

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

October 13, 2017

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 June 30, 2017, 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.

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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.

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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.

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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
FLC	Foreign Letter of Credit
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
MoHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NHAI	National Highways Authority of India
NTPC	National Thermal Power Corporation Limited
NSOP	Non-Scheduled Operators Permit
OEM	Original Equipment Manufacturer
ONGC	Oil and Natural Gas Corporation Limited
PAT	Profit After Tax
PBDIT	Profit Before Interest, Taxes & Depreciation
PBG	Performance Bank Guarantee
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
SMS	Safety Management System
TNW	Tangible Net Worth
TOL	Total Outside Liabilities
USD	US Dollar
WC	Working Capital
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, customs and pipeline surveillance, casualty and rescue work, charter services, VIP transportation and various other customized services.

The Company's authorized capital as on July 11, 2017 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 (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”) to advise and manage the Strategic Disinvestment of PHL (“Proposed Transaction”).

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

Vice President

PA&SF Group

SBI Capital Markets Ltd.

Contact : 011 – 23485306

Mr. Vivek Khurana

Vice President

Relationship

SBI Capital Markets Ltd.

Contact : 011 – 2348 5220

Mr. Anubhav Gupta

Asst. Vice President

PA&SF Group

SBI Capital Markets Ltd.

Contact : 011 – 23485348

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 and MoCA shall be responsible in any manner to reply to such communication directly to IBs.

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 : Important Dates

Event	Date
Publication of advertisement and PIM	Friday, October 13, 2017
First day of taking queries	Friday, October 13, 2017
Last date for invitation of queries through email/ physical copy	Friday, November 10, 2017
Last date for release of response to queries in the form of FAQs, on the above mentioned websites	Friday, November 24, 2017
Last date & time for submission of EOIs physically	Friday, December 8, 2017
Intimation to the shortlisted Bidders	Friday, December 29, 2017

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
 Vice President
 PA&SF Group
 SBI Capital Markets Ltd.
 5th 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 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 IB.

PART A

2. COMPANY OVERVIEW

2.1 Introduction

Pawan Hans Limited is a Mini Ratna Category –I* Public Sector Undertaking and was incorporated under the Companies Act, 1956 on October 15, 1985. It 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.

(*CPSEs which have made profit in the last three years continuously, the pre-tax profit has been Rs. 30 crore or more in at least one of the three years and have a positive net worth.)

2.2 Company Profile

The brief profile of PHL is as below.

Table 2: Company snapshot

Particulars	Details
Name	Pawan Hans Limited
Constitution	Public Limited Company - Miniratna 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: Safdarjung Airport, New Delhi-110003 Eastern Region: Assam Flying Club, Hangar LGBI Airport, Guwahati -781015
Corporate Identity Number	U62200DL1985GOI022233

*For further details please refer to clause 2.10

2.3 Capital Structure

2.3.1 Share Capital & Shareholding Pattern as on March 31, 2017

The Company's authorized capital as on March 31, 2017 was Rs. 250 crores (comprising of 2,50,000 equity shares of Rs. 10,000 each (hereinafter called the “Equity Share”)) and paid up share capital was Rs. 245.616 crores, comprising of 1,25,266 Equity Shares held by the President of India (aggregating to 51% of the entire paid up share capital) and 1,20,350 Equity Shares held by ONGC (aggregating to 49% of the entire paid up share capital).

Table 3 : Capital Structure & Shareholding Pattern as on March 31, 2017

Particulars	No. of Equity Shares	Share Capital (Rs. crores)*
Authorised Share Capital	2,50,000	250.00
Issued, Subscribed & Paid-up Share Capital	2,45,616	245.62
-President of India	1,25,266	125.27 [51%]
-ONGC	1,20,350	120.35 [49%]

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

Subsequently, the authorized share capital of Company has been increased from Rs. 250 crores to Rs. 560 crores vide approval obtained in the Extraordinary General Meeting of Shareholders held on June 22, 2017.

2.3.2 Enhancement in GOI & ONGC shareholding

The GOI had been claiming an amount aggregating Rs. 470.22 crores including principal of Rs. 130.91 Crores and interest of Rs. 339.31 Crores (charged @ 18% p.a. up to March 31, 2001 on the principal amount), which was reflecting as a long-term liability on the company's books. Recently, MoCA had conveyed Cabinet approval for settlement of claim of Rs. 130.91 crores towards principal amount and waiver of Rs. 339.31 crores towards interest amount. Hence, the non-current liability to the tune of principal amount of Rs. 130.91 crores has been converted into Equity Share capital of the Company and the interest amount of Rs. 339.31 crores has been written back to the profit and loss account as income for the financial year ending March 31, 2017. Accordingly, there shall be an income tax liability under Minimum Alternate Tax (MAT) of around Rs. 73 crores on the Company, out of which Company has already paid around Rs. 50 crores as of March 31, 2017.

Hence, the GOI's share in the equity capital has increased by Rs. 159.05 crores on account of conversion of GOI dues of Rs. 130.91 crores into equity and contribution of Rs. 28.14 crores towards its share in cost of Heliport Project at Rohini. Further, ONGC has also infused Rs. 152.816 crores in the Company in order to maintain its shareholding at 49%.

2.3.3 Share Capital & Shareholding Pattern as on July 11, 2017

Table 4 : Capital Structure & Shareholding Pattern as on July 11, 2017

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 as on Aug 08, 2017 comprises of the following members:

Table 5: Board of Directors of PHL

S.No.	Name & Designation	DIN No.
1.	Dr. Bhagwat Prasad Sharma - Chairman & Managing Director, PHL)	07125290
2.	Mrs. Gargi Kaul - Joint Secretary & Financial Advisor, MoCA	07173427
3.	Mrs. Usha Padhee - Joint Secretary, MoCA	03348716
4.	Shri Balwinder Singh Bhullar - Director General, DGCA	07085612
5.	Shri Tapas Kumar Sengupta - Director (Offshore),ONGC	06802877
6.	AVM Nicodemus Manohar Samuel - (Ops. T&H) Indian Air Force	07599073
7.	Shri Ashok Nayak - Independent Director, PHL	01621890
8.	Dr. Harish Chaudhry - Independent Director, PHL	00075061

2.5 Key Management Personnel

Brief details of the Key Management Personnel of the Company are as given below.

