

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



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April 14, 2018

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 January 31, 2018, and may be subject to material updates, revisions or amendment. Neither GOI, the Company nor SBICAP, undertake to update this PIM, and do not intend for this PIM to form the basis of an investment decision or a decision to participate in the Transaction. You should conduct your own investigation and analysis of the Company in connection with a possible Transaction. This PIM is not intended to form the basis or as a recommendation on behalf of the Company or GOI or SBICAP for any investment decision.

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This PIM has been prepared by SBICAP based upon information available from public sources and from the Company, believed to be reliable to assist the recipients in making their own evaluation of the Company and does not purport to be all inclusive or to contain all of the information that may be material to the recipients' decision to enter into the Proposed Transaction.

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All acts, deeds and things done or caused or intended to be done, by GOI, the Company and SBICAP hereunder are based on and in reliance of your acceptance of the terms and conditions of this Disclaimer.

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ABBREVIATIONS

AAI	Airports Authority of India
AIF	Alternative Investment Fund
ATF	Aviation Turbine Fuel
BG	Bank Guarantee
BSF	Border Security Force
CAR	Civil Aviation Requirement
CPSEs	Central Public Sector Enterprises
DGCA	Directorate General of Civil Aviation
EBITDA	Earnings before Interest, Tax and Depreciation & Amortization
EBIT	Earnings before Interest and Tax
EOI	Expression of Interest
FLC	Foreign Letter of Credit
FY	Financial Year
GAIL	Gas Authority of India Limited
GOI	Government of India
GVHL	Global Vectra Helicopters Limited
HAL	Hindustan Aeronautics Limited
HEMS	Helicopter Emergency Medical Services
IB (s)	Interested Bidder (s)
MoCA	Ministry of Civil Aviation
MoF	Ministry of Finance
MHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
NHAI	National Highways Authority of India
NTPC	National Thermal Power Corporation Limited
NSOP	Non-Scheduled Operators Permit
OEM	Original Equipment Manufacturer
O&M	Operation and Maintenance
ONGC	Oil and Natural Gas Corporation Limited
PAT	Profit After Tax
PBDIT	Profit Before Interest, Taxes & Depreciation
PBG	Performance Bank Guarantee
PBT	Profit Before Tax
PHL	Pawan Hans Limited
PSU	Public Sector Undertaking
RCF	Regional Connectivity Fund
RCS	Regional Connectivity Scheme
Rs.	Indian Rupees
RTL	Rupee Term Loan
RWSI	Rotor Wing Society of India
SBICAP	SBI Capital Markets Limited

SMS	Safety Management System
TNW	Tangible Net Worth
TOL	Total Outside Liabilities
USD	US Dollar
WC	Working Capital
y-o-y	year on year

1. INTRODUCTION

1.1 Transaction Background

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

The Company's authorized capital as on January 31, 2018 is Rs. 560 crores (5,60,000 equity shares of Rs. 10,000 each (hereinafter called the “Equity Share”) and paid-up share capital is Rs. 557.48 crores, comprising of 2,84,316 Equity Shares held by the President of India through MoCA (aggregating to 51% of the entire paid-up share capital) and 2,73,166 Equity Shares held by ONGC (aggregating to 49% of the entire paid-up share capital).

The GOI acting through the Department of Investment & Public Asset Management (“DIPAM”) has ‘in-principle’ decided to disinvest its entire equity shareholding in PHL by way of strategic disinvestment (“Strategic Disinvestment”) to investor(s) along with transfer of management control. GOI has appointed SBICAP as its advisor (“Advisor” or “Transaction Advisor” or “TA”) to advise and manage the Strategic Disinvestment of PHL (“Proposed Transaction”).

1.2 Contact Details

All enquiries related to the Transaction should be addressed to the following representatives of SBICAP at common email id phl@sbicaps.com:

Mr. S.K. Arora	Mr. Vivek Khurana	Mr. Anubhav Gupta
Vice President	Vice President	Asst. Vice President
PA&SF Group	Relationship	PA&SF Group
SBI Capital Markets Ltd.	SBI Capital Markets Ltd.	SBI Capital Markets Ltd.
Contact : 011 – 23485306	Contact : 011 – 2348 5220	Contact : 011 – 23485348

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

Preliminary Information Memorandum (PIM) is available for downloading from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.

1.3 Important Dates

Table 1 : Important Dates

Event	Date
Publication of advertisement and PIM	Saturday, April 14, 2018
First day of taking queries	Saturday, April 14, 2018
Last date for invitation of queries through email/ physical copy	Monday, May 14, 2018
Last date for release of response to queries in the form of FAQs, on the above mentioned websites	Monday, May 28, 2018
Last date & time for submission of EOIs physically	Monday, June 11, 2018
Intimation to the shortlisted Bidders	Monday, July 02, 2018

IBs shall be required to participate in the tender process inviting “Expression of Interest for Strategic Disinvestment of Pawan Hans Limited” and physically submit all the documents before the prescribed date and time at the following address:

Mr. S.K. Arora
 Vice President
 PA&SF Group
 SBI Capital Markets Ltd.
 5th Floor, World Trade Tower,
 Barakhamba Road, New Delhi -110001.

1.4 Clarification

Any queries or request for clarification/additional information concerning this EOI shall be submitted on the letterhead of the IB duly signed by its authorized signatory physically at the above mentioned address or the scanned copy of such a letter shall be mailed at phl@sbicaps.com, not later than the date mentioned in Clause 1.3. The communications shall clearly bear the following identification/ title:

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

This 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* Public Sector Undertaking and is India’s leading helicopter services company (with largest fleet size) and was set up as a public sector undertaking under MoCA to provide helicopter services for the exploration activities of Oil and Natural Gas Corporation Ltd. (ONGC) and to the North-East Region.

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

2.2 Company Profile

The brief profile of PHL is as below.

Table 2: Company snapshot

Particulars	Details
Name	Pawan Hans Limited
Constitution	Public Limited Company – Mini-Ratna Category-I PSU
Date of Incorporation	October 15, 1985
Industry	Aviation
Corporate Office	C-14, Sector-1, NOIDA-201301, U.P.
Registered Office*	Rohini Heliport, Sector-36, New Delhi – 110085
Regional Offices	Western Region: Juhu Aerodrome, S.V. Road, Vile Parle (West), Mumbai-400056 Northern Region: Safdarjung Airport, New Delhi-110003 Eastern Region: Assam Flying Club, Hangar LGBI Airport, Guwahati -781015
Corporate Identity Number	U62200DL1985GOI022233

*For further details please refer to clause 2.10

2.3 Capital Structure

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

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

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

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

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

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

2.3.2 Enhancement in GOI & ONGC shareholding

The GOI had been claiming an amount aggregating Rs. 470.22 crores including principal of Rs. 130.91 Crores and interest of Rs. 339.31 Crores (charged @ 18% p.a. up to March 31, 2001 on the principal amount), which was reflecting as a long-term liability on the company's books. Recently, MoCA had conveyed Cabinet approval for settlement of claim of Rs. 130.91 crores towards principal amount and waiver of Rs. 339.31 crores towards interest amount. Hence, the non-current liability to the tune of principal amount of Rs. 130.91 crores has been converted into Equity Share capital of the Company and the interest amount of Rs. 339.31 crores has been written back to the profit and loss account as income for the financial year ending March 31, 2017. Accordingly, there was a tax liability under Minimum Alternate Tax (MAT) of around Rs. 72.41 crore on the Company, all of which has been paid as on date.

Hence, the GOI's share in the equity capital has increased by Rs. 159.05 crores on account of conversion of GOI dues of Rs. 130.91 crores into equity and contribution of Rs. 28.14 crores towards its share in cost of Heliport Project at Rohini. Further, ONGC has also infused Rs. 152.816 crores in the Company during FY18 in order to maintain its shareholding at 49%.

2.3.3 Share Capital & Shareholding Pattern as on January 31, 2018

Table 4 : Capital Structure & Shareholding Pattern as on January 31, 2018

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%]

Particulars	No. of Equity Shares	Share Capital (Rs. crores)*
-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 5: Board of Directors of PHL as on January 31, 2018

S.No.	Name & Designation	DIN No.
1.	Dr. Bhagwat Prasad Sharma - Chairman & Managing Director, PHL	07125290
2.	Mrs. Gargi Kaul - Joint Secretary & Financial Advisor, MoCA	07173427
3.	Mrs. Usha Padhee - Joint Secretary, MoCA	03348716
4.	Shri Balwinder Singh Bhullar - Director General, DGCA	07085612
5.	Shri Rajesh Kakkar – Director (Offshore), ONGC	08029135
6.	AVM Sanjeev Kapoor AVSM, VM ACAS (Ops. T&H) Indian Air Force	08010730
7.	Shri Ashok Nayak - Independent Director, PHL	01621890
8.	Dr. Harish Chaudhry - Independent Director, PHL	00075061

2.5 Key Management Personnel

Pawan Hans has a team of qualified and experienced professionals for managing its operations. Brief details of the Key Management Personnel of the Company are as given below:

Table 6: Key Management Personnel as on January 31, 2018

S. No.	Name	Designation	Qualification	Years of Experience
1.	Dr. B P Sharma	Chairman & Managing Director	B. Tech.(Electrical), MBA and Ph.D. in Business Administration and Change Management in Civil Aviation	38
2.	Sh. Dharendra Sahai	GM (Finance & Accounts)/ Chief Financial Officer	Chartered Accountant	34
3.	Sh. Sanjiv Aggarwal	Company Secy & GM (Legal)	LLB & Company Secretaryship	34

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

2.6 Human Resource Strength

The total manpower of the Company as on January 31, 2018 was 749 with 432 regular employees (divided into two grades – Executive and Non-Executive) and 317 contractual employees, employed at different regions i.e. Corporate Office, Northern Region,

Western Region and Eastern Region. The manpower comprises of 129 Pilots, 109 Aircraft Maintenance Engineers (AMEs), 54 Executives (Officers), 152 Technicians and 305 other Technical and Non-Technical employees.

2.7 Existing Operations

2.7.1 Service Segments & Facilities

PHL provides various helicopter services in India as mentioned below:

- **Offshore operations in the Oil & Gas sector** to Exploration & Production (E&P) companies namely ONGC, GSPC etc. for offshore exploration. PHL serves these customers by carrying their personnel and supplies including cargo to drilling rigs in Bombay High and has carried approximately 4 lakhs passengers and 4,21,342 Kg of cargo load in the financial year 2015-16.
- **Inter-island transportation** in the Andaman & Nicobar Islands and Lakshadweep islands carrying more than 32,000 passengers in the financial year 2015-16 to transport locals and tourists from one island to the other.
- **Connecting inaccessible areas of North East states** by providing passenger services including tourism, VIP transportation, rescue work during natural calamities, medical evacuation, carrying of personnel and material for BSF and BRO. PHL connects 33 destinations and 64 sectors by operating 155 weekly flights.
- **Hotline insulator washing & pipeline surveillance:** PHL provides precision flying services for washing the insulators of high tension wires under live current for Power Grid Corporation of India Limited, pipeline surveillance for GAIL, Oil India Limited etc.
- **Charter services/ VIP Transportation:** PHL provides charter services to corporates like NTPC and State Governments like Government of Himachal Pradesh, Maharashtra, Odisha, etc. for passenger services, evacuation services and VIP transportation.
- **Anti-Naxalite operations and other law and order surveillance:** PHL has deployed its helicopters for participating in anti-Naxalite operations in Naxal affected areas.
- **Casualty and rescue work:** PHL has in the past provided services during natural disasters like floods in Uttarakhand in 2013, earthquake in Sikkim in 2011, floods in Jammu and Kashmir in 2014 etc. by deploying its fleet for evacuation of people and supplying of amenities.
- **Commercial services for Heli - Tourism:** PHL has in the past provided access to places of pilgrimage and other fairly inaccessible areas like Badrinath, Kedarnath,

Katra-Vaishnodevi, Amarnath Yatra, Machail Yatra, Tirupathi and various other regional destinations. Presently, PHL has a pan-India presence in this segment.

