

PRELIMINARY INFORMATION MEMORANDUM

**For Inviting Expression of Interest
for**

Strategic Disinvestment of

**Air India Limited, including AI's shareholding interest in the AIXL
and AISATS**

by

**Government of India
Ministry of Civil Aviation**



सत्यमेव जयते



Transaction Advisor



**Ernst & Young LLP India
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28 March, 2018

DISCLAIMER

Ernst & Young LLP India (“**EY**” or “**TA**”) has been appointed as transaction advisor by the Government of India (“**GOI**”) for advising and managing the proposed strategic disinvestment of Air India Limited (“**AI**” or “**Company**”) by way of transfer of management control and sale of 76% equity share capital of AI held by GOI. AI inter alia holds 100% equity share capital of Air India Express Limited (“**AIXL**”) and 50% equity share capital of Air India SATS Airport Services Private Limited (“**AISATS**”) (together with AI and AIXL referred to as “**Companies**”).

This Preliminary Information Memorandum (“**PIM**”), which includes proprietary information on the Companies, has been prepared by EY for the limited purpose of providing certain information about the Companies to enable the recipients to be appraised of basic details of the Companies 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 the GOI or the Companies 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 Companies and the industry in which the Companies operate and these are based on the various assumptions made by the management, officers or employees of the Companies and/ or TA 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 Companies is not a guide for future performance of the Companies. The summary of the financial information of the Companies has been obtained from the financials of the Companies (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 Companies, the GOI or any of their affiliates or advisors. Further, this PIM does not contain complete information in relation to the Companies, including details of the land, other assets, intellectual properties, legal proceedings involving the Companies, 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.

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GOI reserves the right to change the procedures for pursuing the Proposed Transaction. The issue of this PIM does not imply that the GOI, Companies or the TA are bound to select an Interested Bidder for the Proposed Transaction. Further, GOI 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 the GOI or any other costs incurred in connection with or relating to its EOI. GOI 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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The issuance of this PIM, evaluation of EOIs, and subsequent engagement with the Qualified Interested Bidders (QIB) (*as defined below*) and the Confirmed Selected

Bidder (*as defined below*) constitute commercial acts done by the GOI and performed for commercial purposes and do not constitute sovereign acts.

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

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DEFINITIONS

AASL	Airline Allied Services Limited
ACI	As defined in clause 11.2 (b)
Advertisement	The advertisement will be issued in the newspapers on 29 th March 2018, inviting IBs to submit their EOIs for participating in the Proposed Transaction, enclosed as Annexure 1
AI	Air India Limited
AIATSL	Air India Air Transport Services Limited
AIXL	Air India Express Limited
AIESL	Air India Engineering 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)
Aircraft Act	Aircraft Act, 1934
Aircraft Rules	Aircraft Rules, 1937
AISATS	Air India SATS Airport Services Private Limited
Associate	“Associate”, in relation to another legal entity, means a legal entity in which that other legal entity has a significant influence (i.e. control of at least 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
ASKM	Available Seat Passenger Kilometre
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
CGOCS	Central Government Owned Cooperative Societies
Company	Air India Limited
Companies	Air India Limited, Air India Express Limited and Air India SATS Airport Services Private Limited together referred to as Companies
Consortium	The consortium of eligible entities submitting the EOI together in response to the PIM
CPSE	Central Public Sector Enterprises

CY	Calendar Year
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
EBITDAR	Earnings before interest, tax, depreciation, amortization and aircraft lease rentals
EOI	As defined in clause 10.1
EOI Deadline	As defined in clause 1.2
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)
HCI	Hotel Corporation of India
H1 bidder	As defined in clause 9.7
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
JV	Joint Venture
Km	Kilometres
LF	Load Factor
Lead Member	As defined in clause 11.5 (a) and 11.5 (b)
MHA	Ministry of Home Affairs, Government of India
Mn	Million
MOCA	Ministry of Civil Aviation, Government of India
MoU	Memorandum of Understanding
MRO	Maintenance, Repair and Overhaul
Negative List	<p>Negative List means:</p> <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
NCD	Non-Convertible Debentures
Net Worth	shall have the meaning set out in clause 11.2 (a)
OCB	Erstwhile Overseas Corporate Bodies (OCB) as defined in the FDI Policy
P&L	Profit and Loss
Parent	<p>Parent in relation to a legal entity means any person having Control over such legal entity.</p> <p>For the purposes of this definition “Control” shall have the meaning set forth in Section 2(27) of the Companies Act, 2013</p>
Pax	Passengers
PAT	Profit After Tax
PBT	Profit Before Tax
PIM	Preliminary Information Memorandum
Proposed Transaction	Strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI

	held by GOI, which will include AI's shareholding interest in AIXL and AISATS
Requisite Approvals	As defined in clause 10.19
RBI	Reserve Bank of India
RFP	Request for Proposal to be issued by the GOI in relation to the Proposed Transaction
RPKM	Revenue Passenger Kilometre
Scheduled Airline Operator	An Indian air transport undertaking which has a valid air operator certificate/ permit issued by DGCA to operate scheduled air transport services
SEBI	Securities and Exchange Board of India
TA	Transaction Advisor
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

The Government of India (GOI) has given 'in-principle' approval for the Strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI's shareholding interest in the AIXL and AISATS. The GOI has appointed EY as its TA to advise and manage the Proposed Transaction. AI is a CPSE under the administrative control of the MOCA, GOI.

AI is a company incorporated under the Companies Act, 1956 on 30 March, 2007 and is wholly owned by GOI and is engaged in the business of certain air transport services and allied activities, operating both domestically and internationally.

As on 31 December, 2017, AI's authorized capital is INR 3,00,00,00,00,000 divided into 30,00,00,00,000 equity shares of INR 10 each and its paid up share capital is INR 2,67,53,00,00,000 divided into 26,75,30,00,000 equity shares held by the President of India (aggregating to 100% of the entire paid up share capital of AI).

The Shareholding of AI in AIXL and AISATS is as follows;

Company Name	% shareholding of AI	Nature of Business
AIXL	100%	AIXL has an Air Operator's Permit and provides air transportation services between India and certain destinations in Middle East and South East Asia and also within India
AISATS	50%*	AISATS provides ground handling and cargo handling services at airports situated at Delhi, Hyderabad, Bengaluru, Trivandrum and Mangalore

**Balance 50% is held by SATS Ltd.*

It is clarified that the following entities, which on the date of this PIM are subsidiaries of AI, will not be part of the Proposed Transaction and will be hived off (along with any receivables or payables related to these subsidiaries) through demerger or other appropriate mechanisms which may be determined by MOCA in consultation with TA before the closing of Proposed Transaction.

Company Name	% shareholding of AI	Nature of Business
AIESL	100%	AIESL is a wholly owned subsidiary of AI, primarily involved in the maintenance, repair and overhaul of engines and airframe
AIATSL	100%	AIATSL is a wholly owned subsidiary of AI, primarily involved in ground handling and cargo handling services

Company Name	% shareholding of AI	Nature of Business
HCI	80.3%	HCI is a subsidiary of AI which owns and operates two hotels in Delhi and Srinagar as well as the Chef air kitchen units in Delhi and Mumbai
AASL	100%	AASL provides connectivity to Tier II and Tier III cities in India and also links these cities to metro hubs

The shares of AI and its subsidiaries/ joint ventures are not listed on any stock exchange.

Contact Details for Clarifications

All enquiries related to the Proposed Transaction (submitted on the letterhead of the IB duly signed by its authorized signatory and a scanned copy of such letter should be emailed) should be addressed to the following representative of EY at the common email ID projectroyaleoi@in.ey.com

Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu
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 Disinvestment of Air India 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 GOI nor the Company 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, GOI, 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 AI at <http://www.airindia.in>
- iii. Website of DIPAM at <http://dipam.gov.in>
- iv. Website of MOCA at <http://www.civilaviation.gov.in/>

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	28 th March, 2018	NA
2.	First day of submission of written queries on PIM	29 th March, 2018	NA
3.	Last date for submission of written queries on PIM	16 th April, 2018	17:00:00 Hrs
4.	Last date for release of response to queries	30 th April, 2018	17:00:00 Hrs
5.	Last date and time (“ EOI Deadline ”) for submission of EOIs	14 th May, 2018	17:00:00 Hrs
6.	Intimation to the Qualified Interested Bidders (QIB)	28 th May, 2018	17:00:00 Hrs

The above dates may change at the discretion of GOI.

The detailed instructions for submission of EOI are set out in clause 10 of the PIM.

PART A

COMPANY OVERVIEW

2. COMPANY OVERVIEW

2.1 Company Profile

Air India Limited

Air India Limited (“AI” or “Air India”) is India’s flag air carrier with a significant market position in international and domestic operations. Air India along with Air India Express has ~42.8% share of the international traffic to/from India among Indian carriers and ~16.9% share including global airlines as of Q3 CY17. It has around 12.3% share of the Indian domestic market as of Q3 CY17. Air India is a member of the Star Alliance since July 2014. Air India has pioneered India’s civil aviation sector (first scheduled airline in India) and has a rich heritage of over 85 years.

Air India is one of the most extensive flight service providers in India with network coverage of around 93 destinations (around 54 domestic destinations with around 2,330 departures per week and around 39 international destinations with around 766 departures per week). Air India offers 51 additional destinations through its secondary network of code share operations covered under 19 code share agreements with foreign carriers. During FY 2017, Air India carried around 18.7 Mn passengers and recorded revenues of INR 221,777 Mn.

Air India has an operating fleet of 115 aircraft as on 31st December 2017, mainly comprising Airbus and Boeing aircraft such as A-319, A-320, A-321, B-747, B-777 and B-787 out of which 69 are owned/ on finance lease, 24 are on sale and lease back model and balance are on operating lease.

Air India Express Limited

Air India Express is a low-cost carrier headquartered in Kochi. It is operated by Air India Express Limited (AIXL) (formerly known as Air India Charters Limited), a wholly owned subsidiary of Air India Limited. Air India Express mainly provides air transportation services between India and certain destinations in Middle East and South East Asia. As of 31st December 2017, it has a fleet of 23 Boeing 737- 800 aircraft (17 on finance lease and 6 on operating lease). It operates around 555 departures per week connecting around 13 international destinations and around 16 domestic stations in India. International destinations covered by Air India Express include Dubai, Sharjah, Abu Dhabi, Al Ain, Ras Al Khaimah, Muscat, Salalah, Doha, Bahrain, Kuwait, Dammam, Riyadh and Singapore. On domestic routes, it has flights between Chennai- Thiruvananthapuram, Kozhikode - Thiruvananthapuram, Delhi – Madurai, Delhi – Coimbatore and Mumbai – Vijayawada (effective 19th January, 2018).

Air India SATS Airport Services Private Limited

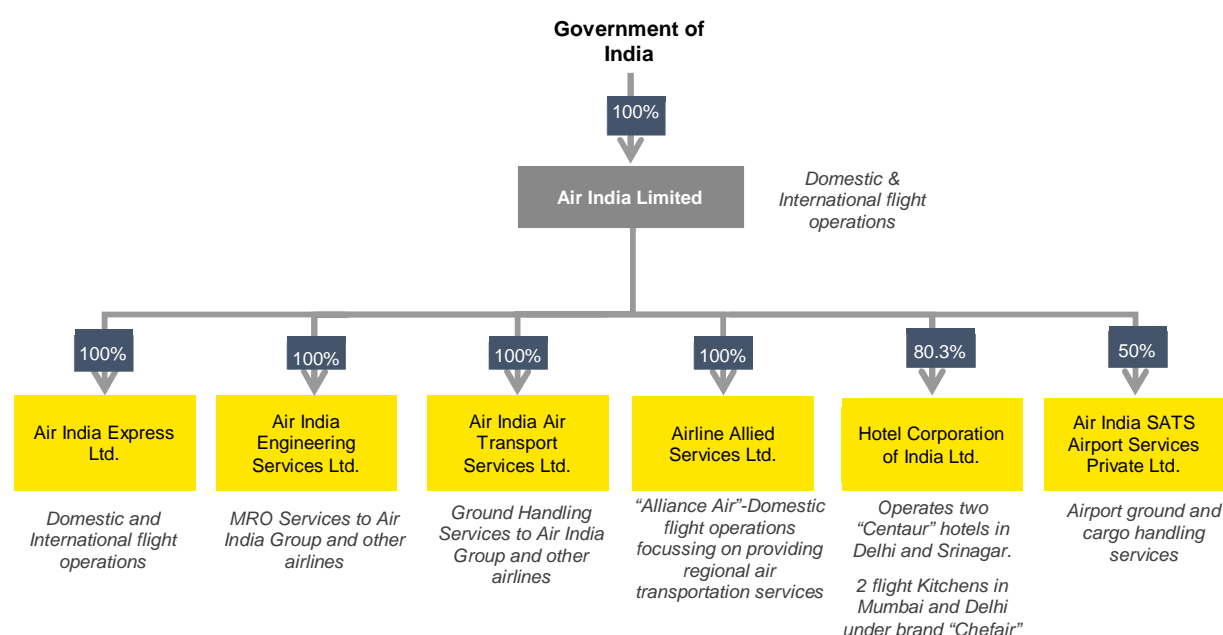
AISATS is a 50:50 joint venture between Air India Limited and SATS Limited, Singapore. SATS is a leading provider of food solutions and gateway services with over 60 years of ground handling and catering experience.

AISATS offers end-to-end ground handling services such as passenger and baggage handling, ramp handling, aircraft interior cleaning, load control and flight operations, and cargo handling services for general, perishable, transshipment, express courier and special cargo. AISATS currently provides its services to the customer airlines in international airports at Bengaluru, Delhi, Hyderabad, Mangalore and Trivandrum in India. Ground handling services at other 69 domestic airports are being provided by Air India Air Transport Services Limited, which is a wholly-owned subsidiary of Air India.

2.2 Current Organization Structure

As a part of the disinvestment, 76% equity stake in Air India Limited along with Air India's 100% equity stake in Air India Express Limited and Air India's 50% equity stake in AISATS is being disinvested by the Government of India ("Companies"). Air India has interests in other entities (Air India Engineering Services, Air India Air Transport Services, Airline Allied Services and Hotel Corporation of India) which are in the process of being transferred to a separate SPV and will not be a part of the Proposed Transaction.

