

MEMORANDUM OF UNDERSTANDING

2017-18

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



**Department of Corporate Planning & Management Services
AIRPORTS AUTHORITY OF INDIA**

MOU TARGETS OF AIRPORTS AUTHORITY OF INDIA FOR THE YEAR 2017-18

S.No.	Performance Criteria Unit	Unit	Marks	2016-17 (Estimate)	Best in last 5 years	Mou Target for the year					% Improvement
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
Financial Parameters (Mandatory- Part 'A')											
1	Revenue from Operations (excluding airport lease revenue and other income)	Rs. in Crore	10	7695	6875.00	8200	8000	7800	7600	7400	3.96
2	Operating profit as a percentage of revenue from Operations	%	20	0.5% (39.39 Cr.)	- 1.55% (Rs. 69 cr. Loss)	2.75	2.00	1.75	1.50	1.25	300
3	PAT or Surplus / Average Net Worth	%	20	14.42	20.75	12.50	11.50	11.00	10.50	10.00	-20.24%
Other Parameters (Optional- Part 'B')											
4	Capacity Utilization/ Production/Generation/Transmission etc.										
(a)	Terminals (Total capacity 134.08 mppa as on 31.03.2017)	%	5	86.07	83.34	95	93	91	89	87	8.05
(b)	Runways (Total capacity 3207567 nos. of acmpa as on 31.03.2017)	%	5	28.00	26.09	34	32	30	28	26	14.28
5	R&D, Innovation, Technology up-gradation parameter										
(b)	Implementation of Air Traffic Flow Management system Phase-II and installation of 3 Radars, 10 ADS-Bs, 4 DVOR/DMEs and 4 ILSs	Date	3			15.02.18	28.02.18	10.03.18	20.03.18	31.03.18	--
(c)	Route Optimization- two conditional ATC routes (Details at Annexure-A)	Date	3			30.11.17	15.12.17	31.12.17	15.01.18	31.01.18	--

S.No.	Performance Criteria Unit	Unit	Marks	2016-17 (Estimate)	Best in last 5 years	Mou Target for the year					% Improvement
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
6	CAPEX *	Rs. Crore	10	1924	2095	5	4	3	2	1	24.74
7	Percentage 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-B)	%	5	100	--	100	90	80	70	60	--
8	Trade receivables (Net) as number of days of Revenue from Operations (Gross)	No. of days	3	194	105	170	190	195	200	205	2.06
9	Reduction in claims against the Company not acknowledged as debt over previous year	%	6	Rs. 1661 Cr.	Rs. 1215 Cr.	5	4.00	3.00	2.00	1.00	--
10	Milestones with respect to subsidiary CPSEs not signing MoUs separately										
	Increase in Cargo handled by AAI airports (in quantity terms) over previous year	%	5	6.83	10.89	5.00	4.00	3.50	3.00	2.50	--
11	HRM Related parameters										
	On line submission of ACR/APAR in respect of all executives (EO and above) alongwith compliance of prescribed timelines w.r.t writing of ACR/APAR	% of number of executives	1	--	--	100	95.00	90.00	85.00	80.00	

* If the investment is not made in Joint Ventures, the same would be added to the targets of the CPSE.

S.No.	Performance Criteria Unit	Unit	Marks	2016-17 (Estimate)	Best in last 5 years	Mou Target for the year					% Improvement
						Excellent 5	Very 4	Good 3	Fair 2	Poor 1	
(b)	Online Quarterly vigilance clearance updation for Sr. executives (AGM & above)	% of number of Sr. Executives	1	--	--	100	95.00	90.00	85.00	80.00	
(c)	Preparation of succession plan and its approval by Board of Directors	Date	1	--	--	31.12.17	15.01.18	31.01.18	15.02.18	28.02.18	
(d)	Holding of DPC without delay for executives (EO & above level)	%age	1	--	--	100	95.00	90.00	85.00	80.00	
(e)	Talent management & career progression by imparting atleast one week training in Center of Excellence within India eg. IITs, IIMs, NITs, ICAI etc	% of executives	1	--	--	3.0	2.5	2.0	1.5	1.0	

Note:

- 1 CPSE will update land holdings on Govt Land Information System (GLIS).
- 2 The targets are based on provisional figures submitted by the CPSE for 2016-17. In case of better performance, the difference between actual achievements for the year 2016-17 and the estimates submitted by the CPSE shall be added to the targets of 2017-18.
- 3 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.
- 4 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(a) & (b) of MoU guidelines 2017-18.