- **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. The helicopter services for the same are expected to start in the next six months. Under the scheme, PHL is likely to 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:
 - Assam (1 route): Guwahati – 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
- **Maintenance, Repair & Overhaul (MRO) services**
 - PHL has established workshop facilities as per Civil Aviation Requirement (CAR) 145 standard in Rohini (Delhi), Juhu (Mumbai) and Guwahati (Assam) to provide services for a wide range of helicopters including Dauphin N/N3, Bell 206, Bell 407, AS 350, MI-172 and Dhruv helicopters used by law enforcement agencies.
 - PHL has signed a MoU with Airbus in 2017 to operate as “Airbus helicopter approved maintenance centre” in Mumbai for Dauphin N/N3 and AS 350B3 series helicopters.
 - PHL has entered into a MoU with Hindustan Aeronautics Limited (“HAL”) in 2016 to set up an authorized maintenance centre for HAL helicopters at Rohini Heliport to initially serve defence customers for Dhruv helicopters

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

- PHL operates and maintains Dhruv helicopter of HAL which it has deployed in Gadchiroli for anti-naxal operations and has done the same in the past for BSF as well.

▪ **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) 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.
- **National Institute of Aviation Safety and Services (NIASS):** NIASS is based in Delhi 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 also signed an MoU with HAL in 2017 to avail HAL's services in training selected trainees identified as 'Cadet Pilot' to enable them obtain Commercial Helicopter Pilot's License (CHPL)
- Rohini heliport also provides a skill development centre for training of pilots, AMEs & technicians

▪ **Consultancy Services and Foreign Projects**

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

▪ **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.
- **Heliport at Rohini:**
 - Delhi Development Authority had allotted 25 acres of land in Rohini, Delhi, in 2009 to MoCA for construction of the Heliport. The possession of the land was handed over to PHL under the authorisation of MoCA for construction and development of the same. The construction of Heliport was carried out on cost-sharing basis with contributions from MoCA and PHL and commenced operations in February, 2017.
 - The Heliport consists of a terminal building having capacity of up to 150 passengers (at any point of time), 4 hangars with parking capacities of 16 helicopters and 9 parking bays. It has been developed to provide one-point solution for helicopter business including regular helicopter operations, landing & parking facility for other operators, MRO services and training services.
 - The heliport at Rohini (“Rohini Heliport”) shall not form part of the Proposed Transaction. The Rohini Heliport shall be demerged into a separate company, before completion of the disinvestment process. (PHL’s Board of Directors, as per directions of MoCA, have decided to hive off Rohini Heliport assets in the board meeting held on July 10, 2017)
- As directed by MoCA, the Bellman Hangar situated at Safdarjung airport, which was taken on lease from AAI, shall not form part of the Proposed Transaction. It shall be surrendered back to AAI by PHL on or before issue of Request for Proposal (RFP) in Stage II. The Book value of the mentioned asset in the books of PHL is approximately Rs. 37.5 lakhs (as on 31.03.2017) and the same shall be settled between AAI and PHL at the time of surrendering the Hangar.

2.7.2 Fleet

PHL has a fleet of 43 helicopters as on January 31, 2018 comprising of the following:

Table 7: Fleet Details as on January 31, 2018

	Category	Type	Numbers	Average Age (yrs.)
1.	Heavy Duty Helicopters [Crew: 4 Passengers: 26]	Russian Mi 172	3	8
2.	Medium Helicopters [Crew: 2 Passengers: 10]	Eurocopter Dauphin N	17	30
		Eurocopter Dauphin N3	14	7
3.	Light Single Engine	Bell 407	3	12
		Bell 206 L4	3	20

	Category	Type	Numbers	Average Age (yrs.)
	Helicopters [Crew: 1/2 Passengers: 6/4]	AS350 B3	2	5
4.	Medium Helicopter [Crew: 2 Passengers:14]	Dhruv	1*	12
	Total		43	

*Taken on lease from Hindustan Aeronautics Limited (HAL)

It may be noted that on January 13, 2018 one of PHL's Dauphin N3 helicopter met with an accident resulting in complete loss of the helicopter (this helicopter is not included in the fleet count above). PHL has lodged an insurance claim with National Insurance Company Ltd. for the insured value of Rs.50 crores and the same is under process.

Major Clients: The Company provides the previously mentioned helicopter services to Governments of Sikkim, Meghalaya, Tripura, Assam, Mizoram, Himachal Pradesh, Odisha, Jammu & Kashmir (J&K), Gujarat and other State Governments; inter-island services to Administration of Andaman & Nicobar Islands, Lakshadweep Islands and Daman & Diu; services to Oil & Gas sector clients namely, ONGC, GAIL, Oil India Limited and GSPC; heli-tourism services to Maharashtra Tourism Development Corporation (MTDC), Goa Tourism Development Corporation (GTDC), Kedarnath pilgrimage, Machail Yatra etc. and to other clients like Ministry of Home Affairs, Maharashtra Police and NTPC etc.

Additionally, PHL has also been awarded with 11 routes under RCS, details of which have been mentioned earlier.

2.8 Pending Purchase Orders for Helicopters

PHL was in the process of procuring 3 new medium helicopters from Bell Helicopters (Bell), for which the order was placed in August, 2016. The awarded order cost of procurement of the 3 helicopters was approximately Rs. 205 crore.

Out of the 3 helicopters, 2 were shipped by Bell and the same reached Mumbai with technical acceptance pending. However, as per PHL's Technical Committee recommendations, the helicopters could not be accepted due to deficient date of manufacturing as they did not meet acceptance parameters of the tender requirement and the purchase agreement. PHL also sought Legal Opinion on the same, subsequent to which PHL's Board opined that in view of the Technical Committee report, the Legal Opinion and Bell refusing to replace the offered helicopters, the helicopters in their

present form could not be accepted, therefore there would be no alternative but to reject these helicopters and cancel the contract. The Board further advised PHL's management to invoke the Bank Guarantees (BG) furnished by Bell to recover the advance payments made by PHL. Bell subsequently filed an Other Miscellaneous Petition (OMP) in the Delhi High Court. In the meantime, High Court directed Citi Bank not to remit the amount under Bank Guarantees to PHL and to extend the BGs till end of November, 2017. Further, Bell issued notice for arbitration in the dispute and nominated its arbitrator and PHL also nominated a retired Justice of Supreme Court of India as its nominee arbitrator and the two arbitrators, in turn, nominated the third arbitrator.

On November 28, 2017, the Hon'ble Delhi High Court disposed-off the OMP as the Arbitral Tribunal stands constituted. The Court gave directions to Bell to file application under Section-17 of Arbitration & Conciliation Act before the Arbitral Tribunal and to extend the validity of BGs towards advance payment (expiring on November 30, 2017) for a further period of six months. The Court also directed for the stay on invocation of BGs to continue till the time a decision is passed by the Arbitral Tribunal. Accordingly, Bell extended the BG by another six months period.

Bell has recently approached PHL to amicably resolve the matter through settlement by way of repaying all advance paid to them for the purchase of helicopters along with interest. The settlement proposal of Bell has been approved by the Board of PHL and the process of settlement of the same is underway.

2.9 Statutory Permits & Licenses

The Company has the following statutory permits and licenses required for its operations:

- **Non Scheduled Operators Permit (NSOP):** The operations of the Company are permitted by GOI under PHL NSOP No. 02/1998, which has been renewed on March 8, 2017 for a period of two years till March 14, 2019. Re-certification of this permit under the new regulations under CAP 3400 is underway and the Company has deposited the requisite fees with DGCA for the same.
- **Air Crew Flying License:** All the aircrew including pilots and flight engineers hold valid aircrew licenses which typically have a validity of 5/10 years and are renewed accordingly.
- **Certificates of registration and air-worthiness:** All the helicopters operated by the company hold valid certificates of registration and air-worthiness respectively as per the applicable DGCA regulations.

2.10 Shifting of Registered Office

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

Table 8: Shifting of Registered Office

S. No.	Approval (as per the resolution)	Current Status
1.	Shifting of Registered office to Rohini Heliport	Completed
2.	Initiation of necessary formalities and approvals for shifting of Registered Office to C-14, Sector-1, Noida-201301 (UP)	Under Process

2.11 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.

2.12 Status of Contingent Liabilities

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

Table 9: Status of Contingent Liabilities as on January 31, 2018

Details	Amount (In Rs. Crore)	Status
a) Counter guarantees given to Banks and Letter of Credit	32.42	
b) Tax Contingencies		
Income Tax demands	54.64	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.
Demand Notice for payment of VAT	454.31	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 2017) 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 next date of hearing on 26.3.2018. 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.
Show cause Notice from Service Tax Department	22.67	Demands have been protested before the Authorities and in some cases appeals have been filed against decision of the adjudicating authority.
c) Litigations		
Court cases / cases under Arbitration	45.37	Cases are under various stages of hearing/ arbitration.
Other Matters	1.03	
Total	610.44	

3. FINANCIAL PERFORMANCE OF COMPANY

This chapter provides PHL's financials till FY17. Financials for FY18 will be provided to Interested Bidders on finalisation of the same by PHL.

3.1 Profit and Loss Statement

Table 10: Profit & Loss Account

(Amounts in Rs. Crore)

Financial Year	FY13	FY14	FY15	FY16##	FY17##
No. of Helicopters	46	46	46	43	44*
Avg. monthly Deployment (No. of Helicopters)	31	32	32	32	31
Flying Hours	31,683	31,890	31,380	27,892	25,959
Revenue from Operations	456.43	516.26	522.36	453.25	427.64
Interest/Other Income	25.62	34.22	27.35	38.42	79.84
Fuel Expenses	29.00	40.59	34.84	20.07	21.12
Insurance Expenses	23.63	18.61	11.63	9.31	15.26
Employee Cost	149.06	148.99	154.16	151.69	155.80
Maintenance Cost	90.67	104.37	115.27	70.39	50.02
Other Operating Expenses	11.82	23.84	19.21	17.32	44.72
Other Expenses	47.64	40.45	47.40	50.05	54.32
Total Expenses	351.82	376.84	382.50	318.83	341.24
EBITDA	130.23	173.64	167.20	172.86	166.24
Depreciation & Amortization	73.79	79.71	76.52	72.15	78.98
EBIT	56.45	93.93	90.68	100.71	87.26
Finance Cost	28.51	31.81	17.49	4.50	2.04
Exceptional Items	-	(0.89)	(1.45)	-	
Extraordinary Items	-	7.43	-	-	(48.03)#
GOI claim – interest waived	-	-	-	-	339.31
PBT	27.94	61.23	71.74	96.21	376.50
PAT	11.70	38.57	38.81	57.17	242.62
Other Comprehensive Income				0.93	0.16
Total Comprehensive Income				58.10	242.78

Company has adopted component accounting approach as per Companies Act 2013 and Indian Accounting Standard compliances in FY-16 and FY-17

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

AAI Old Lease rent dues settlement (48.03 Cr)

- Drop in revenue from operations in FY 16 and FY 17 can be attributed to lower flying hours due to a reduction in operational fleet caused by 3 accidents during 2015.
- Interest/other income for FY-17 includes an amount of Rs. 43.81 crores on account of reversal of provision made in earlier years for licence related allowance to pilots and AMEs.

