

PRELIMINARY INFORMATION MEMORANDUM

For Inviting Expression of Interest

for

STRATEGIC DISINVESTMENT OF PAWAN HANS LIMITED (PHL)

by

GOVERNMENT OF INDIA (GOI)



भारत सरकार
Government of India



Transaction Advisor



SBI Capital Markets Limited

6th Floor, World Trade Tower, Barakhamba Lane, New Delhi 110 001

Head Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005

July 11, 2019

Disclaimer Notice

SBI Capital Markets Limited ("**SBICAP**" or "**Advisor**" or "**Transaction Advisor**") has been retained as the advisor by the Government of India ("**GOI**") for advising and managing the proposed strategic disinvestment of Pawan Hans Limited (hereinafter referred to as "**PHL**" or "**Company**"), pursuant to work order dated March 20, 2017 and engagement letter dated June 29, 2017 (aforesaid proposed strategic disinvestment hereinafter referred to as the "**Proposed Transaction**"). This Preliminary Information Memorandum (hereinafter referred to as the "**PIM**") has been prepared by SBICAP which includes proprietary information of the Company and it is issued for the limited purposes of providing certain information on PHL for enabling recipients to be apprised of such certain basic details of PHL prior to submission of the Expression of Interest ("**EOI**") in respect of the Proposed Transaction. This PIM does not contain complete information in relation to the Company including details of the land, other assets, intellectual properties, legal proceedings involving the Company etc. Unless otherwise specified, the information contained herein is as of April 30, 2019, and may be subject to material updates, revisions or amendment. Neither GOI, the Company nor SBICAP, undertake to update this PIM, and do not intend for this PIM to form the basis of an investment decision or a decision to participate in the Transaction. You should conduct your own investigation and analysis of the Company in connection with a possible Transaction. This PIM is not intended to form the basis or as a recommendation on behalf of the Company or GOI or SBICAP for any investment decision.

SBICAP has not independently verified any of the information and data contained herein. Neither the GOI, the Company nor SBICAP (nor any of their respective affiliates, subsidiaries, advisors, and agents), (i) make any representations or warranties, express or implied, as to the accuracy, or completeness of such information and data, (ii) take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortuous, statutory or otherwise, in respect of, the accuracy, completeness, authenticity, correctness and fairness of the information or for any of the opinions contained in the PIM or for any errors or omissions or for any loss/damage be it tangible or intangible, howsoever arising, from the use of this PIM and iii) take any responsibility or accept any liability for any other written or oral communications transmitted to the recipient by or on behalf of Company or SBICAP or GOI or any of their advisors in the course of your evaluation of any transaction involving the Company. Any liability or responsibility of GOI, the Company and SBICAP and their respective advisors is, therefore, expressly disclaimed. You should conduct your own investigation and analysis of the Company in connection with the Proposed Transaction.

The GOI reserves the right to change the procedures for pursuing the Proposed Transaction. The issue of this PIM does not imply that the GOI, Company or SBICAP are bound to select an interested bidder for the Proposed Transaction and the GOI and SBICAP reserve the right to reject all or any of the Interested Bidders or their EOIs without communicating any reasons whatsoever.

The PIM may include certain estimates, projections, statements, targets and forecasts with respect to the Company/industry in which the Company operates and these are based on the various assumptions made by the management, officers or employees of the Company and/or SBICAP. Actual results may differ materially from these forward-looking statements due to various factors. You should note that past performance of the Company is not a guide for future performance of the Company. The summary of financial information has been obtained from the audited annual financial statements (unless otherwise specified) and may differ from the actual numbers to the extent of approximations or use of rounded numbers. Unless stated otherwise the industry data has not been independently verified by SBICAP, the Company, the GOI or any of their affiliates or advisors. The data used in these sources may have been reclassified by SBICAP for the purposes of presentation. The GOI, the Company, SBICAP and their respective advisors undertake no obligation to provide the recipient with access to any additional information or to update this PIM with additional information or correct any inaccuracies herein, which may become apparent. Each potential investor must seek its own advice from professionals for any matters pertaining to or relating to the Company or the Proposed Transaction or for evaluating the Proposed Transaction including with regard to legal, financial and taxation issues.

This PIM has been prepared for information purposes only, without any regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, is not intended to be the basis for participating in the Proposed Transaction, and should not be construed as an offer or invitation for sale or the solicitation of an offer to buy, purchase or subscribe to any securities, if any, mentioned therein. The materials and information contained herein is made available upon the express understanding that you will use it only for the purpose set forth above.

Each recipient of this PIM contemplating participating in the Proposed Transaction shall make, and shall be deemed to have made, its own independent investigation and assessment of the financial conditions and affairs and its own appraisal of the creditworthiness of the Company and its own independent assessment of the terms and conditions of the Proposed Transaction.

This PIM has been prepared by SBICAP based upon information available from public sources and from the Company, believed to be reliable to assist the recipients in making their own evaluation of the Company and does not purport to be all inclusive or to contain all of the information that may be material to the recipients' decision to enter into the Proposed Transaction.

The distributing/taking/sending/dispatching/transmitting of this document in certain jurisdictions other than the Republic of India may be restricted or prohibited by law of such jurisdiction and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Publication of this PIM by any entity other than SBICAP or the GOI is strictly prohibited. The recipient shall be solely liable and responsible for any dissemination, distribution, transmission or reproduction of this PIM. Any failure to comply with these restrictions may

constitute a violation of the laws of any such other jurisdictions for which the recipient shall be solely liable and responsible. It is recommended that this PIM shall not be disseminated, distributed, transmitted or reproduced. The logos and trademarks used in this presentation are owned by the respective owners and are used for representation purpose only without any explicit permission of the owners.

This PIM is divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this PIM may lead to inferences, which may be at divergence with the conclusions based on the entirety of this PIM. Further, by accessing or reviewing a copy of this PIM, the recipient accepts the terms of this Notice, which forms an integral part of this PIM.

All acts, deeds and things done or caused or intended to be done, by GOI, the Company and SBICAP hereunder are based on and in reliance of your acceptance of the terms and conditions of this Disclaimer.

TABLE OF CONTENTS

LIST OF TABLES	6
LIST OF FIGURES	6
1. INTRODUCTION	9
1.1 Transaction Background.....	9
1.2 Contact Details.....	9
1.3 Important Dates.....	10
1.4 Clarification.....	10
2. COMPANY OVERVIEW.....	13
2.1 Introduction.....	13
2.2 Company Profile.....	13
2.3 Capital Structure.....	13
2.4 Board of Directors.....	14
2.5 Senior Management and Department Heads.....	14
2.6 Human Resource Strength.....	15
2.7 Existing Operations.....	15
2.8 Statutory Permits & Licenses.....	20
2.9 Shifting of Registered Office.....	21
2.10 Safety and Quality Control.....	21
2.11 Right to Use.....	22
3. FINANCIAL PERFORMANCE OF COMPANY.....	24
3.1 Profit and Loss Statement.....	24
3.2 Balance Sheet.....	25
3.3 Present Debt Position of the Company.....	27
3.4 Status of Contingent Liabilities.....	27
4. VALUE DRIVERS AND INDUSTRY SNAPSHOT.....	30
5. PROPOSED TRANSACTION.....	39
5.1 Salient features of the Proposed Transaction.....	39
5.2 Process for the Proposed Transaction.....	45

6. INSTRUCTION FOR SUBMISSION OF EOI.....	50
7. ELIGIBILITY CRITERIA.....	58
8. DISQUALIFICATIONS	70
9. ANNEXURES.....	75
Annexure 1: Format for Letter of EOI for sole IB/Consortium	75
Annexure 2: Form A (forming an integral part of the EOI)	82
Annexure 3: General Power of Attorney	88
Annexure 4: Power of Attorney in favour of Lead Member	91
Annexure 5: Format for Consortium Agreement (In case of Consortiums)	94
Annexure 6: Confidentiality Undertaking.....	98
Annexure 7: Advertisement.....	110
Annexure 8: Department of Investment and Public Asset Management (DIPAM) Guidelines	111
Annexure 9: Declaration in relation to Statement of Legal Proceedings.....	113
Annexure 10: Format of Affidavit.....	115
Annexure 11: Guidelines for Management-Employee Bids in Strategic Sale.....	117
Annexure 12: DIPAM Guidelines for Employees Bids	121

LIST OF TABLES

Table 1-1 : Important Dates.....	10
Table 2-1: Company snapshot	13
Table 2-2 : Capital Structure & Shareholding Pattern as on March 31, 2019	13
Table 2-3: Board of Directors of PHL as on April 30, 2019	14
Table 2-4: Senior Management Personnel and Department Heads as on April 30, 2019.....	14
Table 2-5: Commissioned routes in RCS.....	17
Table 2-6: Fleet Details as on April 30, 2019	20
Table 2-7: Shifting of Registered Office.....	21
Table 2-8: Facilities covered under Right to Use	22
Table 3-1: Profit & Loss Account	24
Table 3-2: Balance Sheet	25
Table 3-3: Details of debt facilities of PHL as on March 31, 2019	27
Table 3-4: Status of Contingent Liabilities as on March 31, 2019	27
Table 4-1: Statistics for Major Helicopter Operators for FY17 and FY18.....	33
Table 5-1: Facilities covered under Right to Use	39
Table 5-2: Contingent Liabilities related to tax and statutory dues as on March 31, 2019.....	41

LIST OF FIGURES

Figure 1: Presence of PHL operations	32
Figure 2: Market share in terms of fleet size in FY19	34
Figure 3: Market share in terms of flying hours in FY 18.....	34

ABBREVIATIONS

AAI	Airports Authority of India
AIF	Alternative Investment Fund
ATF	Aviation Turbine Fuel
BG	Bank Guarantee
BSF	Border Security Force
CAR	Civil Aviation Requirement
CPSEs	Central Public Sector Enterprises
DGCA	Directorate General of Civil Aviation
EBITDA	Earnings before Interest, Tax and Depreciation & Amortization
EBIT	Earnings before Interest and Tax
EOI	Expression of Interest
FY	Financial Year
GAIL	Gas Authority of India Limited
GOI	Government of India
GVHL	Global Vectra Helicopters Limited
HAL	Hindustan Aeronautics Limited
HEMS	Helicopter Emergency Medical Services
IB (s)	Interested Bidder (s)
MoCA	Ministry of Civil Aviation
MoF	Ministry of Finance
MHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NTPC	National Thermal Power Corporation Limited
NSOP	Non-Scheduled Operators Permit
OEM	Original Equipment Manufacturer
O&M	Operation and Maintenance
ONGC	Oil and Natural Gas Corporation Limited
PAT	Profit After Tax
PBDIT	Profit Before Interest, Taxes & Depreciation
PBT	Profit Before Tax
PHL	Pawan Hans Limited
PSU	Public Sector Undertaking
RCF	Regional Connectivity Fund
RCS	Regional Connectivity Scheme
Rs.	Indian Rupees
RTL	Rupee Term Loan
RWSI	Rotor Wing Society of India
SBICAP	SBI Capital Markets Limited
SCO	Scheduled Commuter Operator
SMS	Safety Management System
TNW	Tangible Net Worth

TOL	Total Outside Liabilities
USD	US Dollar
VDR	Virtual Data Room
y-o-y	year on year

1. INTRODUCTION

1.1 Transaction Background

Pawan Hans Limited (“PHL” or the “Company”) is a Mini Ratna-I category Public Sector Undertaking and was incorporated under the Companies Act, 1956 on October 15, 1985. PHL was set up as a public sector undertaking under the administrative control of the Ministry of Civil Aviation (“MoCA”) to primarily provide helicopter services for the exploration activities of Oil and Natural Gas Corporation Limited (ONGC) and to the North East Region of India. PHL is India’s leading helicopter company (with the largest fleet size) engaged in providing helicopter services for various purposes such as offshore operations, inter island transportation, connecting inaccessible areas, pipeline surveillance, casualty and rescue work, charter services, VIP transportation, services under Regional Connectivity Scheme and various other customized services.

The Company’s authorized capital as on March 31, 2019 is Rs. 560 crores (5,60,000 equity shares of Rs. 10,000 each (hereinafter called the “Equity Share”) and paid-up share capital is Rs. 557.48 crores, comprising of 2,84,316 Equity Shares held by the President of India through MoCA (aggregating to 51% of the entire paid-up share capital) and 2,73,166 Equity Shares held by ONGC (aggregating to 49% of the entire paid-up share capital).

The GOI acting through the Department of Investment & Public Asset Management (“DIPAM”) has ‘in-principle’ decided to disinvest its entire equity shareholding in PHL by way of strategic disinvestment (“Strategic Disinvestment”) to investor(s) along with transfer of management control. GOI has appointed SBICAP as its advisor (“Advisor” or “Transaction Advisor” or “TA”) to advise and manage the Strategic Disinvestment of PHL (“Proposed Transaction”).

In addition to the above, ONGC has also decided, that it shall sell its entire shareholding of 49% in PHL, at the same derived price per share and on the same terms & conditions as determined by the GoI, for sale of its shareholding in PHL to the Successful Bidder, as may be identified by GoI, save and except for certain rights which will be available to the GoI and not to ONGC. The Successful Bidder, as identified by GOI for the sale of its 51% stake in PHL, will also have the option to buy ONGC stake of 49% in PHL. Further details will be provided at RFP stage.

1.2 Contact Details

All enquiries related to the Transaction should be addressed to the following representatives of SBICAP at common email id phl@sbicaps.com:

Mr. S.K. Arora	Mr. Vivek Khurana	Ms. Neha Soni
Senior Vice President	Vice President	Vice President

PA&SF Group	Relationship	PA&SF Group
SBI Capital Markets Ltd.	SBI Capital Markets Ltd.	SBI Capital Markets Ltd.
Contact : 011 – 23485306	Contact : 011 – 2348 5220	Contact : 011 – 23485334

Interested Bidders (IBs) should note that all correspondence, enquiries, clarifications in relation to the Transaction should be routed and addressed only through the above mentioned representative(s) of the Advisor. Neither GOI nor PHL, DIPAM and MoCA shall be responsible in any manner to reply to such communication directly to IBs.

Preliminary Information Memorandum (PIM) is available for downloading from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.

1.3 Important Dates

Table 1-1 : Important Dates

Event	Date
Publication of advertisement and PIM	Thursday, July 11, 2019
First day of taking queries	Thursday, July 11, 2019
Last date for invitation of queries through email/ physical copy	Thursday, August 01, 2019
Last date for release of response to queries in the form of FAQs, on the above mentioned websites	Thursday, August 08, 2019
Last date & time for submission of EOIs physically	Thursday, August 22, 2019 by 5:00 PM
Intimation to the Shortlisted Bidders	Thursday, September 12, 2019

IBs shall be required to participate in the tender process inviting “Expression of Interest for Strategic Disinvestment of Pawan Hans Limited” and physically submit all the documents before the prescribed date and time at the following address:

Mr. S.K. Arora
Senior Vice President
PA&SF Group
SBI Capital Markets Ltd.
6th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001.

1.4 Clarification

Any queries or request for clarification/additional information concerning this EOI shall be submitted on the letterhead of the IB duly signed by its authorized signatory physically at the above mentioned address or the scanned copy of such a letter shall be mailed at phl@sbicaps.com, not later than the date mentioned in Clause 1.3. The communications shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: EOI for Strategic Disinvestment of PHL"

This Preliminary Information Memorandum (PIM) is divided into two parts – Part A which provides brief details on the Company, and Part B which provides details on the Proposed Transaction and the instructions on submission of EOI along with various Annexures to be submitted by the Interested Bidders.

PART A

2. COMPANY OVERVIEW

2.1 Introduction

Pawan Hans Limited is a Mini-Ratna Category –I Public Sector Undertaking and is India's leading helicopter services company (with largest fleet size) and was set up as a public sector undertaking under MoCA to provide helicopter services for the exploration activities of Oil and Natural Gas Corporation Ltd. (ONGC) and to the North-East Region.

2.2 Company Profile

The brief profile of PHL is as below.

Table 2-1: Company snapshot

Particulars	Details
Name	Pawan Hans Limited
Constitution	Public Limited Company – Mini-Ratna Category-I PSU
Date of Incorporation	October 15, 1985
Industry	Aviation
Corporate Office	C-14, Sector-1, NOIDA-201301, U.P.
Registered Office*	Rohini Heliport, Sector-36, New Delhi – 110085
Regional Offices	Western Region: Juhu Aerodrome, S.V. Road, Vile Parle (West), Mumbai-400056 Northern Region: Rohini Heliport, Sector-36, New Delhi – 110085 Eastern Region: SOS Road Near St. Clare's Convent High School, Borjhar, PO-Airport, PS-Azara, Dist Kamrup (Assam) – 781015
Corporate Identity Number	U62200DL1985GOI022233

*For further details please refer to clause 2.9

2.3 Capital Structure

2.3.1 Share Capital & Shareholding Pattern as on March 31, 2019

Table 2-2 : Capital Structure & Shareholding Pattern as on March 31, 2019

Particulars	No. of Equity Shares	Share Capital (Rs. crores)*
Authorised Share Capital	5,60,000	560.000
Issued, Subscribed & Paid-up Share Capital	5,57,482	557.482
-President of India	2,84,316	284.316 [51%]
-ONGC	2,73,166	273.166 [49%]

*Face value of each Equity Share is Rs. 10,000

2.4 Board of Directors

The board of directors of PHL comprises of the following members:

Table 2-3: Board of Directors of PHL as on April 30, 2019

S.No.	Name & Designation	DIN No.
1.	Mrs. Usha Padhee – CMD, PHL & Joint Secretary, MoCA	03348716
2.	Shri Arun Kumar – Add. Secretary and Financial Advisor, MoCA	03054493
3.	Shri Rajesh Kakkar – Director (Offshore), ONGC	08029135
4.	AVM Sanjeev Kapoor AVSM, VM ACAS (Ops. T&H) Indian Air Force	08010730
5.	Shri Ashok Nayak - Independent Director, PHL	01621890
6.	Dr. Harish Chaudhry – Independent Director, PHL	00075061

2.5 Senior Management and Department Heads

Pawan Hans has a team of qualified and experienced professionals for managing its operations. Brief details of the Senior Management and Department Heads are given below:

Table 2-4: Senior Management Personnel and Department Heads as on April 30, 2019

S. No.	Name	Designation	Qualification	Years of Experience
Senior Management				
1.	Mrs.Usha Padhee	CMD and Nominee Director	BE(Civil) & Masters in (Public Administrations) UK	23
2.	Sh. Ranjit Singh Chauhan	CS and Jt. GM (Legal)	CS and LLB	18
Department Heads				
3	Air Cmde. T.A. Dayasagar	ED (Ops. & Tech.), ED (BD & Mktg.) & Accountable Manager	Graduate, JNU(NDA), Holding CHPL	33
4	Sh. M.S. Boora	General Manager (Safety) & OSD to CMD	BE (Aeronautical Engg.), MBA, AME License	29
5	Sh. Vanrajsinh Dodiya	General Manager (BD & Mktg.)	BSc (Physics), PGD Plastic Technology, PGDBA (MBA Equi.), PGCE (Training and Development) UK.	19
6	Sh. M.P.Singh	Head(AME)	Diploma in Aircraft Maintenance Engg. & AME Licence	31

S. No.	Name	Designation	Qualification	Years of Experience
7	Sh. Vijay Pathiyan	Head (Mats.)	Diploma in Aircraft Maintenance Engg. & AME Licence	31
8.	Capt. Sh. B.V. Baduni	Offg. General Manager (Flight Ops.)	M.S.C., CHPL	37
9	Sh. A.C. Poricha	Head (HR)	MA in Labour Social Welfare, LLB, Diploma in Training & Development	32
10	Sh. H.S. Kashyap	Head (Admn.)	MA (Public Administration) & MBA	30
11.	Sh. Praveen Markan	JGM (Civil)	BE (civil), Diploma in Management	30
12.	Sh. Ram Krishan	Head (Infocom Service & Corp. Affairs.)	MCA, MBA	18
13	Sh. Ashish Kumar Yadav	Head (Internal Audit) HOD (F&A)	CA	19

2.6 Human Resource Strength

The total manpower of the Company as on April 30, 2019 was 718 with 415 regular employees (divided into two grades – Executive and Non-Executive) and 303 contractual employees, employed at different regions i.e. Corporate Office, Northern Region, Western Region and Eastern Region. The manpower comprises of 116 Pilots, 101 Aircraft Maintenance Engineers (AMEs), 52 Executives (Officers), 157 Technicians and 292 other Technical and Non-Technical employees.

