

PRELIMINARY INFORMATION MEMORANDUM

For Inviting Expression of Interest

for

Strategic Sale of

Air India Air Transport Services Limited



by

Air India Assets Holding Limited

(a wholly owned subsidiary of GOI)

Transaction Advisor



Ernst & Young LLP India

3rd & 6th Floor, Worldmark-1,

IGI Airport Hospitality District,

Aerocity, New Delhi-110037, India.

12 February, 2019

DISCLAIMER

Ernst & Young LLP India (“**EY**” or “**TA**”) is the transaction advisor for the proposed strategic sale of Air India Air Transport Services Limited (“**AIATSL**” or “**Company**”) by way of transfer of management control and sale of 100% equity share capital of AIATSL by Air India Assets Holding Limited (“**AIAHL**”), out of which at least 98% shall be through strategic sale and up to 2% of equity share capital of AIATSL is proposed to be offered to the employees of AIATSL by AIAHL as per the terms of an Employee Stock Ownership Plan (**ESOP**).

AIAHL has entered into the Share Purchase Agreement (“**SPA**”) with Air India (“**AI**”) for the purchase of the entire shareholding in the Company, subject to the satisfaction of certain conditions precedent. This Preliminary Information Memorandum (“**PIM**”) and the transactions contemplated hereunder are subject to the consummation of the transaction contemplated under the SPA. AIAHL, the Company or the TA shall not be liable, in the event the transaction contemplated under the SPA is not consummated for any reason, whatsoever.

This PIM, which includes proprietary information on the Company, has been prepared by EY for the limited purpose of providing certain information about the Company to enable the recipients to be appraised of basic details of the Company and make an assessment in relation to the Proposed Transaction (*as defined below*) prior to submission of an initial proposal (“**EOI**”) by interested bidders (“**Interested Bidders**” or “**IBs**”) in respect of the Proposed Transaction. This PIM has been prepared for information purposes only, without any regard to specific objectives, suitability, financial situations and needs of any particular person. The information contained in this PIM or any other information subsequently provided to Interested Bidder(s), whether written or in any other form, by or on behalf of AIAHL or the Company or TA or any of their employees or advisors, is provided to Interested Bidder(s) on the terms and conditions set out in this PIM and such other terms and conditions subject to which such information is provided.

This PIM includes certain information, estimates, projections, statements, targets and forecasts with respect to the Company and the industry in which the Company operate and these are based on the various assumptions made by the management, officers or employees of the Company or TA or AIAHL and may not be complete, accurate, adequate or correct. Actual results may differ materially from forward-looking statements contained in this PIM due to various factors. IBs should note that past performance of the Company is not a guide for future performance of the Company. The summary of the financial information of the Company has been

obtained from the financials of the Company (unless otherwise specified) and may differ from the actual numbers to the extent of approximations or use of rounded numbers or due to final audit or as otherwise mentioned in the PIM.

Unless stated otherwise, the industry data has not been independently verified by TA, the Company, AIAHL or any of their affiliates or advisors. Further, 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. Information provided in this PIM is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law.

Neither AIAHL, the Company, nor TA (nor any of their respective affiliates, subsidiaries, advisors, agents, officials, employees or representatives): (i) make any representations or warranties, express or implied, as to the reliability, accuracy or completeness of the information and data in the PIM; (ii) take any responsibility for or will accept any liability to any person, including any Interested Bidder, whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any liability, loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this PIM or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the PIM and any assessment, assumption, opinion, statement or information contained herein or deemed to form part of this PIM or arising in any way in connection with the shortlisting of Interested Bidders; (iii) take any responsibility or accept any liability for any other written or oral communications transmitted to the recipient by or on behalf of Company or AIAHL or TA or any of their advisors in the course of your evaluation of any transaction involving the Company. Any liability or responsibility of AIAHL, the Company and TA and their respective advisors (and their respective affiliates, subsidiaries, agents, officials, employees or representatives) is expressly disclaimed. Neither AIAHL, the Company nor the TA shall be liable for any delays, non-delivery, data corruption, viruses, worms, Trojan horses and other malicious codes, hacking, interception, unauthorized amendment or other tampering or other such risks or events arising to any Interested Bidder due to faults in any software/hardware system or otherwise used in connection with this PIM or matters related thereto.

Unless otherwise specified, the information contained herein may be subject to material updates, revisions or amendments. It should not be assumed that there shall be no change or deviation in any of the mentioned information herein. Nothing in this PIM shall be relied upon as a promise or representation as to the future. Neither

AIAHL, the Company nor TA, undertake to update this PIM or to provide the recipient with access to any additional information. The Company or AIAHL, may, in their absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this PIM.

This PIM does not constitute any recommendation, and is not intended to form the basis for participating in the Proposed Transaction or for an investment decision. This PIM should not be construed as an offer or invitation for sale or the solicitation of an offer to buy, purchase or subscribe to any securities, if any, mentioned therein. Each Interested Bidder must conduct its own independent investigation and assessment of the financial condition and affairs of the Company and the terms and conditions of the Proposed Transaction, and must obtain independent advice for the purpose of verifying the accuracy, adequacy, correctness, reliability and completeness of any matters pertaining to or relating to the Company or the Proposed Transaction or for evaluating the Proposed Transaction, including in relation to legal, financial and taxation issues.

AIAHL reserves the right to change the procedures for pursuing the Proposed Transaction. The issue of this PIM does not imply that AIAHL, Company or the TA are bound to select an Interested Bidder for the Proposed Transaction. Further AIAHL and the TA reserve the right to reject all or any of the Interested Bidders or their EOIs without communicating any reasons whatsoever.

The Interested Bidder shall bear all its costs associated with or relating to the preparation and submission of its EOI, including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by AIAHL or any other costs incurred in connection with or relating to its EOI. AIAHL shall not be liable in any manner whatsoever for the same, regardless of the conduct or outcome of the bidding process.

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This PIM is divided into chapters & sub-sections only for the purpose of reading

convenience. Any partial reading of this PIM may lead to inferences, which may be at divergence with the conclusions based on the entirety of this PIM. Further, by accessing or reviewing a copy of this PIM, the recipient accepts the terms of this Disclaimer, which forms an integral part of this PIM.

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

TABLE OF CONTENTS

1.	INTRODUCTION	13
2.	COMPANY OVERVIEW	20
3.	COMPANY DETAILS	25
4.	GROUND HANDLING INDUSTRY OVERVIEW	40
5.	PROCESS OF PROPOSED TRANSACTION.....	46
6.	INSTRUCTION FOR SUBMISSION OF EOI.....	48
7.	ELIGIBILITY CRITERIA.....	56
8.	DISQUALIFICATIONS.....	64
	ANNEXURE 1: ADVERTISEMENT.....	71
	ANNEXURE 2: FORMAT FOR LETTER OF EOI (SOLE BIDDER).....	72
	ANNEXURE 3: FORMAT FOR LETTER OF EOI (CONSORTIUM)	77
	ANNEXURE 4: STATEMENT OF LEGAL CAPACITY FOR SOLE BIDDER	82
	ANNEXURE 5: STATEMENT OF LEGAL CAPACITY FOR A CONSORTIUM	84
	ANNEXURE 6: FORM A	86
	ANNEXURE 7: POWER OF ATTORNEY	91
	ANNEXURE 8: FORMAT FOR CONSORTIUM AGREEMENT	93
	ANNEXURE 9: CONFIDENTIALITY UNDERTAKING	98
	ANNEXURE 10: DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM) GUIDELINES	110
	ANNEXURE 11: DECLARATION IN RELATION TO STATEMENT OF LEGAL PROCEEDINGS	112
	ANNEXURE 12: DECLARATION FOR SECURITY CLEARANCE	114
	ANNEXURE 13: GUIDELINES FOR EMPLOYEE BIDS IN STRATEGIC SALE	117
	ANNEXURE 14: POWER OF ATTORNEY FOR EMPLOYEE PARTICIPATION	119
	ANNEXURE 15: DIPAM GUIDELINES FOR EMPLOYEES BIDS.....	121
	ANNEXURE 16: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY	123
	ANNEXURE 16 A: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY (NET WORTH) – APPLICABLE FOR EMPLOYEES	125
	ANNEXURE 16 B: FORMAT FOR COVERING LETTER FOR CERTIFICATE OF FINANCIAL CAPABILITY - (NET WORTH/ ACI)	127
	ANNEXURE 16 C: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY (NET WORTH) – APPLICABLE FOR IB'S TAKING BENEFIT OF FINANCIAL STRENGTH OF PARENT/ CONTROLLING PARTNER (IN CASE IB IS AN LLP)	129
	ANNEXURE 17: FORMAT FOR CERTIFICATE OF OUTSTANDING LITIGATION.....	133
	ANNEXURE 18 : FORMAT FOR CERTIFICATE OF CONTINGENT LIABILITIES	134
	ANNEXURE 19: FORMAT FOR CERTIFICATE ON NO PROHIBITION.....	135
	ANNEXURE 20: AFFIDAVIT	136
	ANNEXURE 21: FORMAT FOR CONFIRMATION BY PARENT / CONTROLLING PARTNER (IN CASE IB IS AN LLP) - APPLICABLE FOR IB'S TAKING BENEFIT OF FINANCIAL STRENGTH OF PARENT/CONTROLLING PARTNER (IN CASE IB IS AN LLP)	137

LIST OF TABLES

Table 1: Company Registration Details of AIATSL	25
Table 2: Station details where AIATSL provides services as on 1 st January 2019	25
Table 3: Capital Structure of AIATSL as on 1st January 2019.....	29
Table 4: Board of Directors of AIATSL.....	29
Table 5: Key Management Personnel of AIATSL as on 1st January 2019	29
Table 6: Break-up of AIATSL employees as on 1st January 2019	30
Table 7: Break-up of Contract Employees of AIATSL as on 1st January 2019	30
Table 8: Indicative Position-wise employee details as on 1st January 2019	30
Table 9: Indicative List of permanent employees retiring in next 5 years	31
Table 10: Indicative List of permanent employees of AI working in AIATSL retiring in the next 5 years .	31
Table 11: List of select benefits provided to AIATSL employees	31
Table 12: Region and customer wise flights catered by AIATSL in FY2017-18.....	33
Table 13: Key customers of AIATSL as on 1 st January 2019.....	34
Table 14: Summary of major ground support equipment as on 1 st January 2019	35
Table 15: Profit and Loss Statement for AIATSL for FY2013-18	36
Table 16: Balance Sheet for AIATSL for FY2013-18	37

LIST OF FIGURES

Figure 1: Employee Expenses as % of Total Revenue of AIATSL for FY2014-18	32
Figure 2: Pan India presence of AIATSL.....	33
Figure 3: Freight Traffic at Indian Airports.....	42

DEFINITIONS

ACI	Available Capital for Investment - as defined in clause 7.3 (b)
Advertisement	The advertisement issued in the newspapers on 12 th February 2019, inviting IBs to submit their EOIs for participating in the Proposed Transaction, enclosed as Annexure 1
AI	Air India Limited
AIAHL	Air India Assets Holding Limited
AIATSL	Air India Air Transport Services Limited
AIF	Alternative Investment Fund registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012 (as amended or superseded from time to time)
APEDA	Agricultural and Processed Food Products Export Development Authority
Associate	“Associate”, in relation to another legal entity or juristic person, means a legal entity in which that other legal entity or juristic person has a significant influence (i.e. control of more than twenty per cent of total share capital, or of business decisions under an agreement).
Authorised Signatory	Authorised Signatory means a person who is a managing director or a director of the IB (sole bidder or member of Consortium, as applicable) and has been specifically authorised for the purpose of the Proposed Transaction and in whose favour the Power of Attorney in the form set out in Annexure 7 has been executed
Bid Process	Stage I and Stage II for the Proposed Transaction are collectively referred to as ‘Bid Process’
Bn	Billion
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CIM	Confidential Information Memorandum
Civil Enclaves	As defined in the Ministry of Civil Aviation (Ground Handling Services) Regulations, 2017
CGOCS	Central Government Owned Cooperative Societies
Company	Air India Air Transport Services Limited
Consortium	The consortium of eligible entities submitting the EOI together in response to the PIM
Controlling Partner	<p>Controlling Partner in relation to a LLP means any one/single partner having Control over such legal entity.</p> <p>For the purposes of this definition “Control” shall mean more than 50% economic ownership (share of the profits and losses and the rights to receive distributions) and right to control the management or policy decisions by virtue of management rights or partnership deed or voting agreements or in any other manner.</p>

Controlling Shareholder(s)	Controlling Shareholder(s) in relation to an IB means any entity having Control over such legal entity. For the purposes of this definition of Controlling Shareholder(s) "Control" shall have the meaning set forth in the Section 2(27) of the Companies Act, 2013
CPSE	Central Public Sector Enterprises
DGCA	Directorate General of Civil Aviation
DIPAM	Department of Investment and Public Asset Management, Government of India
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EOI	As defined in clause 6.1
EOI Deadline	As defined in clause 1.2
ESOP	Employee stock ownership plan, proposed to be offered to the employees of AIATSL by AIAHL
EY or TA	Ernst and Young LLP, India, the Transaction Advisor for the Proposed Transaction
Fund	An AIF or a Foreign Investment Fund, as applicable
FDI Policy	The Consolidated FDI Policy effective from August 28, 2017 issued by the DIPP (as amended, modified or superseded from time to time), together with press notes issued by the DIPP from time to time, and, if applicable, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2017 (as amended, modified or superseded from time to time)
FEMA, 1999	Foreign Exchange Management Act, 1999, as amended, modified or superseded from time to time
FTC	Fixed term contract
FY	Financial Year
Foreign Investment Fund	Means any appropriately regulated investment fund which is set up in any country outside India, but shall exclude entities that fall within the Negative List. The expression "appropriately regulated" means that the Foreign Investment Fund or its investment manager is regulated or supervised by the securities market regulator or the banking regulator or other relevant statutory authority of the concerned foreign jurisdiction.
GDP	Gross Domestic Product
GOI	Government of India, which shall include all its ministries (including without limitation, MOCA) and departments (including without limitation, DIPAM)
H1 bidder	As defined in clause 5.7

IATA	International Air Transport Association
IB	Interested Bidder shall mean (unless specified otherwise), <ul style="list-style-type: none"> • in case of a sole bidder, the entity itself • in case of a Consortium, each member of the Consortium
INR	Indian Rupee
ISAGO	IATA Safety Audit for Ground Operations
JV	Joint Venture
Km	Kilometres
Lead Member	As defined in clause 7.7 (a) and 7.7 (b)
MHA	Ministry of Home Affairs, Government of India
Mn	Million
MOCA	Ministry of Civil Aviation, Government of India
Negative List	Negative List means: <ul style="list-style-type: none"> a) entities incorporated or managed from Pakistan and Bangladesh b) entities incorporated or managed from countries identified as non-co-operative countries and territories, by the Financial Action Task Force (FATF) or as notified by the RBI c) Entities incorporated or managed by persons or entities identified as posing significant risk of committing acts of terrorism as advised by the RBI to banks, from time to time
Net Worth	shall have the meaning set out in clause 7.3
OCB	Erstwhile Overseas Corporate Bodies (OCB) as defined in the FDI Policy
P&L	Profit and Loss
Parent	Parent in relation to a legal entity means any person having Control over such legal entity. For the purposes of this definition “Control” shall mean more than 50% ownership (legal and beneficial/economic) of the legal entity and the right to control the management or policy decisions by virtue of voting arrangements or in any other manner along with the right to appoint majority of the directors.
Pax	Passengers
PAT	Profit After Tax
PBT	Profit Before Tax
PIM	Preliminary Information Memorandum
Proposed Transaction	Strategic sale of AIATSL by way of transfer of management control and sale of 100% equity share capital of AIATSL by AIAHL, out of which at least 98% shall be through strategic sale and up to 2% of equity share capital of AIATSL is

	proposed to be offered to the employees of AIATSL by AIAHL as per the terms of an ESOP
Requisite Approvals	As defined in clause 6.19
RBI	Reserve Bank of India
RCS	Regional Connectivity Scheme
RFP	Request for Proposal to be issued by AIAHL in relation to the Proposed Transaction
SEBI	Securities and Exchange Board of India
SPA	Share Purchase Agreement executed between AI and AIAHL on January 3, 2019 for transfer of AI's entire shareholding in AIATSL
TA	Transaction Advisor
ULD	Unit Load Device
USD	United States Dollar
Wilful Defaulter	As defined in Master Circular on Wilful Defaulters DBR.No.CID.BC.22/20.16.003/2015-16 issued by RBI on July 1, 2015, as amended, modified, or superseded from time to time.

1. INTRODUCTION

1.1 Transaction Background

Air India Assets Holding Limited (AIAHL) has given 'in-principle' approval for the strategic sale of AIATSL by way of transfer of management control and sale of 100% equity share capital of AIATSL by AIAHL, out of which at least 98% shall be through strategic sale and up to 2% of equity share capital of AIATSL is proposed to be offered to the employees of AIATSL by AIAHL as per the terms of an ESOP. The details of the ESOP would be provided in the RFP.

EY is the transaction advisor for the above proposed strategic sale of AIATSL.

AIATSL was incorporated in June, 2003, as a wholly owned subsidiary of Air India (AI) to undertake ground handling and other activities (mutually agreed by AIATSL and AI) on behalf of AI. In February 2013, AI formally transferred the ground handling business of itself and its client airlines as well as cargo warehousing business & cargo handling to AIATSL. In April, 2014, the Company obtained IATA membership accreditation, which enabled it to commence autonomous functioning effective from Financial Year 2014-15.

AIAHL has entered into Share Purchase Agreement (SPA) with AI for the purchase of the entire shareholding in the Company. In terms of the SPA, AI has agreed to sell its entire shareholding in AIATSL to AIAHL. The completion of the transfer of shares of AIATSL from AI to AIAHL is subject to customary conditions precedent, including, inter alia, the following key conditions precedent:

- i. AI receiving the necessary approvals, consents and no-objection certificates from its lenders or any third parties whose approval is required for transfer of AIATSL; and
- ii. Receipt of the respective certificate(s) from the appropriate income tax authorities in India given pursuant to Section 281 of the Indian Income-tax Act, 1961

AI is currently in the process of taking necessary actions to satisfy the above mentioned conditions precedent. It is expected that, subject to the satisfaction/waiver of the aforesaid conditions, the transfer of shares from AI to AIAHL shall be completed prior to the RFP stage.

Currently, AIATSL has arrangement/agreements with AI to provide ground handling services and utilize various facilities of AI. Such current arrangements/agreements between AI and AIATSL shall continue for a pre-defined period post sale of AIATSL as per the terms of certain agreements (which shall be disclosed in the RFP stage).

As on 1st January 2019, AIATSL's authorized capital is INR 10,00,00,00,000 divided into 1,00,00,00,000 equity shares of INR 10 each and its paid up share capital is

INR 138,42,42,000 divided into 13,84,24,200 equity shares held by AIAHL. The shares of AIATSL are not listed on any stock exchange.

Contact Details for Clarifications

All enquiries related to the Proposed Transaction should be addressed to the following representative of EY at the common email ID projectjeweleoi@in.ey.com

Mr. Kuljit Singh
Partner, Ernst & Young LLP

All such enquiries should be emailed not later than the date mentioned in Clause 1.2. All communication shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: PIM for Strategic Sale of Air India Air Transport Services Limited."

IBs should note that all correspondence, enquiries, requests for additional information and clarifications in relation to the Proposed Transaction should be routed and addressed only to the TA at the above email address. Neither the Company nor AIAHL shall be responsible in any manner to reply to any communication directly to the IBs or to respond to any communication sent directly to them by the IBs.

All responses to queries will be provided without revealing the source of the query. Further, AIAHL, the Company and the TA, reserve the right to not respond to queries or clarifications sought and to not provide information in addition to the information provided herein.

The PIM, or any other clarifications and common communications would be available on the following websites:

- i. Website of TA at <http://www.ey.com/in/en/home>
- ii. Website of AIAHL at <http://www.aiahl.com>
- iii. Website of AIATSL at <http://www.aiatsl.com>

IBs are advised to check the above websites regularly for any updates on the Bid Process (defined below).

1.2 Important Dates

Sr. No	Activity	Date	Time (Indian Standard Time)
1.	Publication of Advertisement and Release of PIM	12 th February, 2019	NA
2.	First day of submission of written queries on PIM	13 th February, 2019	NA
3.	Last date for submission of written queries on PIM	26 th February, 2019	17:00:00 Hrs

Sr. No	Activity	Date	Time (Indian Standard Time)
4.	Last date for release of response to queries	5 th March, 2019	17:00:00 Hrs
5.	Last date and time (“ EOI Deadline ”) for submission of EOIs	26 th March, 2019	17:00:00 Hrs
6.	Intimation to the Qualified Interested Bidders (QIB)	9 th April, 2019	17:00:00 Hrs

The above dates may change at the discretion of AIAHL or TA.

The detailed instructions for submission of EOI are set out in clause 6 of the PIM.