- Other operating expenses for FY-17 include helicopter lease charges of Rs. 12.30 crore (FY16: nil) on account of dry lease of a Dhruv Helicopter from Hindustan Aeronautics Limited and wet lease of a medium helicopter from Heligo Charters.
- In FY16 and FY17, 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.
- 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 11: Balance Sheet

Year	FY13	FY14	FY15	FY16*	FY17*
Liabilities (in Rs. Crore)					
Shareholders' Funds					
Share Capital	245.62	245.62	245.62	245.62	245.62
General Reserve	20.50	20.50	20.50	20.50	20.50
Other Reserves	218.41	247.72	275.01	330.05	559.81
Share Application Money pending allotment	-	-	-	-	159.05
Sub Total	484.53	513.84	541.13	596.17	984.97
Non-Current Liabilities					
Long-Term Borrowings	274.69	100.59	38.68	30.34	24.98
Deferred Tax Liabilities	136.26	143.63	157.70	182.61	226.72
Other Long Term Liabilities	471.40	471.22	471.37	471.63	1.63
Long-Term Provisions	39.33	46.91	27.24	29.84	28.55
Sub Total	921.68	762.35	694.98	714.42	281.89
Current Liabilities and Provisions					
Trade Payables	16.22	27.26	36.38	36.52	73.51
Current Maturities of Long Term Debt	55.27	171.04	38.25	8.37	5.36
Other Current Liabilities	28.90	38.04	33.26	32.24	50.65
Short Term Provisions	29.33	35.95	80.55	49.43	22.98
Sub Total	129.72	272.29	188.45	126.56	152.50
Total Liabilities	1,535.93	1,548.47	1424.56	1,437.15	1,419.36
Assets (in Rs. Crore)					
Non-Current Assets					

Year	FY13	FY14	FY15	FY16*	FY17*
Net block	982.06	921.31	861.72	817.03	866.99
Capital Work in progress	18.07	11.36	18.04	53.94	6.04
Intangible Assets	1.86	1.26	1.03	0.16	0.09
Sub Total	1,001.99	933.94	880.80	871.12	873.13
Non-Current Investments	2.89	2.89	1.45	1.24	1.02
Long Term Loans & Advances	81.48	78.73	78.39	6.09	6.02
Other Non-Current Assets	3.57	2.48	2.27	65.75	101.34
Sub Total	87.94	84.10	82.11	73.09	108.39
Current Assets, Loans & Advances					
Inventories	67.27	55.14	56.48	50.19	44.97
Trade Receivables	210.21	274.52	290.45	236.62	192.16
Cash and Bank Balance	125.67	155.05	89.25	121.35	153.32
Short Term Loans and Advances	19.05	20.25	18.03	4.67	4.90
Other Current Assets	23.80	25.48	7.42	80.11	42.49
Sub Total	446.00	530.43	461.65	492.93	437.85
Total Assets	1,535.93	1,548.47	1424.56	1,437.15	1,419.36

* Company has adopted component accounting approach as per Companies Act 2013 and Indian Accounting Standard compliances in FY-16 and FY-17.

- In FY 16, Other Long-Term Liabilities of the Company included a total claim of Ministry of Finance (MoF) of Rs. 470.22 on the Company. However, in FY 17, the GOI converted dues of Rs. 130.91 crores (principal amount) into equity share capital and waived off balance Rs. 339.31 crores (interest cost). Further, GOI 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 FY 18, 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 Debt to Equity and TOL/TNW ratios have further improved from 0.06 and 1.41 as on March 31, 2016 to 0.03 and 0.44 as on March 31, 2017 respectively. It may be noted that with the equity infusion of Rs. 152.82 crore by ONGC, the leverage position is expected to further improve in FY18.

3.3 Present Debt Position of the Company

PHL had availed term loan facility from NTPC in 2012 (for purchase of 1 new Dauphin N3 helicopter) at a 6% per annum rate of interest to be repaid in 120 equated monthly installments ending in March 2022. The loan is secured by hypothecation of the helicopter in favor of NTPC. Further, PHL has working capital funding arrangements with Vijaya Bank. The details of term loan and working capital facilities as on January 31, 2018 are as below:

Table 12: Details of debt facilities of PHL as on January 31, 2018

Lender	Facility	Sanctioned (Rs. Cr)	Outstanding (Rs. Cr)
NTPC	RTL	54.30	25.89
Vijaya Bank	Cash Credit	40.00	-
	FLC/BG/PBG	87.91	19.31

4. VALUE DRIVERS AND INDUSTRY SNAPSHOT

Key Strengths of PHL

- India's largest provider of helicopter services 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
- Profit making & dividend paying Mini-Ratna I PSU
- 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 43 helicopters
- Availability of diverse fleet mix from major manufacturers
- Leading market share of more than 30% (in terms of flying hours)
- Low leverage

Industry & regulatory factors

- Untapped potential with low no. of air trips per capita & scope in application-based roles
- Growth in heli-tourism for pilgrimage, adventure & heritage
 - Growing working class & disposable incomes
 - Rising business & leisure travel
 - Rising rail fares
- Policy Support/ Regulatory factors
 - RCS
 - HEMS
 - NCAP

Key Strengths of PHL

- 1) **“Pawan Hans” is an established brand name in the helicopter industry and is the leading provider of helicopter services** to the offshore energy industry (major clients include ONGC, GSPC 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:**
 - Over the past 4 years, contracts with ONGC and State Governments have provided steady source of income annually (with revenues from Oil & Gas sector trending in the range of 39 to 44% and revenues from State Governments together with PSUs trending in the range of 39 to 50%).
 - Major contracts of PHL are mid to long term in nature ranging from two years to ten years period, including five year contract with ONGC.
 - Growth in Oil & Gas industry: As per India Brand Equity Foundation (IBEF), India’s energy demand is expected to double to 1,516 million tonnes of oil equivalent (Mtoe) by 2035 from 637 Mtoe in 2014. Moreover, the country’s share in global primary energy consumption is projected to increase two fold by 2035. ONGC dominates the upstream segment (exploration and production), producing around 60% of the country’s oil output, as of March 2016.
- 5) **Profit making & dividend paying Mini Ratna-I PSU:** PHL has been consistently paying dividend to its shareholders for the last four years.
- 6) **MRO services:** PHL has infrastructure / maintenance workshop facilities (CAR 145 standard) located at Mumbai (Western Region), Delhi (Northern Region), and Guwahati (Eastern Region) with qualified engineers and technical staff for the repair/overhaul/bench check etc. of helicopters.
 - As per background paper submitted by KPMG to MoCA, Aviation MRO services business in India is expected to grow from USD 0.9 bn in 2015 to approximately USD 1.5 bn by 2020. Without the availability of adequate MRO services, operators incur large inventory costs and require frequent movement of parts outside India. As there are no major players in this sector for helicopters in India, MRO service segment could provide significant growth potential to PHL.
 - PHL already provides its manpower and machinery for maintaining Dhruv helicopters.

- Further, PHL has also signed a MoU with Airbus in 2017 to operate an “Airbus helicopter approved maintenance centre” for AS 365 Dauphin Series and AS 350B3 series helicopters.
- 7) **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.
 - It has also signed a MoU with HAL in 2017 to avail HAL’s services in training selected trainees identified as ‘Cadet Pilot’ to enable them obtain Commercial Helicopter Pilot's License (CHPL).
 - 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.
- 8) **Pan India presence:** PHL has its operations spread across the nation covering major locations. The indicative map of its nation-wide presence is shown below:

Figure 1: Presence of PHL operations



- 9) **Low leverage:** PHL's long term D/E is 0.03 and TOL/TNW of 0.44 as of March 31, 2017, thus providing further scope of raising debt on the balance sheet of the Company for future expansion plans.
- 10) **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).

Domestic Industry Scenario

a) Peer Comparison

As per the DGCA handbook for FY 17, there were a total of 55 NSOP (54 in FY 16) Helicopter operators in India with a total fleet of 224 helicopters (213 in FY 16). The top four operators together held 38% (same as FY 16) of the total fleet of NSOP helicopters and accounted for 69% (around 60% in FY 16) of the total flying hours in FY17, whereas the balance operators, during FY 17 and FY 16 (i.e. more than 90% of NSOP helicopter operators) held a fleet of 5 or less helicopters.

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

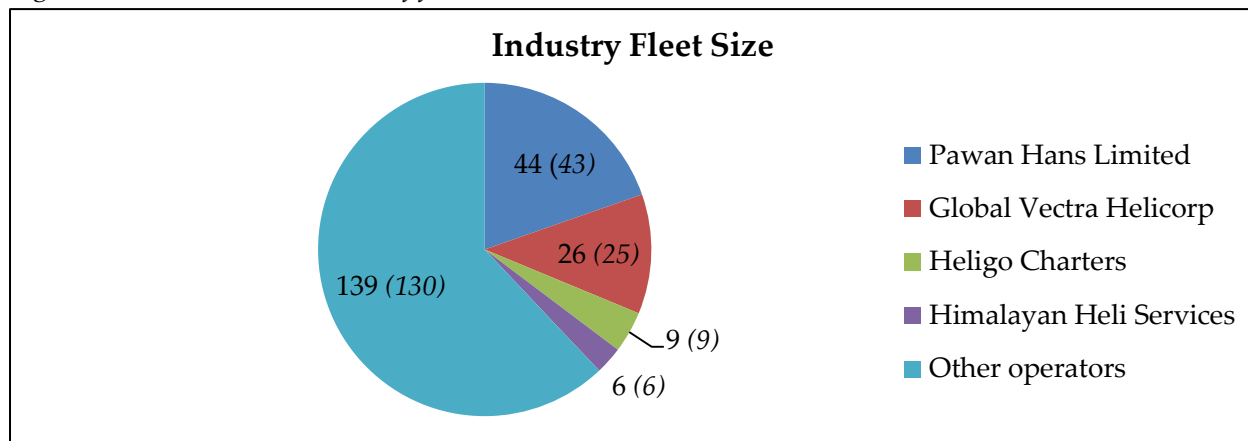
Table 13: Statistics for Major Helicopter Operators for FY15 and FY16

Particulars	Pawan Hans Limited		Global Vectra Helicorp Limited		Heligo Charters		Himalayan Heli Services	
	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16	FY 15	FY 16
Total Fleet Size	46	43	21	25	8	9	5	6
Operating Revenue	522.36	453.25	346.81	357.38	135.01	133.45	47.37	57.03
Total Revenue (Rs. Cr)	549.71	491.67	356.31	391.68	138.9	136.68	50.51	62.7
Flying Hours	31,380	27,892	16,903	17,229	4,283	5,789	3,600	4,122
Flight Departures	96,681	93,193	98,716	1,09,933	3,205	4,202	49,640	57,325
Passengers Carried	4,42,598	3,89,673	4,06,087	4,43,780	37,787	51,487	2,64,121	3,06,105
Operating Revenue / Flying Hour (Rs. lakhs)	1.66	1.63	2.05	2.07	3.15	2.31	1.32	1.38
Flying Hrs/ Fleet Unit	682	649	805	689	535	643	720	687