Table 6: Key Management Personnel as on June 30, 2017

S. No.	Name	Designation	Qualification	Years of Experience
1.	Dr. B P Sharma	Chairman & Managing Director	Graduate Engineer with MBA and Ph.D. in Business Administration and Change Management in Civil Aviation	30
2.	Sh. Dharendra Sahai	GM (Finance & Accounts)/ Chief Financial Officer	Chartered Accountant	30
3.	Sh. Sanjiv Aggarwal	Company Secy & GM (Legal)	LLB Company Secretaryship	30

Details of senior management available at: http://www.pawanhans.co.in/inner.aspx?status=3&menu_id=35

2.6 Human Resource Strength

The total manpower of the Company as on June 30, 2017 was 759 with 447 permanent employees and 312 contractual staff, employed at different regions i.e. Corporate Office, Northern Region, Western Region and Eastern Region. The manpower comprises of 123 pilots, 110 Aircraft Maintenance Engineers, 58 executives, 156 technicians and 312 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:

- **Offshore operations** in the Oil & Gas sector to Exploration & Production (E&P) companies namely ONGC, GSPC, GAIL, Oil India etc. for offshore exploration. PHL serves these customers by carrying their personnel and supplies including cargo to drilling rigs in Bombay High and has carried approximately 4 lakhs passengers and 4,21,342 Kg of cargo load in the financial year 2015-16.
- **Inter-island transportation** in the Andaman & Nicobar Islands and Lakshadweep islands carrying more than 32,000 passengers in the financial year 2015-16 to transport locals and tourists from one island to the other.
- **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 the BSF and BRO. PHL connects 33 destinations and 64 sectors by operating 155 weekly flights.
- **Hotline insulator washing & pipeline surveillance:** PHL provides precision flying services for washing the insulators of high tension wires under live current for Power Grid Corporation of India Limited, gas pipeline surveillance for GAIL etc.
- **Charter services/ VIP Transportation:** PHL provides charter services to corporates like NTPC and State Governments like Government of Himachal Pradesh, Maharashtra, Odisha, etc. for passenger services, evacuation services and VIP transportation.
- **Law and order surveillance:** PHL has deployed its helicopters for participating in anti-naxalite operations in areas like Ranchi, Raipur, Gadchiroli, Korapur and Agartala in the past.
- **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.
- **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, Tirupathi and various other regional destinations.
- **Maintenance, Repair & Overhaul (MRO) services:**
 - PHL has infrastructure/maintenance workshop facilities as per Civil Aviation Requirement (CAR) 145 standard in Rohini (Delhi), Juhu (Mumbai) and Guwahati (Assam) to provide services for a range of helicopters, including, Dhruv helicopters used by BSF and other law enforcement agencies in Maharashtra, Raipur, Ranchi and Agartala. PHL has entered into an MoU in 2016 with Hindustan Aeronautics Limited ("HAL") as "HAL authorized maintenance centre" at Rohini Heliport to initially serve defence customers

for Dhruv helicopters with progressive addition of other defence and civil helicopters manufactured by HAL.

- Further, PHL has also signed an MoU with Airbus in 2017 to operate an “Airbus helicopter approved maintenance centre” in Mumbai for AS 365 Dauphin Series and H125 series helicopters.
- Additionally, Company also operates and maintains Dhruv helicopter of HAL which it has deployed in Gadchiroli for anti-naxal operations.
- **Training Institute:**
 - PHL also has a Pawan Hans Helicopter Training Institute (PHTI) in Mumbai (approved by DGCA) to conduct Aircraft Maintenance Engineering course.
 - Further, PHL has also signed an MoU with University of Mumbai in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI.
 - It has also signed an 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).
 - Rohini heliport also provides as a skill development centre for training of pilots, AMEs & technicians.
- **Additionally, the Company has following real estate assets:**
 - Residential flats/quarters in Mumbai for its employees 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 ~2,748 Sq. Mt.
- **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. The Rohini Heliport shall be hived off from PHL’s books before

completion of the disinvestment process. (PHL's Board of Directors, as per directions of MoCA, have decided to hive off Rohini Heliport assets in the board meeting held on 10th July, 2017)

- As directed by MoCA, the Bellman Hangar situated at Safdarjung airport, which was taken on lease from AAI, shall not form part of the Proposed Transaction. It shall be surrendered back to AAI by PHL on or before issue of RFP in Stage II. The Book value of the mentioned asset in the books of PHL is approximately Rs. 37.5 lakhs (as on 31.03.2017) and the same shall be settled between AAI and PHL at the time of surrendering the Hangar.

2.7.2 Fleet

PHL has a fleet of 43 helicopters as on June 30, 2017 comprising of the following:

Table 7: Fleet Details as on June 30, 2017

	Category	Type	Numbers	Average Age (yrs.)
1.	Heavy Duty Helicopters [Crew: 4 Passengers: 26]	Russian Mi 172	3	8
2.	Medium Helicopters [Crew: 2 Passengers: 10]	Eurocopter Dauphin N	17	30
		Eurocopter Dauphin N3	15	7
3.	Light Single Engine Helicopters [Crew: 1/2 Passengers: 6/4]	Bell 407	3	12
		Bell 206 L4	3	20
		AS350 B3	2	5
	Total		43	

Major Clients: The Company provides the above mentioned helicopter services to Governments of Sikkim, Meghalaya, Tripura, Mizoram, Himachal Pradesh, Odisha and other state Governments; inter-island services to Administration of Andaman & Nicobar Islands and Lakshadweep Islands; services to oil & gas sector clients namely, ONGC, GAIL, Oil India Limited and GSPC; heli-tourism services to Maharashtra Tourism Development Corporation (MTDC) and Goa Tourism Development Corporation (GTDC), and to other clients like Ministry of Home Affairs and NTPC etc.

2.8 Pending Purchase Orders for Helicopters

The Company is in the process of procuring 3 new medium helicopters from Bell Helicopters ("Bell"), for which order was placed in August, 2016. The awarded order cost of procurement of the 3 helicopters is approximately Rs. 205 crore and funding proposed is on the basis of 20% internal resources and 80% from debt funding, for which loans have been

sanctioned by State Bank of India and Vijaya Bank. Out of the 3 helicopters, 2 have been shipped by Bell and have reached Mumbai with technical acceptance pending. However, as per PHL's Technical Committee recommendations, the helicopters cannot be accepted due to deficient date of manufacturing as they do not meet acceptance parameters of tender requirement and purchase agreement. PHL had also sought Legal Opinion on the same, subsequent to which PHL's board, in its meeting held on 23rd August, 2017, has opined that in view of the Technical Committee report, the Legal Opinion and Bell refusing to replace the offered helicopters, the helicopters in the present form cannot be accepted, therefore there is no alternative but to reject these helicopters and cancel the contract. The board has further advised PHL management to invoke the Bank Guarantees (BG) furnished by Bell to recover the advance payments made by PHL. Bell subsequently filed a writ petition in Delhi High Court and proceedings are currently underway with next date for hearing on 13.11.2017. In the meantime high court has directed Citi Bank not to remit the amount under Bank Guarantees to PHL and to extend the BGs till end of November, 2017.

Bell had also sent notice of arbitration to PHL on 12.9.2017 (with no claim amount conveyed by Bell in this notice), against rejection of the offered helicopters and has nominated its arbitrator for the same. PHL is in the process of nominating its arbitrator; thereafter the 2 arbitrators shall nominate the 3rd arbitrator.

2.9 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, which has been renewed on March 8, 2017 for a period of two years till March 14, 2019. Recertification of this permit under the new regulations under CAP 3100 is underway and the Company has deposited the requisite fees with DGCA for the same.
- **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.

2.10 Shifting of Registered Office

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

- Shifting of Registered office to Rohini Heliport (already completed)
- For initiation of necessary formalities and approvals for shifting of Registered Office to C-14, Sector-1, Noida-201301 (UP)

2.11 Safety and Quality Control

The Company has undertaken safety initiatives by implementing Safety Management System (SMS) for its operations and maintenance activities as per International Civil Aviation Organization /DGCA guidelines. 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 analyze and monitor operation of helicopters, where accidents, incidents and near misses are reported, investigation and the lessons learned are shared throughout the organization. Safety Policy of the Company has been revised to include safety as a core activity. 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. Comprehensive internal audits of all operational bases of PHL are carried out regularly by its team. Quality audits of organizational procedure, quality audits of aircrafts and remedial action procedures as per Civil Aviation Requirement i.e. C.A.R. 145-A 30-C are followed. As a Company, it is committed to comply with all regulatory requirements and improve the effectiveness of its management systems.

