

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

Dear Shareholders,

I take great pleasure in welcoming you all to the 36th Annual General Meeting of your Company. The Annual Report for the financial year 2020-21 has been circulated and with your permission I take it as read.

The revenue from operations earned by your Company during 2020-21 is Rs.37289.63 lakhs as compared to Rs. 34593.16 lakhs in the previous year. In percentage terms revenue from operations increased by 7.80% as compared to previous financial year and loss from operations decreased from Rs.8376.32 Lakhs to Rs. 1870.84 Lakhs. Reserves & Surplus of the Company stands at Rs.42407.41 lakhs (P.Y. Rs.44178.25 lakhs).

Due to losses incurred during the year 2020-21, Board of Directors has not recommended any dividend for the year under review. Prior to year 2019-20, your Company was earning profits and paying dividend to the shareholders for last six years.

Average monthly deployment of helicopters during the year ended 31.03.2021 was 28 helicopters out of the fleet size of 42 helicopters. The total flying hours in 2020-21 got reduced to 14454 hours as against 18271 hours during the previous year. Main reason for reduction in flying hours was COVID-19 Pandemic.

Your Company continues to be one of Asia's largest helicopter operators having a well-balanced own operational fleet of 42 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'. Therefore, effective operational fleet comprises of 37 Helicopters only.

Covid-19 Pandemic adversely impacted the global as well as Indian economy. Your Company's performance also got adversely affected due to the Pandemic. Flying of the Company got reduced significantly. During the year under review your Company has taken various austerity measures to reduce the adverse impact caused by the Pandemic e.g. rationalization of costs including salary & allowances of employees, shore up recovery of past dues, surrendering surplus lease land to AAI, centralisation of departments etc. Your Company could achieve significant reduction in losses due to reduction in Liquidated Damages, AOG Charges and rationalization of spending on account of staff cost and your Company will be back in profits during the current financial year.

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.

As you are aware, the process of strategic disinvestment of entire 51% stake of Government of India in your company is in advance stage with last date for submission of financial bids by the short listed bidders being in second week of December, 2021.

Due to on-going disinvestment process, your Company is not signing MoU with the administrative ministry.

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

- i) Your Company has signed a Master Lease Agreement and four Aircraft Specific Lease Agreement (ASLA) with M/s Vertical Aviation No.1 Limited (an Ireland based leasing company) and one S76 D helicopter has been delivered to the Company in the month of August, 2021 and the same is under regulatory approvals and three more helicopters are expected to be delivered in last week of December, 2021.
- ii) PHL Started operations under RCS UDAN Scheme on the following routes:
 - 1) Shimla-Kullu-Shimla (Thrice a week) w.e.f. 13.05.2019.
 - 2) Shimla-Dharamshala-Shimla (Thrice a week) w.e.f. 14.05.2019.
 - 3) Commencement of Services under the RCS UDAN II in Uttarakhand on route "Dehradun New Tehri – Srinagar –Gauchar –Srinagar - New Tehri-Dehradun". The Services were inaugurated on 29th July 2020 by Hon'ble Chief Minister of Uttarakhand.
- iii) 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'.
- iv) ONGC Ltd. has placed Notification of Award (NOA) of Contract vide letter dated 11.08.2021 for charter hiring of 02 nos. of crew change task helicopters under Group-I on nomination basis for six months beyond 20.08.2021. ONGC has also awarded crew change task NOA on 2.9.2021 for providing two numbers of

Lockheed Martin Sikorsky S76D helicopters for a period of five years under International Competitive bidding.

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 UT of J&K, Daman, Ladakh, Andaman & Nicobar Islands & Lakshadweep Islands in the Company and also dedicated services rendered by its employees.

(Sanjeev Razdan)
Chairman & Managing Director

Dated : 23rd November, 2021