Source: DGCA & company reports

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

Figure 2: Market share in terms of fleet size in FY17



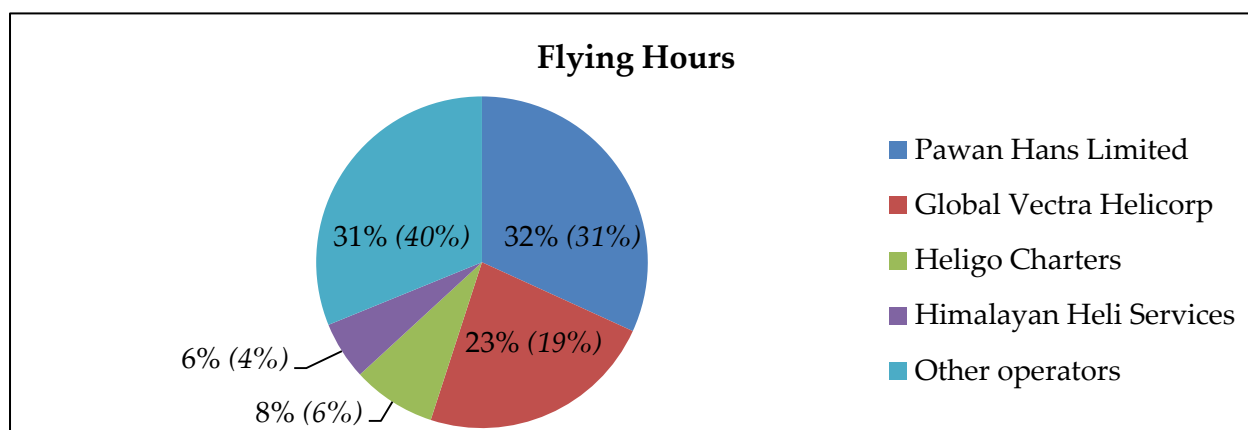
Source: DGCA Handbook for 2016-17, DGCA NSOP List

Note(s):

1. Figures in bracket relate to FY16
2. PHL had a fleet size of 44 helicopters as on March 31, 2017

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

Figure 3: Market share in terms of flying hours in FY 17



Source: DGCA Air Transport Statistics 2016-17

Note: Figures in bracket relate to FY16

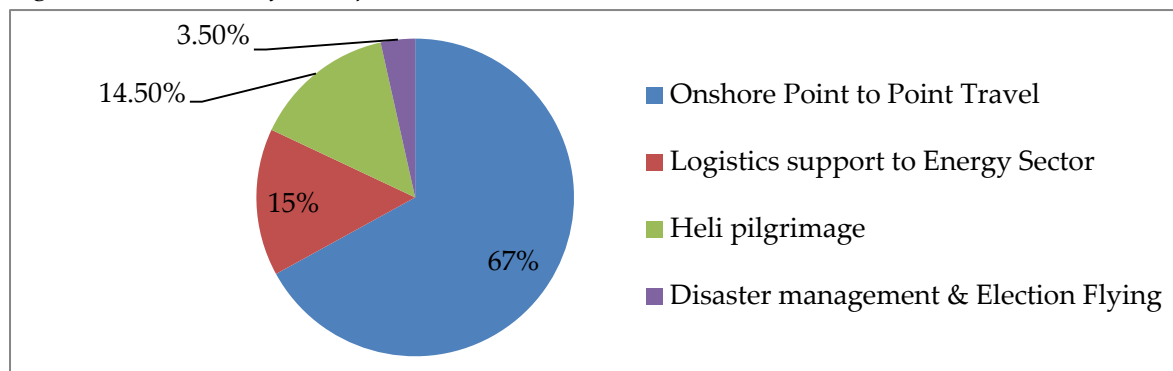
b) Industry growth & regulatory support

Indian helicopter industry is less than 1% of the total helicopters of the world. At the end of FY 17, India had around 307 helicopters, including 224 civil helicopters, which translates to approximately 1 helicopter available for 4.07 million people. The civil helicopters are being

manufactured by over 10 manufacturers, with major market share being held by Bell helicopters and Airbus helicopters.

Major deployment of helicopters in India in FY 16 was in onshore point-to-point travel across the country especially in North East States. The detailed break-up is as given below:

Figure 4: Utilisation of helicopters in India in FY 16



Source: RWSI newsletter February 2017

- 1) **Untapped potential** in civil aviation in India shall provide scope for growth in the sector.
 - a) As per Crisil Research, the number of air trips per capita per annum in India is very low (0.04) as compared to nations like US (2.1), Europe (1.0), Malaysia (0.54), Brazil (0.3) etc. This clearly indicates that there is a huge potential for growth in air travel space in India.
 - b) As per RWSI, the usage of civil helicopters in India is majorly confined to non-scheduled passenger service and only a very small percentage of total helicopter operations are devoted to application roles such as hotline washing, casualty air evacuation, electronic news gathering, under-slung load operations, airborne law enforcement etc. vis-à-vis developed nations, where the major helicopter deployment is in such areas.
 - c) The bulk of the commercial flying is carried out ex Juhu Airport (for offshore), Pune and Delhi. Hence, there is scope for development of more Heli-hubs in India to cater to the growing demand.
- 2) **Growth in heli-tourism** on account of the following factors shall provide an opportunity to the commercial passenger business of helicopter operators:
 - a) As per IBEF, India is expected to become the **third largest aviation market by 2020**. Working population (aged between 15 and 64 years) is estimated to increase from 825.6 million in 2015 to 900 million by 2030. Thus, driven by this **rise in affluent class** which can afford helicopter travel for tourism/travel purposes, the company could tap the significant potential in the tourism segment for higher revenue generation.

- b) **Business & Leisure Travel:** As per IBEF, Travel & Tourism industry is estimated to grow at a CAGR of 6.75 % from USD 146 bn in 2016 to USD 280 bn in 2026. Further, spending on business travel and leisure travel is estimated to increase from USD 20 bn in 2016 to USD 40 bn in 2026 and from USD 96 bn in 2016 to USD 203 bn in 2026 respectively.
- c) **Rising Rail fares:** Railways has historically been the preferred mode of transport in India due to lower cost. However, the gap between rail and air fares has reduced significantly in the last 3-4 years, thus more and more travellers are expected to shift from rail to air travel.
- 3) **Regulatory support** is being provided by MoCA, DGCA through various policies:
- a) **Regional Connectivity Scheme (RCS):**
- As per IBEF, airports in India witnessed passenger traffic of about 224 million people in FY 16 of which around 66% was handled by the 6 major airports (Delhi, Mumbai, Bengaluru, Kolkata, Hyderabad and Chennai) alone. The growth of air connectivity to India's remote regions has historically been restricted due lack of proper infrastructure and preference for railways due to high airfares.
 - MoCA released the RCS – UDAN scheme on October 21, 2016 for a period of 10 years which plans to stimulate regional air connectivity by making it affordable by providing a favorable eco-system through fiscal support and infrastructure development. Further, MoCA has approved the revised RCS version 2.0 document dated August 24, 2017.
 - The scheme specifies airfare caps for helicopters ranging from Rs. 2,480 to Rs. 4,970 based on flight duration and inflation. A Regional Connectivity Fund (RCF) to be created through a levy or fee per departure on domestic departures. Further, excise duty on ATF to be reduced from 14% to 2% for a period of 3 years & VAT on ATF to 1% or less for a period of 10 years. Additionally, support to be provided by airport operators (AAI, State Governments, private players or the Ministry of Defence) in the form of no levy of landing and parking charges on RCS flights etc.
 - Further, the maximum no. of RCS seats for which the airfare would be capped are 40 for Fixed Wing Aircraft and 13 for Helicopters, and accordingly, small fixed wing aircrafts and medium helicopters may be ideally placed to cater to RCS requirements.

It may be noted that PHL has been awarded with 11 routes under RCS (Round – 2) bidding, details of which have been provided under the "Company Overview" section.

b) **Helicopter Emergency Medical Services (HEMS):**

- According to National Crime Records Bureau, 1.3 lakh people die annually due to road accidents and another 5 lakh are reported injured in India. It has been observed that 80 % of accident victims do not have access to medical care within one-hour of the accident (“Golden Hour”) and 30 % of the emergency patients in India die before they reach a hospital due to poor infrastructure, lack of transportation facility and lack of hospitals around national highways.
- Across the globe, around 11% of civil helicopters are used for emergency medical services and around 13% of new helicopters planned to be acquired during next five years are expected to be utilized for HEMS and search & rescue operations. However, even with a population of more than 1.2 billion residents, the presence of HEMS services is almost negligible in India. In comparison, USA with a population of 321 million people is already served by 1,500 EMS helicopters.

c) **The National Civil Aviation Policy (NCAP) 2016** also identifies Helicopter services as critical in the areas of intra-city movement, tourism, law enforcement, disaster relief, search and rescue, emergency medical evacuation, etc. and aims to promote helicopter usage in the following manner:

- The Government shall notify separate regulations for helicopters and facilitate development of at least four heli-hubs initially, across the country to promote regional connectivity.
- AAI may provide or earmark / lease land for helicopter operations at airports on appropriate commercial terms from where helicopters can operate without interfering with fixed wing traffic. Further, airport charges for helicopter operations shall be suitably rationalized.

PART B

5. PROPOSED TRANSACTION

The broad terms of the Transaction are detailed as below:

- 1) Disinvestment by the Government of India (“GOI”) acting through the Ministry of Civil Aviation (“MoCA”) of its entire equity shareholding held by the President of India through MoCA aggregating to **51%** of the entire paid up share capital of the Company by way of a strategic disinvestment to “Interested Bidder(s)” or “IB(s)” along with transfer of management control (“Transaction”).
- 2) The process for the Proposed Transaction has been divided into two stages, namely, Stage I and Stage II.

Stage I:

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

Stage II:

- 6) The shortlisted IBs, will be provided with Request for Proposal (“RFP”), access to the data room to review documents pertaining to the Company for conducting a due diligence on the Company and a Confidential Information Memorandum (CIM), which shall provide further details of the Company and the Proposed Transaction subject to the IB having satisfactorily entered into a confidentiality undertaking (at the time of submission of EOI). The format and formalities related to the RFP shall be communicated in due course. The shortlisted IBs would be required to undergo a transparent bidding process for acquisition of entire GOI shareholding in PHL, in accordance with the terms of the RFP.
- 7) The IB may be required to deposit an earnest money at Stage II, if so required by GOI.

- 8) Post submission of financial bids, the H1 bidder (highest bidder) shall undergo a security clearance process. Details of the H1 bidder along with its board of directors and shareholders would be submitted to Security Committee on Strategic Disinvestment, through MoCA for the same.
- 9) In case the H1 bidder fails in obtaining the security clearance, next highest bidder will be offered an option to match the bid of the H1 bidder and the next highest bidder's details shall be sent for security clearance.

