

## Pawan Hans Limited: Response to queries raised by Interested Bidders (IBs)

S. no	Query	Response
1.	Details of Assets owned and leased by the company and the related terms and conditions	Details shall be shared with the shortlisted bidders at the due diligence and Request for Proposal (RFP) stage
2.	Present status of contingent liabilities and impact on the same once change of ownership is triggered	The present status of contingent liabilities has been provided in the Preliminary Information Memorandum (PIM). Any status update on the same shall be shared with the shortlisted bidders at the due diligence and RFP stage
3.	Details of court cases under arbitration (contingent liabilities) with exposure of Rs. 31.72 crore	Details to be shared at the due diligence and RFP stage
4.	If claims of AAI of ~Rs. 50 crore have been settled by PHL	Provision for AAI claims on lease rentals has been made in PHL's books of accounts. Payment of the same to AAI shall be made as soon as the bills are received
5.	If GOI will settle the contingent liabilities prior to the Transaction or undertake to indemnify & discharge the liability and any associated costs post the transaction	Details shall be conveyed during the due diligence and RFP stage
6.	Further details of litigation with Bell helicopters including the financial implications on PHL and nature of deviation	Present status of Bell Helicopters has been stated in detail in EOI. Further details shall be shared at the due diligence and RFP stage
7.	Details of financial performance including: <ul style="list-style-type: none"> <li>• Segmental operating performance</li> <li>• Debtor ageing schedule</li> </ul>	Details shall be shared at the due diligence and RFP stage

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	<ul style="list-style-type: none"> <li>Contracts information or agreements</li> </ul>																					
8.	Company's historical annual reports and FY 2017 annual report	<p>Annual reports are available on the following link:  <a href="http://www.pawanhans.co.in/inner.aspx?status=2&amp;menu_id=83">http://www.pawanhans.co.in/inner.aspx?status=2&amp;menu_id=83</a></p> <p>FY-17 annual report is under finalization and shall be shared at the due diligence and RFP stage</p>																				
9.	Dividends declared by the Company over last few years	<table border="1"> <thead> <tr> <th>In Rs. Crore</th> <th>FY 13</th> <th>FY 14</th> <th>FY 15</th> <th>FY 16</th> </tr> </thead> <tbody> <tr> <td>PAT</td> <td>11.70</td> <td>38.57</td> <td>38.81</td> <td>36.08</td> </tr> <tr> <td>Proposed Dividend on Equity Shares</td> <td>2.34</td> <td>7.71</td> <td>7.76</td> <td>10.83</td> </tr> <tr> <td>Tax on Proposed Dividend</td> <td>0.40</td> <td>1.54</td> <td>1.58</td> <td>2.20</td> </tr> </tbody> </table>	In Rs. Crore	FY 13	FY 14	FY 15	FY 16	PAT	11.70	38.57	38.81	36.08	Proposed Dividend on Equity Shares	2.34	7.71	7.76	10.83	Tax on Proposed Dividend	0.40	1.54	1.58	2.20
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10.	<p>Hiving off Rohini Heliport</p> <ul style="list-style-type: none"> <li>Status of the MRO facility located at the heliport post the hive off</li> <li>If PHL will retain staff at the Rohini Heliport</li> </ul>	<ul style="list-style-type: none"> <li>All assets pertaining to Rohini heliport (movable and immovable) are to be hived off. The MRO facilities at Rohini, post hive off, will be available for use on commercial terms as decided by the heliport operating company.</li> <li>Other details shall be conveyed at the due diligence and RFP stage</li> </ul>																				
11.	Technical and financial criteria for bidding	Clause no. 1 and 2 of Eligibility Criteria section in the PIM may be referred for the same																				
12.	<p>Permission for change in shareholding within the consortium members by means of:</p> <ul style="list-style-type: none"> <li>Withdrawal of one of the consortium members</li> <li>Change in shareholding amongst consortium members without change in the lead member</li> </ul>	As specified in the PIM under clauses 4 and 5 of the Eligibility Criteria section, the same is not permitted																				
13.	Is change in shareholding pattern in holding company of	As specified in the PIM under clause 7 of the Eligibility Criteria section, there																				

