



MEMORANDUM OF UNDERSTANDING

For

2019-20

Between

**HINDUSTAN AERONAUTICS LIMITED
BENGALURU**

And

**DEPARTMENT OF DEFENCE PRODUCTION
MINISTRY OF DEFENCE
NEW DELHI**

MEMORANDUM OF UNDERSTANDING
HINDUSTAN AERONAUTICS LIMITED
2019-20
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BRIEF ABOUT THE CPSE

1	Name of the CPSE	Hindustan Aeronautics Limited
2	Status : As per DPE Guidelines	Maharatna / Navratna ✓ / Miniratna/Others
3	Schedule of CPSE (Please Tick)	A ✓ / B / C / D/ None
4	Purpose for which CPSE has been setup and main business now	<p>“Hindustan Aeronautics Limited” (HAL) has been setup to meet the requirement of Indian Defence Forces (Namely Indian Air force, Indian Navy, Indian Army and Coast Guard) in the area of Aerospace.</p> <p>HAL, a Navratna Central Public Sector Undertaking of the Government of India, is a premier Aerospace Company of South East Asia, with 20 production and overhaul / service Divisions and 11 co-located R&D centres across India. The Company is ranked 38th globally in the Defence Aerospace Industry. HAL’s spectrum of expertise encompasses design and development, manufacture, upgrade and repair / overhaul of aircraft (fighters, trainers and transport), Helicopters and associated Aero-engines, Accessories and Avionics for both military and civil applications.</p> <p>HAL has diversified portfolios like manufacture of Structures for Aerospace Launch Vehicles / Satellites and Cryogenic Engines. HAL is also involved in the production and overhaul of Marine & Industrial Gas Turbine Engines.</p> <p>HAL has emerged as a globally competitive Aerospace company, with supplies of major structural assembly packages and large volumes of machined components to leading international aerospace companies like Airbus and Boeing.</p>
5	Any capital restructuring during 2017-18 & 2018-19 i.e buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and % of PAT given as dividend.	<p>During 2017-18, the Company bought back 2,71,12,500 equity shares of Rs 10/- each from the president of India at an offer price of Rs 339.88 per share and paid total buy back consideration of Rs 92,150 Lakhs excluding buy back tax of Rs 20,636 Lakhs on 19th December 2017.</p> <p>During 2018-19 is Nil.</p>
6	Whether shares are listed (if yes, name of stock Exchange and price of the share as on date)	<p>National Stock Exchange of India and BSE Limited</p> <p>Price of share as on 31st Mar 2019 is Rs 706.45 per share – at NSE of India RS 709.80 per share – at BSE Limited</p>

7	Any change in Capacity during the year or Next Year (MoU Year)	NIL
8	Any Business unit hived off or to be hived off or added or to be added during the year or next year (MoU Year)	NIL
9	Brief about the Sector in which the CPSE is operating and National and International environment, regulatory environment etc.	Refer Appendix – A
10	Details of revival plan if approved	Not Applicable
11	Any adverse comment by Statutory Auditors and its impact on Revenue / Profit / Loss / Assets / Liabilities.	NIL
12	Whether C & AG supplemented the comments of Statutory Auditor. If not give details along with impact.	NIL
13	Number and Name of the subsidiary companies along with amount invested and share in its profit during last 5 years	<ul style="list-style-type: none"> ➤ Naini Aerospace Limited (NAeL) was incorporated on 29th December 2016. Amount Invested : Rs 30.00 Crores ➤ Indo Russian Helicopter Limited (IRHL) was incorporated on 02nd May 2017. Amount Invested: Rs. 5.05 Crores
14	Number and Name of the Joint Venture companies along with amount invested and share in its profit during last 5 years.	Refer Appendix – B

MANDATORY PARAMETERS**PART-A**

Sl. No.	Financial Performance Criteria	Unit	Marks	2018-19 (Estimated)	Best in 5 years	MOU Target					% improvement
						Excellent	Very Good	Good	Fair	Poor	
1	Turnover										
	Revenue from Operations (Net)	Rs Crs	10	19200 *	18519	20000	19200	18500	17500	17000	-
2	Operating Profit / Loss										
	Operating Profit (Profit / Surplus before tax excluding other income, Extraordinary and Exceptional items) as a % of Revenue from Operations (net)	%	20	16.14**	14.14	15.00	14.50	13.60	12.90	12.25	-10.16
3	Return on Investment										
	PAT / Average Net Worth	%	20	16.90 **	22.10	15.00	14.00	13.10	12.50	12.00	-17.16
	TOTAL (A)		50								

