

# 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**

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December 08, 2020

### **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 March 31, 2020, 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. Recipient should conduct their 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
FY	Financial Year
GAIL	GAIL India Limited
GOI	Government of India
GVHL	Global Vectra Helicopters Limited
HAL	Hindustan Aeronautics Limited
HEMS	Helicopter Emergency Medical Services
IB (s)	Interested Bidder (s)
MoCA	Ministry of Civil Aviation
MoF	Ministry of Finance
MHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NTPC	NTPC Limited
NSOP	Non-Scheduled Operators Permit
OEM	Original Equipment Manufacturer
O&M	Operation and Maintenance
ONGC	Oil and Natural Gas Corporation Limited
PAT	Profit After Tax
PBDIT	Profit Before Interest, Taxes & Depreciation
PBT	Profit Before Tax
PHL	Pawan Hans Limited
PSU	Public Sector Undertaking
RCF	Regional Connectivity Fund
RCS	Regional Connectivity Scheme
Rs.	Indian Rupees
RHL	Rohini Heliport Limited
RTL	Rupee Term Loan
RWSI	Rotor Wing Society of India
SBICAP	SBI Capital Markets Limited



SCO	Scheduled Commuter Operator
SMS	Safety Management System
TNW	Tangible Net Worth
TOL	Total Outside Liabilities
USD	US Dollar
VDR	Virtual Data Room
y-o-y	Year on Year

## 1. INTRODUCTION

### 1.1 Transaction Background

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

The Company’s authorized capital as on March 31, 2020 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. Out of the above, 2,84,316 Equity Shares are held by the President of India through MoCA (aggregating to 51% of the total paid-up share capital) and 2,73,166 Equity Shares are held by ONGC (aggregating to 49% of the total paid-up share capital).

The GOI 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. Department of Investment & Public Asset Management (“DIPAM”) on behalf of GOI will conduct the Transaction and has appointed SBI Capital Markets Limited (SBICAP) as its advisor (“Advisor” or “Transaction Advisor” or “TA”) to advise and manage the Strategic Disinvestment of PHL (“Proposed Transaction” or “Transaction”).

ONGC has also decided to offer its entire shareholding of 49% in PHL to the Successful Bidder (as defined in Clause 5.2.10) at the same discovered price per share and on same terms & conditions as agreed by the GOI, except for the rights available exclusively to the GOI. The Successful Bidder, as identified by GOI, will have the option to buy entire ONGC stake of 49% in PHL on similar price and terms. Further details, if any, pertaining to the above proposal shall be shared at RFP stage.

*(This space has been left blank intentionally)*

## 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](mailto:phl@sbicaps.com):

Mr. S.K. Arora	Mr. Vivek Khurana	Mr. Kumar Bibhu
Senior Vice President	Vice President	Vice President
PA&SF Group	Relationship	PA&SF Group
SBI Capital Markets Ltd.	SBI Capital Markets Ltd.	SBI Capital Markets Ltd.
Contact : 011 – 2348 5306	Contact : 011 – 2348 5220	Contact : 011 – 2348 5374

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

## 1.3 Important Dates

Table 1-1 : Important Dates

Event	Date
Publication of advertisement and PIM	December 8, 2020
Start of submission of queries by IBs	December 8, 2020
Last date for submission of queries through email/ physical copy	December 22, 2020
Last date for release of response to queries*	January 05, 2021
Last date & time for submission of EOIs ( <b>Due Date</b> )	January 19, 2021
Last date for submission of Physical Copies for IBs submitting electronically	February 3, 2021
Intimation to Shortlisted Bidders	February 17, 2021

*Timelines mentioned in above table pertain to Stage I only. Timelines for Stage II will be provided as part of RFP.*

\*Response to the queries shall be available on websites of DIPAM at [www.dipam.gov.in](http://www.dipam.gov.in), MoCA at [www.civilaviation.gov.in](http://www.civilaviation.gov.in), Company at [www.pawanhans.co.in](http://www.pawanhans.co.in) and Transaction Advisor at [www.sbicaps.com](http://www.sbicaps.com).

IBs shall be required to participate in the tender process for “Expression of Interest for Strategic Disinvestment of Pawan Hans Limited” and can either:

- Physically submit all the documents before the **Due Date** at the following address:

Mr. S.K. Arora  
Senior Vice President  
PA&SF Group  
SBI Capital Markets Ltd.  
3rd Floor, Sood Tower,

Barakhamba Road, New Delhi -110001.

- ii. The IBs may submit the complete EOI in electronic form via email at **phl@sbicaps.com** with all the requisite documents in PDF format by the **Due Date**. The PDF files should be password protected and the password should be communicated via a separate email at **phl@sbicaps.com**. **IBs submitting EOI by email shall also be required to submit the EOI in a physical copy not later than 5:00 PM (Indian Standard Time) of February 03, 2021.** All the documents submitted in the electronic form may either be scanned version of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

*Explanation-For the avoidance of doubt, it is clarified that the Power of Attorney cannot be digitally signed, even if the EOI is submitted in an electronic form, which must be physically signed, witnessed, notarized and legalized / apostilled (as required), as per the procedure specified in Annexure IV of the PIM. Such signed Power of Attorney may then be scanned and emailed.*

EOIs submitted electronically shall only be evaluated upon receiving of hard copies on or before the date specified above.

#### **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](mailto:phl@sbicaps.com), not later than the date mentioned in Clause 1.3. The communications shall clearly bear the following identification/ title/subject:

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

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

# PART A

## 2. COMPANY OVERVIEW

### 2.1 Introduction

Pawan Hans Limited is a Mini-Ratna Category –I CPSU under MoCA to provide air transport services for exploration activities of Oil and Natural Gas Corporation Ltd. (ONGC) and helicopter transportation services to the North-East Region etc. PHL is India's leading helicopter services company (on the basis of fleet size).

### 2.2 Company Profile

The brief profile of PHL is as below.

Table 2-1: Company snapshot

Particulars	Details
Name	Pawan Hans Limited
Constitution	Public Limited Company – Mini-Ratna Category-I PSU
Date of Incorporation	October 15, 1985
Industry	Aviation
Registered Office	C-14, Sector-1, NOIDA-201301, District – Gautam Buddha Nagar, U.P.
Regional Offices	<b>Western Region:</b> Juhu Aerodrome, S.V. Road, Vile Parle (West), Mumbai-400056 <b>Northern Region:</b> Rohini Heliport, Sector 36, Bhagawan Mahavir Marg, Rohini, New Delhi-110085 <b>Eastern Region:</b> Pawan Hans Ltd, ATR-II (Hangar) LGBI Airport Guwahati-781015
Corporate Identity Number	U62200UP1985GOI129953

### 2.3 Capital Structure

#### 2.3.1 Share Capital & Shareholding Pattern as on March 31, 2020

Table 2-2 : Capital Structure & Shareholding Pattern as on March 31, 2020

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

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

### 2.4 Board of Directors

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

Table 2-3: Board of Directors of PHL as on August 31, 2020

S.No.	Name & Designation	DIN
1.	Shri Sanjeev Razdan, CMD	08711596
2.	Smt. Usha Padhee, Government Nominee Director	03348716
3.	Shri Vimalendra Anand Patwardhan, GOI Nominee Director	08701559
4.	Shri Rajesh Kakkar – Nominee Director (ONGC)	08029135
5.	AVM S K Indoria, ACAS (Operations T&H), GOI Nominee Director	08711597
6.	Air Marshal P Khandekar, AVSM (Retd.), Independent Director	02948012

## 2.5 Senior Management and Department Heads

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

Table 2-4: Senior Management Personnel and Department Heads as on August 31, 2020

S.No.	Name	Designation	Qualification	Experience (Years)
<b>Senior Management</b>				
1.	Sh. Sanjeev Razdan	CMD	BE (Aero. Engg.), MBA (Aero), AME License	31
2.	Sh. R S Chauhan	CS & Jt. GM (Legal)	CS and LLB	19
<b>Department Heads</b>				
3.	Air Cmde. T.A. Dayasagar	ED (Ops. & Tech., BD & Mktg.), & Accountable Manager	Graduate, JNU(NDA), Holding CHPL	34
4.	Sh. Sanjay Kumar	GM (CPMS)	MBA (Mktg.)	32
5.	Sh. M.S. Boora	GM (AME & MRO)	BE (Aeronautical Engg.), MBA, AME License	31
6.	Sh. Vanrajsinh Dodiya	GM (BD & Mktg.)	BSc (Physics), PGD Plastic Tech., PGDBA (Mktg.), PGCE (Training and Dev.) UK.	22
7.	Sh. S L Goel	GM (F&A)	CA	19
8.	Sh. Vijay Pathiyan	Offg. GM(Flight Safety)/HOD (Mats)	Diploma in AME & Licence	33
9.	Capt. B.V. Baduni	HOD (Ops.)	M.Sc., CHPL	39
10.	Sh. A.C. Poricha	HOD (HR)	MA (LSW), LLB, Diploma in Training & Dev.	34

S.No.	Name	Designation	Qualification	Experience (Years)
11.	Sh. H.S. Kashyap	JGM (HR and Administration)	MA (Public Administration) & MBA (HR)	31
12.	Sh. Praveen Markan	JGM (Civil)	BE (Civil), PGDM	31
13	Ms. Jayashree Nair	HOD (Infocom Service)	MCA	32
14	Sh. Sourav Goel	HOD (Internal Audit)	CA	06

## 2.6 Human Resource

The total manpower of the Company as on July 31, 2020 was 686 with 363 regular employees and 323 contractual employees, employed at different regions i.e. Corporate Office, Northern Region, Western Region and Eastern Region. The manpower comprises of 51 Executives (Officers), 127 Pilots, 99 Aircraft Maintenance Engineers (AMEs), 141 Technicians and 268 other Technical and Non-Technical employees.

Breakup of the aforesaid human resource strength into regular and contractual employees is given below:

Table 2-5: Breakup of Human Resource Strength as on July 31, 2020

	HR Strength		Total
	Regular	Contractual	
Executives	44	7	51
Pilots	44	83	127
Aircraft Maintenance Engineers	78	21	99
Technicians	44	97	141
Other Technical and Non-Technical employees	153	115	268
<b>Total</b>	<b>363</b>	<b>323</b>	<b>686</b>

\* In addition, 25 contract labourers are working with PHL and PHL is paying salary to them as per the minimum wage by the direction of Hon. High Court of Mumbai

## 2.7 Existing Operations

### 2.7.1 Service Segments & Facilities

PHL provides helicopter services in India as mentioned below:

- i. **Offshore operations** in the Oil & Gas sector to Oil and Natural Gas Corporation (ONGC) for offshore exploration. PHL serves ONGC by carrying their personnel and supplies including cargo to drilling rigs in Bombay High and Rajahmundry and has



carried approximately 1,48,508 passengers and 1,45,750 Kg of cargo load in the financial year 2019-20.

- ii. **Inter-island transportation** in the Andaman & Nicobar Islands, Daman & Diu and Lakshadweep islands to transport locals and tourists from one island to the other. During FY 20, PHL carried more than 47,572 passengers and 18,714 Kg of cargo load.
- iii. **Connecting inaccessible areas of North-Eastern states** by providing passenger services including tourism, VIP transportation and rescue work during natural calamities. PHL connects approximately 39 destinations and 64 sectors by operating 148 weekly flights.
- iv. **Charter services/ VIP Transportation:** PHL provides helicopter services to various State Governments like Government of Himachal Pradesh, Maharashtra and many other organisations for passenger services, evacuation services and VIP transportation.
- v. **Anti-Naxal operations and other law and order surveillance and reconnaissance:**
  - o PHL has deployed its helicopter for J&K Police in Srinagar.
  - o PHL operates and maintains Dhruv helicopter of HAL which it has deployed in Gadchiroli (Maharashtra) for anti-naxal operations and has done the same in the past for BSF and Odisha Police also.
- vi. **Casualty and rescue work:** PHL has provided services during natural disasters like floods in Uttarakhand in 2013, earthquake in Sikkim in 2011, floods in Jammu and Kashmir in 2014 and many such disaster management operations by deploying its fleet for evacuation of people and supplying of amenities. PHL has recently participated in lifeline “UDAN” during the current pandemic situation in the country, which is a MoCA initiative.
- vii. **Commercial services for Heli - Tourism:** PHL has been pioneer in establishing heli tourism operations to places of pilgrimage and other fairly inaccessible areas like Badrinath, Kedarnath, Katra-Vaishnodevi, Amarnath Yatra, Machail Yatra, Tirupathi and various other regional destinations. PHL has rendered services for Kedarnath Yatra from October 09, 2020.
- viii. **Regional Connectivity Scheme (RCS):** PHL has been awarded with 11 routes under RCS (Round – 2) bidding, for the states of Assam, Himachal Pradesh, Manipur & Uttarakhand on January 24, 2018. Under RCS, PHL will earn revenue by way of passenger revenue on tickets issued as well as annually by means of Viability Gap Funding (VGF). The details of the awarded routes are as below:
  - o Assam (1 route):
    1. Tezpur – Jorhat – Dibrugarh sector