2.12 Status of Contingent Liabilities

The status of contingent liabilities is as follows (as per PHL):

Table 8: Contingent liabilities as on August 4, 2017

Details	Amount (In Rs. Crore)	Status
Counter guarantees given to Banks	26.21	
Letters of Credit	1.13	
Income Tax demands	53.84	Contested by the Company at Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals)
Court cases / cases under Arbitration	31.72	
Demand Notice for payment of VAT	319.27	Raised by Sales Tax Department of Delhi and relates to the year 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. 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, the PHL

		has strong case on merit and is likely to be decided in its favor.
Show cause Notice from Service Tax Department	22.67	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
Total	454.84	

Claims from Airport Authority of India (AAI): Claims from AAI regarding additional lease rent for Land/ Hangars of Rs. 321.77 crores have been settled at approximately Rs. 50 crores, as per recent decision by Ministry of Civil Aviation.

3. FINANCIAL PERFORMANCE OF COMPANY

3.1 Profit and Loss Statement

A brief summary of profit & loss account showing the revenues, expenditure and profits of PHL is as given below.

Table 9: Profit & Loss Account

(In Rs. cr)

Financial Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Prov.) ^{##}
No. of Helicopters	42	46	46	46	43	44**
Avg. monthly Deployment (No. of Helicopters)	31	31	32	32	32	31
Flying Hours	31,240	31,683	31,890	31,380	27,892	25,959
Revenue from Operations	414.99	456.43	516.26	522.36	462.41	436.53
Interest/Other Income	23.15	25.62	34.22	27.35	15.38	16.76
Fuel Expenses	21.18	29.00	40.59	34.84	29.23	26.24
Insurance Expenses	18.10	23.63	18.61	11.63	9.31	16.54
Employee Cost	135.93	149.06	148.99	154.16	150.13	149.92
Maintenance Cost	108.57	90.67	104.37	115.27	145.36	154.15
Other Operating Expenses	19.79	11.82	23.84	19.21	16.52	
Other Expenses	58.73	47.64	40.45	47.40	49.64	53.77
Total Expenses	362.30	351.82	376.84	382.50	400.19	400.62
EBITDA	75.84	130.23	173.64	167.20	77.60	52.67
Depreciation & Amortization	60.30	73.79	79.71	76.52	35.04	32.86
EBIT	15.54	56.45	93.93	90.68	42.56	19.81
Finance Cost	14.45	28.51	31.81	17.49	4.50	2.05
Exceptional Items*	-	-	(0.89)	(1.45)	(0.20)	-
Extraordinary Items [#]	21.34	-	7.43	-	23.81	15.72
GOI claim – interest waived	-	-	-	-	-	339.31
PBT	22.43	27.94	61.23	71.74	61.67	372.79
PAT	(10.35)	11.70	38.57	38.81	36.08	247.83

*Majorly corresponds to provision for loss/diminution in investment

[#]Majorly corresponds to settlement of insurance claims against crashed helicopters

** 1 medium Dhruv helicopter has been on dry lease from November 2016 deployed on O&M basis.

^{##}Provisional unaudited figures of FY 17 are subject to adjustments on account of audit, adopting component accounting approach as per Companies Act 2013 and Indian Accounting Standard compliances.

- Drop in revenue from operations in FY 16 and FY 17 (provisional) can be attributed to lower flying hours due to a reduction in operational fleet caused by 3 accidents during 2015 (1 went missing due to inhospitable terrain and bad weather in Arunachal Pradesh in Aug'15, 1 while carrying out night landing practice at Bombay High, a mid-sea oil rig run by ONGC in Nov'15 and 1 while landing due to a dust bowl caused by the rotors in Nagaland in Nov'15).
- Additionally, during FY 17, liquidated damages of Rs. 23.4 crores were imposed by ONGC and Rs. 3.4 crores imposed by other customers on account of non-provision of helicopter by the Company.
- Further, reduction in flying hours as compared to previous years is also due to the loss of Mata Vaishno Devi tender during 2014, where there was an intensive flying of approximately 2,500 hours every year and loss of contract with Government of Arunachal Pradesh.
- The profit before tax of the Company for FY-17 includes GOI interest dues of Rs. 339.31 crores written back on account of being waived off by the GOI.

3.2 Balance Sheet

A brief summary of balance sheet of PHL for past five years ended March 31, 2016 is as follows.

Table 10: Key financials - Balance Sheet

(In Rs. cr)

Financial Year	2011-12	2012-13	2013-14	2014-15	2015-16
Liabilities					
Shareholder's Funds					
Share Capital	245.62	245.62	245.62	245.62	245.62
Surplus in P&L	209.45	218.41	247.72	275.01	298.07
Other Reserves	20.50	20.50	20.50	20.50	20.50
Sub Total	475.57	484.53	513.84	541.13	564.18
Non-Current Liabilities					
Long-Term Borrowings	232.83	274.69	100.59	38.68	30.34
Deferred Tax Liabilities	126.53	136.26	143.63	157.70	169.24
Other Long Term Liabilities	471.51	471.40	471.22	471.37	474.32
Long-Term Provisions	34.56	39.33	46.91	27.24	29.84
Sub Total	865.43	921.68	762.35	694.98	703.74
Current Liabilities and Provisions					
Trade Payables	35.25	16.22	27.26	36.38	33.73
Current Maturities of Long Term Debt	33.23	55.27	171.04	38.25	8.37

Other Current Liabilities	41.02	28.90	38.04	33.26	30.51
Short Term Provisions	27.14	29.33	35.95	80.55	62.39
Sub Total	136.64	129.72	272.29	188.45	135.00
Total Liabilities	1,477.64	1,535.93	1,548.47	1,424.56	1,402.92
Assets					
Non-Current Assets					
Net Asset block	911.28	982.06	921.31	861.72	778.47
Capital Work in progress	23.03	18.07	11.36	18.04	53.37
Intangible Assets	0.69	1.86	1.26	1.03	0.61
Total Non-Current Assets	935.00	1,001.99	933.94	880.80	832.45
Non-Current Investments	2.89	2.89	2.89	1.45	1.24
Long Term Loans & Advances	90.67	81.48	78.73	78.39	81.25
Other Non-Current Assets	3.93	3.57	2.48	2.27	2.58
Sub-Total	1,032.49	1,089.93	1,018.05	962.91	917.52
Current Assets, Loans & Advances					
Inventories	79.47	67.27	55.14	56.48	50.19
Trade Receivables	168.47	210.21	274.52	290.45	237.21
Cash and Bank Balance	139.93	125.67	155.05	89.25	123.82
Short Term Loans and Advances	23.12	19.05	20.25	18.03	21.93
Other Current Assets	34.15	23.80	25.48	7.42	52.25
Sub Total	445.14	446.00	530.43	461.65	485.41
Total Assets	1,477.64	1,535.93	1,548.47	1,424.56	1,402.92

- The Company has an outstanding debt of Rs. 38.71 crore as of 31.03.2016 with a Debt to Equity ratio of 0.07 and a TOL/ TNW of 1.49.
- In FY 16, other long term liabilities of the Company includes a total claim of MoF of Rs. 470.22 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 s also infused equity of Rs. 28.14 crores towards its share in cost of Heliport Project at Rohini. Subsequently, in FY 18, ONGC has infused Rs. 152.82 crores of equity in the Company to maintain its shareholding at 49%.
- Post conversion/ waiver of GOI dues and infusion of equity by ONGC, the TNW (Tangible net worth) of the Company has increased and TOL (Total Outside liabilities) has reduced, thereby further improving the leverage position of the Company.

