

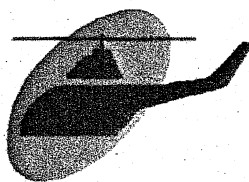
**MEMORANDUM OF UNDERSTANDING
(YEAR 2015-16)**

BETWEEN

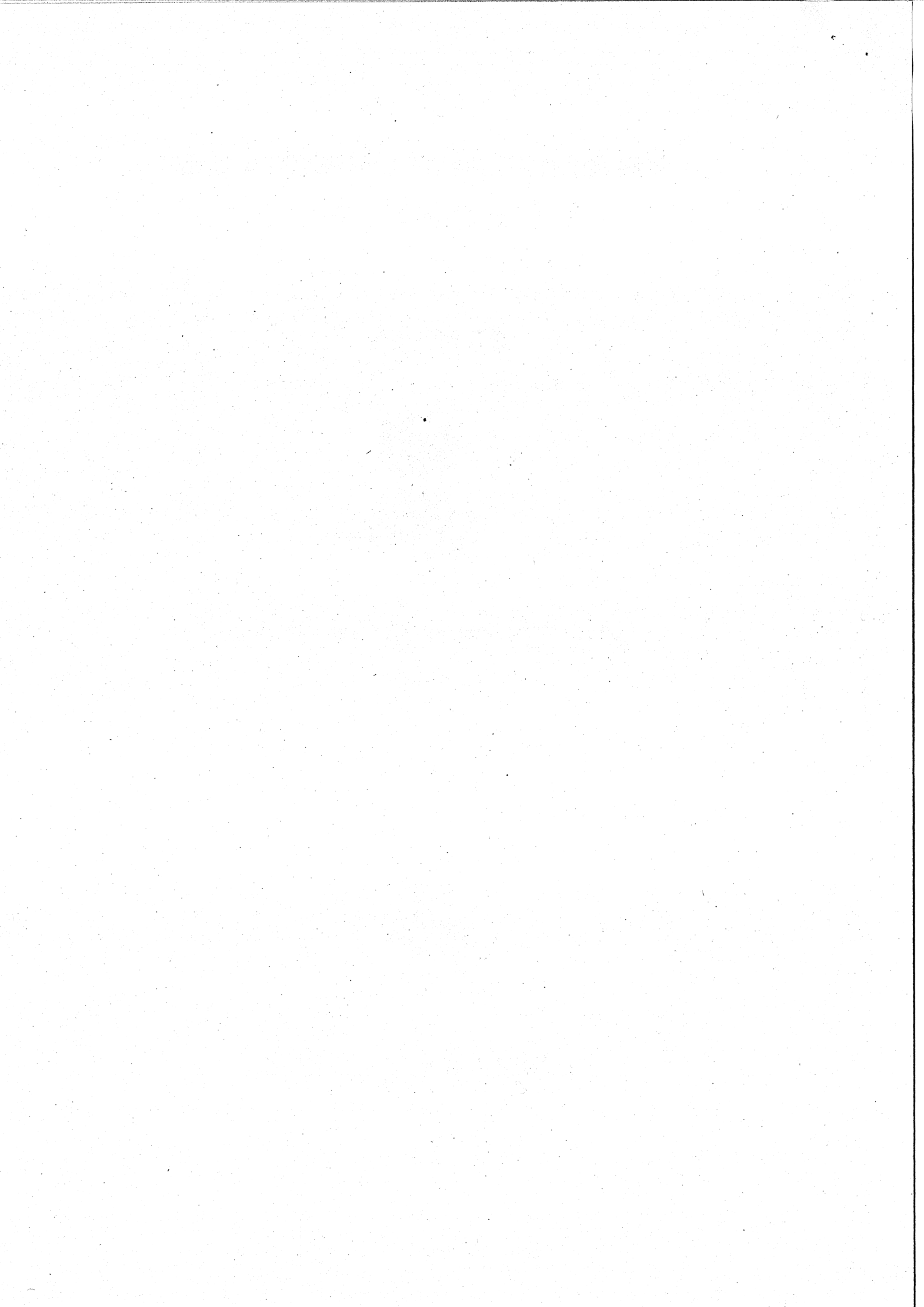


MINISTRY OF CIVIL AVIATION

AND



PAWAN HANS LIMITED





**MEMORANDUM OF UNDERSTANDING- 2015-16
BETWEEN
PAWAN HANS LIMITED
AND
MINISTRY OF CIVIL AVIATION**

PART- I. VISION, MISSION AND OBJECTIVES OF PAWAN HANS LIMITED

a) **VISION**

"Enable the people to have access to safe, secure, sustainable, affordable world class niche aviation services."