Current Structure



2.3 Key Investment Highlights – Air India and Air India Express (“Combined Airline”)

Highest market share in International Traffic (to/from India) and a strong domestic franchise	<p>Ø Combined Airline is the leader in international travel market in India with an overall market share of ~16.9% (including foreign and Indian carriers) and ~42.8% share (considering only Indian carriers)</p> <p>Ø Combined Airline has 4th highest share in domestic market (~12.3%) which acts as a feeder for international operations. A new investor can add significant capacity in the domestic market to increase this market share</p>
Highest ASKMs among Indian carriers	Ø Combined Airline has the highest ASKMs (65,947 Mn in FY17) among Indian carriers, ~20.8% higher than the next player
Highest RPKMs among Indian carriers	Ø Combined Airline has the highest RPKMs (50,346 Mn in FY17) among Indian carriers, ~8.8% higher than the next player
Highest revenues among Indian carriers	Ø Combined Airline has the highest revenue (INR 255,332 Mn in FY17) among Indian carriers, ~8% higher than the next player
Second Highest EBITDAR among Indian carriers	Ø Combined Airline has the second highest EBITDAR (excluding other income - INR 46,312 Mn in FY17) among Indian carriers, ~15% lower than the first player
Extensive network connecting all attractive/ key locations	<p>Ø Combined Airline has an extensive network connecting around 43 international destinations and around 54 domestic destinations, thereby enabling the Combined Airline to serve a large customer base and provide a wide reach</p> <p>Ø Airline offers 51 additional destinations through its secondary network of code share operations covered under 19 code share agreements with foreign carriers</p> <p>Ø Further, with the development of Delhi (T3) as primary hub and Mumbai (T2) as secondary hub from 1st October, 2015, Combined Airline has the ability to provide seamless connectivity to passengers across sectors</p>
Largest fleet strength (adjusted for seat capacity) in India with Highest share of owned aircraft	<p>Ø Combined Airline’s operating fleet of 138 aircraft as of 31st December, 2017 comprises 69 Airbus and 69 Boeing aircraft.</p> <p>Ø Combined Airline owns (including finance lease) around 62% of its total fleet, in comparison to other Indian carriers who own very low number of aircraft (highest being ~28%)</p> <p>Ø Two 747-400 aircraft and one A320 aircraft which are on SLB shall be in the name of the lessor but no lease rentals are payable since the termination sum has already been paid. The title of the same is transferable on payment of USD 1. Further there is an upside profit sharing on the leases with 4 B-787-8 aircrafts (SLB from a lessor) to an extent of 90% of the profits realized in case sale value exceeds USD 18 Mn at the termination of the lease</p>

	<p>Ø Owned fleet (including finance lease), purchased at attractive terms, would enable Combined Airline to offer cost competitive services going forward</p> <p>Ø Availability of a modern large, fuel efficient fleet allows Combined Airline to offer best in class services to customers and take benefit of significant expected growth in Indian aviation market</p>
Under-utilized bilateral rights	<p>Ø Huge potential for growth and increasing market share in international markets: Scope for improvement in utilization of bilateral rights</p>
Attractive slots at capacity constrained airports in India	<p>Ø Combined Airline has slots at top domestic airports which are growth constrained due to airport infrastructure issues. This is a significant advantage compared to any new player looking to enter or an existing player looking to expand into the Indian market</p> <p>Ø Slots can be utilized to take benefit of India's favorable geographic position in global air travel market and develop hub for international operations</p>
Upside from better operational performance	<p>Ø Scope for improvement in aircraft utilization and load factor compared to other carriers: Potential for new investor to undertake operational improvement and realize improved profitability and increased returns</p>
Integrated Operations	<p>Ø JV with AISATS provides in-house ground handling facilities at key metro airports allowing control over customer service and operational parameters</p>
Uniquely positioned to leverage the untapped potential in the Indian airline industry	<p>Ø Flag carrier with strong worldwide recognized brand, image existing for the last around 85 years: Extremely well placed to tap world's third largest aviation market growing at 18%+ rate</p>
Reduced debt liability post disinvestment to help realize significant profitability	<p>Ø Consolidated business in the past had a mix of real-estate and aviation interests. Government of India is now carving out real-estate assets and other businesses which are not integral to the core airline business into a separate SPV along with part transfer of certain debt and liabilities (modalities being worked out) thereby resizing the balance sheet</p>
Past Accumulated Losses/ unabsorbed depreciation may be available to reduce tax liability going forward	<p>Ø Carried forward business losses of around ~INR 321,942 Mn* and unabsorbed depreciation of around ~INR 318,057 Mn* in Air India may provide benefit of reduced tax liability going forward (IBs are advised to take their own tax advice on this aspect)</p>

*Details to be provided at RFP stage

2.4 Key Investment Highlights – AISATS

Established profitable airport services provider with stable margins	<ul style="list-style-type: none"> Ø AISATS has been profitable for the last 5 years Ø AISATS reported a PAT of INR 661 Mn with an attractive EBITDA margin (including other income) of 18% in F17
Steady mix of business from AI and other players	<ul style="list-style-type: none"> Ø Air India group contributes to around 60% of the total business of AISATS in terms of no. of flights and 43% in terms of revenue Ø AISATS also serves other domestic and international airlines. Efforts are being made to increase the contribution from other airline operators
Business centered around the metro airports in India	<ul style="list-style-type: none"> Ø AISATS has Business Units (BUs) at Bengaluru, Delhi, Hyderabad, Mangalore and Trivandrum: with a large share of India's traffic originating from these stations, AISATS is strategically located to provide excellent and time-bound services to both domestic and international players Ø AISATS owns general cargo warehouse building at Bengaluru Ø AISATS has also set up a cool port facility at Bangalore for handling of perishable products
Significant expected growth in the business in the coming years	<ul style="list-style-type: none"> Ø With the expected growth in the passenger traffic and fleet size of Indian carriers, India is expected to be the fastest growing market in next 20 years Ø Government plans to invest and upgrade the airport infrastructure will provide a significant boost to the ground-handling industry Ø With the knowledge of the market and best in-class services, AISATS is well-positioned to sustain its market leadership position in the growing Indian market
Partnership with renowned player in the industry	<ul style="list-style-type: none"> Ø Partnership with SATS, a world-class ground-handler with over 60-years of experience and presence in 14 countries, adds to the strengths of AISATS Ø Successful collaboration to continuously improve the services to help maintain its key position in Indian market

AIR INDIA

3. AIR INDIA LIMITED - COMPANY DETAILS

3.1 History

Air India Limited represents the merged company, which came into existence post the amalgamation of Indian Airlines Limited and Air India Limited on 1st April 2007. The amalgamated company was known as National Aviation Company of India Limited (NACIL). The name of the company was changed to “Air India Limited” with effect from 24th November 2010. Air India has a rich heritage of over 85 years (set up in 1932) and has pioneered India’s civil aviation sector (first scheduled airline in India).

3.2 Registration Details

Table 1: Company Registration Details of AI

Particulars	Details
Name	Air India Limited
Constitution	Public Limited Company
Date of Incorporation	30 March, 2007
Registered Office	113, Gurudwara Rakabganj Road, Parliament Street, New Delhi
CIN Number	U62200DL2007GOI161431

3.3 Capital Structure

Air India Limited is 100% owned by the Government of India.

Table 2: Capital Structure of AI as on 31st January 2018

Particulars	No. of Equity Shares (Mn)	Share Capital (INR Mn)
Authorized Share Capital	30,000	300,000
Issued, Subscribed & Paid-up Share Capital	28,690	286,902

* Face value of each Equity Share is INR 10

3.4 Board of Directors

The board of directors of AI, as on 31st December 2017, comprises the following members:

Table 3: Board of Directors of AI

S. No.	Name and Designation	DIN
1.	Mr. Pradeep Singh Kharola - Chairman and MD, AI	0005347746
2.	Ms. Gargi Kaul - Joint Secretary and Financial Advisor, MoCA	0007173427
3.	Mr. Satyendra Kumar Mishra - Joint Secretary, MoCA	0007728790
4.	Mr. Pankaj Srivastava - Director-Commercial, AI	0006716582
5.	Mr. Vinod Hejmadi - Director - Finance, AI	0007346490
6.	Capt. Arvind Kathpalia - Director - Operations, AI	0007302504
7.	Dr. Ravindra Kumar Tyagi - Independent Director, AI	0001509031
8.	Mr. Syed Zafar Islam - Independent Director, AI	0007860837

3.5 Key Management Personnel

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

Table 4: Key Management Personnel of AI as on 31st December 2017

S. No.	Name	Designation	Qualification	Years of Experience
1.	Mr. Pradeep Singh Kharola	Chairman and Managing Director	Ph.D., Masters in Development Management	32
2.	Mr. Pankaj Srivastava	Director-Commercial	B.Sc. & MBA (Marketing)	34
3.	Mr. Vinod Hejmadi	Director-Finance	B.Com. & CA	29
4.	Capt. A. Kathpalia	Director (Operations)	BA (Economics) ALTP, Commander on B-787	29
5.	Mr. R. Harihar	ED-Project	BA (Engineering) & MSW	34
6	Capt. A.S. Soman	ED (Head Quarters)	10+2 & ALTP, Commander on B-787	32
7	Mr. S. S. Uberoi	RD (Northern Region)	BA (Economics) & MBA (Marketing)	34
8	Mr. Pankaj Kumar	ED (Sales & Marketing)	B.Sc. & MBA (Marketing)	34
9	Capt. A.K. Govil	ED (Operations)	10+2 & ALTP, Commander on B-787	31
10	Ms. Harpreet A.D. Singh	ED (Flight Safety)	B.Com. & CPL	23
11	Mr. Prem Singh Negi	ED (Materials Management)	B.Sc. & MBA	30
12	Mr. A. Jayachandran	ED (Finance)	B.Com & MBA (Fin/Marketing)	34
13	Capt. Amitabh Singh	ED-Training	10+2 & ALTP, Commander on B-787	29
14	Capt. R. Bhasin	RD (Eastern Region)	10+2 & ALTP, Commander on B-787	29
15	Mr. Ravi Shinde	ED-Personnel	B.Com	35
16	Mr. A K Pathak	ED-Cargo	M.Com., MA & MBA	32
17	Ms. Amrita Sharan	ED-Integration & IR	BA (Eco Hon) & MBA	27
18	Ms. Aruna Gopalakrishnan	ED-Corporate Affairs	BA (Sociology) & MSW	27
19	Mr. Mukesh Bhatia	RD (Western Region)	B.Sc., LLB & MBA	31
20	Ms. Seema Srivastava	ED-Strategy & Planning	B.Sc (Hons.) & MBA (Mktg.)	34
21	Dr. P.C. Tripathi	ED-Medical	MBBS & MD (Medicine)	27
22	Ms. Meenakshi Mallick	ED- RMMA	B.Sc.(Hons.) & MBA (Mktg.)	27
23	Ms. Kalpana Rao	ED-CS & Finance	B.Com., CA & Company Secy.	29
24	Mr. Anil Mittal	ED-Internal Audit	B.Sc and CA	29
25	Mr. M V Joshi	ED (Southern Region)	MBA and CWA	34
26	Mr. K.S. Rao	ED-Finance	M.Com. and CA	29
27	Mr. A B K Rao	ED-Engineering	B.Tech	33

3.6 Fleet Size

Air India had a fleet of 104 and 115 aircraft as on as on 31st March and 31st December, 2017, respectively.

Table 5: Fleet size of AI as on 31st March 2017

Category	Nos.	Seating Capacity	Owned	Finance Lease*	Sale and Lease Back	Dry Lease	Average Age (yrs.)
Boeing Wide-body Fleet							
B747-400	5	423	3		2		22
B777- 200 LR	3	238		3			7.6
B777- 300 ER	12	342		12			8
B787- 800	23	256	2		21		3
Total Wide-body	43		5	15	23		6.9
Airbus Narrow-body Fleet							
A320-231	8	168	6		2		24.2
A320-214	4	150	4				7.1
A320-214	5	180				5	1.7
A320-251N	2	162				2	0.1
A320	19		10		2	7	5.5
A319-100	3	144				3	11.3
A319-112	19	122	9	10			8.3
A319	22		9	10		3	8.8
A321-211	20	182	8	12			8.8
Total Narrow-body	61		27	22	2	10	7.8
Total Operating Fleet	104		32	37	25	10	7.4
Grounded							
-B747-400	1	-	1			0	-
-A320	8		2			6	

Table 6: Fleet size of AI as on 31st December 2017

Category	Nos.	Seating Capacity	Owned	Finance Lease*	Sale and Lease Back	Dry Lease	Average Age (yrs.)
Boeing Wide-body Fleet							
B747-400	4	423	2		2		22.5
B777- 200 LR	3	238		3			8.4
B777- 300 ER	12	342		12			8.8
B787- 800	27	256	6		21		3.4
Total Wide-body	46	-	8	15	23		6.8
Airbus Narrow-body Fleet							
A320-231	4	168	3		1		24.8
A320-214	4	150	4				7.8
A320-214	5	180				5	2.5
A320-251N	14	162				14	0.5
A320	27	-	7		1	19	5.5
A319-100	3	144				3	12.1
A319-112	19	122	9	10			9.1
A319	22		9	10		3	9.5
A321-211	20	182	8	12			9.1
Total Narrow-body	69	-	24	22	1	22	7.9
Total Operating Fleet	115	-	32	37	24	22	7.4
Grounded Aircraft							
-B747-400	1		1		0		
-A320	11	-	4		7		
Total Grounded Aircraft**	12	-	5		7		

*Note: Out of the total 69 aircraft owned/ on finance lease, 32 are owned and 37 are on finance lease which will revert to AI at the end of the period with a nominal payment.

**Includes the aircraft withdrawn from operations and awaiting de-registration

Additionally, 16 aircraft are on order:

- 13 A320 Neo aircraft (on lease) are expected to be delivered by Jan 2019
- 3 B777-300ER (owned) aircraft are on order for which delivery is expected in Q4FY2018 (2 of these are being procured on behalf of GOI and are being financed by GOI, these aircrafts are meant for VVIP operations).

The 4 B747-400 aircraft are being used for VVIP flights on behalf of GOI. These arrangements would continue and the aircraft retained in the fleet till the 2 new B777-300ER aircraft procured by the GOI for this purpose are ready for operations. The operations and maintenance of the 2 new B777-300ER aircrafts meant for VVIP operations would have to be carried out by Air India. The details would be provided at the time of RFP.

3.7 Network

Domestic

Air India currently operates flights to around 54 Indian cities. A broad overview of the cities connected by the AI's domestic network is provided in the table below:

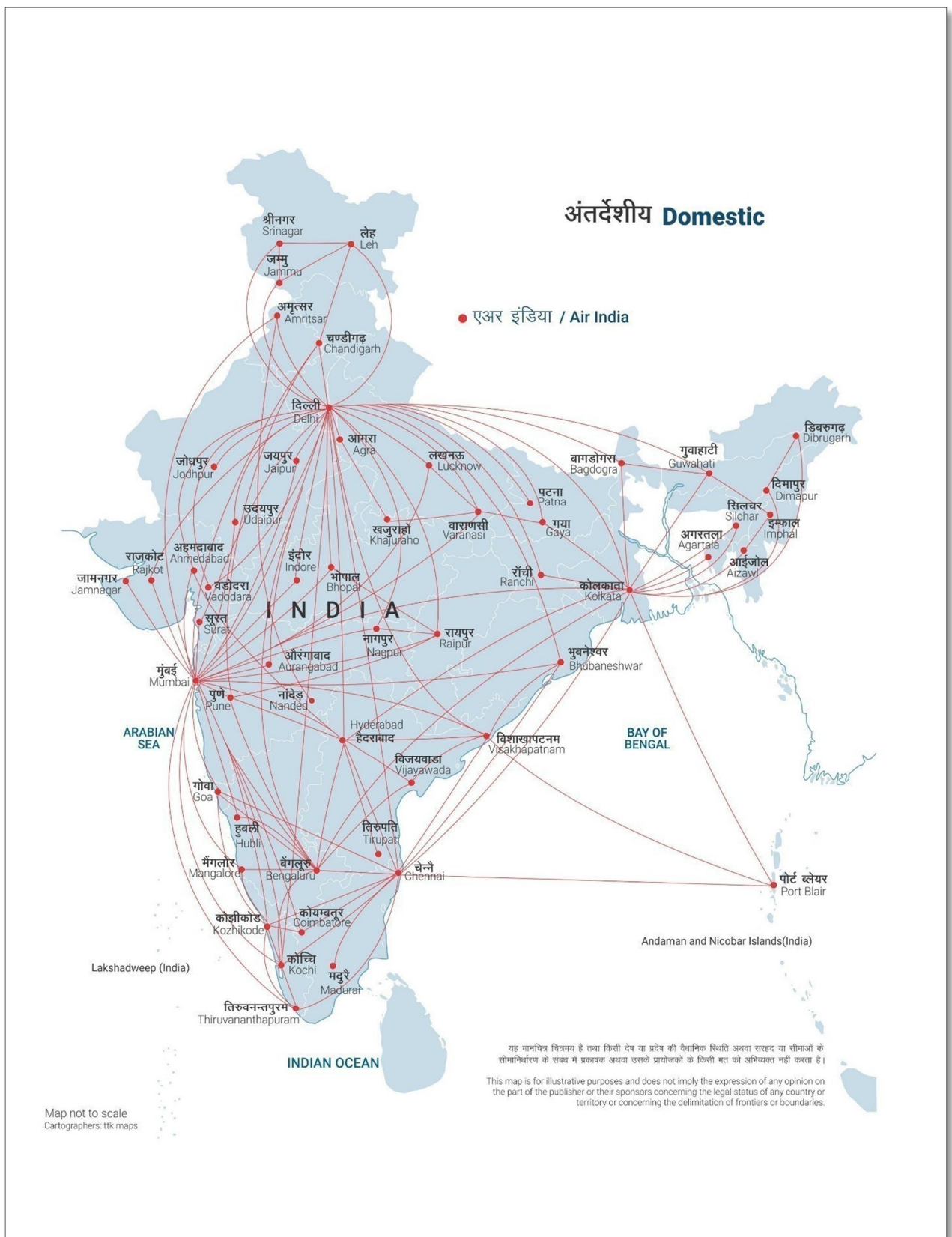
Table 7: Domestic Points of Call for Air India as of 31st December 2017

Region	Destination	Total Domestic Destinations	Domestic Departures per week*	% of Domestic Flights
Northern Region	Agra, Amritsar, Bhopal, Chandigarh, Delhi, Jaipur, Jammu, Jodhpur, Khajuraho, Leh, Lucknow, Raipur, Srinagar, Udaipur, Varanasi, Indore	16	844	36.2%
Eastern Region	Agartala, Aizawl, Bagdogra, Bhubaneswar, Dibrugarh, Dimapur, Gaya, Guwahati, Imphal, Kolkata, Patna, Port Blair, Ranchi, Silchar	14	368	15.8%
Western Region	Ahmedabad, Jamnagar, Mumbai, Nagpur, Pune, Rajkot, Surat, Vadodara, Goa, Aurangabad, Nanded	11	585	25.1%
Southern Region	Bengaluru, Chennai, Coimbatore, Hyderabad, Kochi, Kozhikode, Madurai, Hubli, Mangalore, Thiruvananthapuram, Tirupati, Vijayawada, Visakhapatnam	13	533	22.9%
Total		54	2,330	100.0%

*Note: Domestic departures also include the charter flights operated by AI and the domestic leg of international flights/ hub and spoke flights.