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. Further, PHL has working capital funding arrangements with Vijaya Bank. The details of term loan and working capital loan as on June 30, 2017 are as below:

Table 11: Details of debt facilities of PHL as on June 30, 2017

(In Rs. cr)

Lender	Facility	Sanctioned	Loan Outstanding
NTPC	RTL	54.3	29.03
Vijaya Bank	WC – Cash Credit	40	-
	WC – FLC + BG	78	11.12
	WC – PBG	9.91	9.91

4. VALUE DRIVERS AND INDUSTRY SNAPSHOT

Key strengths of PHL

- Established brand name with leading provider of helicopter services
- Proven track record with experience and technical expertise
- Continuing strong relationships with State Governments, PSUs & Corporates
- Existing mid to long term contracts providing stable revenue stream
- Profit making & dividend paying Mini Ratna I PSU
- Pan India presence with helicopter services
- Business potential from regular helicopter services, MRO services, training of pilots, etc.

Value drivers

Peer comparison

- Highest fleet strength of 43 helicopters
- Availability of diverse fleet mix from major manufacturers
- Leading market share of more than 30% (in terms of flying hours)
- Low leverage

Industry & regulatory factors

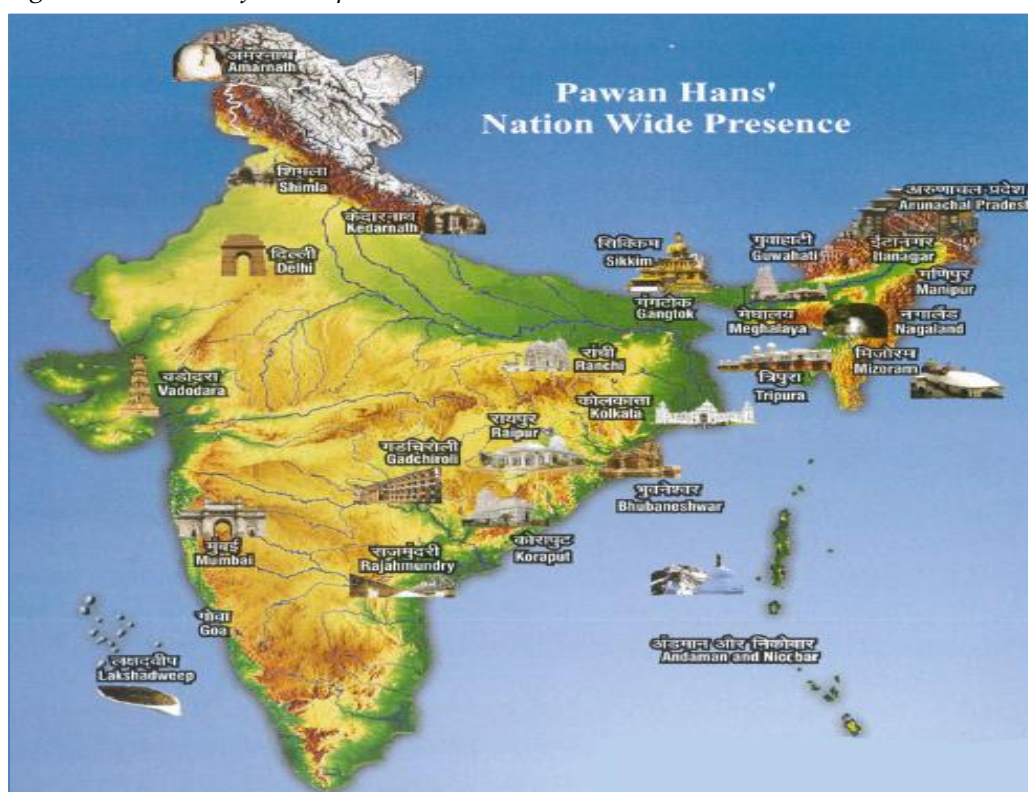
- Untapped potential with low no. of air trips per capita & scope in application-based roles
- Growth in heli-tourism for pilgrimage, adventure & heritage
 - Growing working class & disposable incomes
 - Rising business & leisure travel
 - Rising rail fares
- Policy Support/ Regulatory factors
 - RCS
 - 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, GAIL, NTPC), inter-island transport sector & North-East states.
- 2) **Technical expertise:** The Company has proven track record and possesses experience & expertise in operations involving offshore and other diverse 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 years, contracts with ONGC and State Governments have provided steady source of income annually (average 40-45% revenues from Oil & Gas sector and around 35-40% revenues from State Governments).
 - Major contracts of PHL are mid to long term in nature ranging from two years to ten years period, including a 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 from 637 Mtoe in 2014. Moreover, the country’s share in global primary energy consumption is projected to increase two fold by 2035. ONGC dominates the upstream segment (exploration and production), producing around 60% of the country’s oil output, as of March 2016.
- 5) **Profit making & dividend paying Mini Ratna-I PSU:** PHL has been consistently paying dividend to its shareholders for the last four years.
- 6) **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.
 - a) 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.
 - b) PHL already provides its manpower and machinery for maintaining Dhruv helicopters used by BSF and other law enforcement agencies in Maharashtra Raipur, Ranchi and Agartala.

- c) Further, PHL has also signed an MoU with Airbus in 2017 to operate an “Airbus helicopter approved maintenance centre” for AS 365 Dauphin Series and H125 series helicopters.
- 7) **Training Institute:** PHL also has a Pawan Hans Helicopter Training Institute (PHTI) in Mumbai (approved by DGCA) to conduct Aircraft Maintenance Engineering courses. Further, PHL has also signed an MoU with University of Mumbai in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI. It has also signed an MoU with HAL in 2017 to avail HAL’s services in training selected trainees identified as ‘Cadet Pilot’ to enable them to obtain Commercial Helicopter Pilot's License (CHPL)
- 8) **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



Domestic Industry Scenario

a) Peer Comparison

As per DGCA handbook FY 16, at the end of FY 16, there were total 54 NSOP Helicopter operators in India with a total fleet of 213 helicopters. The top four operators together hold 38% of the total fleet of civil helicopters and account for more than 60% of the total flying hours, whereas the balance 50 operators (i.e. more than 90% of commercial operators) have a

fleet of less than 5 helicopters. Statistics of NSOP traffic for major helicopter operators in India for FY 15 and FY 16 along with their fleet size and revenue are as follows:

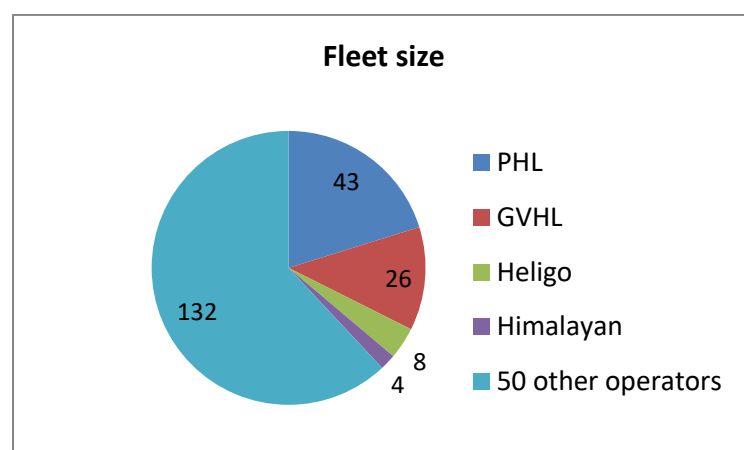
Table 12: Statistics for Major Helicopter Operators for FY 15 and FY 16

Particulars	Pawan Hans Limited		Global Vectra Helicorp Limited		Heligo Charters		Himalayan Heli Services	
	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16
Total Fleet Size	46	43	23	26	8	8	4	4
Operating Revenue	522.36	462.41	346.81	357.38	135.01	133.45	47.37	57.03
Total Revenue (Rs. Cr)	549.71	477.79	356.31	391.68	138.90	136.68	50.51	62.70
Flying Hours	31,380	27,892	16,903	17,229	4,283	5,789	3,600	4,122
Flight Departures	96,681	93,193	98,716	109,933	3,205	4,202	49,640	57,325
Passengers Carried	442,598	389,673	406,087	443,780	37,787	51,487	264,121	306,105
Revenue /Flying Hour (Rs. lakhs)	1.75	1.71	2.05	2.07	3.15	2.31	1.32	1.38
Flying Hrs/Fleet	682	649	735	663	535	724	900	1,031

Source: DGCA & company reports

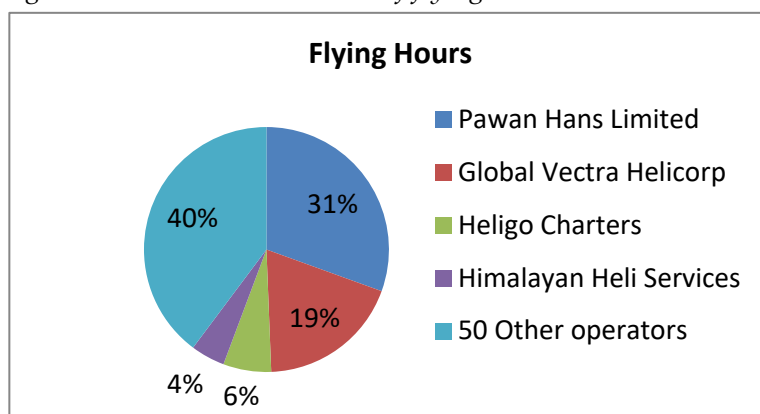
- 1) PHL is the industry leader of helicopter operations in India with the **highest number of fleet strength of 43 helicopters** and **availability of diverse fleet mix** of light, medium and heavy helicopters to cater to different client needs.

Figure 2: Market share in terms of fleet size in FY 16



- 2) PHL has established market leadership with **average market share of more than 30% in terms of total flying hours.**

Figure 3: Market share in terms of flying hours in FY 16

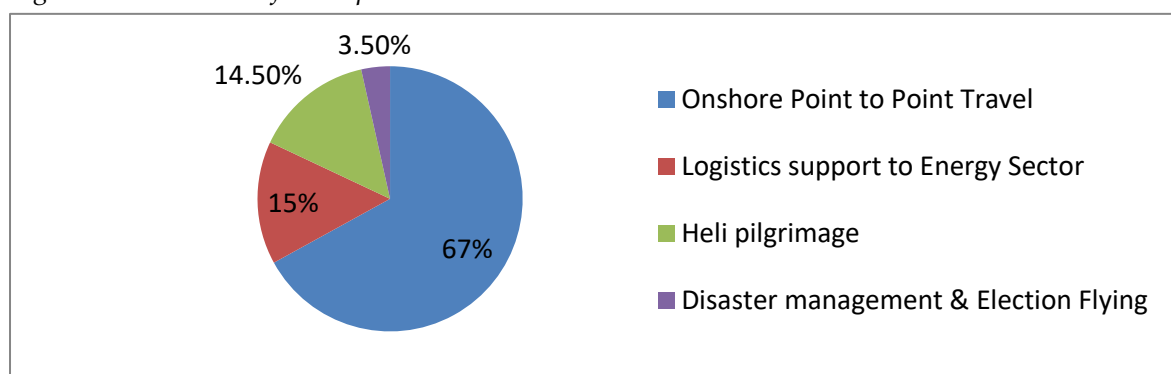


- 3) **Low leverage:** PHL's long term D/E is 0.07 and TOL/TNW of 1.49 as of March 31, 2016, thus providing further scope of raising debt on the balance sheet of the Company for future expansion plans.

b) Industry growth & regulatory support

Indian helicopter industry is less than 1% of the total helicopters of the world. At the end of FY 16, India had around 303 helicopters, including 213 civil helicopters, which translates to approximately 1 helicopter available for 4.12 million people. The civil helicopters are being manufactured by over 10 manufacturers, with major market share being held by Bell helicopters and Airbus helicopters. Major deployment of helicopters in India in FY 16 was in onshore point-to-point travel across the country especially in North East States. The detailed break-up is as given below:

Figure 4: Utilisation of helicopters in India in FY 16



Source: RWSI newsletter February 2017

- 1) **Untapped potential** in civil aviation in India shall provide scope for growth in the sector.
- As per Crisil Research, the number of air trips per capita per annum in India is very low (0.04) as compared to nations like US (2.1), Europe (1.0), Malaysia (0.54), Brazil (0.3) etc. This clearly indicates that there is a huge potential for growth in air travel space in India.

- 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.
- c) The bulk of the commercial flying is carried out ex Juhu Airport (for offshore), Pune and Delhi. Hence, there is scope for development of more Heli-hubs in India to cater to the growing demand.
- 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 2020**. Working population (aged between 15 and 64 years) is estimated to increase from 825.6 million in 2015 to 900 million by 2030. 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) **Business & Leisure Travel:** As per IBEF, Travel & Tourism industry is estimated to grow at a CAGR of 6.75 % from USD 146 bn in 2016 to USD 280 bn in 2026. Further, spending on business travel and leisure travel is estimated to increase from USD 20 bn in 2016 to USD 40 bn in 2026 and from USD 96 bn in 2016 to USD 203 bn in 2026 respectively.
- 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:**
- As per IBEF, airports in India witnessed passenger traffic of about 224 million people in FY 16 of which around 66% was handled by the 6 major airports (Delhi, Mumbai, Bengaluru, Kolkata, Hyderabad and Chennai) alone. 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.
 - MoCA released the RCS – UDAN scheme on October 21, 2016 for a period of 10 years which plans 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. 2,500 to Rs. 5,000 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 less than 1% 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.

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.

PART B

5. PROPOSED TRANSACTION

The broad terms of the Transaction are detailed as 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 EOI to the 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.