1.3 This PIM contains the following:

(a) Part A

- (i) Introduction
- (ii) Company Overview
- (iii) Company Details
- (iv) Key Financials
- (v) Industry Overview

(b) Part B

- (i) Proposed Transaction Process
- (ii) Instructions for Submission of EOI
- (iii) Eligibility Criteria for IBs
- (iv) Disqualifications
- (v) Advertisement - Annexure 1
- (vi) Format of EOI for a sole bidder - Annexure 2
- (vii) Format of EOI for a Consortium - Annexure 3
- (viii) Format of Statement of Legal Capacity for sole bidder-Annexure 4
- (ix) Format of Statement of Legal Capacity for Consortium -Annexure 5
- (x) Format of Form A - Annexure 6
- (xi) Format of Power of Attorney - Annexure 7
- (xii) Format of Consortium Agreement - Annexure 8
- (xiii) Format of Confidentiality Undertaking – Annexure 9
- (xiv) Office Memorandum in respect of DIPAM guidelines - Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment - Annexure 10
- (xv) Format of declaration with respect to statement of legal

- proceedings in compliance with the DIPAM guidelines - Annexure 11
- (xvi) Format of declaration with respect to security clearance - Annexure 12
 - (xvii) Guidelines for Management - Employee Bids in Strategic Sale - Annexure 13
 - (xviii) Power of Attorney for Employee Participation - Annexure 14
 - (xix) DIPAM Guidelines for Employees Bids - Annexure 15
 - (xx) Format of certificate from its statutory auditors (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year) that IB meets the Financial Capability (Net Worth/ ACI), specifying the Net Worth/ ACI- Annexure 16
 - (xxi) Format of certificate from chartered accountant specifying the net worth of the employee (applicable in case of employee bids) - Annexure 16A
 - (xxii) Format of covering letter for certificate of Financial Capability (Net Worth/ ACI) - Annexure 16B
 - (xxiii) In case of IB taking benefit of financial strength of Parent, format of certificate from :

Statutory auditors of Parent of IB (or in the event that the Parent of IB does not have a statutory auditor, the person who has undertaken an audit of the Parent in the immediately preceding financial year)

Or

in case where Parent is a natural person or IB is an LLP, certificate from chartered accountant practicing in India that Parent of IB meets the Financial Capability (Net Worth/ ACI), specifying the Net Worth/ ACI- Annexure 16C
 - (xxiv) Statement of outstanding litigations along with a certificate that as per IB's assessment, likely outcome of outstanding litigations against such IB, its Associates and Controlling Shareholder(s), shall not have any impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria - Annexure 17
 - (xxv) Statement of contingent liabilities along with a certificate that as per IB's assessment, likely outcome of contingent liabilities of such IB, its Associate and Controlling Shareholder(s), shall not impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria - Annexure 18
 - (xxvi) Format for certificate on No Prohibition - Annexure 19

- (xxvii) Format for Affidavit - IBs undertake all the information to be true and correct - Annexure 20
- (xxviii) Format for Confirmation by Parent / Controlling Partner (in case IB is an LLP) - applicable for IB's taking benefit of financial strength of Parent/Controlling Partner (in case IB is an LLP)

PART A

COMPANY OVERVIEW

2. COMPANY OVERVIEW

2.1 Company Profile

Air India Air Transport Services Limited

Air India Air Transport Services Limited (“**AIATSL**”) was incorporated in June, 2003 as a wholly owned subsidiary of AI for providing manpower to various departments of AI. On 6th September, 2012, the Cabinet granted its approval to operationalise AIATSL as an independent entity for ground handling at all airports in India, except the airports where Air India SATS Airport Services Private Limited was already operational i.e., Hyderabad, Bengaluru, Delhi, Mangalore and Trivandrum.

With effect from 1st February 2013, AI decided to formally transfer ground handling business of AI and its client airlines as well as cargo warehousing business & cargo handling to AIATSL and consequently novated all third party ground handling contracts to AIATSL. Further, in April 2014, AIATSL obtained IATA membership accreditation. This enabled AIATSL to commence autonomous functioning effective Financial Year 2014-15.

AIAHL has entered into SPA with AI for the purchase of the entire shareholding in the Company. In terms of the SPA, AI has agreed to sell its entire shareholding in AIATSL to AIAHL. The completion of the transfer of shares of AIATSL from AI to AIAHL is subject to customary conditions precedent, including, inter alia, the following key conditions precedent:

- i. AI receiving the necessary approvals, consents and no-objection certificates from its lenders or any third parties whose approval is required for transfer of AIATSL; and
- ii. Receipt of the respective certificate(s) from the appropriate income tax authorities in India given pursuant to Section 281 of the Indian Income-tax Act, 1961

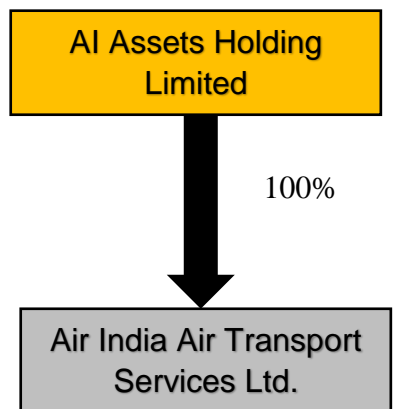
AI is currently in the process of taking necessary actions to satisfy the above mentioned conditions precedent. It is expected that, subject to the satisfaction/waiver of the aforesaid conditions, the transfer of shares from AI to AIAHL shall be completed prior to the RFP stage.

AIATSL, currently provides services at 76 airports (such as Mumbai, Chennai, Kolkata, Kochi, Calicut, Amritsar, Ahmedabad, Jaipur, Lucknow, Varanasi, Gaya, Goa and other domestic airports). Apart from handling the flights of AI and its subsidiary companies (i.e. Air India Express Limited and Airlines Allied Services Limited), ground handling is also provided for 37 foreign scheduled airlines, 4 domestic scheduled airlines, 4 regional airlines, 12 seasonal charter airlines, and 23 foreign airlines availing perishable cargo handling. Additionally, AIATSL also provides cabin cleaning and cabin dressing services besides undertaking repairs of

aircraft Unit Load Devices (ULD) and meal carts.

2.2 Current Shareholding Structure

Subject to the terms set out in this PIM, as a part of the strategic sale process, at least 98% equity stake in AIATSL is being proposed to be sold by AIAHL.



Provides ground Handling services to AI Group and other airlines

2.3 Key Investment Highlights

Largest Ground Handling Services Provider in India	<ul style="list-style-type: none"> ➤ AIATSL has a large ground handling base providing ground handling and related services at 76 airports. ➤ Largest market share of ~47.7% in FY2017-18 (considering 15 Airports where 3rd party airlines operate with competitors) ➤ Diverse mix of international and domestic clients ➤ Awarded 2 times, the Best Ground Handling Services Company- All India by Air Passenger Association of India (APAI) for 2016 and 2018.
Strong Profitability Track-record	<ul style="list-style-type: none"> ➤ Consistently profit making since commencement of autonomous functioning from FY2014 - 2015 ➤ Average EBITDA margins of around 19% and average PAT margins of around 11% for last 3 financial years
Strong position in world's fastest Growing aviation industry	<ul style="list-style-type: none"> ➤ Indian aviation market is on a sustained growth path trajectory <ul style="list-style-type: none"> ○ India is 3rd largest domestic civil aviation market¹ in the world and has been growing at double digits rate over the last 36 months ○ Significant growth in the number of passengers handled at airports across the country; in FY2017-18, the total passengers (<i>domestic and international</i>) handled by all airports was 309Mn with a y.o.y growth of 16.6%². ○ The aircraft movement recorded at all airports put together registered a y.o.y growth of 13.4% in FY2017-18 over FY2016-17². ➤ Ground handling companies to be the direct beneficiaries of the sector growth (higher passengers/flights handled leading to larger revenue pool for ground handling companies) ➤ With new airports being operationalized under RCS scheme, AIATSL by virtue of its pan India presence and current scale of operations is well placed to further consolidate its market leadership position
Experienced and well trained manpower	<ul style="list-style-type: none"> ➤ AIATSL has an experienced and well-trained team detailed in section 3.6 of this document
Ground handling services at airports (as per Airports Authority of India Notification – October 26, 2018)	<p>Government has laid down provisions in terms of ground handling agencies at all airports with specific provisions pertaining to AI and its subsidiaries and Joint Venture companies. Salient feature of the regulations are</p> <ul style="list-style-type: none"> ➤ At the airport having annual passenger throughput of 10 million passengers per annum or above, the airport operator shall ensure that there will be three ground handling agencies including that of, - (a) the airport operator or its joint venture or its 100% owned subsidiary; (b) a Joint Venture or a subsidiary of Air India; and (c) any other ground handling agencies appointed by the airport operator through a

¹IBEF Report

²AAI website

	<p>transparent bidding process</p> <ul style="list-style-type: none"> ➤ At all airports having annual passenger throughput of less than 10 million passengers per annum, based on the traffic output and airside and terminal building capacity, the airport operator may decide on the number of ground handling agencies, not exceeding three including that of – (a) the airport operator or its Joint Venture or its 100% owned subsidiary; (b) a Joint Venture or a subsidiary of Air India; and (c) any other ground handling agency appointed by the airport operator through a transparent bidding process ➤ At all airports, the joint venture or the subsidiary of Air India shall match the lowest royalty paid by the other ground handling agencies, as long as majority share in such entity is with the Government ➤ The above provisions relating to subsidiary or joint venture of the Air India shall apply so long as such ground handling agency remains a subsidiary or a fifty-fifty joint venture of a public sector undertaking and in case such ground handling agency ceases to be subsidiary or a fifty-fifty joint venture of a public sector undertaking, the above provisions shall continue to apply to such ground handling agency at all such airports where it is operating as a ground handling agency, for a period of thirty-six months from the date such ground handling agency ceased to be a subsidiary or a joint venture of a public sector undertaking.
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COMPANY DETAILS

3. COMPANY DETAILS

3.1 Registration Details

Table 1: Company Registration Details of AIATSL

Particulars	Details
Name	Air India Air Transport Services Limited
Constitution	Public Limited Company
Date of Incorporation	June 2003
Corporate Office	2nd floor, GSD Complex, IGI Airport, Terminal- II, New Delhi-110037
Registered Office	Airlines House, 113 Gurudwara Rakabganj Road, New Delhi - 110 001
CIN Number	U63090DL2003PLC120790

3.2 Station details where AIATSL provides services

Table 2: Station details where AIATSL provides services as on 1st January 2019

S. No	Location	Activities Performed*
Northern Region		
Stations other than Civil Enclaves		
1.	Amritsar	Passenger, Ramp, Cargo handling services
2.	Lucknow	Passenger, Ramp, Cargo handling services
3.	Jaipur	Passenger, Ramp, Cargo handling services
4.	Varanasi	Passenger, Ramp, Cargo handling services
5.	Bhopal	Passenger, Ramp, Cargo handling services
6.	Bikaner	Passenger, Ramp handling services
7.	Dharamsala	Passenger, Ramp handling services
8.	Dehradun	Passenger, Ramp handling services
9.	Delhi	Aircraft ULD & Meal Cart repair, Fabrication of Battery Carts for ATR aircrafts
10.	Indore	Passenger, Ramp, Cargo handling services
11.	Jabalpur	Passenger, Ramp handling services
12.	Khajuraho	Passenger, Ramp, Cargo handling services
13.	Kullu	Passenger, Ramp handling services
14.	Ludhiana	Passenger, Ramp handling services
15.	Raipur	Passenger, Ramp, Cargo handling services
16.	Shimla	Passenger, Ramp handling services
17.	Udaipur	Passenger, Ramp, Cargo handling services

S. No	Location	Activities Performed*
18.	Pantnagar	Passenger, Ramp handling services
19.	Pathankot	Passenger, Ramp handling services
Stations which are Civil Enclaves		
20.	Srinagar	Passenger, Ramp, Cargo handling services
21.	Jammu	Passenger, Ramp, Cargo handling services
22.	Leh	Passenger, Ramp, Cargo handling services
23.	Agra	Passenger, Ramp, Cargo handling services
24.	Allahabad	Passenger, Ramp handling services
25.	Gwalior	Passenger, Ramp handling services
26.	Gorakhpur	Passenger, Ramp handling services
27.	Jodhpur	Passenger, Ramp, Cargo handling services
28.	Bhatinda	Passenger, Ramp handling services
29.	Chandigarh	Passenger, Ramp, Cargo handling services
Southern Region		
Stations other than Civil Enclaves		
1.	Chennai	Passenger, Ramp, Cargo handling services, Deep cleaning
2.	Cochin	Passenger, Ramp, Cargo handling services
3.	Coimbatore	Passenger, Ramp, Cargo handling services
4.	Kannur	Passenger, Ramp, Cargo handling services
5.	Kozhikode	Passenger, Ramp, Cargo handling services and Cargo warehousing
6.	Madurai	Passenger, Ramp, Cargo handling services
7.	Trichy	Passenger, Ramp, Cargo handling services
8.	Agatti	Passenger, Ramp handling services
9.	Tirupati	Passenger, Ramp, Cargo handling services
10.	Vijayawada	Passenger, Ramp handling services
11.	Hubbali	Passenger, Ramp handling services
12.	Belgaum	Passenger, Ramp, Cargo handling services
Stations which are Civil Enclaves		
13.	Vishakhapatnam	Passenger, Ramp, Cargo handling services
Eastern Region		
Stations other than Civil Enclaves		
1.	Kolkata	Passenger, Ramp, Cargo handling services and Deep cleaning

S. No	Location	Activities Performed*
2.	Gaya	Passenger, Ramp, Cargo handling services
3.	Bhubaneswar	Passenger, Ramp, Cargo handling services
4.	Agartala	Passenger, Ramp, Cargo handling services
5.	Aizwal	Passenger, Ramp, Cargo handling services
6.	Dibrugarh	Passenger, Ramp, Cargo handling services
7.	Dimapur	Passenger, Ramp, Cargo handling services
8.	Durgapur	Passenger, Ramp, Cargo handling services
9.	Guwahati	Passenger, Ramp, Cargo handling services
10.	Imphal	Passenger, Ramp, Cargo handling services
11.	Passighat	Passenger, Ramp handling services
12.	Patna	Passenger, Ramp, Cargo handling services
13.	Ranchi	Passenger, Ramp, Cargo handling services
14.	Shillong	Passenger, Ramp handling services
15.	Lilabari	Passenger, Ramp handling services
Stations which are Civil Enclaves		
16.	Silchar	Passenger, Ramp handling services
17.	Tezpur	Passenger, Ramp handling services
18.	Bagdogra	Passenger, Ramp, Cargo handling services
19.	Port Blair	Passenger, Ramp, Cargo handling services
Western Region		
Stations other than Civil Enclaves		
1.	Mumbai	Passenger, Ramp, Cargo handling services, Cargo warehousing, Deep cleaning and APEDA handling
2.	Ahmedabad	Passenger, Ramp, Cargo handling services
3.	Nagpur	Passenger, Ramp, Cargo handling services
4.	Aurangabad	Passenger, Ramp, Cargo handling services
5.	Rajkot	Passenger, Ramp, Cargo handling services
6.	Surat	Passenger, Ramp, Cargo handling services
7.	Vadodara	Passenger, Ramp, Cargo handling services
8.	Diu	Passenger, Ramp handling services
9.	Bhavnagar	Passenger, Ramp handling services
10.	Shirdi	Passenger, Ramp handling services
11.	Nanded	Passenger, Ramp, Cargo handling services
12.	Kolhapur	Passenger, Ramp handling services

S. No	Location	Activities Performed*
Stations which are Civil Enclaves		
13.	Goa	Passenger, Ramp, Cargo handling services
14.	Pune	Passenger, Ramp, Cargo handling services
15.	Jamnagar	Passenger, Ramp, Cargo handling services
16.	Bhuj	Passenger, Ramp handling services

*The details of the activities performed are given below:

Passenger Handling is providing assistance to the passengers in the terminal building, who are travelling by air. Passenger handling services comprises of ticketing check, document verification, checking in passengers, baggage check-in & handling/baggage delivery, wheel chair services, making announcements, and assisting with security and boarding/disembarking.

Ramp Handling is servicing of aircraft when it is parked on reserved area for maintenance and parking of aircraft (ramp) at airport. The ramp handling consists of aircraft loading/unloading, cargo & baggage handling, aircraft cabin appearance, lavatory and water servicing, aircraft towing/pushback and passenger transportation from airport terminal to aircraft and vice-versa.

Cargo Handling is the service provided for the different commodities of cargo transported by air. Cargo handling is a process of receipt/dispatch, carting, screening, loading/unloading, packing/unpacking of cargo in a designated cargo warehouse at airports.

3.3 Capital Structure

AIATSL is 100% owned by AIAHL

Table 3: Capital Structure of AIATSL as on 1st January 2019

Particulars	No. of Equity Shares (Mn)	Share Capital (INR Mn)
Authorized Share Capital	1,000	10,000
Issued, Subscribed & Paid-up Share Capital	138.4	1,384.2

*Face value of each Equity Share is INR 10

3.4 Board of Directors

The board of directors of AIATSL, as on 1st January 2019, comprised the following members:

Table 4: Board of Directors of AIATSL

S. No.	Name and Designation	DIN
1.	Shri Pradeep Singh Kharola	05347746
2.	Shri Vinod Hejmadi	07346490
3.	Smt. Gargi Kaul	07173427
4.	Shri Satyendra Kumar Mishra	07728790

3.5 Key Management Personnel

Brief details of the Key Management Personnel of AIATSL are as given below.

Table 5: Key Management Personnel of AIATSL as on 1st January 2019

S. No.	Name	Designation	Qualification	Years of Experience
1.	Capt. Ashvini K. Sharma	Chief Executive Officer	Graduate from National Defence Academy	10 years in Indian Army and 33 years in AI (Commercial, Marketing and Ground Handling)
2	Shri JV Ravi Kumar*	Chief Financial Officer	B.Sc, ACA, MBA	25 years in AI
3.	Ms. Poonam Bharwani*	Company Secretary	B.Com, ACS	27 years in AI

* Permanent employees of AI, presently working in AIATSL

3.6 Employee Strength

The total manpower of the Company under various categories as on 1st January 2019 is provided in the table below.

Table 6: Break-up of AIATSL employees as on 1st January 2019

	Permanent Employees of AIATSL ¹	Contract Employees of AIATSL [§]	Permanent Employees* of AI working in AIATSL
AIATSL	1,372	11,790	619

1. The permanent employees of AIATSL were permanent employees of AI transferred to AIATSL

[§] Contract employees are engaged by the company for varying periods ranging from 6 months to 5 years

* These employees would have the option of getting absorbed in AIATSL (or else they would be reverted back to AI) before the issue of RFP/Confidential Information Memorandum

The split of Contract Employees of AIATSL is given below:

Table 7: Break-up of Contract Employees of AIATSL as on 1st January 2019

Company (where contract employees of AIATSL work)	Contract employees of AIATSL
Air India Ltd.	2,554 [#]
Hotel Corporation of India	14
Air India Engineering Services Ltd.	68
Air India Express Ltd.	8
Alliance Air	2
Sub-Total	2,646[*]
Air India Air Transport Services Ltd.	9,144
Total	11,790

[#] includes 2,300 Security Agents and 254 staff in other departments

* These employees are not directly employed in the Ground Handling operations of AIATSL

Table 8: Indicative Position-wise employee details as on 1st January 2019

Designation	Permanent Employees of AIATSL	Contract Employees of AIATSL
Executive (AGM and above)	23	3
Officers (AM to Sr. Mgr)	77	262
Non Managerial / Employees	1,272	11,525
Total No. of Employees working in AIATSL	1,372	11,790

Approx. 42% of the permanent employees of AIATSL will be retiring in the next 5 years. Below is the break-up of the same:

Table 9: Indicative List of permanent employees retiring in next 5 years

	Up to 31 st March 2019	FY2019- 20	FY2020- 21	FY2021- 22	FY2022- 23	Total
Permanent employees of AIATSL	65	131	120	131	129	576

Note: The above is an indicative list only, detailed list shall be provided at RFP stage.

Table 10: Indicative List of permanent employees of AI working in AIATSL retiring in the next 5 years

	Up to 31 st March 2019	FY2019- 20	FY2020- 21	FY2021- 22	FY2022- 23	Total
Permanent Employees of AI working in AIATSL	20	46	54	68	78	266

Note: The above is an indicative list only, detailed list shall be provided at RFP stage

The following broad list of benefits are provided to AIATSL employees:

Table 11: List of select benefits provided to AIATSL employees

Benefits	Permanent*	Contract
Passage entitlements ³	✓	
Provident fund ⁴	✓	✓
Gratuity ⁵	✓	✓
Medical facilities ⁶	✓	✓
Holiday home ⁷	✓	
Encashment of Privilege Leave ⁸	✓	✓

³**Passage entitlement policy** of AI has been made applicable to permanent employees of AIATSL (serving/retired) and their families. This provides a fixed number of free/subsidized travel on AI operated flights, on an annual basis. The details of the same would be shared at the RFP stage.

⁴**Provident fund**- For permanent employees of AIATSL, during the service, an employee contributes 10% of his pay plus dearness allowance and an equal amount is contributed by the employer. Out of the current permanent employees of AIATSL, some employees have been permanently transferred from AI and the provident fund benefits of these employees will continue under the AI provident fund trust (details to be included in the RFP). For Contract employees, during the service, an employee contributes 12% of his pay plus dearness allowance and an equal amount is contributed by the employer.

⁵**Gratuity** – Employee is eligible for Gratuity on completion of 5 years of service or more and is capped at INR 2,000,000 per employee

⁶**Medical Facilities** –

i) For permanent employees of AIATSL (serving / retired): Permanent employee is entitled for medical facility for self and voluntary family medical scheme with monthly contributions made by the employees for family (in line with AI medical policy). At the time of superannuation, voluntary scheme with one-time contribution made by the employee, covers employee and spouse (in line with AI medical policy). The cost of the same would be borne by AI.

ii) For Contract employees: Contract employees are covered as per eligibility through ESIC/Medical Health Insurance. The contract employees who are not eligible under the Employees' State Insurance Act, 1948 are required to purchase medi-claim insurance and AIATSL reimburses the premium paid by the employees, subject to prescribed limits.

⁷**Holiday home facility** – AI has agreements with various hotels/tourism development corporation wherein the AI employees (permanent and retired) are provided with subsidized room rentals, value added services and access to other facilities. Permanent employees of AIATSL can apply for the facility for themselves or on behalf of their spouse.

⁸**Privilege Leaves** – Subject to a maximum of 300 days and subject to approval for permanent employees. The benefit is available to contract employees based on the contract terms.