- Manipur (3 routes):
  1. Imphal – Tamenglong –Jiribam sector
  2. Imphal – Thanlon – Parbung sector
  3. Imphal – Moreh sector
- Uttarakhand (3 routes):
  1. Dehradun – New Tehri – Shrinagar – Gauchar – Joshimath sector
  2. Dehradun – Ramnagar – Pantnagar – Nainital – Pantnagar – Almora – Pithoragarh – Almora – Pantnagar – Ramnagar – Dehradun sector
  3. Dehradun – Mussoorie sector
- Himachal Pradesh (4 routes):
  1. Chandigarh – Kasauli – Shimla sector
  2. Shimla – Rampur – Nathpajhakri sector
  3. Shimla – Mandi – Dharmshala sector
  4. Shimla – Mandi – Kullu – Manali sector

PHL was subsequently awarded additional 2 routes under RCS (Round – 4) bidding for the state of Assam. The details of the awarded routes are as below:

- Assam (2 routes):
  1. Guwahati – Tezpur sector
  2. Guwahati – Misa – Geleki – Jorhat sector

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

Table 2-6: Commissioned routes in RCS

Route	Frequency	Date of commencement of operation
Chandigarh- Shimla - Kullu – Shimla – Chandigarh	Thrice a week	Chandigarh- Shimla : March 11, 2019 Shimla - Kullu : May 13, 2019
Chandigarh - Shimla-Dharamshala- Shimla - Chandigarh	Thrice a week	Shimla -Dharamshala: May 14, 2019
Dehradun – New Tehri - Srinagar – Gauchar- Srinagar - New Tehri – Dehradun	Thrice a week	Jul 29, 2020

For routes in the state of Manipur and Assam, Company is ready for launch and is awaiting permission from the State Governments/DGCA clearance. Once the company receives clearances and approvals from state government and DGCA and restrictions due to Covid-19 are lifted, Company is expected to commence the operations. Operations on other awarded routes will be commenced subject to operational readiness and availability of the heliport.

**ix. Maintenance, Repair & Overhaul (MRO) services-** PHL has an established workshop facility 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 law enforcement agencies.

**x. Training & skill development**

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

- **Pawan Hans Helicopter Training Institute (PHTI):** PHTI was established on October 22, 2009 in Mumbai and is approved by Director General of Civil Aviation (DGCA) as CAR-147 (Basic) Organization to conduct Aircraft Maintenance Engineering courses and has also signed MoU with Mumbai University to provide B.SC Aeronautics degree as a dual qualification course. Further, PHL has also signed MoU with Jamia Millia Islamia University in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI.
- **National Institute of Aviation Safety and Services (NIASS):** NIASS is based at Corporate Office of PHL in Noida and provides services to aircraft operators and owners on issues related with Aviation Safety, Operation & Maintenance (O&M) etc. and supports the Government and regulatory agencies in formulating and implementing rules and regulations for operation & maintenance of aircrafts and development of heliports and maintenance facilities infrastructure in the country.
- PHL has empanelled following International Training Institutes for imparting necessary flying training to the selected Cadet Pilots enabling them to acquire Civil Helicopter Pilot's Licence (CHPL) from DGCA:
  - M/s Mouna Loa Helicopters, Hawaii, USA
  - M/s Hillsboro Aero Academy, Hillsboro, USA
- Rohini heliport also provides a skill development centre for training of pilots, AMEs & technicians

**xi. Consultancy Services and Foreign Projects**

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

**xii. Additionally, the Company has following real estate assets:**

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

**xiii. Heliport at Rohini:**

- Delhi Development Authority had allotted 25 acres of land in Rohini, Delhi, in 2009 to MoCA for construction of the Heliport. The possession of the land was handed over to PHL under the authorisation of MoCA for construction and development of the same. The construction of Heliport was carried out on cost-sharing basis with contributions from MoCA and PHL and commenced operations in February, 2017.
- The Heliport consists of a terminal building having capacity of up to 150 passengers (at any point of time), 4 hangars with parking capacities of 16 helicopters and 9 parking bays. It has been developed to provide one-point solution for helicopter business including regular helicopter operations, landing & parking facility for other operators, MRO services and training services.
- **The heliport at Rohini (“Rohini Heliport”) shall not form part of the Proposed Transaction and will be demerged from PHL.** Demerger process of Rohini Heliport from PHL is underway. PHL Board has approved the demerger and new company called “Rohini Heliport Limited (RHL)”, to which Rohini Heliport assets would be transferred, has been incorporated.

Moreover, Scheme of Demerger has been approved by the boards of PHL and RHL and Company has received NOC from Ministry of Civil Aviation as well as from ONGC. PHL has informed that requisite documents have been filed with Ministry of Corporate Affairs on September 11, 2020. However, right to use over Rohini Heliport for Successful Bidder is under consideration and details and developments, if any, of the same shall be provided at RFP stage.

**xiv. Helicopter Training Academy cum Heliport at Hadapsar**

- Pawan Hans was also assigned the task to develop a Helicopter Training Academy cum Heliport at Hadapsar, Pune which is owned by DGCA. Project was approved by MoCA and DGCA released an amount of Rs.10 crore for the purpose. Pawan Hans also signed MoU with DGCA for utilizing land and other infrastructural facilities. However, in view of the strategic disinvestment decision, PHL has communicated to DGCA, vide its letter dated February 26, 2019 that it does not want to continue any business association/interest with respect to such facility. As informed by Company, there are no dues pending from DGCA with respect to the construction undertaken at such facility.

## 2.7.2 Fleet Details

### 2.7.2.1 Existing Fleet

PHL has a fleet of 42 helicopters as on March 31, 2020 comprising the following:

Table 2-7: Fleet Details as on March 31, 2020

SN	Category	Type	Nos	Av Age (yrs.)	Remarks/Status
1.	Heavy Duty Helicopters [Crew: 4; Passengers: 26]	MI 172	3	9	1 Dispatched to Russia for overhaul 2 - Operational
2.	Medium Helicopters [Crew: 2; Passengers: 10]	Dauphin N	17	33	5 Under impairment 12 - Operational
		Dauphin N3	14	11	All Operational
3.	Light Single Engine Helicopters [Crew: 1/2; Passengers: 6/4]	Bell 407	3	17	All Operational
		Bell 206 L4	2	25	All Operational
		AS350 B3	2	9	All Operational
5.	Medium Helicopter [Crew: 2; Passengers:9]	Dhruv	1*	15	All Operational
	<b>Total</b>		<b>42</b>		

\*Taken on lease from Hindustan Aeronautics Limited (HAL)

Out of the above helicopters, 6 helicopters are under different stages of inspection, 5 helicopters are under impairment (cannot be repaired as their spares are not available) and 1 helicopter has been dispatched for overhaul to Russia.

### 2.7.3 Major Clients of PHL

<b>Oil &amp; Gas industry</b> <ul style="list-style-type: none"> <li>ONGC</li> </ul>	<b>Inter-island transportation</b> <ul style="list-style-type: none"> <li>Union Territory of Lakshadweep</li> <li>Union Territory of Andaman &amp; Nicobar</li> <li>Union Territory of Daman &amp; Diu</li> </ul>	<b>North-Eastern states</b> <ul style="list-style-type: none"> <li>Govt. of Mizoram</li> <li>Govt. of Tripura</li> <li>Govt. of Sikkim</li> </ul>
<b>Other State Governments / PSUs / Ministry</b> <ul style="list-style-type: none"> <li>Govt. of Himachal Pradesh</li> <li>Govt. of J&amp;K</li> <li>Union Territory of Ladakh</li> <li>NTPC</li> </ul>	<b>Commercial services for Heli - Tourism</b> <ul style="list-style-type: none"> <li>Regional Connectivity Scheme</li> <li>Kedarnath pilgrimage</li> <li>Miscellaneous Services (short term events) <ul style="list-style-type: none"> <li>Delhi Darshan</li> </ul> </li> </ul>	<b>Helicopter operations in Anti-Naxal and Internal security Deployment</b> <ul style="list-style-type: none"> <li>Maharashtra Police</li> </ul>

	<ul style="list-style-type: none"> <li>○ Govardhan Parikrama</li> <li>○ Godavari &amp; Krishna Pushkar</li> <li>○ Mysore Dussehra Festival</li> <li>○ Election Flying services</li> </ul>	<ul style="list-style-type: none"> <li>● Jammu Kashmir Police</li> <li>● Kerala Police</li> </ul>
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## 2.8 Statutory Permits & Licenses

The Company possess following statutory permits and licenses for its operations:

- **Non Scheduled Operators Permit (NSOP):** The operations of the Company are permitted by GOI under PHL NSOP No. 02/1998, and the existing permit is valid till March 14, 2024.
- **Scheduled Commuter Operator Permit (SCO):** The Company has been issued SCO License , in accordance with Operations Manual and Rule 134 of the Aircraft Rules 1937, on March 11, 2019 and valid till March 10, 2022.
- **Air Crew Flying License:** All the aircrew including pilots and flight engineers hold valid aircrew licenses which typically have a validity of 5/10 years and are renewed accordingly.
- **Certificates of registration and air-worthiness:** All the helicopters operated by the company hold valid certificates of registration. As on August 31, 2020, PHL has valid Air-worthiness certificates of 30 helicopters. However, Air-worthiness certificate renewal is a continuous process and certificates are renewed as and when they expire as per applicable DGCA regulations.

## 2.9 Safety and Quality Control

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

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

The company has introduced FOQA (Flight Operations Quality Assurance) system in its operations to analyse and monitor operation of helicopters, where accidents, incidents and near misses are reported, investigation and the lessons learned are shared throughout the organization.

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

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

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

## **2.10 Right to Use**

Proposal to provide the Successful Bidder with right to use over Rohini Heliport (*currently being used by PHL*) for a period of 10 years, is under consideration. If approved, such right to use shall be available from the date of consummation of the Proposed Transaction. Key terms and conditions for right to use of the abovementioned facilities will be provided at the RFP stage.

Further, PHL is currently using other hangars and bases on lease basis from AAI located at Juhu (Mumbai), Guwahati, Rajamundry, Jammu, Srinagar, Agartala, Kullu, Shimla, Kangra, Dehradun, Diu.



### 3. FINANCIAL PERFORMANCE OF COMPANY

This chapter provides PHL's financials for past 5 years.

#### 3.1 Profit and Loss Statement

A summary of profit & loss account showing the revenue, expenditure and profits of PHL is as given below:

Table 3-1: Profit & Loss Account<sup>^</sup>

(Rs. Crore)

Financial Year	FY16	FY17	FY18 <sup>^^</sup>	FY19	FY20
	Audited	Audited	Audited	Audited	Audited
No. of Helicopters	43	44*	43*	43*	42*
Avg. monthly Deployment (No. of Helicopters)	32	31	34	32	30
Flying Hours	27,892	25,959	22,634	21,108	19,456
<b>Revenue from Operations</b>	<b>453.25</b>	<b>427.64</b>	<b>395.41</b>	<b>381.16</b>	<b>345.93</b>
Interest/Other Income	38.42	80.09	62.61	32.84	30.89
<b>Total Revenue</b>	<b>491.67</b>	<b>507.73</b>	<b>458.02</b>	<b>414.00</b>	<b>376.82</b>
Employee Cost	151.69	154.45	173.76	171.90	180.16
Fuel Expenses	20.07	21.12	23.93	25.40	18.80
Insurance Expenses	9.31	15.26	18.48	29.56	28.74
Maintenance Cost	70.39	50.02	50.31	62.38	61.10
Other Operating Expenses	17.32	44.92	25.75	49.12	39.08
Other Expenses	50.05	54.14	67.26	91.14	57.06
<b>Total Expenses</b>	<b>318.83</b>	<b>339.91</b>	<b>359.49</b>	<b>429.50</b>	<b>384.94</b>
<b>EBITDA</b>	<b>172.86</b>	<b>167.82</b>	<b>98.53</b>	<b>(15.50)</b>	<b>(8.12)</b>
Depreciation & Amortization	72.15	80.83	84.79	75.84	87.42
<b>EBIT</b>	<b>100.71</b>	<b>86.99</b>	<b>13.74</b>	<b>(91.34)</b>	<b>(95.54)</b>
Finance Cost	4.50	2.04	2.01	1.42	2.85
Exceptional Items	-	-	-	-	-
Extraordinary Items	-	(48.03)#	-	-	-
GOI claim – interest waived	-	339.31	-	-	-
<b>PBT</b>	<b>96.21</b>	<b>376.23</b>	<b>11.73</b>	<b>(92.76)</b>	<b>(98.39)</b>
<b>Loss from discontinued operation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.61)</b>	<b>(5.00)</b>
<b>PAT</b>	<b>57.17</b>	<b>253.92</b>	<b>19.29</b>	<b>(69.20)</b>	<b>(28.08)</b>
Other Comprehensive Income	0.93	0.16	0.94	(1.29)	(5.07)
<b>Total Comprehensive Income</b>	<b>58.10</b>	<b>254.08</b>	<b>20.23</b>	<b>(70.49)</b>	<b>(33.15)</b>
<b>EBITDA Margin</b>	<b>35.2%</b>	<b>33.1%</b>	<b>21.5%</b>	<b>NM</b>	<b>NM</b>
<b>PAT Margin</b>	<b>11.6%</b>	<b>50.0%</b>	<b>4.2%</b>	<b>NM</b>	<b>NM</b>

<sup>^</sup>Includes Rohini Heliport Profit and Loss ; Rohini Heliport Financials are provided in Annexure 12

## Company has adopted component accounting approach as per Co. Act 2013 and IndAS compliances from FY16

\* Taken on lease from Hindustan Aeronautics Limited (HAL)

# AAI Old Lease rent dues settlement (48.03 Cr); ^^As on 1<sup>st</sup> April 2018

NM – Not Meaningful

PAT is more than PBT in FY 18 / FY 19 / FY 20 on account of deferred tax



- Drop in revenue from operations in FY 16 onwards can be attributed to lower flying hours due to a reduction in operational fleet caused by 3 accidents during 2015. Revenue has further declined in FY 20 due to ageing of helicopters as vintage clauses enforced by various customers act as a hurdle to participate and win new businesses.

