

MEMORANDUM OF UNDERSTANDING

2018-19

**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 2018-19

S.No.	Performance Criteria	Unit	Marks	2017-18 (Estimate)	Best in last 5 years	MoU Targets for the year 2018-19				
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%
Financial Parameters (Mandatory- Part 'A')										
1	Revenue from Operations (excluding airport lease revenue)	Rs. in Crore	10	9052.08	8023.79	10000	9700	9500	9300	9100
2	Operating profit as a percentage of revenue from Operations (Net)	%	20	-0.03% (2.72 Cr loss)	0.50 (Rs.39.39 Cr. Profit)	0.20	0.16	0.14	0.12	0.10
3	PAT as percentage of Average Net Worth	%	20	13.88	22.20	14.50	13.50	12.00	11.00	10.00
Other Parameters (Optional- Part 'B')										
1 Capacity Utilization										
(a)	Terminals (Total capacity 155.37 mppa as on 31.03.2018)	%	3	95.81	101.71	94.00	90.00	87.50	85.00	82.50
(b)	Runways (Total capacity 3207567 nos. of acmpa as on 31.03.2018)	%	3	40.35	38.52	38.00	36.00	34.00	32.00	30.00
2 R&D, Innovation, Technology up-gradation parameter										
(a)	Provision of Electronic Terrain Obstacle data for airports as per DGCA CAR under Phase-I by 31/3/2019	No. of Airports	3	-	-	5	4	3	2	1

S.No.	Performance Criteria	Unit	Marks	2017-18 (Estimate)	Best in last 5 years	MoU Targets for the year 2018-19				
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%
3	CAPEX	Rs. in Crore	10	2493	2095	3800	3500	3400	3300	3200
4	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-A)	%	5	100	100	100	90	80	70	60
5	Trade receivables (Net) as number of days of Revenue from Operations (gross)	Days	4	129	85	110	129	135	140	145
6	Reduction in claims against the Company not acknowledged as debt over previous year (Overall Basis)	%	3	1711.13 Cr.	1359.90 Cr.	3.00	2.50	2.00	1.75	1.50

S.No.	Performance Criteria	Unit	Marks	2017-18 (Estimate)	Best in last 5 years	MoU Targets for the year 2018-19					
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
7	Human Resource Management										
(a)	Assessment of level in line with People Capability Maturity Model (PCMM) or its equivalent in the CPSE & placing the matter before the Board for taking a decision whether to go for upgradation in level and, yes, getting the approval for the timelines from the Board. If not, justifiable reason to be recorded in the Board Resolution.	Date	4			15/12/18	15/01/19	31/01/19	15/02/19	28/02/19	
(b)	HR Audit and decision of the Board on recommendations of audit.	Date	4			15/12/18	15/01/19	31/01/19	15/02/19	28/02/19	
8	Milestones with respect to subsidiary CPSEs not signing MoU separately										
(a)	Increase in cargo handled by AAILCLAS (subsidiary company) over previous year	%	3			10.00	8.00	6.00	5.00	4.00	
(b)	Increase in non aeronautical revenue by CHIAL (subsidiary company) over previous year	%	3			10.00	8.00	6.00	4.00	2.00	

S.No.	Performance Criteria	Unit	Marks	2017-18 (Estimate)	Best in last 5 years	MoU Targets for the year 2018-19					
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
9	Other Sector Specific result oriented measurable parameters :										
	Airport Service Quality Survey (ASQ)- for 20 airports	On 5 point scale	5	4.57	4.56	4.75	4.60	4.55	4.50	4.45	
	TOTAL		100								

- 1 The targets finalised by IMC are based on provisional/estimated figures submitted by the CPSE for the year 2017-18. In case of better performance of the CPSE as per actual results, the difference may be added to the targets for the year 2018-19. In case figures for the year 2017-18 are recasted / restated in audited accounts, comparison of actual results shall be made based on recasted/ restated figures.
- 2 In working out achievements for the year 2018-19, quantified qualifications of CAG/ Statutory Auditors would be adjusted in case of overstatement of Revenue/ Profit/Surplus or understand of Loss/ Deficit in addition to the negative marks prescribed in MoU guidelines.
- 3 The targets decided in MoU are unconditional and no offset will be allowed. Further evaluation would be subject to compliance of additional eligibility criteria as contained in MoU guidelines.
- 4 If CPSE fails to incur Rs. 100 crore on account of Special Repairs and Rs. 200 crore on account of investment in joint venture, then the difference amount would be added to the target of CAPEX.



