



Date: September 18, 2019

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)

Corrigendum 1 to Preliminary Information Memorandum (PIM) for Inviting Expression of Interest (EOI) issued on July 11, 2019, for the Proposed Strategic Disinvestment of Pawan Hans Ltd. (PHL) by Government of India (GOI) through sale of 51% of the Equity Share Capital of PHL held by GOI, along with transfer of management control.

S. No.	Reference Clause	As appearing in PIM issued on July 11, 2019		To be read as	
Part A of PIM					
1	Chapter 1 - Clause no: 1.3 (Important dates)	Event	Date	Event	Date
		Publication of advertisement and PIM	Thursday, July 11, 2019	Publication of advertisement and PIM	Thursday, July 11, 2019
		First day of taking queries	Thursday, July 11, 2019	First day of taking queries	Thursday, July 11, 2019

S. No.	Reference Clause	As appearing in PIM issued on July 11, 2019		To be read as	
		Last date for invitation of queries through email/ physical copy	Thursday, August 01, 2019	Last date for invitation of queries through email/ physical copy	Thursday, August 01, 2019
		Last date for release of response to queries in the form of FAQs, on the above mentioned websites	Thursday, August 08, 2019	Last date for release of response to queries in the form of FAQs, on the above mentioned websites	Thursday, August 08, 2019
		Last date & time for submission of EOIs physically	Thursday, August 22, 2019 by 5:00 PM	Last date & time for submission of EOIs physically	Thursday, September 26, 2019
		Intimation to the Shortlisted Bidders	Thursday, September 12, 2019	Intimation to the Shortlisted Bidders	Thursday, October 17, 2019
2	Chapter 3 Clause 3.4 - (Status of Contingent Liabilities)	<p>The status of contingent liabilities is as follows:</p> <p>As per the terms of the Transaction, GOI/MoCA will indemnify the contingent liabilities related to tax and statutory dues, to the extent to 51% of Rs. 576.99 crore (as on March 31, 2019), which amounts to Rs. 294.27 crore, as described in the above-mentioned points 2.1, 2.2 and 2.3, in case such contingent liabilities are crystalized against PHL, as detailed in section 5.1.(5).</p>		<p>The status of contingent liabilities is as follows:</p> <p>As per the terms of the Transaction, GOI/MoCA will indemnify the Successful Bidder, against each of the contingent liabilities related to tax and statutory dues ("Tax Contingencies"), to the extent of 51% of</p> <p>a) each such crystallised contingency as stated in section 5.1(5) hereinbelow OR b) the actual amount of such liability as determined by the judicial/quasi judicial authority, whichever is lower.</p> <p>In case one or more of such Tax Contingencies are crystalized against PHL, as detailed in section 5.1.(5) hereinbelow, then GOI/MoCA shall be liable to indemnify</p>	

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			<p>51% of</p> <p>a) such total crystallised Tax Contingency OR b) the actual amount of such liability as determined by the judicial/quasi judicial authority, whichever is lower.</p> <p>It is hereby clarified that under no circumstances GOI/MoCA's liability shall exceed 51% of the value of each of the Tax Contingencies as stated in section 5.1.(5) hereinbelow .</p> <p>Further, it is clarified that the Government shall be liable to indemnify as aforesaid only with respect to the final non-appealable decision of a court or tribunal of competent jurisdiction with respect to the proceedings stated section 5.1.(5) hereinbelow.</p>
Part B of PIM			
3	<p>Chapter 5</p> <p>Clause 5.1 (Salient Features of the Proposed Transaction)</p> <p>Sub-Clause (5)</p>	<p>As on March 31, 2019 PHL has contingent liabilities related to tax and statutory dues of Rs. 576.99 crore , details of which are mentioned below:</p> <p>.....</p> <p>With respect to the proceedings pertaining to the abovementioned direct and indirect tax demands raised by the relevant tax authorities (which proceedings are</p>	<p>As on March 31, 2019 PHL has contingent liabilities related to tax and statutory dues of Rs. 574.92 crore¹ , details of which are mentioned below:</p> <p>.....</p> <p>With respect to the proceedings pertaining to the abovementioned direct and indirect tax demands raised by the relevant tax authorities (which proceedings are pending</p>

¹ Updated basis the PHL audited financials of FY 19 (Uploaded in VDR)

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		<p>pending before various tax authorities as on March 31, 2019 and are more particularly described in the abovementioned table), if the demand raised by the relevant tax authority is upheld in the pending proceedings or if an appeal is preferred against such order of authority before the proceedings are currently pending and the demand of the tax authority is upheld by the final appellate authority, then GOI/MOCA shall indemnify the Successful Bidder to the extent of 51% (which percentage corresponds to the percentage of the shareholding in the Company which is transferred by GOI to the Successful Bidder as per the terms of the Final Share Purchase Agreement) of the total tax liability. As on March 31, 2019 the total tax liability directly related to the proceedings stated in abovementioned table amounts to Rs. 576.99 crore. For the sake of clarity and avoidance of doubt, it is hereby clarified that the GOI/MOCA shall be liable to indemnify only to the extent of 51% of Rs. 576.99 crores, pwhich amounts to Rs. 294.27 crore.</p>	<p>before various tax authorities as on March 31, 2019 and are more particularly described in the abovementioned table), if the demand raised by the relevant tax authority is upheld in the pending proceedings or if an appeal is preferred against such order of authority before which the proceedings are currently pending and the demand of the tax authority is upheld by the final appellate authority, then GOI/MOCA shall indemnify the Successful Bidder to the extent of 51% (which percentage corresponds to the percentage of the shareholding in the Company which is transferred by GOI to the Successful Bidder as per the terms of the Final Share Purchase Agreement) of</p> <ul style="list-style-type: none"> a) such total crystallised contingency as stated above OR b) to the extent of the actual amount of such liability as determined by the judicial/quasi judicial authority, <p>whichever is lower.</p> <p>As on March 31, 2019, the aggregate contingent liability directly related to the proceedings stated in abovementioned table amounts to Rs. 574.92 crore². For the sake of clarity and avoidance of doubt, it is hereby clarified that the GOI/MOCA shall be liable to indemnify the Successful Bidder only to the extent of contingent liabilities equal to 51% of</p> <ul style="list-style-type: none"> a) each such crystallised contingent liability OR b) the actual amount of such liability as determined by