*- Include one time differential sales revenue of Rs 900 Crs (relating to 16-17 & 17-18) resulting from finalization of Fixed Price Quotation prices

**- Excluding Operating Profit of Rs 500 Crs on differential sale, the % of

- Operating Profit as a % of Revenue from Operations (net) - 14.25%
- PAT / Average Net Worth - 15.25%

OTHER PARAMETERS

PART-B

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Estimated)	Best in 5 years	MOU Target					% improvement
						Excellent	Very Good	Good	Fair	Poor	
4	Export as percentage of Revenue from Operations (Net)										
	Export as a % of Revenue from Operations (Net)	%	8	1.34	3.12	10	8	5	4	3	497
5	Completion of milestone of clients orders / agreements without time overrun										
	Completion of Milestones of clients orders / agreements (Valuing above Rs.100 Crore) without time overrun	%	3	NA	NA	100	95	90	85	80	NA
6	CAPEX										
	CAPEX	Rs Crs	7	1375	1514	1400	1350	1285	1220	1160	-1.82
7	Capex Monitoring										
	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	%	3	100	-	100	95	90	85	80	-

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Estimated)	Best in 5 years	MOU Target					% improvement
						Excellent	Very Good	Good	Fair	Poor	
8	Trade receivables (net) as number of days of Revenue from Operations (Gross)										
	Trade Receivables (Net) as number of Days of Revenue from Operations (Gross)	No. of Days	3	270	83	220	240	252	265	278	11.11
9	Reduction in claims against the Company not acknowledged as debt										
	Reduction in overall claims against the Company not acknowledged as debt over previous year	%	3	5.00	16.86	15.00	12.00	10.00	8.00	6.00	140
10	Return (share of profit / loss) on Investment in Joint Venture (JV)										
	Return (share of profit / loss) on Equity investment in JVs (%) (Excluding 5 JVs ^{\$} in respect of which investment is written off)	%	3	16.43	33.45	19.00	17.00	16.00	15.00	14.00	3.47
11	Milestone with respect to subsidiary CPSEs not signing MoU separately										
	Increase in Revenue from operations (net) of Subsidiaries over previous year.	%	3	-	-	50	40	30	20	10	-
12	HR Parameters										
a)	Achievement of HR Parameters of Continuous nature as per list enclosed at Appendix C	No. of Parameters	3	-	-	7	6	5	4	3	-

\$ - 5 JVs to be excluded are Samtel HAL Display Systems Limited, HAL Edgewood Technologies Private Limited, HALBIT Avionics Private Limited, Hatsoff Helicopter Training Private Limited and Multirole Transport Aircraft Limited.

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Estimated)	Best in 5 years	MOU Target					% improvement
						Excellent	Very Good	Good	Fair	Poor	
b)	Initiatives for women employees for work life balance as well as leadership development (No. of Initiatives)	Nos	3	-	-	15	14	13	12	11	-
c)	Capability Development programs for Executives to build their Technical and Managerial competencies for higher positions with special focus on Web Learning Programs (No. of Programmes)	Nos	3	-	-	6	5	4	3	2	-
13 Other Sector Specific result oriented measurable parameters											
a)	Reduction in Imports as a % of Revenue from Operations (net) over previous year	%	5	-18.30	29.80	10	8	6	4	2	143.7
b)	Three (03) No. of Artificial Intelligence (AI) enabled projects (Refer Appendix D for goals)	Nos	3	-	-	Completion of all goals of three AI Projects	Completion of all goals of two AI Projects	Completion of all goals of one AI Project	- #	- #	-
Total (B)			50								
Grand Total (A+B)			100								

NA : Not Applicable

Note : # - Zero Marks will be awarded if the CPSE fails to complete all goals of even one AI Project.

1. 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 Negative marks prescribed in MoU guidelines.
2. The targets decided in MoU 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.



