

PAWAN HANS LIMITED
(A Government of India Enterprise)
CHAIRMAN'S SPEECH TO THE MEMBERS

Dear Members,

I take great pleasure in welcoming you all to the 38th (Adjourned) Annual General Meeting of your Company. The Annual Report for the financial year 2022-23 has been circulated and with your permission I take it as read.

The original 38th AGM was held on 29.12.2023 which was adjourned due to non-availability of Auditors' Report and C&AG Comments. The adjourned AGM for Financial Year 2022-23 has been considerably delayed. The main reason delay is delayed receipt of audit report of Statutory auditors, which was received on 23.01.2024. Due to this delay occurred in start of audit by C&AG. Further, on being pointed out mistake in the audit report by C&AG, the statutory auditor revised their audit report on 16.05.2024. Comments of C&AG were received on 02.07.2024.

The Auditors have given an adverse opinion which inter-alia states that the Ind AS Financial Statement of the Company for F.Y. 2022-23 do not give a true and fair view in conformity with the Indian Accounting Standards. The basis of the Adverse Opinion of the Statutory Auditors is that the management has not done impairment of assets as reported in the Emphasis of Matter paragraph in Audit Report of F.Y. 2021-22. It is significant to note that the **C&AG has differed with the adverse opinion of Statutory Auditors and has stated that the impairment loss worked out by the Statutory Auditor forming the basis of Adverse Opinion is deficient.**

The revenue from operations earned by your Company during 2022-23 is Rs.41515.96 lakhs as compared to Rs.38513.55 lakhs in the previous year. In percentage terms revenue from operations increased by 7.8% as compared to previous financial year and profit from operations was Rs.7273.05 Lakhs in financial year 2022-23 as compare to Rs.6825.08 Lakhs in financial year 2021-22 which amounts to an increase of 6.56% over previous year. However, the Company continues to incur loss after tax.

Due to net loss incurred during the year 2022-23, Board of Directors has not recommended any dividend for the year under review.

Average monthly deployment of helicopters during the year ended on 31.03.2023 was 27 helicopters out of the fleet size of 47 helicopters. The total revenue flying hours in 2022-23 were 18850 hours as against 17566 hours during the previous year.

Your Company continues to be one of Asia's largest helicopter operator having a well-balanced operational fleet of 47 helicopters at present with pan India presence. Out of these five Dauphin N Helicopters having vintage of over 33 years grounded since long due to obsolescence have been approved as 'Impaired Assets' and after accident of one Sikorsky S76D helicopter on 28.06.2022 near Sagar Kiran rig at Mumbai off shore, effective operational fleet comprises of 41 Helicopters only.

The Company's philosophy on Corporate Governance reflects the ethos of the Company and its continuous commitment to ethical business principles across its

operations. Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. Your Company is having a well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the board remains in effective control of the affairs of the company.

Your Company has laid down a well-defined the Code of Conduct for all the Board Members and Senior Management Personnel of the Company, which is also uploaded on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct.

The strategic disinvestment of PHL was in process for which PIM / request for Expression of Interest (EOI) was issued on 8.12.2020. Basis the evaluation of EOIs received till due date (March 05, 2021) and as per IMG directions, shortlisted bidders were provided access to VDR, SIM, RFP and draft Share Purchase Agreement. The shortlisted bidders undertook various due diligence activities and submitted their bids which were technically evaluated. The financial bids were opened on April 23, 2022 and a Consortium of three members (namely Star9 Mobility Pvt. Ltd.) was declared as highest bidder on April 29, 2022.

The Government has decided that successful bidding consortium M/s Star 9 Mobility Pvt Ltd is disqualified from the process of strategic disinvestment of Pawan Hans Ltd in terms of provisions of PIM and RFP. Further, the current Eoi process for strategic disinvestment stands annulled on 3rd July, 2023.

The following significant Events/Developments have taken place during the year:-

After annulment of current EOI process for strategic disinvestment PHL sought in-principle approval of administrative ministry for acquisition of 23 helicopters through purchase against global tenders to meet the future requirement and replace the old vintage helicopters which has been granted. Further, discussions are underway on the issue of promotion of indigenously developed helicopters for ONGC's off share requirements through PHL under Atma Nirbhar Initiatives of GOI at highest Levels.