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	respective IBs permitted	shall be no change in the management control of the IB and each member of the Consortium for three (3) years post signing of the definitive agreements. However, there are no restrictions on changes in shareholding of the holding company of IBs.
14.	Restrictions on business restructuring during the lock in period of 3 years which inter alia may include <ul style="list-style-type: none"> <li>• Disposal of assets</li> <li>• Hiving off a segment of business etc.</li> </ul>	Details shall be conveyed in the RFP document
15.	Induction on new member in the SPV to raise fresh capital within the 3 year lock in period in PHL	As specified in the PIM under clause 5 of the Eligibility criteria section, induction of new members is not allowed in the SPV
16.	Creation of SPV for holding shares in PHL	As specified in the PIM under clauses 1 and 3 of Eligibility Criteria section, only in case of a consortium and employee bids, incorporation of an SPV for acquisition of shares in PHL is required.  In case of a sole bidder, IB shall not be allowed to form an SPV for acquisition of shares in PHL
17.	Requirement of non-lead members to fulfil the net worth criteria if the lead member fulfils the net worth criteria in case of a consortium	As specified in the PIM under clauses 3(c) and 3(d) of the Eligibility Criteria section, there are no minimum net worth stipulations for the non-lead members, if the lead member fulfils the net worth criteria
18.	If the parent company or any affiliate company (any company which is under common control with the IB) considered in the Net worth calculation	As specified in the PIM under clause 2 of the Eligibility Criteria section, only the consolidated net worth of the IBs shall be considered in Net Worth calculation.

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		Also, as specified in the PIM under clause 9 of the Eligibility Criteria section, in case of consortiums, net worth would be considered net of cross holding amongst all the consortium members
19.	Requirement of consortium members to contribute bidding price in the similar proportion to their shareholding in the SPV	There is no such requirement at the EOI stage. If any such stipulation is to be made for the financial bidding stage, the same would be conveyed subsequently.
20.	If one member of the consortium can be granted sweat equity by the other members	There are no restrictions on the same
21.	If the SPV in the consortium be allowed to raise structured or mezzanine financing	SPV may raise structured or mezzanine funding. However, specific restriction on bidders using their shareholding in PHL or PHL's assets as security for raising funds shall be conveyed in the RFP document
22.	If a sole bidder can later form a consortium and become a lead member	As specified in the PIM under clause 4 of the Eligibility Criteria section, no such changes are allowed Also, as specified in the PIM under clause 2(e) in the Disqualifications section, in case of multiple EOIs by an IB, all such EOIs shall be rejected
23.	If ONGC will also lock in its shareholding in PHL for 3 years from the Transaction	There are no such stipulations
24.	Shareholders agreement at ONGC level and the terms and/ or conditions and/ or restrictions envisaged	Details of Shareholders Agreement/ Share Purchase Agreement shall be shared along with the RFP document
25.	Requirements of site visits/ assets inspection	As specified in the PIM under clause 14 of the Proposed Transaction section, site visit may be scheduled to facilitate the shortlisted IBs in their assessment,

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		post discussions with GOI and PHL
26.	Fleet acquisition plan through acquisition or lease	PHL does not have any immediate plans for further acquisition of helicopters. However, leasing of helicopters to meet business requirements will be considered by PHL as per need basis.
27.	Staff related emolument details	Staff related details including human resource policies shall be shared at the due diligence and RFP stage
28.	Terms and conditions for continued employment of existing employees	Details of the same shall be conveyed at the RFP stage
29.	If HI bidder fails to achieve security clearance and rest of the bidders are unable to match HI bidder's quote	Details of the same shall be conveyed at the RFP stage
30.	List of helicopters of PHL that are airworthy	All the helicopters of PHL are airworthy
31.	Training of pilots, AMEs & technicians if Rohini heliport is not a part of disinvestment process	Presently, PHL trains its pilots through tie up with third party trainers and helicopter manufacturers.
32.	If during or after the transaction, GOI will support collection of debtors which are due from different Govt. agencies	GOI may co-operate towards recovering the dues from Government Authorities
33.	Authority over fleet rationalization and manpower rationalization	Specific conditions on lock in period for disposal of assets, manpower retention etc. shall be conveyed in the RFP document
34.	Present helicopter deployment	Details shall be shared at the due diligence and RFP stage
35.	Requirement of valuation guidance or financial projections	IBs shall not be provided with any valuation guidance or financial projections of PHL. They are required to undertake the same at their own end.

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36.	If submission of definitive purchase terms is a part of the initial submission requirements	At the EOI stage, IBs are not required to submit definitive purchase terms