Chairman
Airports Authority of India
New Delhi
Date: 27.04.2018



Secretary
Ministry of Civil Aviation
Govt. of India

MONITORING PARAMETERS

(Rs. in Crores)

S. No.	Name of Project	Cost	Target in F.Y. 2018-19		Date of Completion
			Physical % Progress upto 31.03.19	Financial	
1.	Modernization of Chennai Airport – PH-II and SH-PMC charges for Ph-II work at Chennai Airport. (Main work Terminal building)	2467.00	2%	40.00	Nov.2021 (Note: PMC appointed on 20.02.2017 Execution Contract will be awarded by May 2018).
2.	NTB, C Tower, Hanger, Fire Station, Car Park etc. – Guwahati Airport	1100.00	2%	16.00	Feb,2021 (Note: PMC appointed on 07.03.2017 Execution Contract will be awarded by Feb, 2018).
3.	Development of Devghar Airport	450.00	50%	30.00	Nov. 2019
4	Construction of NTB i/c. New Apron (CSG Scheme -100%) Portblair Airport	441.33	50%	67.00	June, 2020
5.	C/o New Domestic T/B. –Agartala Airport i/c Apron	438.28	60%	70.00	June, 2019
6.	C/o New Terminal Building Allahabad Airport	125.00	100%	100.00	Nov, 2018
7	Development of Jharsuguda Airport for ATR-72-500 aircrafts	176.90	100%	25.00	Sep, 2018
8.	Installation of Distance Measuring Equipment (DME) at 20 locations	10.00	100%	10.00	31.03.2019
9	Installation of Instrument Landing System (ILS) at 4 airports.	10.00	100%	10.00	31.03.2019
10	Installation of Doppler Very High Frequency Omni Range (DVOR) at 4 locations.	6.00	100%	6.00	31.03.2019

PART-A
TREND ANALYSIS

S.No.	Financial Performance Criteria	Unit	Target V/s. Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year		
									Actual upto Oct. 2017	Estimated 2017-18	
1	Installed Capacity in respect of each product										
2	Capacity Utilisation in respect of each product	%	Terminal	61.41	64.33	70.84	83.34	101.71	95.81	95.81	
			MoU	NIL	NIL	NIL	NIL	85.00	95.00	95.00	
			Runway	22.32	22.81	23.4	26.09	38.52	40.35	40.35	
			MoU	NIL	NIL	NIL	NIL	28.00	34.00	34.00	
3	Contribution of each product in sales	%									
4	New orders received during the year	Rs. Crore	Actual								
			MoU	NIL	NIL	NIL	NIL		NIL	NIL	
5	Exports as a percentage of Revenue from operations	%	Actual								
			MoU	NIL	NIL	NIL	NIL		NIL	NIL	
6	Development or Revenue from operations	%		4545.84	5334.27	5983.46	6875.94	8023.79	5066.21	9052.08	
			Actual								
7	Production efficiency parameters		MoU	NIL	NIL	NIL	NIL		NIL	NIL	
			Actual								
8	Completion of milestone of clients orders/ agreements without time overrun		MoU	NIL	NIL	NIL	NIL		NIL	NIL	
			Actual								
9	R&D, innovation, Technology upgradation parameter		Actual								
			MoU								
11	CAPEX	%		1800.00	1158.00	1399.87	1757.00	2025.81	733.00	2493.00	
			Actual								
			MoU	NIL	1995	1965.6	1973.48	1966.00			2493.00
12	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual					Achieved	Achievable as per schedule	Achievable as per schedule	
			MoU	NIL	NIL	NIL	NIL	10 Projects	10 projects	10 projects	
13	Inventory of finished goods and work in progress	Rs. Crore									