b) **MISSION**

To become a market leader in Helicopters and Sea Plane services, to provide regional connectivity through Small Fixed Wing Aircrafts operations and provide repair/ overhaul services at par with international standards.

c) **OBJECTIVES:**

- To initiate fleet replacement / enhancement plan.
- To achieve optimum utilization of the fleet.
- To ensure continuous improvement in safety both in the air and on the ground comparable to the best in the aviation industry.
- To diversify into repair/overhaul facilities / services.
- To provide helicopter training, safety service and create infrastructure namely Heliports/Helipads.
- Capital restructuring to facilitate fleet enhancement plan.
- To improve Internal Management Practices and build capacity within the Organization.

PART-II. AUTONOMY AND DELEGATION OF FINANCIAL POWERS

"to exercise powers as laid down by DPE for MOU signing Companies.

PART-III. EVALUATION PARAMETERS AND TARGETS

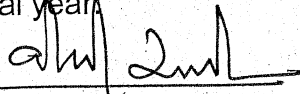
In fulfillment of its obligation under the MOU, Pawan Hans Ltd. undertakes to achieve the Performance Targets for 2015-2016 as per Annexure-I.

PART—IV. COMMITMENTS / ASSISTANCE FROM THE GOVERNMENT

- a) To assist Pawan Hans in issues concerning Central / State Government agencies and PSUs for helicopter, seaplane and small fixed wing services.
- b) To facilitate early settlement of Government of India's claim with regard to purchase of Westland helicopters and capital restructuring of the Company.
- c) To help in timely recovery of dues from North Eastern States and other States / customers.
- d) Help in obtaining Government approval for (a) additional trade related allowances for pilots, AMEs and flight engineers and (b) regularization of pay scales of below board level officers.
- e) Ensure appointment of Functional and Independent Directors.

PART—V. ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF MOU

Quarterly Performance Review of Pawan Hans will be carried out by the Ministry of Civil Aviation. Information on the quarterly review will be provided by Pawan Hans. Annual Evaluation would be done by DPE at the end of the financial year.



(DR. B.P. SHARMA)

**Chairman & Managing Director
Pawan Hans Limited**

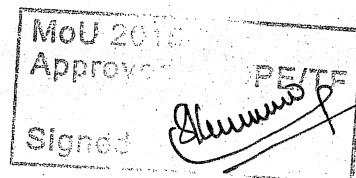
Date : , 2015



(V. SOMASUNDARAN)

**Secretary
Ministry of Civil Aviation**

Date : , 2015



Pawan Hans Limited
MoU for 2015-16

Annexure : I


Sr. No.	CRITERIA	UNIT	WEIGHT	MoU Target					Documentary evidence and source/origin of documents (10)
				EXCELLENT	VERY GOOD	GOOD	FAIR	POOR	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1.	Static/Financial Parameters (50%) (Mandatory parameters (i) to (iii))		50%						
(i)	Growth/Size/Activity (Two)								
	a) Sales Turnover	Rs./crs.	9%	560.00	552.58	524.96	498.70	473.77	Audited Accounts
	b) Gross Operating Margin	Rs./crs.	9%	103.17	101.81	96.72	91.88	87.29	Audited Accounts
(ii)	Profitability								
	a) Profit before Tax/Net Worth	%	10%	13.16%	13.00%	12.35%	11.73%	11.15%	Audited Accounts
(iii)	Costs and Output Efficiency								
	a)Sales Turnover/Net Block	%	8%	69.30%	68.39%	64.97%	61.72%	58.63%	Audited Accounts
	Optional Parameters								
(iv)	Liquidity/Leverage								
	a) Debt Service Coverage Ratio based on PBIDTA	Ratio	8%	3.35	3.33	3.16	3.00	2.85	Audited Accounts
(v)	Efficiency of Asset Use								
	a) Average Collection Period of Trade Receivables (Debtors Turnover Ratio)	No.of Months	6%	5.0	5.1	5.3	5.5	6.0	Audited Accounts

