

## Air India plans to buy AirAsia India

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Air India, which is owned by Tata group, aims to buy low-cost carrier AirAsia India and has applied to the Competition Commission for clearance.

Tata Sons Private Ltd owns 83.67 percent of AirAsia India, while AirAsia Investment Ltd (AAIL), a subsidiary of Malaysia's AirAsia Group, owns the rest.

Last year, Talace Private Limited, a wholly-owned subsidiary of Tata Sons Private Ltd, purchased full-service carrier Air India and its low-cost subsidiary Air India Express.

In addition, Tatas has a joint venture with Singapore Airlines to operate the full-service airline Vistara. The current decision is most likely part of the conglomerate's ongoing efforts to streamline its airline operations.

According to a notice filed with the Competition Commission of India (CCI), "the proposed combination relates to the acquisition of the entire equity share capital of AirAsia (India) Private Limited (Air Asia India/ Target) by Air India Ltd (AIL), an indirect wholly owned subsidiary of Tata Sons Private Limited."

Deals that exceed a specific threshold must be approved by CCI, which aims to

promote competition and prevent anti-competitive behavior in the marketplace.

AirAsia India, which began operating in June 2014, provides scheduled passenger, cargo, and charter flight services throughout the country. It does not operate on a global scale.

According to the notice, regardless of how the relevant markets are characterised, the proposed combination will not transform the competitive landscape or have a significant adverse effect on competition in India.

In January of this year, Tatas acquired Air India and Air India Express. Tatas emerged as the winning bidder for loss-making Air India in October 2021.

It made an offer of Rs 18,000 crore, which included a cash payment of Rs 2,700 crore and the assumption of the carrier's debt of Rs 15,300 crore.

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