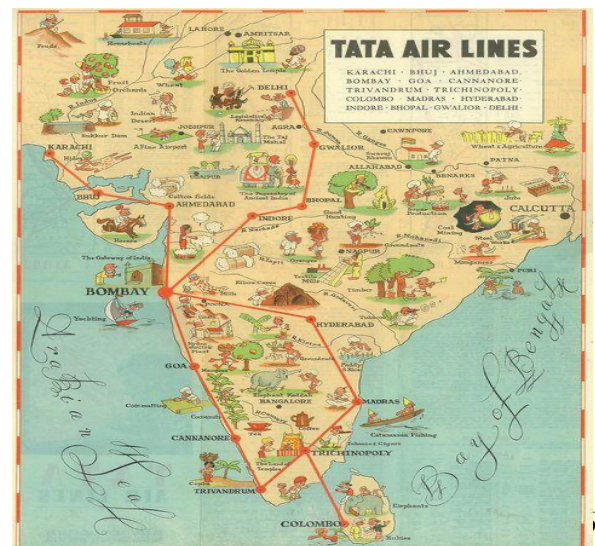
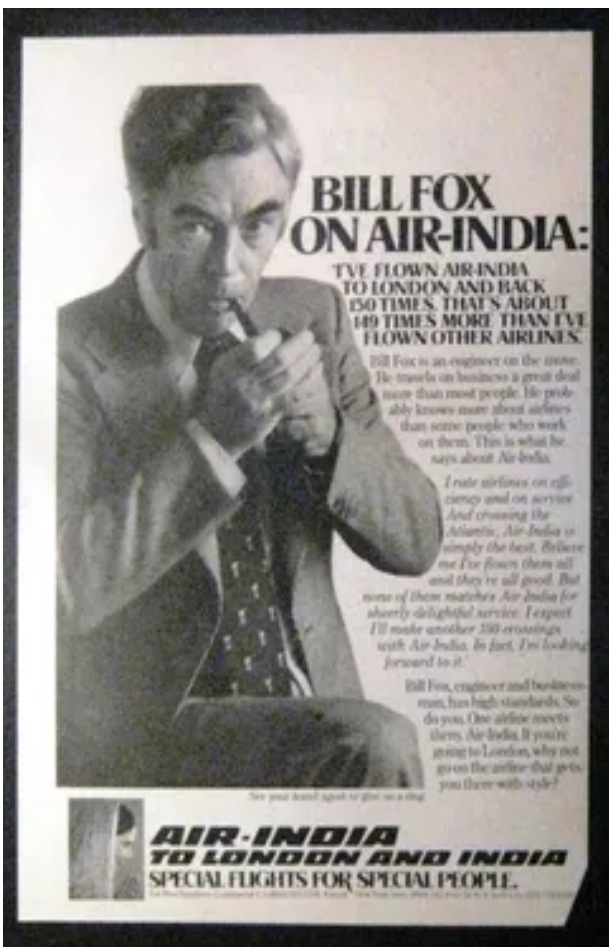
By Improving all these facilities which are above mentioned the Air India can gain the top spot and maintain the legacy which they once had gained.

These are some of the recommendations which we got into, and we think so with applying these things they can achieve what they aim.

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**Exhibit-1**  
Vintage marketing and branding moments of Air India



**Teaching Note**

## AIR INDIA ACQUISITION

### Eight decades of being 'Maharaja'

**Synopsis**

The Tata Group's acquisition of Air India represents a significant milestone in the Indian aviation industry and has far-reaching implications for both organizations. This executive summary provides an overview of the acquisition case and offers recommendations for Tata Group's future actions.

In 2021, Tata Sons, the parent company of the Tata Group, won the bid to acquire a 100% stake in Air India, India's national carrier. This acquisition marked a return of the airline to the Tata Group, which had founded the airline in 1932 before it was nationalized in 1953. The acquisition includes Air India, Air India Express, and a 50% stake in Air India SATS Airport Services.

**Background relationship between Tata Sons and Air India:**

Tata Sons, the holding company of the Tata Group, has a rich legacy in the aviation industry dating back to the 1930s. In 1932, J.R.D. Tata, a visionary industrialist, founded Tata Airlines, which later became Air India. Under J.R.D. Tata's leadership, Tata Airlines played a pivotal role in shaping civil aviation in India. Tata Airlines operated the first domestic scheduled flight in India on October 15, 1932, from Karachi to Bombay (now Mumbai). The Tata Group's commitment to aviation continued until 1953 when the government of India nationalized the airline, merging it into Air India. This nationalization led to Tata Airlines becoming a part of Air India, marking the end of Tata's direct involvement in the aviation sector. Tata's connection to Air India remained dormant for decades as the airline operated as a government-owned entity. However, in 2021, Tata Sons emerged as the successful bidder in the privatization process of Air India. This marked a significant milestone as Tata Sons reclaimed its historic connection to the airline industry, acquiring a majority stake in Air India. The acquisition by Tata Sons signaled a new chapter in the relationship between the Tata Group and Air India, with the potential for revitalizing the national carrier and shaping the future of Indian aviation.

