

**MEMORANDUM OF UNDERSTANDING  
2016-17**

**AIRPORTS AUTHORITY OF INDIA  
AND  
MINISTRY OF CIVIL AVIATION**



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**Department of Corporate Planning and Management Services**

**AIRPORTS AUTHORITY OF INDIA**

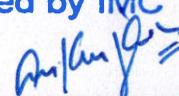
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**FORM-I (PART-A)**

**MoU Targets of Airports Authority of India for the year 2016-17**

Sl. No.	Evaluation Criteria	Unit	Wt.	Excellent	V Good	Good	Fair	Poor
				100	80	60	40	20
(i)	<b>Capacity Utilization:</b>							
	Terminals (Total capacity 111.37 mppa as on 31.03.16)	%	5	85.00	83.50	82.00	80.50	79.00
	Runways (Total capacity 31,60000 nos. of acmpa as on 31.03.16)	%	5	28	26	25	24	23
(ii)	<b>Efficiency Parameters (Physical Operations):</b>							
	<b>A. Production Efficiency</b>							
	Increase in Cargo handled by AAI's airports (in quantity terms) over previous year	%	5	5.00	3.00	2.50	2.00	1.75
	Serviceability/ availability of ANS equipment	%	5	99.9	99.5	99.4	99.3	99.2
	<b>B. Technology up-gradation:</b>							
	Implementation of Advance Surface Guidance Control and Monitoring system at Ahmedabad & Guwahati airports and Implementation of Air Traffic Flow Management System	%	2	100	95	90	85	80
(iii)	Route Optimizations (two conditional ATC routes – details at Annexure - I)	Date	3	100% by 30 <sup>th</sup> Nov.'16	100% by 31 <sup>st</sup> Dec.'16	100% by 31 <sup>st</sup> Jan.'17	100% by 28 <sup>th</sup> Feb.'17	100% by 31 <sup>st</sup> Mar' 17
	<b>Leveraging Net Worth</b>							
	Capital Expenditure (excluding an investment of Rs. 100 crore in JVs- details at Annexure –II)	Rs. Cr.	15	1966	1900	1850	1800	1750
(iv)	<b>Monitoring Parameter:</b>							
	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (Details at Annexure – III)	%	5	100	90	80	70	60

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MoU 2016-17  
Approved by IMC  
Signed 

Sl. No.	Evaluation Criteria	Unit	Wt.	Excellent	V Good	Good	Fair	Poor
				100	80	60	40	20
	<b>Turnover for Operations:</b>							
(v)	Revenue from Operations, excluding airport lease revenue (net of excise duty)	Rs. Cr.	5	7500	7300	7100	7000	6900
	<b>Operating Profit/Surplus:</b>							
(vi)	Reduction in loss (excluding airport lease revenue, other income, extraordinary and exceptional items) over the previous year	%	10	100	30	20	15	10
	<b>Early signs of weakness:</b>							
(vii)	Reduction in claims against the company not acknowledged as debt, over the previous year	%	5	2.5	2.0	1.5	1.0	0.5
	<b>Marketing efficiency Ratios</b>							
(viii)	A. Increase in non-traffic revenue over previous year (includes Non-aeronautical airport services, oil throughput revenue, ground handling, extension of service hours and royalty on CUTE charges)	%	5	11.0	10.0	9.5	9.0	8.5
	B. Trade receivables (net) as percentage of revenue from Operations (gross) i.e. airport navigational services, airport services, non-aeronautical airport services and cargo revenue	%	5	28	30	31	32	33
	<b>Return on Investment :</b>							
(ix)	Dividend/ PAT	%	5	31	30	29	28	27
	PAT/ Net Worth	%	10	19.50	11	10	9	8
	Dividend / Net Worth	%	5	6.05	3.30	2.90	2.52	2.16

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Sl. No.	Evaluation Criteria	Unit	Wt.	Excellent	V Good	Good	Fair	Poor
				100	80	60	40	20
	<b>Sector/ CPSE specific targets:</b>							
(x)	Airport Service Quality Survey (ASQ)	On 5 point scale	2	4.80	4.60	4.50	4.40	4.30
	Customer Satisfaction Survey (CSS)	On 5 point scale	2	4.50	4.40	4.30	4.25	4.20
	Return from Investment in JVs	Rs. Lakh	1	1.0	0.90	0.80	0.70	0.60

**Notes:**

1. The targets are based on Provisional figures submitted by the CPSE for 2015-16. In case of better performance, the difference between actual achievement for the year 2015-16 and estimates submitted by the CPSE, shall be added to the targets of 2016-17.
2. At the time of MoU Evaluation, wherever the figures are not verifiable from the Annual Report, verification of the same would be done on the basis of certification/ resolution by Board of Directors.
3. The targets decided in MoU are unconditional and no offset will be allowed in any condition. Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 and 14.3 of MoU guidelines 2016-17.

*Chahar*  
Chairman (I/C)  
Airports Authority of India  
New Delhi.