Moreover, as on March 31, 2020, out of 42 helicopters 5 helicopters are under impairment (cannot be repaired as their spares are not available) and 1 helicopter has been dispatched for overhaul to Russia. However, PHL is in the process of leasing of additional helicopters, details of which have been mentioned earlier, to improve its revenue.

- Revenue from operations have been further impacted due to decline in revenue from consultancy services towards development of heliports. While such revenue was Rs. 10.95 crore in FY 19, the same reduced to Rs. 1.60 crore in FY 20
- Due to accidents of its helicopters, insurance cost of PHL helicopters has increased significantly from FY 17 to FY 19. However, in FY20, PHL has taken steps to reduce insurance cost by inviting tenders for insurance advisors, which helped reduce the cost slightly.
- FY16 onwards, company has adopted component accounting approach; as a result, some of the maintenance cost has been capitalized, leading to a drop in maintenance cost charged to Statement of Profit and Loss. However, since the fleet is dated, PHL is facing challenges in procuring spares for old helicopters, leading to increased maintenance cost in FY 19 and FY 20.
- In FY 17, the Government of India (GOI) converted dues of Rs. 130.91 crores (principal amount) into equity share capital and waived off balance Rs. 339.31 crores (interest cost). Accordingly, the interest amount waived-off was recognized as an extra-ordinary gain for FY17.

### 3.2 Balance Sheet

Table 3-2: Balance Sheet^

(Rs. Crore)

Year	FY16	FY17	FY18^^	FY19	FY20
	Audited	Audited	Audited	Audited	Audited
<b>Liabilities (in Rs. Crore)</b>					
<b>Shareholders' Funds</b>					
Share Capital	245.62	245.62	557.48	557.48	557.48
General Reserve	20.50	20.50	20.50	20.50	20.50
Other Reserves	330.05	559.81	503.65	425.72	392.56
Share Application Money pending allotment	-	159.05	-		-
<b>Sub Total</b>	<b>596.17</b>	<b>984.97</b>	<b>1081.63</b>	<b>1003.70</b>	<b>970.54</b>

Year	FY16	FY17	FY18^^	FY19	FY20
	Audited	Audited	Audited	Audited	Audited
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	30.34	24.98	19.28	13.24	8.53
Deferred Tax Liabilities	182.61	226.72	202.46	172.81	93.29
Other Long Term Liabilities	471.63	1.63	0.74	0.34	1.51
Long-Term Provisions	29.84	28.55	30.58	34.71	39.13
<b>Sub Total</b>	<b>714.42</b>	<b>281.89</b>	<b>253.06</b>	<b>221.08</b>	<b>142.46</b>
<b>Current Liabilities and Provisions</b>					
Trade Payables	36.52	73.51	110.16	52.94	40.33
Current Maturities of Long Term Debt	8.37	5.36	5.70	6.05	7.40
Other Current Liabilities®	32.24	50.65	52.09	60.90	92.91
Short Term Provisions	49.43	22.98	42.66	55.83	41.76
<b>Sub Total</b>	<b>126.56</b>	<b>152.50</b>	<b>210.61</b>	<b>175.72</b>	<b>182.40</b>
Liabilities associated with assets held for sale				7.55	7.68
<b>Total Equity &amp; Liabilities</b>	<b>1,437.15</b>	<b>1,419.36</b>	<b>1,545.30</b>	<b>1,408.06</b>	<b>1,303.07</b>
<b>Assets (in Rs. Crore)</b>					
<b>Non-Current Assets</b>					
Net block	817.03	866.99	794.12	747.09	725.85
Capital Work in progress	53.94	6.04	21.59	6.89	0.13
Intangible Assets	0.16	0.09	0.06	0.03	0.00
<b>Sub Total</b>	<b>871.12</b>	<b>873.13</b>	<b>815.77</b>	<b>754.00</b>	<b>725.97</b>
Non-Current Investments	1.24	1.02	0.78	0.78	0.00
Long Term Loans & Advances	6.09	6.02	6.00	5.40	5.19
Other Non-Current Assets	65.75	101.34	105.58	78.92	68.77
<b>Sub Total</b>	<b>73.09</b>	<b>108.39</b>	<b>112.36</b>	<b>85.10</b>	<b>73.96</b>
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	50.19	44.97	46.49	49.52	51.07
Trade Receivables	236.62	192.16	147.08	168.70	167.03
Cash and Bank Balance	121.35	153.32	340.36	135.86	117.95

Year	FY16	FY17	FY18^^	FY19	FY20
	Audited	Audited	Audited	Audited	Audited
Short Term Loans and Advances	4.67	4.90	5.28	7.11	4.09
Other Current Assets	80.11	42.49	77.96	154.62	114.05
Assets classified as held for disposal/distribution				53.15	48.95
<b>Sub Total</b>	<b>492.93</b>	<b>437.85</b>	<b>617.17</b>	<b>568.96</b>	<b>503.14</b>
<b>Total Assets</b>	<b>1,437.15</b>	<b>1,419.36</b>	<b>1545.30</b>	<b>1408.06</b>	<b>1303.07</b>

^Includes Rohini Heliport Assets & Liabilities; Rohini Heliport Financials are provided in Annexure 12

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

^^As on 1<sup>st</sup> April 2018

@ Includes Advance from DGCA given to PHL for development of Helicopter Training Academy cum Heliport at Hadapsar (owned by DGCA)

- In FY 16, Other Long-Term Liabilities of the Company included a total claim of Ministry of Finance (MoF) of Rs. 470.22 crore on the Company. However, in FY 17, the GOI converted dues of Rs. 130.91 crores (principal amount) into equity share capital and waived off balance Rs. 339.31 crores (interest cost). Further, GOI also infused equity of Rs. 28.14 crores towards its share in cost of Heliport Project at Rohini. On account of the same, there was share application money received (pending allotment) of Rs. 159.05 crore as on March 31, 2017.
- During FY18, there was allotment of shares to GOI against the share application money received (pending allotment) of Rs. 159.05 crore. Also, ONGC infused Rs. 152.82 crores in the Company in order to maintain its shareholding at 49%. Consequently, the total share capital of the company has increased to Rs. 557.48 crore in FY18.
- Post the waiver of dues and infusion of equity by the GOI, the TOL/TNW ratio has further improved from 1.41 as on March 31, 2016 to 0.34 as on March 31, 2020 respectively.

**Settlement agreement with Bell Helicopters Textron Inc (BHTI):** Pending dispute between PHL and BHTI has now been settled amicably between PHL and BHTI with BHTI repaying entire advance paid by PHL along with the damages. Accordingly, PHL has received Rs 39 crore in FY 20 in the form of settlement of their pending dispute.

### 3.3 Present Debt Position of the Company

PHL had availed term loan facility from NTPC in 2012 (for purchase of 1 new Dauphin N3 helicopter) at a 6% per annum rate of interest to be repaid in 120 equated monthly instalments ending in March 2022. The loan is secured by hypothecation of the helicopter in favor of NTPC. The details of term loan facilities as on March 31, 2020 are as below:

Table 3-3: Details of debt facilities of PHL as on March 31, 2020

Lender	Facility	Outstanding (Rs. crore)
NTPC	RTL	15.93

As per Audited Financials of FY 19, NTPC, vide its letter dated April 18, 2019 has terminated the agreement/MOU with PHL and has requested PHL to repay its entire outstanding amount before June 18, 2019. However, subsequent to discussions with NTPC, contract has been renewed with NTPC with effect from November 28, 2019 and valid till April 13, 2022.

### 3.4 Status of Contingent Liabilities

The status of contingent liabilities is as follows:

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

SNo	Details	Amount (In Rs. Crore)	Status
1.	<b>Counter guarantees given to Banks and Letter of Credit</b>	32.51	These have been issued in ordinary course of business
2.	<b>Tax Contingencies</b>		
2.1	Income Tax demands	56.85	Contested by the Company at Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals). As per PHL's tax consultant PHL has a strong case.
2.2	Demand Notice for payment of VAT	494.80	Demand raised by Sales Tax Department of Delhi (tax of Rs.134.95 crores plus penalty of Rs.143.27 crores and balance amount as interest under section 40 of DVAT Act till March 2019) which relates to the years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers. The matter is pending in appeal by PHL before Hon'ble VAT Tribunal Delhi. The last date of hearing was May 15, 2019. PHL filed rejoinder to the written submissions filed by VAT department and now matter is reserved for judgement. . PHL has been advised that since it has been paying service tax on such

			transactions, the demand for payment of VAT does not arise. Further, in opinion of PHL's consultant on tax matters, PHL has good case on merit and is likely to be decided in its favor.
2.3	Show cause Notice from Service Tax Department	25.34	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
<b>3.</b>	<b>Litigations</b>		
3.1	Court cases / cases under Arbitration*	54.25	Cases are under various stages of hearing/ arbitration.
3.2	Other Matters	1.03	
	<b>Total</b>	<b>664.78</b>	

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

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

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.

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 51% of

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.

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 .

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 in section 5.1.(5) hereinbelow. **Further, information/details/developments, if any, with respect to above-mentioned contingent liabilities shall be provided at RFP stage.**

## 4. VALUE DRIVERS AND INDUSTRY SNAPSHOT

### Key Strengths of PHL

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

### Value drivers

#### Peer comparison

- Highest fleet strength of 42 helicopters (*as on March 31, 2020*)
- Availability of diverse fleet mix from major manufacturers
- As per DGCA Air Transport Statistics of FY 19, PHL has market share of around 25% (in terms of number of flying hours)
- Low leverage

#### Industry & regulatory factors

- Untapped potential due to limited use of helicopters in the country
- 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
  - Infrastructure development

### **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, Oil India etc.), inter-island transport sector & North-Eastern states.
- 2) **Technical expertise:** The Company has a proven track record and has multi-skilled pilots along with the necessary expertise, experience and infrastructure for supporting helicopter operations involving offshore and other varied terrains.
- 3) **Continuing strong relationships:** Over the past years, the Company has established service relationships with the state governments as well as major PSUs and corporates.
- 4) **Existing mid to long term contracts providing steady source of annual income:**
  - Contracts with ONGC and State Governments have provided steady source of income annually (In FY20, PHL received revenues of ~31% from Oil & Gas sector and revenues of ~94% from State Governments together with PSUs<sup>1</sup>).
  - Growth in Oil & Gas industry: As per India Brand Equity Foundation (IBEF), India’s energy demand is expected to double to 1,516 million tonnes of oil equivalent (Mtoe) by 2035. Moreover, the country’s share in global primary energy consumption is projected to increase two fold by 2035.
- 5) **MRO services:** PHL has infrastructure / maintenance workshop facilities (CAR 145 standard) located at Mumbai (Western Region), Delhi (Northern Region), and Guwahati (Eastern Region) with qualified engineers and technical staff for the repair/overhaul/bench check etc. of helicopters.
  - PHL has MRO service experience across multiple types of helicopters like Dauphin, Bell, Dhruv etc. With growth in the aviation industry including helicopter, requirement of MRO service providers shall increase and PHL is well equipped to tap such business opportunity.
  - Further, as per GOI notification, tax rate on MRO service has been reduced to 5%. These increases the lucrativeness of MRO services in India.
  - PHL already provides its manpower and machinery for maintaining Dhruv helicopters.
- 6) **Training Institute:** PHL Civil Aviation Academy covers training institutes and initiatives which are detailed as below:
  - Pawan Hans Helicopter Training Institute (PHTI) which is located in Mumbai and is approved by DGCA to conduct Aircraft Maintenance Engineering courses. Further, PHL has also signed MoUs with University of Mumbai and Jamia Millia Islamia University in 2017 to launch dual qualification course in Bachelor of Science (Aeronautics) and Certification in Aircraft Maintenance Engineering under PHTI.