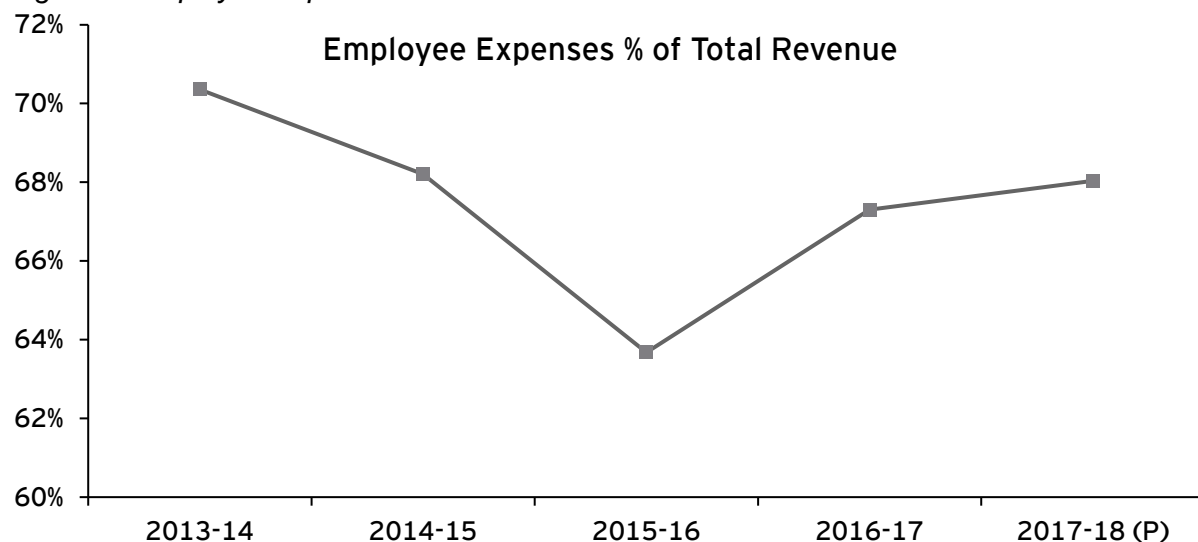
Benefits	Permanent*	Contract
Encashment of Sick Leave ⁹	✓	
Contributory Pension Scheme ¹⁰		
Retirement Gift ¹¹	✓	

**All retired permanent employees of AIATSL are erstwhile AI permanent employees. Retirement benefits for them will be provided by AI*

A more detailed list of benefits shall be provided as a part of the RFP.

A comparison of the employee expenses as % of total revenues for the last 5 years is provided below:

Figure 1: Employee Expenses as % of Total Revenue of AIATSL for FY2014-18



⁹**Encashment of Sick Leaves** – Sick leave, standing to the credit of all existing permanent employees as on 1st July 2012, stand frozen and the employees are allowed to encash the balance leaves (up to 120 days) only at the time of retirement (as per AI policy).

¹⁰**Contributory Pension Scheme** – Permanent employees contribute to accumulate corpus during the service. Annuity Insurance is purchased through Life Insurance Corporation.

¹¹**Retirement Gift** – Sum of INR 5,000 payable towards retirement gift to Permanent employees who have completed 25 years of satisfactory service and INR 3,000 for those who have completed less than 25 years

3.7 Operations

AIATSL is managing ground handling operations at 76 airports in India. Following map shows the presence of AIATSL across India :

Figure 2: Pan India presence of AIATSL

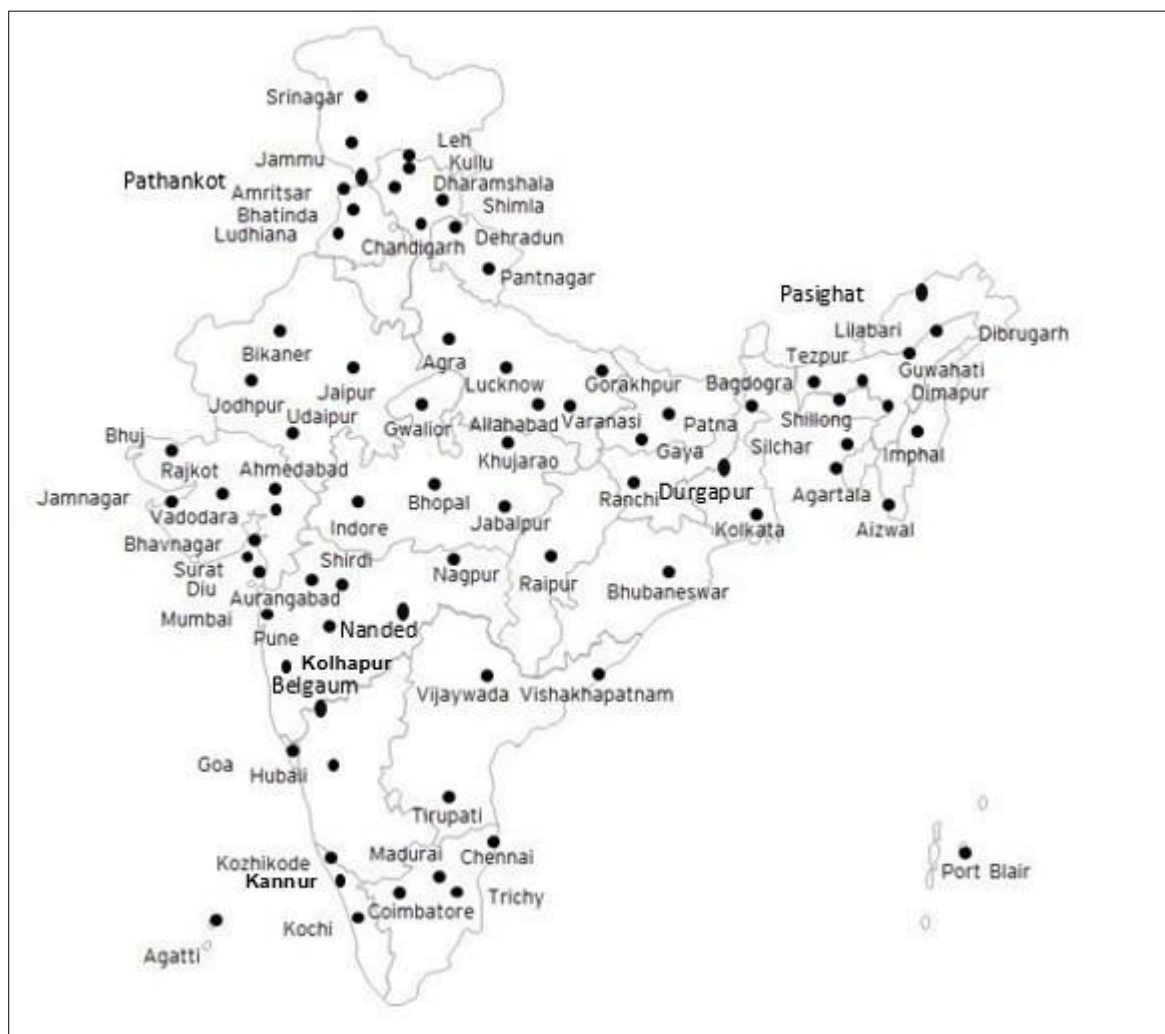


Table 12: Region and customer wise flights catered by AIATSL in FY2017-18

Region	Air India	Alliance Air	Air India Express	Other Airlines	Un-scheduled operators	Haj flights	Total
	Number of flights						
Northern	13,765	7,875	1,451	2,120	1,467	632	143,470
Southern	15,934	6,163	8,382	16,198			
Eastern	17,997	2,506	212	5,270			
Western	34,348	2,915	1,127	5,108			
Total	82,044	19,459	11,172	28,696			

Detailed break-up shall be provided during the RFP Stage.

3.8 Key customers

As on 1st January 2019, AIATSL caters to 46 airline operators (including airlines of Air India Group); details elucidated in table below.

Table 13: Key customers of AIATSL as on 1st January 2019

S. No.	Airlines	S. No.	Airlines	S. No.	Airlines
1	Air Asia International	17	Island Aviation	33	Spice Jet Cargo
2	Air India	18	Jet Airways	34	SriLanka Airways
3	Air India Express	19	Korean Air	35	Star Air
4	Air Mauritius	20	Kuwait Airways	36	Thai Air Asia
5	All Nippon Airways	21	Lakshwadeep (Helicopters)	37	Thai Airways
6	Alliance Air	22	Lufthansa	38	Thai Smile Airways
7	Azur Air	23	Malaysia Airlines	39	Turbo Megha
8	Bhutan Airways	24	Myanmar Airlines	40	Turkmenistan Airlines
9	Biman Bangla	25	Myanmar Airways International	41	Turkish Airlines Cargo
10	Buddha Air	26	Nepal Airlines	42	United Airlines
11	China Eastern Airlines	27	Novo Air	43	Uni-Top Airlines
12	EgyptAir	28	Qatar Airways	44	US Bangla Airlines
13	Emirates	29	Saudi Arabian Airlines	45	Uzbekistan Airlines
14	Fly Dubai	30	Scot Tiger Airways	46	Vistara
15	Garuda Indonesia	31	Silk Air	47	Yemenia – Yemen Airways
16	GoAir	32	Singapore Airlines Limited	48	Zoom Air

3.9 Ground support equipment

AIATSL, at present, is operational at 76 airports across India and has a large ground handling support equipment base, as detailed in the table below:

Table 14: Summary of major ground support equipment as on 1st January 2019

Sr.No	Equipment (Nos.)	North	South	East	West	Grand Total
1.	ACU (Air Conditioning Unit)	11	21	6	15	53
2.	Ambulift	0	5	2	4	11
3.	ASU (Air Start Unit)	21	23	21	18	83
4.	B-CART (Battery Cart)	17	6	6	8	37
5.	Conveyor Belt Loader- Self Propelled	26	62	31	55	174
6.	Conveyor Belt Loader- Towable	49	29	44	30	152
7.	Lowe Deck Container/Pallet Loader	19	27	11	36	93
8.	CargoTransporter	0	19	7	14	40
9.	Diesel Tractor	59	84	63	131	337
10.	Equipment Tow Tug- Diesel	6	9	6	52	73
11.	Equipment Tow Tug-Electric	6	24	18	46	94
12.	FB (Fuel Bowser)	3	7	2	6	18
13.	FL (Fork Lift)	1	20	11	64	96
14.	Food High Lift	0	0	0	15	15
15.	GPU (Ground Power)	33	40	30	45	148
16.	MDL (Main Deck Loader)	1	10	3	6	20
17.	PB (Aircraft Pushback Tractor)	26	32	18	32	108
18.	Airport Passenger Bus	9	18	14	24	65
19.	Passenger Stair – Self Propelled	35	52	24	63	174
20.	Passenger Stair –Towable	80	47	70	39	236
21.	TB (Tow Bar)	62	86	45	75	268
22.	Lavatory Service Vehicle- Self propelled	10	12	6	15	43
23.	Lavatory Service Cart-Towable	10	08	09	03	30
24.	Potable Water Service Vehicle- Self Propelled	9	13	07	23	52
25.	Potable Water Service Cart-Towable	4	3	8	0	15
26.	Tempo Traveller/Bus	0	3	1	26	30
	Grand Total	497	660	463	845	2,465

3.10 Safety and Quality Control

Safety is one of the core business functions of AIATSL. Further, AIATSL is committed to providing their customers with the highest level of product and service quality.

3.11 Real Estate Assets

As on date, AIATSL does not own any land and buildings but is in physical possession and use of various land and buildings of AI (owned by AI or against payment of rent by AI to the land owner/lessor/licensor). Subject to the requisite approval/ no-objection certificates from the land owner(s)/ lessor(s)/licensor(s) and other third parties, after sale, AIATSL will continue to possess and will have the right to use such land and buildings (with distinct and demarcated ingress and egress rights), for a period of three (3) years from the completion of the Proposed Transaction, on such terms as may be specified. The details of assets/land will be available in the data room at the RFP stage.

3.12 Key Financials

Note: In this section, detailed financials are being provided for reference only. However, IBs are encouraged to refer to the detailed financial statements for AIATSL, from the website of AIAHL. The financials for the period 2017-2018 are as per the provisional financial statements. Any changes with respect to the same, based on the audited financial statements, would be provided in the RFP.

3.12.1 Profit and Loss Statement

A brief summary of the Profit and Loss Account is provided below:

Table 15: Profit and Loss Statement for AIATSL for FY2013-18

Financial Year (INR Mn)	2012-13 (Audited)	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Prov.)
Operating Revenue	748	1,014	6,449	5,943	5,968	6,456
Other Income	2	4	21	426	277	224
Total Revenue	750	1,018	6,470	6,369	6,245	6,680*
Y-o-Y increase		36%	535%	-2%	-2%	7%
Employee Expenses	562	716	4,413	4,056	4,204	4,574
Employee Expenses % of Total Revenue	75%	70%	68%	64%	67%	68%
Other Expenses	178	275	843	1,110	1,129	635
Total Expenses	740	992	5,256	5,166	5,332	5,209
EBITDA (Excluding Other Income)	8	22	1,194	777	636	1,247

Financial Year (INR Mn)	2012-13 (Audited)	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Prov.)
EBITDA Margin (%)	1%	2%	19%	13%	11%	19%
EBITDA (Including Other Income)	10	26	1,214	1,203	913	1,471
EBITDA Margin (%) (Including Other Income)	1%	3%	19%	19%	15%	22%
Depreciation	-	0	156	179	192	249
EBIT	10	26	1,058	1,024	721	1,222
Financial Costs	-	1	1	-	-	-
Prior Period Adjustments (Net)	-	-	-	-25	104	-
Profit/ Loss before Exceptional & Extraordinary Items and Tax	10	25	1,057	1,049	617	1,222
Exceptional Items	-0	-	-20	-1	-	-
PBT	10	25	1,038	1,048	617	1,222
PBT Margin	1%	2%	16%	16%	10%	18%
Taxes	5	3	131	34	282	511
PAT	5	22	907	1,014	334	711
PAT Margin	1%	2%	14%	16%	5%	11%

* Out of the same, Revenue of INR 668 Mn is generated from stations which are Civil Enclaves

3.12.2 Balance Sheet

A brief summary of the Balance Sheet is provided below:

Table 16: Balance Sheet for AIATSL for FY2013-18

Financial Year (INR Mn)	2012-13 (Audited)	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Prov.)
Liabilities						
Shareholder's Funds						
Share Capital	1	1	1	1,384	1,384	1,384
Surplus in P&L	-25	-3	904	1,918	2,253	671
Sub Total	-24	-2	905	3,303	3,637	2,055
Share Application Money pending allotment			1,384			
Non-Current Liabilities						

Financial Year (INR Mn)	2012-13 (Audited)	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Prov.)
Other Long Term Liabilities		1	3	3	3	3
Long-Term Provisions	12	18	1,447	1,617	1,749	3,211
Sub Total	12	19	1,450	1,620	1,752	3,214
Current Liabilities and Provisions						
Trade Payables	55	154	57	87	351	127
Other Current Liabilities	64	19	591	801	987	1,679
Short Term Provisions	5	2	322	330	189	362
Sub Total	124	175	970	1,217	1,527	2,168
Total Liabilities	112	192	4,709	6,140	6,916	7,437
Assets						
Non-Current Assets						
Net Asset block	0	0	1,553	1,378	1,763	2,665
Total Non-Current Assets	0	0	1,553	1,378	1,763	2,665
Deferred Tax Assets (Net)	0	7	114	115	25	6
Long Term Loans & Advances	76	72	165	710	1,061	1,016
Sub-Total	76	79	278	825	1,086	1,022
Current Assets, Loans & Advances						
Trade Receivables	23	107	2,419	3,223	3,625	3,149
Cash and Bank Balance	12	5	451	551	174	228
Other Current Assets	1	0	8	163	269	373
Sub Total	36	113	2,878	3,937	4,068	3,750
Total Assets	112	192	4,709	6,140	6,916	7,437

As on 31st March 2018, AIATSL does not have any term loan facilities with banks/financial institutions. Any changes with respect to the same (based on the audited financial statements) and details of the approvals required from the lenders (if any), for consummation of the Proposed Transaction, would be provided in the RFP

3.12.3 Contingent Liabilities

As on 31st March 2018, AIATSL does not have any significant contingent liabilities. Any changes with respect to the same, based on the audited financial statements, would be provided in the RFP.

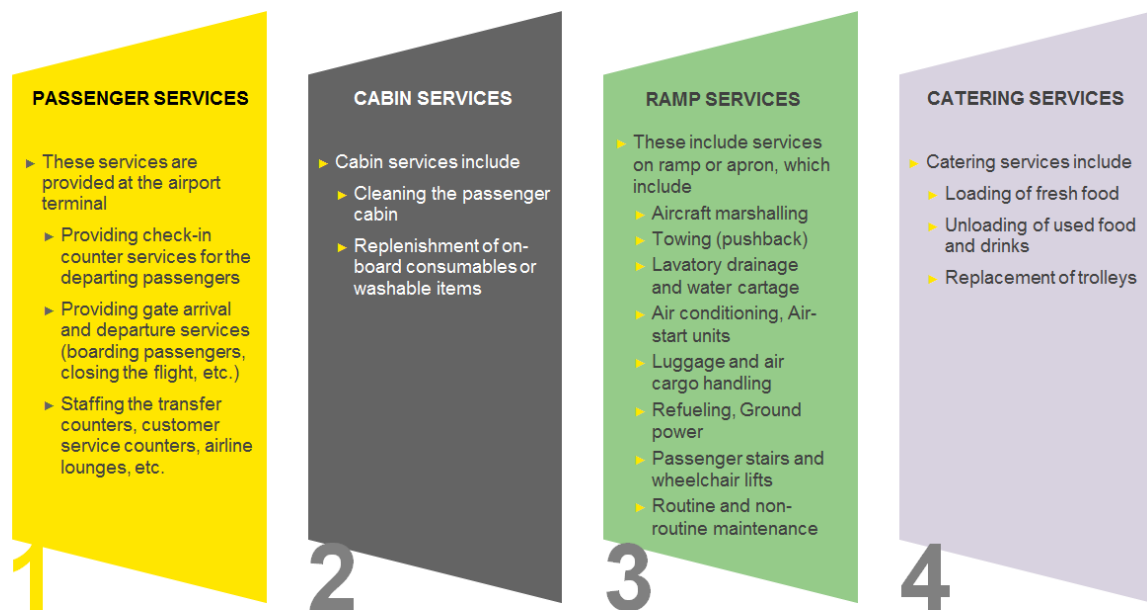
INDUSTRY OVERVIEW

4. GROUND HANDLING INDUSTRY OVERVIEW

4.1 Overview

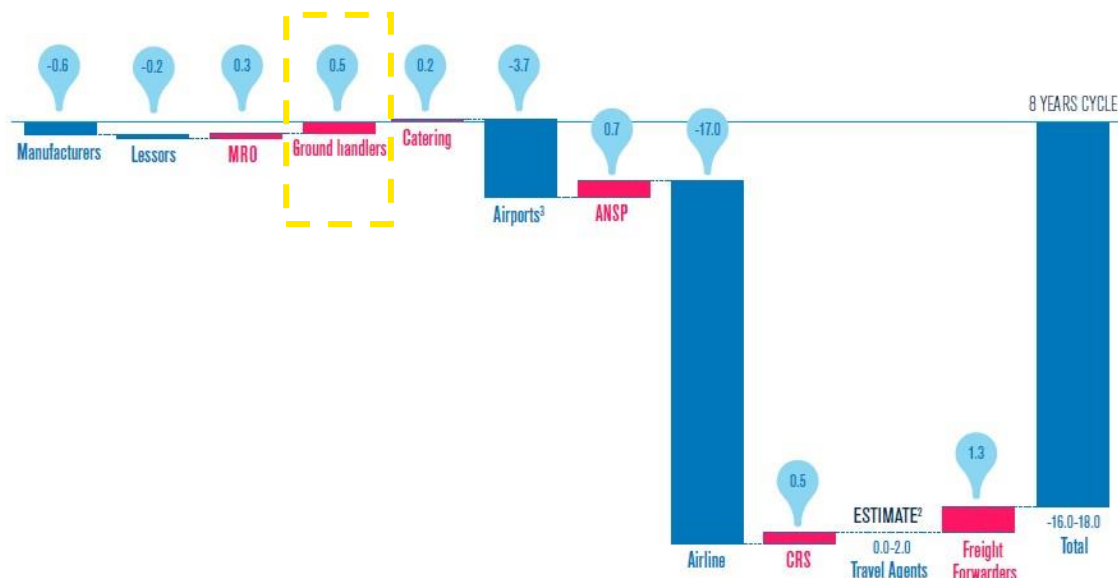
Aircraft ground handling defines the servicing of an aircraft while it is on the ground and parked at a terminal gate of an airport.

Major categories of ground handling services are:



The ground handling business is typically one of the most profitable business in the air transport value chain. The graph below depicts the economic profits in the air transport value chain (excluding fuel and labour)¹².

¹² IATA Report



4.2 Ground Handling Market size

4.2.1 The **global ground handling** market size was estimated at USD 110 Bn in 2016 and is projected to reach USD 185 Bn by 2024 with CAGR of ~ 6.7%. It was estimated that, Asia Pacific aircraft ground handling market accounted for over USD 27.5 Bn during 2016 and is expected to grow on account of rising urbanization, increasing population, prominence of travelling by air, numerous initiatives by airport authorities for augmentation of airport and other infrastructure developments will further stimulate the industry in the region.¹³

4.2.2 Cargo/logistics industry

Indian logistics industry was valued at an estimated US\$ 260 Bn in 2017¹⁴. It has grown at a CAGR of over 14 per cent over the last five years. During FY 2017, air cargo/freight contributed ~1% in the total cargo movements in India, and accounted for 35% of the total shipment value¹⁵. Cargo/freight traffic handled by Indian Airports registered a growth of 7.3% (CAGR) during the period 2006-2018 and is expected to cross 11.4 Mn tonnes by 2032¹⁶. Expanding cargo-handling infrastructure at airports, demand for speedy delivery; larger trade and commerce and increase in the number of operating flights – are some of the key drivers for growth in freight traffic.