2.7 Existing Operations

2.7.1 Service Segments & Facilities

PHL provides various helicopter services in India as mentioned below:

- i. **Offshore operations in the Oil & Gas sector** to Exploration & Production (E&P) companies namely ONGC for offshore exploration. PHL serves these customers by carrying their personnel and supplies including cargo to drilling rigs in Bombay High and Rajahmundry and has carried approximately 78,836 passengers and 84,793 Kg of cargo load in the financial year 2018-19.

- ii. **Inter-island transportation** in the Andaman & Nicobar Islands and Lakshadweep islands carrying more than 41,468 passengers in the financial year 2018-19 to transport locals and tourists from one island to the other.
- iii. **Connecting inaccessible areas of North East states** by providing passenger services including tourism, VIP transportation, rescue work during natural calamities, medical evacuation, carrying of personnel and material for BSF and BRO. PHL connects approx. 39 destinations and 64 sectors by operating 148 weekly flights.
- iv. **Pipeline surveillance:** PHL provides precision flying services for pipeline surveillance for Oil India Limited etc.
- v. **Charter services/ VIP Transportation:** PHL provides charter services to corporates like NTPC and State Governments like Government of Himachal Pradesh etc. for passenger services, evacuation services and VIP transportation.
- vi. **Anti-Naxalite operations and other law and order surveillance:** PHL has deployed its helicopters for participating in anti-Naxalite operations in Naxal affected areas in Odisha & Maharashtra.
- vii. **Casualty and rescue work:** PHL has in the past provided services during natural disasters like floods in Uttarakhand in 2013, earthquake in Sikkim in 2011, floods in Jammu and Kashmir in 2014 etc. by deploying its fleet for evacuation of people and supplying of amenities.
- viii. **Commercial services for Heli - Tourism:** PHL has in the past provided access to places of pilgrimage and other fairly inaccessible areas like Badrinath, Kedarnath, Katra-Vaishnodevi, Amarnath Yatra, Machail Yatra, Tirupathi and various other regional destinations. Presently, PHL is flying for Kedarnath Yatra.
- ix. **Regional Connectivity Scheme (RCS):** PHL has been awarded with 11 routes under RCS (Round – 2) bidding, for the states of Assam, Himachal Pradesh, Manipur & Uttarakhand on January 24, 2018. Under RCS, PHL will earn revenue by way of passenger revenue on tickets issued as well as annually by means of Viability Gap Funding (VGF). The details of the awarded routes are as below:
 - Assam (1 route): Guwahati – Tezpur – Jorhat – Dibrugarh sector
 - Manipur (3 routes):
 1. Imphal – Tamenglong –Jiribam sector
 2. Imphal – Thanlon – Parbung sector
 3. Imphal – Moreh sector
 - Uttarakhand (3 routes):
 1. Dehradun – New Tehri – Shrinagar – Gauchar – Joshimath sector

2. Dehradun – Ramnagar – Pantnagar – Nainital – Pantnagar – Almora – Pithoragarh – Almora – Pantnagar – Ramnagar – Dehradun sector
 3. Dehradun – Mussoorie sector
- Himachal Pradesh (4 routes):
 1. Chandigarh – Kasauli – Shimla sector
 2. Shimla – Rampur – Nathpajhakri sector
 3. Shimla – Mandi – Dharmshala sector
 4. Shimla – Mandi – Kullu – Manali sector

Of the abovementioned routes, following is the list of the truncated routes which have commenced operations.

Table 2-5: Commissioned routes in RCS

Route	Frequency	Date of commencement of operation
Chandigarh-Shimla-Chandigarh	Six days a week	March 11, 2019
Shimla-Kullu-Shimla	Thrice a week	May 13, 2019
Shimla-Dharamshala- Shimla	Thrice a week	May 14, 2019

Operations on other awarded routes will be commenced subject to operational readiness and availability of the heliport.

x. Maintenance, Repair & Overhaul (MRO) services

- PHL has established workshop facilities as per Civil Aviation Requirement (CAR) 145 standard in Rohini (Delhi), Juhu (Mumbai) and Guwahati (Assam) to provide services for a wide range of helicopters including Dauphin N/N3, Bell 206, Bell 407, AS 350, MI-172 and Dhruv helicopters used by law enforcement agencies.
- PHL has signed a MoU with Airbus in 2017 to operate as “Airbus helicopter approved maintenance centre” in Mumbai for Dauphin N/N3 and AS 350B3 series helicopters.
- PHL has entered into a MoU with Hindustan Aeronautics Limited (“HAL”) in 2016 to set up an authorized maintenance centre for HAL helicopters at Rohini Heliport to initially serve defence customers for Dhruv helicopters with progressive addition of other defence and civil helicopters manufactured by HAL. The existing MoU has expired and discussion with HAL is underway for extension of MoU.

- PHL operates and maintains Dhruv helicopter of HAL which it has deployed in Gadchiroli for anti-naxal operations and has done the same in the past for BSF as well.

xi. Training & skill development

PHL Civil Aviation Academy covers various training institutes and initiatives which are detailed as below:

- **Pawan Hans Helicopter Training Institute (PHTI):** PHTI was established on October 22, 2009 in Mumbai and is approved by Director General of Civil Aviation (DGCA) as CAR-147 (Basic) Organization to conduct Aircraft Maintenance Engineering courses. Further, PHL has also signed MoU with Jamia Millia Islamia University in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI.
- **National Institute of Aviation Safety and Services (NIASS):** NIASS is based in Delhi and provides services to aircraft operators and owners on issues related with Aviation Safety, Operation & Maintenance (O&M) etc. and supports the Government and regulatory agencies in formulating and implementing rules and regulations for operation & maintenance of aircrafts and development of heliports and maintenance facilities infrastructure in the country.
- PHL has also signed the MoU with
 - HAL in 2017 to avail HAL's services in training selected trainees identified as 'Cadet Pilot' to enable them obtain Commercial Helicopter Pilot's License (CHPL)
 - Hillsboro Aero Academy and Mauna Loa Helicopters in 2018 to provide training to PHL trainee pilots under PHL Cadet Pilot scheme. The training shall also include ground training as per DGCA rules
- Rohini heliport also provides a skill development centre for training of pilots, AMEs & technicians

xii. Consultancy Services and Foreign Projects

- PHL has in-house capability and expertise for providing consultancy for development of heliports, helipads and other aviation infrastructure. PHL is already providing the same to Govt. of Meghalaya, Lakshadweep, Uttar Pradesh and to other international clients.
- PHL has also executed jobs in the Antarctica expedition by deploying its Bell 407 helicopters and other SAARC countries like Bhutan.

xiii. Additionally, the Company has following real estate assets:

- Residential flats/quarters in Mumbai at Juhu (192 flats), Andheri West (6 flats), Kandivali East (42 flats) and Malad East (3 flats).
- Corporate Office at Sector – 1, Noida with total Built-up area of ~37,140 Sq. Ft.

xiv. Heliport at Rohini:

- Delhi Development Authority had allotted 25 acres of land in Rohini, Delhi, in 2009 to MoCA for construction of the Heliport. The possession of the land was handed over to PHL under the authorisation of MoCA for construction and development of the same. The construction of Heliport was carried out on cost-sharing basis with contributions from MoCA and PHL and commenced operations in February, 2017.
- The Heliport consists of a terminal building having capacity of up to 150 passengers (at any point of time), 4 hangars with parking capacities of 16 helicopters and 9 parking bays. It has been developed to provide one-point solution for helicopter business including regular helicopter operations, landing & parking facility for other operators, MRO services and training services.
- **The heliport at Rohini (“Rohini Heliport”) shall not form part of the Proposed Transaction and will be demerged from PHL.** Demerger process of Rohini Heliport from PHL is underway. PHL Board had approved the demerger and new company “Rohini Heliport Limited” has been incorporated to which Rohini Heliport assets would be demerged. However, the Successful Bidder shall have the “Right to Use” over Rohini Heliport, details of which are provided in Section 2.11.
- Pawan Hans was also assigned the task to develop a Helicopter Training Academy cum Heliport at Hadapsar, Pune which is owned by DGCA. Project was approved by MoCA and DGCA released an amount of Rs.10 crore for the purpose. Pawan Hans also signed MoU with DGCA for utilizing land and other infrastructural facilities. However, in view of the strategic disinvestment decision, PHL has communicated to DGCA, vide its letter dated February 26, 2019 that it does not want to continue any business association/interest with respect to such facility.

2.7.2 Fleet Details

2.7.2.1 Existing Fleet

PHL has a fleet of 43 helicopters as on April 30, 2019 comprising of the following:

Table 2-6: Fleet Details as on April 30, 2019

	Category	Type	Numbers	Average Age (yrs.)
1.	Heavy Duty Helicopters [Crew: 4 Passengers: 26]	Russian Mi 172	3	9
2.	Medium Helicopters [Crew: 2 Passengers: 10]	Eurocopter Dauphin N	17	31
		Eurocopter Dauphin N3	14	8
3.	Light Single Engine Helicopters [Crew: 1/2 Passengers: 6/4]	Bell 407	3	13
		Bell 206 L4	3	21
		AS350 B3	2	6
4.	Medium Helicopter [Crew: 2 Passengers:14]	Dhruv	1*	13
	Total		43	

*Taken on lease from Hindustan Aeronautics Limited (HAL)

Out of the above helicopters, 1 helicopter has suffered damage during emergency landing in FY 18, 6 helicopters are under different stages of inspection and 1 helicopter is due for major overhaul which is to be carried out at the facility located abroad

2.7.2.2 New Helicopters to be acquired

PHL has issued Letter of Award on February 20, 2019 to HAL for hiring of one Dhruv helicopter on lease. The process is under contract negotiation and placement and subsequently, it would be registered on PHL NSOP. However, the lease will start once the customer is identified for the helicopter. The process may take around 3-6 months

Major Clients: The Company provides helicopter services to

- State Governments of Sikkim, Meghalaya, Tripura, Assam, Mizoram, Himachal Pradesh, Odisha, Jammu & Kashmir (J&K), Maharashtra;
- Inter-island services to Administration of Andaman & Nicobar Islands, Lakshadweep Islands and Daman & Diu;
- Oil & Gas and Power sector clients namely ONGC, Oil India Limited etc.

Additionally, PHL has also been awarded with 11 routes under RCS, details of which have been mentioned earlier.

2.8 Statutory Permits & Licenses

The Company has the following statutory permits and licenses required for its operations:

- **Non Scheduled Operators Permit (NSOP):** The operations of the Company are permitted by GOI under PHL NSOP No. 02/1998, and the existing permit is valid till March 14, 2024 after recertification as per CAP 3400.

- **Scheduled Commuter Operator Permit (SCO):** The Company has been issued SCO License , in accordance with Operations Manual and Rule 134 of the Aircraft Rules 1937, on March 11, 2019 and valid till March 10, 2022.
- **Air Crew Flying License:** All the aircrew including pilots and flight engineers hold valid aircrew licenses which typically have a validity of 5/10 years and are renewed accordingly.
- **Certificates of registration and air-worthiness:** All the helicopters operated by the company hold valid certificates of registration. As on June 19, 2019, PHL has valid Air-worthiness certificates of 32 helicopters. However, Air-worthiness certificates are renewed as and when they expire as per the applicable DGCA regulations.

2.9 Shifting of Registered Office

PHL's Board of Directors, vide their resolution dated August 1, 2017, had approved as below:

Table 2-7: Shifting of Registered Office

S. No.	Approval (as per the resolution)	Current Status
1.	Shifting of Registered office to Rohini Heliport	Completed
2.	Initiation of necessary formalities and approvals for shifting of Registered Office to C-14, Sector-1, Noida-201301 (UP)*	Under Process

* It may be noted that an application for shifting of registered office from NCT of Delhi to State of Uttar Pradesh has been filed before Regional Director, Ministry of Corporate Affairs and the same is in advance stage

2.10 Safety and Quality Control

It is the policy of Pawan Hans to comply with all the applicable legislation and requirement as per Civil Aviation Regulations of India as well as the International Civil Aviation Organization (ICAO) requirements. The company has undertaken safety initiatives by implementing Safety Management System (SMS) for its operations and maintenance activities as per ICAO/DGCA guidelines.

Safety Policy of the company has been revised to include safety as a core activity. A Safety Oversight department has been created and a Voluntary Reporting System and Hazard Reporting System have been introduced in the company.

The company has introduced FOQA (Flight Operations Quality Assurance) system in its operations to analyse and monitor operation of helicopters, where accidents, incidents

and near misses are reported, investigation and the lessons learned are shared throughout the organization.

National Institute of Aviation Safety & Services (NIASS), the dedicated training centre of the Company in Delhi has been strengthening knowledge and skill levels of pilots and technical employees.

The organization is committed to comply with all the latest procedures/quality standards/safety standards/regulatory requirements and airworthiness regulations at all times. Quality audits of organizational procedures, quality audits of aircrafts and remedial action procedures as per Civil Aviation Requirement i.e. C.A.R. 145-A 30-C are followed.

Comprehensive internal audits of all operational bases of PHL and measures to continuously improve the effectiveness of its QMS (Quality Management System) are carried out regularly by its team.

2.11 Right to Use

The Successful Bidder will have the 'Right to Use' the facilities at Rohini Heliport, Other Hangar and Bases (on lease from AAI) used for providing helicopter services, for a period of two (2) years, from the consummation of the Proposed Transaction, subject to the requisite approval/ no-objection certificates from the land owner(s)/ lessor(s)/licensor(s) and other third parties as detailed below:

Table 2-8: Facilities covered under Right to Use

S. No.	Location	Owner/ Lessor	Total Area (square meters)	Applicable Rates
Rohini Heliport				
1.	Hangars (2 No's)	Rohini Heliport Limited	1,800	As per MoCA circular No. AV-30019/01/2016-GA-MOCA dated March 8, 2019
2.	Prefabricated shelters besides Hangar No 1		167.28	
3.	Ticketing room in Terminal Building		7	
Other Hangars and Bases – On lease from AAI				License Fee applicable (post Disinvestment) as per license agreement executed with AAI on November 14, 2018 and reiterated below
4.	Juhu (Mumbai) – Land for Office Complex	AAI	14,871.73	Rs.9,540/- per sq.mtr. per annum.
5.	Guwahati		3,458.88	Rs. 750/- Per Sqm per
	i. Hangar		3,231.52	

S. No.	Location	Owner/ Lessor	Total Area (square meters)	Applicable Rates
				Month
	ii. Hangar Back area (Built-up)	AAI	79.42	Rs. 750/- Per Sqm per Month
	iii. Room space		147.42	Rs. 1110/- Per Sqm per Month
	Rajamundry		235.09	
6.	i. 2 rooms in NTB	AAI	18.00	Rs.991.48 per sqm., per month
	ii. Office space & rooms		217.09	Rs.510/- per sqm., per month
7.	Vadodara – Land for placing porta cabin*	AAI	15.00	Land LF: 2665/- psm per annum Porta Cabin Charges @ 10000/- per month upto 30 Sqm. area.
8.	Jammu – Office Space in Terminal building	AAI	16.00	Rs.1205/- per sqm- per month
9.	Srinagar – Office Space	AAI	15.00	Rs.1114/- per sqm. per month
	Agartala		306.04	
10.	i. Hangar	AAI	285	Rs. 510/-Per Sqm. per month
	ii. Office space in Terminal Building		21.04	

* PHL, vide its letter dated November 28, 2018 has requested AAI (Vadodara Airport) for surrender of Porta Cabin at the airport and has since vacated the accommodation

Key terms and conditions for Right to Use of the abovementioned facilities will be provided at the RFP stage.

3. FINANCIAL PERFORMANCE OF COMPANY

This chapter provides PHL's financials for past 5 years. Financials for FY19 are unaudited, however, the same have been approved by the Board of Directors of PHL. Audited Financials for FY 19 will be provided to Interested Bidders subsequent to the completion of audit.

3.1 Profit and Loss Statement

Table 3-1: Profit & Loss Account

(Amounts in Rs. Crore)

Financial Year	FY15	FY16	FY17	FY18	FY19
	Audited	Audited	Audited	Audited	Provisional
No. of Helicopters	46	43	44*	43*	43*
Avg. monthly Deployment (No. of Helicopters)	32	32	31	34	32
Flying Hours	31,380	27,892	25,959	22,634	20,037
Revenue from Operations	522.36	453.25	427.64	395.42	380.41
Interest/Other Income	27.35	38.42	80.09	62.60	29.62
Total Revenue	549.71	491.67	507.73	458.02	410.03
Employee Cost	154.16	151.69	154.45	173.63	179.71
Fuel Expenses	34.84	20.07	21.12	23.93	23.86
Insurance Expenses	11.63	9.31	15.26	18.48	33.06
Maintenance Cost	115.27	70.39	50.02	50.31	57.67
Other Operating Expenses	19.21	17.32	44.92	25.73	38.57
Other Expenses	47.40	50.05	54.14	67.14	70.07
Total Expenses	382.50	318.83	339.91	359.22	402.94
EBITDA	167.20	172.86	167.82	98.80	7.09
Depreciation & Amortization	76.52	72.15	80.83	84.77	91.25
EBIT	90.68	100.71	86.99	14.03	(84.16)
Finance Cost	17.49	4.50	2.04	2.01	1.35
Exceptional Items	(1.45)	-			(0.25)
Extraordinary Items	-	-	(48.03)#		
GOI claim – interest waived	-	-	339.31		
PBT	71.74	96.21	376.23	12.02	(85.76)
PAT	38.81	57.17	253.92	19.62	(72.42)
Other Comprehensive Income		0.93	0.16	0.94	0.00
Total Comprehensive Income		58.10	254.08	20.56	(72.42)

Company has adopted component accounting approach as per Companies Act 2013 and Indian Accounting Standard compliances from FY-16

* 1 medium Dhruv helicopter has been on dry lease from November 2016

AAI Old Lease rent dues settlement (48.03 Cr)

- Drop in revenue from operations from FY 16 onwards can be attributed to lower flying hours due to a reduction in operational fleet caused by 3 accidents during 2015. Revenue has further declined in FY 19 due to vintage life of helicopters as vintage clauses enforced by various customers act as a hurdle to participate and win new businesses. However, PHL is in the process of leasing of additional helicopters, details of which have been mentioned earlier, to improve its revenue.
- Due to accidents of its helicopters, insurance cost of PHL helicopters has increased significantly in FY 17 and FY 18. However, PHL is taking steps to reduce insurance cost by inviting tenders for insurance advisors with an aim to reduce the insurance cost.
- FY16 onwards, company has adopted component accounting approach; as a result, some of the maintenance cost has been capitalized, leading to a drop in maintenance cost charged to Statement of Profit and Loss.
- In FY 17, the Government of India (GOI) converted dues of Rs. 130.91 crores (principal amount) into equity share capital and waived off balance Rs. 339.31 crores (interest cost). Accordingly, the interest amount waived-off was recognized as an extra-ordinary gain for FY17.