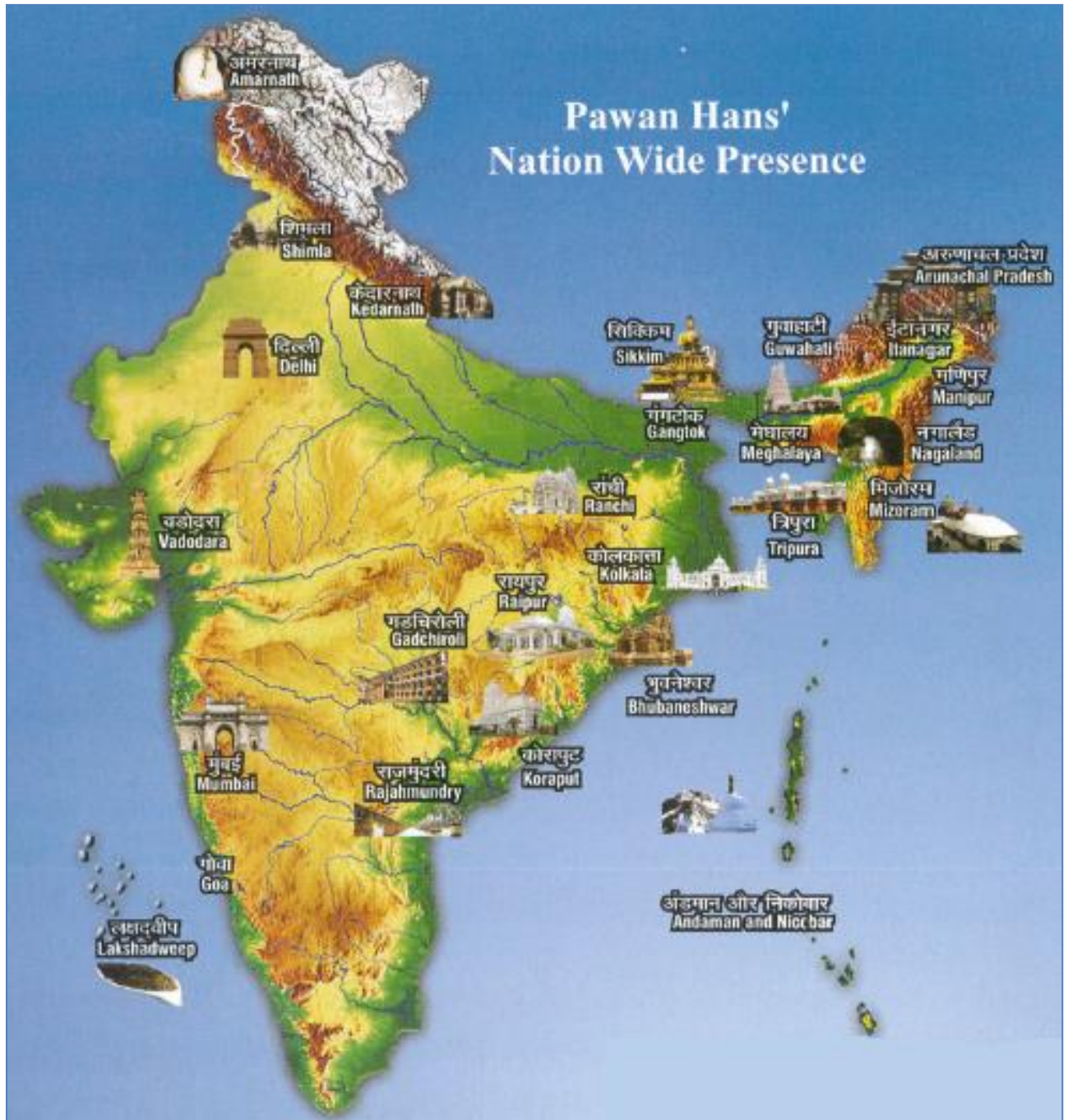
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<sup>1</sup> As a percentage of Revenue from Operations in FY2020



- Also, it operates National Institute of Aviation Safety and Services (NIASS) which provides services to aircraft operators and owners on issues related to Aviation Safety, O&M etc. and supports the Government and regulatory agencies in formulating and implementing rules and regulations.
- 7) **Pan India presence:** PHL has its operations spread across the nation covering major locations. The indicative map of its nation-wide presence is shown below:

Figure 1: Presence of PHL operations





- 8) **Low leverage:** PHL's TOL/TNW of 0.34 as of March 31, 2020 provides further scope of raising debt on the balance sheet of the Company for future expansion plans.
- 9) **Support infrastructure:** PHL already has adequate support infrastructure in place which comprises of real estate assets such as corporate office at Noida and flats available for employee accommodation in Mumbai (at Juhu, Malad, Andheri and Kandivali).
- 10) **Engineering Consultancy:** Pawan Hans has developed in-house engineering consultancy for development, operation and management of heliports/helipads.

## Domestic Industry Scenario

### a) Peer Comparison

As per the DGCA handbook for FY 19, there were a total of 52 NSOP (52 in FY 18) Helicopter operators in India with a total fleet of 198 helicopters (229 in FY 18). The top three operators, which includes Pawan Hans Limited, Himalaya Heli Services and Global Vectra Helicorp, together held more than 80% of total number of flights operated in FY19 (70% in FY18). Moreover, the top five operators accounted for 76% in FY19 (around 74% in FY 18) of the total flying hours.

Statistics of NSOP traffic for major helicopter operators in India for FY 18 and FY 19 along with their fleet size and revenue are as follows:

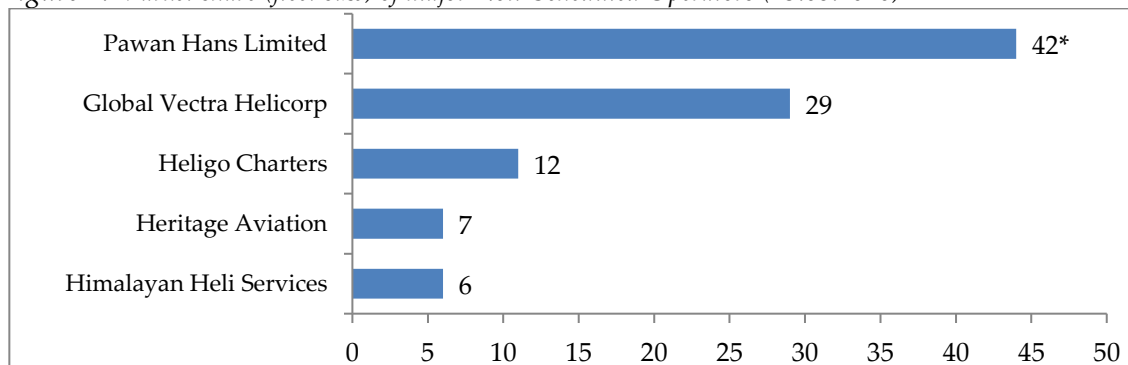
Table 4-1: Statistics for Major Helicopter Operators for FY18 and FY19

Particulars	Pawan Hans Limited		Global Vectra Helicorp Limited		Heligo Charters		Himalayan Heli Services	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
Operating Revenue	395.42	381.16	404.34	480.31	171.64	195.29	55.16	59.09
Total Revenue (Rs. Cr)	458.02	414.00	407.23	485.19	172.70	196.71	55.78	59.46
Flying Hours	22,634	21,108	21,480	24,430	9,009	8,734	4,812	5,690
Flight Departures	NA	NA	1,24,519	2,43,354	7,549	10,920	56,622	57,618
Passengers Carried	2,59,356	1,96,065	4,93,985	4,84,144	61,281	58,481	3,19,168	2,80,780
Operating Revenue / Flying Hour (Rs. lakhs)	1.75	1.81	1.88	1.97	1.91	2.24	1.15	1.04

Source: DGCA & company reports

- 1) PHL is the industry leader of helicopter operations in India with the **largest fleet strength of 42 helicopters with a diverse fleet mix** of light, medium and heavy helicopters to cater to different client needs.

Figure 2: Market share (fleet size) of major Non-Scheduled Operators (25.08.2020)

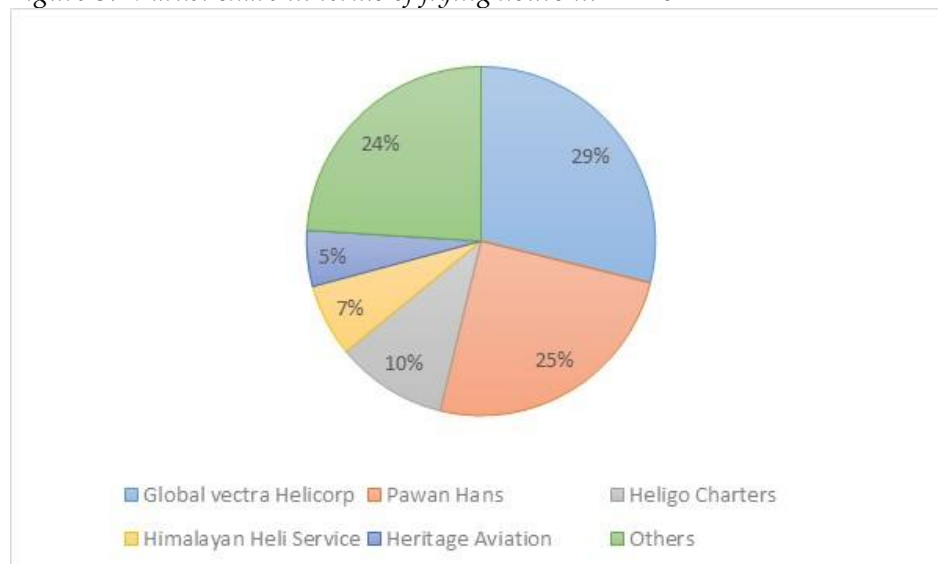


\*Including one on lease from HAL

Source: DGCA – Non-Scheduled Operators (dated August 25, 2020)

- 2) PHL has established market leadership with **market share of 25% in** terms of total flying hours in FY 19.

Figure 3: Market share in terms of flying hours in FY 19



Source: DGCA Air Transport Statistics 2019

### **b) Industry growth & regulatory support<sup>2</sup>**

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

<sup>2</sup> As per data provided by IBEF dated May 2020

Key factors which may contribute to the growth of the aviation industry in India are stated below:

- 1) **Untapped potential** in civil aviation in India shall provide scope for growth in the sector.
  - a) India's passenger traffic has been growing at a healthy rate during the past 5 years. Passenger traffic (*domestic and international*) stood at 341.05 million in FY20 and grew at a CAGR of 11.13 % during FY16-FY20. Domestic passenger, during the same tenure, also grew at a CAGR of 12.91% with traffic of 274.50 million in FY20. International passenger traffic also stood at 66.54 million, growing at a CAGR of 5.01 per cent during FY16-FY20. With economic development in the country, passenger traffic may further increase in the future.
  - b) 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<sup>3</sup>
  - c) As per Helicopter Association International, out of total world civil helicopter population of 41,000, India accounts for less than 1% (*as on Mach 31, 2019*) of such helicopter population<sup>4</sup>.
- 2) **Growth in heli-tourism** on account of the following factors shall provide an opportunity to the commercial passenger business of helicopter operators:
  - a) As per IBEF, India is expected to become the third largest aviation market by 2024. Thus, driven by this rise in affluent class which can afford helicopter travel for tourism/travel purposes, the company could tap the significant potential in the tourism segment for higher revenue generation.
  - b) **Travel and Tourism:** The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. With growth potential in travel and tourism industry, the demand of heli-tourism shall also rise.
- 3) In order to promote development of the aviation industry, **regulatory support** is also being provided by GOI/ MoCA / DGCA through various policies as enumerated below:
  - a) **Regional Connectivity Scheme (RCS)**<sup>5</sup>:
    - 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.