² Updated basis the PHL audited financials of FY 19 (Uploaded in VDR)

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			<p>the judicial/quasi judicial authority, whichever is lower.</p> <p>It is hereby clarified that under no circumstances GOI/MoCA's liability shall exceed 51% of the value of each of the tax contingency as stated above.</p> <p>Further, it is clarified that the Government shall be liable to indemnify as aforesaid only with respect to the final non-appealable decision of a court or tribunal of competent jurisdiction with respect to the proceedings stated above.</p>
4	<p>Chapter 5 Clause 5.1 (Salient Features of the Proposed Transaction) Sub-Clause (8.(a))</p>	<p>The Successful Bidder shall be required to lock-in its shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for such period.</p>	<p>The Successful Bidder shall be required to lock-in its shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL for such period.</p>
5	<p>Chapter 5 Clause 5.1 (Salient Features of the Proposed Transaction) Sub-Clause (8.(b))</p>	<p>There shall be no change in the management control of the IB, each member of the Consortium and of the special purpose vehicle (in case investment in PHL is made through special purpose vehicle) for three (3) years from the date of consummation of the Proposed Transaction.</p>	<p>There shall be no change in the management control of the IB, each member of the Consortium for three (3) years from the date of consummation of the Proposed Transaction.</p>

S. No.	Reference Clause	As appearing in PIM issued on July 11, 2019	To be read as
6	Chapter 7 Clause 2 (Conditions for bidding by Consortium)	<p>Conditions for bidding by Consortium: Entities are permitted to form a consortium (“Consortium”)...., subject to the following conditions:</p> <p>a. Minimum stake requirement in the Consortium/ SPV:</p> <p>i. Each Member of the Consortium: Each Member of the Consortium shall hold at least 20% equity share capital of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.</p> <p>ii. Lead Member: Each consortium is required to declare one Lead Member who shall hold at least 51% equity share capital of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.</p>	<p>Conditions for bidding by Consortium: Entities are permitted to form a consortium (“Consortium”)...., subject to the following conditions:</p> <p>a. Minimum stake requirement in the Consortium/ SPV:</p> <p>i. Each Member of the Consortium: Each Member of the Consortium shall hold at least 20% shareholding (i.e. equity share capital and shareholding on a fully diluted basis) of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.</p> <p>ii. Lead Member: Each consortium is required to declare one Lead Member who shall hold at least 50% shareholding (i.e. equity share capital and shareholding on a fully diluted basis) of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.</p>
7	Annexure 1 (Format for Letter of EOI for sole IB/Consortium) Clause 2	<p>We propose to submit our EOI ... registered office at [●]</p> <p style="text-align: center;">OR</p> <p>We have formed a consortium comprising of [●] members (“Consortium”) as follows:</p> <p>a. [●] holding [●]% shareholding in the Consortium;</p> <p>b. [●] holding [●]% shareholding in the Consortium;</p> <p>and</p>	<p>We propose to submit registered office at [●]</p> <p style="text-align: center;">OR</p> <p>We have formed a consortium comprising of [●] members (“Consortium”) as follows:</p> <p>a. [●] holding [●]% shareholding in the Consortium;</p> <p>b. [●] holding [●]% shareholding in the Consortium;</p> <p>and</p>

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		<p>c. [●] holding [●]% shareholding in the Consortium</p> <p>We have agreed that [●] shall act as the Lead Member of the Consortium (“Lead Member”) and we propose to submit this EOI on behalf of the Lead Member and other consortium members as mentioned hereinabove.</p>	<p>c. [●] holding [●]% shareholding in the Consortium</p> <p>We have agreed that [●] shall act as the Lead Member of the Consortium as per the Consortium Agreement executed among all the Consortium Members (“Lead Member”) and we propose to submit this EOI on behalf of the Lead Member and other consortium members as mentioned hereinabove.</p>
8	<p><i>Annexure 1</i> <i>(Format for Letter of EOI for sole IB/Consortium)</i> <i>Clause 12</i></p>	<p>We shall lock-in our entire shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for such period.</p> <p>We also state special purpose vehicle.</p>	<p>We shall lock-in our entire shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL for such period.</p> <p>We also state special purpose vehicle.</p>
9	<p><i>Annexure 1</i> <i>(Format for Letter of EOI for sole IB/Consortium)</i> <i>Clause 13</i></p>	<p>We shall not cede the management control of PHL and of the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of three (3) years from the date of consummation of the Proposed Transaction.</p>	<p>We shall not cede the management control of PHL for a period of three (3) years from the date of consummation of the Proposed Transaction.</p>
10	<p><i>Annexure 5</i> <i>(Format for Consortium Agreement (In case</i></p>	<p>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</p>	<p>We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s_____), holding at least 50% shareholding (i.e. equity share capital and shareholding on a fully diluted basis) shall act as the Lead Member as defined in the</p>

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	<i>of Consortiums))</i> <i>Clause 1</i>	submit the EOI;	PIM for self and agent for and on behalf of Member-2, _____, and Member-3, _____, and to submit the EOI;