3.2 Balance Sheet

Table 3-2: Balance Sheet

(Amounts in Rs. Crore)

Year	FY15	FY16	FY17	FY18	FY19
	Audited	Audited	Audited	Audited	Provisional
Liabilities (in Rs. Crore)					
Shareholders' Funds					
Share Capital	245.62	245.62	245.62	557.48	557.48
General Reserve	20.50	20.50	20.50	20.50	20.50
Other Reserves	275.01	330.05	559.81	543.57	464.15
Share Application Money pending allotment	-	-	159.05	-	
Sub Total	541.13	596.17	984.97	1121.55	1042.13
Non-Current Liabilities					
Long-Term Borrowings	38.68	30.34	24.98	19.28	13.24
Deferred Tax Liabilities	157.70	182.61	226.72	202.41	188.71
Other Long Term Liabilities	471.37	471.63	1.63	0.97	0.49
Long-Term Provisions	27.24	29.84	28.55	30.58	33.96
Sub Total	694.98	714.42	281.89	253.24	236.39

Year	FY15	FY16	FY17	FY18	FY19
	Audited	Audited	Audited	Audited	Provisional
Current Liabilities and Provisions					
Trade Payables	36.38	36.52	73.51	110.04	46.71
Current Maturities of Long Term Debt	38.25	8.37	5.36	5.7	9.17
Other Current Liabilities	33.26	32.24	50.65	51.6	43.56
Short Term Provisions	80.55	49.43	22.98	42.66	52.45
Sub Total	188.45	126.56	152.50	210.00	151.90
Total Liabilities	1424.56	1,437.15	1,419.36	1,584.79	1430.42
Assets (in Rs. Crore)					
Non-Current Assets					
Net block	861.72	817.03	866.99	805.86	789.28
Capital Work in progress	18.04	53.94	6.04	21.59	5.07
Intangible Assets	1.03	0.16	0.09	0.06	0.02
Sub Total	880.80	871.12	873.13	827.51	794.37
Non-Current Investments	1.45	1.24	1.02	0.78	0.53
Long Term Loans & Advances	78.39	6.09	6.02	6.00	4.85
Other Non-Current Assets	2.27	65.75	101.34	105.58	77.65
Sub Total	82.11	73.09	108.39	112.36	83.03
Current Assets, Loans & Advances					
Inventories	56.48	50.19	44.97	46.49	54.02
Trade Receivables	290.45	236.62	192.16	181.79	223.38
Cash and Bank Balance	89.25	121.35	153.32	340.36	135.02
Short Term Loans and Advances	18.03	4.67	4.90	5.43	8.18
Other Current Assets	7.42	80.11	42.49	70.85	132.43
Sub Total	461.65	492.93	437.85	644.92	553.03
Total Assets	1424.56	1,437.15	1,419.36	1,584.79	1430.42

- In FY 16, Other Long-Term Liabilities of the Company included a total claim of Ministry of Finance (MoF) of Rs. 470.22 crore on the Company. However, in FY 17, the GOI converted dues of Rs. 130.91 crores (principal amount) into equity share capital and waived off balance Rs. 339.31 crores (interest cost). Further, GOI also infused equity of Rs. 28.14 crores towards its share in cost of Heliport Project at Rohini. On

account of the same, there was share application money received (pending allotment) of Rs. 159.05 crore as on March 31, 2017.

- During FY 18, there was allotment of shares to GOI against the share application money received (pending allotment) of Rs. 159.05 crore. Also, ONGC infused Rs. 152.82 crores in the Company in order to maintain its shareholding at 49%. Consequently, the total share capital of the company has increased to Rs. 557.48 crore in FY18.
- Post the waiver of dues and infusion of equity by the GOI, the Debt to Equity and TOL/TNW ratios have further improved from 0.06 and 1.41 as on March 31, 2016 to 0.01 and 0.37 as on March 31, 2019 respectively.

Settlement agreement with Bell Helicopters Textron Inc (BHTI): PHL had placed an order for 3 helicopters to Bell Helicopters Textron Inc (BHTI) at a cost of Rs. 205 crore. Out of 3 helicopters, 2 helicopters were shipped by BHTI. However, as per PHL's Technical Committee recommendations, the helicopters could not be accepted due to deficient date of manufacturing as they did not meet acceptance parameters of the tender requirement leading to arbitration proceedings between PHL and BHTI. However, the dispute has now been settled amicably between PHL and BHTI with BHTI agreeing to repay entire advance paid by PHL along with the damages. Accordingly, PHL has received Rs 39 crore in FY 20 in the form of settlement of their pending dispute.

3.3 Present Debt Position of the Company

PHL had availed term loan facility from NTPC in 2012 (for purchase of 1 new Dauphin N3 helicopter) at a 6% per annum rate of interest to be repaid in 120 equated monthly installments ending in March 2022. The loan is secured by hypothecation of the helicopter in favor of NTPC. The details of term loan facilities as on March 31, 2019 are as below:

Table 3-3: Details of debt facilities of PHL as on March 31, 2019

Lender	Facility	Sanctioned (Rs. Cr)	Outstanding (Rs. Cr)
NTPC	RTL	54.30	19.28

3.4 Status of Contingent Liabilities

The status of contingent liabilities is as follows:

Table 3-4: Status of Contingent Liabilities as on March 31, 2019

S.No.	Details	Amount (In Rs. Crore)	Status
1.	Counter guarantees given to Banks and Letter of Credit	32.51	These have been issued in ordinary course of business
2.	Tax Contingencies		
2.1	Income Tax demands	56.85	Contested by the Company at

S.No.	Details	Amount (In Rs. Crore)	Status
			Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals). As per PHL's tax consultant PHL has a strong case.
2.2	Demand Notice for payment of VAT	494.80	Demand raised by Sales Tax Department of Delhi (tax of Rs.134.95 crores plus penalty of Rs.143.27 crores and balance amount as interest under section 40 of DVAT Act till March 2019) which relates to the years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers. The matter is pending in appeal by PHL before Hon'ble VAT Tribunal Delhi. The last date of hearing was May 15, 2019. PHL filed rejoinder to the written submissions filed by VAT department and now matter is reserved for judgement. PHL has been advised that since it has been paying service tax on such transactions, the demand for payment of VAT does not arise. Further, in opinion of PHL's consultant on tax matters, PHL has good case on merit and is likely to be decided in its favor.
2.3	Show cause Notice from Service Tax Department	25.34	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
3.	Litigations		
3.1	Court cases / cases under Arbitration*	54.25	Cases are under various stages of hearing/ arbitration.
3.2	Other Matters	1.03	
	Total	664.78	

* Out of this, Rs. 20.85 crore pertains to Rohini Heliport

As per the terms of the Transaction, GOI/MoCA will indemnify the contingent liabilities related to tax and statutory dues, to the extent to 51% of Rs. 576.99 crore (as on March 31, 2019), which amounts to Rs. 294.27 crore, as described in the above-mentioned points 2.1, 2.2 and 2.3, in case such contingent liabilities are crystallized against PHL, as detailed in section 5.1.(5).

4. VALUE DRIVERS AND INDUSTRY SNAPSHOT

Key Strengths of PHL

- India's leading helicopter services company with an established brand name
- Pioneer in most of the missions presently carried out in India with a proven track record
- Continuing strong relationships with State Governments, PSUs & Corporates
- Existing mid to long term contracts providing stable revenue stream
- Country-wide presence with expertise for diverse business segments
- Business potential from regular helicopter services, MRO services, training of pilots, etc.
- Expertise in Heliport/Helipad consultancy and project management consultancy
- Providing training and certification courses for AMEs, Pilots and safety through its own aviation academy
- Existing support infrastructure for operations

Value drivers

Peer comparison

- Highest fleet strength of 43 helicopters (*as on April 30, 2019*)
- Availability of diverse fleet mix from major manufacturers
- As per DGCA Air Transport Statistics of FY 18, PHL has largest market share of more than 28% (in terms of total flying hours)
- Low leverage

Industry & regulatory factors

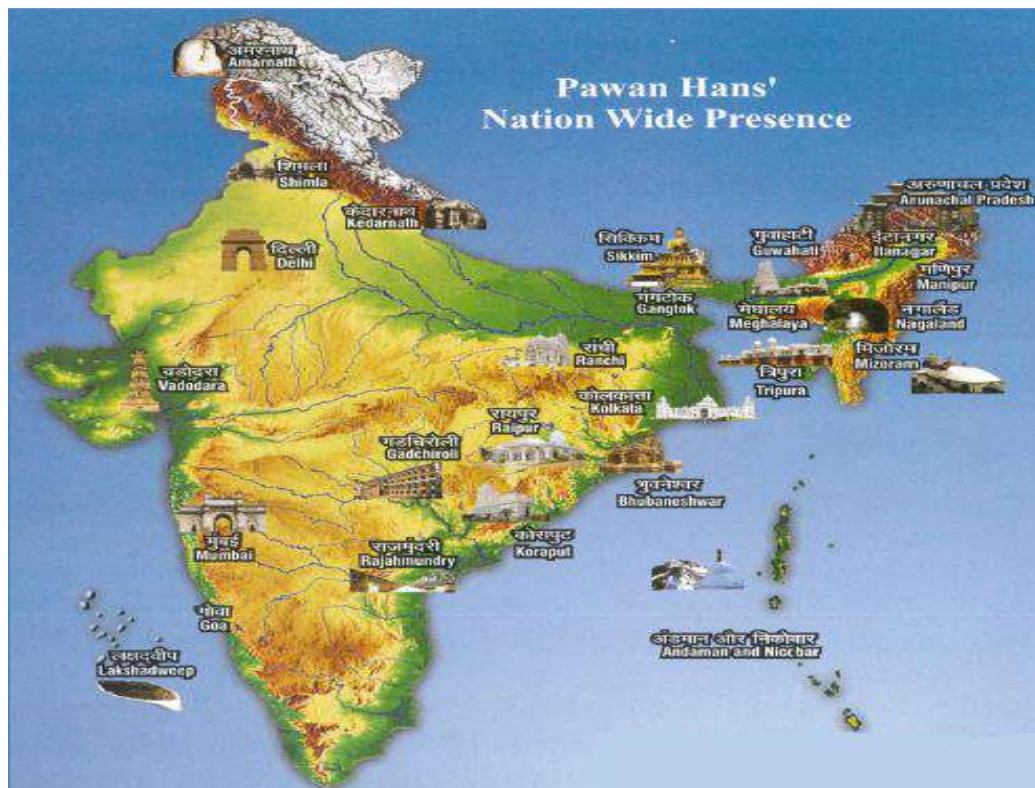
- Untapped potential with low no. of air trips per capita & scope in application-based roles
- Growth in heli-tourism for pilgrimage, adventure & heritage
 - Growing working class & disposable incomes
 - Rising business & leisure travel
 - Rising rail fares
- Policy Support/ Regulatory factors
 - RCS
 - HEMS
 - NCAP

Key Strengths of PHL

- 1) **“Pawan Hans” is an established brand name in the helicopter industry and is the leading provider of helicopter services** to the offshore energy industry (major clients include ONGC, GSPC etc.), inter-island transport sector & North-Eastern states.
- 2) **Technical expertise:** The Company has a proven track record and has multi-skilled pilots along with the necessary expertise, experience and infrastructure for supporting helicopter operations involving offshore and other varied terrains.
- 3) **Continuing strong relationships:** Over the past years, the Company has established service relationships with the state governments as well as major PSUs and corporates.
- 4) **Existing mid to long term contracts providing steady source of annual income:**
 - Over the past 4 years i.e. from FY 15 to FY 18, contracts with ONGC and State Governments have provided steady source of income annually (with revenues from Oil & Gas sector trending in the range of 35 to 40% and revenues from State Governments together with PSUs trending in the range of 25 to 33%).
 - Major contracts of PHL are mid to long term in nature ranging from two years to ten years period, including five year contract with ONGC.
 - Growth in Oil & Gas industry: As per India Brand Equity Foundation (IBEF), India’s energy demand is expected to double to 1,516 million tonnes of oil equivalent (Mtoe) by 2035. Moreover, the country’s share in global primary energy consumption is projected to increase two fold by 2035.
- 5) **MRO services:** PHL has infrastructure / maintenance workshop facilities (CAR 145 standard) located at Mumbai (Western Region), Delhi (Northern Region), and Guwahati (Eastern Region) with qualified engineers and technical staff for the repair/overhaul/bench check etc. of helicopters.
 - As per background paper submitted by KPMG to MoCA, Aviation MRO services business in India is expected to grow from USD 0.9 bn in 2015 to approximately USD 1.5 bn by 2020. Without the availability of adequate MRO services, operators incur large inventory costs and require frequent movement of parts outside India. As there are no major players in this sector for helicopters in India, MRO service segment could provide significant growth potential to PHL.
 - PHL already provides its manpower and machinery for maintaining Dhruv helicopters.
 - Further, PHL has also signed a MoU with Airbus in 2017 to operate an “Airbus helicopter approved maintenance centre” for AS 365 Dauphin Series and AS 350B3 series helicopters.
- 6) **Training Institute:** PHL Civil Aviation Academy covers training institutes and initiatives which are detailed as below:

- Pawan Hans Helicopter Training Institute (PHTI) which is located in Mumbai and is approved by DGCA to conduct Aircraft Maintenance Engineering courses. Further, PHL has also signed MoU with Jamia Millia Islamia University in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI.
 - It has also signed MoU's with Hillsboro Aero Academy and Mauna Loa Helicopters in 2018 to provide training to PHL trainee pilots under PHL Cadet Pilot scheme. Such training shall also include ground training as per DGCA rules
 - It operates National Institute of Aviation Safety And Services (NIASS) which provides services to aircraft operators and owners on issues related to Aviation Safety, O&M etc. and supports the Government and regulatory agencies in formulating and implementing rules and regulations.
- 7) **Pan India presence:** PHL has its operations spread across the nation covering major locations. The indicative map of its nation-wide presence is shown below:

Figure 1: Presence of PHL operations



- 8) **Low leverage:** PHL's long term D/E is 0.01 and TOL/TNW of 0.37 as of March 31, 2019, thus providing further scope of raising debt on the balance sheet of the Company for future expansion plans.

- 9) **Support infrastructure:** PHL already has adequate support infrastructure in place which comprises of real estate assets such as corporate office at Noida and flats available for employee accommodation in Mumbai (at Juhu, Malad, Andheri and Kandivali).
- 10) **Engineering Consultancy:** Pawan Hans has developed in-house engineering consultancy for development, operation and management of heliports/helipads.

Domestic Industry Scenario

a) Peer Comparison

As per the DGCA handbook for FY 18, there were a total of 52 NSOP (55 in FY 17) Helicopter operators in India with a total fleet of 229 helicopters (224 in FY 17).

The top three operators together held more than 70% of total number of flights operated in FY18 (80% in FY17).

As on March 31, 2019, the top five operators together held approx. 54% of the total fleet of NSOP helicopters. Rest of the NSOP helicopter operators held a fleet of 5 or less helicopters. The top five operators accounted for 73% in FY18 (around 71% in FY 17) of the total flying hours.

Statistics of NSOP traffic for major helicopter operators in India for FY 17 and FY 18 along with their fleet size and revenue are as follows:

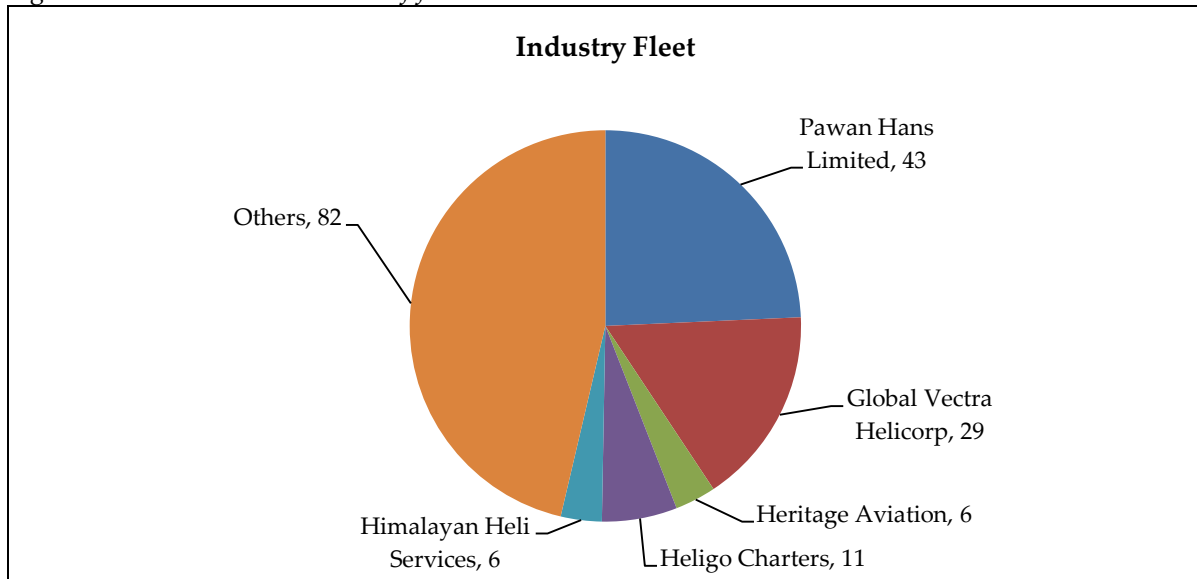
Table 4-1: Statistics for Major Helicopter Operators for FY17 and FY18

Particulars	Pawan Hands Limited		Global Vectra Helicorp Limited		Heligo Charters		Himalayan Heli Services	
	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18
Operating Revenue	427.64	395.42	375.84	404.34	150.46	171.64	60.92	55.16
Total Revenue (Rs. Cr)	507.73	458.02	407.23	387.58	152.07	172.70	61.72	55.78
Flying Hours	25,959	22,634	18,918	21,480	6,659	9,009	4,630	4,812
Flight Departures	90,451	NA	1,04,419	1,24,519	4,904	7,549	52,604	56,622
Passengers Carried	3,84,967	2,59,356	4,37,071	4,93,985	53,213	61,281	2,72,366	3,19,168
Operating Revenue / Flying Hour (Rs. lakhs)	1.65	1.75	1.99	1.88	2.26	1.91	1.32	1.15

Source: DGCA & company reports

- 1) PHL is the industry leader of helicopter operations in India with the **largest fleet strength of 43 helicopters with a diverse fleet mix** of light, medium and heavy helicopters to cater to different client needs.

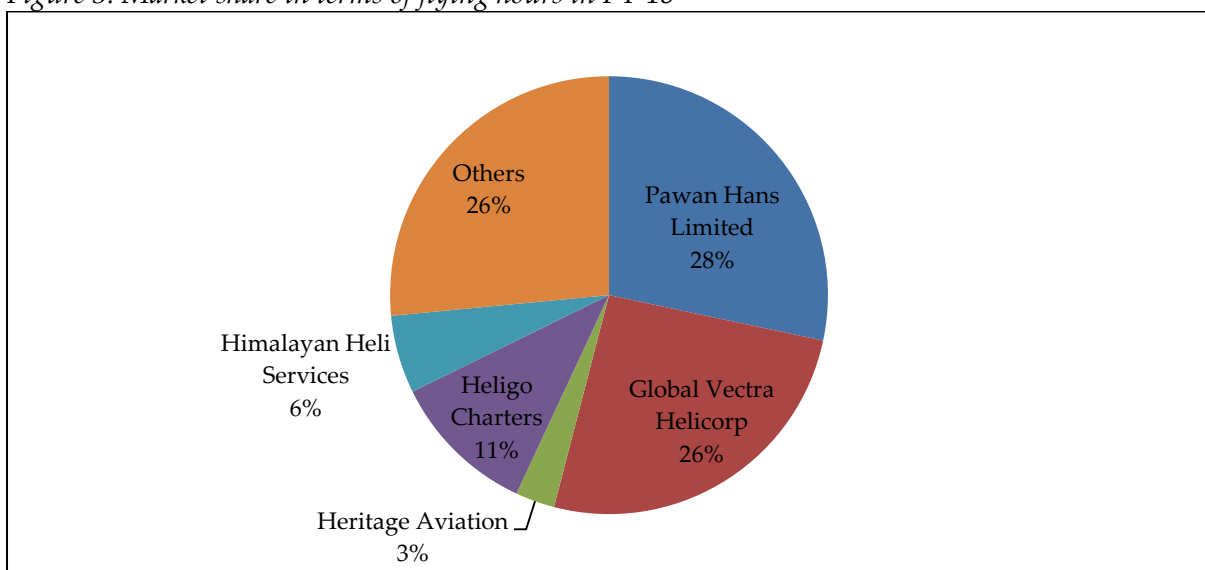
Figure 2: Market share in terms of fleet size in FY19



Source: DGCA NSOP List

- 2) PHL has established market leadership with **market share of more than 28% in terms of total flying hours** in FY 18.

Figure 3: Market share in terms of flying hours in FY 18



Source: DGCA Air Transport Statistics 2018

b) Industry growth & regulatory support

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world and is expected to overtake UK to become the third largest air passenger (domestic and international) market by 2024 (as per IBEF).