Date:

MoU 2016-17  
Approved by IMC  
Signed *Ankur*

*Mishra*  
8.7.16  
Secretary  
Ministry of Civil Aviation  
Govt. of India

Date: 8.7.16

## Route Optimisation – Two ATC Routes

1. Aircrafts from Dimapur to Dibrugarh are flight planning via Imphal – Silchar- Guwahati and Jorhat which is 432 NM long whereas the route via direct Jorhat will be only 120 NM.
2. Aircrafts from Silchar to Tezpur are flight planning via Guwahati which is 195 NM long whereas the route via direct RUPAK direct will be only 109 NM. The route segments are through restricted areas of IAF units of Tezpur and Jorhat.

Under Route Optimisation, it is proposed to establish these routes as CDR-2 on Sundays as in the case of CDR Routes of J7 (Guwahati-Dimapur) and J8 (Silchar-Dimapur).

The routes Dimapur – Jorhat is expected to save about 213 NM and the route from Silchar to Tezpur will save about 86 NM. The route may also be used by IAF ATC Tezpur as CDR-3 (Dynamic Routing) whenever traffic permits which will enhance safety and efficiency.

Note: A Conditional Route (CDR) is an ATS route or a portion thereof which can be planned and/or used under certain specified conditions only. CDRs permit the definition of more direct and alternative routes by complementing and linking to the existing ATS route network.

Flights on CDR 2 can only be planned when the CDRs are made available through NOTAM which will notify the vertical limits and duration of availability of the CDR.

**AIRPORTS AUTHORITY OF INDIA**  
**ABSTRACT OF CAPITAL EXPENDITURE BUDGET**  
**REVISED ESTIMATE 2015-16 & BUDGET ESTIMATE 2016-17**

(Rs. In Crores)

S.No.	PARTICULARS	BE 2015-16	RE 2015-16	BE 2016-17
1	<b>AERODROME WORK</b>	951.9	1121.39	1094.5
	(i) <b>METRO AIRPORTS</b>	130.6	174.04	220.01
	a) Kolkata	75.41	128.9	121.41
	b) Chennai	55.19	45.14	98.60
	(ii) <b>NON-METRO AIRPORTS</b>	821.30	947.35	874.48
	a) Eastern Region	104.18	171.99	148.60
	b) North Eastern Region	88.05	42.96	55.56
	c) Northern Region	370.99	333.41	289.14
	d) Western Region	135.9	133.84	138.97
	e) Southern Region	122.18	265.15	242.21
2	<b>AIR NAIGATIONAL SERVICES</b>			
	a) Equipment including GAGAN	275.00	265.46	201.00
	b) Engg.Works- ANS	56.80	63.87	50.30
	c) ATM-NOC	2.00	2	0.00
3	<b>AIRPORTS SYSTEMS</b>	31.50	20	35.50
4	<b>INFORMATION &amp; TECHNOLOGY</b>	38.42	30	34.50
5	<b>GSS-EQUIPMENT &amp; TECH</b>	91.00	91	165.00
6	<b>Security Infrastructure (CISF Barrics, Quarters, Dog</b>			
	A) Security Equipment	256.86	90	132.20
	B) Engg.Works- Security	64.80	64.09	98.63
7	<b>Development of Regional Airports</b>	100.00	47.2	100.00
8	<b>Miscellaneous</b>	5.20	5	4.38
9	<b>Solar Energy</b>	100.00	100	50.00
	<b>TOTAL (1 TO 9)</b>			1966.00
10	<b>Contribution in JV Companies</b>			100.00
	<b>GRAND TOTAL</b>			2066.00

## MONITORING PARAMETERS

(Rs. in Crores)

S. No.	Name of Project	Cost	Target Progress in F.Y. 2016-17			Date of Completion
			Physical		Financial	
			% Progress upto 31.03.17	Milestone to achieve by 31.03.17		
1.	Construction of runway involving Earth work in cutting & filling. Geogrid reinforced retaining wall, Drainage system i/c Box Culvert, Aerodrome pavements etc. at Pakyong, Sikkim	264.29	95%	Runway & associated pavements – 98%. Terminal building – 90%	22.00	Sept.,17
2.	Construction of Terminal Building, Ceremonial Lounge & associated works at Vijaywada Airport	127.99	100%	Completion of Terminal building	98.00	March, 17
3.	Design, Supply, Installation, Testing & Commissioning of 15 MW Power Grid connected ground moulded solar PV power system at Kolkata Airport	120.00	100%	Completion and Commissioning	96.00	March,17
4.	Strengthening of main runway 01R/19L including provision of CAT-III lighting system of 01R approach side of main runway at Kolkata Airport	101.75	90%	Completion of Bituminous overlay on Runway	80.00	June, 17
5.	Extension of runway expansion of apron suitable for C type of aircraft and other development works at Swami Vivekananda Airport, Raipur	88.44	10%	Completion of base work of 500m length of runway extension	8.00	Dec.,17
6.	Upgradation of runway from CAT-II to CAT-IIIB lighting system at Amritsar	88.00	92%	Completion of bituminous overlay on runway	64.00	May, 17
7.	Construction of Runway for Airbus A-320 at Jharsuguda Airport	68.91	50%	Completion of Base work of runway	18.00	Dec.,17
8.	Installation of ASR/MSSR at Guwahati Airport	16.00	100%	Completion of installation work	7.50	March, 17
9.	Installation of Instrument Landing System (ILS) at Jaipur, Indore, Chennai and Kolkata	8.8	100%	Completion of installation work	Equipment has already been purchased	March 17
10.	Installation of Doppler Omni Visual Range (DVOR) at Hubli, Belgaum, Jammu and Kannur	3.6	100%	Completion of installation work	Equipment has already been purchased	March, 17