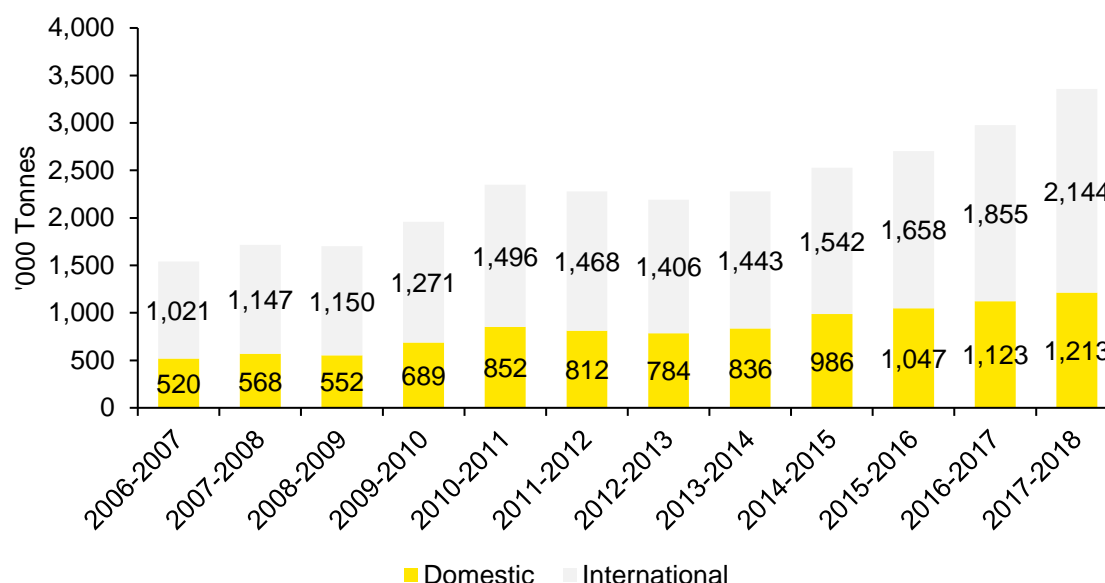
¹³ <https://www.gminsights.com/pressrelease/aircraft-ground-handling-system-market>

¹⁴ <http://www.imap.com/Reports/Logistics%20India%202017.pdf>

¹⁵ <https://www.businesswire.com/news/home/20171205006077/en/India-Freight-Market-Report-2017---Research>

¹⁶ IBEF report on Aviation Sector, 2017

Figure 3: Freight Traffic at Indian Airports¹⁷



Future growth in international cargo traffic is expected to be stimulated by trade agreements and trade in sectors like electronics, garments and pharmaceuticals. Growth in domestic cargo traffic is expected to be led by expansion of industrial activities. Investments in airport and logistics infrastructure are also expected to drive demand of air cargo.

4.3 Ground Handling Growth drivers¹⁸

1. **Strong growth in aviation market**

Growth in passenger traffic has been strong since the new millennium, especially with rising incomes and low-cost aviation; during FY 2008-18, domestic passenger traffic expanded at a CAGR of 10.8% and international passenger traffic registered growth at a CAGR of 8.2%. Further, by 2020, passenger traffic at Indian airports is expected to increase to 421 Mn from 309 Mn in 2017-18.

As per Airbus estimates, Domestic India is projected to be fastest growing aviation market at 10.7% CAGR (2016-26) and 8.8% CAGR (2026-36).

2. **Increasing aircraft fleet of airline operators**

The total fleet size of scheduled Indian operators as of September 2017 stands at 538 aircraft¹⁹. Backed by strong demand (CAGR ~20% for last three years), the fleet size of airline operators in India is expected to grow significantly. Many Indian scheduled airline operators such as Jet Airways, Air

¹⁷ Airports Authority of India's website

¹⁸ IBEF reports

¹⁹ DGCA

Vistara, SpiceJet, and GoAir have already placed orders for fleet expansion to cater to increased demand, resulting in new business opportunities for the ground handlers.

3. *Government initiatives – Ground handling services at airports (as per Airports Authority of India, Notification on October 26, 2018)*

Salient/select features of the policy are provided below. However, IBs are advised to refer the detailed policy/regulations.

- At airports with ≥ 10 million passengers per annum throughput, to have three ground handling agencies including that of (a) the airport operator or its joint venture or its 100% owned subsidiary; (b) a Joint Venture or a subsidiary of Air India; and (c) any other ground handling agencies appointed by the airport operator through a transparent bidding process
- At airports with ≤ 10 million passengers per annum throughput, the airport operator to decide on the number of ground handling agencies, not exceeding three including that of - (a) the airport operator or its Joint Venture or its 100% owned subsidiary; (b) a Joint Venture or a subsidiary of Air India; and (c) any other ground handling agency appointed by the airport operator through a transparent bidding process.
- The above provisions relating to subsidiary or joint venture of the Air India shall apply so long as such ground handling agency remains a subsidiary or a fifty-fifty joint venture of a public sector undertaking and in case such ground handling agency ceases to be subsidiary or a fifty-fifty joint venture of a public sector undertaking, the above provisions shall continue to apply to such ground handling agency at all such airports where it is operating as a ground handling agency, for a period of thirty-six months from the date such ground handling agency ceased to be a subsidiary or a joint venture of a public sector undertaking;
- Ground handling agency, with foreign ownership of 50% or more of its paid-up capital shall not be allowed to undertake ground handling activities at Civil Enclaves
- No royalty is payable in case of self-handling
- At all airports, the joint venture of AI shall match the lowest royalty paid by the other ground handling agencies as long as the majority share in such entity is with the Government
- All airlines, joint ventures, subsidiaries, ground handling agencies shall enter into an agreement with the airport operator for the satisfactory observance of performance of standards as may be mutually acceptable

4. *Airport development and Regional Connectivity Scheme (RCS)*

The government has proposed to invest ~ USD 6 Bn²⁰ in the next 5 years for development of airport infrastructure and with the launch of RCS scheme the demand for ground handlers in India is huge.

- In October 2016, the central government launched UDAN – the regional connectivity scheme for civil aviation to increase air travel penetration in

²⁰IBEF Report – December 2017 [<https://www.ibef.org/download/Airports-December-20161.pdf>]

India to underserved routes. In the first phase, 22 airports are proposed to be connected

- The regional connectivity scheme will be applicable on route length between 200 to 800 km with no lower limit set for hilly, remote, island and security sensitive regions.
- The Central government will provide concessions to the tune of 2% excise on Value Added Tax (VAT) and service tax at 1/10th the rate and liberal code sharing for regional connectivity scheme airports.
- Market-based reverse bidding mechanism to determine least VGF to select the airline operator with the right to match to the initial proposer. The VGF will be reduced if passenger load factor remains high and will be discontinued after 3 years when route becomes self-sustainable.

PART B

5. PROCESS OF PROPOSED TRANSACTION

- 5.1** Department of Investment and Public Asset Management (DIPAM), under the Ministry of Finance, has/is managing multiple transactions for GOI's disinvestment of equity, sale of equity through offer for sale or private placement or any other mode in Central Public Sector Undertakings. DIPAM has, in respect of such disinvestments, issued various guidelines and memoranda summarising the best practices and processes to be followed in disinvestments. To benefit from the best practices and processes, AIAHL, on its own accord and for the purpose of this Proposed Transaction alone (without setting any precedent), has adopted certain aspects set out in the DIPAM guidelines, suitably modified for the Proposed Transaction.

The process for the Proposed Transaction has been divided into two stages, namely, Stage I and Stage II, collectively referred to as "Bid Process".

Stage I - PIM Stage

- 5.2** Through this PIM, instructions are being provided to the IBs for submitting their EOI to the TA which would be used for prequalifying the IBs for Stage II in accordance with the criteria specified herein.
- 5.3** The EOI will be evaluated based on the Eligibility Criteria, Disqualifications and other terms detailed in this PIM.
- 5.4** Only IBs shortlisted in Stage I ("**Qualified Interested Bidders**", "**QIB**") would be allowed to participate in Stage II.

Stage II - RFP stage

- 5.5** The QIBs will be provided with an RFP, access to a data room to review certain documents pertaining to the Company for conducting a due diligence on the Company, and a CIM, which shall provide certain details of the Company and the Proposed Transaction. The format and formalities related to the RFP process shall be communicated in due course. The QIBs will be required to undergo a transparent bidding process for the Proposed Transaction, in accordance with the terms of the RFP.
- 5.6** The QIB may be required to deposit earnest money (in the form of bank guarantee) at Stage II as required by AIAHL.
- 5.7** The H1 bidder (highest bidder) shall undergo a security clearance process in accordance with the terms of the RFP and DIPAM guidelines applicable for disinvestment in Public Sector Enterprises.
- 5.8** The H1 bidder, who has received the security clearance will be referred to as "Confirmed Selected Bidder".

Other Details regarding the Proposed Transaction:

- 5.9** An advertisement ("Advertisement") has been issued in certain newspapers on 12th February 2019, inviting IBs to submit their EOIs for participating in the

Proposed Transaction. A copy of such advertisement is enclosed as Annexure 1.

- 5.10** Following receipt of PIM, IBs will be required to submit their respective EOI in the formats as detailed in this PIM along with non-refundable Application Fees as detailed herein.
- 5.11** The QIBs shall carry out their own due diligence, independent assessment and appraisal of the Company and the Proposed Transaction including all information provided as a part of the PIM and RFP. AIAHL or the Company or TA or their respective consultants, agents, officials, advisors and employees make no representations in relation thereto and shall not be liable in any manner whatsoever for any decision taken on the basis of such information.
- 5.12** Details regarding the process to be followed in relation to the Proposed Transaction after the IBs have been shortlisted in Stage I will be subsequently shared with the QIBs in the RFP.
- 5.13** EOIs are liable to be rejected by AIAHL if the relevant IBs fail to meet the qualifying eligibility criteria as specified in the section titled 'Eligibility Criteria' and/ or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this PIM or any other terms and conditions mentioned in the PIM or on account of security considerations or for any other reason deemed fit, or even without assigning any reason whatsoever.
- 5.14** AIAHL 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 AIAHL, Company, or TA or their advisors or any of their respective officers, employees, advisors or agents.
- 5.15** TA also reserve the right to call for any additional document(s)/ information from the IBs (after the EOI Deadline), which may be considered necessary for evaluation of the EOI or otherwise, in the sole discretion of TA, without any liability to AIAHL, Company, TA or their respective officers, employees, advisors or agents.
- 5.16** By submitting their EOIs, the IBs shall be deemed to have acknowledged that the PIM is not a legally binding document. The laws of the Republic of India shall govern all matters relating to the Proposed Transaction. In case of any dispute between the parties in respect of interpretation of the terms of Advertisement, this PIM, or anything arising therefrom, such dispute shall be subject to jurisdiction of the Courts at New Delhi (to the exclusion of all other Courts).

Neither the IBs nor any of the IB's representatives shall have any claims whatsoever against the Company/AIAHL/TA or their advisors or any of their respective officials, agents, consultants or employees arising out of, or relating to this PIM.

6. INSTRUCTION FOR SUBMISSION OF EOI

- 6.1** The EOIs conforming to the conditions of this PIM shall be submitted, in original, along with all annexure(s) duly filled in and all the supporting documents ("EOI"), at the following address on or before the EOI Deadline. Unless otherwise specified, a certified true copy (duly verified by a notary or apostilled, as relevant) of all the supporting documents shall be submitted at:

Mr. Kuljit Singh
Partner, Ernst & Young LLP India
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity, New Delhi-110037, India
(Note: The above address for submission may be changed at the discretion of the TA)

The EOI of IB shall be considered as part of the contract documents in case the IB is declared as the Confirmed Selected Bidder.

- 6.2** Submission of the EOIs by any electronic means and /or facsimile will not be accepted.
- 6.3** Any EOI received after the EOI Deadline will be rejected.
- 6.4** The IBs shall submit the original EOI, physically, in bound form mentioning the page number on each document (the Demand Draft shall not be bound), with IB's signature and stamp on each page. The EOI shall be submitted in sequence in a sealed, cover envelope clearly marked "Private and Confidential – Expression of Interest for the Strategic Sale of Air India Air Transport Services Limited" in different file folders as per the following directions:

A. Cover 1:

- (i) Demand Draft of INR 2,00,000/- (INR Two Hundred Thousand) (INR Two Lakhs) towards non-refundable fees as Application Fee for the EOI drawn in favour of Ernst & Young LLP, payable at New Delhi.

B. Cover 2

- (ii) EOI letter in the format specified: In case of a sole bidder as per Annexure 2 and in case of a Consortium as per Annexure 3.
- (iii) Statement of Legal Capacity: In case of a sole bidder as per Annexure 4, and in case of a Consortium as per Annexure 5.
- (iv) Duly filled in Form A by IB (sole bidder or each member of Consortium, as applicable). These forms shall be submitted along with all the supporting documents (as per Annexure 6), including the following major supporting documents:
- a. Executive summary providing brief description of the IB (sole bidder or each member of Consortium, as applicable) containing details like ownership structure,

sources of funds, 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 IB and/or who ultimately own, control or influence the IB and includes a person who exercises ultimate effective control over a legal person or arrangement), the Effective Place of Management of business of the IB (sole bidder or each member of the Consortium, as applicable) (“**Effective Place of 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), write up on business history and growth, business areas/ activities, respective revenue details, etc. It shall also include a brief commentary on the capability of the IB (sole bidder or each member of Consortium, as applicable), as demonstrated, inter alia, in its past track record, to run its own business.

- b. Contact information of the IB (sole bidder or each member of the Consortium, as applicable) 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 the sole bidder or for each member and identifying Lead Member of the Consortium. Details of the website of the IB (sole bidder or each member of Consortium, as applicable) are also to be provided.
- c. Basic information pertaining to incorporation and commencement of business of IB (sole bidder or each member of Consortium, as applicable).
- d. A copy of memorandum of association, articles of association, certificate of incorporation, certificate of commencement of business, charter documents, constitution documents, partnership deed, etc. as may be applicable, and registration documents with SEBI/ relevant authority in the applicable jurisdiction for Funds, of the IB (sole bidder or each member of Consortium, as applicable).
- e. A certificate for list of board of directors, principal shareholders or owners or equivalent, and key management personnel of IB (sole bidder or each member of Consortium, as applicable).
- f. A certificate by statutory auditor (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB (sole bidder or each

member of Consortium, as applicable) in the immediately preceding financial year) for the shareholding pattern/ ownership of IB (sole bidder or each member of Consortium, as applicable).

- g. A certificate of IB (sole bidder or each member of Consortium, as applicable) for eligibility to participate in the Proposed Transaction.
- h. Certificate by statutory auditor (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB (sole bidder or each member of Consortium, as applicable) in the immediately preceding financial year), certifying the Net Worth/ACI of the IB (sole bidder or each member of Consortium, as applicable), as defined in the Eligibility Criteria, for the immediately preceding financial year and also specifying that the methodology adopted for calculating such items conforms to the provisions mentioned in clause 7.2, 7.3 and 7.4 of this PIM (as per Annexure 16, Annexure 16 A, Annexure 16 C).
- i. Covering letter for certificate of Financial Capability Net Worth/ACI- (as per Annexure 16B)
- j. Audited Financial Statements (on standalone and consolidated basis)/ Annual Reports for the previous 5 (five) financial years for the IB (sole bidder or each member of the Consortium, as applicable). In case some members of the Consortium were incorporated less than 5(five) years ago, then 5(five) years financial statement of the Lead Member of the Consortium shall be provided. If unlisted company/ companies or any other entities are members of the Consortium and if audited financial statements are not available for the immediately preceding financial year, subject to compliance with all applicable laws, then available audited financial statement(s) shall be provided along with the latest available unaudited/ provisional numbers as certified by the statutory auditors (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year).

For Funds, the latest statutory auditor's certificate (or such other certificate as filed with the regulator in the relevant jurisdiction) not older than 3 months (showing their ACI) prior to the EOI Deadline shall also be submitted.

For listed companies, in case the audited financial statements are not available for the immediately

preceding financial year, the information contained in quarterly limited review report is to be given.

However, if the member of the Consortium submits unaudited financials at the time of submission of EOI, in such a scenario, the audited financials, as and when it is prepared as per the statutory requirements and timelines of the relevant countries (where the IB is incorporated) have to be provided.

However, notwithstanding the above, it may be noted that the Financial Capability of the IB shall be assessed only on the basis of the information required as per Annexure 16.

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.

All financial statements/ annual reports/ certificates submitted should be certified by Authorized Signatory.

- k. 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 (sole bidder or each member of the Consortium, as applicable) to its Authorised Signatory.
- l. Management Organization:

An overview of IBs (sole bidder or each member of the Consortium, as applicable) senior management and organization structure. IB (sole bidder or each member of Consortium, as applicable) shall provide details on (a) the Ultimate Beneficial Owner, and (b) Effective Place of Management of the business.
- m. International Operations/ Joint Venture/ Alliances: Brief note of IBs' (sole bidder or each member of Consortium, as applicable) international operations, joint ventures, alliances (whether international or domestic), including incorporation details, registered office, effective management and control, nature and size of such operations, equity ownership (if applicable), and copies of the audited financial statements for the immediately preceding financial year for such entities.
- n. Details such as name and address of those companies and professional firms, if any, who are (or will be) advising the IB (sole bidder or each member of the Consortium, as applicable) for the Proposed

Transaction, together with the names of the principal individual advisors at those companies and firms. If such advisors have not been appointed as on the date of submission of the EOI, the aforesaid details may be updated as and when appointed.

- o. Statement of outstanding litigations along with a certificate that as per IB's assessment, likely outcome of outstanding litigations against such IB, its Associates and Controlling Shareholder(s), shall not have any impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria (as per Annexure 17).
- p. Statement of contingent liabilities along with a certificate that as per IB's assessment, likely outcome of contingent liabilities of such IB, its Associates and Controlling Shareholder(s), shall not have any impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria (as per Annexure 18).
- q. If the IB is a foreign entity/ OCB, specify list of statutory approvals, from the GOI/ the RBI/ DIPPI/ relevant ministry/ any other Government agency, received/applied for/ to be obtained/ awaited.
- r. Appropriately executed Power of Attorney authorizing the Authorised Signatory of the IB (sole bidder or each member of Consortium, as applicable) to submit the EOI and in case of a Consortium Power of Attorney appropriately executed by each member of the Consortium authorizing the Lead Member to act on its behalf in relation to the Proposed Transaction and the EOI (as per Annexure 7).
- s. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per Annexure 8).
- t. Duly executed Confidentiality Undertaking (as per Annexure 9).
- u. A declaration in relation to statement of legal proceedings (as per Annexure 11).
- (v) Duly filled in declaration in relation to security clearance (as per Annexure 12).
- (vi) Format for certificate on no prohibition - Annexure 19

(vii) Format for Affidavit – IB undertake all the information to be true and correct - Annexure 20

- 6.5** All pages of the documents submitted as part of the EOI shall be signed and stamped by the IB (sole bidder). In case of Consortium, all members of the Consortium shall submit their individually filled in and signed (by their respective Authorised Signatories) and stamped forms/certificates as required under clause 6.4, as if they were a sole bidder, to the Lead Member, who shall sign (through its own Authorised Signatory) and stamp every page of the forms filled by the members, and submit the same on behalf of itself and all the members of the Consortium to the TA.
- 6.6** All certificates issued by statutory auditors (or in the event that the IB (sole bidder or each member of Consortium, as applicable), does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year) will be addressed to the IB, who shall sign and stamp every page. In case of Consortium, all the members of the Consortium shall sign and stamp every page of such certificate issued and submit to the Lead Member, who shall sign and stamp every page and submit the same on behalf of itself and all the members of the Consortium to the TA.
- 6.7** All the bid(s) shall be valid for 180 days from the EOI Deadline and shall be further extended by another 180 days, on intimation to the IBs by TA.
- 6.8** No IB shall submit more than one EOI. An IB 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.
- 6.9** The IBs are expected to carry out their own investigations and other examination in relation to the Proposed Transaction before submitting their EOIs.
- 6.10** 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 hereunder shall continue to have effect in addition to its obligations under such definitive documents (as detailed in the RFP).
- 6.11** All financial statements or data to be derived therefrom for the evaluation of financial capability referred herein shall mean on a consolidated basis.
- 6.12** The EOI and all related correspondence and documents in relation to the PIM shall be in English language. If any supporting document, which is submitted along with the EOI, is in any other language then certified translated copy (legalized by the Indian Embassy and notarized in the jurisdiction where the original document is issued. However, for IBs from countries that have signed the Hague Legislation Convention 1961, document is not required to be legalized by the Indian Embassy if it carries

a conforming Apostile certificate) of such document in English language should be provided.

- 6.13** The documents including this PIM and all attached documents are and shall remain or become the properties of AIAHL 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.
- 6.14** EOIs shall be opened only after the EOI Deadline.
- 6.15** EOIs shall be submitted on or prior to 17:00:00 hours IST on the EOI Deadline.
- 6.16** EOI submitted only through hand delivery shall be accepted (submission of EOI by post/courier or similar means is not allowed). For any queries or request for clarification/ additional information concerning PIM, IB's are required to follow instructions provided in clause 1.1.
- 6.17** The IBs shall bear all costs associated with the preparation and submission of the EOI and also all costs associated with conducting due diligence. The TA/Company/AIAHL 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, AIAHL and TA.
- 6.18** **Enquiry:** TA reserves the right 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 TA 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 TA has not responded to any question or provided any clarification. Any enquiry shall be submitted to TA only (and not to Company/AIAHL).
- 6.19** The completion of the Proposed Transaction (as per the RFP) shall be subject to receipt of all necessary approvals including security clearance as per terms provided in RFP.

Requisite Approvals – The Confirmed Selected Bidder shall be required to obtain all necessary approvals/consents from MOCA, DGCA, CCI, DIPP and under any other laws, as applicable. The relevant information may also be required to be further made available to appropriate regulatory agencies at the appropriate stage for their verification. The IBs may note that even after the completion of the Proposed Transaction, the Company is expected to inter-alia adhere to:

- (a) Terms of any other regulations of DGCA and MOCA;
- (b) Terms of FDI Policy of GOI as applicable to the Company; and

(c) Terms of any other approvals as may be required by law.

- 6.20 Amendment to PIM:** At any time prior to the EOI Deadline, TA/AIAHL may, for any reason, whether at its own initiative or in response to clarifications requested by any IB, modify the PIM by the issuance of addendum/clarification. Any addendum/clarification issued shall be uploaded on websites of AIAHL at <http://www.aiah.com>, Company at <http://www.aiatsl.com> and TA at <http://www.ey.com/in/en/home>.

In order to afford the IBs reasonable time for taking an addendum/clarification into account, or for any other reason, TA may, in their sole discretion, extend the EOI Deadline for submission of EOIs.

