

MEMORANDUM OF UNDERSTANDING

2019-20

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 2019-20

S. No.	Performance Criteria	Unit	Marks	2018-19 (Estimate)	Best in last 5 years	MoU Targets for the year 2019-20				
						Excellent 100%	V Good 80%	Good 60%	Fair 40%	Poor 20%
						5	4	3	2	1
A. Compulsory Parameters										
(i)	Revenue from Operations (excluding airport lease revenue and other income) ¹	Rs. Crore	10	8104* (Estimate)	Not available	9000	8500	8200	7900	7600
(ii)	Operating profit as percentage of Revenue from Operations (Net) (excl. Airport lease revenue)	%	20	No Profit No Loss (Rev. Est.)	Profit of Rs. 644.10 Cr.	1.50	1.00	0.75	0.60	0.50
(iii)	PAT as percentage of Average Net worth	%	20	15 (Rev. Est.)	22.20	16.00	15.00	14.00	13.00	12.50

* Excluding airport lease revenue including 6 airports and other income

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B. Optional Parameters										
(i)	<u>Production Efficiency Parameter-</u> Implementation of In-house design of RNP APCH procedures at 5 airports	Date	4	-	-	01.02.20	15.02.20	28.02.20	15.03.20	31.03.20
(ii)	<u>R&D, Innovation, Technology up-gradation parameter-</u> Implementation of Airport Collaborative Decision Making (ACDM) System at 4 additional airports (Ahmedabad, Trivandrum, Guwahati, Jaipur)	Date	5	-	-	01.02.20	15.02.20	28.02.20	15.03.20	31.03.20
(iii)	CAPEX ²	Rs. Crore	10	4195 (Est.)	2504.38	5160.00	4100.00	3500.00	3000.00	2500.00

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(iv)	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	%	4	-	-	100	90	80	70	60
(v)	Trade receivables (Net) as number of days of Revenue from Operations	No. of days	4	70	48	60	70	80	90	100
(vi)	Reduction in Claims against the Company not acknowledged as debt (overall basis) ³	%	4	-	-	15.00	12.00	10.00	8.00	6.00
(vii)	<u>Milestones with respect to subsidiary CPSEs not signing MoUs seperately-</u> PAT/ Average Networth-AAICLAS ⁴	%	3	30 (Est.)	150	35	32	30	25	20

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(viii)	<u>Human Resource Management-</u> Achievement of HR Parameters (details at Annexure-A)	nos.	4	-	-	7	6	5	4	3
(ix)	<u>Human Resource Management-</u> Achieving the next level of People Capability of Maturity Model (PCMM) or its equivalent	Date	3	-	-	31.12.19	31.01.20	15.02.20	29.02.20	15.03.20
(x)	<u>Human Resource Management-</u> Capability development programmes for employees to build their technical & managerial competencies for higher positions including special focus on Web learning programmes(s)	No. of programmes	3	-	-	10	9	8	7	6

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(xi)	<u>Other sector specific result measurable parameters-</u> Airport Service Quality Survey (ASQ)	On 5 point scale	3	4.64 (Est.)	4.61	4.68	4.65	4.60	4.55	4.50
(xii)	<u>Other sector specific result measurable parameters-</u> Completion of milestone with respect to CPSE Conclave- 2018 (details at Annexure-B)	Nos.	3	-	-	5	4	3	2	1

Footnote:-

- 1 Revenue of 6 outgoing airports before transfer to Joint Venture partners, if any, made during the year will be added to the targets.
- 2 If capital outlay of the CPSE gets reduced at the RE stage then evaluation will be done on revised figure. CAPEX would not include Capital grants, deposit works and special repairs expenditure and CAPEX of JV airports, if it is not capitalised (or classified as capital work in progress) in books of AAI.
- 3 If provision has been made, target/ achievement would be net of provisions.
- 4 If AAICLAS does not pay 30% of revenue from operations to AAI as concession in the year 2019-20, then above target will increase proportionately.

Note :-

- (i) Under-pitching of actual achievement for the year 2018-19; Pro-rata adjustment may be made in the targets in case of improvement in actual performance over the estimated performance in the base year.
- (ii) MoU negotiation and evaluation would be done according to MoU Guidelines and clarifications issued by DPE from time to time.
- (iii) In working out achievements for the year 2019-20, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue / Profit/ Surplus or understatement of Loss/ Deficit in addition to the negative marks percribed in MoU guidelines.
- (iv) The targets decided are unconditional and no offset will be allowed on any ground. Further evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.



Chairman
Airports Authority of India

New Delhi

Date: 20/05/2019



Secretary
Ministry of Civil Aviation
Government of India

ANNEXURE - A

The Detail of HR Parameters of continuous nature is as below :

S.No.	HR Parameters
1	Continuation of online submission of ACR/ APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t. writing of ACR/ APAR
2	Continuation of online Quarterly vigilance clearance updation for Senior executives (AGM and above).
3	Regular updation of succession plan and its approval by Board of Directors.
4	Continuation of holding of DPC without delay for executives (E0 and above level).
5	Continuation of talent management and career progression by imparting at least one week training of at least 3% of executives in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI etc.
6	Implementation of recommendation of HR Audit, if any.
7	Review & implementation of employee performance on lines of FR (56)j and submitting a compliance report to Board of Directors at the end of the year.

Annexure-B

The list of milestones with respect to CPSE conclave as under :-		
S.No.	Milestone	Milestone Date
1	Implementation of Automatic Message Switching System (AMSS) at 08 Airports	31-03-2020
2	Reduction in import bill by 20%	
3	Collaborating with world renowned R&D centres for populating CARO with labs/ tools/ simulators	
4	Setting up interim R&D centers with minimum required infrastructure/ research resources: Establishing data center	
5	Setting up interim R&D centers with minimum required infrastructure/ research resources: Setting up fast time simulator tools/ labs	