Other Details regarding the Transaction:

- 10) An advertisement has been issued in the newspapers inviting IBs to submit their EOI to participate in the Proposed Transaction. A copy of which is enclosed as **Annexure 9**.
- 11) This PIM contains the following:
 - a. 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
 - j. Format for Letter of EOI for Consortiums
 - k. Format for Statement of Legal Capacity for sole IB
 - l. Format for Statement of Legal Capacity for Consortiums
 - m. Format for Form A
 - n. Format for Power of Attorney
 - o. Format for Consortium Agreement
 - p. Format for Confidentiality Undertaking
 - q. Advertisement inviting EOI
 - r. Office Order of DIPAM guidelines
 - s. Format for declaration with respect to statement of legal proceedings
 - t. Format of Affidavit
 - u. Guidelines for Management-Employee Bids in Strategic Sale
 - v. DIPAM Guidelines for Employees Bids

- 12) This PIM along with annexures have been uploaded on websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at

www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com. Following receipt of PIM, IBs will be required to respond in the format as detailed in this PIM along with non-refundable fees as detailed herein.

- 13) IBs shall have satisfied themselves of their queries before participating in the Proposed Transaction.
- 14) Subsequently, a site visit (cost of which will be borne by the IBs) may be scheduled to facilitate the shortlisted IBs in their assessment of the Company at the discretion of GOI. The modalities related to the visit and due diligence will be communicated to the shortlisted IBs in due course.
- 15) The shortlisted IBs shall carry out their own due diligence, independent assessment and appraisal of the Company and the Transaction. The GOI or the Company or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto shall not be liable in any manner whatsoever.
- 16) Details regarding the process post short-listing based on the EOIs submitted will be subsequently shared with the IBs in the RFP.
- 17) EOIs are liable to be rejected by GOI if IBs 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.
- 18) GOI reserves the right to modify/postpone/cancel or call off the Proposed Transaction without communicating any reasons whatsoever. In such an event, no financial obligation whatsoever shall accrue to GOI, the Company, the Advisor or any of their respective officers, employees, advisors or agents.
- 19) GOI also reserves the right to call for any additional document (s)/ information from the IBs, which may be considered necessary without any liability to the Company/GOI.
- 20) The GOI, Advisor, Company and their respective advisors shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM or the EOI process, including any error or mistake therein or in any information or data given by the Advisor.
- 21) The IBs to acknowledge that this PIM is not a legally binding document. In case of any dispute between the parties in respect of interpretation of the terms of Advertisement (as enclosed in this PIM) inviting EOIs, this PIM or anything arising therefrom, such dispute

or difference shall be referred to the President of India or the officiating person and he shall adjudicate and decide the disputes, if any, between the parties and his decision shall be final, conclusive and binding on both the parties. The laws of Republic of India shall govern all matters relating to the Proposed Transaction. All disputes will be subject to jurisdiction of the Courts at New Delhi (with exclusion of all other Courts).

6. INSTRUCTION FOR SUBMISSION OF EOI

- I. The Expression of Interest, conforming to the conditions of this PIM shall be submitted physically along with all annexure(s) duly filled in, in original and all the supporting documents (EOI), at following address on or before the scheduled date and time. The completed forms, "Annexures" along with all the supporting documents of the bid shall be considered as part of the contract documents in the case of successful bid(s).

Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001.

- II. Submission of the aforesaid documents by any other electronic means and/or facsimile will not be accepted.
- III. The proposals received after the appointed time and date will be rejected.
- IV. **Unless otherwise specified, a copy of any document that is not the original shall be a certified true copy (duly verified by a notary) 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. Demand Draft of Rs. 5,00,000/- (Rupees Five Lakh Only) towards non-refundable fee drawn in favor of SBI Capital Markets Limited – Fee for EOI, payable at New Delhi.
2. EOI letter in the format specified: For a sole IB (as per **Annexure 1**) or for a Consortium (as per **Annexure 2**), whichever applicable.
3. Statement of Legal Capacity for sole IB (as per **Annexure 3**) or for a Consortium (as per **Annexure 4**), whichever applicable.

4. Duly filled in **Form A** by IB/ each member of Consortium along with all supporting documents (as per **Annexure 5**), including the following major supporting documents:
- a. Executive summary providing brief description 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” means the natural person or persons who are the ultimate beneficial owners of the shares and who ultimately own, control or influence and includes a person who exercises ultimate effective control over a legal person or arrangement), the 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 to be submitted. However, if IB/ any member of the Consortium cannot submit any of the following documents, it shall state reasons for the same:
 - 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 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 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.

In case the IB/any member of Consortium was incorporated less than 5 years ago, the financial statements/annual reports (or net worth certificate from an independent chartered accountant in case of individual shareholder) for the last 5 years, of the largest shareholder of the IB/member of Consortium incorporated less than 5 years ago is to be submitted.

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. Extract of the charter documents and documents such as a board or shareholders' resolution in favor of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ 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), copies of the audited financial statements for the immediately preceding financial year for such entities.
 - 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.
 - 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.
5. Appropriately executed Power of Attorney authorizing the signatory of the EOI to commit the IB/ each member of Consortium (as per **Annexure – 6 and Annexure – 13 for Employee Bids**).
 6. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per **Annexure 7**).
 7. Duly executed Confidentiality Undertaking (as per **Annexure 8**).
 8. A declaration in relation to statement of legal proceedings (as per **Annexure 11**).

9. Duly executed Affidavit (as per **Annexure 12**).
- 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 12) 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 by another 180 days on intimation to the interested bidders.
- VIII. PIM is available for downloading from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.
- IX. 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.
- X. 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.
- XI. 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.
- XII. All financial statements or data to be derived therefrom for the evaluation of Financial Criteria referred herein shall mean on a **Consolidated Basis**.
- XIII. Any condition or qualification or any other stipulation contained in the EOI shall render the EOI liable to rejection as a non-responsive EOI.
- XIV. The EOI and all related correspondence and documents in relation to the EOI shall be in English language.
- XV. 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.

- XVI. EOIs shall be opened only after the due date of submission of EoIs.
- XVII. EOIs shall be submitted during the working hours (Monday to Friday 10:00 am to 6.45 pm) on or before scheduled date & time.
- XVIII. Advisor/GOI/Company shall bear no responsibility for non-receipt of documents sent by post/courier.
- XIX. 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.
- XX. **Enquiry:** GOI/Company reserves the right, in their sole discretion, not to respond to any questions raised or provide clarifications sought, if considered inappropriate or prejudicial to do so or even otherwise. Nothing in this section shall be taken or read as compelling or requiring the GOI/Company to respond to any question or provide any clarification. No extension of any time and date referred to in this PIM shall be granted on the basis or grounds that the GOI/Company has not responded to any question or provided any clarification.
- XXI. **Governing Law / Jurisdiction:** The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.
- XXII. **Requisite approvals:** The IB shall be required to obtain all necessary approvals required to enable the IB to enter into the definitive agreements and to consummate the Transaction including all approvals that may be required to be obtained from the Ministry of Civil Aviation (“MoCA”) and under any other applicable Laws. The selected Bidder is also expected to adhere to:
- a. Stipulations under the NSOP license regulations regarding composition of Board of Directors and Management structure for PHL, which inter alia specify as below:
 - i. The majority of Directors on the board shall be Indian citizens

- ii. The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require to be security vetted by 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.
- b. Other NSOP License regulations (as per DGCA circular: “Civil Aviation Requirement Section 3 Air Transport Series ‘C’ Part III, Issue II, File No.: AV.14027/02/2002-AT.1”) and,
 - c. Or any other approvals as may be required

XXIII. **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, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com.

In order to afford the Bidders a reasonable time for taking an addendum into account, or for any other reason, GOI may, in their sole discretion, extend the Due Date for submission of EOI.

XXIV. 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.

XXV. 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.

XXVI. 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.

- XXVII. 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.
- XXVIII. 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.
- XXIX. 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.
- XXX. 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.

7. ELIGIBILITY CRITERIA

The Eligibility criteria for the IBs are as follows:

- 1) **Incorporation Criteria:** Any private limited company, public limited company, limited liability partnership, body corporate, whether registered or incorporated in India or outside India; or Alternative Investment Funds (AIF) registered with SEBI as per SEBI (Alternative Investment Funds) Regulations, 2012; which are eligible to invest under the laws of India (subject to such parties obtaining all statutory approvals by themselves from the GOI, FIPB, relevant ministry, DGCA, RBI etc. as applicable) either as a sole bidder or as part of a Consortium ("Interested Bidder" / "IB"). However, Central Public Sector Enterprises (CPSEs) or Central Government owned Cooperative Societies i.e. entities where the direct holding of the Central Government or of other CPSEs is 51% or more or as defined and classified by the Department of Public Enterprises/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 14 ("Guidelines") if the legal entity so formed is qualified as per the criteria laid down in the PIM (*kindly, also refer to Annexure 13*).

- 2) **Financial Criteria:** For submitting the EOI and for being considered for subsequent qualification for Stage II of the Transaction, the IB shall satisfy the following Financial Criteria ("Financial Criteria"):
 - a. **Net worth Criteria:** A minimum Net worth of Rs. 500.00 Crore ("Net worth Criteria")
 - b. **Profitability Criteria:** Positive Profit After Tax in at least three of the immediately preceding five financial years from the date of publication of this PIM. Where IB was incorporated less than five years ago, it should have positive Profit After Tax in at least three completed financial years (each of not less than 12 months duration), to be considered eligible ("Profitability Criteria").

The Profitability Criteria (as per clause 2(b)) is not applicable for AIFs and employees of PHL.

- 3) **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. **Formation of SPV:** In case of EOI by a Consortium, the Consortium shall incorporate a Special Purpose Vehicle (in the form of a company) under the laws of India, once finally selected 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.
 - b. **Minimum stake requirement in the Consortium/ SPV:**
 - i. **Each Member of the Consortium:** Each Member of the Consortium shall hold at least 20% equity share capital of the SPV (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 51% equity share capital of the SPV (i.e. a company) promoted or to be promoted by the members of the Consortium for acquiring the GOI stake being disinvested in PHL.
 - c. **Lead Member:** The Consortium shall not have more than one (1) Lead Member.
 - d. **Net worth Criteria:**
 - i. **For Consortium:** Combined Net worth of all the members of the Consortium should meet the Net worth Criteria as mentioned in clause 2(a) above (i.e. a minimum Net worth of Rs. 500 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*)
 - ii. **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(d)(i) 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):** Each member of the Consortium should have minimum net worth which is at least equal to their respective shareholding in the consortium as percentage of the Net worth Criteria as mentioned in clause 2(a) above.

For example:

- If a 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 150 crore (i.e. 30% of Rs. 500 crore)
- If a 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 300 crore (i.e. 60% of Rs. 500 crore)

e. **Profitability Criteria for members of Consortium:**

- 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):** Profitability Criteria is not applicable for such Consortium members.
- For other entities (i.e. either Non-ATSOs or ATSOs holding more than 51% equity share capital of the Consortium):** Each member of the Consortium should have positive Profit After Tax in at least three of the immediately preceding five financial years from the date of publication of this PIM. Where entity was incorporated less than five years ago, it should have positive Profit After Tax in at least three completed financial years (each of not less than 12 months duration).

However, the Profitability Criteria is not applicable for AIFs and employees of PHL.

“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.