Operations under RCS UDAN Scheme

Your Company was the first helicopter operator in India to get the Scheduled Commuter Operator (SCO) Permit. Your Company has been awarded 11 networks in 4 states under RCS UDAN tender 2.0, 2 networks under 4.0, 6 networks under RCS UDAN 4.1 and 8 networks under RCS UDAN 4.2.

Your Company successfully launched the helicopter services in Himachal Pradesh and Uttarakhand in 2019 and 2020 respectively and subsequently new routes were added during 2021 and 2022. The routes being operated currently are as under:-

1. Chandigarh-Shimla-Chandigarh (Six days a week) w.e.f. 28-02-2019.
2. Shimla-Kullu-Shimla w.e.f. 13.05.2019. Further extended to Shimla-Mandi-Kullu-Mandi-Shimla w.e.f. 10th December, 2021(Thrice a week).

3. Shimla-Dharamshala-Shimla w.e.f. 14.05.2019. Further extended to Shimla-Mandi-Dharamshala-Mandi-Shimla w.e.f. 9th December, 2021 (Thrice a week)
4. Dehradun New Tehri-Srinagar-Gauchar-Srinagar-New Tehri-Dehradun (Thrice a week) w.e.f. 29-07-2020
5. Shimla-Rampur-Shimla w.e.f. 9th December, 2021 (Thrice a week).
6. Dehradun-Gauchar-Dehradun w.e.f. 8th October, 2021 (Six days a week)
7. Dehradun-Srinagar-Dehradun (Thrice a week)
8. Dehradun-Haldwani/Pantnagar-Pithoragarh-Dehradun w.e.f. 8th October, 2021 (Six days a week)
9. Dehradun-Haldwani/Pantnagar-Almora-Pithoragarh-Almora-Pantnagar/Haldwani-Dehradun w.e.f. 26th August, 2022.

Some of the above routes have completed their tenure of three years.

Your Company has achieved a significant milestone by extending Regional Connectivity Scheme (RCS) UDAN services to the North-Eastern region, specifically in Assam. The operations were officially launched on February 8, 2023, connecting key locations such as Dibrugarh, Jorhat, Tezpur, and Guwahati.

Presently operational routes in Assam under RCS UDAN 2.0 are:

- Dibrugarh-Jorhat (3 Days/Week)
- Jorhat-Tezpur (3 Days/Week)
- Tezpur-Guwahati (3 Days/Week)
- Guwahati-Tezpur (3 Days/Week)
- Tezpur-Jorhat (3 Days/Week)
- Jorhat – Dibrugarh (3 Days/Week)

Your Company will launch services on the other awarded sectors in a phased manner subject to availability of infrastructure and other necessities.

Governments of Himachal Pradesh, Uttarakhand, Karnataka and Tamil Nadu have engaged the services of PHL for providing Project Management Consultancy for developing and licensing / operational authorization of the heliports under development in their respective States.

Further, MoCA has designated PHL as the nodal agency for Centralized Procurement of all equipment including Communication, Security, Visual Aids and Fire fighting for all the 31 heliports under development across the five States of Himachal Pradesh, Uttarakhand, Manipur, Assam & Arunachal Pradesh under RCS UDAN-II'.

Your Company has been awarded the Certificate of Appreciation for being “Champion of UDAN” by the Ministry of Civil Aviation (MoCA), to offer its exemplary services to connect various under served and un-served sectors under this Scheme.

I take this opportunity to thank you all for the confidence reposed in the management. I am also grateful for the support and guidance of the Government of India, Ministry of Civil Aviation, DGCA and other various agencies in efficient management of the Company. I deeply appreciate the confidence reposed by ONGC Ltd., NTPC Ltd., Ministry of Home Affairs, the State Governments of Mizoram, Himachal Pradesh, Sikkim, Maharashtra, Tripura, Odisha and UTs of J&K, Ladakh, Andaman & Nicobar

Islands & Lakshadweep Islands and Daman & Diu in the Company and also dedicated services rendered by its employees.

(Sanjeev Razdan)
Chairman & Managing Director

Dated : 23rd July, 2024