<sup>3</sup> PHL Annual Report of FY 19

<sup>4</sup> PHL Annual Report of FY 19

<sup>5</sup> PHL Annual Report of FY 19

<sup>6</sup> [https://www.civilaviation.gov.in/sites/default/files/Regional%20Connectivity%20Scheme\\_Version%20%20%200.pdf](https://www.civilaviation.gov.in/sites/default/files/Regional%20Connectivity%20Scheme_Version%20%20%200.pdf)

- RCS was launched on October 21, 2016 to stimulate regional air connectivity by making it affordable by providing a favorable eco-system through fiscal support and infrastructure development. Based on the feedback received from stakeholders, RCS version 2.0 was subsequently launched on September 25, 2017
- The scheme specifies airfare caps for helicopters based on flight duration and inflation.
- RCS further specifies that excise duty @ 2% shall be levied on Aviation Turbine Fuel (ATF) for a period of 3 years from the date of notification of the RCS Scheme. Additionally, VAT shall be reduced to 1% or less on ATF for a period of ten (10) years from the date of notification of this Scheme.
- Support to be provided by airport operators (AAI, State Governments, private players or the Ministry of Defence) in the form of no levy of landing and parking charges on RCS flights etc.
- Further, the maximum no. of RCS seats for which the airfare would be capped are 40 for Fixed Wing Aircraft and 13 for Helicopters, and accordingly, small fixed wing aircrafts and medium helicopters may be ideally placed to cater to RCS requirements.

*It may be noted that PHL has been awarded with 11 routes under RCS (Round – 2) bidding and has commenced operations under certain routes, details of which have been provided under the “Company Overview” section. In addition, PHL has been awarded additional 2 routes under RCS (Round – 4) bidding for the state of Assam.*

- b) **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 by notifying separate regulations for helicopters, facilitating development of heli-hubs, to promote
- c) Regional connectivity, rationalisation of airport charges for helicopter operations<sup>7</sup>
- d) **Other Policy Initiatives**
- Under Union Budget 2020-21, government introduced Krishi Udan scheme on both domestic and international routes to help farmers in transporting agricultural products and improve the product value<sup>8</sup>
  - As per the Union Budget 2019-20, government will promote aircraft financing and leasing activities to make India's aviation market self-reliant<sup>9</sup>
  - Development of New Airports/Privatisation of existing airports in India: In December 2019, the Government of India issued Letter of Award for construction

<sup>7</sup> [https://www.civilaviation.gov.in/sites/default/files/Final\\_NCAP\\_2016\\_15-06-2016-2\\_1.pdf](https://www.civilaviation.gov.in/sites/default/files/Final_NCAP_2016_15-06-2016-2_1.pdf)

<sup>8</sup> IBEF report dated May 2020

<sup>9</sup> IBEF report dated May 2020

of new Airport in Uttar Pradesh with the first phase of the airport expected to be completed by 2023. In February 2019, the Government of India sanctioned the development of a new greenfield airport in Hirasar, Gujarat, with an estimated investment of Rs 1,405 crore (US\$ 194.73 million).

- Government of India's has released the National Air Cargo Policy Outline 2019 which envisages making Indian air cargo and logistics the most efficient, seamless and cost and time effective globally by the end of the next decade.

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# PART B

## 5. PROPOSED TRANSACTION

### 5.1 Salient features of the Proposed Transaction

- 1) Pawan Hans Limited is a Mini-Ratna Category –I CPSU under MoCA to provide air transport services for exploration activities of Oil and Natural Gas Corporation Ltd. (ONGC) and helicopter transportation services to the North-East Region. PHL is India's leading helicopter services company (on the basis of fleet size).

PHL has 42 helicopters in its fleet and provides services under Regional Connectivity Scheme, offshore services to Oil & Gas companies, Inter-island transportation, services in North East states etc. PHL has also established workshop facilities as per Civil Aviation Requirement (CAR) 145 standard to provide services for a wide range of helicopters including Dauphin N/N3, Bell 206, Bell 407, AS 350 etc.

- 2) The GOI acting through the Department of Investment & Public Asset Management ("DIPAM") has 'in-principle' decided to disinvest its entire equity shareholding of 51% in PHL by way of strategic disinvestment ("**Strategic Disinvestment**") to investor(s) along with transfer of management control. GOI has appointed SBICAP as its advisor ("**Advisor**" or "**Transaction Advisor**" or "**TA**") to advise and manage the Strategic Disinvestment of PHL
- 3) In addition to the above, ONGC Board has also decided, that it shall sell its entire shareholding of 49% in PHL, at the same derived price per share and on the same terms & conditions as determined by the GOI, for sale of its shareholding in PHL to the Successful Bidder, as may be identified by GOI, save and except for certain rights which will be available to the GOI and not to ONGC. The Successful Bidder, as identified by GOI for the sale of its 51% stake in PHL, will also have the option to buy ONGC stake of 49% in PHL. Further details, if any, regarding option to buy ONGC stake of 49% in PHL will be provided at RFP stage.
- 4) The heliport at Rohini ("Rohini Heliport"), built on the land allotted to MoCA under perpetual lease granted by Delhi Development Authority, **shall not form part of the Proposed Transaction and will be demerged from PHL.**
- 5) Proposal to provide the Successful Bidder with right to use over Rohini Heliport (*currently being used by PHL*) for a period of 10 years, is under consideration. If approved, such right to use shall be available from the date of consummation of the Proposed Transaction. Key terms and conditions for right to use of the abovementioned facilities will be provided at the RFP stage.

Further, PHL is currently using other hangars and bases on lease basis from AAI located at Juhu (Mumbai), Guwahati, Rajamundry, Jammu, Srinagar, Agartala, Kullu, Shimla, Kangra, Dehradun, Diu.

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

Table 5-1: Contingent Liabilities related to tax and statutory dues as on March 31, 2019

S.No.	Details	Amount (In Rs. Crore)	Status
1	Income Tax demands	56.85	Contested by the Company at Income Tax Appellate Tribunal / Commissioner of Income Tax (Appeals). As per PHL's tax consultant PHL has a strong case.
2	Demand Notice for payment of VAT	494.80	Demand raised by Sales Tax Department of Delhi (tax of Rs.134.95 crores plus penalty of Rs.143.27 crores and balance amount as interest under section 40 of DVAT Act till March 2019) which relates to the years 2006-07 to 2009-10 for transfer of right to use helicopters by some of the customers. The matter is pending in appeal by PHL before Hon'ble VAT Tribunal Delhi with last date of hearing was May 15, 2019. PHL filed rejoinder to the written submissions filed by VAT department and now reserved for judgement. PHL has been advised that since it has been paying service tax on such transactions, the demand for payment of VAT does not arise. Further, in opinion of PHL's consultant on tax matters, PHL has good case on merit and is likely to be decided in its favor.



3	Show cause Notice from Service Tax Department	25.34	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
	<b>Total</b>	<b>576.99</b>	

With respect to the proceedings pertaining to the abovementioned direct and indirect tax demands raised by the relevant tax authorities (which proceedings are pending before various tax authorities as on March 31, 2019 and are more particularly described in the abovementioned table), if the demand raised by the relevant tax authority is upheld in the pending proceedings or if an appeal is preferred against such order of authority before the proceedings are currently pending and the demand of the tax authority is upheld by the final appellate authority, then GOI/MOCA shall indemnify the Successful Bidder to the extent of 51% (which percentage corresponds to the percentage of the shareholding in the Company which is transferred by GOI to the Successful Bidder as per the terms of the Final Share Purchase Agreement) of

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.

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 51% of

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.

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.

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. Further, information/details/developments, if any, will be provided at RFP stage.

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

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

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

- 8) **Restrictions on Asset Stripping:** For a period of 1 (one) year from the date of consummation of the Proposed Transaction, the Successful Bidder shall not sell, transfer, mortgage, lease (save and except for any operating lease in the ordinary course of business), pledge, hypothecate any assets nor create a charge or encumbrance or create lien on any assets of the Company, nor any action shall be taken or decision made to this effect, except in either of the following cases:

- a) Creation of mortgage, pledge, hypothecation, encumbrance or lien is undertaken in favor of a lender falling under either of the following categories
  - i) Lenders registered with either of the following regulatory agencies in India such as Reserve Bank of India, Securities and Exchange Board of India, Pension Fund Regulatory and Development Authority and Insurance Regulatory and Development Authority
  - ii) International banks
  - iii) International capital markets
  - iv) Multilateral financial institutions (such as, IFC, ADB, etc.) / regional financial institutions and government owned (either wholly or partially) financial institutions.

- v) Export credit agencies.
  - vi) Overseas long term investors such as Prudentially regulated financial entities, Pension funds, Insurance companies, Sovereign Wealth Funds, Financial institutions located in International Financial Services Centres in India
- b) sale and leaseback of helicopters will be allowed during the aforesaid period, provided that funds raised from such sale and leaseback are used only for the purpose of business operations of the Company or towards repayment of the existing debts of the Company.
- c) Total book value of the assets involved for one or series of such transactions should not exceed 15% of the total value of the net fixed assets of the Company as specified in the latest audited financial statement, on cumulative basis during the 1 (one) year period from the consummation of the Proposed Transaction.

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

**9) Provisions related to restrictions on change in control:**

- a) The Successful Bidder shall be required to lock-in its shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle by a Consortium or otherwise) for a period of one (1) year from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL for such period.

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

- b) There shall be no change in the management control of the IB, each member of the Consortium for one (1) year from the date of consummation of the Proposed Transaction.
- c) Inter-se change in the shareholding among Consortium Members in the Consortium SPV would be permitted subject to:
- i) The Lead member shall continue to hold at least 26% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium

- SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.
- ii) Other members shall continue to hold at least 10% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.
- d) Upon being declared as Successful Bidder, IB/ members of Consortium shall provide an undertaking that:
- i) The Lead member shall continue to hold at least 26% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.
  - ii) Other members shall continue to hold at least 10% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.

Further details and developments, if any, and other terms and conditions with regard to restrictions on change in control will be provided at the RFP stage.

- 10) **Business Continuity** : The Successful Bidder shall ensure that the Company continues its business of providing air transport services on a going-concern basis for a period of 3 (three) years from the date of consummation of the Proposed Transaction and shall ensure that the Company shall not cease to conduct the said business or shall not liquidate or wind-up the Company during the said period of 3 (three) years from the date of consummation of the Proposed Transaction. Further details and developments, if any, and other terms and conditions with regard to Business Continuity will be provided at the RFP stage.

## 5.2 Process for the Proposed Transaction

- 1) The proposed Transaction envisages Strategic Disinvestment by the GOI of its entire equity shareholding aggregating to 51% of the entire paid up share capital of the Company to "Interested Bidder(s)" or "IB(s)" along with transfer of management control ("Transaction").
- 2) The process for the Proposed Transaction has been divided into two stages, namely, Stage I and Stage II.

### Stage I:

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

**Stage II:**

- 6) The Shortlisted Bidders, will be provided with Request for Proposal (“RFP”), access to the VDR to review documents pertaining to the Company for conducting a due diligence on the Company, Confidential Information Memorandum (CIM) and draft Share Purchase Agreement (SPA), which shall provide further details of the Company and the Proposed Transaction, subject to the IB having satisfactorily entered into a confidentiality undertaking.
- 7) The Shortlisted Bidders shall be required to deposit an earnest money at Stage II.
- 8) The Shortlisted Bidders would be required to undergo a transparent bidding process for acquisition of entire GOI shareholding in PHL, in accordance with the terms of the RFP. As part of bidding process, they will be required to submit the financial bid in the form of the price per share for acquiring 51% GOI equity stake in PHL (**the “Financial Bid”**) along with supporting documents including bid letter, bank guarantee, etc. (**the “Non-Financial Bid”**) in accordance with the terms of RFP. The Financial Bid and Non-Financial Bid together shall be referred as **“Bid”**.
- 9) **Security Clearance** – Necessary security clearance shall be taken as per the details and requirements that shall be communicated to the Shortlisted Bidder at the time of RFP.
- 10) The Shortlisted Bidder, who is in compliance with the terms of Transaction and is approved by Government of India (GOI) to enter into Definitive Agreements will be referred to as the **“Successful Bidder”**.

**Other Details regarding the Transaction:**

- 11) 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 6**.
- 12) This PIM contains the following:

- a. Introduction
  - b. Company overview
  - c. Financial performance of company
  - d. Value Drivers and Industry Snapshot
  - e. Proposed Transaction
  - f. Instructions for Submission of EOI
  - g. Eligibility criteria
  - h. Disqualifications
  - i. Format for Letter of EOI for sole IB / Consortium
  - j. Format for Form A
  - k. Format for General Power of Attorney
  - l. Format for Power of Attorney in favour of Lead Member
  - m. Format for Consortium Agreement
  - n. Advertisement inviting EOI
  - o. Office Order of DIPAM guidelines
  - p. Format for declaration with respect to statement of legal proceedings
  - q. Format of Affidavit
  - r. Guidelines for Management-Employee Bids in Strategic Sale
  - s. DIPAM Guidelines for Employees Bids
- 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 Bidders in their assessment of the Company at the discretion of GOI. The modalities related to the visit and due diligence will be communicated to the Shortlisted Bidders in due course.
- 15) The Shortlisted Bidders shall carry out their own due diligence, independent assessment and appraisal of the Company and the Transaction. The GOI or the Company or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto shall not be liable in any manner whatsoever.
- 16) EOIs are liable to be disqualified by GOI if IBs fail to meet the qualifying eligibility criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this PIM or on account of security considerations or for any other reason deemed fit, or even without assigning any reason whatsoever.
- 17) 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.