(R. Madhavan)
Chairman & Managing Director
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15/1, Cubbon Road,
BENGALURU - 560 001

Station: New Delhi
Date : 03-07-2019



(Dr. Ajay Kumar)
Secretary, Government of India
Department of Defence Production
Ministry of Defence
NEW DELHI - 110 011

PART- A
TREND ANALYSIS

Sl. No.	Financial Performance Criteria	Unit	Target V/s Actual	13-14	14-15	15-16	16-17	17-18	18-19 (Prov.)
1	Revenue from Operations – Gross	Rs. Crs		15136	15731	17159	18554	18624	19200
	Revenue from Operations – Net		Actual	15135	15730	16758	17950	18519	19200
			MoU	14600	15509	16663	17100	17900	18400
2	a. Profit Before Tax	Rs. Crs		3578	3173	3207	3583	3323	3350
	b. Other Income			2028	1642	1598	1044	761	250
	c. Extraordinary & Exceptional Items								
	d. Prior Period Items								
	e. Operating Profit (a-b+/-c+/-d)	Actual	1550	1531	1609	2539	2562	3100	
		MoU	Not a MoU Parameter						
	f. Operating Profit as a % Revenue from Operations (net)	%	Actual	10.24	9.73	9.60	14.14	13.83	16.14
MoU		Not a MoU Parameter				10.30	10.60	11.60	
3	a. PAT	Rs. Crs		2693	2388	1998	2616	2070	2178
	b. Net worth at year end (Excluding OCI Reserve)			15015	14959	11077	12589	12236	13531
	c. Average Net Worth (Excluding OCI Reserve)			14197	14987	13018	11833	12661	12885
	d. PAT/Net Worth (Excluding OCI Reserve)	%	Actual	17.94	15.97	18.03	20.78	16.92	16.10
		MoU	Not a MoU Parameter				11.50	Not a MOU parameter	
	e. PAT/ Average Net Worth (Excluding OCI Reserve)	%	Actual	18.97	15.94	12.77	22.10	16.35	16.90
		MoU	Not a MoU Parameter					14.05	15.25

Sl. No.	Financial Performance Criteria	Unit	Target V/s Actual	13-14	14-15	15-16	16-17	17-18	18-19 (Prov.)	
	f. Paid-up Share Capital	Rs. Crs		482.0	482.0	361.5	361.5	334	334	
	g. GoI Share	Rs. Crs		482.0	482.0	361.5	361.5	300.85	300.85	
	Other than GOI Share	Rs. Crs						33.54	33.54	
	h. Reserves and Surplus	Rs. Crs		14533	14412	10657	12175	11699	12937	
4	Total Expenses	Rs. Crs		13585	14199	15150	15413	15958	16100	
5	Total Incomes			15135	15730	16758	17950	18519	19200	
6	Total Expenses / Total Incomes	%		89.76	90.27	90.40	85.86	86.17	83.86	
7	Details of other Income									
	a. Interest	Rs.Crs		2026	1620	1549	890	639	200	
	b. Dividend			2	2	2	3	1	1	
	c. Other Incomes				20	47	151	121	49	
	d. Total			2028	1642	1598	1044	761	250	
8	a. Cash and Bank Balance and equivalent	Rs Crs		16935	17671	13299	11117	6524	-	
	b. Investment in mutual funds									
	c. Investments in shares other than subsidiary / JVs									
	d. Total (a+b+c)			16935	17671	13299	11117	6524	-	
	e. Cash Credit / Over-draft loan / Short-term loan/Long-term loan			679			950	864	6100	
	f. Balance in current account			3	471	334	334	91	60	
9	Dividend paid / declared for the year, excluding Dividend Tax	Rs Crs		890	480	627	800	1075	662	

PART B
TREND ANALYSIS

Sl. No.	Performance Criteria	Unit	Target V/s Actual	13-14	14-15	15-16	16-17	17-18	18-19 (Prov)
1	Export as a % of Revenue from Operations (Net)	%	Actual	2.91	3.12	2.66	2.59	1.70	2.08
			MoU	Not a MoU Parameter					
2	Completion of milestones of clients orders / agreements without time overrun	%	Actual	Not Applicable					
			MoU	Not Applicable					
3	CAPEX	Rs Crs	Actual	1058	874	1430	1514	1452	1375
			MoU	Not a MoU Parameter		1310	900	1300	1375
4	CAPEX contracts / projects running / completed without time / cost overrun to total value of CAPEX	%	Actual	Not a MoU Parameter			100	100	100
			MoU	Not a MoU Parameter			100	100	100
5	Trade Receivables (Net) as number of Days of Revenue from Operations (Gross)	%	Actual	167	142	103	83	152	270
			MoU	Not a MoU Parameter				117	110
6	Reduction in overall claims against the Company not acknowledged as debt over previous year (*- Reduction from opening balance)	%	Actual	16.86	-10.67	-84.90	0.91	-22.03	5.00
			MoU	Not a MoU Parameter					
7	Return (share of profit / loss) on Equity investment in JVs (%) (Excluding 5 JVs in respect of which investment is written off)	%	Actual	19.94	27.46	27.83	33.46	23.12	16.43
			MoU	Not a MoU Parameter					