Stage II:

- 6) The shortlisted IBs, will be provided with Request for Proposal (“RFP”), 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 IBs 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.
- 7) The IB may be required to deposit an earnest money at Stage II, if so required by GOI.
- 8) Post submission of financial bids, the H1 bidder (highest bidder) shall undergo a security clearance process. Details of the H1 bidder along with its board of directors and

shareholders would be submitted to Ministry of Home Affairs (MHA), through MoCA for the same.

- 9) In case the H1 bidder fails in obtaining the security clearance, next highest bidder will be offered an option to match the bid of the H1 bidder and the next highest bidder's details shall be sent for security clearance.

Other Details regarding the Transaction:

- 10) 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 9**.

- 11) This PIM contains the following:

- a. Company overview
- b. Summary of historical financial performance
- c. Instructions for Submission of EOI
- d. Eligibility criteria for IBs
- e. Disqualification criteria
- f. Format of EOI for a Sole IB
- g. Format of EOI for Consortium of IBs
- h. Format of Statement of Legal Capacity for IB
- i. Format of Statement of Legal Capacity for Consortium of IBs
- j. Format for Form A
- k. Format of Power of Attorney
- l. Format for Consortium Agreement
- m. Format of Confidentiality Undertaking
- n. Advertisement inviting EOI
- o. Office Order of DIPAM guidelines
- p. Format of declaration with respect to statement of legal proceedings
- q. Format of declaration with respect to the security clearance
- r. Guidelines for Management-Employee Bids in Strategic Sale
- s. DIPAM Guidelines for Employees Bids

- 12) 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.sbcaps.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.

- 13) IBs shall have satisfied themselves of their queries before participating in the Proposed Transaction.

- 14) Subsequently, a site visit (cost of which will be borne by the IBs) may be scheduled to facilitate the shortlisted IBs 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 IBs in due course.
- 15) The shortlisted IBs 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.
- 16) Details regarding the process post short-listing based on the EOIs submitted will be subsequently shared with the IBs in the RFP.
- 17) EOIs are liable to be rejected by GOI if IBs fails 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.
- 18) 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.
- 19) 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.
- 20) 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.
- 21) The IBs to acknowledge that this PIM and EOI are not legally binding documents. 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 referred to the President of India or the officiating person and he shall adjudicate and decide the disputes, if any, between the parties and his decision shall be final, conclusive and binding on both the parties. The laws of Republic of India shall govern all matters relating to the Proposed Transaction. All 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
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th 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 certified true copy (duly verified by a notary) of all the supporting documents shall be submitted.**
- 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.
2. EOI letter in the format specified: For a single IB (as per **Annexure 1**) or for a Consortium (as per **Annexure 2**).
3. Statement of Legal Capacity (as per **Annexure 3** or **Annexure 4**, whatever applicable).

4. Duly filled in **Form A** by IB/ each member of Consortium along with all supporting documents (as per **Annexure 5**), including the following major supporting documents:
 - a. Executive summary providing brief description of the company and (where appropriate) of each 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), the Effective Place of Management of business of the potential bidder 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 company / Consortium, as demonstrated, inter alia, in its past track record, to run its own business.
 - b. Contact information of the IB/ Consortium members 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.
 - d. A copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business, Charter Documents, Constitution Documents, Partnership Deed, etc. as may be applicable and 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 of IBs/ each member of the Consortium and also counter signed by its authorized signatory.
 - f. A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other office in-charge of secretarial affairs for the shareholding pattern of the IB/ each member of Consortium.

- g. A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for eligibility to participate in the Proposed Transaction.
 - h. An independent chartered accountant/ statutory auditor certificate certifying the Net Worth as defined in the Eligibility criteria.
 - i. Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous three financial years.
 - j. Extract of the charter documents and 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.
 - k. Management Organization: An overview of IBs/ each member of the Consortium's senior management and organization structure certified by the company secretary of the IB/ each member of the Consortium.
 - l. International Operations/ Joint Venture/Alliances: Brief note of IBs/ each 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, if applicable, copies of the audited financial statements for the immediately preceding financial year for such companies.
 - m. Details of those companies and professional firms, if any, who are (or will be) advising the IB/Consortium for the Proposed Transaction, together with the names of the principal individual advisors at those companies and firms.
 - n. Details of all contingent liabilities and outstanding litigations.
 - o. If the interested party is a foreign company/ 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 applied for/ to be obtained/ awaited.
5. Appropriately executed Power of Attorney authorizing the signatory of the EOI to commit the IB/ Consortium (as per **Annexure – 6 and Annexure – 13 for Employee Bids**).
6. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per **Annexure 7**).
7. Duly executed Confidentiality Undertaking (as per **Annexure 8**).

8. A declaration in relation to statement of legal proceedings (as per **Annexure 11**).
9. Duly filled in declaration in relation to security clearance (as per **Annexure 12**).
- VI. 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.
- VII. 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.
- VIII. No IB shall submit more than one EOI. An IB 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.
- IX. The IBs are expected to carry out their own investigations and other examination in relation to the Transaction before submitting their EOIs.
- X. 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 hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- XI. All financial statements or data to be derived therefrom for the evaluation of Financial Criteria referred herein shall mean on a consolidated basis.
- XII. Any condition or qualification or any other stipulation contained in the EOI shall render the EOI liable to rejection as a non-responsive EOI.
- XIII. The EOI and all related correspondence and documents in relation to the EOI shall be in English language.
- XIV. 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.
- XV. EOIs shall be opened only after the due date of submission of EOIs.
- XVI. EOIs shall be submitted during the working hours (Monday to Friday 10:00 am to 6.45 pm) on or before scheduled date & time.

- XVII. Advisor/GOI/Company shall bear no responsibility for non-receipt of documents sent by post/courier.
- XVIII. 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.
- XIX. **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.
- XX. **Governing Law / Jurisdiction:** The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.
- XXI. **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 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 selected Bidder is also expected to adhere to:
- a. 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 MHA. 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 Ministry of Home Affairs through Ministry of Civil Aviation

- b. 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") and,
- c. Or any other approvals as may be required

XXII. **Amendment to 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 EOI 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.

- XXIII. 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.
- XXIV. Notwithstanding anything contained in this EOI, 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.
- XXV. 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.
- XXVI. The GOI reserves the right to verify all statements, information and documents submitted by the IB in response to the PIM, or the EOI process and the IB 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 of its obligations or liabilities hereunder nor will it affect any rights of the GOI thereunder.
- XXVII. The IBs 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 to have suitable facilities at their end to download the uploaded files.

- XXVIII. The IBs shall evaluate and ensure that they are permitted to invest under applicable laws to the extent they propose to participate.
- XXIX. Only IBs 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/Government 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 14 (“Guidelines”) if the legal entity so formed is qualified as per the criteria laid down in the PIM (*kindly, also refer to Annexure 13*).

- 2) **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:
 - a. **Net worth criteria:** A minimum net worth of Rs. 500.00 Crore as per the latest audited annual consolidated financial statements which shall not be older than 12 months from the date of the PIM.
- 3) **Conditions for bidding by Consortium:** IBs are permitted to form a consortium of IBs (“Consortium”) and may participate in the Transaction.
 - a. **Formation of SPV:** In case of EOI by a Consortium, the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company) in India/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.
 - b. **Lead Member:** The Consortium shall not have more than one (1) Lead Member.

c. **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/ company promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.
- ii. **Lead Member:** Lead Member shall hold at least 51% equity share capital of the SPV/ company promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.

d. **Net worth requirement:**

- i. The combined net worth of all the Members of the Consortium should meet net worth criteria as mentioned in 2(a) above.