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

Figure 1: Domestic Network of Air India



International

Air India currently serves around 39 international destinations and has the largest market share on international routes among Indian carriers.

A broad overview of the destinations connected by Air India's international network is provided in the table below:

Table 8: International Points of Call for AI as of 31st December 2017

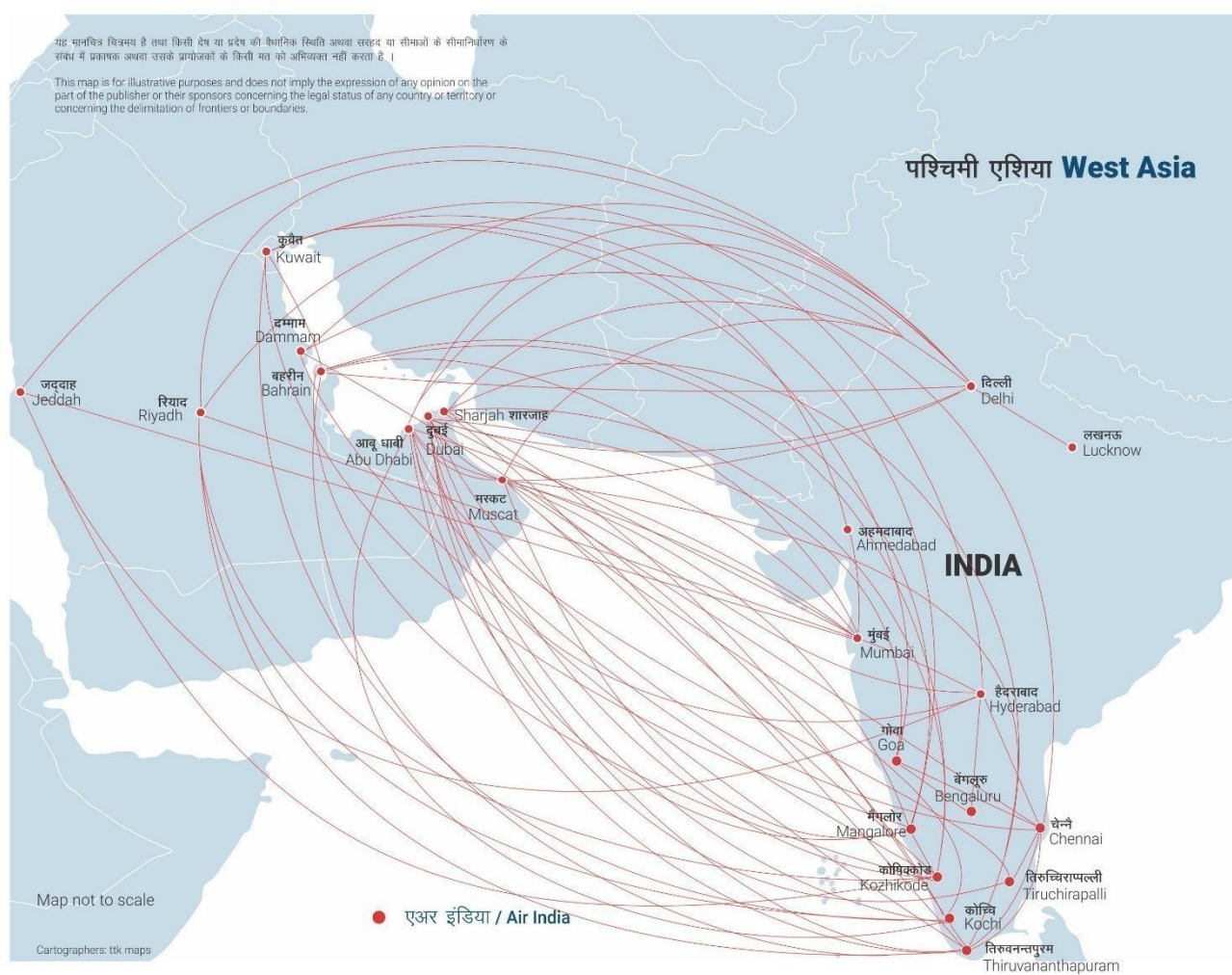
Region	Destination	Total International Destinations	International Departures per week	% of International Flights
USA and Canada	Chicago, Newark, New York, San Francisco and Washington	5	33	8.4%
UK	London and Birmingham	2	35	8.9%
Europe	Paris, Copenhagen, Madrid, Milan, Rome, Stockholm, Vienna and Frankfurt	8	33	8.4%
South East Asia	Bangkok and Singapore	2	56	14.2%
Far East Asia	Hong Kong, Melbourne, Sydney, Osaka, Seoul, Shanghai and Tokyo	7	37	9.4%
Gulf and Middle East	Abu Dhabi, Dammam, Dubai, Jeddah, Bahrain, Kuwait, Muscat, Riyadh and Sharjah	9	137	34.9%
SAARC	Colombo, Dhaka, Kabul, Kathmandu, Male and Yangon	6	62	15.8%
Total		39	393	100.0%

Table 9: Indian airports from where Air India has international departures

Region	Destination	Total Destinations	International Departures per week
India	Ahmedabad, Amritsar, Bengaluru, Bhubaneswar, Chandigarh, Chennai, Delhi, Gaya, Goa, Hyderabad, Kochi, Kolkata, Kozhikode, Lucknow, Mumbai, Thiruvananthapuram, Varanasi, Visakhapatnam	-	373*
Total		-	373

*The difference in total departures per week from Indian airports and International airports is due to the 20 extra departures in the 5th Freedom Sectors operated by AI.

Figure 2: International Network of Air India



3.8 Operations

Table 10: Market share of AI and AIXL for Q3 CY17

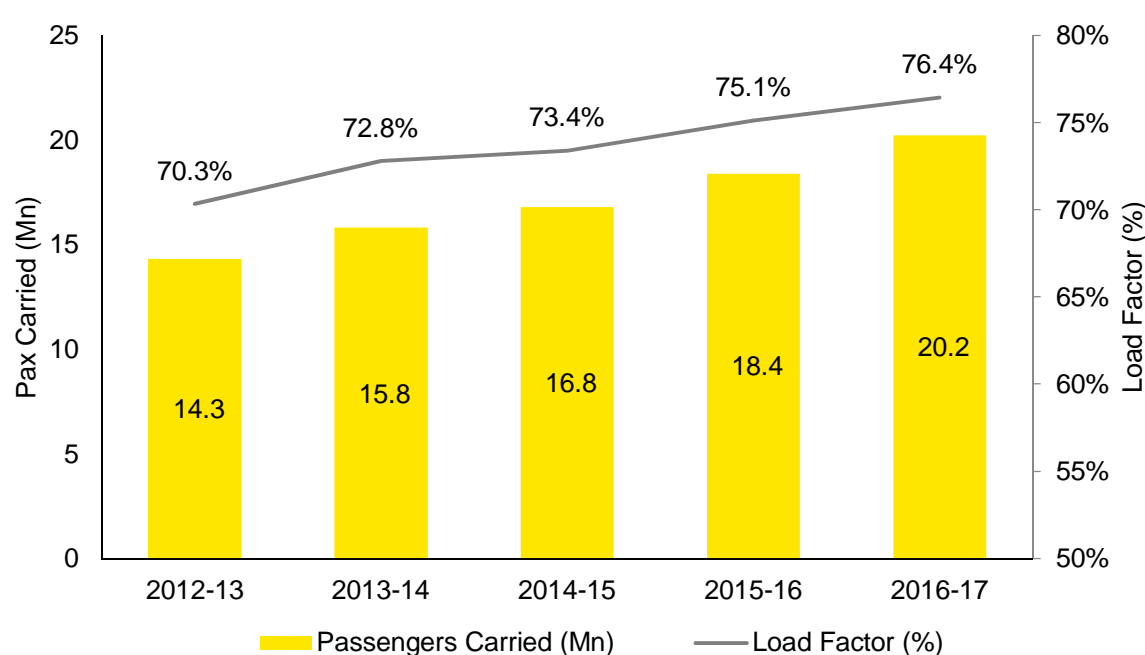
Company	Domestic Market Share	International Market Share (considering Indian Air Carriers and Foreign Airlines)	International Market Share (considering only Indian Air Carriers)
Air India	12.20%	10.37%	26.24%
Air India Express	0.07%	6.56%	16.60%
Total	12.27%	16.93%	42.84%

Source: DGCA

Note: The International market share of all Indian air carriers is around 39.52% and Air India along with Air India Express controls 42.84% of this Indian carrier market share

The operating performance of Air India is provided below:

Figure 3: Operating Performance of Air India for the last 5 years



Source: Annual Reports/ DGCA

The key operating parameters of Air India are provided below:

Table 11: Year-wise Select Operating parameters for AI

S. No.	Indicator	FY2013	FY2014	FY2015	FY2016	FY2017
1.	Fleet Size (No.) (As on 31 st Mar)	95	95	95	109	104
2.	Number of Departures ¹	125,731	136,634	139,435	142,259	147,690
3.	ASKM ² (Mn)	41,053	45,704	49,050	51,517	54,373
4.	RPKM ³ (Mn)	28,880	33,279	36,000	38,695	41,560
5.	Daily Aircraft Utilization on Total Fleet (Hours)	9.28	9.89	10.3	10.31	11.02
6.	RASK ⁴ (INR)	3.9	4.0	4.0	3.9	4.0
7.	CASK ⁵ (INR)	5.8	5.8	5.4	4.7	4.7
8.	CASK – Ex Fuel (INR)	3.7	3.7	3.7	3.6	3.6
9.	Yield ⁶ (INR)	4.3	4.3	4.4	4.0	3.9

Source: Annual Reports/ DGCA

¹ Departures reflect the total scheduled and non-scheduled domestic and international services of AI

² ASKMs reflect the total scheduled and non-scheduled domestic and international services of AI

³ RPKMs reflect the total scheduled and non-scheduled domestic and international services of AI

⁴ Excludes other income

⁵ Includes total expenses except exceptional and extraordinary items

⁶ Calculated as Passenger revenue/ Scheduled RPKM

3.9 Employee Strength

The total permanent employees of AI as on 1st December 2017 were 11,214. Additionally, AI also employed contract employees, casual employees etc., as per the details mentioned below:

Table 12: Break-up of AI Employees as of 1st December 2017

	Permanent Employees	Contract Employees	On Deputation Employees from other companies	Casual Workers Engaged	Casual Workers (Total Pool available)	Others
Air India	11,214*	2,913	2,661^	2,155	7,486	549**

*Includes 2056 employees on deputation to other companies/agencies

^29 security attendants on deputation from AASL, 2597 employees on deputation from AIATSL, 32 from AIXL and 3 from other organizations

**Includes 236 local employees recruited at foreign stations and 313 employees on contractual agreement post retirement

The contract employees are employed by AI typically for a period of around 3-5 years. At the end of the contract period, the contracts are typically extended for a similar period based on prevalent terms.

The casual workers are workers directly engaged by AI based on the business requirement (from a defined pool). As of 1st December 2017, 2,155 casual workers are employed by AI, out of the total available pool of 6,741.

Table 13: Indicative Position-wise Employee details as of 1st December 2017

	No. of employees
<u>Executive (AGM and above)</u>	
Pilots	194
Engineers	1
Flight Operations Officers	55
General Category Officers	482
<u>Officers (AM to Senior Manager above)</u>	
Cabin Crew Officers	851
Flight Operations Officers	136
General Category Officers	3,591
<u>Workmen</u>	
Line Pilots	1,642
Cabin Crew	3,085
Technicians	57
Clerical/ Unskilled	6,504
Foreign Clerical/ Unskilled	236
Total	16,834*

*Note: Excludes 2,658 employees on deputation from AASL, AIATSL and AIXL. However, the figures include 3 employees on deputation from GOI.

Approx. 37.6% of the permanent employees of Air India will be retiring in the next

5 years. Below is an indicative break-up of the same:

Table 14: Indicative List of Permanent Employees Retiring in next 5 years

	Upto 31 st March, 2019	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL
Permanent Employees Retiring	1,001	748	806	817	845	4,217

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 AI employees:

Table 15: List of select benefits provided to AI employees

Benefits	Permanent	Retired Permanent	Contract	Retired Contract
Passage entitlements ⁷	Ü	Ü	Ü	NA
Provident fund ⁸	Ü		Ü	NA
Gratuity ⁹	Ü		Ü	NA
Encashment of Privilege Leave ¹⁰	Ü		Ü	NA
Self - Contributory Pension Scheme ¹¹		Ü		NA
Encashment of Sick Leave ¹²		Ü		NA
Medical facilities ¹³	Ü	Ü	Ü	NA
Holiday home ¹⁴	Ü	Ü		NA
Long- Service Memento ¹⁵	Ü			
Retirement Gift ¹⁶		Ü		NA

Note: In addition to the above benefits, housing allotment facility is extended to employees in cities where Air India has its own housing accommodation and the allotment is made to eligible employees subject to availability of the same.

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

⁷ **Passage entitlement policy** of AI, provides the employees (including retired employees) and their families the benefits of subsidized travel on AI operated flights

⁸ **Provident fund**- during the service, employer contributes 10% of employee's basic pay plus dearness allowance and an equal amount is contributed by the employee. There is a provision of voluntary subscription by the employee.

⁹ **Gratuity** – Employee is eligible for Gratuity on completion of 5 years of service or more and is capped at INR 1,000,000 per employee (The maximum limit has been revised to INR 2,000,000 in respect of Central Government employees. Gratuity limit of INR 2,000,000 has not yet been implemented in AI as Gratuity Act is yet to be amended)

¹⁰ **Privilege Leaves** – Entitlement is 30 calendar days per year. Encashment is subject to a maximum encashment of 300 days and subject to approval. The benefit is also available to certain category of contract employees based on the contract terms.

¹¹ **Self - Contributory Pension Scheme** – Employees contribute to accumulate corpus during the service. Annuity Insurance is purchased through Life Insurance Corporation. On retirement, monthly retirement pension is distributed through the same, however, an employee can commute 2/3rd of his share

¹² **Encashment of Sick Leaves** – Sick leave standing to the credit of all existing permanent employees as on 01.07.2012 stands frozen and the employees are allowed to encash the balance leaves (up to 120 days) only at the time of retirement.

¹³ **Medical Facilities** –

i) For serving employees: Voluntary family medical scheme with monthly contributions made by the employees.

ii) For Retired employees: Voluntary scheme with one-time contribution made by the employee, covers employee and spouse.