- Comment [CS1]:
- Comment [CS2R1]:
- Comment [CS3R1]:
- Comment [CS4R1]:

Sl. No.	Performance Criteria	Unit	Target V/s Actual	13-14	14-15	15-16	16-17	17-18	18-19 (Prov)
8	Milestone with respect to subsidiary CPSEs not signing MoU separately - Increase in Revenue from Subsidiaries over previous year	%	Actual	-	-	-	-	-	-
			MoU	Not a MoU Parameter					
9	HR Parameters								
a)	Achievement of HR Parameters of Continuous nature	No of Parameters	Actual	Not Applicable					
			MoU	Not Applicable					
b)	Initiatives for women employees for work life balance as well as leadership development	(No. of Initiatives)	Actual	Not Applicable					
			MoU	Not a MoU Parameter					
c)	Capability Development programs for Executives to build their Technical and Managerial competencies for higher positions with special focus on Web Learning Programs (No. of Programmes)	No. of Programmes	Actual	Not Applicable					
			MoU	Not a MoU Parameter					
10	Other Sector Specific result oriented measurable parameters								
a)	Reduction in Imports as a % of Revenue from Operations (net) over previous year	%	Actual	-31.77	20.31	29.80	18.92	4.61	-18.30
			MoU	Not a MoU Parameter					
b)	Three (03) No. of Artificial Intelligence (AI) enabled projects		Actual	Not Applicable					
			MoU	Not a MoU Parameter					

Appendix – A

Brief about the Sector in which the CPSE is operating and national and International Environment, regulatory environment, etc.

Hindustan Aeronautics Limited (HAL) is a CPSE operating in the Aerospace & Defence (A&D) segment and holds 38th position among the global aerospace companies. HAL is a premier aeronautical complex in Asia, propelling the 'Make in India' dream of the country by undertaking design, production, repair, overhaul and upgrade of Aircraft, Helicopters, Aero-engines, Accessories, Avionics and airborne Systems.

National and International Environment in the A&D Segment:

According to Deloitte's '2018 Global Aerospace and Defence (A&D) Sector Outlook', the global aerospace and defence industry is expected to strengthen in 2018, as in year 2017 the global A&D industry has marked a growth of 2.1 percent. Also, in year 2018, the commercial aircraft sector revenues are expected to grow 4.8 percent. On similar lines, the Defence sector revenues are likely to record 3.6 percent growth as the US defence budget returns to growth after experiencing multi-year declines. The report estimates that the global defence spending to grow at Compounded Annual Growth Rate (CAGR) of about 3.0 percent over the 2017-22 period crossing 2 Trillion USD by 2022. This is mainly because of higher defence spending from Asian regional powers such as India, China and Japan, those are likely to derive the global defence sector revenue growth in 2018 and beyond.

In terms of Defence spending, US remained the largest defence spending nation, accounting for 36 percent of the total global spend of 1682 Billion USD in 2016. China, Russia, Saudi Arabia and France are other nations having defence spending more than India. In terms of percentage of GDP, Oman leads all nations spending 16.5 percent of GDP on military expenditure. International demand for defence and military products is increasing in the Middle East, Eastern Europe, North Korea and the East and South China Seas.

Coming to the Indian environment, India's defence sector has experienced robust growth over the recent past resulting India's defence budget for 2017-18 reaching 57.4 Billion USD. The Union budget allocation in 2018-19 for Defence Budget (excluding miscellaneous and defence pension) is ₹ 2,79,305 Cr (43.4 Billion USD) with an increase of 7.7 percent over the previous year allocation of ₹ 2,59,262 Cr (BE). It is important to note that upward revision is entirely due to increase in revenue expenditure, with the capital expenditure remaining exactly the same. The defence expenditure allocation has come down to 1.49% of GDP from allocation of 1.54% of GDP in previous year and it is also the lowest percentage allocation since 2000-01.

Some of the emerging opportunities in the industries are:

- ***Rapidly growing aviation industry stimulating aerospace industry:*** The aviation and aerospace Industries are complementary to each other in a country. In India, the aviation industry is growing rapidly. Presently, India is at 9th rank in global domestic aviation market and it is projected to become 3rd in ranking by 2020.