MOU 2015-16
Approved by OPEITF

Signature

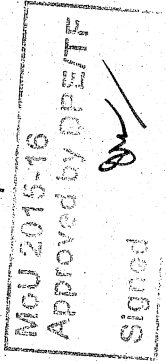


Sr. No.	CRITERIA	UNIT	WEIGHT	Criteria Values					Documentary evidence and source/origin of documents
				EXCELLENT	VERY GOOD	GOOD	FAIR	POOR	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2.	Dynamic/Non- Financial Parameters		43%						
i)	Corporate Social Responsibility & Sustainability		3%						
	SD - Installation of Solar Energy Equipment at three Regions/Offices for Green Efforts	Date	3%	31.12.2015	31.01.2016	15.02.2016	01.03.2016	25.03.2016	HOD (Admn.)
ii)	Research & Development/Innovation		2%						
	Operationalize Flight Following System on one Dauphin N3 helicopter upon full commissioning of GAGAN	Date	2%	31.01.2016	15.02.2016	28.02.2016	15.03.2016	31.03.2016	HOD (Engg.)
iii)	Initiatives for Growth		9%						
	a) Physical Targets/Output	Total Flying Hours	2%	34000	33700	33000	32500	31500	HOD (Mkt)
	b) Engaging consultant for preparing Action Plan for Recommendations for increasing Business of Pawan Hans	Date	3%	30.11.2015	31.12.2015	31.01.2016	28.02.2016	10.03.2016	HOD (Mkt)
	c) Internal Study on Mission Mode on Competitiveness in terms of Efficiency, Cost and Implementation	Date	4%	15.02.2016	20.02.2016	25.02.2016	05.03.2016	20.03.2016	HOD (HR)

15/03/2015-16
 Approved by M.E/TF
 Signed 

iv)	Project Management & Implementation/CAPEX									
	Rohini Heliport: a) physical progress - 100% completion of the civil works already awarded									
	b) Operationalisation of Rohini Heliport	Date	7%	15.02.2016	01.03.2016	10.03.2016	22.03.2016	25.03.2016	25.03.2016	Certificate of Agency
		Date	2%	15.03.2016	20.03.2016	22.03.2016	25.03.2016	31.03.2016	31.03.2016	HOD (Admn.)
v)	Productivity and Internal Process									
	a) Helicopters - Deployed on contracts	No.	8%	35	34	33	32	31		HOD (Mkt.)
	b) Customer Satisfaction by Independent Agency	%	3%	95%	90%	85%	80%	75%		Certificate of Agency
	c) Fleet Serviceability	%	2%	85%	80%	78%	75%	72%		HOD (Engg.)
vi)	Technology, Quality, Innovative practices									
	a) Safety Management - Safety Incidents Index i.e. reportable incidents/20,000 hours of annual flying	Numbers	2%	5	6	7	8	10		HOD (Safety)
	b) Internet of Things: i) Rostering of crew	Date	3%	30.09.2015	31.10.2015	30.11.2015	31.12.15	31.01.2016		HOD (Ops.)
	ii) Maintenance of Helicopters	Date	2%	30.09.2015	31.10.2015	30.11.2015	31.12.15	31.01.2016		HOD (Engg.)
vii)	Human Resource Management									
	a) Employees Training - Skilled/Managerial Training (i) Pilots (ii) Engineers (iii) Other Executives and Staff	Numbers	5%	200	190	180	170	160		HOD (HR)
	b) Training in Marketing and Business Development from reputed Institute for E-4 and above level executives	Numbers	2%	20	15	12	10	8		
3.	Sector Specific Parameter/Enterprise Specific Parameter									
	a) Reconciliation of "Fixed Assets" with Books of Account	Date	3%	01.02.2016	15.02.2016	01.03.2016	15.03.2016	31.03.2016		HOD
	b) Preparation of Accounting Manual	Date	2%	01.02.2016	15.02.2016	01.03.2016	15.03.2016	31.03.2016		(Admn/Mats/F&A)
	c) Disposal of Identified Obsolete/Scrapped Spares as on 31.03.2015	Date	2%	01.02.2016	15.02.2016	01.03.2016	15.03.2016	31.03.2016		

Note - Negative Marking shall be done according to Para No. - 3.24 and 3.22 of DPE MoU Guidelines 2015-16.