- 6.21** Any additional information supplied by an IB subsequent to the EOI Deadline, unless the same has been expressly sought for by TA, shall be disregarded.
- 6.22** Notwithstanding anything contained in this PIM, AIAHL 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.
- 6.23** The TA/AIAHL 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 Bid Process, including any error or mistake therein or in any information or data given by the TA.
- 6.24** The TA reserves the right to verify all statements, information and documents submitted by the IB in response to the PIM, or the Bid Process and the IB shall, when so required by the TA, 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 TA shall not relieve the IB of its obligations or liabilities hereunder nor will it affect any rights of AIAHL thereunder.
- 6.25** The IBs may note that the files containing information about the Company can be in various formats including without limitation, doc, xls, ppt, pdf, jpg, jpeg, zip etc. and it shall be the responsibility of the IBs to have suitable facilities at their end to download the uploaded files.
- 6.26** The IBs shall evaluate and ensure (at their own cost) that they are permitted to invest under applicable laws to the extent they propose to participate. Only IBs who are permitted under applicable laws to participate (to the extent of their proposed participation) shall be eligible to participate in the Bid Process.

7. ELIGIBILITY CRITERIA

The Eligibility Criteria for the IBs are as follows:

- 7.1 Incorporation Criteria:** Any private limited company, public limited company, limited liability partnership, body corporate, whether registered or incorporated in India or outside India; or Fund; in each case which is eligible to invest under the laws of India (subject to such parties obtaining applicable statutory approvals) either as a sole bidder or as part of a Consortium. If the IB is not an incorporated entity, the shares of AIATSL shall be held through an incorporated investment vehicle (special purpose vehicle), incorporated in India, within stipulated time, as may be prescribed by AIAHL in the RFP.

If IB is a sole bidder and is an incorporated entity in India, it has the option to either directly hold shares of AIATSL or hold shares through an investment vehicle (special purpose vehicle) incorporated in India, within stipulated time, as may be prescribed by AIAHL in the RFP.

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 by GOI, if desirable in public interest.

Bids by employees of Company participating directly or by forming a consortium (along with a bank, venture capitalist, a financial institution or Fund) will be considered in accordance with the guidelines issued by DIPAM, annexed herewith as per Annexure 13 ('Guidelines'), if the legal entity so formed is qualified as per the criteria laid down in the PIM (Also refer to Annexure 15).

- 7.2 Financial Capability:** For submitting the EOI and for being considered for subsequent qualification for Stage II of the Proposed Transaction, the IB shall satisfy the following criteria:

Net Worth: A minimum Net worth of INR 2000 Mn (INR 200 Crore) computed in terms of Clause 7.3 and 7.4.

OR

ACI – A minimum ACI of INR 2000 Mn (INR 200 Crore) computed in terms of Clause 7.3 and 7.4.

- 7.3 Financial Capability shall be calculated as follows:**

- a) **Net Worth** means the aggregate value of the paid-up equity 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 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,

intangible assets, redemption reserves, reserves made for any specific purpose and cross holding of investments amongst the Consortium members. Such methodology shall be applicable even to entities that are not incorporated in India ("**Net Worth**"). In case of LLP, Net Worth shall be calculated as aggregate value of partners' capital (aggregate value of paid up share capital in the Limited Liability Partnership) 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.

The cross holding of investments amongst the consortium members is also to be deducted where IB is a Consortium.

b) IBs may also qualify on the basis of:

- (i) In case of Funds, on the basis of minimum investible funds (i.e. immediately available funds for investment and callable capital) subject to the limits of investment in a single investee entity in the relevant jurisdiction for a Foreign Investment Fund, or the maximum permissible investment limit for an AIF (as per SEBI (Alternative Investment Funds Regulations, 2012), as applicable ("Available Capital for Investment" or "ACI").
- (ii) IB, other than Funds, may also qualify on the basis of Net Worth of its Parent/ Controlling Partner (in case IB is an LLP), provided that such Parent/ Controlling Partner provide an unconditional and irrevocable guarantee on behalf of IB to perform and discharge all its obligations under the PIM. The determination of the relationship of Parent/Controlling Partner (in case IB is an LLP) with the IB shall be on the date seven (7) days prior to the EOI Deadline. Documentary evidence to establish such relationship shall be furnished by the IB along with the EOI (through a certificate from statutory auditor of the Parent/Controlling Partner (or in the event that the Parent/Controlling Partner does not have a statutory auditor, the person who has undertaken an audit of the Parent/Controlling Partner in the immediately preceding financial year) or certificate from chartered accountant practicing in India (in case Parent/Controlling Partner is a natural person)).

7.4 Financial Capability shall be assessed on the basis of:

- a) Latest audited accounts of an IB (on consolidated basis) which shall not be older than 15 months from the EOI Deadline, as certified by the statutory auditor (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year). The audited accounts on the basis of which the Net Worth shall be worked out shall correspond to

accounting periods (of not less than 12 months) already completed and audited (and shall not be based on partial periods).

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 fulfilment of Financial Capability 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 Funds which are using ACI, ACI would be considered as per the certificate issued by statutory auditor (or such other certificate as filed with the regulator in the relevant jurisdiction) not older than 3 months prior to the EOI Deadline.
- c) In case of bids by employees of the Company, the Net Worth will be ascertained through a single certificate from a chartered accountant practicing in India, containing the names and Net Worth of each of the participating employees. The same should not be older than 3 months prior to the EOI Deadline.
- d) In case of IB taking benefit of financial strength of its Parent/Controlling Partner (in case the IB includes an LLP), the Net Worth of its Parent/Controlling Partner (in case the IB includes an LLP) will be ascertained through a certificate from statutory auditor of the Parent/Controlling Partner (or in the event that the Parent/Controlling Partner does not have a statutory auditor, the person who has undertaken an audit of the Parent/Controlling Partner in the immediately preceding financial year) or certificate from chartered accountant practicing in India (in case Parent/Controlling Partner is a natural person; the same should not be older than 3 months prior to the EOI Deadline).

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

7.5 Continued Compliance with FDI Policy: The IBs will be required to demonstrate to the relevant government authority and ensure continued compliance by AIATSL with FDI Policy.

7.6 Additional Condition for Confirmed Selected Bidder with foreign ownership of 50% or more: As per the Airports Authority of India Notification (October 26, 2018) on Ground handling services at airports, a ground handling agency with foreign ownership of 50% or more of its paid-up capital shall not be allowed to undertake ground handling activities at Civil Enclaves in India. In the event, an IB with foreign ownership of 50% or more is selected as the Confirmed Selected Bidder for the Proposed Transaction, then such Confirmed Selected Bidder shall be mandatorily required to form a separate company with a domestic entity (domestic entity to hold at least 51% of the paid-up capital of such new company) for transferring the ground handling activities of AIATSL at the Civil Enclaves to the new company and undertaking the ground handling activities at such Civil Enclaves through the

new company. Additional details/requirements/conditions of forming such new company may be prescribed in the RFP.

7.7 Additional Conditions for bidding by Consortium: IBs are permitted to form a consortium of eligible entities (“**Consortium**”) to participate in the Proposed Transaction.

Formation of company: In case of EOI by a Consortium, the Consortium shall form a company (special purpose vehicle) in India/ under the laws of India, as would be prescribed in the RFP. The equity shareholding of such company shall be the same as the interest of the members in the Consortium, as submitted as part of the EOI.

- (a) **Lead Member:** The Consortium shall have one (1) lead member.
- (b) **Minimum stake requirement in the Consortium/ company:**
 - (i) Each Member of the Consortium shall hold at least 20% share in Consortium and at least 20% equity share capital of the company (special purpose vehicle) promoted or to be promoted by the members of the Consortium for acquiring AIAHL’s stake being sold in AIATSL.
 - (ii) Lead member shall hold at least 51% of paid up equity share capital of the company (special purpose vehicle) promoted or to be promoted by the members of the Consortium for acquiring AIAHL’s stake being sold in AIATSL.
- (c) **Net Worth/ACI requirement:**
 - (i) **Minimum Net Worth/ ACI of Each Member:** Net Worth/ ACI of each participating member should be equal or more than that proportion of the Net Worth/ACI requirement of (INR 2000 Mn) as is its equity shareholding in the Consortium.

In case the participating member has taken the benefit of the financial strength of its Parent/Controlling Partner (in case the IB includes a LLP), the Net Worth/ACI of the Parent/Controlling Partner (in case the IB includes a LLP) should be equal or more than that proportion of the Net Worth/ACI requirement of (INR 2000 Mn) as is its equity shareholding in the Consortium.
 - (ii) **Aggregate Net Worth/ ACI of Consortium:** The aggregate Net Worth (or ACI, if applicable) of all the members of the Consortium should meet the Net Worth/ACI requirement as mentioned in clause 7.2 above.

The table below provides few examples of Financial Capability for qualification:

Case	Member 1	Member 2	Eligibility
1	Stake in Consortium : 51% Net Worth/ACI : Nil or Negative	Stake in Consortium : 49% Net Worth/ACI : INR 2,000 Mn	Consortium does not qualify as : Clause 7.7.c: Member 1 does not meet minimum proportionate share (51%) of the Financial Capability
2	Stake in Consortium : 51% Net Worth/ACI : INR 1700 Mn	Stake in Consortium : 49% Net Worth/ACI : INR 300 Mn	Consortium does not qualify as Clause 7.7.c : Member 2 does not meet minimum proportionate share (49%) of the Financial Capability
3	Stake in Consortium : 51% Net Worth/ACI: INR 1100 Mn	Stake in Consortium : 49% Net worth/ACI : INR 1200 Mn	Consortium qualifies as Clause 7.7.c: Member 1 and Member 2 meet required minimum share of the Financial Capability (Net worth/ACI). Consortium meets the Financial Capability requirement (Clause 7.2) Consortium Financial Capability : INR 1100 Mn + INR 1200 Mn = INR 2,300 Mn

The table below provides an example of Financial Capability for qualification in case of a 3 member Consortium:

Case	Member 1	Member 2	Member 3	Eligibility
1	Stake in Consortium : 51% Net Worth/ACI : INR 1,200 Mn	Stake in Consortium : 25% Net Worth/ACI : INR 500 Mn	Stake in Consortium : 24% Net Worth/ACI : INR 480 Mn	Consortium qualifies as Clause 7.7(c): All the Member of the Consortium meet minimum proportionate share of the Financial Capability. Consortium Financial Capability (Clause 7.2) : INR 1200 Mn + INR 500 Mn+ INR 480 Mn = INR 2,180 Mn
2	Stake in Consortium : 51% Net Worth/ACI : INR 1,100 Mn	Stake in Consortium : 25% Net Worth/ACI : INR 400 Mn	Stake in Consortium : 24% Net Worth/ACI : INR 500 Mn	Consortium does not qualify as Clause 7.7.c: Member 2 does not meet minimum proportionate share (25%) of the Financial Capability.

- 7.8** Where a sole bidder or a Consortium has submitted the EOI, it is expected that there shall not be any changes in the members of the Consortium or sole bidder will not form a Consortium except as provided below.

Any change prior to the EOI Deadline is permissible by withdrawing the EOI and submitting a fresh EOI before the EOI Deadline. However, no change in composition of consortium will be permitted after the EOI Deadline till shortlisting of the IBs.

If after shortlisting of IBs, a Consortium bidder desires a change in the Consortium or a sole bidder desires to form Consortium by inducting new members, it shall have to apply for approval for such change to the TA no later than 30 days from the issuance of the RFP. Endeavour shall be made to provide approval or disapproval for such change no later than 15 days prior to date of submission of financial bids as per RFP.

In case of a consortium, following conditions shall be met:

- (a) Change shall be permitted only once after EOI Bid Deadline;
- (b) No change in Lead Member shall be allowed;
- (c) Shifting from one Consortium to another shall not be permitted;
- (d) The changed Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM.

In the case of a sole bidder forming a Consortium, following conditions shall be met:

- (a) The sole bidder will be the Lead Member of the Consortium;
- (b) Change shall be permitted only once after EOI Bid Deadline;
- (c) Shifting from one Consortium to another shall not be permitted;
- (d) The Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM.

- 7.9** The Confirmed Selected Bidder shall be required to lock-in its entire shareholding in AIATSL and in the special purpose vehicle (in case investment in AIATSL is made through a special purpose vehicle by a Consortium or otherwise), up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction. The aforesaid restriction on change in shareholding in AIATSL, shall also be applicable to a special purpose vehicle's investment in AIATSL, in case investment in AIATSL is made by a Confirmed Selected Bidder through a special purpose vehicle.

If the Confirmed Selected Bidder has taken the benefit of the financial strength of its Parent/Controlling Partner (in case the IB includes a LLP), the Parent/Controlling Partner (in case the IB includes a LLP) shall be required to lock-in its entire shareholding in the Confirmed Selected Bidder up to the

expiry of 3rd Anniversary of the completion of the Proposed Transaction.

In case the Confirmed Selected Bidder is an IB with foreign ownership of 50% or more (and hence required to form a new company for transferring the ground handling activities of AIATSL at the Civil Enclaves as per clause 7.6), the IB as well as the domestic entity have to lock-in their entire shareholding in the new company (formed for undertaking ground handling activities of AIATSL at the Civil Enclaves) up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction.

- 7.10** The Confirmed Selected Bidder shall carry on the business of the Company On a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction.
- 7.11** The Confirmed Selected Bidder shall abide by conditions set out in the RFP or the definitive documents to safeguard employees' interests.
- 7.12** The Confirmed Selected Bidder shall abide by conditions set out in the RFP or the definitive documents, including inter alia conditions in relation to misuse of the Company.
- 7.13** On being selected as the Confirmed Selected Bidder, if the IB (in the form of a sole bidder) makes the investment through a special purpose vehicle, such IB (as the Parent of the special purpose vehicle) shall be required to irrevocably and unconditionally guarantee to AIAHL that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the share purchase agreements or other materials prepared in connection with the Proposed Transaction.

On being selected as the Confirmed Selected Bidder, when the IB (in the form of a Consortium) makes the investment through a special purpose vehicle then each member of the Consortium shall jointly and severally, irrevocably and unconditionally guarantee to AIAHL that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the share purchase agreements or other materials prepared in connection with the Proposed Transaction.

If the Confirmed Selected Bidder is a IB which has taken benefit of financial strength of its Parent/Controlling Partner (in case the IB includes a LLP) to qualify , then the Parent/ Controlling Partner (in case the IB includes a LLP) of the IB shall jointly and severally, irrevocably and unconditionally guarantee to AIAHL that such IB shall, at all times, fully and faithfully perform and discharge all its obligations under the share purchase agreements or other materials prepared in connection with the Proposed Transaction.

- 7.14** Bids by employees of the Company shall satisfy the minimum Net-Worth criteria as specified in clause 7.2. The combined net-worth of participating employees and bank/venture capitalist/financial institution or Funds as may be applicable, shall be taken into account for calculating minimum net-worth requirement as per financial capability clause.
- 7.15** The IBs shall ensure that they are permitted to invest under applicable laws

to the extent they propose to participate.

- 7.16** TA also reserve the right to call for any additional document (s)/ information from the IBs (after the EOI Deadline), which may be considered necessary for evaluation of the EOI or otherwise, in the sole discretion of TA, without any liability to the TA or their respective officers, employees, advisors or agents.
- 7.17** 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 RBI. All financial information required for satisfying the eligibility criteria shall be represented in Indian Rupees.
- 7.18** AIAHL/TA, reserves the right to seek any additional indemnities, warranties, representations or performance obligations from the IBs (including from any of their group companies), to its satisfaction.
- 7.19** AIAHL may prescribe additional conditions in the RFP whereby QIBs shall be required to demonstrate availability of funds for the Proposed Transaction including but not limited to appropriate expression of support from financial institution(s) (criteria for such financial institution shall be provided in RFP) confirming ability of the IB to discharge all its obligations defined under RFP/ share purchase agreements and other documents related to Proposed Transaction.

8. DISQUALIFICATIONS

8.1 AIAHL/TA shall not consider for the purpose of qualification, any EOI which has been found to be incomplete in content or attachments even after a request for additional information has been made to IB (in the sole discretion of AIAHL).

8.2 Without prejudice to any other rights or remedies available to AIAHL including the right to disqualify any IB at its sole discretion with or without assigning any reason, AIAHL reserves the right to disqualify any IB (whether sole bidder or member of Consortium, as applicable) and exclude its EOI from further consideration for any reason, including without limitation those listed below:

- (a) Misrepresentation/ false statement is made by an IB (sole bidder or any member of Consortium) at any stage in the Bid Process, whether in the EOI, bid submitted pursuant to RFP (including in supporting documentation or otherwise in any part of the Bid Process) and whether written or oral.
- (b) If the EOI submitted by the IB (sole bidder or any member of Consortium, as applicable) is in any respect inconsistent with, or demonstrates any failure to comply with, the provisions of the PIM, including not being accompanied by the Application Fees or the EOI being conditional in any respect.
- (c) Failure by IB (sole bidder or any member of Consortium, as applicable) to provide necessary and sufficient information required to be provided in the EOI in accordance with this PIM, even after a request for additional information has been made to IB.
- (d) Failure by IB (sole bidder or any member of Consortium, as applicable) to provide, within the time specified by the TA, the supplemental information/documents sought by the TA for evaluation of the EOI (even if such information/documents are sought after the EOI Deadline).
- (e) Submission of more than one (1) EOI by any IB whether directly or indirectly either as sole bidder or a member of Consortium, in which case, all such EOIs shall be rejected.
- (f) The IB (including sole bidder or any member of Consortium, as applicable) not satisfying the eligibility and other requisite qualification criteria specified in the EOI and hence not being eligible or if such IB does not meet the guidelines of Department of Investment and Public Asset Management No. 3/9/2016-DoD-II-B dated September 28, 2017 (as per Annexure 10) and any amendment made from time to time.
- (g) In case of bids by CPSEs or CGOCS, such bid not complying with the requirements imposed by GOI for submission of such bid.

- (h) Failure to comply with any reasonable request of AIAHL in relation to the Proposed Transaction.
- (i) If at any time it is discovered that an IB (sole bidder or any member of Consortium, as applicable) is/are subjected to winding up/insolvency proceedings or other proceedings of a similar nature.
- (j) In the interest of national integrity, security or otherwise, as may be determined by the GOI.
- (k) If at any stage of the process, the IB (sole bidder or any member of Consortium, as applicable) 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 (sole bidder or any member of Consortium, as applicable) in respect of the Company which may be prejudiced by the participation of the IB (sole bidder or any member of Consortium, as applicable) in the Bid Process or the Proposed Transaction.
- (m) Non fulfilment of any other condition or requirement by the IB (sole bidder or any member of Consortium, as applicable) as listed in this PIM.
- (n) If AIAHL is not satisfied with sources of funds/ownership structure of the IB.
- (o) The loans availed by the IB (sole bidder or any member of the Consortium, as applicable), including by its Controlling Shareholder (s) /partners (in case the IB includes a LLP) and/or subsidiaries (as defined in Companies Act, 2013) have been classified as 'non-performing asset' or such similar classification by any of their lenders.
- (p) IB (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s) /subsidiaries/directors (partners, in case IB includes an LLP) / key managerial persons are debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities by any governmental authority.
- (q) IB (sole bidder or any member of Consortium, as applicable) is disqualified to enter into or perform obligations in relation to the Proposed Transaction (including acting as controlling shareholder of the Company) pursuant to applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI, MOCA, DGCA, DIPP or RBI), administrative authority or department or ministry of central or state government or any court in India.
- (r) If the IB (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s) /partners (in case IB includes a LLP) is convicted by any court of law, indicted, or has any adverse order

been passed against it by a regulatory authority which would cast a doubt on its ability to manage the Company when it is sold or which related to a grave offence that outrages the moral sense of the community.

- (s) IB (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s) / partners (in case the IB includes a LLP) their respective directors (partners, in case IB includes an LLP) or key managerial persons or equivalent persons appear in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction.
- (t) IB (sole bidder or any member of Consortium, as applicable) is an erstwhile OCB which is incorporated outside India and is under the adverse notice of RBI.
- (u) Subject to clause 7.6 of this PIM, IB (sole bidder or any member of Consortium, as applicable) is prohibited or restricted from investing in the Company on the basis of status or sector in which the Company operate or under FEMA, 1999 or any regulations made thereunder or under the extant provisions of the FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.
- (v) If it is discovered at any stage that the IB (sole bidder or any member of Consortium, as applicable) 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.
- (w) IBs who are found to canvass, influence or attempt to influence in any manner the qualification or Bid Process, including without limitation, by offering bribes or other illegal gratification, shall be disqualified from the Bid Process at any stage and shall be subject to due process of law.
- (x) Any information regarding or in connection with the IB (sole bidder or any member of Consortium, as applicable) which becomes known and is detrimental to Proposed Transaction and/or interest of Company.
- (y) IBs shall not have any conflict of interest ("**Conflict of Interest**") that affects the Bid Process. Any IB found to have a Conflict of Interest shall be disqualified. IBs shall be deemed to have a Conflict of Interest affecting the Bid Process, if:
 - (i) The IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s) /partners (in case the IB includes a LLP) or any Associate of Controlling Shareholder(s) /partners (in case the IB includes a LLP) and any other IB (sole bidder or any member of the Consortium, as applicable), its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) (or any

Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP)) have common controlling shareholders or any other controlling interest (controlling shareholding for the purposes of this clause shall be the shareholder(s) having a shareholding (direct or indirect) of more than 25% (twenty five percent) of the paid up and subscribed share capital of such IB, or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP), as the case may be);

Provided that this disqualification shall not apply in cases where the ownership is by a bank, insurance company, pension fund or a public financial institution as defined in section 2(72) of the Companies Act, 2013.

Computation of indirect shareholding or participative interest- For the purposes of this clause, indirect shareholding or participative interest held through one or more intermediate persons shall be computed as follows:

- (1) Where any intermediary (for example 'Entity B') is controlled by a person (for example 'Entity A') through management control or otherwise, the entire shareholding or participative interest held by such controlled intermediary i.e. 'Entity B' in any other person for example 'Entity C' shall be taken into account for computing the shareholding or participative interest of such controlling person i.e. 'Entity A' in 'Entity C'; and
 - (2) Where a person i.e. 'Entity A' does not exercise control over an intermediary i.e. 'Entity B', which has shareholding or participative interest in another entity i.e. 'Entity C', the computation of indirect shareholding of such person in 'Entity B' shall be undertaken on a proportionate basis; provided, however, that no such shareholding or participative interest shall be reckoned under this sub-clause, if the shareholding or participative interest of such person in the intermediary, i.e. 'Entity B', is less than 20% of the subscribed and paid up equity shareholding of such intermediary or equivalent interest; or
- (ii) A constituent of such IB is also a constituent of another IB; or
 - (iii) Such IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP) receives or has received any direct or indirect subsidy, grant or concessional loan from any other IB (sole bidder or any member of the Consortium, as applicable) or its

Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) (or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP)) or has provided any such subsidy, grant or concessional loan to any other IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) (or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP)); or

- (iv) Such IB has the same Authorised Signatory for purposes of the EOI as any other IB; or
- (v) Such IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP) has a relationship with another IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) (or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP)), directly or through third party/ parties, that puts either or both of them in a position to have access to each other's information about, or to influence the EOI of either or each other; or
- (vi) Such IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Controlling Shareholder(s)/partners (in case the IB includes a LLP) or any Associate of Controlling Shareholder(s)/partners (in case the IB includes a LLP) has participated as a consultant or advisor to AIAHL /TA for the Proposed Transaction.