- **Government Support to the Aerospace and Defence Industry:** Considering the prospects of Aerospace and Defence Industry in the country, the Government is providing enormous support to the sector in terms of its policy reforms such as Make-in-India, NCAP-2016, FDI, DPP-2016, Strategic Partnership Model, RCS (UDAN) Scheme, NABH Scheme etc.

- **Big Defence Orders Lined up:** In a short span of time of 3 to 4 years Government has released RFI / signed contracts for many big size Defence deals such as Rafale Fighter, AVRO replacement, LCA-Tejas, Ka-226T, Apache, Chinook and NUH helicopters. The size of these major defence orders to be released is estimated to be around ₹ 2.6 lakh crores. The Government's effort is to balance the military power in South-Asian region and to replace phasing out old fleets of Fighter, Trainer and Transport aircraft and helicopters.

- **Boost to Private Participation in Indian Defence Production:** Although the Indian Aerospace and Defence Manufacturing sector was opened for Private Partners in 2001, there was no significant contribution of private companies in Indian A&D sector which is largely catered by DPSUs like HAL, BEL and OFBs. However, there have been a wave of development such as Strategic Partnership Model, relaxation in FDI policy, licensing policy and Exchange Rate Variation (ERV) protection private industries, after 2014 by Government to increase the participation of Private Partners in the industry.

Indian Aerospace and Defence market is expected to continue the trend of growth in line with the emerging markets worldwide due to the economic growth of the nation and increased demands from the Armed Forces, though lower allocation towards Defence Expenditure for the year 2018-19 in terms of percentage of GDP may be challenging to manufacturing companies like HAL.

Regulatory Environment

Indian Defence Market continues to be one of the most attractive markets in the world and offers significant opportunities for defence manufacturing firms. Currently, India employs the third largest Armed Forces in the world and sources around 60 percent of its defence requirements through imports. Considering the growing opportunities in the sector within the country, with a vision to place India among top five countries in the Aerospace and Defence manufacturing sector, the Government has brought major regulatory changes in the sector in the past few years. Some of such major policy changes are listed as below:

- **FDI Relaxation:** The Government has allowed FDI up to 49% under Automatic Route (which was earlier 26%) and above 49% under Government Route on case to case basis.

- **Relaxation in Licensing:** The Government has debarred the licensing of nearly 80% of items in A&D sector. Licensing has become confined to about 15-20% of the items.

- **Exchange Rate Variation Protection:** The exchange rate variation protection which was only available to PSUs is extended to private sector as well.

- **Strategic Partnership Model:** The Government has laid out Strategic Partnership Model, which ensures that foreign OEMs tie-up with Indian Private Partners for execution of their offset obligations.

- **Setting up Priority:** In DPP-2016, the Defence procurement categorization was prioritized with top priority for indigenously designed, developed and manufactured items while making buying from international market the least preferred category.

Appendix - B

HAL JOINT VENTURE COMPANIES - AMOUNT INVESTED & SHARE IN PROFIT

(Figures in Rs Crs)

Sl. No.	Name of JVC	HAL Share holding (%)	2013-14			2014-15			2015-16			2016-17			2017-18		
			HAL Investm ents	PAT	HAL Share in PAT	HAL Investm ents	PAT	HAL Share in PAT	HAL Investm ents	PAT	HAL Share in PAT	HAL Investm ents	PAT	HAL Share in PAT	HAL Investm ents	PAT	HAL Share in PAT
1	BAE HAL Software Ltd	49	2.94	1.58	0.77	2.94	1.52	0.74	2.94	-2.13	-1.04	2.94	0.52	0.25	2.94	-3.66	-1.79
2	Indo Russian Aviation Ltd	48	0.94	15.40	7.39	0.94	19.50	9.36	0.94	17.04	8.18	0.94	20.11	9.65	0.94	18.51	8.88
3	Snecma HAL Aerospace Pvt. Ltd	50	11.40	6.01	3.01	11.40	7.67	3.84	11.40	7.74	3.87	11.40	2.73	1.37	11.40	5.16	2.58
4	Samtel HAL Display Systems Ltd.	40	1.60	-1.49	-0.60	1.60	-2.00	-0.80	1.60	0.06	0.02	1.60	-3.84	-1.54	1.60	-1.33	-0.53
5	HAL Edgewood Technologies Pvt. Ltd.	50	3.00	-3.93	-1.97	3.00	-1.58	-0.79	3.00	-1.18	-0.59	3.00	-0.80	-0.40	3.00	1.64	0.82
6	HALBIT Avionics Pvt. Ltd.	50	3.83	-1.07	-0.54	3.83	0.64	0.32	3.83	-6.34	-3.17	3.83	0.02	0.01	3.83	-0.05	-0.03
7	Infotech HAL Ltd.	50	2.00	0.11	0.06	2.00	0.66	0.33	2.00	0.99	0.50	2.00	1.02	0.51	2.00	0.78	0.39
8	HATSOFF Helicopter Training Pvt Ltd.	50	38.40	-34.9	-17.5	38.40	-11.1	-5.54	38.40	-7.91	-3.96	38.40	10.46	5.23	38.40	9.25	4.63