Chairman
Airports Authority of India
New Delhi



Secretary
Ministry of Civil Aviation
Govt. of India



DATE: 17/7/17

DATE: 17/7/17

MONITORING PARAMETERS

(Rs. in Crores)

S. No.	Name of Project	Cost	Target in F.Y. 2017-18		Date of Completion
			Physical	Financial	
			% Progress upto 31.03.18		
1.	Construction of New Integrated Terminal building at Portblair Airport	441.33	20%	65.00	30 th June, 2020
2.	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	100%	30.00	31 st December, 2017
3.	Construction of ATC Tower and Technical Block at Kolkata	244.00	25%	40.00	30 th November, 2019
4	Extension and Strengthening of existing runway 08-26 for code-E type of aircraft along with construction of isolation Bay, RESA & Associated works at Vijayawada Airport.	144.93	30%	25.00	31 st December, 2018
5.	Extension of Runway and Strengthening/ Resurfacing of Existing runway along with construction of isolation Bay, pavement against blast erosion and RESA & other allied works at Rajamundry Airport.	104.94	60%	50.00	31 st May, 2018
6.	Design, Supply, Installation, Testing & Commissioning of 15 MW Power Grid connected ground moulded solar PV Power system at Kolkata Airport	87.63	90%	35.00	31 st August, 2018
7	Extension of runway expansion of apron suitable of C Type of aircraft and other development works at Swami Vivekanand Airport, Raipur	63.44	100%	40.00	31 st March, 2018
8.	Installation of ASR/MSSR at Lucknow, Guwahati & Imphal	32	100%	12.00	31 st March, 2018
9	Installation of DVOR at Lengpui, Jabalpur, Kisangarh & Udaipur	18	100%	3.00	31 st March, 2018
10	Installation of Instrument Landing System (ILS) at Aurangabad, Kannuar, Ahmadabad & Udaipur	22	100%	9.00	31 st March, 2018

Route Optimisation- Two ATC Routes

Target	Explanation
Route Optimization (Two conditional ATC routes)	<p>To establish atleast Two Conditional Routes under Flexible Use of Airspace.</p> <p>1) CDR J19 (Aurangabad – Vadodara)</p> <p>Currently Aircraft from Shamshabad to Ahmedabad are routing via W19 – GUMIT – L518 - MONPI – N895 which is 530NM.</p> <p>Currently Aircraft from Chennai to Ahmedabad are routing via W20N – HIA – L518 – MONPI – N895 which is 786 NM.</p> <p>It is proposed to establish a Conditional ATS route through Ozar Restricted Area which will reduce the route length by</p> <ul style="list-style-type: none">- 31NM for aircraft between Hyderabad and Ahmedabad and- 13 NM for aircraft from Chennai to Ahmedabad. <p>2) CDR J11 (GUWAHATI – LILABARI)</p> <p>Presently, aircraft from Guwahati to Lilabari has to fly W51 to Jorhat and then direct to Lilabari, which is 177 NM.</p> <p>It is proposed to establish a Conditional ATS route through Jorhat Restricted Area which will reduce the ATS Route length by 25 NM per flight.</p>

PART-A
TREND ANALYSIS

S.No.	Financial Performance Criteria	Unit	Target V/s. Actual	2011-12	2012-13	2013-14	2014-15	2015-16	Current Year	
									Actual upto Nov 2016	Estimated 2016-17
1	Installed Capacity in respect of each product									
2	Capacity Utilisation in respect of each product	%	Terminal Runway MoU	61.42 22.93 NIL	61.41 22.32 NIL	64.33 22.81 NIL	70.84 23.4 NIL	83.34 26.09 NIL	86.07 27.46 NIL	86.07 28.00 NIL
3	Contribution of each product in sales	%								
4	New orders received during the year	Rs. Crore	Actual MoU							
5	Exports as a percentage of Revenue from operations	%	Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6	Development or Revenue from operations	%		4445.57	4545.84	5334.27	5983.46	6875.94	5182.22	7695.43
7	Production efficiency parameters		Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Completion of milestone of clients orders/ agreements without time overrun		Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9	R&D, innovation, Technology upgradation parameter		Actual MoU							
11	CAPEX	%	Actual MoU	2095.00 NIL	1800.00 NIL	1158.00 1995	1399.87 1965.6	1757.00 1973.48	956.11 1266.66	1974.00 1900
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to	%	Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
13	Inventory of finished goods and work in progress	Rs. Crore								
14	Inventory of finished goods and work in progress to RO(Net)	%	Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
15	Inventory of finished goods of more than one year	Rs. Crore	Actual							
16	Inventory of finished goods of more than one year as a Percentage of RO	%	Actual MoU	NIL	NIL	NIL	NIL	NIL	NIL	NIL
17	Trade receivables (Net) as number of days of RO (gross)	Days	Actual	125.00	128.00	122.00	142.00	105.00	171	140
			NET TRADE RECEIVABLE	1516.51	1593.98	1785.56	2320.8	1977.41	2424.9	2948.65
			Revenue from Operations	4445.57	4545.84	5334.27	5983.46	6875.94	5182.22	7695.43
			Formula							
			MoU - AI & govt agenc	NIL	NIL	NIL	840	840	NIL	NIL
			MoU - Others	NIL	NIL	NIL	50	50	NIL	NIL