- 1) **Untapped potential** in civil aviation in India shall provide scope for growth in the sector.
 - a) As per IBEF, domestic passenger traffic grew YoY by 18.28 per cent to reach 243 million in FY18 and is expected to become 293.28 million in FY20E.
International passenger also grew YoY by 10.43 per cent to reach 65.48 million in FY18 and traffic is expected to become 76 million in FY20E.
 - b) As per RWSI, the usage of civil helicopters in India is majorly confined to non-scheduled passenger service and only a very small percentage of total helicopter operations are devoted to application roles such as hotline washing, casualty air evacuation, electronic news gathering, under-slung load operations, airborne law enforcement etc. vis-à-vis developed nations, where the major helicopter deployment is in such areas.
- 2) **Growth in heli-tourism** on account of the following factors shall provide an opportunity to the commercial passenger business of helicopter operators:
 - a) As per IBEF, India is expected to become the **third largest aviation market by 2024**. Thus, driven by this **rise in affluent class** which can afford helicopter travel for tourism/travel purposes, the company could tap the significant potential in the tourism segment for higher revenue generation.
 - b) **Travel and Tourism:** Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. Moreover, India was ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Hence, with growth potential in travel and tourism industry, the demand of heli-tourism shall also rise.
 - c) **Rising Rail fares:** Railways has historically been the preferred mode of transport in India due to lower cost. However, the gap between rail and air fares has reduced significantly in the last 3-4 years, thus more and more travellers are expected to shift from rail to air travel.
- 3) **Regulatory support** is being provided by MoCA, DGCA through various policies:
 - a) **Regional Connectivity Scheme (RCS):**
 - The growth of air connectivity to India's remote regions has historically been restricted due lack of proper infrastructure and preference for railways due to high airfares.

- RCS was launched on October 21, 2016 to stimulate regional air connectivity by making it affordable by providing a favorable eco-system through fiscal support and infrastructure development
- The scheme specifies airfare caps for helicopters ranging from Rs. 2,480 to Rs. 4,970 based on flight duration and inflation. A Regional Connectivity Fund (RCF) to be created through a levy or fee per departure on domestic departures. Further, excise duty on ATF to be reduced from 14% to 2% for a period of 3 years & VAT on ATF to 1% or less for a period of 10 years. Additionally, support to be provided by airport operators (AAI, State Governments, private players or the Ministry of Defence) in the form of no levy of landing and parking charges on RCS flights etc.
- Further, the maximum no. of RCS seats for which the airfare would be capped are 40 for Fixed Wing Aircraft and 13 for Helicopters, and accordingly, small fixed wing aircrafts and medium helicopters may be ideally placed to cater to RCS requirements.

It may be noted that PHL has been awarded with 11 routes under RCS (Round – 2) bidding and has commenced operations under certain routes, details of which have been provided under the “Company Overview” section.

b) Helicopter Emergency Medical Services (HEMS):

- According to National Crime Records Bureau, 1.3 lakh people die annually due to road accidents and another 5 lakh are reported injured in India. It has been observed that 80 % of accident victims do not have access to medical care within one-hour of the accident (“Golden Hour”) and 30 % of the emergency patients in India die before they reach a hospital due to poor infrastructure, lack of transportation facility and lack of hospitals around national highways.
- Across the globe, around 11% of civil helicopters are used for emergency medical services and around 13% of new helicopters planned to be acquired during next five years are expected to be utilized for HEMS and search & rescue operations. However, even with a population of more than 1.2 billion residents, the presence of HEMS services is almost negligible in India. In comparison, USA with a population of 321 million people is already served by 1,500 EMS helicopters.

- c) **The National Civil Aviation Policy (NCAP) 2016** also identifies Helicopter services as critical in the areas of intra-city movement, tourism, law enforcement, disaster relief, search and rescue, emergency medical evacuation, etc. and aims to promote helicopter usage in the following manner:

- The Government shall notify separate regulations for helicopters and facilitate development of at least four heli-hubs initially, across the country to promote regional connectivity.
- AAI may provide or earmark / lease land for helicopter operations at airports on appropriate commercial terms from where helicopters can operate without interfering with fixed wing traffic. Further, airport charges for helicopter operations shall be suitably rationalized.

d) **Other Policy Initiatives**

- **Development of New Airports/Privatisation of existing airports in India:** In February 2019, the Government of India sanctioned the development of a new greenfield airport in Hirasar, Gujarat, with an estimated investment of Rs 1,405 crore (US\$ 194.73 million). In February 2018, the Prime Minister of India has also launched the construction of Navi Mumbai airport with the first phase of the airport expected to be completed by end of 2019. In November 2018, the Government of India approved a proposal to manage six AAI airports under public private partnership (PPP).
- As of January 2019, the Government of India is working on a blueprint to promote domestic manufacturing of aircrafts and aircraft financing within the country
- In January 2019, the Government of India's released the National Air Cargo Policy Outline 2019 which envisages making Indian air cargo and logistics the most efficient, seamless and cost and time effective globally by the end of the next decade.

PART B

5. PROPOSED TRANSACTION

5.1 Salient features of the Proposed Transaction

- 1) Pawan Hans Limited is a Public Sector Undertaking and is India's leading helicopter services company (with largest fleet size) and was set up as a public sector undertaking under MoCA to provide helicopter services for the exploration activities of Oil and Natural Gas Corporation Ltd. (ONGC) and to the North-East Region.

PHL has 43 helicopters in its fleet and provides services under Regional Connectivity Scheme, offshore services to Oil & Gas companies, Inter-island transportation, services in North East states etc. PHL has also established workshop facilities as per Civil Aviation Requirement (CAR) 145 standard to provide services for a wide range of helicopters including Dauphin N/N3, Bell 206, Bell 407, AS 350 etc.

- 2) The GOI acting through the Department of Investment & Public Asset Management ("DIPAM") has 'in-principle' decided to disinvest its entire equity shareholding of 51% in PHL by way of strategic disinvestment ("**Strategic Disinvestment**") to investor(s) along with transfer of management control. GOI has appointed SBICAP as its advisor ("**Advisor**" or "**Transaction Advisor**" or "**TA**") to advise and manage the Strategic Disinvestment of PHL
- 3) In addition to the above, ONGC has also decided, that it shall sell its entire shareholding of 49% in PHL, at the same derived price per share and on the same terms & conditions as determined by the GoI, for sale of its shareholding in PHL to the Successful Bidder, as may be identified by GoI, save and except for certain rights which will be available to the GoI and not to ONGC. The Successful Bidder, as identified by GOI for the sale of its 51% stake in PHL, will also have the option to buy ONGC stake of 49% in PHL. Further details will be provided at RFP stage.
- 4) The heliport at Rohini ("Rohini Heliport"), built on the land allotted to MoCA under perpetual lease granted by Delhi Development Authority, shall not form part of the Proposed Transaction and will be demerged from PHL. However, Successful Bidder shall have the "Right to Use" over Rohini Heliport and other hangars and facilities leased by AAI, details of which are provided in table below:

Table 5-1: Facilities covered under Right to Use

S. No.	Location	Owner/ Lessor	Total Area (square meters)	Applicable Rates
Rohini Heliport				
1.	Hangars (2 No's)	Rohini	1,800	

S. No.	Location	Owner/ Lessor	Total Area (square meters)	Applicable Rates
2.	Prefabricated shelters besides Hangar No 1	Heliport Limited	167.28	No. AV-30019/01/2016-GA-MOCA dated March 8, 2019
3.	Ticketing room in Terminal Building		7	
Other Hangars and Bases – On lease from AAI				License Fee applicable (post Disinvestment) as per license agreement executed with AAI on November 14, 2018 and reiterated below
4.	Juhu (Mumbai) – Land for Office Complex	AAI	14,871.73	Rs.9,540/- per sq.mtr. per annum.
5.	Guwahati	AAI	3,458.88	
	<i>i.</i> Hangar		3,231.52	Rs. 750/- Per Sqm per Month
	<i>ii.</i> Hangar Back area (Built-up)		79.42	Rs. 750/- Per Sqm per Month
	<i>iii.</i> Room space		147.42	Rs. 1110/- Per Sqm per Month
6.	Rajamundry	AAI	235.09	
	<i>i.</i> 2 rooms in NTB		18.00	Rs.991.48 per sqm., per month
	<i>ii.</i> Office space & rooms		217.09	Rs.510/- per sqm., per month
7.	Vadodara – Land for placing porta cabin*	AAI	15.00	Land LF: 2665/- psm per annum Porta Cabin Charges @ 10000/- per month upto 30 Sqm. area.
8.	Jammu – Office Space in Terminal building	AAI	16.00	Rs.1205/- per sqm- per month
9.	Srinagar – Office Space	AAI	15.00	Rs.1114/- per sqm. per month
10.	Agartala	AAI	306.04	
	<i>i.</i> Hangar		285	Rs. 510/-Per Sqm. per

S. No.	Location	Owner/ Lessor	Total Area (square meters)	Applicable Rates
	ii. Office space in Terminal Building		21.04	month

* PHL, vide its letter dated November 28, 2018 has requested AAI (Vadodara Airport) for surrender of Porta Cabin at the airport and has since vacated the accommodation

Key terms and conditions for Right to Use of the abovementioned facilities will be provided at the RFP stage.

- 5) As on March 31, 2019 PHL has contingent liabilities related to tax and statutory dues of Rs. 576.99 crore , details of which are mentioned below:

Table 5-2: Contingent Liabilities related to tax and statutory dues as on March 31, 2019

S.No.	Details	Amount (In Rs. Crore)	Status
1	Income Tax demands	56.85	Contested by the Company at Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals). As per PHL's tax consultant PHL has a strong case.
2	Demand Notice for payment of VAT	494.80	Demand raised by Sales Tax Department of Delhi (tax of Rs.134.95 crores plus penalty of Rs.143.27 crores and balance amount as interest under section 40 of DVAT Act till March 2019) which relates to the years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers. The matter is pending in appeal by PHL before Hon'ble VAT Tribunal Delhi with last date of hearing was May 15, 2019. PHL filed rejoinder to the written submissions filed by VAT department and now reserved for judgement. PHL has been advised that

S.No.	Details	Amount (In Rs. Crore)	Status
			since it has been paying service tax on such transactions, the demand for payment of VAT does not arise. Further, in opinion of PHL's consultant on tax matters, PHL has good case on merit and is likely to be decided in its favor.
3	Show cause Notice from Service Tax Department	25.34	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
	Total	576.99	

With respect to the proceedings pertaining to the abovementioned direct and indirect tax demands raised by the relevant tax authorities (which proceedings are pending before various tax authorities as on March 31, 2019 and are more particularly described in the abovementioned table), if the demand raised by the relevant tax authority is upheld in the pending proceedings or if an appeal is preferred against such order of authority before the proceedings are currently pending and the demand of the tax authority is upheld by the final appellate authority, then GOI/MOCA shall indemnify the Successful Bidder to the extent of 51% (which percentage corresponds to the percentage of the shareholding in the Company which is transferred by GOI to the Successful Bidder as per the terms of the Final Share Purchase Agreement) of the total tax liability. As on March 31, 2019 the total tax liability directly related to the proceedings stated in abovementioned table amounts to Rs. 576.99 crore. For the sake of clarity and avoidance of doubt, it is hereby clarified that the GOI/MOCA shall be liable to indemnify only to the extent of 51% of Rs. 576.99 crores, which amounts to Rs. 294.27 crore.

Provided however, it is clarified that the GOI/MOCA shall be liable to indemnify under this clause only with respect to the final non-appealable decision of a court or tribunal of competent jurisdiction with respect to the proceedings stated in the abovementioned table.

Provided further, that at all times the tax liability of GOI/MOCA shall be limited to Rs. 294.27 crores and that this is the only indemnity which the GOI/MOCA is liable for the

said proceedings stated in the abovementioned table and that in no event shall the Government be liable to indemnify, whether in contract, tort or otherwise for any special, indirect, incidental or consequential damages arising out of or in connection with said proceedings more particularly stated in the abovementioned table.

- 6) **Employee related provisions:** With regard to employee related provisions, Successful Bidder shall ensure that the company shall not retrench/terminate any of the permanent employees for a period of 1 (one) year from the date of consummation of the Proposed Transaction other than termination or dismissal for cause, in accordance with applicable staff and regulations and standing orders or applicable law.

In the event of a reduction (including retrenchment/termination) of the Employees, the Successful Bidder shall, for a period of 1 (one) year from consummation of the Proposed Transaction, ensure that the Company offer its employees voluntary retirement on terms no less favourable than the terms of the VRS as provided by the Department of Public Enterprises guidelines dated May 5, 2000, as modified by the Office Memorandum dated November 6, 2001 bearing reference number 2(32)/97-DPE(WC)/GL-LVI of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and consolidated vide OM No.14(11)/2014-DPE/VRS/FTS-7433 dated July 20,2018, as amended, modified or re-enacted.

Further details and other terms and conditions with regard to employee related provisions will be provided at the RFP stage. It is to be noted that the detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB/member of consortium hereunder shall continue to have effect in addition to its obligations under the definitive agreements.

- 7) **Restrictions on Asset Stripping:** For a period of 2 (two) years from the date of consummation of the Proposed Transaction, the Successful Bidder shall not sell, transfer, mortgage, lease (save and except for any operating lease in the ordinary course of business), pledge, hypothecate any assets nor create a charge or encumbrance or create lien on any assets of the Company, nor any action shall be taken or decision made to this effect, except in either of the following cases:

- a) Creation of mortgage, pledge, hypothecation, encumbrance or lien is undertaken in favor of a lender falling under either of the following categories
- i) Lenders registered with either of the following regulatory agencies in India such as Reserve Bank of India, Securities and Exchange Board of India, Pension Fund

- Regulatory and Development Authority and Insurance Regulatory and Development Authority
- ii) International banks
 - iii) International capital markets
 - iv) Multilateral financial institutions (such as, IFC, ADB, etc.) / regional financial institutions and government owned (either wholly or partially) financial institutions.
 - v) Export credit agencies.
 - vi) Overseas long term investors such as Prudentially regulated financial entities, Pension funds, Insurance companies, Sovereign Wealth Funds, Financial institutions located in International Financial Services Centres in India
- b) Total book value of the assets involved for one or series of such transactions should not exceed 26% of the total value of the net fixed assets of the Company (excluding Rohini Heliport assets to be hived off) as specified in the latest audited financial statement, on cumulative basis during the 2 (two) years period from the consummation of the Proposed Transaction.
- c) Subject to point (b) above, total book value of the assets involved for one or series of such transactions should not exceed 13% of the total value of the net fixed assets of the Company (excluding Rohini Heliport assets to be hived off) as specified in the audited financial statement of the immediately preceding financial year, during the twelve months period from the consummation of the Proposed Transaction;

Further details and other terms and conditions with regard to restrictions on asset stripping will be provided at the RFP stage. It is to be noted that the detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB/member of consortium hereunder shall continue to have effect in addition to its obligations under the definitive agreements.

8) Provisions related to restrictions on change in control:

- a) The Successful Bidder shall be required to lock-in its shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for such period.

The aforesaid restriction on change in shareholding and management control of PHL shall also be applicable to a special purpose vehicle's investment in PHL, in case investment in PHL is made by Successful Bidder through a special purpose vehicle.

- b) There shall be no change in the management control of the IB, each member of the Consortium and of the special purpose vehicle (in case investment in PHL is made through special purpose vehicle) for three (3) years from the date of consummation of the Proposed Transaction.
- c) IB/ members of Consortium shall provide an undertaking that there shall be no change in the shareholding of the Consortium or the SPV (in case investment in PHL is made through the SPV by a Consortium or otherwise), if the said IB is declared as the Successful Bidder, for three (3) years from the date of consummation of the Proposed Transaction.

5.2 Process for the Proposed Transaction

The process for the proposed Transaction has been divided into two stages, as detailed below:

- 1) Disinvestment by the Government of India ("GOI") acting through the Ministry of Civil Aviation ("MoCA") of its entire equity shareholding held by the President of India through MoCA aggregating to 51% of the entire paid up share capital of the Company by way of a strategic disinvestment to "Interested Bidder(s)" or "IB(s)" along with transfer of management control ("Transaction").
- 2) The process for the Proposed Transaction has been divided into two stages, namely, Stage I and Stage II.

Stage I:

- 3) Through this PIM, the GOI is providing the IBs with instructions for submitting their Expression of Interest (EOI) to GOI, which would be used for prequalifying the IBs in accordance with the criteria specified in order to proceed with the Proposed Transaction.
- 4) The EOIs will be evaluated based on the Eligibility Criteria and Disqualification conditions detailed in this PIM.
- 5) Only IBs shortlisted in Stage I would be allowed to participate in Stage II ("Shortlisted Bidders").

- 6) IBs also have the option to access the Virtual Data Room (VDR), containing Confidential Information about PHL as well as the Draft Share Purchase Agreement, prior to submitting the EOI, by submitting the following:
- Confidentiality Undertaking as provided in **Annexure 6**
 - Demand Draft of Rs. 5,00,000/- (Rupees Five Lakh Only) towards non-refundable VDR access fee drawn in favour of “**SBI Capital Markets Limited - Fee for EOI**”, payable at New Delhi

Such fee shall be adjusted against the non-refundable fee payable at the time of EOI submission. For the avoidance of doubt, in case any IB, who has paid the access fee, does not submit the EOI, access of the VDR to such IB shall be terminated on the last date of EOI submission.

VDR shall also have draft Share Purchase Agreement (SPA) and IBs can give their comments on the same. The comments shall be mailed at phl@sbicaps.com in the following format

S. No.	Clause No.	Clarification/ Additional Information required	Rationale for clarification or additional information required

Stage II:

- 7) The Shortlisted Bidders, will be provided with Request for Proposal (“RFP”) including draft Share Purchase Agreement, access to the data room to review documents pertaining to the Company for conducting a due diligence on the Company and a Confidential Information Memorandum (CIM), which shall provide further details of the Company and the Proposed Transaction subject to the IB having satisfactorily entered into a confidentiality undertaking (at the time of submission of EOI). The format and formalities related to the RFP shall be communicated in due course. The Shortlisted Bidders would be required to undergo a transparent bidding process for acquisition of entire GOI shareholding in PHL, in accordance with the terms of the RFP.
- 8) The Shortlisted Bidders shall be required to deposit an earnest money at Stage II.

- 9) The Shortlisted Bidders will be required to submit the financial bid in the form of the price per share for acquiring 51% GOI equity stake in PHL (**the “Financial Bid”**) along with important supporting documents including bid letter, bank guarantee, declaration of security clearance etc. (**the “Non-Financial Bid”**) in accordance with the terms of RFP. The Financial Bid and Non-Financial Bid together shall be referred as **“Bid”**.
- 10) Post evaluation of Bids, Core Group of Secretaries on Disinvestment will decide, on case to case basis, whether security clearance of H1 Bidder is required. In case the security clearance is required, the Administrative Ministry shall approach the Security Committee on Strategic Disinvestment for seeking requisite clearance.
- 11) In case the H1 Bidder fails in obtaining the security clearance, if required, next highest bidder will be offered an option to match the financial bid of the H1 Bidder and the next highest bidder’s details shall be sent for security clearance. Further details relating to bid process will be provided in the RFP.
- 12) The Shortlisted Bidder, who is approved by CCEA to enter into definitive agreements shall be designated as the **“Successful Bidder”**.