¹⁴ **Holiday home facility** – Air India has agreements with various hotels/ tourism development corporations wherein AI employees (permanent and retired) are provided with subsidized room rentals, value added services and access to other facilities. Employees can apply for the facility for themselves or on behalf of their spouse.

¹⁵ **Long- Service Memento** – Employees completing 25 years of satisfactory service are given long-service memento on 27th Aug each year

¹⁶ **Retirement Gift** – Sum of INR 5000 payable towards retirement gift to employees who have completed 25 years of satisfactory service and INR 3000 for those who have completed less than 25 years

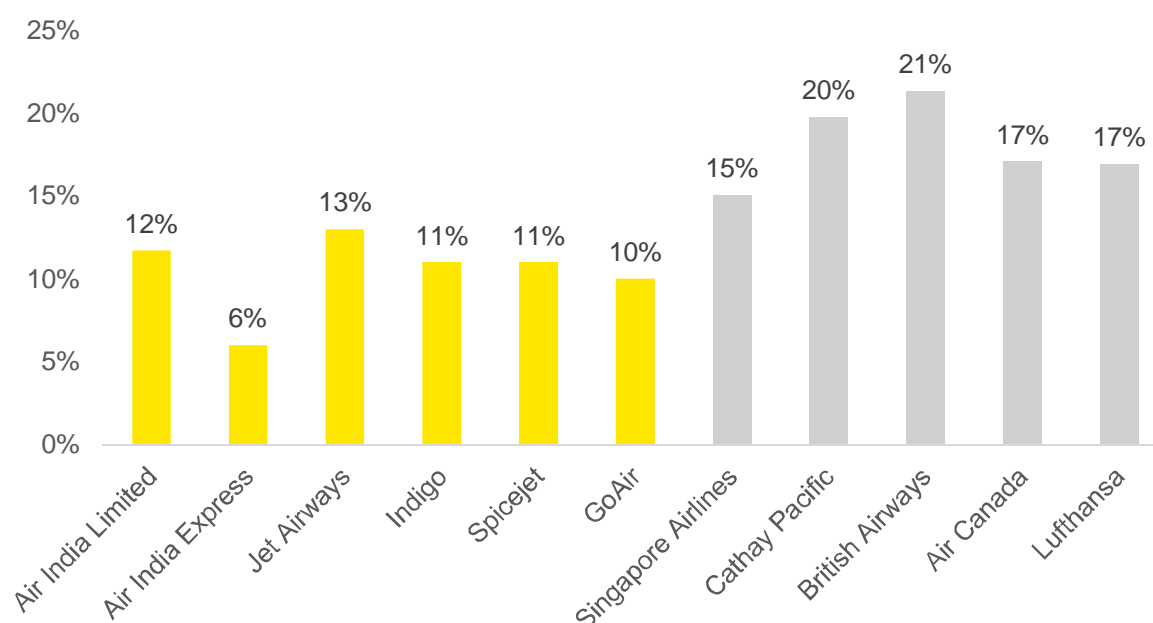
An actuarial valuation is being undertaken so as to estimate the current accrued liability as well as the unfunded portion, if any. The results of such actuarial valuation shall be provided in the RFP.

The employees' dues of INR 12,982 Mn on account of Justice Dharamadhikari Commission Report is in the nature of past arrears and AI/ Air India Asset Holding Ltd. will commit to pay the same at the appropriate stage before consummation of the Proposed Transaction.

A comparison of the Air India employee cost as a percentage of revenues and comparison thereof with other Indian and international air carriers for FY2017/

CY2016, as applicable, is provided below:

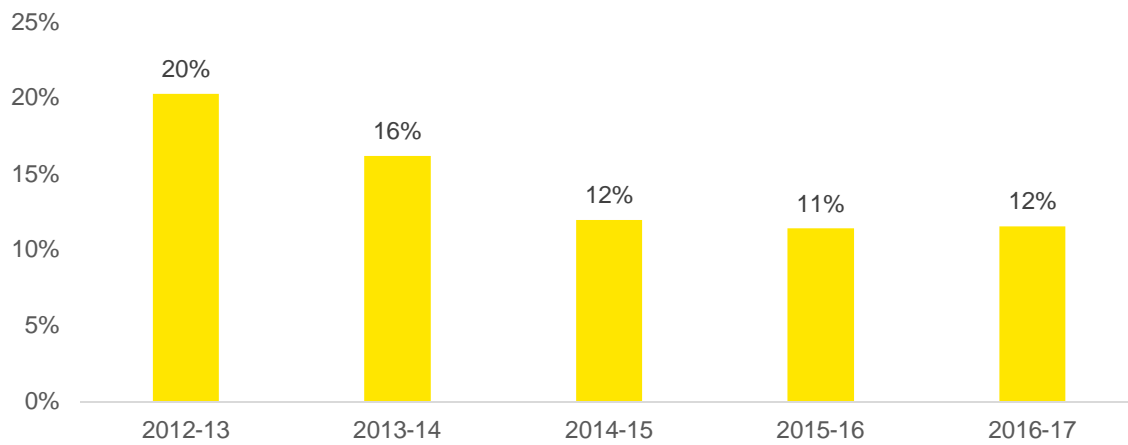
Figure 4: Employee Cost as a % of Revenue for various airlines for FY2017/ CY2016



Source: Annual Reports, EY Estimates

A comparison of the employee cost as % of revenue for the last 5 years is provided below:

Figure 5: Employee Expenses % of Total Revenue of Air India for FY2013-17



Note: Employee Cost of Air India is based on the FY17 financials. However, certain employees currently on deputation with other companies may return to Air India thereby impacting employee cost.

3.10 Assets

3.10.1 Fixed Assets

As on date, AI is in physical possession and use of various land and buildings that are presently owned by AI or against payment of rent to the land owner/lessor/licensor. Out of these lands, subject to the requisite approval/ no-objection certificates from the land owner(s)/ lessor(s)/licensor(s) and other third parties, after disinvestment, AI will continue to possess and will have the right to use the following land and buildings (with distinct and demarcated ingress and egress rights), for a period of two (2) years or more from the consummation 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.

Table 16: Land and Buildings for continued operations of Air India

S. NO.	LOCATION	LAND AREA (Square Meters)	BUILT UP AREA (Square Meters)
MUMBAI AIRPORT			
1.	LMD Hangar, Mumbai	11,285	15,621
2.	Air India Complex, Old Airport, Santa Cruz(East), Mumbai (where Operations, Finance, MMD, Space Control, Personnel and Other Departments are housed)	34,125	35,859
DELHI AIRPORT			
1.	Hangar No. 4, Terminal 1, Delhi	2,242.82	2,242.82
2.	Building Complex ,GSD Terminal 2	39,347.00	16,146.00
TOTAL		86,999.82 (21.50 Acres)	69,868.82

CORPORATE OFFICE
Airlines House, Gurudwara Rakabganj Road, New Delhi (ownership would be transferred to Air India Asset Holding Ltd. as part of disinvestment process)

AI will continue to possess and will have the right of use of fixed assets identified as core to Air India operations by MOCA (i.e. 21.5 Acres land and buildings thereon mentioned above) for a period of two years or more. All other land and buildings owned, leased, licensed or possessed by AI, including (ownership of) Airline House, constitute part of non-core assets and shall not form part of the Proposed Transaction. However, AI will have the right of use of the corporate office in New Delhi (Airlines House) for a period of two years or more. AI's right to use the aforementioned properties is subject to the requisite approval/ no-objection certificates from the land owner(s)/ lessor(s)/licensor(s) and other third parties, and will be on such terms as may be specified.

AI is in the process of commencing the necessary formalities, as per extant regulations, for the purpose of transferring the non-core assets as described above, to Air India Asset Holding Ltd.

3.10.2 Other Assets

AI is in possession of various articles of arts and artefacts. These are not a part of the Proposed Transaction.

3.11 Slots, Bilateral Flying Rights and Code Share Arrangements, Brand

i. Domestic Slots (Arrival and Departures) available with Air India:

Table 17: List of Domestic Slots per week available with AI as of 31st December 2017

Region	Destinations	Slots Available
Northern Region	Agra, Amritsar, Bhopal, Chandigarh, Delhi, Jaipur, Jammu, Jodhpur, Khajuraho, Leh, Lucknow, Raipur, Srinagar, Udaipur, Varanasi, Indore	1,374
Eastern Region	Agartala, Aizawl, Bagdogra, Bhubaneswar, Dibrugarh, Dimapur, Gaya, Guwahati, Imphal, Kolkata, Patna, Port Blair, Ranchi, Silchar	672
Western Region	Ahmedabad, Jamnagar, Mumbai, Nagpur, Pune, Rajkot, Surat, Vadodara, Goa, Aurangabad, Nanded	870
Southern Region	Bengaluru, Chennai, Coimbatore, Hyderabad, Kochi, Kozhikode, Madurai, Hubli, Mangalore, Thiruvananthapuram, Tirupati, Vijayawada, Visakhapatnam	823
Total		3,739

ii. International Slots (Arrival and Departures) available with Air India:

Table 18: List of International Slots per week available with AI as of 31st December 2017

Region	Destinations	Slots Available
USA and Canada	Chicago, Newark, New York, San Francisco, Los Angeles* and Washington, Canada, Monteria	72
UK	London and Birmingham	70
Europe	Paris, Copenhagen, Madrid, Milan, Rome, Stockholm, Vienna, Moscow and Frankfurt	72
South East Asia	Bangkok and Singapore	112
Far East Asia	Hong Kong, Melbourne, Sydney, Osaka, Seoul, Shanghai and Tokyo	74
Gulf and Middle East	Abu Dhabi, Dammam, Dubai, Jeddah, Bahrain, Kuwait, Muscat, Riyadh, Tel Aviv* and Sharjah	280
SAARC	Colombo, Dhaka, Kabul, Kathmandu, Male and Yangon	124
India	Ahmedabad, Amritsar, Bengaluru, Bhubaneswar, Chandigarh, Chennai, Delhi, Gaya, Goa, Hyderabad, Kochi, Kolkata, Kozhikode, Lucknow, Mumbai, Thiruvananthapuram, Varanasi, Visakhapatnam	1,739
Total		2,543

*services being considered to be started shortly

iii. Bilateral Rights (As per the Winter 2017-18 Schedule, Ministry of Civil Aviation)

Table 19: List of Bilateral Rights of all Indian Carriers on routes operated by AI/ AIXL

Region	Country	Indian Entitlements Seats/wk.e.d*
NORTH AMERICA	USA	Unlimited
	Canada	14,000
	Region Total	24,404
ASIA	China	16,800
	Hong Kong	20,920
	Japan	16,800
	Singapore	29,400
	Thailand	26,354
	Rep. Of Korea	7,600
	Australia	6,825
	Others	81,581
	Region Total	206,280
EUROPE	UK	22,400
	Austria	6,874
	France	18,060
	Germany	28,368
	Spain	8,400
	Italy	9,600
	Netherland	11,200
	Denmark**	8,400
	Others	53,700
	Region Total	167,002
GULF and MIDDLE EAST	Bahrain	16,600
	UAE - AUH/AAN	51,000
	UAE - SHJ	18,198
	UAE-(RKT)	1,428
	Oman	27,405
	Qatar	24,777.8
	Kuwait	12,240
	Saudi Arabia***	20,000
	UAE (Dubai)	66,504
	Others	39,830
	Region Total	277,982.8
REGIONALS	Bangladesh	24,400
	Nepal	30,000
	Sri Lanka	44,800
	Pakistan	11,200
	Afghanistan	5,600
	Bhutan	Unlimited
	Myanmar	11,200
	Maldives	8,400
	Region Total	135,600
Grand Total		970,388.8

**Seats/wk.e.d. – Seats per week in each direction*

***The Scandinavian countries viz Denmark, Norway and Sweden have joint entitlement*

****Bilateral rights with Dammam not included since these come under "Open Sky" policy of Saudi Arabia*

IBs may note that under India's bilateral agreements with the respective ASEAN countries (except Philippines) and SAARC countries (except Pakistan and Afghanistan), the designated airlines of India and the respective ASEAN/SAARC country have unlimited capacity entitlements between the 18 tourist destinations in India.

Details of current share of AI and AIXL in total bilateral rights mentioned above shall be provided at RFP stage.

iv. Code Share Agreements

Air India has entered into code-share agreements with the following 19 airlines:

Table 20: Broad List of AI Code share agreements

Star Carriers
1. Lufthansa
2. Austrian Airlines
3. Swiss
4. Adria Airways
5. Croatia Airlines
6. Brussels Airlines
7. Turkish Airlines
8. Ethiopian Airlines
9. Egypt Air
10. Asiana Airlines
11. Singapore Airlines
12. Eva Air
13. Air Canada
Non- Star Carriers
1. Air Astana
2. Air Austral
3. Air Mauritius
4. FlyBe
5. Hong Kong Airlines
6. Air India Express

v. Frequent Flyer Programme – Flying Returns

Air India operates a Frequent Flyer programme that provides travel awards to its members based on accumulated mileage points. Members of Flying Returns earn Flying Returns Points (“FR Points”) on flying with Air India or any of the 27 Star Alliance partners. The FR Points can be utilized and redeemed for self (or gifted after undertaking 5 flights), to either fly on an award ticket or upgrade a paid ticket, on both Air India and Star Alliance. As on 15th January 2018, total size of Flying Returns membership is around 2.26 Mn.

Details of Frequent Flyer Programmer shall be provided at the RFP stage.

vi. Brand Details

“Air India” enjoys enormous goodwill and reputation worldwide and in India. The brand comprising of, inter alia, the Maharaja logo, Fly-Well Air India logo, Flying Swan-Air India logo and Sun logo, are all registered trademarks in India.

The trade mark application for “Air India” in logo form is presently accepted and advertised in the Trademarks Journal and will be registered in due course.

3.12 Safety and Quality Control

AI follows the safety and quality control policies and procedures as per the applicable regulations and standards mandated by AI's board and management.

QUALITY MANAGEMENT SYSTEM (QMS)

ISO Certification of QMS Department

ISO Certification for AI's Quality Management System (QMS) Department was obtained through the Bureau of Indian Standards (BIS) in 2014 (for three years). The Bureau of Indian Standards (BIS) conducted the ISO License Renewal Audit on 4th and 5th December 2017 and QMS has cleared the audit with "NIL" non-conformities. QMS ISO IS/ISO 9001:2008 license ceases to exist on 14th September 2018 and the current certificate issued to QMS is valid from 9th December 2017 to 14th September 2018. There shall be a note on the certificate saying that in case QMS changeover to IS/ISO 9001:2015 by 31st August 2015, a fresh certificate shall be issued for the balance period of validity up to 8th December, 2020 (3 years from 9th December 2017). QMS will be changing over from IS/ISO 9001:2008 to IS/ISO 9001:2015.

IATA Operational Safety Audit (IOSA)

AI is one of the first few airlines in the world and first in India to clear IOSA. AI was also the first Airline in the world to voluntarily get audited for E-IOSA (Enhanced IOSA) with new standards effective 1st September 2013, although it got mandatory from 2015 onwards.

IATA Operational Safety Audit (IOSA) audit: IOSA is an internationally recognised and accepted evaluation system designed to assess the operational management and control systems of an airline, and represents the highest safety benchmark in the Industry. IOSA covers all areas of the airline including Organisation and Management, Flight Operations, Training, Flight Dispatch, Cabin Operations, Engineering, Ground Handling (Airport & Ramp), Cargo, Security, QMS (Quality Assurance) as well as Flight Safety and SMS (Safety Management System). This is mandatory for the IATA membership and Star Alliance membership.

Corporate Quality Management System (QMS) conducts continuous internal audits/assessments for 2 years of all operational areas and helps these areas to take suitable corrective actions for closing internal findings and observations. Corporate QMS also helps the Nodal Officers of these areas to prepare their Manuals in line with the IOSA requirements. These internal audit reports and assessments and manuals were reviewed and checked during the IOSA renewal audit by the IATA Auditors.

The last IOSA renewal audit of Air India Limited was conducted by M/s. Aviation Quality Services (AQS) (the IATA accredited Agency from Germany) from 21st to 25th August 2017. AI cleared the IOSA renewal audit with NIL findings and the IOSA Registry has been renewed till 16th January, 2020.