Provided that the provisions set out in clause 8.2(y) (i), 8.2(y) (iii) and 8.2(y) (iv) shall not apply to IBs which are government entities.

8.3 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 AIAHL to reject the EOI of the relevant IB, AIAHL reserve the right to reject the IB at the time such information/ disqualification becomes known to/ discovered by AIAHL/ TA. Where such party is member of a Consortium, AIAHL, may disqualify the entire Consortium, even if the information/disqualification pertained/applied to only one member of the Consortium.

8.4 AIAHL's determination that one or more of the events specified in clauses 8.1, 8.2 and 8.3 has occurred shall be final and conclusive. 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 at and prior to the completion of the Proposed

Transaction. The IB shall be required to provide a declaration to certify its continuous eligibility.

- 8.5** 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 IB (including any of the members of the Consortium) or by any of their respective Controlling Shareholder(s)/ partners (in case the IB includes a LLP) and Associate would result in disqualification. The decision in regard to the relationship with the Associate or shareholders or members would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.
- 8.6** Any condition or qualification or any other stipulation inserted by the IB in the EOI shall render the EOI liable to rejection at the discretion of AIAHL.
- 8.7** Breach of Confidentiality Undertaking executed by the IB (including any member of a Consortium) will result in disqualification.
- 8.8** If the IB (sole bidder or any member of the Consortium, as applicable) does not satisfy any of the requirements as may be issued by AIAHL/ TA by way of notifications/ issue of guidelines / circulars or such similar notifications from time to time, including any additional conditions of disqualifications, the EOI submitted by the IB shall be disqualified.
- 8.9** Notwithstanding anything contained in this PIM, AIAHL reserves the right to reject any EOI and to annul the Bid 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, or without assigning any reasons therefore. In the event that AIAHL rejects or annuls all the EOIs, it may, in its discretion, invite all eligible IBs to submit fresh EOI hereunder.
- 8.10** AIAHL reserves the right not to proceed with the Bid Process at any time, without notice or liability, and to reject any EOI without communicating any reason.
- 8.11** AIAHL/TA will follow the procedure for disqualifications of IBs set out in Office Memorandum No. 3/9/2016-DoD-II-B dated September 28, 2017, as applicable.

ANNEXURES

ANNEXURE 1: ADVERTISEMENT

AIR INDIA ASSETS HOLDING LIMITED



GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC SALE AND TRANSFER OF MANAGEMENT CONTROL OF AIR INDIA AIR TRANSPORT SERVICES LIMITED BY AIR INDIA ASSETS HOLDING LIMITED

Air India Air Transport Services Limited (AIATSL, Company) is engaged in providing flight handling services such as passenger, baggage handling, cabin cleaning, ramp handling and cargo handling to domestic and foreign airlines.

AIAHL has entered into Share Purchase Agreement (SPA) with Air India Limited (AI) for the purchase of the entire shareholding in the Company. In terms of the SPA, AI has agreed to sell its entire shareholding in AIATSL to AIAHL. The completion of the transfer of shares of AIATSL from AI to AIAHL is subject to customary conditions precedent, including, inter alia, the following key conditions precedent:

- i. AI receiving the necessary approvals, consents and no-objection certificates from its lenders or any third parties whose approval is required for transfer of AIATSL; and
- ii. Receipt of the respective certificate(s) from the appropriate income tax authorities in India given pursuant to Section 281 of the Indian Income-tax Act, 1961

AI is currently in the process of taking necessary actions to satisfy the above mentioned conditions precedent. It is expected that, subject to the satisfaction/ waiver of the aforesaid conditions, the transfer of shares from AI to AIAHL shall be completed prior to the RFP stage.

AIAHL proposes strategic sale of AIATSL by way of transfer of management control and sale of 100% equity share capital of AIATSL by AIAHL, out of which at least 98% shall be through strategic sale and up to 2% of equity share capital of AIATSL is proposed to be offered to the employees of AIATSL by AIAHL as per the terms of an Employee Stock Ownership Plan. Ernst & Young LLP, India (EY), has been appointed as the Transaction Advisor (TA) to advise and manage the strategic sale process.

This strategic sale process is to be implemented through open competitive bidding route. A Preliminary Information Memorandum for inviting Expression of Interest (EOI) from interested bidders can be downloaded from websites of AIAHL at <http://www.aiahl.com/>, AIATSL at <http://www.aiatsl.com> and Transaction Advisor at <http://www.ey.com/in/en/home>. The EOI is invited to be submitted from Interested Bidders at the address mentioned below up to 17:00:00 on or before 26th March 2019. In future, any amendments/ extension for submission of EOI will be uploaded on the above websites.

Address for submission of EOI: Mr. Kuljit Singh
Partner, Ernst & Young LLP India
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity, New Delhi-110037, India
(Note: The above address for submission may be changed at the discretion of the TA)

ANNEXURE 2: FORMAT FOR LETTER OF EOI (SOLE BIDDER)

(To be provided on the letterhead of the sole bidder submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

Being duly authorized to represent and act on behalf of _____ (who is the interested bidder (“**IB**”) for this expression of interest (“**EOI**”)) and having reviewed and fully understood all of the requirements and information provided as a part of the Bid Process, the undersigned hereby expresses the IB’s interest in participating in the Bid Process

We have read and understood the contents of the Advertisement and the PIM and are desirous of participating in the Proposed Transaction and without prejudice to the other requirements under the PIM, we confirm and undertake as follows:

1. We are interested in bidding for the Proposed Transaction.
2. We are submitting our EOI in individual capacity as _____ (insert name of IB) having its registered office at _____ [*insert address*].
3. We satisfy the eligibility criteria detailed in 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, and are not affected by any of the disqualifications set out in Clause 8 of the PIM.

4. We confirm and represent that we have the requisite corporate authorisation to submit this EOI and that every part of the information provided in this EOI is complete and accurate in all respects.
5. We undertake that in the event we are finally selected as the Confirmed Selected Bidder for the Proposed Transaction, as required by clause 7.6 of 'Eligibility Criteria' of the PIM, we shall form a separate company with a domestic entity (domestic entity to hold at least 51% of the paid-up capital of such new company) for transferring the ground handling activities of AIATSL at the Civil Enclaves to the new company and undertake the ground handling activities at such Civil Enclaves through the new company (Kindly remove if not applicable).
6. As required by clause 7.9 of 'Eligibility Criteria' of the PIM , we agree that :
 - a) we shall lock-in our entire shareholding in AIATSL, in the special purpose vehicle (in case investment in AIATSL is made through a special purpose vehicle) and special purpose vehicle's shareholding in AIATSL, up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction. [In case of IB taking benefit of financial strength of Parent/Controlling Partner (in case the IB is a LLP), the shareholding of such Parent/Controlling Partner (in case the IB is a LLP) in the IB shall also not change for such three year period.]
 - b) we as well as the domestic entity shall lock-in our entire shareholding in the new company formed for transferring the ground handling activities of AIATSL at the Civil Enclaves, up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction (Kindly remove if not applicable).
7. We undertake that in the event we are finally selected to enter into definitive documents as per the RFP for the Proposed Transaction, we shall continue the business of the Company on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction.
8. We shall abide by conditions set out in the RFP or the definitive documents to safeguard employees' interests.
9. We shall abide by other conditions set out in the RFP or the definitive documents, including inter alia conditions in relation to misuse of the Company.
10. We certify that EOI is consistent with, and does not demonstrate any failure to comply with, the provisions of the PIM, including not being accompanied by the Application Fees, or the EOI being conditional in any respect.
11. We acknowledge that we or the EOI submitted by us may be disqualified with or without assigning any reasons, including without limitation for the reasons set out in Clause 8 of the PIM.
12. We further certify that there is no information regarding or with the IB, which is or will be detrimental to the Proposed Transaction and/or the interests of the Company.

13. We agree and acknowledge that we may be disqualified at any stage of the Bid Process in the interest of national integrity, security or otherwise, as may be determined by the GOI.
14. We agree and acknowledge that we may be disqualified at any stage of the process, if we are denied security clearance or security clearance is revoked by the GOI.
15. We certify that no legal proceedings have been initiated or exist, by or against us in respect of the Company, which proceeding may be prejudiced by our participation in the Bid Process or the Proposed Transaction.
16. We certify that neither have we/our Controlling Shareholder(s) 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 Company when they are sold or which related to a grave offence that outrages the moral sense of the community.
17. We further certify that in regard to matters relating to 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 or by any of our Controlling Shareholder(s) and Associate.
18. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the Bid Process, owing to change in facts or circumstances, we would intimate AIAHL of the same immediately.
19. We represent that we are not disqualified to enter into or perform our obligations in relation to the Proposed Transaction (including acting as controlling shareholder of the Company) pursuant to applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI, MOCA, DGCA, DIPP or RBI), administrative authority or department or ministry of central or state government or any court in India.
20. We undertake to provide all supplemental information/documents sought by the TA for evaluation of the EOI (even if such information/documents are sought after the EOI Deadline).
21. We certify that we have no Conflict of Interest (as defined under the PIM) and we have not submitted, directly or indirectly, any EOI other than this EOI.
22. We certify that there are no winding up/insolvency proceedings or other proceedings of a similar nature initiated or pending against us.
23. We represent that the loans availed by us (including by our Controlling Shareholder(s) and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by any lender.
24. We represent that we are not entities (including our Controlling Shareholder(s) and subsidiaries), nor have directors (or partners, in case IB includes an LLP)/ key managerial persons who are debarred from accessing

or operating in the capital markets or restrained from buying, selling or dealing in securities by any governmental authority.

25. We represent that we nor our Controlling Shareholder(s) nor their respective directors (or partners, in case IB includes an LLP) or key managerial personnel or equivalent persons appear in the RBI list of Wilful Defaulters (as defined in the PIM) or the list of any other competent authority in their respective jurisdiction.
26. We represent that we are not erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI.
27. We represent that we are not prohibited or restricted from investing in the Company on the basis of status or sector in which the Company operates under FEMA, 1999 or any regulations made thereunder or under the extant provisions of the FDI Policy.
28. We confirm that we have not made any attempts to directly or indirectly canvass, influence or attempt to influence in any manner the qualification or Bid Process, including without limitation, by offering bribes or other illegal gratification.
29. 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 GOI's ownership is 51% or more).
30. The Statement of Legal Capacity, Form A and other information as per formats given in the PIM, duly signed by our Authorised Signatory are enclosed, along with the stamped and notarized (or apostilled, as relevant) Power of Attorney.

Capitalised terms not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

(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 sole bidder)

Signature: (Authorised Signatory of the sole bidder)

Name of the Person: _____

Designation: _____

Enclosure:

1. List of the all the annexure/ document as required in Clause 6.4

ANNEXURE 3: FORMAT FOR LETTER OF EOI (CONSORTIUM)

(To be provided on the letterhead of Lead Member of Consortium submitting
EOI - duly verified by a notary)

Reference No. _____ Date _____

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

Being duly authorized to represent and act on behalf of _____ as Lead member to represent the Consortium (who is the interested bidder (“**IB**”) for this expression of interest (“**EOI**”)), and having reviewed and fully understood all of the requirements and information provided as a part of the Bid Process, the undersigned hereby expresses the IB’s interest in participating in the Bid Process.

We have read and understood the contents of the Advertisement and the PIM and are desirous of participating in the Proposed Transaction and without prejudice to the other requirements under the PIM, we confirm and undertake as follows:

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 Proposed Transaction.
4. We satisfy the eligibility criteria detailed in 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, and are not affected by any of the disqualifications set out in Clause 8 of the PIM.
5. We confirm and represent that we have the requisite corporate authorisation to submit this EOI and that every part of the information provided in this EOI is complete and accurate in all respects.
6. We agree to form a special purpose vehicle, in India/under the laws of India, once finally selected to enter into the definitive documents. The shareholding of the special purpose vehicle shall be the same as the shareholding of the members in the Consortium as set out in Clause 7.7 of the PIM.
7. We acknowledge that AIAHL will have rights of enforcement as against the special purpose vehicle mentioned above under the Parent guarantee and also against the members of Consortium for breach of undertakings and representations made to AIAHL under the EOI including under Annexure 8
8. We agree that there will be 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 EOI Deadline other than in accordance with Clause 7.8 of the PIM.
9. We undertake that in the event we are finally selected as the Confirmed Selected Bidder for the Proposed Transaction, as required by clause 7.6 of ‘Eligibility Criteria’ of the PIM, we shall form a separate company with a domestic entity (domestic entity to hold at least 51% of the paid-up capital of such new company) for transferring the ground handling activities of AIATSL at the Civil Enclaves to the new company and undertake the ground handling activities at such Civil Enclaves through the new company (Kindly remove if not applicable).
10. As required by clause 7.9 of ‘Eligibility Criteria’ of the PIM, we agree that :
 - a) we shall lock-in our entire shareholding in the special purpose vehicle and special purpose vehicle’s shareholding in AIATSL, up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction. [In case of IB taking benefit of financial strength of Parent/Controlling Partner (in case the IB includes a LLP), the shareholding of such Parent/Controlling Partner (in case the IB includes a LLP) in the IB shall also not change for such three year period.]
 - b) we as well as the domestic entity shall lock-in our entire shareholding in the new company formed for transferring the ground handling activities of AIATSL at the Civil Enclaves, up to the expiry of 3rd

Anniversary of the completion of the Proposed Transaction (Kindly remove if not applicable).

11. We undertake that in the event we are finally selected to enter into definitive documents as per the Request For Proposal for the Proposed Transaction, we shall continue the business of the Company on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction.
12. We shall abide by conditions set out in the RFP or the definitive documents to safeguard employees' interests.
13. We shall abide by other conditions set out in the RFP or the definitive documents, including inter alia conditions in relation to misuse of the Company.
14. We certify that EOI is consistent with, and does not demonstrate any failure to comply with the provisions of the PIM, including not being accompanied by the Application Fees, or the EOI being conditional in any respect.
15. We acknowledge that we or the EOI submitted by us may be disqualified with or without assigning any reasons including without limitation for the reasons set out in clause 8 of the PIM.
16. We further certify that there is no information regarding or with the IB, which is or will be detrimental to the Proposed Transaction and/or the interests of the Company.
17. We agree and acknowledge that we may be disqualified at any stage of the Bid Process, in the interest of national integrity, security or otherwise, as may be determined by the GOI.
18. We agree and acknowledge that we may be disqualified at any stage of the process, if we are denied security clearance or security clearance is revoked by the GOI.
19. We certify that no legal proceedings have been initiated or exist, by or against us which proceeding may be prejudiced by our participation in the Bid Process or the Proposed Transaction.
20. We undertake to provide all supplemental information/documents sought by the TA for evaluation of the EOI (even if such information/documents are sought after the EOI Deadline).
21. We certify that we have no Conflict of Interest (as defined under the PIM) and we have not submitted, directly or indirectly, any EOI other than this EOI.
22. We certify that there are no winding up/insolvency proceedings or other proceedings of a similar nature initiated or pending against us.
23. We certify that neither have we/our Controlling Shareholder(s) 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 Company when they are sold or which related to a grave offence that outrages the moral sense of the community.

24. We further certify that 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 us or by any of our Controlling Shareholder(s) and Associate.
25. In the event we are attracted by any of the disqualifications in terms of the EOI during the pendency of the Bid process, owing to change in facts or circumstances, we would intimate AIAHL of the same immediately.
26. We represent that we are not disqualified to enter into or perform our obligations in relation to the Proposed Transaction (including acting as controlling shareholder of the Company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI, MOCA, DGCA, DIPP or RBI), administrative authority or department or ministry of central or state government or any court in India.
27. We represent that the loans availed by us (including by our Controlling Shareholder(s) and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by any lender.
28. We represent that we are not entities (including our Controlling Shareholder(s) and subsidiaries), nor have directors(or partners, in case IB includes an LLP)/ key managerial persons who are debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities by any governmental authority.
29. We represent that we nor our Controlling Shareholder(s) nor their respective directors (or partners, in case IB includes an LLP) or key managerial personnel or equivalent persons appear in the RBI list of Wilful Defaulters (as defined in the PIM) or the list of any other competent authority in their respective jurisdiction.
30. We represent that we are not erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI.
31. 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).
32. We represent that we are not prohibited or restricted from investing in the Company on the basis of status or sector in which the Company operates under FEMA, 1999 or any regulations made thereunder or under the extant provisions of the FDI.
33. We confirm that we have not made any attempts to directly or indirectly canvass, influence or attempt to influence in any manner the qualification or

Bid Process, including without limitation, by offering bribes or other illegal gratification.

34. The Statement of Legal capacity, Form A and other information, duly signed by Authorised Signatory with the certified true copy of the Consortium Agreement between the consortium members, all as per formats given in Annexure of the PIM is enclosed. Further, the stamped and notarized (or apostilled, as relevant) Power of Attorney is also enclosed.

Capitalised terms not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM

(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.

Thank you.

Yours sincerely,

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

Signature: (Authorised Signatory of the Lead Member)

Name of the Person: [●]

Designation: [●]

Enclosure:

1. List of the all the annexure/ document as required in Clause 6.4
2. The letter should also be counter signed by Authorised Signatory of all the members of the Consortium

ANNEXURE 4: STATEMENT OF LEGAL CAPACITY FOR SOLE BIDDER

(To be provided on the letterhead of the sole bidder submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale,) 3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

_____ (hereinafter referred to as the “**IB**”), having reviewed, fully understood and accepted all of the requirements and information provided as a part of the Bid Process, we express the IB’s interest in participating in the Bid Process.

We have read and understood the contents of the Advertisement and the PIM and are desirous of participating in the Proposed Transaction and confirm and undertake as follows:

1. We are interested in bidding for the Proposed Transaction.
2. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the PIM and we satisfy the eligibility criteria stipulated in the PIM.
3. We represent that all the information provided in the EOI (including all supporting documents) is complete and accurate in all respects and no material information has been omitted to be disclosed.
4. We have agreed that [●] (insert name), who is the [managing director/ director] (“**Authorised Signatory**”) 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 PIM.

The document authorising the Authorised Signatory is attached hereto.

5. The Authorised Signatory is vested with the requisite power and authority to furnish Form A and other documents for the EOI and authenticate the same.

Capitalised term not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM

(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 sole bidder)

Signature: (Authorised Signatory of the sole bidder)

Name of the Person: _____

Designation:

ANNEXURE 5: STATEMENT OF LEGAL CAPACITY FOR A CONSORTIUM

(To be provided on letterhead of Lead Member of the Consortium submitting the EOI - duly verified by a notary)

Reference No. _____ Date _____

To,
Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

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, understood and agree to the contents of the Advertisement and PIM and are desirous of participating in the Bid Process. We confirm and undertake as follows:

1. We are interested in bidding for the Proposed Transaction.
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 our Consortium (“**Lead Member**”). We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the PIM and the Consortium jointly satisfies the eligibility criteria stipulated in the PIM.

4. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects and no material information has been omitted to be disclosed.
5. We have agreed that _____ (insert name) who is the [managing director/ director] of the Lead Member (“**Authorised Signatory**”) will act as the representative of our Consortium and has been duly authorised to submit on our behalf the EOI (including all the supporting documents) to be submitted pursuant to the PIM. Document authorising the Lead Member and the Authorised Signatory, and the board resolution and Power of Attorney authorising the Authorised Signatory of each of the members of the Consortium are attached hereto.
6. Our Authorised Signatory is vested with the requisite power and authority to furnish Form A and other documents for the EOI and authenticate the same on behalf of us, and in the case of the Authorised Signatory of the Lead Member, he is vested with the requisite power and authority to furnish Form A and other documents for the EOI and authenticate the same on behalf of the Lead Member and the Consortium.

Capitalised term not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

(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 Lead Member)

Signature: (Authorised Signatory of the Lead Member)

Name of the Person: _____

Designation: Director

Annexure should also be counter signed by Authorised Signatory of all the members of the Consortium.

ANNEXURE 6: FORM A

(To be submitted on letterhead (unless otherwise mentioned) of Interested Bidder (sole bidder/all the member of the Consortium) - duly verified by a notary and signed on each page by the Authorised Signatory of the IB)

A. Name of the Interested Bidder(s) (to be provided for the sole bidder or each member of the Consortium, as applicable)

Executive Summary (to be provided for the sole bidder or each member of the Consortium, as applicable): providing brief description of the IB (sole bidder or each member of Consortium, as applicable) and, containing details like ownership structure, sources of funds, 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 IBs and/or who ultimately own, control or influence the IB and includes a person who exercises ultimate effective control over a legal person or arrangement), the Effective Place of Management of business of the IB and each member of the consortium ('Effective Place of 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. It shall include a brief commentary on the capability of the IB (sole bidder or each member of Consortium, as applicable), as demonstrated, inter alia, in its past track record, to run its own business.

B. Contact Information of the IB:

- 1) Following details of IB (for the sole bidder/ each member of the Consortium, as applicable) including phone number, facsimile number
 - a) Registered Office – Address, phone number, facsimile number
 - b) Head Office – Address, phone number, facsimile number
- 2) Address for correspondence along with email address of IB (sole bidder or each member of the Consortium, as applicable)
- 3) Contact Person(s):
 - a) Name:
 - b) Designation:
 - c) Phone No.:
 - d) Mobile No.:
 - e) Fax No.:

- f) Email:
 - 4) It is understood by the IB that the TA shall only communicate with the Consortium through the Lead Member.
 - 5) Website details of IB (sole bidder or each member of the Consortium, as applicable).
- D. **Basic Information of the IB** (to be provided for sole bidder or each member of the Consortium, as applicable):
- 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 and Place of incorporation of IB/ each member of the Consortium
 - 3) Date of commencement of business of IB/ each 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/ each member of the Consortium and a profile containing information on the IB/ each member of the Consortium's operations.
 - 6) Salient features of financial performance for the last three years
 - 7) The certificate of incorporation, memorandum and articles of association, certificate of commencement of business, charter documents, or other constitution documents, i.e., partnership deed etc., as may be applicable and registration with SEBI for Funds/ relevant authority in the jurisdiction for Funds if applicable.
 - 8) A certificate, for list of board of directors, principal shareholders or owners or equivalent, and key management personnel duly signed by the Authorized Signatory.
 - 9) A certificate by statutory auditor (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB (sole bidder or each member of Consortium, as applicable) in the immediately preceding financial year) for the shareholding pattern/ ownership of IB (sole bidder or each member of Consortium, as applicable). The certificate should be counter signed by the Authorised Signatory.