Sl. No.	Name of JVC	HAL Share holding (%)	2013-14			2014-15			2015-16			2016-17			2017-18		
			HAL Invest ments	PAT	HAL Share in PAT	HAL Invest ments	PAT	HAL Share in PAT	HAL Invest ments	PAT	HAL Share in PAT	HAL Invest ments	PAT	HAL Share in PAT	HAL Investm ents	PAT	HAL Share in PAT
9	TATA –HAL Technologies Ltd.	50	5.07	-1.58	-0.79	5.07	1.38	0.69	5.07	0.32	0.16	5.07	-2.93	-1.47	5.07	-1.43	-0.72
10	International Aerospace Manufacturing Pvt. Ltd.	50	42.50	2.88	1.44	42.50	3.72	1.86	42.50	5.28	2.64	42.50	16.37	8.19	42.50	8.50	4.25
11	Multirole Transport Aircraft Ltd.	50	113.47	1.83	0.92	113.47	1.80	0.90	113.47	2.40	1.20	113.47	-0.13	-0.07	113.47	-3.91	-1.96
12	Aerospace & Aviation Sector Council	50	-			0.13	-0.86	-0.43	0.13	-0.14	-0.07	0.13	-0.68	-0.34	0.13	-0.90	-0.45
13	Helicopter MRO Engines Pvt LTD	50.5										1.95	-1.20	-0.60	4.10	-1.36	-0.68
Sub Total			225.15	-15.16	-7.75	225.28	21.37	10.48	225.28	16.13	7.74	227.23	41.65	20.80	229.38	31.20	15.40
Diminution			49.9			49.9			64.62			65.84			128.77		
Total			175.25	-15.16	-7.75	175.38	21.37	10.48	160.66	16.13	7.74	161.39	41.65	20.80	100.61	31.20	15.40

Appendix-C

Parameter of Continuous Nature

SL No	Parameter	Unit	Marks	Excellent	Very Good	Good	Fair	Poor
i)	Online submission of ACR / APAR in respect of all executives (E0 & above) along with compliance of prescribed timelines w.r.t writing of ACR / APAR	Achievement of number of parameters	3	7	6	5	4	3
ii)	Online Quarterly Vigilance Clearance updation for Senior Executives (E5 & above)							
iii)	Regular Updation of Succession Plan and its approval by Board of Directors							
iv)	Holding DPC without delay for Executives (E0 & above level)							
v)	Talent Management & Career progression by imparting atleast one Week training to atleast 75 Executives in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI, etc.							
vi)	Completion of 100% Departmental Enquires constituted for Disciplinary Cases within prescribed time as per Manual							
vii)	Review & Implementation of Employee Performance on the lines of FR(56J) and submitting a compliance report to Board of Directors at the end of the year							

Appendix – D

SL No	AI Enabled Product	Goals
1	Voice Activated Command System	i) VACS integration on aircraft and commencement of flight trials ii) Update of the Voice Recognition Algorithm based on flight trials and its certification by Regional Centre for Military Airworthiness (RCMA) / Accredited Agency.
2	Helicopter Maintenance	i) Development of Diagnostic Algorithm for Helicopter Critical Components. ii) Validation of Algorithm using past recorded flight data. iii) Validation of HUMS (Health & Utility Monitoring System) Ground Station and its certification by Regional Centre for Military Airworthiness (RCMA) / Accredited Agency and offering it to Customers.
3	Automatic Target Recognition	i) Design of neural network- based model for target identification from image. ii) Development of Target database for training the network and successful recognition of target to be certified by Accredited Agency.