The financial performance of the Company during the year 2019-20 is as under:

| Particulars                                                        | (Rupees in Million) |            |
|--------------------------------------------------------------------|---------------------|------------|
|                                                                    | 2019-20             | 2018-19    |
| Total Revenue                                                      | 285,244.4           | 264,877.2  |
| Total Expenses                                                     | 362,901.7           | 349,625.2  |
| Profit/(Loss) before Exceptional Items, Tax & Comprehensive Income | (77,657.3)          | (84,748.0) |
| Exceptional Items                                                  | -                   | -          |
| Profit/(Loss) before Tax & Comprehensive Income                    | -                   | -          |
| Less: Provision for Tax                                            | (77,657.3)          | (84,748.0) |
| Profit/(Loss) before Comprehensive Income                          | -                   | -          |
| Comprehensive Income                                               | (77,657.3)          | (84,748.0) |
| Net Profit/(Loss)                                                  | (2,170.9)           | (815.6)    |
|                                                                    | (79,828.2)          | (85,563.6) |

**Table 1: Financial performance of Air India**



## LEARNING OBJECTIVES

1. Challenges and opportunities of operating in a competitive market.
2. Rational behind acquisition of any company
3. Strategies that companies are using to succeed.

### Appropriate Uses:

The case context is little complex, so it is best for MBA/ PGDM students. It can be used for marketing, strategy and Entrepreneurship students to understand more about the merger and acquisition concept and the reason behind that.

### Discussion Questions:

- Q1. What are the benefits for India when TATA GROUPS purchased AIR INDIA? and how will exactly TATA GROUPS run the company?
- Q2. How does Air India acquisition by TATA impact the competitive landscape of the Indian aviation industry?
- Q3. What will happen to the existing and retired employees of Air India after the acquisition by Tata Group ?

### TEACHING PLAN (In-Person & Online both mode): [85 minutes]

#### Tata son's motive behind the acquisition of Air India: [15 minutes]

Instructor may start the discussion asking students about the motives of Tata to acquire Air India while Air India was making losses. This will take students to Air India timing and may become nostalgic thinking that how once 'Maharaja' started financial suffering.

Tata Sons' acquisition of Air India is driven by a combination of historical legacy, strategic vision, and economic opportunities. With a deep-rooted historical connection to the aviation industry in India through the founding of Tata Airlines, later known as Air India, Tata Sons seeks to rekindle its aviation heritage and contribute to national pride. Beyond the symbolic value, this acquisition aligns with Tata's strategic expansion plans, enabling the conglomerate to diversify its portfolio and gain a stronger foothold in the growing Indian aviation market. Additionally, the acquisition offers the potential for synergies with Tata's existing businesses, improved global reach, and the opportunity to revitalize the airline, ultimately positioning it competitively in the global aviation landscape. Tata Sons' long-term investment perspective and its commitment to shaping the future of India's aviation sector underpin the motives behind this historic acquisition.

#### Pros and Cons of Acquisition [10 minutes]

##### Pros:

- Historical Reconnection
- Increased Market Presence
- Synergy Potential
- Global Reach
- Competitive Advantage

##### Cons:

- Financial Challenges
- Operational Complexity
- Labor Issues
- Market Competition
- Government Regulations

**CASE ANALYSIS** [50 Minutes]

**Q1: What are the benefits for BHARATH when TATA GROUPS purchased AIR INDIA? and how exactly will TATA GROUPS run the company?**

Air India costs Rs.32,000 Crore a year to Operate and Maintain. This is the annual Bill that Air India needs to pay off its hangars, maintenance of its airlines, fuel, fees at various airports, service staff, contracts, operations staff, ground staff, call stations and partners, etc.

Air India today owes Rs.35,460 Crore in Debt (Adding to it Rs.32,270 Crore in a company called Air India Assets Holding Company). A Total of Rs. 68,000 Crore approximately.

Here are some basic facts:-

- In rupee terms and in terms of percentage basis - Indian Airports have the highest docking fees
- India charges the highest excise for AVTUR - Aviation Low Grade Fuel which means the Fuel is most expensive.
- Taxes for Airline Travel are very high

So, *What will exactly Tata Group be able to do is-*

As on date - Airlines all around the world have been failing with regularity. Be it Ansett Australia or Jet Airways or Kingfisher. Air Travel is simply

not feasible anymore. You have too much supply and the demand is falling. Only a handful like Lufthansa or Emirates or Singapore Airlines manages to keep itself above water.