Other Details regarding the Transaction:

- 13) An advertisement has been issued in the newspapers inviting IBs to submit their EOI to participate in the Proposed Transaction. A copy of which is enclosed as **Annexure 7**.
- 14) This PIM contains the following:
 - c. Introduction
 - d. Company overview
 - e. Financial performance of company
 - f. Value Drivers and Industry Snapshot
 - g. Proposed Transaction
 - h. Instructions for Submission of EOI
 - i. Eligibility criteria
 - j. Disqualifications
 - k. Format for Letter of EOI for sole IB / Consortium
 - l. Format for Form A
 - m. Format for General Power of Attorney
 - n. Format for Power of Attorney in favour of Lead Member
 - o. Format for Consortium Agreement
 - p. Format for Confidentiality Undertaking
 - q. Advertisement inviting EOI

- r. Office Order of DIPAM guidelines
 - s. Format for declaration with respect to statement of legal proceedings
 - t. Format of Affidavit
 - u. Guidelines for Management-Employee Bids in Strategic Sale
 - v. DIPAM Guidelines for Employees Bids
- 15) This PIM along with annexures have been uploaded on websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com. Following receipt of PIM, IBs will be required to respond in the format as detailed in this PIM along with non-refundable fees as detailed herein.
- 16) IBs shall have satisfied themselves of their queries before participating in the Proposed Transaction.
- 17) Subsequently, a site visit (cost of which will be borne by the IBs) may be scheduled to facilitate the Shortlisted Bidders in their assessment of the Company at the discretion of GOI. The modalities related to the visit and due diligence will be communicated to the Shortlisted Bidders in due course.
- 18) The Shortlisted Bidders shall carry out their own due diligence, independent assessment and appraisal of the Company and the Transaction. The GOI or the Company or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto shall not be liable in any manner whatsoever.
- 19) Details regarding the process post short-listing based on the EOIs submitted will be subsequently shared with the IBs in the RFP.
- 20) EOIs are liable to be rejected by GOI if IBs fail to meet the qualifying eligibility criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this PIM or on account of security considerations or for any other reason deemed fit, or even without assigning any reason whatsoever.
- 21) GOI reserves the right to modify/postpone/cancel or call off the Proposed Transaction without communicating any reasons whatsoever. In such an event, no financial obligation whatsoever shall accrue to GOI, the Company, the Advisor or any of their respective officers, employees, advisors or agents.
- 22) GOI also reserves the right to call for any additional document (s)/ information from the IBs, which may be considered necessary without any liability to the Company/GOI.

- 23) The GOI, Advisor, Company and their respective advisors shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM or the EOI process, including any error or mistake therein or in any information or data given by the Advisor.
- 24) The IBs to acknowledge that this PIM is not a legally binding document. Neither the IBs nor any of the IB's representatives shall have any claims whatsoever against the Companies/ GOI/TA or their advisors or any of their respective officials, agents, consultants or employees arising out of, or relating to this PIM.
- 25) In case of any dispute between the parties in respect of interpretation of the terms of Advertisement (as enclosed in this PIM) inviting EOIs, this PIM or anything arising therefrom, such dispute or difference shall be governed by the laws of Republic of India. All such disputes will be subject to jurisdiction of the Courts at New Delhi (with exclusion of all other Courts).

6. INSTRUCTION FOR SUBMISSION OF EOI

- I. The Expression of Interest, conforming to the conditions of this PIM shall be submitted physically along with all annexure(s) duly filled in, in original and all the supporting documents (EOI), at following address on or before the scheduled date and time. The completed forms, "Annexures" along with all the supporting documents of the bid shall be considered as part of the contract documents in the case of successful bid(s).

Mr. S.K. Arora
Senior Vice President
PA&SF Group
SBI Capital Markets Ltd.
6th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001.

- II. Submission of the aforesaid documents by any other electronic means and/or facsimile will not be accepted.
- III. The proposals received after the appointed time and date will be rejected.
- IV. **Unless otherwise specified, a copy of any document that is not the original shall be a certified true copy for submission.**
- V. The IBs shall submit the EOI physically in hard copy by mentioning the page number on each document and to be submitted in sequence in a **sealed, covering envelope** clearly marked "**Private and Confidential – Expression of Interest for the Strategic Disinvestment of PHL**" in different file folders as per the following directions:

A. Covering envelope:

1. Demand Draft of Rs. 5,00,000/- (Rupees Five Lakh Only) towards non-refundable fee drawn in favor of "**SBI Capital Markets Limited – Fee for EOI**", payable at New Delhi.

In case the IB has submitted the non-refundable fee previously to access the VDR, such IB shall submit the copy of Demand Draft submitted at that time as part of its EOI.

2. EOI letter in the format specified as per **Annexure 1**

3. Duly filled in **Form A** by IB/ each member of Consortium as per **Annexure 2**, including the following major supporting documents:
- a. Executive summary providing brief description for the IB and (where applicable) for each member of consortium, containing details like Ownership Structure, Identity of the natural persons who are the Ultimate Beneficial Owners of the IB/ each member of Consortium (“Ultimate Beneficial Owner” means the natural person or persons who are the ultimate beneficial owners of the shares and who ultimately own, control or influence and includes a person who exercises ultimate effective control over a legal person or arrangement), the Place of Effective Management of business of the IB and each member of the consortium (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made.), etc. write up on business history and growth, business areas / activities, respective revenue details etc., it shall include a brief commentary on the capability of the IB /members of the Consortium, as demonstrated, inter alia, in its past track record, to run its own business.
 - b. Contact information of the IB/ each member of Consortium including full name, address, telephone and facsimile numbers, e-mail address and the names and the titles of the persons who are the principal points of contact for each member and identifying lead member of the consortium. Details of the website of the IB/ each member of Consortium are also to be provided.
 - c. Basic information pertaining to incorporation and commencement of business for IB/ each member of the Consortium.
 - d. Certified true copies of the following documents to be submitted. However, if IB/ any member of the Consortium cannot submit any of the following documents, it shall state reasons for the same:
 - i. Memorandum of Association
 - ii. Articles of Association
 - iii. Certificate of Incorporation
 - iv. Certificate of Commencement of Business
 - v. Charter Documents
 - vi. Other Constitution Documents i.e. Partnership Deed etc. as may be applicable
 - vii. SEBI Registration Certificate for AIFs

- e. A certificate for list of Board of Directors, principal shareholders and key management personnel duly signed by the respective Company Secretary or any officer in charge of secretarial/legal affairs of IBs/ each member of Consortium and also counter signed by its authorized signatory.
- f. A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other officer in-charge of secretarial/ legal affairs, for the shareholding pattern of the IB/ each member of Consortium.
- g. A certificate duly signed by Company Secretary or any other officer in charge of secretarial/legal affairs, for eligibility to participate in the Proposed Transaction.
- h. An independent chartered accountant/ statutory auditor certificate certifying the fulfillment of Financial Criteria as specified in the Eligibility criteria section.
- i. Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous five financial years.
Provided that, in the event IB/ any member of Consortium is an unlisted entity, and does not have the audited financial statements of immediately preceding financial year, the latest available unaudited/ provisional financial statements may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest Quarterly Limited Review report is to be submitted. However, the audited financial statements of such IB/ member of Consortium shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.
All financial statements/ annual reports/ net worth certificate submitted should be certified by authorized signatory.
In case the IB/ any member of the Consortium cannot submit the consolidated financial statements as mentioned above, it shall specify reasons for the same.
- j. Documents such as a board or shareholders' resolution in favor of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ member of Consortium. (The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney)
- k. **Management Organization:** An overview of IB's/ each member of the Consortium's senior management and organization structure certified by the

company secretary or any other officer in charge of secretarial/legal affairs of the IB/ each member of Consortium.

- l. **International Operations/ Joint Venture/Alliances:** Brief note of IB's/ member of Consortium's international operations, joint ventures, alliances (whether international or domestic), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable).
 - m. Details of those companies and professional firms, if any, who are (or will be) advising the IB/ Consortium/ member of Consortium for the Proposed Transaction, together with the names of the principal individual advisors at those companies and firms.
 - n. Details of contingent liabilities and outstanding litigations, which if materialised, would have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IB/ member of Consortium, or other similar business combination or sale.
 - o. If the IB/any member of Consortium is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ the Foreign Investment Promotion Board/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited.
4. Appropriately executed Power of Attorney authorizing the signatory of the EOI to commit the IB/ each member of Consortium (as per **Annexure – 3 and Annexure – 11 for Employee Bids**).
 5. Appropriately executed Power of Attorney authorizing the lead member of Consortium to do all acts, deeds and things as may be necessary in connection with the Consortium's Bid for the Transaction (as per **Annexure 4**)
 6. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per **Annexure 5**).
 7. Duly executed Confidentiality Undertaking (as per **Annexure 6**).

In case the IB has submitted the Confidentiality Undertaking to get access to the VDR, such IB is not required to submit Confidentiality Undertaking again.

8. A declaration in relation to statement of legal proceedings (as per **Annexure 9**).
 9. Duly executed Affidavit (as per **Annexure 10**).
- VI. **Air Transport Service Operator(s) (ATSO):** In case IB/any member of consortium submits the EOI as an ATSO, it shall be required to submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India. Also, the IB/ member of Consortium shall be required to certify the same in the submitted Affidavit (Annexure 10) in the manner specified therein.
 - VII. All the bid(s) shall be valid for 180 days from the date of opening of the EOI and can be further extended by another 180 days on intimation to the interested bidders.
 - VIII. PIM is available for downloading from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.
 - IX. No IB/ member of consortium shall submit more than one EOI. An entity submitting EOI individually or as a member of a consortium shall not be entitled to submit another EOI either individually or as a member of any other consortium, as the case may be.
 - X. The IBs/ members of consortium are expected to carry out their own investigations and other examination in relation to the Transaction before submitting their EOIs.
 - XI. Notwithstanding anything to the contrary contained in this PIM, the detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB/member of consortium hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
 - XII. All financial statements or data to be derived therefrom for the evaluation of Financial Criteria referred herein shall mean on a **Consolidated Basis**.
 - XIII. Any condition or qualification or any other stipulation contained in the EOI shall render the EOI liable to rejection as a non-responsive EOI.
 - XIV. The EOI and all related correspondence and documents in relation to the EOI shall be in English language.
 - XV. The documents including this PIM and all attached documents are and shall remain or become the properties of the GOI and are transmitted to the IBs solely for the

purpose of preparation and the submission of an EOI in accordance herewith. IBs are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their EOI.

- XVI. EOIs shall be opened only after the due date of submission of EoIs.
- XVII. EOIs shall be submitted during the working hours (Monday to Friday 10:00 am to 5.00 pm) on or before scheduled date & time.
- XVIII. Advisor/GOI/Company shall bear no responsibility for non-receipt of documents sent by post/courier.
- XIX. The IBs shall bear all costs associated with the preparation and submission of the EOI and also all costs associated with conducting the due diligence. The Advisor/GOI/Company shall not, under any circumstances, be responsible or liable for any such costs, whether direct, incidental or consequential and no cost incurred by the IBs in this regard shall be borne by the Company, GOI and Advisor.
- XX. **Enquiry:** GOI/Company reserves the right, in their sole discretion, not to respond to any questions raised or provide clarifications sought, if considered inappropriate or prejudicial to do so or even otherwise. Nothing in this section shall be taken or read as compelling or requiring the GOI/Company to respond to any question or provide any clarification. No extension of any time and date referred to in this PIM shall be granted on the basis or grounds that the GOI/Company has not responded to any question or provided any clarification.
- XXI. **Governing Law / Jurisdiction:** The Proposed Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Proposed Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.
- XXII. **Requisite approvals:** The IB shall be required to obtain all necessary approvals required to enable the IB to enter into the definitive agreements and to consummate the Proposed Transaction including all approvals that may be required to be obtained from the Ministry of Civil Aviation (“MoCA”) and under any other applicable laws. The Successful Bidder is also expected to adhere to:
- a. SCO License regulations (as per DGCA circular: “DGCA circular no. CAR Section-3 –Air Transport Series ‘C’ Part XII dated December 09, 2016”)

- b. Stipulations under the NSOP license regulations regarding composition of Board of Directors and Management structure for PHL, which inter alia specify as below:
 - i. The majority of Directors on the board shall be Indian citizens
 - ii. The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs. Security vetting shall be required periodically on yearly basis
 - iii. Any change in the board of directors at any time shall be intimated to the MOCA and DGCA along with the details of new Chairman or Director. A new Director or Chairman shall not be appointed, unless the security clearance has been obtained from the GOI.
- c. Other NSOP License regulations (as per DGCA circular: “Civil Aviation Requirement Section 3 Air Transport Series ‘C’ Part III, Issue II, File No.: AV.14027/02/2002-AT.1”)
- d. Terms of FDI Policy of GOI as applicable to the Companies and
- e. Any other approvals as may be required

XXIII. **Amendment to PIM and invitation for EOI:** At any time prior to the Due Date for submission of EOI, GOI may, for any reason, whether at its own initiative or in response to clarifications requested by any Bidder, modify the PIM by the issuance of addendum. Any addendum/clarification issued shall be uploaded on websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.

In order to afford the Bidders a reasonable time for taking an addendum into account, or for any other reason, GOI may, in their sole discretion, extend the Due Date for submission of EOI.

- XXIV. Any additional information supplied subsequent to the Due Date of submission of EOI, unless the same has been expressly sought for by GOI, shall be disregarded.
- XXV. Notwithstanding anything contained in this PIM, the GOI reserves the right to reject any or all EOIs on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.

- XXVI. The GOI shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM or the EOI process, including any error or mistake therein or in any information or data given by the Advisor.
- XXVII. The GOI reserves the right to verify all statements, information and documents submitted by the IB/ any member of consortium in response to the PIM, or the EOI process and the IB/ any member of consortium shall, when so required by the GOI, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GOI shall not relieve the IB/any member of Consortium of its obligations or liabilities hereunder nor will it affect any rights of the GOI thereunder.
- XXVIII. The IBs/ members of consortium may note that the files containing information about PHL can be in various formats including without limitation, doc, xls, ppt, pdf, jpg, jpeg, zip etc. and it shall be the responsibility of the IB/members of Consortium to have suitable facilities at their end to download the uploaded files.
- XXIX. The IBs/ members of consortium shall evaluate and ensure that they are permitted to invest under applicable laws to the extent they propose to participate.
- XXX. Only IBs/ members of consortium which are permitted under applicable laws to participate (to the extent of their proposed participation) shall be permitted to bid.

7. ELIGIBILITY CRITERIA

The Eligibility criteria for the IBs are as follows:

- 1) **Incorporation Criteria:** Any private limited company, public limited company, limited liability partnership, body corporate, whether registered or incorporated in India or outside India; or Alternative Investment Funds (AIF) registered with SEBI as per SEBI (Alternative Investment Funds) Regulations, 2012; which are eligible to invest under the laws of India (subject to such parties obtaining all statutory approvals by themselves from the GOI, FIPB, relevant ministry, DGCA, RBI etc. as applicable) either as a sole bidder or as part of a Consortium (“Interested Bidder” / “IB”).

However, Central Public Sector Enterprises (CPSEs) or Central Government owned Cooperative Societies i.e. entities where the direct holding of the Central Government or of other CPSEs is 51% or more or as defined and classified by the Department of Public Enterprises/GOI from time to time shall not be allowed to bid, unless a proposal is brought up for consideration of the Core Group of Secretaries on Disinvestment (CGD) by GOI, if desirable in public interest.

Bids by management/employees of PHL directly and independently or in consortium or Joint Venture or as a Special Purpose Vehicle (SPV), along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by Department of Investment and Public Asset Management, annexed herewith as per Annexure 12 (“Guidelines”) if the legal entity so formed is qualified as per the criteria laid down in the PIM (*kindly, also refer to Annexure 11*).

- 2) **Conditions for bidding by Consortium:** Entities are permitted to form a consortium (“Consortium”) and may participate in the Transaction (these entities shall be referred to as “member(s) of consortium” or “member(s)”), subject to the following conditions:

- a. **Minimum stake requirement in the Consortium/ SPV:**

- i. **Each Member of the Consortium:** Each Member of the Consortium shall hold at least 20% equity share capital of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.
- ii. **Lead Member:** Each consortium is required to declare one Lead Member who shall hold at least 51% equity share capital of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.

- b. **Lead Member:** The Consortium shall not have more than one (1) Lead Member.
- 3) **Financial Criteria:** For submitting the EOI and for being considered for subsequent qualification for Stage II of the Transaction, the IB shall satisfy the following Financial Criteria ("Financial Criteria"):

a. **Net worth Criteria:**

- i. **Where IB is a Sole bidder:** A minimum Net worth of Rs. 350 Crore ("Net worth Criteria")
- ii. **Where IB is a Consortium:**
- a. Combined Net worth of **all the members of the Consortium** should meet the Net worth Criteria (i.e. a minimum Net worth of Rs. 350 crore)

Combined Net worth in case of a Consortium would be calculated as = Net worth of member 1 + Net worth of member 2 + Net worth of member 3 (*as applicable, depending on number of members in Consortium*)

b. **For respective consortium members:**

- I. **For entities which are Air Transport Service Operators (ATSOs) and hold up to 51% equity share capital of the Consortium (and Special Purpose Vehicle to be subsequently incorporated):** The following would be applicable:
- No minimum Net worth stipulation for such Consortium members
 - For assessment of combined Net worth for consortium (as per clause 3(a)(ii)(a) above), the Net worth value for any member of Consortium, submitting their EOIs as ATSO with negative Net worth would be considered as Nil.
- II. **For other entities (i.e. either Non-ATSOs or ATSOs holding more than 51% equity share capital of the Consortium):** Each member of the Consortium should have minimum net worth which is at least equal to their respective shareholding in the consortium as percentage of the Net worth Criteria as mentioned in clause 3(a)(i) above.

For example:

- If a member of Consortium which is not an ATSO, has 30% shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to: Rs 105 crore (i.e. 30% of Rs. 350 crore)

- If a member of Consortium which is an ATSO, has 60% shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to: Rs 210 crore (i.e. 60% of Rs. 350 crore)

III. **“Air Transport Service Operator (ATSO)** for the purpose of this PIM is defined as an entity which holds a valid Air Operator Permit issued by regulatory authorities in India.

b. **Profitability Criteria:**

- i. **Where IB is a Sole bidder:** Positive Cash Profit in at least three of the immediately preceding five financial years from the date of publication of this PIM. Where IB was incorporated less than five years ago, it should have positive Cash Profit in at least three completed financial years (each of not less than 12 months duration), to be considered eligible (“Profitability Criteria”).
 - ii. **Where IB is a Consortium :**
 - a. **For entities which are Air Transport Service Operators (ATSOs) and hold up to 51% equity share capital of the Consortium (and Special Purpose Vehicle to be subsequently incorporated):** Profitability Criteria is not applicable for such Consortium members.
 - b. **For other entities (i.e. either Non-ATSOs or ATSOs holding more than 51% equity share capital of the Consortium):** Each member of the Consortium should have positive Cash Profit in at least three of the immediately preceding five financial years from the date of publication of this PIM. Where entity was incorporated less than five years ago, it should have positive Cash Profit in at least three completed financial years (each of not less than 12 months duration).
 - iii. Cash Profit mentioned above in this clause shall mean Profit after Tax plus Depreciation plus Deferred Tax Liability
 - iv. **“Air Transport Service Operator (ATSO)** for the purpose of this PIM is defined as an entity which holds a valid Air Operator Permit issued by regulatory authorities in India.
 - v. The Profitability Criteria is not applicable for AIFs and employees of PHL.
- 4) Members of consortium which qualify as ATSOs and intend to submit their EOI in their capacity as an ATSO are required to:

- i. Submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India; and
- ii. Certify the same in the submitted Affidavit (Annexure 10) in the manner specified therein

5) **Formation of SPV:**

- a. **Where IB is a Sole bidder:** If IB is a sole bidder, it has the option to either directly hold shares of PHL or hold shares through an investment vehicle (special purpose vehicle) incorporated within stipulated time, under the laws of India, once finally selected prior to entering into the definitive agreements, as may be prescribed by the GOI in the RFP. Such SPV will be a wholly owned subsidiary of IB.
- b. **Where IB is a Consortium:** If IB is a Consortium, the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company) under the laws of India, once finally selected prior to entering into the definitive agreements. The shareholding of the SPV shall be the same as the shareholding of the members in the Consortium.

c. **Examples on Financial Criteria assessment for consortiums** (the below mentioned examples are only illustrative and meant for explaining the Financial Criteria assessment only)

a. Examples of Financial Criteria assessment in case of 2 member Consortium:

Case	Member 1	Member 2	Remarks
1.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Nil or Negative • Cash Profit: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 350 crore • Cash Profit: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium qualifies, as:</p> <p>Clause 3(a):</p> <ul style="list-style-type: none"> • Member 1 (ATSO) is not required to meet minimum proportionate share (51%) of the Net worth criteria, as shareholding is within limit of 51% • Member 2 (Non-ATSO) meets the minimum proportionate share (49%) of the Net worth criteria <p>Clause 3(b):</p> <ul style="list-style-type: none"> • Member 1 (ATSO) is not required to meet requirement of positive Cash Profit in 3 out of last 5 years as shareholding is within limit of 51%. • Member 2 (Non-ATSO) meets the requirement of positive Cash Profit in 3 out of last 5 years <p>Consortium meets the Financial Criteria (Clauses 2 and 3):</p> <ul style="list-style-type: none"> • Negative Net worth of Member 1 (ATSO) is considered as Nil • Combined Net worth of Consortium: Nil + Rs. 350 crore = Rs. 350 crore
2.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 600 crore • Cash Profit: Positive in 4 out of 5 years 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. (Negative 20 crore) • Cash Profit: Positive in 4 out of 5 years 	<p>Consortium does not qualify, as:</p> <p>Clause 3(a):</p> <p>Member 2 (Non-ATSO) does not meet requirement for</p>

Case	Member 1	Member 2	Remarks
	<ul style="list-style-type: none"> • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Nature of Business: Non-ATSO 	minimum proportionate share (49%) of the Net worth criteria
3.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 350 crore • Cash Profit: Positive in 3 out of 4 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 20 crore • Cash Profit: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<p>Consortium qualifies, as :</p> <p>Clause 3(a) :</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the minimum proportionate share (51%) of the Net worth criteria • Member 2 (ATSO) is not required to meet minimum proportionate share (49%) of the Net worth criteria <p>Clause 3(b):</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the requirement of positive Cash Profit in at least 3 years (in case entity was incorporated less than five years ago) • Member 2 (ATSO) is not required to meet requirement of positive Cash Profit in 3 out of last 5 years as shareholding is within limit of 51%. <p>Consortium meets the Financial Criteria (Clauses 2 and 3):</p> <ul style="list-style-type: none"> • Combined Net worth of Consortium: Rs. 350 crore + Rs. 20 crore = Rs. 370 crore
4.	<ul style="list-style-type: none"> • Stake in Consortium: 60% • Net worth: Rs. 210 crore • Cash Profit: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 40% • Net worth: Rs. 140 crore • Cash Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium does not qualify, as:</p> <p>Clause 3(a): Member 1 (ATSO) does not meet the requirement of positive Cash Profit in 3 out of last 5 years as stake held is more than 51%</p>
5.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 179 crore 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 172 crore 	Consortium qualifies, as:

Case	Member 1	Member 2	Remarks
	<ul style="list-style-type: none"> • Cash Profit: Positive in 3 out of 3 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Cash Profit: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Clause 3(a):</p> <ul style="list-style-type: none"> • All the Member of the Consortium meet minimum proportionate share of the Net worth criteria <p>Clause 3(b):</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the requirement of positive Cash Profit in at least 3 years (in case entity was incorporated less than five years ago) • Member 2 (Non-ATSO) meets the requirement of positive Cash Profit in 3 out of last 5 years <p>Consortium meets the Financial Criteria (Clauses 2 and 3)</p> <ul style="list-style-type: none"> • Combined Net worth of Consortium: Rs. 179 crore + Rs. 172 crore = Rs. 351 crore

b. Examples of Financial Criteria Assessment in case of 3 member Consortium:

Case	Member 1	Member 2	Member 3	Remarks
1.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 179 crore • Cash Profit: Positive in 4 out of 5 Years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 25% • Net worth: Rs. 88 crore • Cash Profit: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 24% • Net worth: Rs. 84 crore • Cash Profit: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium qualifies, as:</p> <p>Clause 3(a):</p> <ul style="list-style-type: none"> • All the Members of the Consortium meet minimum proportionate share of the Net worth criteria <p>Clause 3(b):</p> <ul style="list-style-type: none"> • All Members meet the requirement of

Case	Member 1	Member 2	Member 3	Remarks
				<p>positive Cash Profit in 3 out of last 5 years</p> <p>Consortium meets the Financial Criteria (Clauses 2 and 3):</p> <ul style="list-style-type: none"> Combined Net worth of Consortium: Rs. 179 crore + Rs. 88 crore + Rs. 84 crore = Rs. 351 crore
2.	<ul style="list-style-type: none"> Stake in Consortium: 51% Net worth: Rs. 179 crore Cash Profit: Positive in 2 out of 5 Years Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> Stake in Consortium: 25% Net worth: Rs. 5 crore Cash Profit: Positive in 4 out of 5 years Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> Stake in Consortium: 24% Net worth: Rs. 170 crore Cash Profit: Positive in 4 out of 5 years Nature of Business: Non-ATSO 	<p>Consortium does not qualify, as:</p> <p>Clause 3(a):</p> <ul style="list-style-type: none"> Member 2 (Non-ATSO) does not meet minimum proportionate share (25%) of the Net worth criteria <p>Clause 3(b):</p> <ul style="list-style-type: none"> Member 1 (Non-ATSO) does not meet the requirement of positive Cash Profit in 3 out of last 5 years.

- 6) Bids by management/employees of PHL shall satisfy the minimum Net worth criteria as specified in Financial Criteria clause. The combined net worth of participating employees and bank/venture capitalist/financial institution, as may be applicable, shall be taken into account for calculating minimum net worth requirement as per Financial Criteria clause and in accordance with Conditions for bidding by Consortium.
- 7) Net worth of IBs/ members of the Consortium shall be calculated as follows:
- a. **In case of a company:** “Net worth” shall be calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure, Intangible Assets, redemption reserves, reserves made for any specific purpose and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, the cross holding of investments amongst the consortium members is also to be deducted where the IB is a Consortium.
 - b. **In case of LLP:** “Net worth” shall be calculated as aggregate value of Partners’ Capital and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure, Intangible Assets, redemption reserves, reserves made for any specific purpose and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, the cross holding of investments amongst the consortium members is also to be deducted where IB is a Consortium.
 - c. **In case of AIFs:** Net worth shall be substituted by Maximum Permissible Investment Limit for that particular AIF (as per SEBI (Alternative Investment Funds) Regulations, 2012) in a single investee entity.
- 8) Financial Criteria shall be assessed on the basis of:
- a. **In case of IBs/members of consortium other than AIFs and employees:**
Based on latest audited financial statement of each IB/member of Consortium **(on Consolidated Basis)**, which shall not be older than 12 months from the date of publication of this PIM. The fulfilment of Financial Criteria is to be certified by an independent chartered accountant/statutory auditor. The financial statements on the basis of which the Financial Criteria shall be

assessed shall correspond to accounting periods completed (each of not less than 12 months duration) and shall not be based on partial periods.

If the audited financial statements are not available for the immediately preceding financial year, latest unaudited/provisional numbers as certified by the statutory auditors (in case of an unlisted entity) or information contained in latest Quarterly Limited Review report (in case of a listed entity) shall be considered, provided they are not older than 12 months from the date of publication of this PIM.

In case the IB/any member of Consortium is not required to prepare consolidated financial statements as part of statutory requirements, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfillment of Financial Criteria submitted by the IB/member of Consortium clearly mentions the non-requirement for preparation of consolidated financial statements, in the manner specified in Annexure 2.

- b. **In case of AIFs:** The Maximum Permissible Investment Limit would be considered as per independent chartered accountant/ statutory auditor's certificate not older than 3 months from the date of PIM
- c. **In case of bids by management/employees of PHL:** Practicing Chartered Accountant's certificate not older than 3 months from the date of PIM, certifying Net worth of employees

The Transaction Advisor reserves the right to ask for any additional documents as required to verify and assess the eligibility.

- 9) Where a sole IB or Consortium has submitted the EOI, it is expected that there shall not be any changes in the Members of the Consortium or sole IB will not form a Consortium, except as provided below:

Any change prior to the last date for submission of EOI may be permissible by withdrawing the EOI and submitting a fresh EOI before the last date for submission of EOI. However, no change in composition of Consortium will be permitted after last date for submission of EOI, till shortlisting of the IBs.

- a. In case of a Consortium, following conditions shall be met:

- i. Change shall be permitted only once after the last date for submission of EOI
 - ii. No change in Lead Member shall be allowed
 - iii. Shifting from one Consortium to another shall not be permitted
 - iv. The changed Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM
- b. In case of a sole IB forming a Consortium, following conditions shall be met:
- i. The sole IB will be the Lead Member of the Consortium
 - ii. Change shall be permitted only once after the last date for submission of EOI
 - iii. Shifting from one Consortium to another shall not be permitted
 - iv. The Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM

If after shortlisting of IBs, a Consortium IB desires a change in the Consortium, by inclusion/exclusion of members, or a sole IB desires to form a Consortium by inducting new member(s), it shall have to apply for approval for such change to the Transaction Advisor (TA) no later than 15 days from the issuance of the RFP. Endeavour shall be made to provide approval or disapproval for such a change no later than 15 days prior to date of submission of financial bids as per RFP.

10) IB/ members of Consortium shall provide an undertaking that there shall be no change in the shareholding of the Consortium or the SPV (in case investment in PHL is made through the SPV by a Consortium or otherwise), if the said IB is declared as the Successful Bidder, for three (3) years from the date of consummation of the Proposed Transaction.

11) On being selected as the Successful Bidder,

- a. if the IB (in the form of a sole bidder) makes the investment through a special purpose vehicle, such IB (as the Parent of the special purpose vehicle) shall be required to irrevocably and unconditionally guarantee to the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Proposed Transaction.

- b. if the IB (in the form of a Consortium) makes the investment through a special purpose vehicle then each member of the Consortium shall jointly and severally, irrevocably and unconditionally guarantee to the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Proposed Transaction.
- 12) The IBs shall ensure that they are permitted to invest under applicable laws to the extent they propose to participate
- 13) The IB shall continue the business of the Company in its entirety as being conducted on the completion of the Transaction on a going concern basis.
- 14) In shortlisting interested parties, GOI will pay due attention, inter-alia to the security requirements of the country.
- 15) Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent amount at the exchange rates prevailing on the dates of such financial statement as stipulated by Reserve Bank of India. All financial information required for satisfying the eligibility criteria shall be represented in Indian Rupees.
- 16) The GOI reserves the right to seek any additional indemnities, warranties, representations or performance obligations from the bidders or any of their group companies to their satisfaction.

8. DISQUALIFICATIONS

- 1) GOI/ Advisor shall not consider for the purpose of qualification, any EOI which has been found to be incomplete in content or attachments.
- 2) Without prejudice to any other rights or remedies available to GOI/ Advisor, the GOI/ Advisor reserves the right to disqualify any IB or Consortium or member of Consortium and exclude its EOI from further consideration for any of the following reasons (including without limitation) listed below:
 - a. Misrepresentation/ false statement is made by an IB or any member of Consortium at any stage in the Strategic Disinvestment process, whether in the EOI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - b. If the EOI submitted by the IB or Consortium is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the PIM, including not being accompanied by the fees of the specified amount, or the EOI being conditional in any respect.
 - c. Failure by IB/ any member of consortium to provide the necessary and sufficient information required to be provided in the EOI in accordance with this PIM.
 - d. Failure by IB/ any member of consortium to provide, within the time specified by the GOI/ Advisor, the supplemental information sought by the GOI/ Advisor for evaluation of the EOI.
 - e. Submission of more than one (1) EOI by any IB/ any member of Consortium whether directly or indirectly either as sole bidder or as member of Consortium in which case, all such EOIs shall be rejected.
 - f. The IB/Consortium/ any member of Consortium not satisfying the eligibility and requisite qualification criteria specified in the PIM and hence not being eligible.
 - g. In case of bids by CPSEs or Central Government owned Cooperative Societies i.e. entities where the direct holding of the Central Government or of other CPSEs is 51% or more or as defined and classified by Department of Public Enterprises/Government from time to time, unless a proposal is brought up for consideration of the Core Group of Secretaries on Disinvestment (CGD) by GOI, if desirable in public interest

- h. Failure to comply with any reasonable request of GOI/ Advisor in relation to the Transaction.
- i. If at any time it is discovered that an IB/ any member of Consortium and/or its promoters are subjected to winding up/insolvency proceedings or other proceedings of a similar nature.
- j. Any information regarding or in connection with the IB/ any member of Consortium which becomes known that is detrimental to the national security and/or national interest and/or the Proposed Transaction and/or the interests of the GOI/ Company.
- k. If at any stage of the process the IB/ any member of Consortium and/ or its directors/ promoters are denied security clearance or their security clearance is revoked by the GOI.
- l. Initiation or existence of any legal proceedings, by or against the IB/ any member of Consortium in respect of the Company, which proceeding may be prejudiced by the participation of the IB/ member of Consortium in the selection process or the Transaction.
- m. Non fulfilment of any other condition by the IB/ any member of Consortium as listed in the PIM.
- n. The loans availed by the IB/ any member of consortium (including its parent and subsidiaries) has been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.
- o. IB/any member of Consortium is an entity or promoters or promoter groups or directors debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities by any Governmental Authority
- p. IB/ any member of Consortium is an entity or promoters or promoter groups or directors appearing in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction.

“Wilful Defaulter” means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such

- q. IB/ any member of Consortium is an erstwhile Overseas Corporate Bodies (OCB) which is incorporated outside India and are under the adverse notice of RBI.

“OCBs” mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty per cent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003) and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999.

- r. IB/ any member of Consortium is prohibited or restricted from investing in PHL on the basis of status or sector in which PHL operates under FEMA, 1999 or any regulations made thereunder and including the provisions of the consolidated Foreign Direct Investment Policy (FDI Policy). It is being clarified that sectors where government approval is required will not be considered as ‘restricted’ from investing.
- s. If it is discovered at any stage that the IB/ any member of Consortium did not possess requisite corporate authorizations or that any part of the information provided in the EOI was not complete or accurate in any respect.
- t. GOI is not satisfied with sources of funds/ownership structure of the IB/ any member of Consortium
- u. If any of the members of the Consortium are disqualified, all the members of the Consortium shall automatically stand disqualified.
- 3) If any information or disqualification is discovered or becomes known after the IB has been qualified to receive the CIM, which information/ disqualification would have entitled GOI/ Advisor to reject the EOI of relevant IB/Consortium, GOI/ Advisor, reserves the right to reject the IB/Consortium at the time such information/ disqualification becomes known to/ discovered by GOI/ Advisor. Where such party is a consortium, GOI/ Advisor, may disqualify the entire Consortium, even if the information/disqualification pertained/applied to only one member of the Consortium.
- 4) GOI's/ Advisor's, determination that one or more of the events specified in Clauses 1), 2) and 3) has occurred shall be final and conclusive.

- 5) In addition to the eligibility of the IB being a sole bidder, each of the members of Consortium and the Consortium as a whole must be eligible, as per criteria mentioned in this PIM, on the date of submission of the EOI and must continue to be eligible throughout the Transaction.
- 6) In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law including under the provisions of the Indian Penal Code or Official Secrets Act or any other relevant legislation for an offence committed by the IB or any of the members of Consortium or by any of their respective sister concerns or any of their promoters, promoter group and directors would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons. The term 'promoter' shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the term 'promoter group' shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

“Governmental Authority” means (a) the government of India or the government of any state or other political subdivision thereof in India; (b) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (c) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).

- 7) Any condition or qualification or any other stipulation inserted by the IB/ any member of Consortium contained in the EOI shall render the EOI liable to rejection.
- 8) Breach of Confidentiality Undertaking executed by the IB/ any member of Consortium;
- 9) The IB or if the IB is a Consortium then any member of such Consortium who does not satisfy the requirements of eligibility or is disqualified under the Government of India office memorandum No. 3/9/2016-DoD-II-B dated September 28, 2017 (as per **Annexure 8**) and as amended from time to time by the GOI.
- 10) If the IB/any member of Consortium does not satisfy any of the requirements as may be issued by the GOI by way of notifications / issue of guidelines / circulars or such

similar notifications from time to time, including any conditions of disqualifications, the EOI submitted by the IB/ Consortium shall be disqualified.

- 11) Notwithstanding anything contained in this PIM, the GOI reserves the right to reject any EOI and to annul the EOI process and reject all EOIs at any time without any liability or any obligation for such acceptance, rejection or annulment, including on grounds of national integrity, national security and national interest and without assigning any reasons therefore. In the event that the GOI rejects or annuls all the EOIs, it may, in its discretion, invite all eligible IBs to submit fresh EOIs hereunder.
- 12) The GOI reserves the right not to proceed with the EOI process at any time, without notice or liability, and to reject any EOI without communicating any reasons.

9. ANNEXURES

Annexure 1: Format for Letter of EOI for sole IB/Consortium

(To be submitted on the letterhead of the Interested Bidder (IB) /lead member of Consortium on behalf of itself and the Consortium members submitting the EOI)

Reference No. _____ Date _____

To,
Mr. S. K. Arora
Senior Vice President
PA&SF Group
SBI Capital Markets Ltd.
6th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Kind Attention: [●]

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF PAWAN HANS LIMITED ("PHL")

Sir/ Madam,

This is with reference to the advertisement dated [●] ("**Advertisement**") inviting Expression of Interest ("**EOI**") for strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited, a company registered under the Companies Act, 1956 having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085 ("**PHL**") being the entire shareholding of the President of India (through the Ministry of Civil Aviation ("**MoCA**")) in PHL along with transfer of management control ("**Strategic Disinvestment**").

We have read and understood the contents of the Advertisement and the Preliminary Information Memorandum dated [●] ("**PIM**") and are desirous of participating in the Strategic Disinvestment and confirm and undertake as follows:

1. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.

2. [We propose to submit our EOI in individual capacity as [●](hereinafter referred to as the “Interested Bidder” or “IB”) (name of Interested Bidder) having its registered office at [●]

OR

We have formed a consortium comprising of [●] members (“Consortium”) as follows:

- a. [●] holding [●]% shareholding in the Consortium;
- b. [●] holding [●]% shareholding in the Consortium; and
- c. [●] holding [●]% shareholding in the Consortium

We have agreed that [●] shall act as the Lead Member of the Consortium (“Lead Member”) and we propose to submit this EOI on behalf of the Lead Member and other consortium members as mentioned hereinabove.]¹

3. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and satisfy the eligibility criteria detailed in the Advertisement and the PIM, including the guidelines of Department of Investment and Public Asset Management No. 3/9/2016-DoD-II-B dated September 28, 2017 and any amendment made from time to time.
4. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.
5. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects.
6. We have agreed that [●] (insert name and designation of individual) will act as our representative/representative of the Consortium and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI (“Representative”).
7. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.
8. We agree to form a Special Purpose Vehicle, under the laws of India, once finally selected to enter into the definitive agreements. The shareholding of the SPV shall be

¹ Strike out whichever is not applicable.

the same as the shareholding of the Members in the Consortium. *(applicable for the case of Consortium only)*

9. [We undertake that in the event we are selected as the Successful Bidder and make the investment through a special purpose vehicle, we (as the Parent of the special purpose vehicle) shall be required to irrevocably and unconditionally guarantee to the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Proposed Transaction. *(applicable for the case of sole bidder only)*

OR

10. We undertake that in the event we are selected as the Successful Bidder and make the investment through a special purpose vehicle then each member of the Consortium shall jointly and severally, irrevocably and unconditionally guarantee to the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Proposed Transaction *(applicable for the case of Consortium)*.]²
11. We acknowledge that GOI will have rights of enforcement as against the special purpose vehicle mentioned above under the parent guarantee and [also against the members of the Consortium for breach of undertakings and representations made to the GOI under the EOI including under Annexure 5 (Consortium Agreement)]³
12. We shall lock-in our entire shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for such period.

We also state that aforesaid restriction on change in shareholding and management control of PHL shall also be applicable to a special purpose vehicle's investment in PHL, in case investment in PHL is made by Successful Bidder through a special purpose vehicle.