- 18) 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.
- 19) 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.
- 20) The IBs expressly agree and acknowledge that this PIM is not a legally binding document on GOI / Company / TA. Neither the IBs nor any of the IB's representatives shall have any claims whatsoever against the Companies/ GOI/TA or their advisors or any of their respective officials, agents, consultants or employees arising out of, or relating to this PIM.
- 21) In case of any dispute between the parties in respect of interpretation of the terms of Advertisement (as enclosed in this PIM) inviting EOIs, this PIM or anything arising therefrom, such dispute or difference shall be governed by the laws of Republic of India. All such disputes will be subject to jurisdiction of the Courts at New Delhi (with exclusion of all other Courts).

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## 6. ELIGIBILITY CRITERIA

The Eligibility criteria for the IBs are as follows:

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

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

Bids by management/employees of PHL directly and independently or in consortium or Joint Venture or as a Special Purpose Vehicle (SPV), along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by Department of Investment and Public Asset Management, annexed herewith as per **Annexure 11** (“Guidelines”) if the legal entity so formed is qualified as per the criteria laid down in the PIM (*kindly, also refer to Annexure 10*).

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

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

- i. **Each Member of the Consortium:** Each Member of the Consortium shall hold at least 10% **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.
- ii. **Lead Member:** Each consortium is required to declare one Lead Member who shall hold at least 26% **shareholding (i.e. equity share capital and shareholding on a fully diluted basis) of the SPV (i.e. a company)** promoted



by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.

- b. The maximum number of members allowed in the Consortium shall not exceed Eight (8).
- c. **Lead Member:** The Consortium shall not have more than one (1) Lead Member.
- 3) **Financial Criteria:** For submitting the EOI and for being considered for subsequent qualification for Stage II of the Transaction, the IB shall satisfy the following Financial Criteria ("Financial Criteria") pertaining to Net Worth:

- i. **Where IB is a Sole bidder:** A minimum Net worth of Rs. 300 Crore ("Net worth Criteria")
- ii. **Where IB is a Consortium:**
- a. Combined Net worth of **all the members of the Consortium** should meet the Net worth Criteria (i.e. a minimum Net worth of Rs. 300 crore)

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

- b. **For respective consortium members:**
- I. **For entities which are Air Transport Service Operators (ATSOs) and hold up to 51% equity share capital of the Consortium (and Special Purpose Vehicle to be subsequently incorporated):** The following would be applicable:
- No minimum Net worth stipulation for such Consortium members
  - For assessment of combined Net worth for consortium (as per clause 3(a)(ii)(a) above), the Net worth value for any member of Consortium, submitting their EOIs as ATSO with negative Net worth would be considered as Nil.
- II. **For other entities (i.e. either Non-ATSOs or ATSOs holding more than 51% equity share capital of the Consortium):**
- Lead Member of the Consortium shall have a Net worth contribution, of at least 26%, towards the calculation of Minimum Net worth for testing its eligibility

- Other members of the Consortium shall have a Net worth contribution, of at least 10%, towards the calculation of Minimum Net worth for testing its eligibility

For example:

- If a Lead member of Consortium which is not an ATSO, has 30% shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to: Rs 78 crore (i.e. 26% of Rs. 300 crore)
- If a member of Consortium which is not an ATSO, has 25% shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to Rs. 30 crore (i.e. 10% of Rs. 300 crore)
- If a Lead member of Consortium which is an ATSO, has 60% shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to Rs 78 crore (i.e. 26% of Rs. 300 crore)

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

- 4) Members of consortium which qualify as ATSOs and intend to submit their EOI in their capacity as an ATSO are required to:
- i. Submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India; and
  - ii. Certify the same in the submitted Affidavit (**Annexure 9**) in the manner specified therein

5) **Formation of SPV:**

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

Successful Bidder but prior to entering into the definitive agreements. The shareholding of the SPV shall be the same as the shareholding of the members in the Consortium.

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

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

Case	Member 1	Member 2	Remarks
1.	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 51% (Lead Member)</li> <li>• <b>Net worth:</b> Nil or Negative</li> <li>• <b>Nature of Business:</b> ATSO</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 49%</li> <li>• <b>Net worth:</b> Rs. 300 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<p><b>Consortium qualifies, as:</b></p> <p><b>Clause 3:</b></p> <ul style="list-style-type: none"> <li>• Member 1 (ATSO) is not required to meet minimum share (26%) of the Net worth criteria, as shareholding is within limit of 51%</li> <li>• Member 2 (Non-ATSO) meets the minimum share (10%) of the Net worth criteria</li> </ul> <p><b>Consortium meets the Financial Criteria (Clauses 3):</b></p> <ul style="list-style-type: none"> <li>• Negative Net worth of Member 1 (ATSO) is considered as Nil</li> <li>• Combined Net worth of Consortium: Nil + Rs. 300 crore = Rs. 300 crore</li> </ul>
2.	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 51% (Lead Member)</li> <li>• <b>Net worth:</b> Rs. 600 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 49%</li> <li>• <b>Net worth:</b> Rs. (Negative 20 crore)</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<p><b>Consortium does not qualify, as:</b></p> <p><b>Clause 3:</b></p> <p>Member 2 (Non-ATSO) does not meet requirement for minimum share (10%) of the Net worth criteria</p>
3.	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 51% (Lead Member)</li> <li>• <b>Net worth:</b> Rs. 300 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 49%</li> <li>• <b>Net worth:</b> Rs. 20 crore</li> <li>• <b>Nature of Business:</b> ATSO</li> </ul>	<p><b>Consortium qualifies, as :</b></p> <p><b>Clause 3:</b></p> <ul style="list-style-type: none"> <li>• Member 1 (Non-ATSO) meets the minimum share (26%) of the Net worth criteria</li> <li>• Member 2 (ATSO) is not required to meet minimum share (10%) of the Net worth criteria</li> </ul>

Case	Member 1	Member 2	Remarks
			<p><b>Consortium meets the Financial Criteria (Clauses 3):</b></p> <ul style="list-style-type: none"> <li>• Combined Net worth of Consortium: Rs. 300 crore + Rs. 20 crore = Rs. 320 crore</li> </ul>
4.	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 60% (Lead Member)</li> <li>• <b>Net worth:</b> Rs. 75 crore</li> <li>• <b>Nature of Business:</b> ATSO</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 40%</li> <li>• <b>Net worth:</b> Rs. 140 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<p><b>Consortium does not qualify, as:</b></p> <p><b>Clause 3:</b> Member 1 (ATSO) does not meet the requirement of minimum share (26%) of the Net worth criteria</p>
5.	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 51% (Lead Member)</li> <li>• <b>Net worth:</b> Rs. 179 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Stake in Consortium:</b> 49%</li> <li>• <b>Net worth:</b> Rs. 172 crore</li> <li>• <b>Nature of Business:</b> Non-ATSO</li> </ul>	<p><b>Consortium qualifies, as:</b></p> <p><b>Clause 3:</b></p> <ul style="list-style-type: none"> <li>• All the Members of the Consortium meets share of the Net worth criteria</li> </ul> <p><b>Consortium meets the Financial Criteria (Clauses 3)</b></p> <ul style="list-style-type: none"> <li>• Combined Net worth of Consortium: Rs. 179 crore + Rs. 172 crore = Rs. 351 crore</li> </ul>

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

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

Case	Member 1	Member 2	Member 3	Remarks
				<b>Consortium meets the Financial Criteria (Clauses 3):</b> <ul style="list-style-type: none"> <li>Combined Net worth of Consortium: Rs. 179 crore + Rs. 88 crore + Rs. 84 crore = Rs. 351 crore</li> </ul>
2.	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 50% (Lead Member)</li> <li><b>Net worth:</b> Rs. 179 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 25%</li> <li><b>Net worth:</b> Rs. 5 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 25%</li> <li><b>Net worth:</b> Rs. 170 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<b>Consortium does not qualify, as:</b>  <b>Clause 3:</b> <ul style="list-style-type: none"> <li>Member 2 (Non-ATSO) does not meet minimum share (10%) of the Net worth criteria</li> </ul>

## c. Examples of Financial Criteria Assessment in case of 4 member Consortium:

Case	Member 1	Member 2	Member 3	Member 4	Remarks
1.	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 40% (Lead Member)</li> <li><b>Net worth:</b> Rs. 50 crore</li> <li><b>Nature of Business:</b> ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 30%</li> <li><b>Net worth:</b> Rs. 50 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 20%</li> <li><b>Net worth:</b> Rs. 170 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 10%</li> <li><b>Net worth:</b> Rs. 30 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<b>Consortium qualifies, as:</b>  <b>Clause 3:</b> <ul style="list-style-type: none"> <li>Member 1 (ATSO) is not required to meet minimum share (26%) of the Net worth criteria, as shareholding is within limit of 51%</li> <li>Member 2 (Non-ATSO) meets the minimum share (10%) of the Net worth criteria</li> <li>Member 3 (Non-ATSO) meets the minimum share (10%) of the Net worth criteria</li> <li>Member 4 (Non-ATSO) meets the minimum share (10%) of the Net worth criteria</li> </ul>

Case	Member 1	Member 2	Member 3	Member 4	Remarks
					<p><b>Consortium meets the Financial Criteria (Clauses 3):</b></p> <ul style="list-style-type: none"> <li>Combined Net worth of Consortium: Rs. 50 crore + Rs. 50 crore + Rs. 170 crore + Rs. 30 crore = Rs. 300 crore</li> </ul>
2.	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 40% (Lead Member)</li> <li><b>Net worth:</b> Rs. 100 crore</li> <li><b>Nature of Business:</b> Non – ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 30%</li> <li><b>Net worth:</b> Negative</li> <li><b>Nature of Business:</b> ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 20%</li> <li><b>Net worth:</b> Rs. 170 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<ul style="list-style-type: none"> <li><b>Stake in Consortium:</b> 10%</li> <li><b>Net worth:</b> Rs. 30 crore</li> <li><b>Nature of Business:</b> Non-ATSO</li> </ul>	<p><b>Consortium qualifies, as:</b></p> <p><b>Clause 3:</b></p> <ul style="list-style-type: none"> <li>Member 1 (Non-ATSO) meets the minimum share (26%) of the Net worth criteria</li> <li>Member 2 (ATSO) is not required to meet minimum share (10%) of the Net worth criteria, as shareholding is within limit of 51%</li> <li>Member 3 (Non-ATSO) meets the minimum share (26%) of the Net worth criteria</li> <li>Member 4 (Non-ATSO) meets the minimum share (26%) of the Net worth criteria</li> </ul> <p><b>Consortium meets the Financial Criteria (Clauses 3):</b></p> <ul style="list-style-type: none"> <li>Combined Net worth of Consortium: Rs. 100 crore + Rs. 170 crore + Rs. 30 crore = Rs. 300 crore</li> </ul>

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



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

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

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

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

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

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

- a. In case of a Consortium, following conditions shall be met:
  - i. Change shall be permitted only once after the last date for submission of EOI
  - ii. No change in Lead Member shall be allowed

- iii. Shifting from one Consortium to another shall not be permitted
- iv. The changed Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM
- b. In case of a sole IB forming a Consortium, following conditions shall be met:
  - i. The sole IB will be the Lead Member of the Consortium
  - ii. Change shall be permitted only once after the last date for submission of EOI
  - iii. Shifting from one Consortium to another shall not be permitted
- c. The Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM

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

10) Inter-se change in the shareholding among Consortium Members in the Consortium SPV would be permitted subject to:

- a. The Lead member shall continue to hold at least 26% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.
- b. Other members shall continue to hold at least 10% equity shareholding (i.e. equity share capital and shareholding on a fully diluted basis) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.

11) Upon being declared as Successful Bidder, IB/ members of Consortium shall provide an undertaking that

- a. The Lead member shall continue to hold at least 26% equity shareholding (**i.e. equity share capital and shareholding on a fully diluted basis**) in the

Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.

- b. Other members shall continue to hold at least 10% equity shareholding (**i.e. equity share capital and shareholding on a fully diluted basis**) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction

12) On being selected as the Successful Bidder,

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

13) The IBs shall ensure that they are permitted to invest under applicable laws to the extent they propose to participate

14) The Successful Bidder shall ensure that the Company continues its business of providing air transport services on a going-concern basis for a period of 3 (three) years from the date of consummation of the Proposed Transaction and shall ensure that the Company shall not cease to conduct the said business or shall not liquidate or wind-up the Company during the said period of 3 (three) years from the date of consummation of the Proposed Transaction.

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

16) 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.

17) 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.