- 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 12) in the manner specified therein

g. **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"> • Stake in Consortium: 51% • Net worth: Nil or Negative • Profit After Tax: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 500 crore • Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium qualifies, as:</p> <p>Clause 3(d):</p> <ul style="list-style-type: none"> • Member 1 (ATSO) is not required to meet minimum proportionate share (51%) of the Net worth criteria, as shareholding is within limit of 51% • Member 2 (Non-ATSO) meets the minimum proportionate share (49%) of the Net worth criteria <p>Clause 3(e):</p> <ul style="list-style-type: none"> • Member 1 (ATSO) is not required to meet requirement of positive Profit After Tax in 3 out of last 5 years as shareholding is within limit of 51%. • Member 2 (Non-ATSO) meets the requirement of positive Profit After Tax in 3 out of last 5 years <p>Consortium meets the Financial Criteria (Clauses 2 and 3(d)):</p> <ul style="list-style-type: none"> • Negative Net worth of Member 1 (ATSO) is considered as Nil • Combined Net worth of Consortium: Nil + Rs. 500 crore = Rs. 500 crore
2.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 600 crore • Profit After Tax: Positive in 4 out of 5 years 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. (Negative 20 crore) • Profit After Tax: Positive in 4 out of 5 years 	<p>Consortium does not qualify, as:</p> <p>Clause 3(d): Member 2 (Non-ATSO) does not meet requirement for</p>

Case	Member 1	Member 2	Remarks
	<ul style="list-style-type: none"> • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Nature of Business: Non-ATSO 	minimum proportionate share (49%) of the Net worth criteria
3.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 500 crore • Profit After Tax: Positive in 3 out of 4 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 20 crore • Profit After Tax: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<p>Consortium qualifies, as :</p> <p>Clause 3(d) :</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the minimum proportionate share (51%) of the Net worth criteria • Member 2 (ATSO) is not required to meet minimum proportionate share (49%) of the Net worth criteria <p>Clause 3(e):</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the requirement of positive Profit After Tax in at least 3 years (in case entity was incorporated less than five years ago) • Member 2 (ATSO) is not required to meet requirement of positive Profit After Tax in 3 out of last 5 years as shareholding is within limit of 51%. <p>Consortium meets the Financial Criteria (Clauses 2 and 3(d)):</p> <ul style="list-style-type: none"> • Combined Net worth of Consortium: Rs. 500 crore + Rs. 20 crore = Rs. 520 crore
4.	<ul style="list-style-type: none"> • Stake in Consortium: 60% • Net worth: Rs. 300 crore • Profit After Tax: Positive in 2 out of 5 Years • Nature of Business: ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 40% • Net worth: Rs. 250 crore • Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium does not qualify, as:</p> <p>Clause 3(e): Member 1 (ATSO) does not meet the requirement of positive Profit After Tax in 3 out of last 5 years and stake held is more than 51%</p>
5.	<ul style="list-style-type: none"> • Stake in Consortium: 51% • Net worth: Rs. 260 crore 	<ul style="list-style-type: none"> • Stake in Consortium: 49% • Net worth: Rs. 250 crore 	Consortium qualifies, as:

Case	Member 1	Member 2	Remarks
	<ul style="list-style-type: none"> • Profit After Tax: Positive in 3 out of 3 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Clause 3(d):</p> <ul style="list-style-type: none"> • All the Member of the Consortium meet minimum proportionate share of the Net worth criteria <p>Clause 3(e):</p> <ul style="list-style-type: none"> • Member 1 (Non-ATSO) meets the requirement of positive Profit After Tax in at least 3 years (in case entity was incorporated less than five years ago) • Member 2 (Non-ATSO) meets the requirement of positive Profit After Tax in 3 out of last 5 years <p>Consortium meets the Financial Criteria (Clauses 2 and 3(d))</p> <ul style="list-style-type: none"> • Combined Net worth of Consortium: Rs. 260 crore + Rs. 250 crore = Rs. 510 crore

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"> • Stake in Consortium: 51% • Net worth: Rs. 255 crore • Profit After Tax: Positive in 4 out of 5 Years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 25% • Net worth: Rs. 125 crore • Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> • Stake in Consortium: 24% • Net worth: Rs. 120 crore • Profit After Tax: Positive in 4 out of 5 years • Nature of Business: Non-ATSO 	<p>Consortium qualifies, as:</p> <p>Clause 3(d):</p> <ul style="list-style-type: none"> • All the Members of the Consortium meet minimum proportionate share of the Net worth criteria <p>Clause 3(e):</p> <ul style="list-style-type: none"> • All Members meet the requirement of

Case	Member 1	Member 2	Member 3	Remarks
				<p>positive Profit After Tax in 3 out of last 5 years</p> <p>Consortium meets the Financial Criteria (Clauses 2 and 3(d)):</p> <ul style="list-style-type: none"> Combined Net worth of Consortium: Rs. 255 crore + Rs. 125 crore + Rs. 120 crore = Rs. 500 crore
2.	<ul style="list-style-type: none"> Stake in Consortium: 51% Net worth: Rs. 255 crore Profit After Tax: Positive in 2 out of 5 Years Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> Stake in Consortium: 25% Net worth: Rs. 5 crore Profit After Tax: Positive in 4 out of 5 years Nature of Business: Non-ATSO 	<ul style="list-style-type: none"> Stake in Consortium: 24% Net worth: Rs. 250 crore Profit After Tax: Positive in 4 out of 5 years Nature of Business: Non-ATSO 	<p>Consortium does not qualify, as:</p> <p>Clause 3(d):</p> <ul style="list-style-type: none"> Member 2 (Non-ATSO) does not meet minimum proportionate share (25%) of the Net worth criteria <p>Clause 3(e):</p> <ul style="list-style-type: none"> Member 1 (Non-ATSO) does not meet the requirement of positive Profit After Tax in 3 out of last 5 years.

- 4) 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.
- 5) 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.
- 6) 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 5.

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

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

- 7) No changes either by way of withdrawal/substitution/addition of any member of any Consortium or any change affecting the composition of the Consortium may be permitted post last date for submission of EOI.
- 8) All members shall provide an undertaking that there shall be no change in the shareholding of the Consortium or the SPV, if the said Consortium is declared as the successful bidder, for three (3) years from the date of consummation of the Proposed Transaction.
- 9) The successful bidder shall be required to lock-in its shareholding in PHL for a period of three (3) years from the date of consummation of the Proposed Transaction and shall not be permitted to cede with management control of PHL for such period.

- 10) There shall be no change in the management control of the IB and each member of the Consortium for three (3) years from the date of consummation of the Proposed Transaction.
- 11) The IBs shall ensure that they are permitted to invest under applicable laws to the extent they propose to participate
- 12) The IB shall continue the business of the Company in its entirety as being conducted on the completion of the Transaction on a going concern basis.
- 13) In shortlisting interested parties, GOI will pay due attention, inter-alia to the security requirements of the country.
- 14) Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent amount at the exchange rates prevailing on the dates of such financial statement as stipulated by Reserve Bank of India. All financial information required for satisfying the eligibility criteria shall be represented in Indian Rupees.
- 15) The GOI, reserves the right to seek any additional indemnities, warranties, representations or performance obligations from the bidders or any of their group companies to their satisfaction.

8. DISQUALIFICATIONS

- 1) GOI/ Advisor shall not consider for the purpose of qualification, any EOI which has been found to be incomplete in content or attachments.
- 2) Without prejudice to any other rights or remedies available to GOI/ Advisor, the GOI/ Advisor reserves the right to disqualify any IB or Consortium or member of Consortium and exclude its EOI from further consideration for any of the following reasons (including without limitation) listed below:
 - a. Misrepresentation/ false statement is made by an IB or any member of Consortium at any stage in the Strategic Disinvestment process, whether in the EOI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - b. If the EOI submitted by the IB or Consortium is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the PIM, including not being accompanied by the fees of the specified amount, or the EOI being conditional in any respect.
 - c. Failure by IB/ any 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/ 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 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 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) Breach of Confidentiality Undertaking executed by the IB/ any member of Consortium;
- 9) The IB or if the IB is a Consortium then any member of such Consortium who does not satisfy the requirements of eligibility or is disqualified under the Government of India office memorandum No. 3/9/2016-DoD-II-B dated September 28, 2017 (as per **Annexure 10**) and as amended from time to time by the GOI.
- 10) If the IB/any 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.

- 11) Notwithstanding anything contained in this PIM, the GOI reserves the right to reject any EOI and to annul the EOI process and reject all EOIs at any time without any liability or any obligation for such acceptance, rejection or annulment, including on grounds of national integrity, national security and national interest and without assigning any reasons therefore. In the event that the GOI rejects or annuls all the EOIs, it may, in its discretion, invite all eligible IBs to submit fresh EOIs hereunder.
- 12) The GOI reserves the right not to proceed with the EOI process at any time, without notice or liability, and to reject any EOI without communicating any reasons.

9. ANNEXURES

Annexure 1: Format for Letter of EOI for sole IB

(To be submitted on the letterhead of the IB submitting the EOI)

Reference No. _____ Date _____

To,
Mr. S. K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Kind Attention: [●]

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF PAWAN HANS LIMITED (“PHL”)**

Sir/ Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“EOI”) for strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited, a company registered under the Companies Act, 1956 having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085 (“**PHL**”) being the entire shareholding of the President of India (through the Ministry of Civil Aviation (“**MoCA**”)) in PHL along with transfer of management control (“**Strategic Disinvestment**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Bidder**” or “**IB**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder’s interest for bidding for the Strategic Disinvestment.

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

1. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.
2. We propose to submit our EOI in individual capacity as [●] (name of Interested Bidder) having its registered office at [●]
3. We satisfy the eligibility criteria detailed in the Advertisement and the PIM, including the guidelines of Department of Investment and Public Asset Management No. 3/9/2016-DoD-II-B dated September 28, 2017 and any amendment made from time to time.
4. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.
5. We undertake that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
6. We acknowledge that after the submission of the EOI, the management control in the IB shall not change for a period of three (3) years from the date of consummation of the Proposed Transaction.
7. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
8. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed by any agency of the Government of India or convicted by a Court of law, including under the provisions of the Indian Penal Code or Official Secrets Act, for any offence committed by us or by any of our group concerns.
9. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel or employees.
10. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we would intimate the Advisor of the same immediately.

11. We represent that we are not disqualified to enter into or perform our obligations in relation to the Transaction (including acting as promoter of the company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI or RBI), administrative authority or department or ministry of central or state government or any court in India.
12. We however, understand that the Evaluation Committee reserves the right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.
13. We represent that the loans availed by us (including our parent and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.
14. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
15. We represent that we are not entities or promoters or promoter groups or directors appearing in the RBI list of wilful defaulters or any such competent authority in their respective jurisdiction.
16. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
17. We represent that we are not prohibited or restricted from investing in PHL on the basis of status or sector in which PHL operates under FEMA, 1999.
18. We confirm that we are not and have not been classified as Central Public Sector Undertaking or a central government owned Cooperative Society (i.e where Government's ownership is 51% or more).
19. The Statement of Legal Capacity and Form A as per formats given in Annexure of the PIM, duly signed by us are enclosed along with the stamped and notarized/apostle/legalized¹ Power of Attorney.
20. 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 ____ Crore.

¹ To be inserted as applicable.