**FORM-I(Applicable FOR ALL CPSES EXCEPT CPSES UNDER CLOSURE/UNDER CONSTRUCTION)**

**TREND ANALYSIS**

Sl. No.	Evaluation Criteria	Unit	2011-12	Financial Year				2016-17
				2012-13	2013-14	2014-15	2015-16	Proposed MoU target
i	<b>Capacity Utilisation (Based on Part A)</b>							
a)	Passenger Handling	%	61.42	61.41	64.33	70.84	83.34	85.00
b)	Runway	%	22.93	22.32	22.81	23.4	26.09	28.00
ii	<b>Efficiency Parameters Production Efficiency</b>							
a)	Increase in Cargo handled in quantity terms (excluding DIAL & MIAL) over previous year	%	-3.24	-7.53	-1.95	6.87	6.49	5.00
b)	On time performance for metro airports (excluding DIAL & MIAL)							78.00
iii	CAPEX	Rs Crore	2095.00	1800.00	1158.00	1399.87	1757.00	1966.00
iv	Paid-Up Share Capital	Rs Crore	656.56	656.56	656.56	656.56	656.56	656.56
v	Accumulated Reserves	Rs Crore	7610.43	8174.58	9279.22	10760.05	12381.25	12500.24
vi	Net worth	Rs Crore	8266.99	8831.14	9935.78	11416.61	13037.81	13156.80
vii	Borrowings (shown in Non-current Liability)	Rs Crore	1462.24	1655.15	1657.21	1287.40	545.21	140
viii	Borrowings /Net Worth	%	18%	19%	17%	11%	4%	1%
ix	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (wherever applicable)		-	-	-	-	-	100%
x	Total Revenue (excluding airport lease revenue and other income)	Rs. Crore	4445.57	4545.84	5334.27	5983.46	6875.94	7500.00
xi	Total Revenue (net of excise duty)	Rs. Crore	4445.57	4545.84	5334.27	5983.46	6875.94	7500.00
xii	Profit before Tax (excluding airport lease revenue, other income and extraordinary/ exceptional income)	Rs. Crore	-68.95	-1034.33	-382.84	-510.11	-251.21	375.00
xvii	Profit After Tax	Rs. Crore	859.01	735.00	1441.06	1959.22	2537.36	1128.70
xxiii	Trade Receivables of over 6 months	Rs. Crore	1611.33	1860.49	1968.02	2334.82	3081.57	3252.57
xxiv	<b>TOTALTRADE RECEIVABLES (Net)</b>		1516.51	1593.98	1785.56	2320.8	1977.41	4846.62
xxv	<b>Trade Receivables (net) as percentage of Revenue from airport navigational services, airport services, non-aeronautical airport services and cargo revenue</b>	%	32.83	33.77	33.61	37.80	28.04	25.00
xxvi	Cash and Bank Balance	Rs Crore	113.74	85.65	1141.78	2827.19	4492.58	3502.77
xxvii	PAT/ Net worth	%	10.39%	8.32%	14.50%	17.16%	19.46%	19.50%
xxviii	Dividend		171.90	147.00	288.00	391.84	761.21	338.61
xxix	Dividend/PAT	%	20%	20%	20%	20%	30%	31%
xxx	Dividend / Net Worth or Surplus/Net Worth	%	2.08	1.66	2.90	3.43	5.84	6.05
xxxi	Claims against the Company not acknowledged as debt	Rs Crore	1214.62	1442.04	1755.39	1359.9	1662.21	1271.91
	By Central Government Departments							
	By State Departments							
	By CPSEs							
	By Others							
xxxv	<b>Major Expenses</b>							
1)	Employee Benefits Expenses	Rs. Crore	1999.52	2549.62	2397.86	2802.11	2700.08	3590.71
2)	Operating Expenses	Rs. Crore	674.73	758.8	887.89	1033.13	1157.04	1422.4
3)	Security Expenses	Rs. Crore	475.65	533.21	592.72	665.41	766.22	885.16

## Self-Declaration/Certificate by CPSE

It is hereby certified that the targets and actual achievements in respect of MoU parameters have been worked out as per MoU guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2016-17. In case, any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU Guidelines. CPSE has no right of claim in this regard.

*Sahani*  
Authorized Signatory