Documentation Management System (DMS)

A centralized Corporate Document Management System provides creation, version management, search, retrieval and dissemination of documents over a browser to all authorised personnel based on individual rights, across all Departments and all three AOP Holders and Strategic Business Units. It effectively complies with IOSA, DGCA, ISAGO, Star Alliance standards, Government requirements as well as organization requirements.

QMS ensures that all the soft copies of the Manuals are reviewed, approved, uploaded and distributed through DMS. During 2016 – 2017, IATA Operational Safety Audit (IOSA) of Air India Express Limited (AIXL), EU TCO (European Union-Third Country Operators), IATA Safety Audit for Ground Operations (ISAGO), International Organisation for Standardisation (ISO) and DGCA Regulatory Audit were conducted, and Document Management System was cleared without any finding.

For each Air India Department, Air India Express Limited, Alliance Air, Air India Engineering Services Limited and Air India Air Transport Service Limited, uploading of Circulars and Contracts in DMS has been initiated by various departments. Maximum employees of Air India have been provided with DMS Staff Access ID's (File Server ID's) to view public domain documents, manuals and circulars resulting in saving expenditure on printing.

Environment Management System (EMS)

AI is the first airline in India to establish an Environment Management System (EMS). AI has been taking up Environment Initiatives since the year 2007. The Airline setup its first Green Initiatives Steering Committee in the year 2009. The Corporate EMS of Air India started with a vision to make Air India recognized as an Energy efficient, competitive and environmentally sustainable International Airline.

AI has a Corporate Environment Management Team responsible for Environment Management functions like regulatory compliance with DGCA, ICAO, EU TCO (European Union- Third Country Operators), Pollution Control Board regulations, Fuel Efficiency, Energy Conservation measures, Waste Management, Environment Certifications like IEnvA from IATA, ISO 14001:2015, ISO 14064:2006 - Carbon Footprint Reporting, Carbon Offsetting, Environment Awareness and promotion activities across all three Air Operators Certificates (AOCs) Air India Limited, Air India Express Limited, Alliance Air and subsidiaries like AIESL, AIATSL etc.

AI has been audited by EU Accredited Verifier for Emissions data for Intra-European flights since last 3 years and the audit has been successfully cleared. Air India complies with all EU Emissions Regulations.

AI has been recognized for its efforts in environment protection, and quality management and has been awarded with the following prestigious awards:-

- Ø Montreal Protocol Public Awareness Award 2007 from UNEP
- Ø Golden Peacock Award 2007 for Leadership in Corporate Innovation for The Protection of Environment
- Ø National Energy Conservation Awards for the year 2009, 2011 and 2013
- Ø JSW - Times of India Earth Care Awards in 2011
- Ø IQS International Quality Summit Award in the Gold Category to Quality Management System for the year 2012
- Ø Century International Quality ERA Award (CQE) in the Platinum category to Quality Management System for the year 2013
- Ø National Quality Excellence Award for Safety and Environmental Sustainability for the year 2015
- Ø National Environmental Health and Safety Award for Outstanding contribution for Carbon emissions reduction for the year 2015
- Ø National Environment Health and Safety Congress Awards for Best Environment, Health & Safety Company of the year 2017.

3.13 Key Financials

Notes: In this section, detailed financials are being provided for reference only. However, IBs are encouraged to refer to the detailed financial statements for Air India Limited and its subsidiaries, from the website of AI.

The financials are expected to change as certain assets and liabilities are being carved out to a separate SPV.

3.13.1 Profit and Loss Statement

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

Table 21: Profit and Loss Statement for AI for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenue	160,278	183,710	198,017	202,108	218,596
Other Income	443	11,098	8,115	3,995	3,181
Total Revenue	160,721	194,807	206,132	206,103	221,777
Y-o-Y increase	-	21%	6%	0%	8%
Fuel Expenses	83,630	94,407	84,491	58,454	63,376
Employee Expenses	32,547	31,522	24,666	23,455	25,578
Employee Expenses % of Total Revenue	20%	16%	12%	11%	12%
Other Operating Expenses	43,551	56,323	69,809	72,704	79,792
Other Operating Expense % of Total Revenue	27%	29%	34%	35%	36%
Other Expenses	13,078	13,431	10,761	10,159	13,804
Total Expenses	172,806	195,683	189,728	164,772	182,550
EBITDAR (Excluding Other Income)	-12,528	-11,973	8,289	37,336	36,046
EBITDAR Margin (%) (Excluding Other Revenue)	-8%	-7%	4%	18%	16%
EBITDAR (Including Other Income)	-12,085	-875	16,403	41,331	39,227
EBITDAR Margin (%) (Including Other Income)	-8%	0%	8%	20%	18%
Aircraft Lease Rentals	5,322	6,980	10,983	11,738	18,267
EBITDA (Excluding Other Income)	-17,850	-18,953	-2,694	25,598	17,779
EBITDA Margin (%) (excluding Other Income)	-11%	-10%	-1%	13%	8%
EBITDA (Including Other Income)	-17,407	-7,855	5,421	29,593	20,960
EBITDA Margin (%) (Including Other Income)	-11%	-4%	3%	14%	9%
Depreciation	17,004	18,956	19,207	18,678	16,095
EBIT	-34,411	-26,811	-13,787	10,915	4,865

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Financial Costs	38,690	40,713	40,283	44,740	42,359
Other Expenses	2,393	2,903	3,732	4,294	2,602
Prior Period Adjustments (Net)	825	-1,033	729	-609	-3,898
Profit/ Loss before Exceptional and Extraordinary Items and Tax	-76,318	-69,394	-58,530	-37,510	-36,198
Exceptional Items	11,199	465	-528	-	-12,982
Extra Ordinary Items (Net)	10,218	6,134	459	-858	-8,472
PBT	-54,901	-62,796	-58,599	-38,368	-57,652
<i>PBT Margin</i>	<i>-34%</i>	<i>-32%</i>	<i>-28%</i>	<i>-19%</i>	<i>-26%</i>
Taxes	-	-	-	-	-
PAT	-54,901	-62,796	-58,599	-38,368	-57,652
<i>PAT Margin</i>	<i>-34%</i>	<i>-32%</i>	<i>-28%</i>	<i>-19%</i>	<i>-26%</i>

3.13.2 Balance Sheet

A brief summary of the Balance Sheet is provided below:

Table 22: Balance Sheet for AI for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Liabilities					
Shareholder's Funds					
Share Capital	93,450	143,450	171,780	214,960	267,530
Surplus in P&L	-253,427	-319,916	-373,857	-412,270	-468,047
Share Application Money Pending Allotment	-	10,000	39,470	29,290	1,372
Sub Total	-159,977	-166,466	-162,607	-168,020	-199,145
Non-Current Liabilities					
Long-Term Borrowings	381,675	363,538	351,451	358,064	335,498
Other Long Term Liabilities	578	503	653	667	586
Long-Term Provisions	15,104	14,590	11,464	11,394	11,672
Sub Total	397,358	378,630	363,569	370,124	347,757
Current Liabilities and Provisions					
Short-term Borrowings	91,605	120,055	144,169	145,509	125,714
Trade Payables	65,556	64,837	69,123	80,093	93,177
Current Maturities of Long Term Debt	2,201	1,270	2,705	8,210	6,727
Other Current Liabilities	70,823	75,023	62,109	68,517	82,846
Short Term Provisions	2,170	2,695	2,574	2,081	2,077
Sub Total	232,355	263,879	280,679	304,410	310,541
Total Liabilities	469,736	476,044	481,641	506,515	459,152
Assets					
Non-Current Assets					
Net Asset block	343,962	328,955	332,549	283,299	294,964
Intangible Assets	1,936	1,617	1,751	1,223	628
Capital Work in progress	3,770	3,699	12,636	6,734	2,321
Intangible Assets under development	19	14	14	14	14
Total Non-Current Assets	349,687	334,284	346,949	291,270	297,926
Non-Current Investments	1,343	1,343	11,893	16,718	16,718
Deferred Tax Assets (net)	28,425	28,425	28,425	28,425	28,425
Long Term Loans and Advances	35,062	48,292	41,364	43,603	52,019
Long Term Trade Receivables	55	19	22	47	62
Other Non-Current Assets	6	22	11	37	100
Sub-Total	64,891	78,102	81,715	88,830	97,323
Current Assets, Loans and Advances					
Inventories	17,573	20,916	12,255	15,011	12,767
Trade Receivables	20,211	20,663	20,890	19,030	18,572
Cash and Bank Balance	5,161	6,566	6,231	8,055	7,351

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Short Term Loans and Advances	2,917	4,274	4,801	6,719	10,826
Other Current Assets	9,295	11,239	8,800	77,600	14,386
Sub Total	55,158	63,658	52,977	126,415	63,903
Total Assets	469,736	476,044	481,641	506,515	459,152

3.13.3 Debt Summary

A brief summary of the outstanding debt position as of 31st March 2017 is provided below:

Table 23: Debt Summary AI for 31st March 2017

Facility	Outstanding Amount (INR Mn)	Security
NCDs	1,36,000	GOI guarantee
Finance Lease	74,457	Part of facility secured by GOI guarantee and assets and part of facility secured by aircraft
Loans for aircraft (commercial and bridge) and engines and Pre-Delivery Payment Loans	37,142	Facility mix secured by either GOI guarantee or aircraft or assignment of contract
FRP Term Loans	1,21,354	Secured by 25 Aircraft and 12 immoveable assets and pari-passu charge on current assets
Short Term/Working Capital Loans	1,15,520	Facilities secured by a combination comprising of one or a mix of following securities : <ul style="list-style-type: none"> • GOI guarantee • 25 Aircraft and 12 immoveable assets • Letter of Comfort from GOI • Cash flows TRA, 3 Aircraft • Fixed Deposit
Bill Discounting Facility	3,340	No tangible security. With recourse to PSU OMCs through tripartite agreement.
Total	4,87,813	

Additionally, aircraft lease rentals for 21 B-787-8 (SLB) aircraft have been guaranteed by the GOI.

3.13.4 Advances given to subsidiaries

Table 24: Details of Advances given to subsidiaries as of 31st March 2017

Name of the company	Outstanding Amount (INR Mn)	Interest Accrued	Total
Air India Express Limited	5,676.3	791.5	6,467.8
Air India Engineering Services Limited	5,811.0	-	5,811.0
Hotel Corporation of India Limited	1,603.2	121.4	1,724.6
Airline Allied Services Limited	12,515.2	1364.1	13,879.3
Total	25,605.7	2,277.0	27,882.7

3.13.5 Contingent Liabilities

- A. As per the FY2017 financial statements, some of the claims against AI not acknowledged as debt (excluding interest and penalty, wherever applicable) and being contested to the extent ascertainable and quantifiable, are as provided below:

Table 25: Contingent Liabilities of AI as of 31st March 2017

Sr. No	Description	Amount Outstanding (INR Mn)	
		As on 31.03.2017	As on 31.03.2016
1	Claims on account of denied boarding, loss of passenger baggage, mishandled baggage, delayed flight, cancellation of flights, damaged consignments and late receipt of cargo etc.	359.3	341.9
2	Income Tax Demand Notices received by AI which are under Appeal	423.0	1,168.3
3	Customs Duty and Service Tax demanded by the Tax Authorities*	7,357.5	6,944.1
4	Property Taxes/House Tax demanded by the Municipal Authorities	117.2	140.0
5	Claims of Airport Operators**	6,140.7	5,298.0
6	Other Claims on account of:-		
	a) Staff/Civil/Arbitration/Labour Cases pending in Courts	1,700.9	1,245.5
	b) Claim for Vasant Vihar Colony	-	3,736.0
7	Government Guarantee Fee***		
	a) Difference between Applicable Rate and the rate of 0.5% at which Guarantee Fee has been provided	3,594.4	1,526.7
	b) Additional Guarantee Fee	10,656.0	8,014.9
8	Estimated Claims of employees towards rationalization of pay structure to be made in line with Justice Dharamadhikari Committee Report	Nil	Amount Unascertained
	Total	30,349.0	28,415.4

*Customs Duty and Service Tax demanded by the Tax Authorities: This includes the following demands-

- Service Tax demand related to intra-company transactions, foreign based repair/maintenance, foreign based CRS companies
- Demands from Custom Authorities related to Inland Air Travel Tax (IATT)
- Demands related to Customs Duty on ATF

** Claims of Airport Operators:

- i) As per the MOU between AI and AAI dated 28 August 2013, AAI has raised a demand of INR 760 Mn towards interest on delayed payments for the year 2012-13 but the same has

not been accepted by AI. The same has been disclosed as contingent liability. AI has not received any further demand/claim for interest on delayed payments from AAI and the same will be contested as and when received.

- ii) Further, in the case of airport operators other than AAI, claims of INR 4,929.2 Mn for interest on delayed payments has also not been accepted and pending determination of actual liability. The amounts demanded by the parties have been shown as Contingent Liability.

***Government Guarantee Fee: AI has provided for Guarantee Fee @ 0.5% on all aircraft loans and working capital loans guaranteed by the Government. AI has taken up the issue for waiver of Guarantee Fees over and above 0.5% in respect of working capital and External Commercial Borrowings loans with the Ministry of Civil Aviation/Finance. Accordingly, the Guarantee Fee over and above 0.5% amounting to INR 3,594.4 Mn (Previous Year: INR 1,526.7 Mn) for which waiver has been requested has been disclosed as Contingent Liability. Further, the additional liability on account of the delayed payments of Guarantee fee amounting to INR 10,656.0 Mn (Previous Year: INR 8,014.9 Mn) has also been shown as Contingent Liability. AI has taken up the issue of reduction/ waiver of Guarantee Fee and the waiver of Penal charges with the Ministry of Civil Aviation which is still under process.

- B. Within contingent liabilities, the Income Tax, Customs duty, Service Tax (due to GOI), Guarantee Fee/Penal charges due to GOI, will continue to remain with AI with the Government commitment to make it good/indemnify in case the liabilities are confirmed against AI.
- C. Corporate Guarantees/ Letters of Comfort given by AI on behalf of its wholly owned subsidiaries:

Table 26: Corporate Guarantees provided by AI as of 31st March 2017

Particulars (INR Mn)	2016-17	2015-16
Air India Express Ltd.	7,397.8	4,195.6
Airline Allied Services Ltd.	2,805.3	2,462.2

Additional details on the above and contingent liabilities shall be provided in the RFP.

