

COMPANY NAME Maintenance at all destinations is being provided by Air Works India, based in Bombay, which will initially use Ansett engineers.

EXPANSION Plans are to add 4 x B-737 for delivery within 1 year, and to have fleet of 20 aircraft within 3 years. Jet may also look at acquiring B-757 and A-320, as well as smaller aircraft.
If the Indian Government eventually allows foreign equity, Jet may yet tie up with Gulf Air and Kuwait Airways for interlining Gulf traffic.

REPUTATION & NOTES Two classes; business/economy. Initial service has been good. Bad PR from unfortunate incident on maiden flight when crew landed at wrong airport is now forgotten. Load factors are low (50% - 60%) but are increasing (Break-even is 70%).

COMPANY NAME M.G. EXPRESS LTD. (Operating as MODILUFT)

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98 Nehru Place, New Delhi-110 019

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EXECUTIVES
Chairman Mr. S.K. Modi
Joint Managing Director Mr. Chandrasekhar Kasani
Joint Managing Director Captain R.L. Kapur

EMPLOYEES 250-300

HISTORY & FINANCE An NOC was granted in August 1992. The company talked with Genesis Aviation and G.E. before signing a technical cooperation agreement with Lufthansa. Its operations were started in May 1993.
The parent company is Modi Threads. Project investment was Rs. 500 million. An M.G. Express Rs. 240 million public issue is currently open.

FLEET Based in Delhi. Modiluft plans to fly to 28 destinations.
3 x Boeing 737-200 (average age is ten years) on dry lease from Lufthansa for DM 102,000 per aircraft per month. Under its technical cooperation agreement, Lufthansa is providing maintenance, training and spares. Line maintenance is presently being carried out on the ramp.

EXPANSION 4 x Boeing 737-400 by October 1993. The company plans for total of 10 x B-737 within 1 year. Future plans are to stay with B-737 aircraft. Any change would be to larger not smaller aircraft.
The company has received landing rights at Dubai and Sharjah airports, but is waiting for necessary clearances from the Indian Government before operating to these destinations.

REPUTATION & NOTES Three classes: first, business, economy. Initial operations have been slightly erratic. Service is efficient (Lufthansa) and adequate. Lufthansa staff complain of cost cutting in certain operating situations (i.e. no walkie talkies at airports for ground staff).
Like Jet Airways, Modiluft had also envisaged an equity stake by a foreign airline. It is possible that Lufthansa may pick up a financial stake if the Indian Government should allow it.
There are also conflicting reports that Lufthansa are not keen on the Lufthansa image being used so obviously.
Some analysts have suggested that Modiluft may have difficulty in achieving its hoped for success, for a number of reasons, including: its erratic start-up performance; its low load factors to date; its inexperienced GSAs; and its B-737 three-class layout - 8 first class seats, 42 business and 57 economy.
Modiluft is looking to sign an agreement with Amadeus to provide better handling of reservations.