Details at Attachment-1

S.No.	Financial Performance Criteria	Unit	Target V/s. Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year		
									Actual upto Oct. 2017	Estimated 2017-18	
14	Inventory of finished goods and work in progress to RO(Net)	%	Actual MoU	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	
17	Trade receivables (Net) as number of days of RO (Gross)	Days	Actual	128.00	122.00	142.00	105.00	140	234	129	
			MoU - AI & govt agenc	NIL	NIL	840	840	NIL	NIL	NIL	NIL
			MoU - Others	NIL	NIL	50	50	NIL	NIL	NIL	NIL
19	Claims against the company not acknowledged raised by : Central Government Departments State Governments/Local Authorities CPSES Others	Rs. Crore	Actual MoU	1442.04 NIL	1755.39 NIL	1359.9 NIL	1662.21 NIL	1711.13 NIL	1711.13 NIL	1711.13 NIL	
20	Local disbursed/Total Funds available		Actual MoU								
21	Overdue loans/Total loans (Net)		Actual MoU	NIL	NIL	NIL	NIL		NIL	NIL	
22	NPA/ Total loans (Net)		Actual MoU	NIL	NIL	NIL	NIL		NIL	NIL	
23	Cost of raising funds as compared to similarly rated CPSEs/entities		Actual MoU	NIL	NIL	NIL	NIL		NIL	NIL	
24	Return (share of profit/loss) on Investment in Joint Ventures		Actual MoU	NIL	NIL	NIL	NIL		NIL	NIL	
25	Any other result-oriented parameters taken for target setting		Actual MoU	NIL	NIL	NIL	NIL		NIL	NIL	

PART-A
TREND ANALYSIS

S.No.	Financial Performance Criteria	Unit	Target V/s. Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Current Year	
									Actual upto Oct. 2017	Estimated 2017-18
1	Revenue from Operations-Gross (without DIAL & MIAL)	Rs. Crore	Actual	4545.84	5334.27	5983.46	6875.94	8023.79	5066.21	9052.08
			MoU	6295.17	7760.42	8511.43	8600	7500.00	4783.33	8200.00
	Revenue from Operations - Net (including DIAL & MIAL_)		Actual	6661.15	8018.62	8890.95	10255.2	12542.01	7340.97	12574.22
			MoU							
2	a. Profit before Tax	Rs. Crore		1386.87	2520.31	2791.41	3697.35	4557.61	2174.48	3522.14
	b. Other Incomes (including Airport Lease Revenue)			2352.93	2835.77	3301.52	3948.56	4518.22	2274.76	3522.14
	c. Extraordinary & Exceptional items			0	0	0	0			
	d. Prior Period items			68.27	67.38	0	0			
	e. Operating Profit/ Loss (a-b+/-c+/-d)		Actual	-1034.33	-382.84	-510.11	-251.21	39.39	-100.28	-2.72
			MoU	2833.49	3001.95	3303.18	3530.00	NIL		
3	a. PAT	Rs. Crore		735.00	1441.06	1959.22	2537.36	3115.93		2234.13
	b. Net worth at year end			8831.14	9935.78	11416.61	13037.81	15028.66		17151.92
	c. Average Net worth				9383.46	10676.2	12227.21	14033.24		16090.29
	PAT/Avg. Net worth		Actual		15.36	18.35	20.75	22.20		13.88
			MoU							12.50
	d. PAT/Net worth	%	Actual	8.32	14.50	17.16	19.46	20.73		13.03
		MoU		NIL	NIL	NIL	NIL	19.50		NIL
	e. Paid-up share Capital			656.56	656.56	656.56	656.56	656.56		656.56
	f. Gol Share									
	g. Reserves and surplus			8174.58	9279.22	10760.05	12381.25	14372.10		
4	Total Expenses			5462.21	5649.73	6493.57	7127.15	7984.40		9054.80
5	Total Incomes			6849.08	8170.04	9284.98	10824.5	12542.01		12574.22
6	Total expenses/ Total Incomes	%		79.75	69.15	69.94	65.84	63.66		72.01
7	Detail of other incomes	Rs. Crore								
	a. Interest			71.55	158.59	220.01	382.71	409.5		
	b. Dividend			0.00	0.00	0	0	4.99		
	c. Other Incomes			166.06	-7.17	174.02	186.59	266.98		
	d. Total		237.61	151.42	394.03	569.3	681.47	299.00	580.86	
8	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			147.00	288.00	391.84	761.21	934.78		863.14