- 10) Basis of eligibility for participation in the Bid Process (Please mention details of eligibility) as under:
- a) A certificate duly signed by the Authorised Signatory of IB (sole bidder or each member of Consortium, as applicable), stating the IB's eligibility to participate in the Proposed Transaction in terms of clause _____ of IB's memorandum and articles of association/_____ name of constitution document, viz., partnership deed etc. as may be applicable (specific reference to the said provision may be drawn).
 - b) Additionally, please provide Certificate by statutory auditor (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB (sole bidder or each member of Consortium, as applicable), certifying the Net Worth/ ACI, as defined in the Eligibility Criteria, of the IB (sole bidder or each member of Consortium, as applicable) for the immediately preceding financial year and also specifying that the methodology adopted for calculating such items conforms to the provisions mentioned in this PIM (as per Annexure 16).
 - c) Additionally, in case of IB taking benefit of financial strength of its Parent, please provide a certificate from statutory auditor of the Parent (or in the event that the Parent does not have a statutory auditor, the person who has undertaken an audit of the Parent in the immediately preceding financial year) or certificate from chartered accountant practicing in India (in case Parent is a natural person or Controlling Partner in case IB is an LLP ; the same should not be older than 3 months from the EOI Deadline) (as per Annexure 16C).
 - d) In case of bids by employees of the Company, please submit a single certificate from a chartered accountant practicing in India, containing the names and Net Worth of each of the participating employees. The same should not be older than 3 months from the EOI Deadline (as per Annexure 16A).
- 11) Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous 5(five) financial years for the IB (sole bidder or each of the Consortium members, as applicable). In case some members of the Consortium were incorporated less than 5(five) years ago, then 5(five) years financial statement of the Lead Member of the Consortium/largest shareholder in Consortium shall be provided. If unlisted company/companies or any other entities are members of the Consortium and if audited financial statements are not available for the immediately preceding financial year, subject to compliance with all applicable laws, then available audited financial statement(s) shall be provided along with the latest available unaudited/provisional numbers as certified by the statutory auditors (or in the event that the IB does not have a statutory auditor, the person

who has undertaken an audit of the IB in the immediately preceding financial year).

For Funds, the latest statutory auditor's certificate (or such other certificate as filed with the regulator in the relevant jurisdiction) not older than 3 months (showing their ACI) prior to the EOI Deadline shall also be submitted.

For listed companies, in case the audited financial statements are not available for the immediately preceding financial year, the information contained in quarterly limited review report is to be given.

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.

All financial statements/ annual reports/ certificates submitted should be certified by Authorized Signatory.

- 12) 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 as per Annexure 7 for the delegation of power on behalf of the IB to the Authorised Signatory (and Lead Member in case of Consortium).

E. Management Organization:

- 1) An overview of IBs (sole bidder or each member of the Consortium, as applicable) senior management and organization structure certified by the Authorised Signatory.
- 2) IB (sole bidder or each member of Consortium, as applicable) shall provide details on (a) the Ultimate Beneficial Owner, and (b) Effective Place of Management of the business.

F. International Operations/ Joint Ventures/ Alliances:

Brief note of IB's (sole bidder or each member of Consortium, as applicable) international operations, joint ventures, alliances, (whether international or domestic), including incorporation details, registered office, effective management and control, nature and size of such operations, equity ownership, if applicable, copies of the audited financial statements of immediately preceding financial year for such entities.

G. Professional Advisors:

Please provide names and addresses of those companies and professional firms, if any, who are (or will be) advising the IB (sole bidder or any member of Consortium, as applicable) for the Proposed Transaction, together with the names of the principal individual advisors at those companies and firms. If such advisors have not been appointed as on the date of submission of the EOI, the aforesaid details may be updated as and when appointed.

H. Outstanding Litigation/ Contingent Liability:

1. IB (sole bidder or each member of Consortium, as applicable) must provide with the EOI list of all the outstanding litigation along with certificate that as per IB's assessment, likely outcome of outstanding litigations against such IB, its Associate and Controlling Shareholder(s), shall not have any impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria.
2. IB (sole bidder or each member of Consortium, as applicable) must provide with the EOI a List of all the contingent liabilities along with certificate that as per IB's assessment, likely outcome of contingent liabilities of such IB, its Associate and Controlling Shareholder(s), shall not impact on IB's capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact IB's qualification in terms of the Eligibility Criteria - Annexure 18

I. Foreign Direct Investment (FDI) Restrictions:

If the IB is a foreign entity/ overseas corporate body, specify list of statutory approvals from the GOI/ the RBI/ the DIPP/ relevant ministry/ any other Government agency applied for/ to be obtained/ awaited. The responsibility for obtaining such approvals shall be with the IB.

We agree that any capitalised term not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

Yours sincerely,

For and on behalf of: (name of the sole bidder or each member of Consortium, as applicable)

Signature: (Authorised Signatory of sole bidder or each member of Consortium, as applicable)

Name of the Person: *●+

Designation: *●+

Place:

Date:

1. *Please follow the order adopted in the Format provided. If a particular question/ request is not applicable for Interested Bidder the relevant number must be nonetheless be set out with the words "Not applicable" against it.*
2. *The Annexure should also be counter signed by Authorised Signatory of Lead Member, in case of Consortium.*

ANNEXURE 7: POWER OF ATTORNEY

(To be provided by Interested Bidder (sole bidder/ members of the Consortium))

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

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/ the Lead Member of our Consortium and holding the position of [●], as our true and lawful attorney (hereinafter referred to as the “**Authorised Signatory**”) in our name and on our behalf, to do, execute, and perform all such acts, agreements (with or without any amendments or modifications), deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the Proposed Transaction including but not limited to signing and submission of EOI, affidavits, bids, and other documents and writings, as may be required from time to time, participation in conferences (if any) and providing information/ responses to TA/AIAHL, representing us in all matters before AIAHL/ TA and generally dealing with Company/AIAHL in all matters in connection with or relating to or arising out of our EOI.

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 Authorised Signatory pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Authorised Signatory 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 ourselves.

All the terms used herein but defined shall have the meaning ascribed to such terms in the Preliminary Information Memorandum inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

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

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

(Signature, Name, Title and Address of the Authorised Signatory)

(To be duly notarized (or apostilled, as relevant))

Date

1. *Capitalised terms not defined here, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.*
2. *For the purpose of this POA "AIATSL" referred is to "Air India Air Transport Services Limited."*
3. *The form should also be counter signed by Authorised Signatory of Lead Member.*
4. *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.*
5. *Wherever required, the IB 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 IB.*
6. *For a Power of Attorney issued overseas, the document will also have to be legalized by the Indian Embassy/Consulate/High Commission, after notarization in the jurisdiction where the Power of Attorney is being issued, if required. However, the Power of Attorney executed in countries that have signed the Hague Legislation Convention, 1961 are not required to be legalized by the Indian Embassy/Consulate/High Commission if it carries a conforming Apostille certificate*

ANNEXURE 8: FORMAT FOR CONSORTIUM AGREEMENT

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

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

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

for the purpose of submitting the EOI pursuant to the Advertisement dated [●] ("**Advertisement**") and Preliminary Information Memorandum ("**PIM**") inviting applications for participation in the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL ("**Proposed Transaction**").

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, the members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified by AIAHL.

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

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

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

1. We, the Members of the Consortium and parties to the Agreement do hereby unequivocally agree that Member-1 (M/s_____), shall act as the Lead Member as defined in the PIM 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 interest and financial contribution in the Consortium
 2. _____(Insert name)/% of interest and financial contribution in the Consortium
 3. _____(Insert name)/% of interest and financial contribution 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 in relation to the Proposed Transaction, including the obligations set out in the PIM. 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 of the Members as envisaged in this Agreement.
5. Each member undertakes and confirms that in the event we are finally selected as the Confirmed Selected Bidder for the Proposed Transaction, as required by clause 7.6 of 'Eligibility Criteria' of the PIM, we shall form a separate company with a domestic entity (domestic entity to hold at least 51% of the paid-up capital of such new company) for transferring the ground handling activities of AIATSL at the Civil Enclaves to the new company and undertake the ground handling activities at such Civil Enclaves through the new company (Kindly remove if not applicable).
6. Each Member agrees there will be 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 EOI Deadline other than in accordance with Clause 7.8 of the PIM.
7. Each Member undertakes and confirms that the members of the Consortium shall incorporate a special purpose vehicle (in the form of a company) ("SPV") in India and under the laws of India, once selected as the Confirmed Selected Bidder (as defined in the PIM). The shareholding of each Member of the

Consortium in the SPV shall be the same as its interest in the Consortium as set out in Clause 2 above.

8. The Members agree that the entire shareholding of each Member in the SPV shall be locked-in for a period of 3 (three) years after the completion of the Proposed Transaction, as required under Clause 7.9 of the PIM.
9. Each member undertakes and confirms that in case any member is taking benefit of financial strength of its Parent/Controlling Partner (in case the IB includes a LLP), the Parent/Controlling Partner of such consortium member (in case the IB includes a LLP) shall have to lock-in its entire shareholding in the concerned member for a period of 3 (three) years after the completion of the Proposed Transaction (Kindly remove if not applicable).
10. Each member undertakes and confirms that in the event we are finally selected as the Confirmed Selected Bidder for the Proposed Transaction, as required by clause 7.9 of 'Eligibility Criteria' of the PIM, each member as well as the domestic entity shall have to lock-in its entire shareholding in the new company formed for transferring the ground handling activities of AIATSL at the Civil Enclaves, up to the expiry of 3rd Anniversary of the completion of the Proposed Transaction (Kindly remove if not applicable).
11. Each Member of the Consortium, jointly and severally, irrevocably and unconditionally guarantees to AIAHL that the SPV, shall at all times, fully and faithfully perform and discharge all its obligations under the share purchase agreements or other definitive documents entered into in relation to the Proposed Transaction, and shall at all times duly comply with all the terms and conditions of the shareholders and share purchase agreements or other definitive documents.
12. In the event that the Consortium is the Confirmed Selected Bidder, each Member shall ensure that the business of the Company is continued on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction as required by Clause 7.10 of the PIM.
13. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required.
14. Without prejudice to Clause 4 of this Agreement, in case of any breach of commitments or obligations by any of the Members under (i) the PIM, EOI, RFP or any other documents relating to the Proposed Transaction, (ii) this Agreement, (iii) or any definitive documents entered into pursuant to the Proposed Transaction, the Lead Member shall be liable for the consequences thereof.
15. 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 this Agreement.
16. Without prejudice to Clause 4 of this Agreement, the Lead Member shall be liable for the obligations and acts and deeds of the Consortium, irrespective of its scope of work or financial commitments.

17. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at New Delhi alone shall have exclusive jurisdiction in all matters relating thereto and arising thereunder (to the exclusion of all other courts).
18. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid and in effect during the term of the definitive agreements entered into pursuant to the Proposed Transaction. If the Consortium does not become the Confirmed Selected Bidder, the Parties may terminate this Agreement at their discretion. Any other expiration or early revocation/termination of this Agreement shall require the express prior written consent of AIAHL.
19. Without prejudice to Clause 4 of this Agreement, 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.
20. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate or transfer their respective rights, duties or obligations under the PIM and/or EOI except with prior written consent of AIAHL.
21. 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 AIAHL.

IN WITNESS WHEREOF, the Members have, through their Authorized Signatories, executed these presents on the Day, Month and Year first mentioned above.

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

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

For M/s _____ **[Member 2]**

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

For M/s _____ **[Member 3]**

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

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

Notes: 1) The mode of execution of the Consortium Agreement should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. 2) For a Consortium Agreement executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Consortium Agreement is being executed. However, the Consortium Agreement executed in countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

Capitalised terms not defined in this annexure, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

For the purpose of this agreement "AIATSL" referred to means "Air India Air Transport services Limited."

ANNEXURE 9: CONFIDENTIALITY UNDERTAKING

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

DEED OF CONFIDENTIALITY UNDERTAKING

This DEED OF **CONFIDENTIALITY UNDERTAKING** ("**Undertaking**") is made on this

[•] day of [•], 2019.

BY

In case of sole bidder

[

[•] (*insert name of the Interested Bidder*), a private limited company, public limited company, limited liability partnership, body corporate or Fund registered or incorporated under the laws of _____ (insert name of the country), with its registered office

at _____
_____ (**Insert address**) (the "**Interested Bidder**" or '**IB**' or '**Bidder**', which expression shall include its successors, executors and permitted assigns);

]

OR (In case of Consortium)

[

_____ [insert name of Lead Member]
_____ a private limited company, public limited company, limited liability partnership, body corporate or Fund registered or 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);

M/s _____ a private limited company, public limited company, limited liability partnership, body corporate or Fund registered or 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);

M/s _____ private limited company, public limited company, limited liability partnership, body corporate or Fund registered or 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

]

IN FAVOUR OF:

AIR INDIA ASSETS HOLDING LIMITED, a company duly incorporated and existing under the provisions of the Companies Act, 1956 bearing corporate identification number U74999DL2018GOI328865 having its registered office at Indian Airlines Building, 113 Gurudwara Rakabganj Road, New Delhi - 110001 , ("**AIAHL**" or the ,"**Seller**", which expression shall include its successors, executors and permitted assigns) ;

AND

Air India Air Transport Services Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number U63090DL2003PLC120790, having its registered office at Airlines House, 113 Gurudwara Rakabganj Road, New Delhi - 110001, ("**AIATSL**" or the ,"**Company**", which expression shall include its successors, executors and permitted assigns),

AND

EY LLP India, whose registered office is, 22, Camac Street Block 'C', 3rd Floor Kolkata West Bengal – 700 016, India (hereafter referred to as the "**Transaction Advisor**", which expression shall include its successors, executors and permitted assigns),

AND

Cyril Amarchand Mangaldas, whose registered office is Unit 501, Peninsula Chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel Mumbai - 400 013, India (hereafter referred to as the "**Legal Advisor**", which expression shall include its successors, executors and permitted assigns),

AND

RBSA Valuation Advisors LLP, whose registered office is 912, Venus Atlantis Corporate Park, Anand Nagar Main Road, Prahaladnagar, Ahmedabad - 380015, India (hereafter referred to as the "**Asset Valuer**", which expression shall include its successors, executors and permitted assigns).

WHEREAS:

The Bidder [along with Consortium Members] (as defined hereinafter) has submitted an expression of interest pursuant to advertisement dated [●] and Preliminary Information Memorandum ("**PIM**") inviting applications for the strategic sale of

AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL ("**Proposed Transaction**"); and

- A. In the context of the IB's interest in the Proposed 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 Proposed Transaction.
- B. In the context of the IB's interest in the Proposed 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 Proposed 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. EY LLP India (TA), M/s. Cyril Amarchand Mangaldas (LA), M/s. RBSA Valuation Advisors LLP (Asset Valuer)

-----.

"**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, joint ventures or subsidiaries ("**AIATSL Entities**") (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the AIATSL Entities and new businesses (if any) proposed to be undertaken by the AIATSL Entities, 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, past, current and planned marketing or distribution methods and processes, customer lists, past, 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 and budgets, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical, current and projected sales, capital spending budgets and plans, past, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to the AIATSL Entities' operations prepared by external consultants which are proprietary to the Company or AIAHL, and any information memorandum/ or draft/ final offer document, request for proposal, drafts of shareholders and share purchase agreements or other definitive documents entered in relation to the Proposed 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, or whether such information was marked as confidential or not, 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 Receiving Party 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 and without breach of any confidentiality obligation;
- (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 AIAHL 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 all Consortium Members intending to directly or indirectly participate in the Proposed Transaction.

"Consortium Members" means the members of any existing consortium or future consortium, formed for purposes of the Proposed 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 AIAHL for participation in strategic sale of the Company in respect of the Proposed Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by AIAHL; in each case formed by the Bidder for purposes of the Proposed Transaction.

"Disclosing Party" means AIAHL, the Advisors, the Company 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 Proposed 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).

Any capitalised term not defined herein, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

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 the Receiving Party shall not, without AIAHL as well as the Company'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 Proposed Transaction and to decide whether or not the Bidder wishes to proceed with the Proposed Transaction and not for any purpose other than the Proposed 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.
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 evaluation of the Proposed 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 AIAHL'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 Proposed 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 AIAHL if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Proposed 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 AIAHL, the Company and the Advisors. The Bidders and Consortium Members, 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 AIAHL, the Company, and the Advisors harmless (including provisions of Clause 6 and 16 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 has inspected any portion of the Confidential Information. Except with the prior written consent of the Company, AIAHL, 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 Proposed 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, AIAHL and the Company indemnified and harmless (without prejudice to Clause 16 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, AIAHL and the Company with prompt written notice of such request so that the Advisors or the Company or AIAHL 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, AIAHL 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 AIAHL, 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 definitive agreements, but shall be without prejudice to any of the Advisors', or AIAHL's the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.
9. The Bidder agrees that AIAHL reserves the right, in its sole discretion to modify the process of the Proposed 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 Proposed Transaction.
10. The Company and/or AIAHL may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with the Bidder's evaluation of the Proposed Transaction. After any such termination by the Company and/or AIAHL, or after the decision of the Bidder to not proceed with the Proposed 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, AIAHL 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 destruction or return of Confidential Information and other materials pursuant to the foregoing must be confirmed by the Bidder in writing to each of the Advisors, AIAHL and the Company as being exhaustive, and such confirmation must include a list of the destroyed materials and returned 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.

11. The Receiving Party shall not deal or communicate with any officer, director or employee of the Company or AIAHL regarding the business, operations, prospects or financing 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 Proposed 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 Proposed Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Company and /or AIAHL for any discussions, the Receiving Party will do so or meet the Company and/or AIAHL only after duly informing the Advisors in writing.
12. AIAHL reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Proposed 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 AIAHL to enter into the Proposed Transaction or to negotiate such Proposed Transaction for any specified period of time or (ii) requires the Advisors, AIAHL or the Company to enter into an agreement or an understanding, or prohibits the Advisors, or AIAHL from entering into any agreement or understanding, for proceeding with the Proposed Transaction with any other Person.
13. For a period of 1 (one) year from the date of this Undertaking or till 6 (six) months from the completion of the Proposed Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of the Company.
14. The Receiving Party agrees that from the date of this Undertaking till the completion of the Proposed Transaction or as the case may be, till the time

the Bidder and/or Consortium Members decide not to proceed with the Proposed Transaction or AIAHL terminates discussions and negotiations with the Receiving Party, whether pursuant to Clauses 8 or 9 or 10 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 or which may affect the existing shareholding structure of the Company.

15. The Bidder understands, acknowledges and agrees that AIAHL, the Transaction Advisor 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 Proposed 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 definitive agreements are entered into, neither AIAHL nor the Bidder will be under any legal obligation of any kind with respect to the Proposed Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.
14. The Bidder hereby indemnifies and agrees to hold the Advisors, AIAHL 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, AIAHL 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 and/or the Company and /or AIAHL.
15. The Bidder understands, acknowledges, confirms and agrees that each of the Company, AIAHL and the Advisors are beneficiaries under this

Undertaking. The Bidder further agrees and confirms that each of the Company and AIAHL and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.

16. The Bidder agrees that no failure or delay by the Advisors/AIAHL/ 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.
17. The terms of this Undertaking may be varied only with the Company's and AIAHL's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking and may be terminated only with the prior written consent of AIAHL.
18. 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
19. 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 AIAHL:

Attention of:

Air India Assets Holding Limited

If the notice is to the Advisors:

Transaction Advisor:

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Legal Advisor:

Ms. Amita Katragadda
Cyril Amarchand Mangaldas (Legal Advisor for Strategic Sale)
4th Floor, Prius Platinum
D3-District Centre, Saket,
New Delhi-110017, India

Asset Valuer:

Mr. Arpit Sharma
RBSA Valuation Advisors LLP
9-C, 9th Floor, 'Hansalaya' Building,

15, Barakhamba Road, Connaught Place,
New Delhi-110001, India

If the notice is to the Company:

Capt. Ashvini K. Sharma
Air India Air Transport Services Limited
2nd Floor, GSD Complex, IGI Airport, Terminal-II,
New Delhi-110037, India

If the notice is to the Interested Bidder:

*●+

Any of the Bidder, AIAHL, 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 Authorized Signatory of the sole bidder or each member in case of Consortium on the date and year first hereinabove written.

[

In case of sole bidder

For M/s _____

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

Name:

Address:

]

[

In case of consortium

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

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(iii) Signature _____

Name:

Address:

(iv) Signature _____

Name:

Address:

For M/s _____ **[Member 2]**

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(iii) Signature _____

Name:

Address:

(iv) Signature _____

Name:

Address:

For M/s _____ **[Member 3]**

_____ (Signature, Name & Designation of the Authorised Signatory)

Witnesses:

(i) Signature _____

Name:

Address:

(iii) Signature _____

Name:

Address:

]

Notes:

1) The mode of execution of the Confidentiality Undertaking should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.

2) For a Confidentiality Undertaking executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Confidentiality Undertaking is being executed. However, the Confidentiality Undertaking executed in countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

3) For the purpose of this undertaking "AIAHL" referred is to "Air India Assets Holding Limited."

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/-)

(_____)

Under Secretary to the Government of India

ANNEXURE 11: DECLARATION IN RELATION TO STATEMENT OF LEGAL PROCEEDINGS

(To be provided on the letterhead of the sole bidder /each member of the Consortium submitting the EOI - duly verified by a notary)

DECLARATION

1. We, [●] solemnly declare that we or our director(s), chief executive officer or principal officers are not convicted by any court of law or are indicted or have received any adverse order from any regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the Republic of India.