Annexure - II

PAWAN HANS LIMITED

i) The total Internal and Extra Budgetary Resources (IEB&R) generation for financial year 2015-16 is Rs. 110.95 crores which has been depicted in the format submitted to MOCA (Annexure - 1.3 to Annexure 1.5) in respect of preparation of Annual Plan 2015-16 wherein it has also been projected Capital Plan outlay(CAPEX) of Rs.48.95 crores for financial year 2015-16. The same amount (Rs.48.95 crores) alongwith the projects details has also been projected in Outcome Budget 2015-16 submitted to MoCA. The project-wise (CAPEX) details of Rs. 48.95 crores are as under:

ii) Name of the Ministry/Department: Ministry of Civil Aviation

Statement of Outlays & Outcomes Budget/Targets : 2015-16

Organisation: Pawan Hans Limited

(Rs./crores)

Sr. No.	Name of Scheme/ programme	Objective/ Outcome	Outlay 2015-16			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Process / Timelines	Remarks/ Risk Factors
			Non-Plan Budget	Plan Budget	Complementary Extra-Budgetary Resources				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
1	Acquisition of New Fleet New segments:								
	- Seaplane - Single Engines	To provide seaplane operations in A&N, West Bengal and Kerala in tourism sector.	-	-	6.80	20% advance payment for 2 Nos Seaplanes.	Will. add capacity and generate revenue by enhancing services.	Delivery of seaplanes will be in 18 months after payment of advance i.e beyond 2015-16	
			-	-	6.80				
2	Import of Capital Equipment Various Workshop equipments	To meet operational requirements of Fleet.	-	-	1.13	Includes Battery Load Tester, Compressor Washing Rig ~ 4 nos, Jacks (sets) 6 nos and Aircraft Weighing Scale and Aircraft towing	Will provide operational flexibility for fleet.	Delivery expected in phased manner during financial year 2015-16	
	Spares Aero Engine	To meet maintenance of AS 350 B3 Helicopters.	-	-	6.15	1 no Ariel 2B1 Engine for AS350 B3 Helicopter.		Purchase order will be issued after approval of Board of Directors. Delivery expected by last quarter of financial year 2015-16.	
			-	-	14.08				
3	Building/Civil & Other Projects		-	-	34.87				
	a) Creation of Helipport, Rohini, Delhi.	To provide connectivity to tourists and commercial operations for business community and also for Emergency/ Disaster management by Helicopters.	-	-	30.00	Connectivity to tourists and business community, for Emergency/ Disaster Management.	To provide connectivity to tourists and business community for Emergency/ Disaster Management.	Ongoing project. The project will be completed in 18 months from the date of receipt of letter of acceptance i.e. likely to be completed by 31st March, 2016	
	b) Reconstruction of Boundary Wall at Juhu Residential Complex, Mumbai	To provide Safety for the residents of the complex.	-	-	0.75	To provide Safety for the residents of the complex.	To provide Safety for the residents of the complex.	Reconstruction of boundary wall likely to be completed by March, 2016.	
	c) IT Plan	Integration of various Deptts. under IT Plan to improve connectivity.	-	-	1.23	Better connectivity at Regions/Bases/ Improved Information System.	Greater efficiency in functioning through integrated flow of information.	Purchase of computer/laptops, E-Office/Software/hardware appliances to be completed during financial year 2015-16	
	d) Other Civil/Electrical Works , vehicles etc.	Minor capital works to meet Operational requirements and will add to operational efficiency.	-	-	2.89		will add to operational efficiency.	Minor capital items for approval of Competent Authority will be obtained from time to time during 2015-16.	
	Total		-	-	48.95				

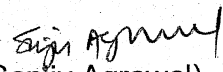


पवन हंस लिमिटेड
(भारत सरकार का उपक्रम)
PAWAN HANS LIMITED
(A Government of India Enterprise)

Annexure-III

Self declaration/certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MOU Guidelines by adopting the norms and definitions laid down in MOU Guidelines for the year 2015-16. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per MOU Guidelines. CPSE has no right of claim in this regard.

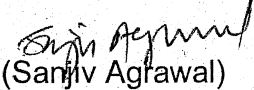

(Sanjiv Agrawal)
Company Secretary
Pawan Hans Limited
Authorized Signatory



Annexure-IV

Self declaration for Compliance of Directives of Government and Regulators

It is hereby certified that the CPSE has complied all the directives of Government and requirements of Regulators. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the Government / Regulators, CPSE has no right of claim in this regard.


(Sanjiv Agrawal)
Company Secretary
Pawan Hans Limited
Authorized Signatory