² Strike out whichever is not applicable

³ Delete in case IB is a sole bidder

13. We shall not cede the management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of three (3) years from the date of consummation of the Proposed Transaction.
14. We undertake that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Proposed Transaction on a going concern basis.
15. We acknowledge that after the submission of the EOI, the management control in the IB /the management control of the each member of the Consortium shall not change for a period of three (3) years from the date of consummation of the Proposed Transaction.
16. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
17. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed by any agency of the Government of India or convicted by a Court of law, including under the provisions of the Indian Penal Code or Official Secrets Act, for any offence committed by us or by any of our group concerns.
18. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel or employees.
19. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we would intimate the Advisor of the same immediately.
20. We represent that we are not disqualified to enter into or perform our obligations in relation to the Proposed Transaction (including acting as promoter of the company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI or RBI), administrative authority or department or ministry of central or state government or any court in India.

21. We however, understand that the Evaluation Committee reserves the right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.
22. We represent that the loans availed by us (including our parent and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.
23. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
24. We represent that we are not entities or promoters or promoter groups or directors appearing in the RBI list of wilful defaulters or any such competent authority in their respective jurisdiction.
25. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
26. We represent that we are not prohibited or restricted from investing in PHL on the basis of status or sector in which PHL operates under FEMA, 1999.
27. We confirm that we are not and have not been classified as Central Public Sector Undertaking or a central government owned Cooperative Society (i.e where Government's ownership is 51% or more).
28. [Form A as per formats given in Annexure of the PIM, duly signed by us is enclosed along with the stamped and notarized/ apostle/legalized⁴ Power of Attorney

OR

The Form A, duly signed by representative members who jointly satisfy the eligibility criteria are enclosed along with the certified true copy of the Consortium Agreement between the consortium members as per formats given in Annexure of the PIM. Further, the stamped and notarized/ apostle/legalized⁵ Power of Attorney is also enclosed.]⁶

29. [We certify that our Net worth as on ____ (date in dd/mm/yyyy) as per specifications in the Eligibility Criteria section of the PIM is Rs____ Crore.

⁴ Strike out whichever is not applicable.

⁵ Strike out whichever is not applicable.

⁶ Strike out whichever is not applicable.

OR

We certify that as per specifications in the Eligibility Criteria section of the PIM, Net worth for the Consortium and its Members is as below:

- a. Net worth of [●] is Rs. ___ crore as on ___(date in dd/mm/yyyy);
- b. Net worth of [●] is Rs. ___ crore as on ___(date in dd/mm/yyyy); and
- c. Net worth of [●] is Rs. ___ crore as on ___(date in dd/mm/yyyy);

Combined Net worth of the consortium is Rs _____ Crore.]⁷

30. We certify that our Cash Profit during the immediately preceding financial years as per specifications in the Eligibility Criteria section of the PIM is as below *(if applicable for the IB as per the PIM)*:

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Cash Profit (in Rs. Crore)
1			
2			
3			
4			
5			

OR

We certify that as per specifications in the Eligibility Criteria section of the PIM, our Cash Profit during the immediately preceding financial years is as below *(to be submitted for all the respective members of Consortium for whom the Profitability Criteria is applicable as per the PIM)*:

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Cash Profit (in Rs. Crore)		
			[●] (Name of member 1)	[●] (Name of member 2)	[●] (Name of member 3)
1					
2					
3					
4					
5					

] ⁸

⁷ Strike out whichever is not applicable

⁸ Strike out whichever is not applicable

(In case of entities having PAN and TAN registration in India)

Our PAN number is _____.

Our TAN number is _____.

(In case of entities not having PAN and TAN registration in India)

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number ("TIN") in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country.

Thank you.

Yours sincerely,

For and on behalf of: (name of the Interested Bidder)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Enclosure:

1. Demand Draft for non-refundable fee
2. Form A
3. General Power of Attorney
4. Power of Attorney in favour of Lead Member *(if applicable)*
5. Consortium Agreement between the Consortium Members *(if applicable)*
6. Confidentiality Undertaking
7. Declaration on Statement of legal proceedings
8. Affidavit

Note: In case of Consortium, each member of Consortium shall be required to submit Form A, Power of Attorney, Confidentiality Undertaking, Declaration on Statement of Legal Proceedings, Affidavit

Annexure 2: Form A (forming an integral part of the EOI)

(To be submitted on letterhead (unless otherwise mentioned) of Interested Bidder/each member of the consortium)

A. Name of the Interested Bidder/Member of Consortium _____

B. Executive Summary and Management Organization: providing brief description of the Interested Bidder (IB) and (where appropriate) of member in the consortium, containing details like ownership structure, identity of the natural persons who are the Ultimate Beneficial Owners (“Ultimate Beneficial Owner” means the natural person or persons who are the ultimate beneficial owners of the shares and who ultimately own, control or influence and includes a person who exercises ultimate effective control over a legal person or arrangement), (as per SEBI Circular No. CIR/MIRSD/2/2013 dated January 24, 2013), the Place of Effective Management of business of the IB/ member of the consortium (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made), (as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated January 24, 2017) etc. write up on business history and growth, business areas / activities, respective revenue details, the Place of Effective Management of business of the IB/ member of the Consortium etc. It shall include a brief commentary on the capability of the IB / member of Consortium, as demonstrated, inter alia, in its past track record, to run its own business.

Also, an overview of IB’s/ member of the Consortium’s senior management and organization structure certified by the company secretary/ any other officer in charge of secretarial/legal affairs.

C. Contact Information of the IB/ member of Consortium:

- 1) Following details of IB/ member of the Consortium including phone number and facsimile number
 - a) Registered Office – Address, phone number, facsimile number
 - b) Head Office – Address, phone number, facsimile number
- 2) If Consortium, name of the Lead member of the Consortium:
- 3) Address for correspondence along with email address of IB/ member of the Consortium.
- 4) Contact Person(s):
 - a) Name:

- b) Designation:
 - c) Phone No.:
 - d) Mobile No.:
 - e) Fax No.:
 - f) Email:
- 5) Website details of IB/ member of the Consortium.

D. Basic Information:

- 1) Constitution (Tick, wherever applicable)
 - a) Public Limited Company
 - b) Private Limited Company
 - c) Limited Liability Partnership Firm
 - d) Others, if any (Please specify)
- 2) Date & Place of incorporation of IB/ member of the Consortium
- 3) Date of commencement of business of IB/ member of the Consortium
- 4) Role/ Interest of each Member in the Consortium (if applicable).
- 5) Nature of business carried out/ products dealt with by the IB/ member of Consortium and a profile containing information on the IB's/ member of Consortium's operations.
- 6) Certified true copies of the following documents to be submitted. However, if IB/ member of the Consortium cannot submit any of the following documents, it shall state reasons for the same as per the format below:

Documents	Submitted (Yes/ No)	If not submitted, please state reasons for the same
Certificate of Incorporation		
Memorandum of Association		
Articles of Association		
Certificate of Commencement of Business		
Charter Documents		
Other Constitution Documents, i.e., Partnership Deed etc., as may be applicable		
SEBI Registration Certificate for AIFs		

- 7) A certificate for list of Board of Directors and key management personnel duly signed by the respective Company Secretary or any other officer in-charge of

secretarial/legal affairs of IB/ member of the Consortium and also counter signed by its authorized signatory.

- 8) A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other officer in-charge of secretarial/legal affairs for the shareholding pattern of the IB/ member of Consortium.
- 9) Basis of eligibility for participation in the process (Please mention details of your eligibility) as under:
 - a) A certificate duly signed by our Company Secretary/ any other officer in charge of secretarial/legal affairs, stating that we are eligible to participate in the proposed Strategic Disinvestment in terms of Clause _____ *(specific reference to the said provision may be drawn)* of our Memorandum and Articles of Association/_____ *(insert name of Constitution Document, viz., Partnership Deed etc. as may be applicable)*.
 - b) Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous five financial years (including profit and loss statement, balance sheet and cash flow statement) (Kindly also include most recent, not older than 12 months from the date of publication of this PIM, Audited Financial Statements/Annual Report on standalone and consolidated basis).

Provided that, in the event such IB/ any member of consortium is an unlisted entity, and does not have the audited financial statements of immediately preceding financial year, the latest available unaudited/ provisional financial statements may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest Quarterly Limited Review report is to be submitted. However, the audited financial statements of such entities shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.

All financial statements/ annual reports/net worth certificates submitted should be certified by authorised signatory.

In case the IB/ any member of the Consortium cannot submit the consolidated financial statements as mentioned above, it shall specify reasons for the same.

c) **Certificate for fulfilment of Financial Criteria:** Please provide an independent chartered accountant/statutory auditor certificate certifying the following:

- a) Net worth for IB/ member of Consortium as specified in the Eligibility Criteria section of the PIM.
- b) Cash Profit for preceding five financial years from the date of publication of this PIM, for the IB/member of Consortium, as specified in the Eligibility Criteria section of the PIM in the following format *(if applicable for the IB/member of Consortium as per the PIM)*:

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Cash Profit (in Rs. Crore)
1			
2			
3			
4			
5			

The certificate for fulfilment of Financial Criteria should clearly mention the following:

- The date of Net worth calculation and financial year ending date for respective financial years for which Cash Profit has been submitted.
- That the Net worth and Cash Profit calculation has been done in accordance with the stipulations under the Eligibility Criteria section of the PIM.
- In case the IB/ member of the consortium are not required to prepare consolidated financial statements as a part of statutory requirements, the same should be mentioned in the certificate (in such a case, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfilment of Financial Criteria clearly mentions the non-requirement for preparation of consolidated financial statements)
- The certificate should clearly mention that the issuing authority is Statutory Auditor or independent chartered accountant (as applicable), for the IB/member of Consortium
- It should clearly specify the cross holdings among Consortium Members, if any.
- The financial statements on the basis of which the Financial Criteria have been assessed correspond to accounting periods completed (each of not less than 12 months duration) and are not based on partial periods.

- 10) Provide documents such as a board or shareholders' resolution in favour of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ member of Consortium.

***Note:** The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney*

- E. Air Transport Service Operator(s) (ATSO):** In case IB/any member of consortium submits the EOI as an ATSO, it shall be required to submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India. Also, the IB/ member of Consortium shall be required to certify the same in the submitted Affidavit (Annexure 12) in the manner specified therein.

F. International Operations/ Joint Ventures/ Alliances:

- 1) Brief note of IB's/ member of the Consortium's international operations, joint ventures, alliances, (whether international or domestic), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable).

G. Professional Advisors:

- 1) IB/ member of Consortium to provide names and addresses of those companies and professional firms, if any, who are (or will be) advising the IB/Consortium/member of Consortium for the Proposed Transaction, together with the names of the principal individual advisors at those companies and firms.

H. Outstanding Litigation/ Contingent Liability:

- 1) IB/ member of Consortium (including the Ultimate Beneficial Owner, promoters, persons in control, thereof) must provide with the EOI a statement of those pending litigations that, if decided against the IB/member of Consortium/Ultimate Beneficial Owner/promoters/persons in control shall disqualify the IB/member of Consortium in terms of the prescribed Eligibility criteria and extant GOI instructions on disinvestment.
- 2) IB/ member of Consortium (including the Ultimate Beneficial Owner, promoters, persons in control, thereof) to provide details of all contingent liabilities that, if materialised, that have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IB/ member of Consortium, or other similar business combination or sale.

I. Foreign Direct Investment (FDI) Restrictions:

If the IB/ any member of Consortium is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ the Foreign Investment Promotion Board/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited.

Yours sincerely,

For and on behalf of: (name of the Interested Bidder/member of Consortium)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

Important Note:

- 1) Please follow the order adopted in the Format provided, while submitting the details
- 2) If the IB/ any member of Consortium are unable to respond to a particular question/request or submit any document as per stated requirement, the relevant question/request or request for submission of document, must nonetheless be set out as per the Format, with the words "No response given" mentioned against it, stating reasons for the same

Annexure 3: General Power of Attorney

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution; and

To be notarized and submitted by the IB/ each member of the Consortium submitting the EOI)

General Power of Attorney

Know all men by these presents,

We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us and holding the position of, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application

OR

I, son/daughter/wife of and presently residing at being presently employed with Pawan Hans Limited (PHL) having employee code [●]/ being whole-time director on the Board of PHL having DIN No. [●], do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms., son/daughter/wife of and presently residing at, who is presently employed with [●] . I, [●] , do hereby irrevocably nominate, constitute and appoint, as my true and lawful attorney (hereinafter referred to as the "Attorney") to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application]⁹

for the proposed Strategic Disinvestment of shares held by the Government of India in Pawan Hans Limited including but not limited to signing and submission of all applications, EOIs, response to Request for Proposal (RFP), affidavits, Bid ("Non-Financial and Financial") in response to RFP, and other documents and writings, participation in conferences (if any) and providing information/ responses to GOI/Advisor, representing us in all matters before GOI/Advisor and generally dealing with GOI/Advisor/Company in all matters in connection

⁹ Strike out whichever is not applicable

with or relating to or arising out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated [●] issued by Advisor).

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the Preliminary Information Memorandum and EOI.

IN WITNESS WHEREOF WE..... THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

(Signature, Name, Title and Address of the Attorney)

(To be duly notarized)

Important Instructions:

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
- 2) Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney

in favor of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder. The date of execution of such document should be prior to the date of execution of the Power of Attorney

- 3) For a Power of Attorney executed and issued overseas, instead of notarization, the document should either carry a conforming Apostle certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.
- 4) The date of execution of Power of Attorney shall be before the date of execution of other documents as part of EOI.
- 5) In case of a consortium, all the members of the consortium are required to submit the Power of Attorney.

Annexure 4: Power of Attorney in favour of Lead Member

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and notarized)

Whereas the Government of India ("GOI") has invited EOIs from Interested Bidders for the strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited (the "Transaction").

Whereas, _____ (Lead Member/Member-1), _____ (Member-2) and _____ (Member-3) (collectively the "Consortium") being Consortium Members are interested in bidding for the Transaction in accordance with the terms and conditions of the PIM and other connected documents in respect of the Transaction, and

Whereas the members to record their understanding to participate in the bidding with have entered into the Consortium Agreement dated _____, and Whereas, it is necessary for the Consortium Members to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium's EOI or Bid ("*Non-Financial and Financial*") for the Proposed Transaction and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We (hereinafter collectively referred to as the "Principals"),

- a. M/s _____, having our registered office at _____;
- b. M/s _____, having our registered office at _____;
- c. M/s _____, having our registered office at _____;

,do hereby irrevocably designate, nominate, constitute, appoint and authorize M/S _____, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the "Attorney"). We hereby irrevocably authorize the Attorney (with power to sub-delegate):

- 1) To conduct all business for and on behalf of the Consortium and any one of us during the process of this Proposed Transaction
- 2) In the event the Consortium is selected as Successful Bidder, during the execution of the Proposed Transaction and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the qualification of the Consortium and submission of its EOI for the Proposed Transaction

- 3) Further, do any of such acts, deeds or things on our behalf including but not limited to signing and submission of all applications, EOI, response to Request for Proposal (RFP), affidavits, Bid in response to RFP and other documents and writings, participate in pre-bid and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and

- 4) Generally to represent the Consortium in all its dealings with GOI, TA, PHL and/ or any other GOI Agency or any person, in all matters in connection with or relating to or arising out of the Consortium's EOI or Bid for the Proposed Transaction and/or upon award thereof till the completion of the Proposed Transaction.

AND hereby agree to ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the PIM

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____, DAY OF [●], 2[●],

Executants:

For _____, (Signature) _____

(Name & Title)

For _____, (Signature) _____

(Name & Title)

For _____, (Signature) _____

(Name & Title)

Witnesses:

1

2

(Notarized)

Important Instructions:

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
- 2) For a Power of Attorney executed and issued overseas, instead of notarization, the document should either carry a conforming Apostile certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.
- 3) The date of execution of Power of Attorney for Lead member of Consortium shall be subsequent to the date of execution of General Power of Attorney (Annexure 3) by the Consortium members

Annexure 5: Format for Consortium Agreement (In case of Consortiums)

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and notarized)

THIS Consortium Agreement ("**Agreement**") executed on this _____ day of _____ Two thousand _____ between

1. M/s **[insert name of Lead Member]** _____ a limited liability partnership or Company or AIF incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s _____ a limited liability partnership or Company or AIF incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns);
3. M/s _____ a limited liability partnership or Company or AIF incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns); and

for the purpose of submitting response to Advertisement dated [●] inviting Expression of Interest for strategic disinvestment of entire Government of India equity stake of 51% in PAWAN HANS LIMITED (PHL) along with transfer of management control.

WHEREAS, each Member individually shall be referred to as the "**Member**" and all of the Members shall be collectively referred to as the "**Members**" in this Agreement.

WHEREAS the Instructions for submitting EOI as per PIM stipulates that in case EOI is being submitted by a Consortium of Bidders, the Members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified by GOI.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as per PIM.

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agree as follows:

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), shall act as the Lead Member as defined in the PIM for self and agent for and on behalf of Member-2, _____, and Member-3, _____, and to submit the EOI;
2. We have formed consortium comprising of ___ members as follows:
 1. _____ (Insert name)/% of Shareholding in the Consortium
 2. _____ (Insert name)/% of Shareholding in the Consortium
 3. _____ (Insert name)/% of Shareholding in the Consortium
3. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
4. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. Each Member further undertakes to be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
5. We acknowledge that after the submission of the EOI, the composition of the Consortium shall be maintained for a period of 3 (three) years from the date of consummation of the Proposed Transaction, if it is shortlisted as the Successful Bidder.
6. We acknowledge that after the submission of the EOI, the management control of the each member of the Consortium shall be maintained for a period of three (3) years from the date of consummation of the Proposed Transaction.
7. We undertake and confirm that the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company), under the laws of India, once finally selected to enter into the definitive agreements. The shareholding of the SPV shall be the same as the shareholding of the Members in the Consortium.
8. We certify that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
9. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required.
10. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.

11. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
12. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
13. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
14. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GOI.
15. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EOI.
16. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EOI except with prior written consent of GOI.
17. This Agreement
 - (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
 - (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GOI.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s _____ [**Member 1**]

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

- (i) Signature _____
Name:
Address:
- (ii) Signature _____
Name:

Address:

For M/s _____ [Member 2]

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership [●])

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

For M/s _____ [Member 3]

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership [●])

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

[Signature and stamp of Notary of the place of execution]

Important Instructions:

- 1) For a Consortium Agreement executed and issued overseas, instead of notarization, the document should either carry a conforming Apostile certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.

Annexure 6: Confidentiality Undertaking

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution; and

To be notarized and submitted by the IB/ each member of the Consortium seeking VDR access and / or submitting the EOI)

DEED OF CONFIDENTIALITY UNDERTAKING

This DEED OF CONFIDENTIALITY UNDERTAKING ("Undertaking") is made on this day of, 2019.

BY

(.....) insert name of the Interested Party), a company/trust/co-operative society/firm incorporated under the laws of _____ (insert name of the country), with its registered office at _____ **(Insert address)** (the "Interested Bidder" or "IB" or "Bidder");

IN FAVOUR OF:

The President of India, represented by and acting through the Ministry of Civil Aviation, [●] (the "Administrative Ministry");

AND

Pawan Hans Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number U62200DL1985GOI022233, having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085, ("PHL" or the "Company"),

AND

SBI Capital Markets Limited, whose registered office is 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005, India (hereafter referred to as the "Transaction Advisor" or the "TA"),

AND

M/s Crawford Bayley & Co., whose registered office is State Bank Building, 4th Floor, N.G.N. Vaidya Marg, Fort, Mumbai 400023, India (hereafter referred to as the "Legal Advisor"),

AND

RBSA Advisors, whose registered office 912, Venus Atlantis Corporate Park, Anandnagar Main Road, Prahaladnagar, Ahmedabad - 380015, India (hereafter referred to as the "**Asset Valuer**").

WHEREAS:

- A. The Bidder along with Consortium Members in compliance with the terms of Preliminary Information Memorandum dated [●] ("**PIM**"), agreed to submit this undertaking in the format specified therein for participation in the proposed sale by Government of India ("**GOI**" / "**Government**") of 51% of the equity shares of the Company held by the GOI along with the transfer of management control (the "**Transaction**") and
- B. The Bidder along with Consortium Members has submitted non-refundable fee in terms of the PIM to gain access to the Confidential Information (as defined hereinafter) and the Virtual Data Room ("**VDR**") which *inter alia* includes the draft share purchase agreement.
- C. In the context of the IB's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information to the Receiving Party (as defined hereinafter) to enable the IB to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IB hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals) the following words shall have the respective meaning given to them below;

"**Advisors**" means, collectively, SBI Capital Markets Limited, RBSA and M/s. Crawford Bayley & Co.