3.13.6 Non-current Investments (these investments to the extent not needed for the business of the Companies may be hived-off to the SPV. Further details shall be provided in the RFP)

Table 27: Non-current investments of AI as of 31st March 2017

Particulars	Amount (INR Mn)
INVESTMENT IN SUBSIDIARIES (UNQUOTED EQUITY INSTRUMENTS (AT COST))	
11,060,000 Equity Shares of INR 100 each fully paid up in Hotel Corporation of India Limited	1,106.0
78,000,000 Equity Shares of INR 100 each fully paid up in Air India Express Limited	7,800.0
138,424,200 Equity Shares of INR 10 each fully paid up in Air-India Air Transport Services Limited	1,384.2
166,666,500 Equity Shares of INR 10 each fully paid up in Air-India Engineering Services Limited.	1,666.7
40,225,000 Equity Shares (225,000 Equity Shares) of INR 100/- each fully paid up in Airlines Allied Services Ltd.	4,022.5
TOTAL INVESTMENT IN SUBSIDIARIES	15,979.4
TRADE INVESTMENTS (UNQUOTED INSTRUMENTS (AT COST))	
271,933 Equity Shares of EUR 5.00 each fully paid up in SITA (Societe Internationale de Telecommunications Aeronautiques). (18 Shares allotted during the year)	13.9
618,460 Depository Certificates of SITA Information Network Computing N.V.	28.8
1,280 class B Shares of BHT 100 each fully paid up in Aeronautical Radio of Thailand Ltd. (373 Shares redeemed during the year)	0.2
2,617,098 Equity Shares of MAR 10 each fully paid up in Air Mauritius Ltd.	9.5
2,301,244 Equity Shares of MAR 10 each fully paid up in Air Mauritius Holding Ltd.	16.7
6% Debenture Bonds of Banco De Roma face value EUR 15.49 guaranteed by the Government of Italy (Deposited with Civil Aviation Department, Italy). * (INR 3,057.69).	*0.0
12,500,000 Equity Shares of INR 10 each fully paid up in Cochin International Airport Limited (12,500,000 Equity Shares of INR 10 issued and subscribed at a premium of INR 40 per share)	225.0
50 Equity Shares of EUR 152.45 each fully paid up in Association Sportive Du Golf Isabella	0.4
40,424,975 Equity Shares of INR 10 each fully paid up in Air India SATS Airport Services Private Ltd. (40,424,975 Equity Shares of INR 10 each issued at a premium of INR 0.79 per share)	436.2
TOTAL TRADE INVESTMENTS	730.7
QUOTED (AT COST)	
375,407 Equity Shares of EUR 0.48 each fully paid up in France Telecom (Market Value INR 378.9 Mn, Equivalent to EUR 5.5 Mn). (Previous Year: INR 435.7 Mn, Equivalent to EUR 5.8 Mn)	7.6
TOTAL	16,717.7

AIR INDIA EXPRESS

4. AIR INDIA EXPRESS - COMPANY DETAILS

4.1 Registration Details

Table 28: Company Registration Details of AIXL

Particulars	Details
Name	Air India Express Ltd. (Formerly known as Air India Charters Limited)
Constitution	Government Company (wholly owned subsidiary of AI)
Date of Incorporation	9 September 1971
Registered Office	21 Floor, Air India Building, Nariman Point, Mumbai - 400021
CIN Number	U62100MH1971GOI015328

4.2 Capital Structure

Air India Express Limited is 100% owned by Air India Limited.

Table 29: Capital Structure of AIXL as on 31st December 2017

Particulars	No. of Equity Shares	Share Capital (INR Mn)
Authorized Share Capital	100,000,000	10,000
Issued, Subscribed and Paid-up Share Capital	78,000,000	7,800

* Face value of each Equity Share is INR 100

4.3 Board of Directors

The board of directors of Air India Express Limited as on 31st December 2017 comprises the following members:

Table 30: Board of Directors of Air India Express

S. No.	Name and Designation	DIN
1.	Mr. Pradeep Singh Kharola - Chairman and MD, AI	05347746
2.	Mr. Angshumali Rastogi, Director - Finance, Ministry of Civil Aviation.	06658332
3.	Dr. Shefali Juneja, Director, Ministry of Civil Aviation*	06474542
4.	Mr. Vinod Hejmadi, Director-Finance, AI	07346490

*Ms. Shefali Juneja has been appointed on 1st January 2018

4.4 Key Management Personnel

Brief details of the Key Management Personnel of AIXL are as given below:

Table 31: Key Management Personnel of AIXL as on 31st December 2017

S. No.	Name	Designation	Qualification	Years of Experience
1	Mr. K Shyam Sundar	Chief Executive Officer	B.Com, MBA-Marketing	34 Years
2	Capt. Pushpinder Singh	Chief Operating Officer	B.Sc, ALTP	28 Years
3	Ms. Aditi Khandekar	Company Secretary	B.Com, LLB, ACS	27 Years
4	Capt. Rajkumar	Chief of Operations	B.Sc, ALTP	29 years
5	Mr. Anil Kumar Jain	Chief of Engineering	B.Tech	39 Years
6	Mr. Yogesh Mundhwa	Chief of Commercial	B.Sc	33 Years
7	Mr. M Manoharan	Chief Financial Officer	M.Com, MBA, FICWA, CMA	31 Years
8	Mr. T Vijayakrishnan	Chief of HR	B.Com, PG.DPM, MBA-HR	29 Years
9	Capt. V Kulkarni	Chief of Flight Safety	B.Sc, ALTP	44 Years
10	Capt. D R Gupta	Chief of Training	M.Sc, ALTP	13 Years
11	Mr. P G Prageesh	Chief of Corporate Communication	BA in English Language and Literature, Masters in Journalism and Communications	12 Years
12	Mr. Aby George	Chief of Airport services	DHMCT, MLM	26 Years

4.5 Fleet Size

AIXL had a fleet of 23 aircraft as on 31st March 2017 comprising the following:

Table 32: Fleet size of AIXL as on 31st March 2017

S. No.	Category	Numbers	Seating Capacity	Owned/ Leased	Average Age (yrs.)
1.	B737-800	17	186	Financial Lease	9.2
2.	B737-800 NG	6	189	Operating Lease	0.7

There is no change in the fleet position as on 31st December 2017.

Additionally, 2 B737-800 NG leased aircraft are on order and expected to be delivered by September and October, 2018.

4.6 Network

AIXL operates flights to 13 international destinations and 16 Indian cities.

The destinations included in the network are provided in the table below.

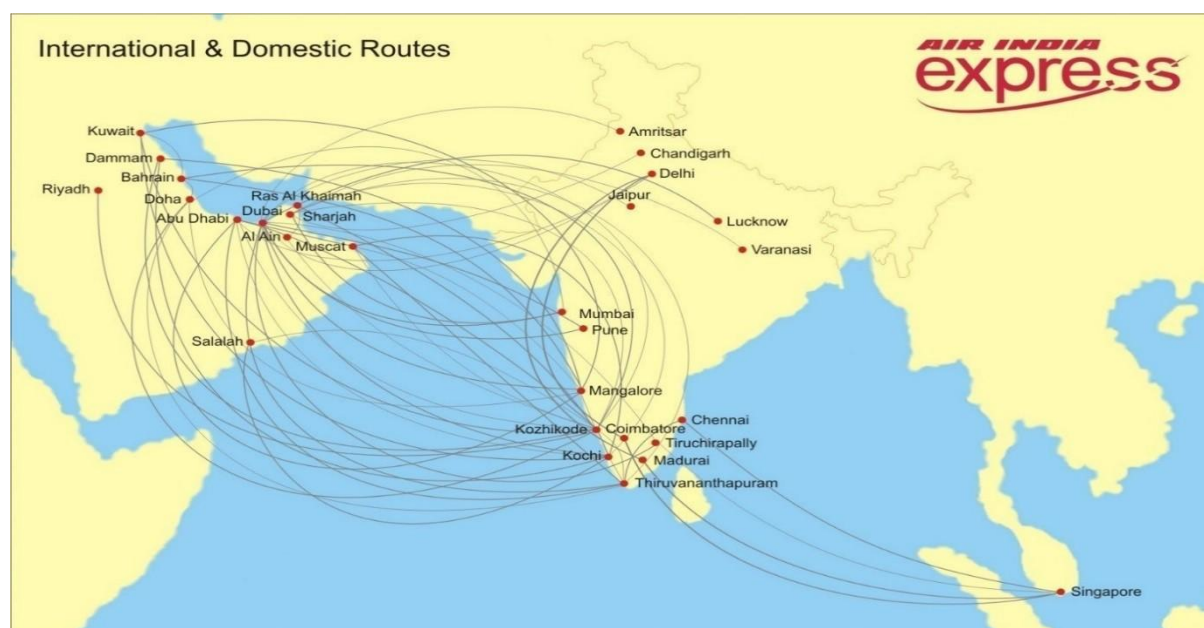
Table 33: International Points of Call for Air India Express

Country	Destinations	Departures per week*	% of Flights
United Arab Emirates	Dubai, Abu Dhabi, Sharjah, Al Ain, Ras al-Khaimah	159	29.6
Oman	Muscat, Salalah	26	4.8
Qatar	Doha	18	3.4
Kuwait	Kuwait City	8	1.5
Saudi Arabia	Dammam, Riyadh	13	2.4
Bahrain	Manama	10	1.9
Singapore	Singapore	21	3.9
India	Amritsar, Mumbai, Kozhikode, Coimbatore, Kochi, Delhi, Chandigarh, Mangalore, Madurai, Jaipur, Lucknow, Chennai, Pune, Thiruvananthapuram, Tiruchirappalli, Varanasi	282	52.5
Total		537	100

*Note: The domestic leg of a multi-city international flight has been considered as an international departure for the purpose of the calculation

Table 34: Domestic Points of Call for Air India Express

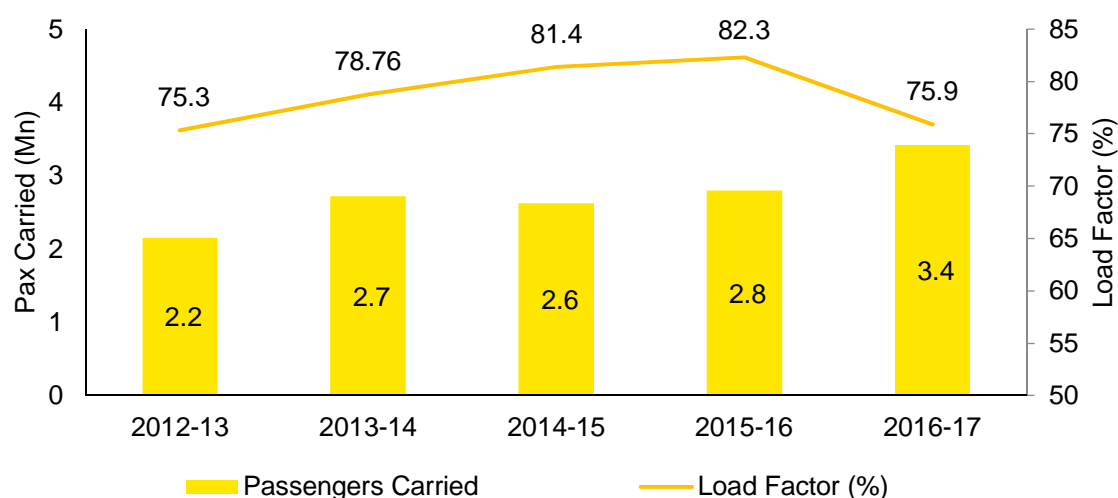
Destinations	Departures per week	% of Flights
Coimbatore	3	16.7
Delhi	7	38.9
Madurai	4	22.2
Chennai	2	11.1
Trivandrum	2	11.1
Total	18	100



4.7 Operations

The operating performance of AIXL is provided below:

Figure 6: Operating Performance of AIXL for the last 5 years



Select operating parameters of Air India Express Limited are provided below:

Table 35: Year-wise Operating Parameter for AIXL

S. No.	Indicator	FY2013	FY2014	FY2015	FY2016	FY2017
1.	Fleet Size (No.) (As on 31 st Mar)	21	18	17	18	23
2.	Number of Departures ¹⁷	19,089	21,191	20,246	20,033	26,006
3.	ASKM ¹⁸ (Mn)	6,916	8,122	8,161	8,730	11,574
4.	RPKM ¹⁹ (Mn)	5,208	6,396	6,639	7,189	8,786
5.	Daily Aircraft Utilization on Total Fleet (Hours)	9.4	10.5	10.8	11.3	12.2
6.	RASK ²⁰ (INR)	2.6	2.9	3.2	3.3	2.9
7.	CASK ²¹ (INR)	3.1	3.3	3.3	3.0	2.6
8.	CASK – Ex Fuel (INR)	1.9	2.0	2.1	2.2	1.9
9.	Yield ²² (INR)	3.4	3.7	3.9	4.0	3.7

Source: Annual Reports, DGCA

¹⁷ Departures reflect the total scheduled and non-scheduled domestic and international services of AIXL

¹⁸ ASKMs reflect the total Scheduled domestic and international services of Air India Express Limited

¹⁹ RPKMs reflect the total scheduled domestic and international services of Air India Express Limited

²⁰ Excludes other income

²¹ Includes total expenses except exceptional and extraordinary items

²² Calculated as Passenger revenue/ Scheduled RPKM. Passenger revenue includes revenue from excess baggage

4.8 Employee Strength

The total permanent employees of Air India Express Limited as on 1st December 2017 were 96. Additionally, AIXL also employed contract employees, casual employees etc., as per the details mentioned below:

Table 36: Break-up of Air India Express Employees as of 1st December 2017

	Permanent Employees	Contract Employees	On Deputation Employees	Others
Air India Express	96	1,033*	68^	82**

*Including 32 employees on deputation to AI and 1 employee on deputation to AIESL

^66 employees from AI (52 Pilots and 14 others) and 2 from AIATSL

**Includes 19 expat pilots hired from an outside agency, 1 employee on deputation from NTPC, 27 temporary staff and 35 engineering employees hired from other outside agencies

The general contract period for the contract employees is around 5 years. In general, contracts are renewed after successful completion of the term of around 5 years. The temporary contract is generally done for a maximum period of around 6 months.

Table 37: Indicative Position-wise Employee details of AIXL as of 1st December 2017

Staff Strength	Air India Express Rolls		On deputation to AI/ AIESL	External Agencies*		Temporary*	Total
	Permanent	FTC		On Contract	NTPC		
CEO	-	1	-	-	-	-	1
Cockpit Crew	74	152	-	19	-	-	245
Cabin Crew	-	621	-	-	-	-	621
Engineering	-	63	1	-	-	1	65
Operations	-	48	-	-	-	10	58
Flight Safety	-	6	-	-	-	3	9
Training	-	18	-	-	-	1	19
Finance	-	29	19	-	-	9	57
HR	-	13	-	-	-	-	13
Commercial and Airport Services	-	48	-	-	-	1	49
Security	22	-	-	-	-	-	22
Corp. Communication	-	-	-	-	1	-	1
Material Management	-	1	-	-	-	2	3
Analyst Revenue Management	-	-	13	-	-	-	13
Total	96	1,000	33	19	1	27	1,176

*it does not 35 employees hired from other outside agencies.

Approx. 15.6% of the permanent employees of Air India Express Limited will be retiring in the next 5 years. Below is an indicative break-up of the same:

Table 38: Indicative list of number of Permanent Employees of AIXL Retiring in next 5 years

	Upto March 31, 2019	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL
Permanent Employees Retiring	5	2	1	3	4	15

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 Air India Express Limited employees:

Table 39: List of select benefits provided to AIXL employees

Benefits	Permanent	Contract	Retired Permanent/ Contract
Passage entitlements ²³	ü	ü	NA
Provident fund ²⁴	ü	ü	NA
Gratuity ²⁵	ü	ü	NA
Medical facilities ²⁶	ü	ü	NA
Encashment of Privilege Leave ²⁷	ü	ü	NA

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

An actuarial valuation is being undertaken so as to estimate the current accrued liability as well as the unfunded portion, if any. The results of such actuarial valuation shall be provided in the RFP.

²³ **Passage entitlement policy** of Air India Express, provides the employees and their families the benefits of free/ subsidized travel on Air India and Air India Express flights. Applicable for employees who have completed one year of service.