21. We certify that our Profit After Tax during the immediately preceding financial years is as below (if applicable for the IB as per the PIM):

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Profit After Tax (in Rs. Crore)
1			
2			
3			
4			
5			

(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. Demand Draft for non-refundable fee
2. Statement of Legal Capacity
3. Form A
4. Power of Attorney
5. Confidentiality Undertaking
6. Declaration on Statement of legal proceedings
7. Affidavit

Annexure 2: Format for Letter of EOI for Consortiums

(To be submitted on the letterhead of Lead Member of Consortium submitting EOI)

Reference No. _____ Date _____

To,
Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Kind Attention: [●]

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF PAWAN HANS LIMITED (“PHL”)**

Sir/Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“EOI”) for strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited, a company registered under the Companies Act, 1956 having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085 (“PHL”) being the entire shareholding of the President of India (through the Ministry of Civil Aviation (“MoCA”)) in PHL along with transfer of management control (“**Strategic Disinvestment**”).

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

We have read and understood the contents of the Advertisement and the Preliminary Information Memorandum dated [●] (“PIM”) and are desirous of participating in the Strategic Disinvestment, and for this purpose, address you as under:

1. We have formed a consortium comprising of [●] members (“**Consortium**”) as follows:
 - a. [●] holding [●]% shareholding in the Consortium;
 - b. [●] holding [●]% shareholding in the Consortium; and
 - c. [●] holding [●]% shareholding in the Consortium

2. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
3. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.
4. We satisfy the eligibility criteria detailed in the Advertisement and the PIM, including the guidelines of Department of Investment and Public Asset Management No. 3/9/2016-DoD-II-B dated September 28, 2017 and any amendment made from time to time.
5. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.
6. We agree to form a Special Purpose Vehicle, under the laws of India, once finally selected to enter into the definitive agreements. The shareholding of the SPV shall be the same as the shareholding of the Members in the Consortium.
7. We acknowledge that after the submission of the EOI, the management control of the each member of the Consortium shall not change for a period of three (3) years from the date of consummation of the Proposed Transaction.
8. We certify that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
9. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
10. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against us by any agency of the Government of India or convicted by a Court of law, including under the provisions of the Indian Penal Code or Official Secrets Act, for any offence committed by us or by any of our group concerns.
11. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel or employees.

12. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we would intimate the Advisor of the same immediately.
13. We represent that we are not disqualified to enter into or perform our obligations in relation to the Transaction (including acting as promoter of the company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI or RBI), administrative authority or department or ministry of central or state government or any court in India.
14. We however, understand that the Evaluation Committee reserves the right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.
15. We represent that the loans availed by us (including our parent and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by either banks or financial institutions.
16. We represent that we are not entities or promoters or promoter groups or directors debarred from accessing or operating in the capital markets.
17. We represent that we are not entities or promoters or promoter groups or directors appearing in the RBI list of wilful defaulters or any such competent authority in their respective jurisdiction.
18. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
19. We confirm that we are not and have not been classified as Central Public Sector Undertaking or a central government owned Cooperative Society (i.e where Government's ownership is 51% or more).
20. We represent that we are not prohibited or restricted from investing in PHL on the basis of status or sector in which PHL operates under FEMA, 1999.
21. The Statement of Legal capacity, Form A, duly signed by representative members who jointly satisfy the eligibility criteria are enclosed along with the certified true copy of the Consortium Agreement between the consortium members as per formats

given in Annexure of the PIM. Further, the stamped and notarized/ apostle/legalized² Power of Attorney is also enclosed.

22. 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
- c. Net worth of [●] is Rs. ___ crore as on ____ (date in dd/mm/yyyy);
- d. Combined Net worth of the consortium is Rs _____ Crore.

23. We certify that our Profit After Tax during the immediately preceding financial years is as below *(to be submitted for all the respective members of Consortium for whom the Profitability Criteria is applicable as per the PIM)*:

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Profit After Tax (in Rs. Crore)		
			[●] (Name of member 1)	[●] (Name of member 2)	[●] (Name of member 3)
1					
2					
3					
4					
5					

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

Lead Member's PAN number is _____.

Lead Member's TAN number is _____.

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

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number ("TIN") in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country.

² To be inserted as applicable.

Thank you.

Yours sincerely,

For and on behalf of: (name of the Lead Member)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Enclosure:

1. Demand Draft for non-refundable fee
2. Statement of Legal Capacity (submitted by each member of Consortium)
3. Form A (submitted by each member of Consortium)
4. Consortium Agreement between the Consortium members
5. Power of Attorney (submitted by each member of Consortium)
6. Confidentiality Undertaking (submitted by each member of Consortium)
7. Declaration on Statement of legal proceedings (submitted by each member of Consortium)
8. Affidavit (submitted by each member of Consortium)

Annexure 3: Statement of Legal Capacity for sole IB

(To be submitted on the letterhead of the interested bidder submitting the EOI)

Reference No. _____ Date _____

Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Kind Attention: [●]

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF PAWAN HANS LIMITED (“PHL”)**

Sir/Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“EOI”) for strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited, a company registered under the Companies Act, 1956 having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085 (“PHL”) being the entire shareholding of the President of India (through the Ministry of Civil Aviation (“MoCA”)) in PHL along with transfer of management control (“**Strategic Disinvestment**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Bidder**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder’s interest for bidding for the Strategic Disinvestment.

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

1. We are interested in bidding for the Strategic Disinvestment of 51% of the equity share capital of PHL.

2. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and we satisfy the eligibility criteria stipulated in the Advertisement and the PIM.
3. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects.
4. We have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI ("**Representative**").
5. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.

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

Our PAN number is _____.

Our TAN number is _____.

(In case of entities not having PAN and TAN registration in India)

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number ("TIN") in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country.

Thank you.

Yours sincerely,

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

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Annexure 4: Statement of Legal Capacity for Consortiums

(To be submitted on letterhead of each member of the Consortium submitting the EOI)

Reference No. _____ Date _____

Mr. S.K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Kind Attention: [●]

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF PAWAN HANS LIMITED (“PHL”)

Sir/Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“EOI”) for strategic disinvestment of 51% of the equity share capital of Pawan Hans Limited, a company registered under the Companies Act, 1956 having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085 (“PHL”) being the entire shareholding of the President of India (through the Ministry of Civil Aviation (“MoCA”)) in PHL along with transfer of management control (“**Strategic Disinvestment**”).

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

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

1. We are interested in bidding for the Strategic Disinvestment of such number of shares representing 51% of the equity share capital of PHL.
2. We have formed a consortium comprising of [●] members (“**Consortium**”) as follows:
 - a. [●] holding [●]% shareholding in the Consortium;
 - b. [●] holding [●]% shareholding in the Consortium and

- c. [●] holding [●]% shareholding in the Consortium
3. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
 4. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and the Consortium jointly satisfies the eligibility criteria stipulated in the Advertisement and the PIM.
 5. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects.
 6. We have agreed that [●] (insert name and designation of individual) will act as the representative of our Consortium and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI (“**Representative**”).
 7. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.

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

Our PAN number is _____.

Our TAN number is _____.

(In case of entities not having PAN and TAN registration in India)

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number (“TIN”) in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country.

Thank you.

Yours sincerely,

For and on behalf of: (name of the Member of Consortium)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Annexure 5: Form A (forming an integral part of the EOI)

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

A. Name of the Interested Bidder/Member of Consortium _____

B. Executive Summary: 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), 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), 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.

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.

In case the IB/any member of Consortium was incorporated less than 5 years ago, the financial statements/annual reports (or net worth certificate from an independent chartered accountant in case of individual shareholder) for the last 5 years, of the largest shareholder of the IB/member of Consortium incorporated less than 5 years ago is to be submitted.

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 the following:

- a) Net worth for IB/ member of Consortium as specified in the Eligibility Criteria section of the PIM.
- b) Profit After Tax for preceding five financial years from the date of publication of this PIM, for the IB/member of Consortium, in the following format (if applicable for the IB/member of Consortium as per the PIM):

S. No.	Financial Year Ending Date	Duration of Financial Year (in months)	Profit After Tax (in Rs. Crore)
1			
2			
3			
4			
5			

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

- The date of Net worth calculation and financial year ending date for respective financial years for which Profit After Tax has 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 the extract of the charter documents and documents such as a board or shareholders' resolution in favour of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ 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 12) in the manner specified therein.

F. Management Organization:

- 1) 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.
- 2) IB/ member of Consortium shall provide respective details on (a) the Ultimate Beneficial Owner (as per SEBI Circular No. CIR/MIRSD/2/2013 dated January 24, 2013), (b) Place of Effective Management of the business (as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated January 24, 2017).

G. 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), copies of the audited financial statements of immediately preceding financial year for such entities.

Provided that, in the event such entity 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 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 submitted should be certified by authorised signatory.

H. 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.

I. 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.

J. 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

Annexure 6: Power of Attorney

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

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

Power of Attorney for signing of EOI

To all to whom these presents shall come, We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us and holding the position of, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by the Government of India in Pawan Hans Limited including but not limited to signing and submission of all applications, EOIs, affidavits, bids, and other documents and writings, participation in conferences (if any) and providing information/ responses to GOI/Advisor, representing us in all matters before GOI/Advisor and generally dealing with GOI/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated [●] issued by Advisor).

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

All the terms used herein but 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 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.
- 5) In case of a consortium, all the members of the consortium are required to submit the Power of Attorney.

Annexure 7: 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)

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 _____), shall act as the Lead Member as defined in the PIM for self and agent for and on behalf of Member-2, _____, and Member-3, _____, and to submit the EOI;
2. We have formed consortium comprising of ___ members as follows:
 1. _____ (Insert name)/% of Shareholding in the Consortium
 2. _____ (Insert name)/% of Shareholding in the Consortium
 3. _____ (Insert name)/% of Shareholding in the Consortium
3. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
4. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. Each Member further undertakes to be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
5. We acknowledge that after the submission of the EOI, the composition of the Consortium shall be maintained for a period of 3 (three) years from the date of consummation of the Proposed Transaction, if it is shortlisted as the successful bidder.
6. We acknowledge that after the submission of the EOI, the management control of the each member of the Consortium shall be maintained for a period of three (3) years 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 finally selected to enter into the definitive agreements. The shareholding of the SPV shall be the same as the shareholding of the Members in the Consortium.
8. We certify that in the event we are finally selected to enter into definitive agreements, we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
9. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required.
10. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.

11. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
12. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
13. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
14. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GOI.
15. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EOI.
16. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EOI except with prior written consent of GOI.
17. This Agreement
 - (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
 - (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GOI.

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

For M/s _____ [**Member 1**]

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

Witnesses:

- (i) Signature _____
Name:
Address:
- (ii) Signature _____
Name:

Address:

For M/s _____ [Member 2]

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

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

For M/s _____ [Member 3]

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

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

[Signature and stamp of Notary of the place of execution]

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.

Annexure 8: Confidentiality Undertaking

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

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

DEED OF CONFIDENTIALITY UNDERTAKING

This DEED OF CONFIDENTIALITY UNDERTAKING ("Undertaking") is made on this day of, 2018.

