Air India, Vistara start regulatory process for merger

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New Delhi : Two months after the Tata Group announced that Vistara will be absorbed by flag carrier Air India, the legal process for the merger has begun. According to reports, the process is now underway and the paperwork will be filed with the needed agencies in the coming months.

Currently, Air India and Vistara's legal teams are deciding which authorities will be approached for regulatory approval. One is already decided, the Consumer Commission of Singapore. Due to Singapore Airlines' 25.1 per cent stake in the merged Air India-Vistara carrier, regulators in the country will need to green-light the deal and SIA's role.

The carriers are also looking at filings with the European Union, another major market for both airlines. While the US or any Middle Eastern nation has not been mentioned, they could be targets given Air India and Vistara's exposure to the markets. While not guaranteed, the process is expected to go smoothly, allowing staff to begin moving over as soon as possible.

Notably, the Tata Group has not decided if it will retain the Vistara brand beyond March 2024, the target date for the merger. While there will only be one parent carrier, it could still use both AOCs for operations in the future. This will be decided in the coming months.
On the other hand, Government has asked the Tata led Air India’s management to charge employees of the airline for overstaying in the Vasant Vihar colony.

The management has been asked to deduct the amount from their salary with respect from October 2022.