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## 7. INSTRUCTION FOR SUBMISSION OF EOI

I. The Expression of Interest, conforming to the conditions of this PIM shall be submitted 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). The Expression of Interest shall be submitted either:

i. Physically before the **Due Date**, at the address mentioned below:

Mr. S.K. Arora  
Senior Vice President  
PA&SF Group  
SBI Capital Markets Ltd.  
3rd Floor, Sood Tower,  
Barakhamba Road, New Delhi -110001.

ii. The IBs, if they so desire, may submit the complete EOI in electronic form via email at **phl@sbicaps.com** with all the requisite documents in PDF format by the Due Date. The PDF files should be password protected and the password should be communicated via a separate email at **phl@sbicaps.com**. **IBs submitting EOI by email shall also be required to submit the EOI in a physical copy not later than 5:00 PM (Indian Standard Time) of February 03, 2021.** All the documents submitted in the electronic form may either be scanned version of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

*Explanation-For the avoidance of doubt, it is clarified that the Power of Attorney cannot be digitally signed, even if the EOI is submitted in an electronic form, which must be physically signed, witnessed, notarized and legalized / apostilled (as required), as per the procedure specified in Annexure IV of the PIM. Such signed Power of Attorney may then be scanned and emailed.*

EOIs submitted electronically shall only be evaluated upon receiving of hard copies on or before the date specified above.

- II. Submission of the aforesaid documents by any other means including electronic means and/or facsimile will not be accepted.
- III. The proposals received after the appointed time and date will be rejected.

- IV. **Unless otherwise specified, a copy of any document that is not the original shall be a certified true copy for submission.**
- V. The IBs shall submit the EOI physically in hard copy by mentioning the page number on each document and to be submitted in sequence in a **sealed, covering envelope** clearly marked **“Private and Confidential – Expression of Interest for the Strategic Disinvestment of PHL”** in different file folders as per the following directions:
- A. Covering envelope:**
1. EOI letter in the format specified as per **Annexure 1**
  2. Duly filled in **Form A** by IB/ each member of Consortium as per **Annexure 2**, including the following major supporting documents:
    - a. Executive summary providing brief description for the IB and (where applicable) for each member of consortium, containing details like Ownership Structure, Identity of the natural persons who are the Ultimate Beneficial Owners of the IB/ each member of Consortium (“Ultimate Beneficial Owner” shall mean 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 an arrangement), the Place of Effective Management of business of the IB and each member of the Consortium (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance, made.), etc. write up on business history and growth, business areas / activities, respective revenue details etc., it shall include a brief commentary on the capability of the IB /members of the Consortium, as demonstrated, inter alia, in its past track record, to run its own business.
    - b. Contact information of the IB/ each member of Consortium including full name, address, telephone and facsimile numbers, e-mail address and the names and the titles of the persons who are the principal points of contact for each member and identifying lead member of the consortium. Details of the website of the IB/ each member of Consortium are also to be provided.
    - c. Basic information pertaining to incorporation and commencement of business for IB/ each member of the Consortium.
    - d. Certified true copies of the following documents, whichever is applicable to be submitted.

- i. Memorandum of Association
  - ii. Articles of Association
  - iii. Certificate of Incorporation
  - iv. Certificate of Commencement of Business
  - v. Charter Documents
  - vi. Other Constitution Documents i.e. Partnership Deed etc. as may be applicable
  - vii. SEBI Registration Certificate for AIFs
- e. A certificate for list of Board of Directors, principal shareholders and key management personnel duly signed by the respective Company Secretary or any officer in charge of secretarial/legal affairs of IBs/ each member of Consortium and also counter signed by its authorized signatory.
- f. A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other officer in-charge of secretarial/ legal affairs, for the shareholding pattern of the IB/ each member of Consortium.
- g. A certificate duly signed by Company Secretary or any other officer in charge of secretarial/legal affairs, for eligibility to participate in the Proposed Transaction.
- h. An independent chartered accountant/ statutory auditor certificate certifying the fulfillment of Financial Criteria as specified in the Eligibility criteria section.
- i. Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous five financial years.  
Provided that, in the event IB/ any member of Consortium is an unlisted entity, and does not have the audited financial statements of immediately preceding financial year, the latest available unaudited/ provisional financial statements (not older than 12 months from the date of publication of this PIM), may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest Quarterly Limited Review report (provided they are not older than 12 months from the date of publication of this PIM) is to be submitted. However, the audited financial statements of such IB/ member of Consortium shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.  
All financial statements/ annual reports/ net worth certificate submitted should be certified by authorized signatory.

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

- j. Documents such as a board or shareholders' resolution in favor of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ member of Consortium. (The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney)
  - k. **Management Organization:** An overview of IB's/ each member of the Consortium's senior management and organization structure certified by the company secretary or any other officer in charge of secretarial/legal affairs of the IB/ each member of Consortium.
  - l. **International Operations/ Joint Venture/Alliances:** Brief note of IB's/ member of Consortium's international operations, joint ventures, alliances, (whether international or domestic), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable).
  - m. Details of those companies and professional firms, if any, who are (or will be) advising the IB/ Consortium/ member of Consortium for the Proposed Transaction, together with the names of the principal individual advisors at those companies and firms.
  - n. Details of contingent liabilities and outstanding litigations, which if materialized, would have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IB/ member of Consortium, or other similar business combination or sale.
  - o. If the IB/any member of Consortium is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ the Foreign Investment Promotion Board/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited.
3. Appropriately executed Power of Attorney authorizing the signatory of the EOI to commit the IB/ each member of Consortium (as per **Annexure – 3 and Annexure – 10 for Employee Bids**).



4. Appropriately executed Power of Attorney authorizing the lead member of Consortium to do all acts, deeds and things as may be necessary in connection with the Consortium's Bid for the Transaction (as per **Annexure 4**)
  5. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per **Annexure 5**).
  6. A declaration in relation to statement of legal proceedings (as per **Annexure 8**).
  7. Duly executed Affidavit (as per **Annexure 9**).
- VI. **Air Transport Service Operator(s) (ATSO):** In case IB/any member of consortium submits the EOI as an ATSO, it shall be required to submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India. Also, the IB/ member of Consortium shall be required to certify the same in the submitted Affidavit (**Annexure 9**) in the manner specified therein.
- VII. All the bid(s) shall be valid for 180 days from the date of opening of the EOI and can be further extended for the period as intimated to the Interested Bidders.
- VIII. No IB/ member of consortium shall submit more than one EOI. An entity submitting EOI individually or as a member of a consortium shall not be entitled to submit another EOI either individually or as a member of any other consortium, as the case may be.
- IX. The IBs/ members of consortium are expected to carry out their own investigations and other examination in relation to the Transaction before submitting their EOIs.
- 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/member of consortium 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 5.00 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 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 Proposed Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Proposed Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.
- 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 Proposed Transaction including all approvals that may be required to be obtained from MoCA and under any other applicable laws. The Successful Bidder is also expected to adhere to:
- a. SCO License regulations (as per DGCA circular: "DGCA circular no. CAR Section-3 –Air Transport Series 'C' Part XII dated December 09, 2016")

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

XXII. **Amendment to PIM and invitation for EOI:** At any time prior to the Due Date for submission of EOI, GOI may, for any reason, whether at its own initiative or in response to clarifications requested by any Bidder, modify the PIM by the issuance of addendum. Any addendum/clarification issued shall be uploaded on websites of DIPAM at [www.dipam.gov.in](http://www.dipam.gov.in), MoCA at [www.civilaviation.gov.in](http://www.civilaviation.gov.in), Company at [www.pawanhans.co.in](http://www.pawanhans.co.in) and Transaction Advisor at [www.sbicaps.com](http://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 PIM, the GOI reserves the right to reject any or all EOIs on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.

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

## 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 a Consortium or a 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, or the EOI being conditional in any respect.
  - c. Failure by IB/ any member of consortium to provide the necessary and sufficient information required to be provided in the EOI in accordance with this PIM.
  - d. Failure by IB/ any member of consortium to provide, within the time specified by the GOI/ Advisor, the supplemental information sought by the GOI/ Advisor for evaluation of the EOI.
  - e. Submission of more than one (1) EOI by any IB/ any member of Consortium whether directly or indirectly either as sole bidder or as member of Consortium in which case, all such EOIs shall be rejected.
  - f. The IB/Consortium/ any member of Consortium not satisfying the eligibility and requisite qualification criteria specified in the PIM and hence not being eligible.
  - g. In case of bids by CPSEs or Central Government owned Cooperative Societies i.e. entities where the direct holding of the Central Government or of other CPSEs is 51% or more or as defined and classified by Department of Public Enterprises/Government from time to time, unless a proposal is brought up for consideration of the Core Group of Secretaries on Disinvestment (CGD) by GOI, if desirable in public interest
  - h. Failure to comply with any reasonable request of GOI/ Advisor in relation to the Transaction.

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

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

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

“OCBs” mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident

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

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



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

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

- 7) Any condition or qualification or any other stipulation inserted by the IB/ any member of Consortium contained in the EOI shall render the EOI liable to rejection.
- 8) 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 7**) and as amended from time to time by the GOI.
- 9) If the IB/any member of Consortium does not satisfy any of the requirements as may be issued by the GOI by way of notifications / issue of guidelines / circulars or such similar notifications from time to time, including any conditions of disqualifications, the EOI submitted by the IB/ Consortium shall be disqualified.
- 10) 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.



- 11) 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.

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## 9. ANNEXURES

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

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

Reference No. \_\_\_\_\_ Date \_\_\_\_\_

To,  
Mr. S. K. Arora  
Senior Vice President  
PA&SF Group  
SBI Capital Markets Ltd.  
3rd Floor, Sood 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 C-14, Sector-1, Noida, District – Gautam Buddha Nagar, Uttar Pradesh- 201301 ("**PHL**") being the entire shareholding of the President of India (through the Ministry of Civil Aviation ("**MoCA**")) in PHL along with transfer of management control ("**Strategic Disinvestment**").

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

1. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.
2. [We propose to submit our EOI in individual capacity as [●](hereinafter referred to as the "**Interested Bidder**" or "**IB**") (name of Interested Bidder) having its registered office at [●]

OR

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

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

We have agreed that [●] shall act as the Lead Member of the Consortium **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. ]<sup>10</sup>

3. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and we expressly agree to the terms and conditions stipulated in the Advertisement and the PIM and also 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 thereto, from time to time.
4. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.
5. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects.
6. We have agreed that [●] (insert name and designation of individual) will act as our representative/representative of the Consortium and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI ("**Representative**").
7. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.
8. We undertake that in the event we are selected as the Shortlisted Bidder , we shall form a Special Purpose Vehicle, under the laws of India, at any time after submission of EOI but prior to entering into the definitive agreements, including SPA, in connection

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<sup>10</sup> Strike out whichever is not applicable.

therewith. The shareholding of the SPV shall be the same as the shareholding of the Members in the Consortium. *(applicable for the case of Consortium only)*

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

OR

10. We undertake that in the event we are selected as the Successful Bidder and make the investment through a special purpose vehicle then each member of the Consortium shall jointly and severally, irrevocably and unconditionally guarantee to the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Proposed Transaction *(applicable for the case of Consortium)*.]<sup>11</sup>
11. We acknowledge that GOI will have rights of enforcement as against the special purpose vehicle mentioned above under the parent guarantee and [also against the members of the Consortium for breach of undertakings and representations made to the GOI under the EOI including under **Annexure 5**(Consortium Agreement)]<sup>12</sup>
12. We shall lock-in our entire shareholding in PHL and in the special purpose vehicle (in case investment in PHL is made through a special purpose vehicle) for a period of one (1) year from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL for such period.
- We also state that aforesaid restriction on change in shareholding and management control of PHL shall also be applicable to a special purpose vehicle's investment in PHL, in case investment in PHL is made by Successful Bidder through a special purpose vehicle.
13. We shall not cede the management control of PHL for a period of one (1) year from the date of consummation of the Proposed Transaction.

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<sup>11</sup> Strike out whichever is not applicable

<sup>12</sup> Delete in case IB is a sole bidder

14. We undertake that in the event we are finally selected to enter into definitive agreement, we shall ensure that the Company continues its business in compliance with the provisions of Clause 5.1.(6) (**Employee related provisions**), Clause 5.1.(7) (**Restrictions on Asset Stripping**) and Clause 5.1.(9) (**Business Continuity**) of the PIM.
15. We acknowledge that after the submission of the EOI, the management control in the IB /the management control of each member of the Consortium shall not change for a period of one (1) year from the date of consummation of the Proposed Transaction.
16. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
17. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed by any agency of the Government of India or convicted by a Court of law, including under the provisions of the Indian Penal Code or Official Secrets Act, for any offence committed by us or by any of our group concerns.
18. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel or employees.
19. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we would intimate the Advisor of the same immediately.
20. We represent that we are not disqualified to enter into or perform our obligations in relation to the Proposed Transaction (including acting as promoter of the company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI or RBI), administrative authority or department or ministry of central or state government or any court in India.
21. We, however, understand that the Evaluation Committee reserves the right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.
22. We represent that the loans availed by us (including our parent and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.

23. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
24. We represent that we are not entities or promoters or promoter groups or directors appearing in the RBI list of wilful defaulters or any such competent authority in their respective jurisdiction.
25. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
26. We represent that we are not prohibited or restricted from investing in PHL on the basis of status or sector in which PHL operates under FEMA, 1999.
27. We confirm that we are not and have not been classified as Central Public Sector Undertaking or a central government owned Cooperative Society (i.e. where Government's ownership is 51% or more).
28. [Form A as per formats given in Annexure of the PIM, duly signed by us is enclosed along with the stamped and notarized/ apostle/legalized<sup>13</sup> Power of Attorney

OR

The Form A duly signed by representative members who jointly satisfy the eligibility criteria are enclosed along with the certified true copy of the Consortium Agreement between the consortium members as per formats given in Annexure of the PIM. Further, the stamped and notarized/ apostle/legalized<sup>14</sup> Power of Attorney is also enclosed.]<sup>15</sup>

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

OR

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

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

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<sup>13</sup> Strike out whichever is not applicable.

<sup>14</sup> Strike out whichever is not applicable.

<sup>15</sup> Strike out whichever is not applicable.

c. Net worth of [●] is Rs. \_\_\_ crore as on \_\_\_\_ (date in dd/mm/yyyy);

Combined Net worth of the consortium is Rs \_\_\_\_\_ Crore.]<sup>16</sup>

(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. Form A
2. General Power of Attorney
3. Power of Attorney in favour of Lead Member (if applicable)
4. Consortium Agreement between the Consortium Members (if applicable)
5. Declaration on Statement of legal proceedings
6. Affidavit

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

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<sup>16</sup> Strike out whichever is not applicable

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

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

A. **Name of the Interested Bidder/Member of Consortium** \_\_\_\_\_

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

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

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

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



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

**D. Basic Information:**

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

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

- 7) A certificate for list of Board of Directors and key management personnel duly signed by the respective Company Secretary or any other officer in-charge of secretarial/legal affairs of IB/ member of the Consortium and also counter signed by its authorized signatory.

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

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

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

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

- c) **Certificate for fulfilment of Financial Criteria:** Please provide an independent chartered accountant/statutory auditor certificate certifying Net worth for IB/ member of Consortium as specified in the Eligibility Criteria section of the PIM

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

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

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

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

**E. Air Transport Service Operator(s) (ATSO):** In case IB/any member of consortium submits the EOI as an ATSO, it shall be required to submit a self-certified true copy of Air Operator Permit issued by regulatory authorities in India. Also, the IB/ member of Consortium shall be required to certify the same in the submitted Affidavit (**Annexure 9**) in the manner specified therein.

**F. International Operations/ Joint Ventures/ Alliances:**

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

**G. Professional Advisors:**

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

**H. Outstanding Litigation/ Contingent Liability:**

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

**I. Foreign Direct Investment (FDI) Restrictions:**

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

Yours sincerely,

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

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

**Important Note:**

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

*(This space has been left blank intentionally)*

**Annexure 3: General Power of Attorney**

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

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

**General Power of Attorney**

Know all men by these presents,

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

OR

I ....., son/daughter/wife of ..... and presently residing at ..... being presently employed with Pawan Hans Limited (PHL) having employee code [●]/ being whole-time director on the Board of PHL having DIN No. [●], do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. ...., son/daughter/wife of ..... and presently residing at ....., who is presently employed with [●]. I, [●], do hereby irrevocably nominate, constitute and appoint ....., as my true and lawful attorney (hereinafter referred to as the "Attorney") to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application]<sup>17</sup>

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

<sup>17</sup> Strike out whichever is not applicable

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

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

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

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

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

(To be duly notarized)

**Important Instructions:**

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

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

*(This space has been left blank intentionally)*



**Annexure 4: Power of Attorney in favour of Lead Member**

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

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

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

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

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

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

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

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

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

- 3) Further, do any of such acts, deeds or things on our behalf including but not limited to signing and submission of all applications, EOI, response to Request for Proposal (RFP), affidavits, Bid in response to RFP and other documents and writings, participate in pre-bid and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and
  
- 4) Generally, to represent the Consortium in all its dealings with GOI, TA, PHL and/ or any other GOI Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s EOI or Bid for the Proposed Transaction and/or upon award thereof till the completion of the Proposed Transaction.

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

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

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS \_\_\_\_\_, DAY OF [●], 20[●],

Executants:

For \_\_\_\_\_, (Signature) \_\_\_\_\_

(Name & Title)

For \_\_\_\_\_, (Signature) \_\_\_\_\_

(Name & Title)

For \_\_\_\_\_, (Signature) \_\_\_\_\_

(Name & Title)

Witnesses:

1

2

(Notarized)

**Important Instructions:**

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

*(This space has been left blank intentionally)*

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

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

(To be submitted by the lead member of Consortium on behalf of itself and the Consortium members submitting the EOI)

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

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

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

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

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

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

**NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:**

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

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s \_\_\_\_\_), **holding at least 26% shareholding (i.e. equity share capital and shareholding on a fully diluted basis)** 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 if we are declared as a Successful Bidder, we undertake that
  - a. The Lead member shall continue to hold at least 26% equity shareholding (**i.e. equity share capital and shareholding on a fully diluted basis**) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction
  - b. Other members shall continue to hold at least 10% equity shareholding (**i.e. equity share capital and shareholding on a fully diluted basis**) in the Consortium SPV for a minimum period of one (1) year from the date of consummation of the Proposed Transaction.
6. We acknowledge that after the submission of the EOI, the management control of each member of the Consortium shall be maintained for a period of one (1) year from the date of consummation of the Proposed Transaction.
7. We undertake and confirm that the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company), under the laws of India, once selected as the Shortlisted Bidder, at any time after submission of EOI but prior to entering into the definitive agreements, including SPA, in connection therewith. The shareholding of the SPV shall be the same as the shareholding of the Members in the Consortium.

8. We certify that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
9. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required.
10. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
11. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
12. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
13. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
14. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GOI.
15. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EOI.
16. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EOI except with prior written consent of GOI.
17. This Agreement
  - (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
  - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
  - (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GOI.

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

For M/s \_\_\_\_\_ **[Member 1]**

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

Witnesses:

- (i) Signature \_\_\_\_\_  
Name:  
Address:
- (ii) Signature \_\_\_\_\_  
Name:  
Address:

For M/s \_\_\_\_\_ [Member 2]

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

Witnesses:

- (i) Signature \_\_\_\_\_  
Name:  
Address:
- (ii) Signature \_\_\_\_\_  
Name:  
Address:

For M/s \_\_\_\_\_ [Member 3]

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

Witnesses:

- (i) Signature \_\_\_\_\_  
Name:  
Address:
- (ii) Signature \_\_\_\_\_  
Name:  
Address:

\_\_\_\_\_  
*[Signature and stamp of Notary of the place of execution]*

**Important Instructions:**

- 1) For a Consortium Agreement executed and issued overseas, instead of notarization, the document should either carry a conforming Apostile certificate or it should be

legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.

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**Annexure 6: Advertisement**

**GOVERNMENT OF INDIA  
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT**

**GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED  
STRATEGIC DISINVESTMENT OF 51% STAKE IN PAWAN HANS LIMITED BY  
GOVERNMENT OF INDIA**

Expression of Interests (EOIs) are hereby invited from Interested Bidders (IBs) for purchase of 51% shareholding in Pawan Hans Limited (PHL) owned by GoI, by way of a Strategic Disinvestment along with transfer of management control. PHL is a Mini Ratna-I category Central Public Sector Undertaking under Ministry of Civil Aviation (MoCA) providing helicopter services. Balance 49% shareholding in PHL is held by ONGC Limited.

The Strategic Disinvestment shall be completed via a two – stage process. SBI Capital Markets Limited (SBICAP) is acting as Transaction Advisor for the process.

A Preliminary Information Memorandum for the process of Strategic Disinvestment can be downloaded from websites of Department of Investment and Public Asset Management (DIPAM) at [www.dipam.gov.in](http://www.dipam.gov.in), MoCA at [www.civilaviation.gov.in](http://www.civilaviation.gov.in), PHL at [www.pawanhans.co.in](http://www.pawanhans.co.in) and Transaction Advisor at [www.sbicaps.com](http://www.sbicaps.com). For any future information/amendments/ corrigenda, kindly refer to above websites only or contact the Transaction Advisor.

IBs who meet the eligibility criteria mentioned in the PIM, may submit their EOI in either physical form or electronic form via e-mail at the address mentioned below, on or before 5:00 PM (Indian Standard Time) of **January 19, 2021**. However, IBs submitting EOI by e-mail shall also be required to submit the EOI in a physical copy in a sealed, covering envelope clearly marked “**Private and Confidential – Expression of Interest for the Strategic Disinvestment of PHL**” at the below mentioned address, not later than 5:00 PM (Indian Standard Time) of **February 03, 2021**.

**Address for submission of EOI:**

Mr. S. K. Arora  
Senior Vice President  
PA&SF Group  
SBI Capital Markets Ltd.  
3rd Floor, Sood Tower,  
Barakhamba Road, New Delhi -110001

**E-mail for electronic submission of EOI:** [p hl@sbicaps.com](mailto:p hl@sbicaps.com)

**Annexure 7: 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 28<sup>th</sup> September, 2017

**OFFICE MEMORANDUM**

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

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

- a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. "Grave Offence" is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case-to-case basis after considering the facts of the case and relevant legal principles, by the Government. "Grave Offence" would include the below noted cases:
  - a. Only those orders of SEBI are to be treated as coming under the category of "Grave Offences" which directly relate to "Fraud" as defined in the SEBI Act and / or regulations.
  - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
  - c. Any conviction by Court of Law.
  - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in regard to the relationship inter se between the concerns, would be taken based on the relevant facts and after examining

whether the two concerns are substantially controlled by the same person/persons.

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

(sd/-)

(Aseem Kumar Jha)

Under Secretary to the Government of India

**Annexure 8: Declaration in relation to Statement of Legal Proceedings**

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

**DECLARATION**

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

Grave offence for this purpose shall include:

- a) What constitutes "Fraud" under the provisions of the SEBI Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder
  - b) SEBI orders on the IB/ member of Consortium casting doubt on the ability of the IB/ member of Consortium to hold the stake in the Company
  - c) Any conviction by a court of law
  - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. Except as set out below, 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. Except as set out below, we further declare that we, our sister company, our Director(s), CEO, principal officers are not under any investigation pending before any regulatory authority or other authority.
  4. We declare that complete information as required is provided in the EOI and Form A.

Yours sincerely,

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

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

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

*(This space has been left blank intentionally)*

**Annexure 9: Format of Affidavit**

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

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

**Affidavit**

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

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

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

(Signature of the Authorised Signatory)

Name, Designation & Address

### VERIFICATION

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

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

[particulars of notarisation]

Deponent

(Signature)

Name, Designation & Address

### **Important Instructions:**

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

## **Annexure 10: 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 11**, employees of Pawan Hans Limited (“**Employees**”) are permitted to participate in the Transaction as Interested Bidders either (a) directly and independently (“**Direct Employee Participation**”) or (b) by forming of a consortium (“**Employee Consortium**”) and subject to the following:

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

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



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

OR

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

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

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

]18

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

<sup>18</sup> Strikeout whichever is not applicable

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

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

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

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

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

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

In the presence of:

- 1.
- 2.

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

**Important Instructions**

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

*(This space has been left blank intentionally)*

## **Annexure 11: DIPAM Guidelines for Employees Bids**

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

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

### **OFFICE MEMORANDUM**

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

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

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

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

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

(T.S. Krishnamachari)

Deputy Secretary to the Government of India

Tel. No. 24368038

**Annexure 12: Rohini Heliport Financials**

Table 9-1: Balance Sheet for Rohini Heliport

Particulars	FY2019	FY2020
<b>Assets</b>		
Property, Plant & Equipment	52.20	47.92
Trade Receivable	0.47	0.45
Cash and Cash Equivalent	0.34	0.43
Other Current Assets	0.15	0.15
<b>Total Assets</b>	<b>53.15</b>	<b>48.95</b>
<b>Liabilities</b>		
Other Non-Current Financial Liabilities	0.04	0.02
Trade Payables	0.90	0.93
Other Current Liabilities	6.61	6.72
<b>Total Liabilities</b>	<b>7.55</b>	<b>7.68</b>

Table 9-2: Profit and Loss for Rohini Heliport

Particulars	FY2019	FY2020
<b>Income</b>		
Revenue from Operations	2.00	2.33
Other Income	0.00	0.00
<b>Total Income</b>	<b>2.00</b>	<b>2.33</b>
<b>Expenses</b>		
Heliport Operation Expenses	0.73	0.73
Employee Benefits Expenses	1.07	1.17
Depreciation & Amortization Expenses	4.38	4.32
Other Expenses	1.43	1.11
Total	7.62	7.33
<b>Net Profit</b>	<b>(5.61)</b>	<b>(5.00)</b>