²⁴ **Provident fund** - during the service employee contributes 10% of his pay plus dearness allowance and an equal amount is contributed by the employer

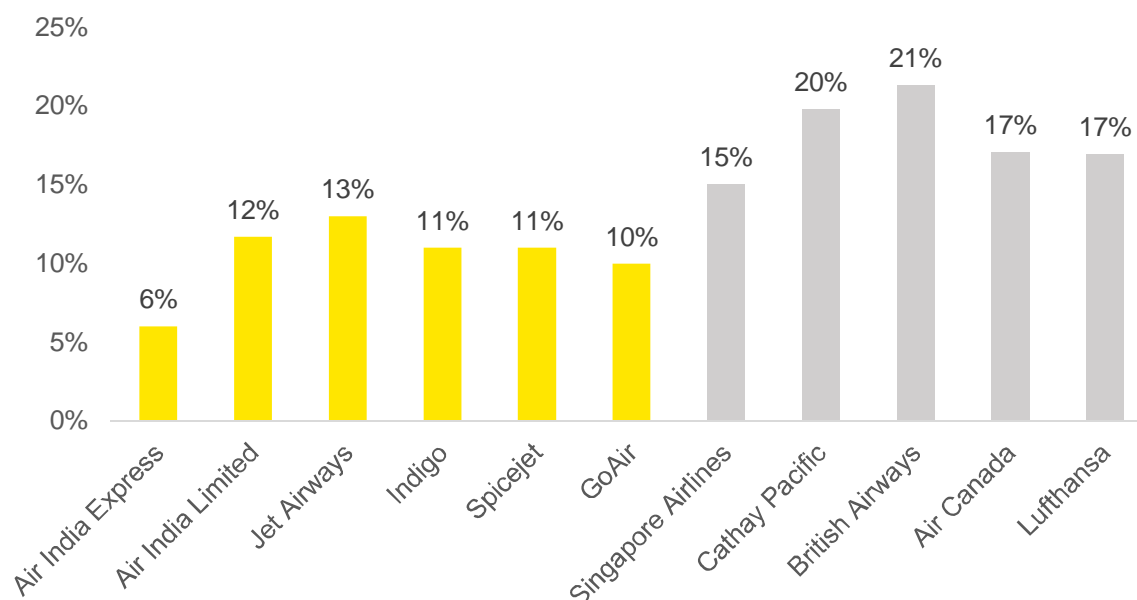
²⁵ **Gratuity** – employee is eligible for Gratuity on completion of 5 years of service or more

²⁶ **Medical Facilities** – Group Medical/ Health Insurance scheme provided to employees and family

²⁷ **Privilege Leave** – Subject to a maximum of 84 days and subject to approval

A comparison of the combined employee cost of AI and AIXL as a percentage of total revenues and comparison thereof with other Indian and international air carriers for FY2017/ CY2016, as applicable, is provided below:

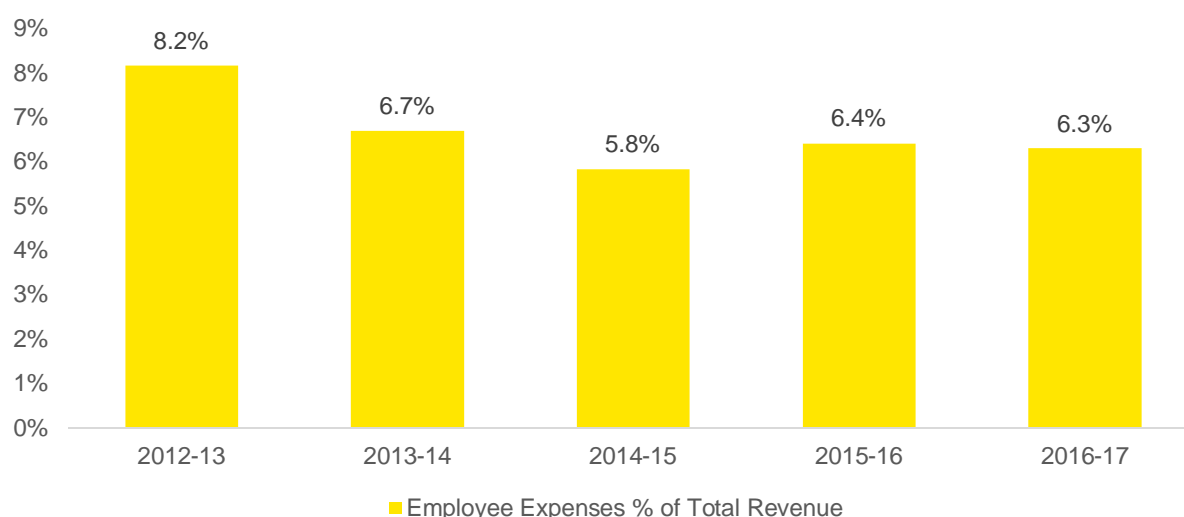
Figure 7: Employee Cost as a % of Revenue for various airlines for FY2017/ CY2016



Source: Annual Reports, EY Estimates

A comparison of the employee cost as % revenue for the last 5 years is provided below:

Figure 8: Employee Expenses % of Total Revenue of Air India Express for FY2013-17



Note: Employee Cost of Air India Express Limited is based on the FY2017 financials. However, certain employees currently on deputation with other companies may return to Air India Express Limited thereby impacting employee cost. Further details shall be provided in RFP.

4.9 Real Estate Assets

As on date, there is no land owned by AIXL.

4.10 Slots and Code Share Agreements

i. Slots

Table 40: List of Slots (Arrival and Departures) utilized per week by AIXL

Region	Country	Slots
Gulf		
United Arab Emirates	Dubai	80
	Abu Dhabi	32
	Sharjah	43
	Al Ain	2
	Ras al-Khaimah	2
Oman	Muscat	24
	Salalah	2
Qatar	Doha	18
Kuwait	Kuwait City	8
Saudi Arabia	Dammam	7
	Riyadh	6
Bahrain	Manama	10
Singapore		
Singapore	Singapore	21
India		
	Amritsar	7
	Mumbai	18
	Kozhikode	83
	Coimbatore	6
	Kochi	41
	Delhi	21
	Chandigarh	3
	Mangalore	29
	Madurai	8
	Jaipur	4
	Lucknow	7
	Chennai	9
	Pune	3
	Thiruvananthapuram	33
	Tiruchirappalli	21
	Varanasi	7
Total		555

ii. Code share agreements

Air India Express Limited has a code share agreement with Air India Limited.

4.11 Safety and Quality Control

AIXL follows the safety and quality control policies/ procedures as per DGCA CAR Section 1 Series C and Section 5 Series F Part I which also conforms to the requirement of ICAO and standards mandated by AIXL's board and management.

Air India Express Limited follows the requirements stipulated in CAR- Section 5 Series 'F' Part I, CAR-Section 8, Series 'A' Part II, CAR Section 1 Series C Part I and other relevant CARs / Circulars issued by DGCA and guidelines issued by ICAO. AIXL has an Emergency Response Plan in the extremely unlikely event of an accident to its aircraft. As per appendix 'B' of the CAR Section-5, Series F, Part-I, Rev 2, Air India Express has developed a Flight Safety Document Management.

AIXL has implemented the Safety Management Systems (SMS) in accordance with DGCA Civil Aviation Regulation (CAR) Section 1 Series 'C' Part 1 and ICAO Annex 19. The CAR Section 1 Series 'C' Part 1 specifies the minimum acceptable requirements for a safety management system, starting with a safety policy and senior management commitment. To be effective, these components must be integrated into a coherent management system and not exist as independent safety programmes.

AIXL has an independent Continuing Airworthiness Management Organisation (CAMO) setup under the functions described in CAR M Subpart G issued by DGCA. The CAM Exposure specifies the procedures and practices, observance of which will ensure compliance of statutory as well as Continuing Airworthiness requirements of the DGCA, manufacturer of the aircraft and aircraft components.

AIXL actively pursues improving quality through quality programmers. The quality management audits are outsourced to Corporate Quality Management System of AI.

IATA Operational Safety Audit (IOSA)

IOSA Initial audit of AIXL, was coordinated with IATA and M/s Qual - Audit (Auditing Agency). AI Corporate QMS coordinated along with nominated AIXL officials the conduct of Quality and Safety Audits for all operational areas as per the IOSA requirement for continuous improvement. The IOSA initial audit of AIXL was conducted from 5th to 9th December 2016. The IOSA Registry awarded to AIXL is valid till 9th December 2018. The IOSA renewal audit for AIXL has been planned in the month of August 2018.

4.12 Key Financials

Notes: In this section, detailed financials are being provided for reference only. However, IBs are encouraged to refer to the detailed financial statements for Air India Limited and its subsidiaries, from the website of AI.

4.12.1 Profit and Loss Statement

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

Table 41: Profit and Loss Statement for AIXL for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenue	17,828	23,643	26,219	29,164	33,299
Other Income	2	2	1	336	256
Total Revenue	17,829	23,645	26,220	29,500	33,555
Y-o-Y increase	-	32.6%	10.9%	28.5%	13.8%
Fuel Expenses	8,801	10,521	9,461	6,759	8,425
Employee Expenses	1,456	1,583	1,529	1,890	2,115
Employee Expenses % of Total Revenue	8.2%	6.7%	5.8%	6.4%	6.3%
Other Operating Expenses	5,285	7,107	8,180	9,926	10,872
Other Operating Expense % of Total Revenue	29.6%	30.1%	31.2%	33.7%	32.4%
Other Expenses	578	545	957	912	1,622
Total Expenses	16,119	19,757	20,128	19,487	23,033
EBITDAR (Excluding Other Income)	1,708	3,887	6,091	9,677	10,266
EBITDAR Margin (%) (Excluding Other Revenue)	9.6%	16.4%	23.2%	33.2%	30.8%
EBITDAR (Including Other Income)	1,710	3,889	6,092	10,013	10,522
EBITDAR Margin (%) (Including Other Income)	9.6%	16.5%	23.2%	33.9%	31.4%
Aircraft Lease Rentals	780	859	208	3	1,807
EBITDA (Excluding Other Income)	928	3,028	5,883	9,674	8,459
EBITDA Margin (%)	5.2%	12.8%	22.4%	33.2%	25.4%
EBITDA (Including Other Income)	930	3,030	5,885	10,010	8,715
EBITDA Margin (%) (Including Other Income)	5.2%	12.8%	22.4%	33.9%	26.0%
Depreciation	2,136	2,280	2,335	2,407	2,939
EBIT	-1,206	750	3,550	7,602	5,776
Financial Costs	2,560	4,156	3,964	3,279	2,938

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Other Expenses	39	-73	232	563	55
Prior Period Adjustments (Net)	37	120	-36	143	-184
Profit/ Loss before Exceptional and Extraordinary Items and Tax	-3,842	-3,453	-610	3,617	2,967
Exceptional Items	330	-	-	-	-
Extra Ordinary Items (Net)	-	-	-	-	-
PBT	-3,512	-3,453	-610	3,617	2,967
<i>PBT Margin</i>	<i>-19.7%</i>	<i>-14.6%</i>	<i>-2.3%</i>	<i>12.3%</i>	<i>8.8%</i>
Taxes	-	-	-	-	-
PAT	-3,512	-3,453	-610	3,617	2,967
<i>PAT Margin</i>	<i>-19.7%</i>	<i>-14.6%</i>	<i>-2.3%</i>	<i>12.3%</i>	<i>8.8%</i>

4.12.2 Balance Sheet

A brief summary of the Balance Sheet is provided below:

Table 42: Balance Sheet for AIXL for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Liabilities					
Share Capital	300	300	7,800	7,800	7,800
Surplus in P&L	-20,231	-23,705	-24,337	-20,741	-17,794
Share Application Money Pending Allotment	-	-	-	-	-
Sub Total	-19,931	-23,405	-16,537	-12,941	-9,994
Long-Term Borrowings	21,644	20,390	17,725	12,324	8,254
Long-Term Provisions	62	99	129	56	73
Sub Total	21,706	20,488	17,855	12,380	8,327
Short-term Borrowings	10,586	10,578	10,021	10,433	13,900
Trade Payables	6,186	5,701	8,809	9,174	10,755
Current Maturities of finance lease obligations	2,728	3,135	3,404	3,757	3,829
Other Current Liabilities	17,788	21,980	15,100	15,561	11,170
Short Term Provisions	2	5	5	6	10
Sub Total	37,290	41,399	37,339	38,931	39,662
Total Liabilities	39,065	38,482	38,657	38,370	37,995
Non-Current Assets					
Net Asset block	34,136	34,148	32,633	31,778	30,348
Intangible Assets	9	9	8	1	1
Total Non-Current Assets	34,145	34,157	32,641	31,779	30,349
Long Term Loans and Advances	314	335	363	341	287
Sub-Total	314	335	363	341	287
Inventories	849	1,516	1,877	1,708	2,081
Trade Receivables	414	352	634	581	624
Cash and Bank Balance	144	803	894	951	1,566
Short Term Loans and Advances	3,199	1,318	2,238	3,008	3,084
Other Current Assets	-	-	9	2	4
Sub Total	4,606	3,990	5,652	6,250	7,359
Total Assets	39,065	38,482	38,657	38,370	37,995

4.12.3 Debt Position

A brief summary of the outstanding debt position as of 31st March 2017 is provided below:

Table 43: Debt Summary AIXL for 31st March 2017

Facility	Outstanding Amount* (INR Mn)	Security
NCD	950	GOI Guarantee
Finance Lease Obligations	11,133	GOI Guarantee + Aircraft assets
Short Term Loans		Unsecured
Buyers Credit	3,243	
Overdraft	3,924	
Term Loan	6,733	
Total	25,983	

**Note: Loan from Air India Limited has not been included in the above figure.*

4.12.4 Contingent Liabilities

- A. As per the FY2017 financial statements, some of the claims against AIXL not acknowledged as debt (excluding interest and penalty, wherever applicable) and being contested to the extent ascertainable and quantifiable, are as provided below:

Table 44: Contingent Liabilities of AIXL as of 31st March 2017

Sr. No	Name of Statute	Amount Outstanding (INR Mn)		Nature of Dues	Forum where dispute is pending
		As on 31.03.2017	As on 31.03.2016		
1	Finance Act, 1994 (FY 2005-17)*	835.04	1,114.30	Service Tax	Commissioner Appeals
2	Finance Act, 1994 (FY 2014-16)	24.41	24.41	Service Tax	CESTAT
3	Customs Act, 1962 (FY 2014-16)	17.18	17.18	Customs Duty	Commissioner of Customs, Cochin
4	Income Tax Act, 1961 (FY 2009-17)	3.27	4.52	Income Tax	Income Tax Department
5	Various court cases (FY 2014-17)	31.33	31.21	Various	Various courts

*Service Tax: Demands related to Supply of Tangible Goods (INR 725.98 Mn), ECB Maintenance and Repair (INR 107.08 Mn), Computer Reservation System (INR 1.54 Mn) and User Development Fees (UDF) / Passenger Service Charges (PSF) (INR 0.44 Mn)

- B. Letter of Credits issued by Bank of Baroda for Exim Tranche II loan outstanding as on 31.03.2017 amount to INR 778.20 Mn (Previous Year: INR 795.06 Mn)
- C. Foreign bank guarantee issued by State Bank of India towards outstanding balance of Tranche III loan – INR 583.65 Mn (Previous Year: INR 596.30 Mn)
- D. Pending reconciliation of account balances with various airport authorities, quantum of delayed payment charges payable, if any, has not been provided as the amount is not ascertainable.

Additional details on the above and balance contingent liabilities shall be provided in the RFP.

AIR INDIA SATS

5. AISATS - COMPANY DETAILS

5.1 Registration Details

Table 45: Company Registration Details for AISATS

Particulars	Details
Name	Air India SATS Airport Services Private Limited
Constitution	Company Limited by Shares / Indian Non-Government Company
Date of Incorporation	20/04/2010
Registered Office	Airlines House, 113, Gurudwara Rakabganj Road, New Delhi – 100 001
CIN Number	U74900DL2010PTC201763

AISATS is a 50:50 Joint Venture between Air India Limited and SATS Limited. Ground handling and cargo handling contracts have also been signed between Air India Limited and AISATS. The working agreements between Air India and AISATS are being formalized by service level agreements. The details of the agreements would be provided at the RFP stage.