Net worth in case of a Consortium should be calculated as = % equity contribution of member 1 * net worth of member 1 + % equity contribution of member 2 * net worth of member 2 + % equity contribution of member 3 * net worth of member 3.

However, the net worth value for Members with negative net worth would be considered as nil.

- ii. The Lead Member of the Consortium should have minimum net worth in proportion to its shareholding in the Consortium of the criteria as mentioned in 2(a) above.
- 4) No changes either by way of withdrawal/substitution/addition of any member of any Consortium or any change affecting the composition of the Consortium may be permitted post last date for submission of EOI.
 - 5) All members shall provide an undertaking that there shall be no change in the shareholding of the Consortium or the SPV, if the said Consortium is declared as the successful bidder for three (3) years post signing of the definitive agreements.
 - 6) The successful bidder shall be required to lock-in its shareholding in PHL for a period of three (3) years post signing of the definitive agreements and shall not be permitted to cede with management control of PHL for such period.
 - 7) There shall be no change in the management control of the IB and each member of the Consortium for three (3) years post signing of the definitive agreements.

- 8) The IBs shall ensure that they are permitted to invest under applicable laws to the extent they propose to participate
- 9) Net worth shall be calculated as follows:
- a. **For entities other than AIFs:** As defined under Section 2(57) of the Companies Act, 2013, less Intangible Assets, less redemption reserves, less reserves made for any specific purpose and less cross holding of investments amongst the consortium members.
 - b. **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.
- 10) 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.
- 11) Net worth shall be assessed on the basis of:
- a. **In case of entities other than AIFs and employees:** Latest audited financial statement of an IB (on consolidated basis) which shall not be older than 12 months from the date of publication of this PIM, as certified by an independent chartered accountant/ statutory auditor
 - 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 TA reserves the right to ask for any additional documents as required to verify and assess the eligibility.

- 12) 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.
- 13) In shortlisting interested parties, GOI will pay due attention, inter-alia to the security requirements of the country.

- 14) 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.
- 15) 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 consortium member to provide the necessary and sufficient information required to be provided in the EOI in accordance with this PIM.
 - d. Failure by IB/ any consortium member 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 whether directly or indirectly either as sole bidder or a member of Consortium in which case, all such EOIs shall be rejected.
 - f. The IB/Consortium/ 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/ 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/ member of Consortium which becomes known that is detrimental to the national security and/or national interest and/or the Transaction and/or the interests of the GOI/ Company.
- k. If at any stage of the process the IB/ 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/ 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/ member of Consortium as listed in the PIM.
- n. The loans availed by the IB/ any consortium member (including its parent and subsidiaries) has been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.
- o. IB/ 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/ 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/ 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/ 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 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/ 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. 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 the IB in case of a 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/ Consortium contained in the EOI shall render the EOI liable to rejection.
- 8) Breach of Confidentiality Undertaking executed by the IB;
- 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 10**) and as amended from time to time by the GOI.
- 10) If the IB/ any Consortium member 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, In case of a Sole IB

(To be typed on the letterhead of the IB submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

To,
Mr. S. K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th 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**").

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the "**Interested Bidder**"), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder's interest for bidding for the 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 [●] (name of Interested Bidder) having its registered office at [●]
3. We 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 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 Transaction on a going concern basis.
6. We acknowledge that after the submission of the EOI, the management control in the IB shall not change for a period of three (3) years post signing of the definitive agreements.
7. 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.
8. 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.
9. 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.
10. 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.
11. We represent that we are not disqualified to enter into or perform our obligations in relation to the 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.

12. 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.
13. 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.
14. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
15. 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.
16. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
17. 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.
18. 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).
19. The Statement of Legal Capacity and Form A as per formats given in Annexure of the PIM, duly signed by us are enclosed along with the stamped and notarized Power of Attorney.

(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. Statement of Legal Capacity
2. Form A
3. Power of Attorney
4. Declaration on Statement of legal proceedings

Annexure 2: Format for Letter of EOI, In case there is a Consortium of IBs

(To be typed on the letterhead of Lead Member of Consortium submitting EOI - duly verified by a notary)

Reference No. _____ Date _____

To,
Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th 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**”).

This communication has been issued by the Lead Member (as defined below) for and on behalf of the Consortium (as defined below).

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 for this purpose, address you as under:

1. 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
2. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
 3. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.
 4. We 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.
 5. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.
 6. We agree to form a Special Purpose Vehicle, in India/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.
 7. We acknowledge that after the submission of the EOI, the management control of the each member of the Consortium shall not change for a period of three (3) years post signing of the definitive agreements.
 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. 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.
 10. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against us 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.
 11. 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.

12. 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.
13. We represent that we are not disqualified to enter into or perform our obligations in relation to the 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.
14. 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.
15. 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.
16. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
17. 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.
18. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
19. 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).
20. 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.
21. The Statement of Legal capacity, 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 Power of Attorney is also enclosed.

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

Lead Member's PAN number is _____.

Lead Member's TAN number is _____.

(In case of entities not having PAN and TAN registration in India, following details of the Lead Member):

- 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 Lead Member)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Enclosure:

1. Statement of Legal Capacity
2. Form A
3. Certified true Copy of the Consortium Agreement between the Consortium members
4. Power of Attorney
5. Declaration on Statement of legal proceedings

Annexure 3: Statement of Legal Capacity for sole Interested Bidder

(To be forwarded on the letterhead of the interested bidder submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th 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**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Bidder**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder’s interest for bidding for the 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 have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and we satisfy the eligibility criteria stipulated in the Advertisement and the PIM.
3. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects.
4. We have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI ("**Representative**").
5. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.

(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: [●]

Annexure 4: Statement of Legal Capacity for a Consortium of Interested Bidders

(To be forwarded on letterhead of each member of the Consortium submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th 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**").

This communication has been issued by the Lead Member (as defined below) for and on behalf of the Consortium (as defined below).

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 such number of shares representing 51% of the equity share capital of PHL.
2. 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
3. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
 4. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and the Consortium jointly satisfies the eligibility criteria stipulated in the Advertisement and the PIM.
 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 the representative of our 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.

(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 Member)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Annexure 5: 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 of Interest Bidders - duly verified by a notary)

A. **Name of the Interested Bidder(s)/Member(s) of Consortium** _____

B. **Executive Summary:** providing brief description of the company and (where appropriate) of each 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), the Effective Place of Management of business of the potential bidder 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, the Place of Effective Management of business of the IB/ each member of the Consortium etc. It shall include a brief commentary on the capability of the company / consortium, as demonstrated, inter alia, in its past track record, to run its own business.