BY

(.....) insert name of the Interested Party), a company/trust/co-operative society/firm incorporated under the laws of _____ (insert name of the country), with its registered office at _____ **(Insert address)** (the "Interested Bidder" or "IB" or "Bidder");

IN FAVOUR OF:

The President of India, represented by and acting through the Ministry of Civil Aviation, [●] (the "Administrative Ministry");

AND

Pawan Hans Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number U62200DL1985GOI022233, having its registered office at Rohini Heliport, Sector-36, New Delhi – 110085, ("PHL" or the "Company"),

AND

SBI Capital Markets Limited, whose registered office is 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005, India (hereafter referred to as the "Transaction Advisor"),

AND

Crawford Bayley & Co., whose registered office is State Bank Building, 4th Floor, N.G.N. Vaidya Marg, Fort, Mumbai 400023, India (hereafter referred to as the "Legal Advisor"),

AND

RBSA Advisors, whose registered office 912, Venus Atlantis Corporate Park, Anandnagar Main Road, Prahaladnagar, Ahmedabad - 380015, India (hereafter referred to as the "**Asset Valuer**").

WHEREAS:

- A. The Bidder along with Consortium Members (as defined hereinafter) has submitted an expression of interest for participation in the proposed sale by Government of India ("**GOI**" / "**Government**") of 51% of the equity shares of the Company held by the GOI along with the transfer of management control (the "**Transaction**") and has been shortlisted as a "Qualified Interested Party"; and
- B. In the context of the IB's interest in the Transaction, the Disclosing Party (as defined below) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IB to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IB hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals);

"**Advisors**" means, collectively, M/s. SBI Capital Markets Limited, M/s. RBSA and M/s. Crawford Bayley & Co.

"**Confidential Information**" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of the Company, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the Company and new businesses (if any) proposed to be undertaken by the Company, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the

names and backgrounds of personnel, personnel training techniques and materials, reports relating to the Company's operations prepared by external consultants which are proprietary to the Company or the GOI or the Administrative Ministry), and any information memorandum /or draft /final offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- (a) Information which the Bidder can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of the Government and/or the Company on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the Bidder and all other Consortium Members acting in concert with the Bidder intending to directly or indirectly participate in the Transaction.

"Consortium Members" means the members of any existing Consortium or future Consortium, formed by the Bidder for purposes of the Transaction and shall include members (i) who have submitted the Statement of Legal Capacity in the form specified in the "EOI" as described in the "Preliminary Information Memorandum" announcement by the Administrative Ministry for participation in disinvestment of the Company in respect of the Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by the Administrative Ministry; in each case formed by the Bidder for purposes of the Transaction.

"**Disclosing Party**" means the Advisors, the Company, the Administrative Ministry, the GOI, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"**Governmental Authority**" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"**Receiving Party**" means the Bidder, Consortium Members and/or their respective Representatives, whether jointly or severally.

"**Representative(s)**" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"**Person**" means any individual, company (including the Company and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and Receiving Party shall not misuse the information provided. Further, the Receiving Party shall not, without the Company's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the Bidder wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party and shall ensure the interests of the Disclosing Party.
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the Bidder's execution of this Undertaking, the Bidder, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The Bidder agrees (a) to

disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or Representative of the Bidder or Representative of Consortium Member will be informed and advised in writing by the Bidder of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the Bidder and/or Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The Bidder agrees that the Confidential Information shall not, without the Company's as well as the Government's prior written consent, be disclosed by the Bidder and/or each such Consortium Member and/or Representative of the Bidder and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the Bidder or each such Consortium Member or Representative of the Bidder or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The Bidder recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to the Company and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The Bidder acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The Bidder, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of the Government, the Company and the Advisors. The Bidders, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein. The Bidder shall ensure that in case of a new Consortium Member, a written undertaking identical in form and content as this Confidentiality Undertaking, shall be executed and furnished to the Advisors within 7 (seven) days of it becoming a Consortium Member.

Notwithstanding any agreement or undertaking, the Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the

Bidder and/or the Representative of Consortium Member and shall indemnify and hold the Government , the Company, and the Advisors harmless (including provisions of clause 6 and 15 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the Bidder agrees that for the purpose of this Confidentiality Undertaking, the liability of the Bidder shall be joint and several with each of the Consortium Members.

5. Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the Bidder, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of the Company, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of the Company and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.
6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the Bidder hereby jointly and severally indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless (without prejudice to Clause 15 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.
7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and the Company with prompt written notice of such request so that the Advisors, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Bidder's legal counsel (reasonably acceptable to the Advisors, the Government and the Company), the Receiving Party is legally compelled or

is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.

8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, the Company and the Advisors, be amended, modified or superseded upon the Bidder and the Consortium Members and/or any company formed and promoted by them executing a definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The Bidder agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the Bidder and/or to reject any or all proposals made by the Bidder with regard to the Transaction. The Government may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the Bidder in connection with its evaluation of the Transaction.

9. The Government and/or the Company may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or the Company, or after the decision of the Bidder to not proceed with the Transaction as specified in Clause 8 above, (i) the Bidder (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, the Government or the Company request or give prior written consent to the Bidder's request, the Bidder will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the Bidder in writing to each of the Advisors, the Government and the Company (such confirmation must include a list of the destroyed materials). The Bidder acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking and the terms of the undertaking shall survive subsequent to the date of receipt of notification or decision.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or the Company regarding the business, operations, prospects or finances of the Company, without the Advisors' prior written consent, unless otherwise agreed to in an executed shareholders' agreement entered into in connection with the purchase by the Bidder and the Consortium Members and/or any company formed and promoted by them, of equity shares of the Company. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or the Company for any discussions, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisors in writing.
11. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the Bidder or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisors, the Government or the Company from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. For a period of 1 year from the date of this Undertaking or till six months from the completion of the Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of the Company.
13. The Receiving Party agrees that from the date of this Undertaking till the completion of the Transaction or as the case may be, till the time the Bidder and/or Consortium Members decide not to proceed with the Transaction, whether pursuant to Clauses 8 or 9 or 11, whichever is earlier, the Receiving Party shall not, directly or indirectly, buy, sell, negotiate, or enter into any arrangements for the purchase and / or sale of any of the shares of the Company, or advise any other person directly or indirectly to buy, sell, negotiate or enter into any arrangements for purchase and / or sell any of the shares of the Company, or take any action or make any statement or announcement that may affect the price of the shares of the Company on any stock exchange or elsewhere or which may affect the existing shareholding structure of the Company.

14. The Bidder understands, acknowledges and agrees that the Government, the Advisors and the Company retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the Bidder's use of the Confidential Information. The Bidder also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the Bidder will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.
15. The Bidder hereby indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or the Company.
16. The Bidder understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisors are beneficiaries under this Undertaking. The Bidder further agrees and confirms that each of the Government, the Company and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.

17. The Bidder agrees that no failure or delay by the Advisors/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
18. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
19. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
20. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex, cable or facsimiles as follows.

If the notice is to the Government:

Attention of: Ms. Usha Padhee
Ministry of Civil Aviation
2nd floor, B Block, Rajiv Gandhi Bhawan
New Delhi- 110003
Tel no.: 91-11- 24617692
Email: usha.padhee@nic.in

If the notice is to the Advisors:

Transaction Advisor:

Attention of: Mr. S.K. Arora
PA&SF Group,
SBI Capital Markets Limited
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi-11001
Tel no.: 91-11- 23416292
Fax: (91)-(011)-2341 7783 / Email: phl@sbicaps.com

Legal Advisor:

Attention of: Mr. Sanjay Asher
Crawford Bayley
Advocates & Solicitors

State Bank Buildings, N.G. N. Vaidya Marg,
Fort, Mumbai 400 023, India.
Telephone : + 91 22 2266 3353
Facsimile : + 91 22 2266 3978/Email: sanjay.asher@crawfordbayley.com

Asset Valuer:

Attention of: Mr. Arpit Sharma
RBSA Valuation Advisors LLP
9C, 9th Floor, Hansalaya Building,
15, Barakhamba Road, New Delhi-110001
Tel no.: 91-11- 23350635
Email: arpit.sharma@rbsa.in

If the notice is to the Company:

Attention of: Mr. T Sridhar
Pawan Hans Ltd.
C-14, Sector-1, Noida
Uttar Pradesh - 201301
Tel no.: 0120-2476721
Email: ed.hradmn@pawanhans.co.in

If the notice is to the Bidder:

[•]

Any of the Bidder, the Government, the Company or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the Bidder on the date and year first hereinabove written.

Witnessed by: (Name of Bidder)

Name: By:
Address: Name:
 Title:

Important Instructions:

- 1) For a Confidentiality Undertaking executed and issued overseas, instead of notarization, the document should either carry a conforming Apostle 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) In case of a consortium, all the members of the consortium are required to submit the Confidentiality Undertaking.

Annexure 9: Advertisement

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION**

**GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED
STRATEGIC DISINVESTMENT OF 51% STAKE IN PAWAN HANS LIMITED (“PHL”
OR “COMPANY”) BY GOVERNMENT OF INDIA (GOI)**

Pawan Hans Ltd. is a Mini Ratna-I category Public Sector Undertaking under Ministry of Civil Aviation (MoCA) and provides helicopter services for offshore operations, inter island transportation, connecting inaccessible areas, rescue work, tourism etc. GOI proposes to disinvest its entire equity shareholding of 51% in PHL by way of strategic disinvestment to investor(s) along with transfer of management control. GOI has appointed SBI Capital Markets Limited (SBICAP) as its Advisor to advise and manage the strategic disinvestment process.

This disinvestment process is to be implemented through open competitive bidding route. Accordingly, Expression of Interest (EOI) is invited to be submitted from Interested Bidders at the address mentioned below up to 6:45 PM on or before 11.06.2018. The details of EOI can be downloaded from websites of DIPAM at www.dipam.gov.in, MoCA at www.civilaviation.gov.in, Company at www.pawanhans.co.in and Transaction Advisor at www.sbicaps.com. In future any amendments/ extension in EOI will be uploaded on the above websites only.

Address for submission of EOI:

Mr. S. K. Arora
Vice President
PA&SF Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road, New Delhi -110001

Annexure 10: Department of Investment and Public Asset Management (DIPAM) Guidelines

No. 3/9/2016-DoD-II-B

Government of India

Department of Investment & Public Asset Management

Block 14, CGO Complex

New Delhi

Dated 28th September, 2017

OFFICE MEMORANDUM

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

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

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

Act, 2013 would result in disqualification. The decision in regard to the relationship 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 11: 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. We further declare that we or our sister companies have not been issued a charge sheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our sister company, our Director(s), CEO, principal officers are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the EOI and Form A and/or Statement of Legal Capacity.

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.

Annexure 12: 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 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.
- 2) The date of execution of Affidavit shall be on or after the date of execution of the EOI documents.

Annexure 13: Guidelines for Management-Employee Bids in Strategic Sale

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“Employee Guidelines”) which is annexed as Annexure 14, employees of Pawan Hans Limited (“Employees”) are permitted to participate in the Transaction as Interested Bidders either (a) directly and independently (“Direct Employee Participation”) or (b) by forming of a consortium (“Employee Consortium”) and subject to the following:

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

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN
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8. Each form and EoI submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where a Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed.

Power of Attorney for Employee Participation

[TO BE STAMPED ON Rs. 1000 STAMP PAPER AND NOTARIZED]

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of and presently residing at being an presently employed with [●], having employee code [●] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at _____, who is presently employed with [●]

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

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the

Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but 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.

Annexure 14: DIPAM Guidelines for Employees Bids

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

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

OFFICE MEMORANDUM

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

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

- i. The term 'employee' will include all permanent employees of a PSU and the whole time directors on the board of the PSU. A bid submitted by employees or a body of employees will be called an "employee bid".
- ii. At least 15% of the total number of the employees in a PSU or 200 employees, 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