Their Vistara operations are nothing compared to large airline operations today.

The fact that they once owned AI means nothing. That was the 40s and 50s. Things were nothing like today's high-pressure environment for Airlines.

*The Solution for this problem is?*

**Long Term Debt**

Sell the Debt of Rs.68,000 Crore to the Public in the form of NPA Bonds of Rs. 10,000/- each paying 7.5% interest a year for 14 years after a 6-year period (i.e 2029). During such time – up to Rs.1,00,000/- can be waived off as Income Tax Deductible. In that way they can make some amount of profit and also can give benefits towards country by donating some percentage of income.

**Q2. How does Air India acquisition by TATA impact the competitive landscape of the Indian aviation industry?**

Increased competition in the domestic market: Air India is currently the third- largest airline in India in terms of market share. Indigo and Spice Jet ranks first and second in the Indian market share. Air India acquisition by Tata Group will give the company a larger fleet and network, which will make it a more Intimidating competitor to IndiGo,

the largest airline in India. This could lead to lower fares and better services for consumers. As you can see, IndiGo is the clear market leader, with a 57% share. Air India is in third place with a 9.5% share. The acquisition of Air India by Tata Group is expected to eliminate this gap, and it is possible that Air India could become the market leader in

the future.

### **International Presence:**

Air India has a strong international presence, with flights to over 60 destinations worldwide. Tata Group is expected to invest in expanding Air India's international network, which could make it a more attractive option for travelers. This could also benefit other Indian airlines, as they will have to compete with a stronger Air India on international routes.

### **Improved service standards:**

Tata Group has a reputation for providing high-quality service in its other businesses. It is expected to bring this same level of service to Air India, which could improve the overall experience for passengers.

Overall, the acquisition of Air India by Tata Group is a major development for the Indian aviation industry. It is still too early to say what the long-term impact will be, but it is likely to lead to increased competition, improved service standards, and a more vibrant industry.

### **Q3: What will happen to the existing and retired employees of Air India after the acquisition by Tata Group ?**

crore to their 2000 employees under voluntary

Tata Group being a global Indian conglomerate is widely known and famous for its reputation of employee retainment and management. In the past also Tata group having subsidiary company like TCS, TATA MOTORS, TATA STEELS have been upgrading their employees to bring the maximum out of them and provide benefits to them.

During the covid 19 times where all other MNC'S have fired their employees in thousands, there is tata which has not axed any employees during these times, this shows the faith of the Tata's on their employees and the same has been by them in return to that faith.

Even in this acquisition where AIR INDIA was under govt control before, the staffs including the Top-level management who were not so suitable for the sustainability were also still being retained by the Tata group. The gratuity, pension fund, post medical expenses will be honored by the Tata's to their past and also the present employees . Also, they have hired 5000 new employees in past 18 months adding to the total employee strength to 15,000.

After acquisition Tata planned to disburse Rs 200

service scheme (VRS) who have worked for the past 40 yrs. Each employee who applies for VRS will get 1 lakh and above as compensation.

The employee retention plan was already approved by the Tata's when they acquired Air India. It was for a 1-year retention policy where all the employees including 8400 permanent and 4300 contractual employees should be or will be retained for at least one year. After that, any employee removed should be compensated with all the benefits including VRS services , pension scheme (past provided by Govt of India) also medical expenses of their employees.

Some more benefits are -

Job training , free transport , health and medical insurance , educational assistance , child care, work from home , flight travel discount and so on...

Adding on to these benefits they are also providing free travel to the employees which were restricted when it was under central govt.

Also, the Tata's have introduced a new scheme for

the permanent employees (appointed before 27<sup>th</sup> Jan 2022) namely Employee Share Benefit Scheme (ESB). In this scheme the permanent employees are eligible to purchase 3% equity or 979 million shares at 0.27 per share price. Employees retiring after 27 Jan 2022 will be deemed eligible for this ESB scheme and shall receive the dividends when declared.

Even after the merger with Vistara the employees of both the Air Lines will be shifted and giving an opportunity to them to understand the culture of both the Air Lines.

To conclude there are more of the advantages to the employees of Air India having been acquired by the best and deserving company Tata Group in which the staff of all levels are being protected and guided to a right path for success.

## CONCLUSION [10 minutes]

Tata Sons' acquisition of Air India represents a historic reconnection to India's aviation legacy and a strategic move to expand its presence in the aviation industry. While this acquisition offers several advantages, such as the potential for synergy, increased market presence, and global reach, it also comes with substantial financial, operational, and regulatory challenges. The success of this venture will depend on Tata Sons' ability to effectively address these challenges, cut on the economy of the airline, and position it competitively in the dynamic aviation landscape.

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*Privatization attempt was launched in 2017, which concluded with ownership of the airline and associated properties reverting to Tata in 2022.*