Grave offence for this purpose shall include:

- a) What constitutes 'Fraud' under the provisions of the Securities and Exchange Board of India Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder;
 - b) Securities and Exchange Board of India ("**SEBI**") orders on the Interested Bidder casting doubt on our ability 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 Associates 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 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.

We agree that any capitalised term not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

Yours sincerely,

For and on behalf of: (name of the sole bidder /member of Consortium)

Signature: (Authorised Signatory)

Name of the Person:

Designation:

Place:

Date:

In case any Interested Bidder 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 Proposed 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.

(The annexure should also be counter signed by Authorised Signatory of the Lead Member)

ANNEXURE 12: DECLARATION FOR SECURITY CLEARANCE

(On the letterhead of the sole bidder or each member of the Consortium submitting the EOI - duly verified by a notary)

DECLARATION

A. Details in respect of Interested Bidder (sole bidder or each member of Consortium) (Indian/Foreign):

S. No.	Full name of the entity and its foreign collaborator, if any	Date of registration of the Interested Bidder	Address of head office, regional offices and registered office	Previous name of the entity, if any	Details of earlier approvals, if any (Reference no. and date)
1.					
2.					

B. Details in respect of Directors or Equivalent Persons:

S. No.	Full name of Board of Directors/or equivalent person	Present position held with date (since when)	Date of birth	Parentage Father/ mother	Present and permanent address	Present position held in the Interested Bidder,	Nationality	% of shares or other interest held in the Interested Bidder
1.								
2.								

C. Details of Shareholders/ Owners/ Partners, etc. of Interested Bidder (sole bidder or each member of Consortium) (all firms/ companies/ entities/ individuals having an interest of more than 5%):

S. No.	Full name	Parentage Father/ mother	Date of birth	Permanent Address	Present Address	Present position held in the Interested Bidder if any	Nationality (if holding dual nationality, both must be clearly mentioned)	% of shares or other interest held in the Interested Bidder
1.								
2.								

D. Details of criminal cases, if any, against the Interested Bidder (sole bidder or each member of Consortium)/ Director(s) or Equivalent Persons as per the following format:

- a) Name, address and registration number of the Interested Bidder (sole bidder or each member of Consortium):
- b) Name & address of owners, promoters and directors or equivalent persons of the company:
 - 1) [•]
 - 2) [•]
 - 3) [•]
 - 4) [•]
- c) Is the applicant entity, owners, promoters or directors or equivalent persons listed above, the subject of any of the following:
 - 1) Preventive detention proceedings (PSA/NSA etc.) [•] (Yes/No)
 - 2) Criminal proceedings [•] (Yes/No)
- d) If Yes, please provide following details:
 - 1) Detention/Case/FIR/warrant number
 - 2) Police station/District/Agency
 - 3) Section of law
 - 4) Name and place of the court
- e) The above mentioned details are in respect of both India and any other foreign country.

Note: The above self-declaration is required to be filled and signed by the Authorized Signatory of the Interested Bidder (sole bidder or each member of Consortium)

For and on behalf of: (name of the sole bidder or each member of Consortium)

Signature: (Authorised Signatory of the sole bidder or each member of Consortium)

Name of the Person: [•]

Designation: [•]

Date

1. The Annexure should also be counter signed by Authorised Signatory of Lead Member
2. Any capitalised term not defined in this letter, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM

ANNEXURE 13: GUIDELINES FOR EMPLOYEE BIDS IN STRATEGIC SALE

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (**Employee Guidelines**), employees of Air India Air Transport Services 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 the PIM 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. AIAHL/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 IB.
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 (Aadhaar No. / Passport No.)	PAN and TAN

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.

ANNEXURE 14: POWER OF ATTORNEY FOR EMPLOYEE PARTICIPATION

[TO BE STAMPED ON INR1000 STAMP PAPER AND NOTARIZED (OR
APOSTILLED, AS RELEVANT)]

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of _____ and presently residing at _____ being a 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 "**Authorised Signatory**") 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 sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL. ("**Proposed Transaction**") including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to TA/AIAHL and generally dealing with GOI/TA/Company/AIAHL in all matters in connection with or relating to or arising out of our application for qualification for the Proposed Transaction (as defined in the Preliminary Information Memorandum dated [•] issued by the TA. 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 Authorised Signatory pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Authorised Signatory 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 defined shall have the meaning ascribed to such terms in the PIM

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 Authorised Signatory) (To be duly notarized (or apostilled, as relevant))

Notes: 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 (or apostilled, as relevant).

§ Wherever required, the Interested 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 Interested Bidder. § For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Interested Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostle certificate.

ANNEXURE 15: 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.

**ANNEXURE 16: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY
(NET WORTH/ ACI)**

(On the letter head of the statutory auditor (or in the event that the IB (sole bidder or each member of Consortium) does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year) duly verified by a notary)

Reference No. _____ **Date** _____

To,

[Sole bidder or relevant member of Consortium]

Kind Attention: [●]

**SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE
OF AIR INDIA AIR TRANSPORT SERVICES LIMITED**

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We certify that [●] has the following Net Worth as defined in defined in Eligibility Criteria, as per the latest audited annual consolidated financial statements (which are not older than 15 months from the EOI Deadline).

Or

We certify that [●] has the following ACI, as defined in defined in Eligibility Criteria based on our assessment of the relevant documents which are not older than 3 months prior to the EOI Deadline.

The Net Worth/ACI has been calculated as per the instructions provided in the PIM document and are briefly summarized below:

Name of company	Net Worth /ACI as per the instructions in the EOI (INR Mn)	Reference#

#Note: Insert the relevant paragraph and page numbers from the audited annual accounts/ certificate/source used for calculation of Net Worth/ACI.

Capitalised term not defined in this in this certificate, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

Above statements are certified as true.

For and on behalf of: (name of the statutory auditor)

Signature: (Authorised Signatory of statutory auditor)

Name of the Person: [●]

Designation: [●]

Date;

1. *The above sheet should be signed and certified as true by the statutory auditors (or in the event that the IB does not have a statutory auditor, the person who has undertaken an audit of the IB in the immediately preceding financial year) of the IB (that is sole bidder or each Member of the Consortium).*
2. *Along with the above format, in a separate sheet, please provide details of computation of Net Worth/ACI as applicable. This separate sheet should also be certified as true and signed by the same person signing Annexure 16.*
3. *The audited accounts on the basis of which the Net Worth shall be worked out shall correspond to accounting periods (of not less than 12 months) already completed and audited (and shall not be based on partial periods)*
4. *The certificate should also be counter signed by the Authorised Signatory of sole bidder or the relevant member of the Consortium relating to whom this certificate is being provided. Further, in case of Consortium, this certificate should also be counter signed by the Lead Member.*

**ANNEXURE 16 A: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY
(NET WORTH) – APPLICABLE FOR EMPLOYEES**

(On the letter head of the chartered accountant)

Reference No. _____ **Date** _____

To,

[Name of Employee/IB]

Kind Attention: [●]

**SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE
OF AIR INDIA AIR TRANSPORT SERVICES LIMITED**

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We certify that [●] has the following net worth, as defined in defined in Eligibility Criteria based on our assessment of the relevant documents which are not older than 3 months prior to the EOI Deadline.

The Net Worth has been calculated as per the instructions provided in the PIM document and are briefly summarized below:

Names	Net Worth as per the instructions in the EOI (INR Mn)	Reference#

#Note: Insert the relevant paragraph and page numbers from the source used for calculation of Net Worth/ACI.

Capitalised term not defined in this in this certificate, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

Above statements are certified as true.

For and on behalf of: (name of the chartered accountant)

Signature: (Authorised Signatory of chartered accountant)

Name of the Person: [●]

Designation: [●]

Date;

1. The above sheet should be signed and certified as true by chartered accountant
2. The certificate should also be counter signed by the Employee
3. Along with the above certificate, Net worth calculation (A+B+C-D-E) shall be provided in following format in a separate sheet. This separate sheet should also be certified as true and signed by the same person signing Annexure 16A:

S.No.	Details of Assets	Amount (cost) in Rs.
A	Details of Immovable Property Description Address	
B	Details of movable asset	
i.	Jewelry , bullion etc.	
ii.	Archeological collections , drawings , painting , sculpture or any work of art	
iii.	Vehicles , yachts , boats and aircrafts	
iv.	Financial Asset	
a.	Bank (Including all deposit)	
b.	Shares and Policies	
c.	Insurance policies	
d.	Loans and Advance given	
e.	Cash in hand	
C	Interest held in the asset of a firm or association of persons (AOP as a partner or member thereof	
	Name and Address of the firm(s) / AOP(s)	PAN of firm/AOP investment in the firm/ AOP on cost basis
D	Liability in relation to Assets at (A+B+C)	
E	Other Liability	

(Note : Please add additional heads if the above heads are not fully representative)

ANNEXURE 16 B: FORMAT FOR COVERING LETTER FOR CERTIFICATE OF FINANCIAL CAPABILITY - (NET WORTH/ ACI)

(On the letter head of the sole bidder or Lead Member of the Consortium - duly verified by a notary)

Reference No. _____ **Date** _____

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We certify that we have Net Worth of INR [●] Mn. The certificate(s) of the statutory auditor for this purpose is provided as annexure to this letter.

Or

We certify that we have ACI of INR [●] Mn. The certificate(s) of auditor for this purpose is provided as annexure to this letter.

Or

We certify that our Parent/Controlling Partner (in case the IB includes an LLP) have Net Worth of INR [●] Mn. The certificate(s) of statutory auditor of Parent/Controlling Partner of IB (or in the event that the Parent of IB does not have a statutory auditor, the person who has undertaken an audit of the Parent in the immediately preceding financial year) or chartered accountant practising in India in case the Parent/Controlling Partner is a natural person for this purpose is provided as annexure to this letter.

[In case of consortium following table should be provided]

Name of Member	Net Worth /ACI as per auditor's certificate (INR Mn)
Lead Member	

Name of Member	Net Worth /ACI as per auditor's certificate (INR Mn)
Member 1	
Member 2	

Yours sincerely,

For and on behalf of: (sole bidder or Lead Member of Consortium)

Signature: (Authorised Signatory of sole bidder or Lead Member of Consortium)

Name of the Person:

Designation:

Place:

Date:

1. Capitalised term not defined in this in this certificate, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.
2. In case of Consortium, the Lead Member should provide certificate as per Annexure 16 for itself and each member of Consortium.

ANNEXURE 16 C: FORMAT FOR CERTIFICATE OF FINANCIAL CAPABILITY (NET WORTH) – APPLICABLE FOR IB’S TAKING BENEFIT OF FINANCIAL STRENGTH OF PARENT/ CONTROLLING PARTNER (IN CASE IB IS AN LLP)

(On the letter head of the statutory auditor / chartered accountant, as applicable and countersigned by the Parent/Controlling Partner (in case IB is an LLP))

Reference No. _____ **Date** _____

To,

[Name of Employee/IB]

Kind Attention: [●]

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We certify that [●] has the following Net Worth as defined in defined in Eligibility Criteria, as per the latest audited annual consolidated financial statements (which are not older than 15 months from the EOI Deadline).

The Net Worth, nature of relationship and details of equity shareholding have been calculated as per the instructions provided in the PIM document and are briefly summarized below :

(The below tables provides few illustrations for providing the details requested):

Names of Parent/ equity owner /Controlling Partner(in case the IB includes LLP)	Net Worth as per the instructions in the EOI (INR Mn)	Reference #	Relationship with IB	Details of holding of the Parent /equity owner /Controlling Partner(in case the IB includes LLP) in the IB^
Scenario 1 : IB is a Company using the financial strength of Parent (where Parent is a Company)				
ABC. Ltd. <i>(Name of Parent)</i>	INR 250 Crore <i>(Net Worth of the Parent)</i>	Clause xx of Page xx of the latest audited	ABC Ltd. is Parent of IB	ABC Ltd. owns (legal and beneficial/economic interest) 75% stake of IB

Names of Parent/ equity owner /Controlling Partner(in case the IB includes LLP)	Net Worth as per the instructions in the EOI (INR Mn)	Reference #	Relationship with IB	Details of holding of the Parent /equity owner /Controlling Partner(in case the IB includes LLP) in the IB^
		financials of the Parent		
Scenario 2 : IB is a Company using the financial strength of Parent (where Parent is an LLP)				
ABC LLP (Name of Parent)	INR 250 Crore (Net Worth of the Parent)	Clause xx of Page xx of the latest audited financials of the Parent	ABC LLP is Parent of IB	ABC LLP owns (legal and beneficial/economic interest) 75% stake of IB
Scenario 3 : IB is a Company using the financial strength of Parent (where Parent is a natural person)				
ABC (Name of Parent)	INR 250 Crore (Net Worth of the Parent)	Clause xx of Certificate of chartered accountant of ABC	ABC is Parent of IB	ABC owns legal and beneficial/economic interest) 75% stake of IB
Scenario 4 : IB is an LLP using the financial strength of Controlling Partner (where Controlling partner is a Company)				
ABC Ltd. (Name of the Controlling Partner)	INR 200 Crore (Net Worth of the Controlling Partner)	Clause xx of Page xx of the latest audited financials of ABC Ltd.	ABC Ltd. is a the Controlling Partner of IB	ABC Ltd. has 60% economic ownership (share of the profits and losses and the rights to receive distributions) of the IB
Scenario 5 : IB is an LLP using the financial strength of Controlling Partner (where Controlling partner is a LLP)				
ABC LLP (Name of Controlling Partner)	INR 200 Crore (Net Worth of the Controlling Partner)	Clause xx of Page xx of the latest audited financials of the Controlling Partner	ABC LLP. is the Controlling Partner of IB	ABC LLP. has 60% economic ownership (share of the profits and losses and the rights to receive distributions) of the IB
Scenario 6 : IB is an LLP using the financial strength of Controlling Partner (where Controlling partner is a natural person)				

Names of Parent/ equity owner /Controlling Partner(in case the IB includes LLP)	Net Worth as per the instructions in the EOI (INR Mn)	Reference #	Relationship with IB	Details of holding of the Parent /equity owner /Controlling Partner(in case the IB includes LLP) in the IB^
ABC (Name of the Controlling Partner)	INR 200 Crore (Net Worth of the Controlling Partner)	Clause xx of Certificate of chartered accountant of ABC	ABC is a Controlling Partner of IB	ABC has 60% economic ownership (share of the profits and losses and the rights to receive distributions) of the IB

#Note: Insert the relevant paragraph and page numbers from the source used for calculation of Net Worth/ACI.

^Relationship of Parent /equity owner(s)/Controlling Partner (in case the IB includes LLP) with IB to be as on seven (7) days prior to the EOI Deadline

Capitalised term not defined in this in this certificate, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

Above statements are certified as true.

For and on behalf of: (name of the chartered accountant)

Signature: (Authorised Signatory of chartered accountant)

Name of the Person: [●]

Designation: [●]

Date;

1. The above sheet should be signed and certified as true by the statutory auditors (or in the event that the Parent/Controlling Partner does not have a statutory auditor, the person who has undertaken an audit of the Parent/Controlling Partner in the immediately preceding financial year) of the Parent/Controlling Partner (of sole bidder or each Member of the Consortium). In case Parent/Controlling Partner is a natural person, the above sheet should be signed and certified as true by chartered accountant practicing in India.
2. Along with the above format, in a separate sheet, please provide details of computation of Net Worth/ACI as applicable (in case of Net Worth for a natural person, Net worth calculation (A+B+C-D-E) shall be provided in following format). This separate sheet should also be certified as true and signed by the same person signing Annexure 16C:

S.No.	Details of Assets	Amount (cost) in Rs.
A	Details of Immovable Property Description	

	Address	
B	Details of movable asset	
i.	Jewelry , bullion etc.	
ii.	Archeological collections , drawings , painting , sculpture or any work of art	
iii.	Vehicles , yachts , boats and aircrafts	
iv.	Financial Asset	
a.	Bank (Including all deposit)	
b.	Shares and Policies	
c.	Insurance policies	
d.	Loans and Advance given	
e.	Cash in hand	
C	Interest held in the asset of a firm or association of persons (AOP as a partner or member thereof	
	Name and Address of the firm(s) / AOP(s)	PAN of firm/AOP investment in the firm/ AOP on cost basis
D	Liability in relation to Assets at (A+B+C)	
E	Other Liability	

(Note : Please add additional heads if the above heads are not fully representative)

3. *The audited accounts on the basis of which the Net Worth shall be worked out shall correspond to accounting periods (of not less than 12 months) already completed and audited (and shall not be based on partial periods)*
4. *The certificate should also be counter signed by the Authorised Signatory of sole bidder or the relevant member of the Consortium relating to whom this certificate is being provided as well as the Parent/ Controlling Partner (in case the IB includes LLP) whose net worth is being certified . Further, in case of Consortium, this certificate should also be counter signed by the Lead Member.*

ANNEXURE 17: FORMAT FOR CERTIFICATE OF OUTSTANDING LITIGATION

(To be provided on the letter head of Interested Bidder (sole bidder or each member of Consortium) - duly verified by a notary)

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We [●], incorporated under the provisions of [●] and having our registered office at [●], certify that based on our assessment, likely outcome of outstanding litigations against us, our Associate and Controlling Shareholder(s), shall not impact our capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact our qualification in terms of the Eligibility Criteria set out in the PIM, extant GOI instructions on disinvestment and instructions contained in the PIM.

For and on behalf of: (sole bidder or relevant member of the Consortium)

Signature of Authorised Signatory of sole bidder or relevant member of the Consortium

(Please also affix company stamp)

Place:

Date:

- 1. Capitalised terms not defined in this Annexure shall have the meaning ascribed to them in the PIM*
- 2. The annexure should also be counter signed by the Authorised Signatory of Lead Member, in case of a Consortium*

ANNEXURE 18 : FORMAT FOR CERTIFICATE OF CONTINGENT LIABILITIES

(On the letter head of the sole bidder or each member of Consortium - duly verified by a notary)

Reference No. _____ **Date** _____

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We certify that based on our assessment, likely outcome of our contingent liabilities, contingent liabilities of our Associate and Controlling Shareholder(s), shall not impact our capability to (a) participate in the Bid Process (b) undertake and consummate the Proposed Transaction and impact our qualification in terms of the Eligibility Criteria set out in the PIM and instructions contained in the PIM.

Yours sincerely,

For and on behalf of: (sole bidder or relevant member of the Consortium)

Signature: (Authorised Signatory of sole bidder or relevant member of the Consortium)

Name of the Person: *●+

Designation: *●+

Place:

Date:

Capitalised term not defined in this certificate, but defined in the PIM, shall have the same meanings as ascribed to it in the PIM.

1. The annexure should also be counter signed by the Authorised Signatory of Lead Member, in case of a Consortium

ANNEXURE 19: FORMAT FOR CERTIFICATE ON NO PROHIBITION

(To be provided on the letter head of IB (sole bidder or Lead Member of Consortium))

[Should be properly stamped]

To,
Mr. Kuljit Singh

Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Undertaking

We _____ (Individual , a private limited company, public limited company, limited liability partnership, body corporate or Fund registered or incorporated under the laws of _____ and having its Registered Office at _____, through its Authorized Signatory solemnly affirm and state as under:

We have not been prohibited, by any agreements with any third party/parties from participating in the Proposed Transaction and we are in compliance with the guidelines issued by Department of Investment and Public Asset Management No. 3/9/2016-DoD-II-B dated September 28, 2017 and subsequent amendments/clarifications thereunder.

(For Consortium only, please add the following line: We certify that the above statements are true for each member of our Consortium)

For and on behalf of: (sole bidder or Lead member of the Consortium)

Signature of Authorised Signatory (of sole bidder or Lead Member of Consortium)

(Please also affix company seal)

Place:

Date:

This certificate should be counter signed by Authorised Signatory of each Member of a Consortium.

Capitalised terms not defined in this certificate shall have the meaning ascribed to them in the PIM.

ANNEXURE 20: AFFIDAVIT

[TO BE STAMPED ADEQUATELY AND NOTARIZED (OR APOSTILLED, AS RELEVANT)]

(To be provided by sole bidder or each member of Consortium)

To,

Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Certificate

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

I, [name], the, Authorised Signatory of _____, (hereinafter the “**IB**”), certify that every part of information provided by the IB (as a part of EOI) is true, correct and complete in all aspects on the date of this affidavit.

Capitalised terms not defined in this certificate shall have the meaning ascribed to them in the PIM.

For and on behalf of: (sole bidder or relevant member of the Consortium)

Signature: (Authorised Signatory of the sole bidder or relevant member of the Consortium)

Name of the Person: *●+

Designation: *●+

Place:

Date:

The Annexure should also be counter signed by the Authorised Signatory of Lead Member, in case of a Consortium

ANNEXURE 21: FORMAT FOR CONFIRMATION BY PARENT / CONTROLLING PARTNER (IN CASE IB IS AN LLP) - APPLICABLE FOR IB'S TAKING BENEFIT OF FINANCIAL STRENGTH OF PARENT/CONTROLLING PARTNER (IN CASE IB IS AN LLP)

(On the letter head of the Parent / Controlling Partner (in case IB is an LLP), as applicable)

Reference No. _____ **Date** _____

To,
Mr. Kuljit Singh
Ernst & Young LLP India (Transaction Advisor for Strategic Sale)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF AIR INDIA AIR TRANSPORT SERVICES LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic sale of AIATSL by way of the transfer of management control and sale of at least 98% equity share capital of AIATSL by AIAHL (“**Proposed Transaction**”).

We have read and understood the contents of the Advertisement and the PIM and thereby confirm the following:

- a) [●], who is the interested bidder (“**IB**”) for this expression of interest (“**EOI**”), is taking the benefit of our financial strength and may qualify on the basis of our Net worth [●] and;
- b) We agree to abide by all the requirements of PIM including but not limited to providing an unconditional and irrevocable guarantee on behalf of IB to perform and discharge all its obligations under the PIM

For and on behalf of: (Parent or the Controlling Partner (in case IB is an LLP))

Signature: (Authorised Signatory of the Parent or the Controlling Partner (in case IB is an LLP))

(Please also affix company stamp if applicable)

Name of the Person:

Designation:

Place:

Date:

Capitalised terms not defined in this Annexure shall have the meaning ascribed to them in the PIM.