"**Confidential Information**" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of the Company, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered or shown to the Receiving Party in connection with due diligence, investigation, information relating to the existing business of the Company and new businesses (if any) proposed to be undertaken by the Company, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned

research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to the Company's operations prepared by external consultants which are proprietary to the Company or the GOI or the Administrative Ministry), and any information memorandum /or draft /final bid document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, including disclosures/information/documents uploaded in the VDR, that has been or may hereafter be provided or shown or given VDR access to the Receiving Party by the Disclosing Party (as defined herein below) or is otherwise obtained for review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- (a) Information which the Bidder can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of the Government and/or the Company on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the Bidder and all other Consortium Members acting in concert with the Bidder intending to directly or indirectly participate in the Transaction.

"**Consortium Members**" means the members of any existing Consortium or future Consortium, formed by the Bidder for purposes of the Transaction and shall include members of a future consortium previously approved in writing by the Administrative Ministry; in each case formed by the Bidder for purposes of the Proposed Transaction.

"**Disclosing Party**" means the Advisors, the Company, the Administrative Ministry, the GOI, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"**Governmental Authority**" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"**Person**" means any individual, company (including the Company and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision, ministry, department or agency thereof)

"**Receiving Party**" means the Bidder, Consortium Members and/or their respective Representatives, whether jointly or severally.

"**Representative(s)**" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and Receiving Party shall not misuse the information provided. Further, the Receiving Party shall not, without the Company's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose in any manner whatsoever, in whole or in part, to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the Bidder wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party and shall ensure the interests of the Disclosing Party.

4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the Bidder's execution of this Undertaking, the Bidder, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The Bidder agrees that before accessing the Confidential Information, it shall provide to the TA the list of its Representative(s)/ Representatives of its Consortium Members, as the case may be, to whom the Bidder will disclose the Confidential Information. The Bidder agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or Representative of the Bidder or Representative of Consortium Member will be informed and advised in writing by the Bidder of the confidential nature of such information and the contents of and the obligations under this Undertaking (b) to satisfy itself that each such Consortium Member and/or Representatives of the Bidder and/or Representatives of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The Bidder agrees that the Confidential Information shall not, without the Company's as well as the Government's prior written consent, be disclosed by the Bidder and/or each such Consortium Member and/or Representative of the Bidder and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the Bidder or each such Consortium Member or Representative of the Bidder or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The Bidder recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to the Company and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The Bidder acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The Bidders, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein. The Bidder shall ensure that in case of a new Consortium Member, a written undertaking identical in form and content as this Confidentiality Undertaking, shall be executed and furnished to the Advisors within 7 (seven) days of it becoming a Consortium Member.

Notwithstanding any agreement or undertaking, the Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the Bidder and/or the Representative of Consortium Member and shall indemnify and hold the Government, the Company, and the Advisors harmless (including provisions of clause 6 and 15 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the Bidder agrees that for the purpose of this Confidentiality Undertaking, the liability of the Bidder shall be joint and several with each of the Consortium Members.

5. Except as permitted by Clause 4 herein and except as expressly permitted by definitive agreements including share purchase agreement, if any, entered into by the Bidder, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of the Company, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of the Company and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.
6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the Bidder hereby jointly and severally indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless (without prejudice to Clause 15 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.
7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and the Company with prompt written notice of such request so that the Advisors, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving

Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Bidder's legal counsel (reasonably acceptable to the Advisors, the Government and the Company), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.

8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, the Company and the Advisors, be amended, modified or superseded upon the Bidder and the Consortium Members and/or any company formed and promoted by them for executing definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The Bidder agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the Bidder and/or to reject any or all proposals made by the Bidder with regard to the Transaction. The Government may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the Bidder in connection with its evaluation of the Transaction.

9. The Government and/or the Company in consultation with the Government may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or the Company in consultation with the Government, or the Bidder and/or Consortium Members withdrawing from the Transaction, (i) the Bidder (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies, extracts and summaries thereof in the possession or under the control of the Receiving Party, (b) will delete from the Receiving Party's computer systems all files, data or programmes constituting Confidential Information and (c) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, the Government or the Company request or give prior written consent to the Bidder's request, the Bidder will destroy or cause to be destroyed all Confidential Information (including deleting files, data or programmes from the computer systems) in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by

the Bidder in writing to each of the Advisors, the Government and the Company (such confirmation must include a list of the destroyed and deleted materials). The Bidder acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking and the terms of the undertaking shall survive subsequent to the date of receipt of notification or decision. The Bidder further acknowledges that the confidentiality obligations contained in this Undertaking shall survive even if the Bidder fails to submit an expression of interest as per the terms and conditions mentioned in the PIM.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or the Company regarding the business, operations, prospects or finances of the Company, without the Advisors' prior written consent, unless otherwise agreed to in executed definitive agreements entered into in connection with the purchase by the Bidder and the Consortium Members and/or any company formed and promoted by them, of equity shares of the Company. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or the Company for any discussions regarding the Transaction, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisors in writing.
11. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the scope of the preceding sentence, nothing in this Undertaking (i) requires either the Bidder or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisors, the Government or the Company from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. For a period of 1 year from the date of this Undertaking or till six months from the completion of the Transaction, whichever is later, the Receiving Party, unless selected as the Successful Bidder, shall not, directly or indirectly, solicit for employment or hire any employee of the Company.

13. The Receiving Party agrees that from the date of this Undertaking till the completion of the Proposed Transaction or as the case may be, till the time the Government decide not to proceed with the Proposed Transaction, whether pursuant to Clauses 8 or 9 or 11, or the Bidder and/or Consortium Members decide to withdraw from the Transaction, whichever is earlier, the Receiving Party shall not, directly or indirectly, buy, sell, negotiate, or enter into any arrangements for the purchase and / or sale of any of the shares of the Company, or advise any other person directly or indirectly to buy, sell, negotiate or enter into any arrangements for purchase and / or sell any of the shares of the Company.
14. The Bidder understands, acknowledges and agrees that the Government, the Advisors and the Company retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the Bidder's use of the Confidential Information. The Bidder also agrees that if it determines to proceed with the Transaction, its determination will be based solely on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment and the Transaction. Moreover, unless and until such agreements are entered into, neither the Government nor the Bidder will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.
15. The Bidder hereby indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by the Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including

injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or the Company.

16. The Bidder understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisors are beneficiaries under this Undertaking. The Bidder further agrees and confirms that each of the Government, the Company and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
17. The Bidder agrees that no failure or delay by the Advisors/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
18. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
19. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
20. The Parties shall make good faith efforts to resolve any disputes arising in connection with the confidentiality obligations contained herein through negotiation. In case no settlement can be reached within thirty (30) days of one of the party's receipt of a written notice of dispute from the other party, such disputes shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996 or any modification or re-enactment thereof which may be in force in India. The venue of arbitration shall be New Delhi and the Arbitration shall be conducted in English language only.
21. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex, cable or facsimiles as follows.

If the notice is to the Government:

Attention of: Ms. Usha Padhee
Ministry of Civil Aviation
2nd floor, B Block, Rajiv Gandhi Bhawan
New Delhi- 110003

Tel no.: 91-11- 24617692

Email: usha.padhee@nic.in

If the notice is to the Advisors:

Transaction Advisor:

Attention of: Mr. S.K. Arora

PA&SF Group,

SBI Capital Markets Limited

6th Floor, World Trade Tower,

Barakhamba Road, New Delhi-11001

Tel no.: 91-11- 23416292

Fax: (91)-(011)-2341 7783 / Email: phl@sbicaps.com

Legal Advisor:

Attention of: Mr. Sanjay Asher

M/s Crawford Bayley & Co.

Advocates & Solicitors

State Bank Buildings, N.G. N. Vaidya Marg,

Fort, Mumbai 400 023, India.

Telephone : + 91 22 2266 3353

Facsimile : + 91 22 2266 3978/Email: sanjay.asher@crawfordbayley.com

Asset Valuer:

Attention of: Mr. Arpit Sharma

RBSA Valuation Advisors LLP

9C, 9th Floor, Hansalaya Building,

15, Barakhamba Road, New Delhi-110001

Tel no.: 91-11- 23350635

Email: arpit.sharma@rbsa.in

If the notice is to the Company:

Attention of: Mr. M. S. Boora

Pawan Hans Ltd.

C-14, Sector-1, Noida

Uttar Pradesh - 201301

Tel no.: 0120-2476721

Email: osd@pawanhans.co.in

If the notice is to the Bidder:

[•]

Any of the Bidder, the Government, the Company or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the Bidder on the date and year first hereinabove written.

Witnessed by: (Name of Bidder)

Name: By:
Address: Name:
Title:

Important Instructions:

- 1) For a Confidentiality Undertaking executed and issued overseas, instead of notarization, the document should either carry a conforming Apostle certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.
- 2) In case of a consortium, all the members of the consortium are required to submit the Confidentiality Undertaking.

Annexure 7: Advertisement

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION**

**GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED
STRATEGIC DISINVESTMENT OF 51% STAKE IN PAWAN HANS LIMITED (“PHL”
OR “COMPANY”) BY GOVERNMENT OF INDIA (GOI)**

Pawan Hans Ltd. is a Mini Ratna-I category Public Sector Undertaking under Ministry of Civil Aviation (MoCA) and provides helicopter services for offshore operations, inter island transportation, connecting inaccessible areas, rescue work, tourism etc. GOI proposes to disinvest its entire equity shareholding of 51% in PHL by way of strategic disinvestment to investor(s) along with transfer of management control. GOI has appointed SBI Capital Markets Limited (SBICAP) as its Advisor to advise and manage the strategic disinvestment process.

This disinvestment process is to be implemented through open competitive bidding route. Accordingly, Expression of Interest (EOI) is invited to be submitted from Interested Bidders at the address mentioned below up to 5:00 PM on or before **August 22, 2019**. The details of EOI can be downloaded from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com. In future any amendments/ extension in EOI will be uploaded on the above websites only.

Address for submission of EOI:

Mr. S. K. Arora
Senior Vice President
PA&SF Group
SBI Capital Markets Ltd.
6th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Annexure 8: Department of Investment and Public Asset Management (DIPAM) Guidelines

No. 3/9/2016-DoD-II-B

Government of India

Department of Investment & Public Asset Management

Block 14, CGO Complex

New Delhi

Dated 28th September, 2017

OFFICE MEMORANDUM

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification / disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. "Grave Offence" is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case-to-case basis after considering the facts of the case and relevant legal principles, by the Government. "Grave Offence" would include the below noted cases:
 - a. Only those orders of SEBI are to be treated as coming under the category of "Grave Offences" which directly relate to "Fraud" as defined in the SEBI Act and / or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
 - c. Any conviction by Court of Law.
 - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies

Act, 2013 would result in disqualification. The decision in regard to the relationship inter se between the concerns, would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.

- c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- d) Any bidder, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order, based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- f) Before disqualifying a bidder, a Show Cause Notice as to why it should not be disqualified, would be issued to it and it would be given an opportunity to explain its position.
- g) These criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the EoI, is pending against them. In case any investigation is pending in case which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above on the eligibility criteria prescribed in EoI against the bidder or the concern in which the bidder has substantial interest or against its CEO or any of its Directors/Managers, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be filed along with EOI.

(sd/-)

(Aseem Kumar Jha)

Under Secretary to the Government of India

Annexure 9: Declaration in relation to Statement of Legal Proceedings

(To be submitted on the letterhead of the sole IB /each member of the Consortium submitting the EOI)

DECLARATION

1. We solemnly declare that we or our Director(s), CEO or principal officers are not convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country.

Grave offence for this purpose shall include:

- a) What constitutes "Fraud" under the provisions of the SEBI Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder
 - b) SEBI orders on the IB/ member of Consortium casting doubt on the ability of the IB/ member of Consortium to hold the stake in the Company
 - c) Any conviction by a court of law
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. We further declare that we or our sister companies have not been issued a charge sheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our sister company, our Director(s), CEO, principal officers are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the EOI and Form A.

Yours sincerely,

For and on behalf of: (name of the Interested Bidder/member of Consortium)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

In case any IB/ member of Consortium is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

Annexure 10: Format of Affidavit

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution; and

To be notarized and submitted by the IB/ each member of the Consortium submitting the EOI)

Affidavit

I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Bidder] (“Interested Bidder”) hereby state as under:

1. I am the [designation of the deponent] of the Interested Bidder. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]]. I am filing this affidavit to place on record verification of facts and documents in connection with the bidding process concerning strategic disinvestment of Pawan Hans Limited (PHL).
2. [Insert separate paragraphs for each information/ document physically submitted with the Transaction Advisor, in a chronological sequence including the page numbers of documents submitted].
3. That nothing has been concealed in the information submitted as mentioned above.
4. All documents submitted as a part of Expression of Interest (EOI) have been executed as per applicable laws and procedures and specifications in the PIM.
5. All the facts and documents submitted as a part of the EOI are true and accurate.
6. We are interested in submitting our EOI as an Air Transport Service Operator, we hold a valid Air Operator Permit issued by regulatory authorities in India and the same is enclosed as part of EOI. [kindly remove if not applicable]

Solemnly affirmed and verified on this [day] day of [month][year] at [place].

(Signature of the Authorised Signatory)

Name, Designation & Address

VERIFICATION

I, [name], [the [designation of the deponent] of] the Interested Bidder above named, having my office at [address], do hereby solemnly declare that what is stated above is on the basis of the books and records of the Interested Bidder, and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.

Verified at [day] day of [month] [year] at [place].

[particulars of notarisation]

Deponent

(Signature)

Name, Designation & Address

Important Instructions:

- 1) For an Affidavit executed and issued overseas, instead of notarization, the document should either carry a conforming Apostile certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.
- 2) The date of execution of Affidavit shall be on or after the date of execution of the EOI documents.

Annexure 11: Guidelines for Management-Employee Bids in Strategic Sale

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“**Employee Guidelines**”) which is annexed as Annexure 12, employees of Pawan Hans Limited (“**Employees**”) are permitted to participate in the Transaction as Interested Bidders either (a) directly and independently (“**Direct Employee Participation**”) or (b) by forming of a consortium (“**Employee Consortium**”) and subject to the following:

1. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall necessarily comply with each of the applicable conditions and provisions of the Employee Guidelines.
2. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be subject to the same terms and conditions, process, instructions, criteria’s, disqualifications, etc. which are applicable to other Interested Bidders in this PIM/EOI and shall ensure compliance of the same. In case of any conflict between the terms and conditions, process, instructions, criteria’s, disqualifications, etc. and the Employee Guidelines, the Employee Guidelines shall apply.
3. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be required to provide such additional documents, confirmation, undertakings and information as the TA may require so as to evaluate the EOI (including eligibility criteria) submitted by such Employees or Employee Consortium.
4. The GOI and TA may provide for such further clarifications, conditions, criteria’s as it may deem necessary for the purposes of Employees to participate.
5. Subject to paragraph 7, the forms and format to be submitted by the Employees, in case in of Direct Employee Participation shall be the same as that of a sole/individual bidder mentioned in this document.
6. Subject to paragraph 7, the forms and format to be submitted by the Employees and consortium members of Employee Consortium, in case of employees participating through an Employee Consortium, shall be the same as that of a consortium bidder.
7. In the forms and format, the details of the Interested Bidder (IB) shall be provided in the following format :

[In case of permanent employees participating as single IB :-

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

OR

In case the permanent employees forming a Consortium with [●] [insert name of bank/ FI/ VC Fund]

- a. Employees holding [●]% shareholding in the Consortium; and
- b. [●] holding [●]% shareholding in the Consortium;

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

] ¹⁰

8. Each form and EoI submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where a Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed.

Power of Attorney for Employee Participation

[TO BE STAMPED ON Rs. 1000 STAMP PAPER AND NOTARIZED]

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of and presently residing at being an presently employed with [●], having employee code [●] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and

¹⁰ Strikeout whichever is not applicable

authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at - _____, who is presently employed with [●]

NOW KNOW YE MEN ALL AND THESE PRESENTS WITNESSETH I, [●] , do hereby irrevocably nominate, constitute and appoint ----- as my true and lawful attorney (hereinafter referred to as the "Attorney") to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by the Government of India in Pawan Hans Limited including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to GOI/Advisor and generally dealing with GOI/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated [●] issued by the Transaction Advisor.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the Preliminary Information Memorandum and EOI.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....
(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted
Name, Title and Address of the Attorney)
(To be duly notarized)

Important Instructions

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.
- 2) Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.
- 3) For a Power of Attorney executed and issued overseas, instead of notarization, the document should either carry a conforming Apostile certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.
- 4) The date of execution of Power of Attorney shall be before the date of execution of other documents as part of EOI.

Annexure 12: DIPAM Guidelines for Employees Bids

No. 4/38/2002/DD-II
Government of India
Ministry of Disinvestment

Block No.14, CGO Complex,
Lodi Road, New Delhi.
Dated: 25th April, 2003

OFFICE MEMORANDUM

Subject:- Guidelines for management-employee bids in strategic sale.

Employee participation and protection of employee interests is a key concern of the disinvestment process. The practice of reserving a portion of the equity to be disinvested for allocation to employees, at concessional prices, has been adopted in a number of cases. It is necessary and expedient to evolve and lay down guidelines to encourage and facilitate management-employee participation in the strategic sales and thus to acquire controlling stakes and manage disinvested public sector undertakings. The undersigned is directed to state that Government has, therefore, decided to lay down the following guidelines for evaluating employee/management bids:-

- i. The term 'employee' will include all permanent employees of a PSU and the whole time directors on the board of the PSU. A bid submitted by employees or a body of employees will be called an "employee bid".
- ii. At least 15% of the total number of the employees in a PSU or 200 employees, whichever is lower, should participate in the bid.
- iii. An employee bid would be exempted from any minimum turn over criterion but will be required to qualify in terms of the prescribed net worth criterion. They will be required to follow the procedures prescribed for participation by Interested Parties in the process of strategic sale including, but not limited to, filing the expression of interest along with all details, as applicable to other investors, furnishing of bank guarantee for payment of the purchase price etc.
- iv. Employees can either bid directly and independently or, for the purpose of meeting the financial criteria like net worth, can form a consortium or bid through a joint venture (JV) or a special purpose vehicle (SPV), along with a bank, venture capitalist or a financial institution. However employees will not be permitted to form consortia with other companies.

- v. If the bidding entity of the employees is a consortium, JV or SPV, employees must have a controlling stake and be in control of the bidding entity.
- vi. If the bid is submitted through a consortium, JV or SPV, employees must contribute at least 10% of the financial bid.
- vii. If the employees form a consortium, the consortium partners would be prohibited from submitting individual bids independently.
- viii. If it is not the highest bid, the employee bid shall be considered only if the said bid is within 10% of the highest bid.
- ix. The employee bid shall, subject to fulfilling the conditions above, have the first option for acquiring the shares under offer provided they match the highest bid and the highest bid being equal to or more than the reserve price.
- x. If the employee bid is not the highest bid and there are more than one employee bids within the 10% band, the highest of the employee bids will have precedence for purchase at the highest bid. If such employee bidder is unwilling or unable to match the highest bid, the option will pass on to the next highest employee bid and so on till all the employee bids, within the 10% band, are exhausted.
- xi. In the event of no employee bidder, within the 10% band, being willing or able to match the highest bid, the shares under offer will be sold to the highest bidding entity.
- xii. There will be a lock in period of three years for the shares disinvested by the Government.

2. All the bidders for the management-employee buy-outs will also have to satisfy the provisions of the 'Guidelines for qualification of bidders seeking to acquire stakes in Public sector Enterprise through the process of disinvestment' issued vide the then Department of Disinvestment's Office Memorandum No.6/4/2001-DD-II dated 13th July 2001 or as amended subsequently along with other qualification criterion as generally applicable and not specifically excluded herein.

(T.S. Krishnamachari)

Deputy Secretary to the Government of India

Tel. No. 24368038