C. **Contact Information of the IB:**

- 1) Following details of IB/ each 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/ each 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/ each 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/ each member of the Consortium
- 3) Date of commencement of business of IB/ each 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) Certificate of Incorporation, Memorandum and Articles of Association, Certificate of Commencement of Business, Charter Documents, or other Constitution Documents, i.e., Partnership Deed etc., as may be applicable and 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 of IBs/ each 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 office in-charge of legal affairs for the shareholding pattern of the IB/ each 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 legal affairs, stating that we are eligible to participate in the proposed Strategic Disinvestment in terms of Clause _____ of our Memorandum and Articles of Association/_____ name of Constitution Document, viz., Partnership Deed etc. as may be applicable (specific reference to the said provision may be drawn).

- b) Please attach most recent (not older than 12 months from the date of publication of this PIM) Audited Statement of Accounts (including profit and loss statement, balance sheet and cash flow statement) on standalone and consolidated basis and also the Annual Report.
 - c) Additionally, please provide an independent chartered accountant/statutory auditor certificate certifying the Net Worth (adjusted for cross holdings among Consortium Members, if any) as defined in the Eligibility criteria, clearly specifying the cross holdings among Consortium Members, if any.
- 10) Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous three financial years.

Provided that, in the event the IB/ member of Consortium has been incorporated in the last 3 years, subject to compliance with all applicable laws, do not have the audited financial statements as on March 31, 2017, provisional financial statements may be given as certified by the independent chartered accountant/statutory auditor.

- 11) Provide the extract of the charter documents and 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.

E. Management Organization:

- 1) An overview of IBs/ each member of the Consortium's senior management and organization structure certified by the company secretary.
- 2) IB/ each member of Consortium shall provide details on (a) the Ultimate Beneficial Owner (as per SEBI Circular No. CIR/MIRSD/2/2013 dated January 24, 2013), (b) Effective Place of Management of the business of the IB/ each member (as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated January 24, 2017).

F. International Operations/ Joint Ventures/ Alliances:

- 1) Brief note of IBs/ each 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, if applicable, copies of the audited financial statements of immediately preceding financial year for such companies.

G. Professional Advisors:

- 1) Please provide names and addresses of those companies and professional firms, if any, who are (or will be) advising the IB/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/ each member of Consortium to provide details of all outstanding litigations, if any, and 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.
- 2) Please 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 interested party is a foreign company/ 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 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:

Note: Please follow the order adopted in the Format provided. If the interested party is unable to respond to a particular question/ request, the relevant number must be nonetheless be set out with the words "No response given" against it.

Annexure 6: 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 notarized)

Power of Attorney for signing of EOI

To all to whom these presents shall come, 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/ the Lead Member of our Consortium 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 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, EOIs, affidavits, bids, 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 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 defined shall have the meaning ascribed to such terms in the 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)

Notes: 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. 3) For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostle certificate.

Annexure 7: Format for Consortium Agreement (In case of Consortium of IBs)

(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 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 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 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 post signing of the definitive agreements, 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 post signing of the definitive agreements.
7. We undertake and confirm that the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company), in India/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]

Annexure 8: Confidentiality Undertaking

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

DEED OF CONFIDENTIALITY UNDERTAKING

This DEED OF CONFIDENTIALITY UNDERTAKING ("Undertaking") is made on this day of, 2017.

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"),

AND

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 (as defined hereinafter) has submitted an expression of interest 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 has been shortlisted as a “Qualified Interested Party”; and
- B. In the context of the IB’s interest in the Transaction, the Disclosing Party (as defined below) may disclose Confidential Information (as defined hereinafter) 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);

“**Advisors**” means, collectively, M/s. SBI Capital Markets Limited, M/s. 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 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 offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection

with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from 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 (i) who have submitted the Statement of Legal Capacity in the form specified in the "EOI" as described in the "Preliminary Information Memorandum" announcement by the Administrative Ministry for participation in disinvestment of the Company in respect of the Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by the Administrative Ministry; in each case formed by the Bidder for purposes of the 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.

"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.

"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).

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 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 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.
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 (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 and (b) to satisfy itself that each such Consortium Member and/or Representative of the Bidder and/or Representative 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 Bidder, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of the Government, the Company and the Advisors. 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 a definitive 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 executing a 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 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, or after the decision of the Bidder to not proceed with the Transaction as specified in Clause 8 above, (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 and summaries thereof in the possession or under the control of the Receiving Party, and (b) 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 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 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.
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 an executed shareholders' agreement 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, 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 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 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 Transaction or as the case may be, till the time the Bidder and/or Consortium Members decide not to proceed with the Transaction, whether pursuant to Clauses 8 or 9 or 11, 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, or take any action or make any statement or announcement that may affect the price of the shares of the Company on any stock exchange or elsewhere or which may affect the existing shareholding structure 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 solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. 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 any 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. 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
5th 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
Crawford Bayley
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. T Sridhar
Pawan Hans Ltd.
C-14, Sector-1, Noida
Uttar Pradesh - 201301
Tel no.: 0120-2476721
Email: ed.hradmn@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:

Annexure 9: 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 8.12.2017 and 6.45 PM. 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.sbicans.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
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Annexure 10: 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 interse 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 11: Declaration in relation to Statement of Legal Proceedings

(To be forwarded on the letterhead of the sole IB /each member of the Consortium submitting the EOI - duly verified by a notary)

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 casting doubt on the ability of the IB 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 and/or Statement of Legal Capacity.

(Bidders name) (Bidders Address)

In case any IB 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 12: Declaration for Security Clearance

(To be forwarded on the letterhead of the sole IB /each member of the Consortium submitting the EOI - duly verified by a notary)

DECLARATION**A. Details in respect of Company/ Firm (Indian/Foreign):**

S.No.	Full Name of the company and its foreign collaborator, if any	Date of registration of the company	Address of Head Office, Regional Offices and Registered Office	Previous name of the company, if any	Details of earlier approvals, if any (Reference no. & date)
1					
2					

B. Details in respect of Directors:

S.No.	Full Name of Board of Directors	Present position held with date (since when)	Date of Birth	Parentage Father/M other	Present & Permanent Address	Nationality	Passport Nos. and issue date, if any	Contact Address & Telephone no.
1								
2								

C. Details of Shareholders of applicant company (all firms/ companies/ entities/ individuals having shareholding more than 10%):

S.No.	Full Name	Parentage Father/Mother	Date of Birth	Permanent Address	Present Address	Present position held in the company, if any	Nationality (if holding dual nationality, both must be clearly mentioned)	% of shares held in the company
1								
2								

D. Details of criminal cases, if any, against the Company/ Director(s) as per the following format:

- a) Name, address and registration number of the company:
- b) Name & address of owners, promoters and directors of the company:
 - 1)
 - 2)
 - 3)
 - 4)
- c) Is the company, owners, promoters or directors listed above, the subject of any of the following:
 - 1) Preventive detention proceedings (PSA/NSA etc.)(Yes/No)
 - 2) Criminal proceedings.....(Yes/No)
- d) If Yes, please provide following details:
 - 1) Detention/Case/FIR/warrant number
 - 2) Police station/District/Agency
 - 3) Section of law
 - 4) Name and place of the court
- e) The above mentioned details are in respect of both India and any other foreign country.

Note: The above self-declaration is required to be filled and signed by the authorized signatory of the company

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

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Annexure 13: 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 14, 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 shall be provided in the following format :

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

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 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 defined shall have the meaning ascribed to such terms in the 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)

Notes: 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.

§ 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. § For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostile certificate.

Annexure 14: 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, which ever 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), alongwith 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