Details at Attachment-I

19	Claims against the company not acknowledged raised by :	Rs. Crore																
20	Local disbursed/Total Funds available		Actual	1214.62	1442.04	1755.39	1359.9	1662.21	1661.27	1661.27	1661.27							
			MoU	NIL	NIL	NIL	NIL	NIL	NIL	1620.66								
21	Overdue loans/Total loans (Net)		Actual															
			MoU															
22	NPA/ Total loans (Net)		Actual															
			MoU															
23	Cost of raising funds as compared to similarly rated CPSEs/entities		Actual															
			MoU															
24	Return (share of profit/ loss) on Investment in Joint Ventures		Actual															
			MoU															
25	Any other result-oriented para,meters taken for target setting		Actual															
			MoU															

Note : Trend would be given for actual figures for preceding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated.

PART-A
TREND ANALYSIS

S.No.	Financial Performance Criteria	Unit	Target V/s. Actual	2011-12	2012-13	2013-14	2014-15	2015-16	Current Year		
									Actual upto Nov. 16	Estimated 2016-17	
1	Revenue from Operations-Gross	Rs.		4445.57	4545.84	5334.27	5983.46	6875.94	5182.22	7695.43	
	Revenue from Operations-Net	Crore	Actual	5683.33	6661.15	8018.62	8890.95	10255.2	5182.22*	7695.43*	
2	a. Profit before Tax	Rs.	MoU	5381.56	6295.17	7760.42	8511.43	8600	4866.66*	7300*	
				1364.12	1386.87	2520.31	2791.41	3697.35	2313.64	3060.59	
	b. Other Incomes (including Airport Lease Revenue)	Rs.		1421.18	2352.93	2835.77	3301.52	3948.56	2485.13	3640.24	
				1237.76	2115.32	2684.35	2907.49	3379.26	2372.47	3241.19	
	c. Extraordinary & Exceptional items	Crore		183.42	237.61	151.42	394.03	569.3	112.66	399.05	
				0	0	0	0	0	0	0	
	d. Prior Period items	Rs.		11.89	68.27	67.38	0	0	0	0	
				-68.95	-1034.33	-382.84	-510.11	-251.21	-171.49	-579.66	
	e. Operating Profit/ Loss (a-b+/-c+/-d)	Rs.	Actual		2227.09	2833.49	3001.95	3303.18	3530.00	NIL	NIL
			MoU		859.01	735.00	1441.06	1959.22	2537.36	1508.93	1955.59
3	b. Net worth at year end	Rs.		8266.99	8831.14	9935.78	11416.61	13037.81	13850.53	14091.11	
				7613.98	8549.065	9383.46	10676.2	12227.21	13444.17	13564.46	
	PAT/Avg. Net worth	Crore		10.39	8.32	14.50	17.16	19.46	10.89	13.88	
				Actual	10.39	8.32	14.50	17.16	19.46	10.89	13.88
	d. PAT/Net worth	%		NIL	NIL	NIL	NIL	NIL	11.00	11.00	
				MoU	NIL	NIL	NIL	NIL	NIL	11.00	11.00
	e. Paid-up share Capital	%		656.56	656.56	656.56	656.56	656.56	656.56	656.56	
				MoU	656.56	656.56	656.56	656.56	656.56	656.56	656.56
	f. Gol Share	%									
				MoU							
	g. Reserves and surplus	%		7610.43	8174.58	9279.22	10760.05	12381.25	13193.97	13434.55	
				MoU	7610.43	8174.58	9279.22	10760.05	12381.25	13193.97	13434.55
4	Total Expenses			4514.54	5462.21	5649.73	6493.57	7127.15	5353.71	8275.39	
5	Total Incomes			5878.66	6849.08	8170.04	9284.98	10824.5	7667.35	11335.97	
6	Total expenses/ Total Incomes	%		76.80	79.75	69.15	69.94	65.84	69.82	73.00	
7	Detail of other incomes	Rs.									
					12.33	71.55	158.59	220.01	382.71	109.56	391.59
					0.00	0.00	0.00	0	0	0	0
					171.09	166.06	-7.17	174.02	186.59	3.1	7.46
	d. Total	Crore		183.42	237.61	151.42	394.03	569.3	112.66	399.05	

	a. Interest																	
	b. Investment in mutual funds																	
	c. Investment in shares other than subsidiary JVs)																	
	d. Total (A+b+c)																	
	e. Cash credit/Over-draft loan/ Short Term loan																	
9	Dividend paid/ declared for the year, excluding Divident Tax			171.90	147.00	288.00	391.84	761.21				0						749.67

Note : Trend would be given for actual figures for proceeding five years (audited) and estimates of current year i.e. previous year to the year in respect of which targets are being negotiated.

* Excludes Airport leasing revenue

**For PAT/NETWORTH, average networth is taken into consideration for 2016-17 as is done in MOU 2017-18

Self-Declaration/Certificate by CPSE

It is hereby certified that the targets 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 2017-18. 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.

Authorized Signatory