

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1463
ANSWERED ON:16.07.2004
AIR INDIA SUBSIDIARY
Jagannath Dr. M.;Moorthy Shri A.K.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India proposes to set up a subsidiary airlines inspite of the fact that it is already running into losses; and
- (b) if so, the reasons for burdening the organization with additional expenditure instead of improving the existing fleet?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

- (a) : Air India is planning to set up a Low Cost Airline(LCA) as a subsidiary called Air-India Express which would operate on `Low Fare No Frill` concept on most of its short-haul sectors. The airlines has made profit during the past three years.
- (b): Does not arise.