5.2 Capital Structure

Table 46: Capital Structure and Shareholding Pattern of AISATS as on 31st December 2017

Particulars	No. of Equity Shares	Share Capital (INR Mn)
Authorized Share Capital	500,000,000	5,000
Issued, Subscribed and Paid-up Share Capital	80,849,950	808

* Face value of each Equity Share is INR 10

5.3 Board of Directors

Table 47: Board of Directors of AISATS as of 15th January 2018

S. No.	Name and Designation	DIN
1.	Mr. Pradeep Singh Kharola, Chairman and Managing Director, AI	05347746
2.	Mr. Vinod Hejmadi, Director	07346490
3.	Mr. S. S. Uberoi, Director	06951599
4.	Mr. Alexander Charles Hungate, DIRECTOR (PCEO, SATS)	06713861
5.	Mr. Yacoob Bin Ahmed Piperdi, Director	03292525
6.	Mr. Chew Teck Chye (Mike Chew), DIRECTOR (CEO, AISATS)	07323600

5.4 Key Management Personnel

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

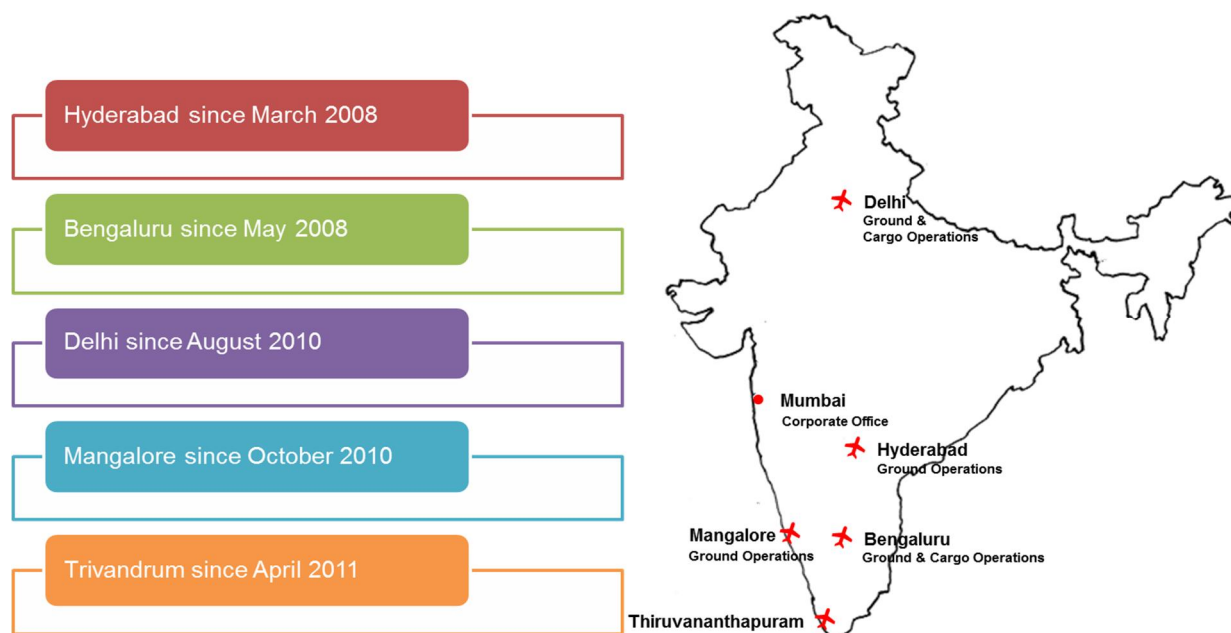
Table 48: Key Management Personnel of AISATS as on 31st December 2017

S. No.	Name	Designation	Qualification	Years of Experience
1.	Mr. Chew Teck Chye (Mike Chew)	Chief Executive Officer	Bachelor of Science (Hons.) from National University of Singapore Middle Management Certification, SIA, Management Development Centre	25
2.	Mr. Sanjay Gupta	Chief Financial Officer	Chartered Accountant (CA), B.com	20
3.	Mr. Valerian A. Ferreira	Head Human Resources and Administration	Post Graduate Diploma in Personnel Management and Industrial Relations from XLRI Jamshedpur, B.A.	43
4.	Mr. Hoa Kai Ee	Senior Vice President - Delhi and Mangalore	Bachelor of Business (Marketing)	15
5.	Mr. Yoga Narasimhan	Senior Vice President - Hyderabad	Post graduate in Commerce, Certified Management Accountant	30
6.	Ms. Sonal Dandekar	Company Secretary	Company Secretary (CS) LLB B.com	12

5.5 Operations

a. Presence

Figure 9: AISATS presence in India



b. Customers

Table 49: Key customers of AISATS

Top customers by revenue
Air India
Emirates
Jet Airways
Etihaad Airways PJSC
Tata SIA Airlines Limited
Singapore Airlines
Silk air
Malaysia Airlines
Saudi Arabian Airlines
Federal Express Corporation
Srilankan Airlines
Thai Airways
Airline Allied Services Limited
Asiana Airlines
Hong Kong Dragon Airlines Limited
All Nippon Airways Co Ltd
Kuwait Airways
Cathay Pacific Airways Ltd
Mahan Air
Air Mauritius Limited
Air Arabia



c. Select Operation Details

Data for year ending Mar,17 Airport Name	Services Provided	Total Handling Operations (Domestic and International)		
		No. of Flights handled	No. of Passengers handled	Cargo Tonnage handled
Bengaluru	General Cargo and Perishable Cargo (AISATS has concessions for both Cargo Terminals) and Ground Handling	15,097	1,950,223	146,745
Hyderabad	Ground Handling	13,856	1,766,211	
Mangalore	Ground Handling	1,919	528,950	
Trivandrum	Ground Handling and Cargo Handling (AISATS doesn't have the concession for Cargo terminal)	7,296	1,731,598	17,519
Delhi	Ground Handling and Supervision work for Air India cargo terminal, Automated Exterior Cleaning	54,126	15,686,622	108,910
Total		92,294	21,663,604	273,174

Table 50: Select Operation Details for AISATS

Source: AISATS, Annual Report 2016-17

d. Market share

AISATS has the dominant market share of the available international market across all the airports that it provides service at:

Table 51: Market Share for FY2017

	Bengaluru	Delhi	Hyderabad	Trivandrum	Mangalore
Market Share by Number of Airline Customers (International) – Including AI	55%	22%	50%	64%	100%
Market Share by Number of Airline Customers (International) – Excluding AI	53%	19%	48%	58%	100%
Market Share by Number of Flights (International) – Including AI	60%	58%	72%	76%	100%
Market Share by Number of Flights (International) – Excluding AI	58%	31%	65%	63%	100%

Source: AISATS, Annual Report 2016-17

5.6 Employee Strength

The total contract employees of AISATS as on 1st December 2017 were 11,813. The details of the employees of AISATS have been mentioned below:

Table 52: Break-up of AISATS as of 1st December 2017

	Permanent Employees	Contract Employees	On Deputation Employees	Others
AISATS	0	11,813	498*	241**

*From Air India Limited

**Outsourced staff (handyman and loaders at Bengaluru Cargo)

Table 53: Indicative position-wise Employee details of AISATS as of 1st December 2017

	Contract
<u>Executive (AVP and above)</u>	30
SVP and above	3
VP	10
AVP	17
<u>Officers (AM to Senior Manager)</u>	430
Senior Manager	30
Manager	63
Assistant Manager	337
<u>Workmen</u>	11,353
Total	11,813

Contracts of approx. 1.4% of the contract employees of AISATS will be expiring in the next 5 years. Below is an indicative break-up of the same:

Table 54: Indicative list of AISATS Contract Employees whose contracts are expiring in next 5 years

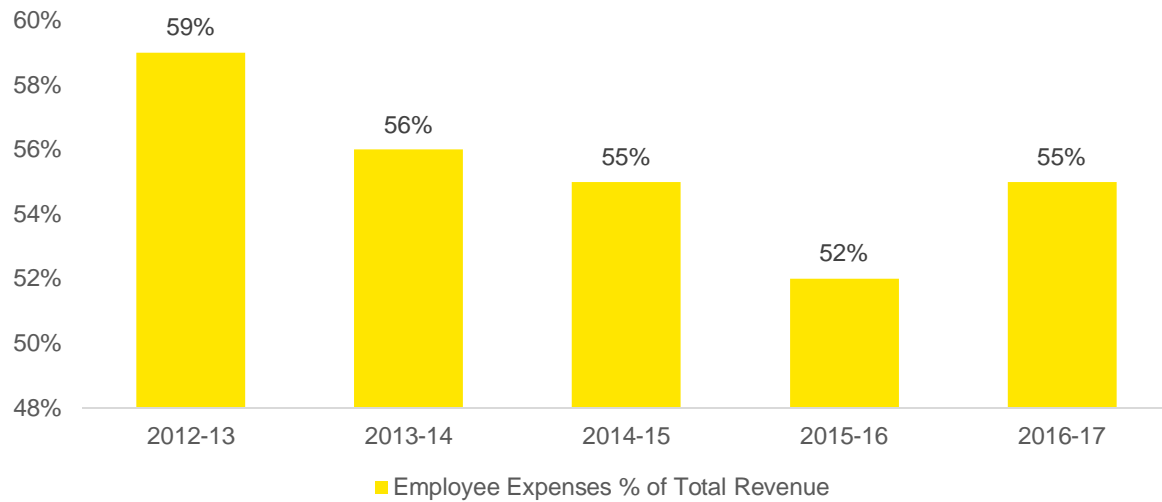
	Upto 31 st Mar, 2019	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL
Contract Employees Retiring	87	12	16	14	36	165

Employees in AISATS are provided with provident fund and gratuity as per the statutory requirements. Employees who are out of the purview of Employees' State Insurance Corporation are covered under medical insurance (Employee, spouse and up to two dependent children up to the age of 25 years are covered under the medical insurance policy with sum insured of INR 0.1 Mn (family floater) provided either the employee or the dependents are hospitalized for minimum period of 24 hours; Maternity is covered for first two children with separate sub-limits for normal and Caesarian delivery).

The details of the benefits shall be provided as a part of the RFP.

A comparison of the employee cost of AISATS as a percentage of revenues for the last 5 years is provided below:

Figure 10: Employee Expenses % of Total Revenue of AISATS for FY2013-17



5.7 Real Estate Assets

As on date, AISATS owns building situated on leasehold land

5.8 Safety and Quality Control

AISATS Safety and Security

i. Safety Management System (SMS)

- a. In order to implement Safety Management System and for continuous improvement of operational performance and operational safety, AISATS has developed a Safety Policy. AISATS has Safety Program which helps in creating safety awareness, setting safety performance standards and effective reporting of incidents and accidents

- b. Risk Assessment and its mitigation

All employees are encouraged to submit Voluntary Safety Hazard Reporting (VSHR) which help in raising alarms for potential safety deficiencies and necessary corrective action could be implemented. To foster this, AISATS has Non Punitive policy in place

Safety Assurance: AISATS SMS also outlines a Safety Assurance program whose purpose is to ensure that AISATS is complying with all the applicable safety regulations by continuously monitoring the implementation of the safety program and making necessary corrections wherever required

Additionally, as per SMS, it is mandatory to report all incidents / accidents

ii. AISATS Safety Awards

AISATS has also won following safety awards

- AISATS Hyderabad won best overall safety performance in ramp activities by Cathay Pacific
- AISATS Hyderabad was appreciated by GMR Hyderabad for their significant contribution in airport safety initiative
- AISATS Delhi won 1st position in All Nippon Airways quality awards which cover areas of ramp safety as well

iii. AISATS Certification

All the 5 stations of AISATS (Bengaluru, Delhi, Hyderabad, Trivandrum and Mangalore) are ISAGO and ISO 9001: 2008 certified.

AISATS Quality

AISATS is committed to deliver quality services to its customers and in turn to passengers. To fulfil this, AISATS has its own Quality Management System (QMS) designed in line with the guiding principles of ISAGO and ISO 9001: 2008.

In AISATS, quality team is in place which ensures that QMS system is developed, implemented and monitored. In addition, AISATS has a Quality Policy in place in line with the vision, mission and business objectives of the organisation.

5.9 Key Financials

Notes: In this section, detailed financials are being provided for reference only. However, IBs are encouraged to refer to the detailed financial statements for Air India Limited and its subsidiaries, from the website of AI.

5.9.1 Profit and Loss Statement

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

Table 55: Profit and Loss Statement for AISATS for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenue	4,197	4,618	4,960	5,575	6,088
Other Income	56	97	84	128	112
Total Revenue	4,253	4,715	5,044	5,703	6,201
Y-o-Y increase		11%	7%	13%	9%
Employee Expenses	2,489	2,659	2,763	2,950	3,422
Employee Expenses % of Total Revenue	59%	56%	55%	52%	55%
Other Expenses	1,218	1,336	1,377	1,656	1,678
Total Expenses	3,706	3,996	4,140	4,606	5,100
EBITDA (Excluding Other Income)	491	622	820	969	988
EBITDA Margin (%)	12%	13%	17%	17%	16%
EBITDA (Including Other Income)	546	720	903	1,097	1,100
EBITDA Margin (%) (Including Other Income)	13%	15%	18%	19%	18%
Depreciation	143	206	278	388	482
EBIT	404	513	625	708	618
Financial Costs	65	39	66	89	114
Prior Period Adjustments (Net)	8	-	-	-	-
PBT	330	474	560	619	505
PBT Margin	8%	10%	11%	11%	8%
Taxes	-10	52	23	72	-156
PAT	340	422	536	547	661
PAT Margin	8%	9%	11%	10%	11%

5.9.2 Balance Sheet

A brief summary of the Balance Sheet is provided below:

Table 56: Balance Sheet for AISATS for FY2013-17

Financial Year (INR Mn)	2012-13	2013-14	2014-15	2015-16	2016-17
Share Capital	808	808	808	808	808
Surplus in P&L	874	1,154	1,545	2,019	2,679
Sub Total	1,683	1,962	2,353	2,827	3,488
Long-Term Borrowings	0	0	0	184	284
Other Long Term Liabilities	33	44	52	52	104
Long-Term Provisions	24	34	48	53	85
Sub Total	56	79	100	288	473
Short-term Borrowings	157	649	902	1349	1420
Trade Payables	591	522	431	230	225
Current Maturities of Long Term Debt	0	0	0	63	260
Other Current Liabilities	136	135	277	526	455
Short Term Provisions	165	143	150	91	38
Sub Total	1,049	1,450	1,760	2,260	2,398
Total Liabilities	2,788	3,491	4,213	5,375	6,358
Net Asset block	756	1,029	1,450	1,833	2,285
Intangible Assets	2	1	1	14	12
Capital Work in progress	-	-	-	153	9
Total Non-Current Assets	757	1,030	1,451	1,999	2,307
Long Term Loans and Advances	333	505	735	881	1,036
Long Term Trade Receivables	16	19	39	65	324
Other Non-Current Assets	5	5	5	6	7
Sub-Total	353	528	778	952	1,367
Inventories	16	24	33	43	140
Trade Receivables	1,347	1,405	1,378	1,737	2,223
Cash and Bank Balance	287	451	481	528	256
Short Term Loans and Advances	28	53	92	65	58
Other Current Assets	0	0	0	50	8
Sub Total	1,677	1,932	1,984	2,423	2,685
Total Assets	2,788	3,491	4,213	5,375	6,358

5.9.3 Debt Position

A brief summary of the outstanding debt position as of 31st March 2017 is provided below:

Table 57: Debt Summary AISATS for 31st March 2017

Facility	Outstanding (INR Mn)	Security
Secured Term Loan	544	First pari-passu charge on equipment (ground support equipment and cool port equipment's) both present and future
Secured Loans repayable on demand		
Cash credit	248	
Overdraft	25	First pari-passu hypothecation charge on entire inventory, receivable and other current assets (present and future)
Working capital demand loan	500	First pari-passu hypothecation charge on entire current assets of AISATS including receivables and first pari-passu residual hypothecation charge on movable fixed assets of AISATS
Buyer's credit	646	
Total	1,963	

5.9.4 Contingent Liabilities

As per the FY2017 financial statements, some of the claims against AISATS not acknowledged as debt (excluding interest and penalty wherever applicable) and being contested to the extent ascertainable and quantifiable, are provided below:

Table 58: Contingent Liabilities of AISATS as of 31st March 2017

Contingent Liability (INR Mn)	2017	2016
Claims against AISATS not acknowledged as debt, AISATS has filed appeal against the same	297	191
Disputed demand in respect of Income tax	104	104

6. PROPOSED REALLOCATION OF DEBT AND LIABILITIES

The existing debt and liabilities of AI and AIXL as on 31st March, 2017 are being reallocated and it is expected that debt and liabilities, including net current liabilities of INR 88,160 Mn, aggregating to INR 3,33,920 Mn will remain with AI and AIXL (no change for AI-SATS except in normal course of business). This number shall be further adjusted to account for material business developments post 31st March, 2017 for instance purchases/delivery of aircrafts etc. The balance debt shall be allocated to Air India Asset Holding Limited which is 100% owned by the GOI subject to receipt of requisite approvals from lenders and regulators, as applicable.

It is clarified that contingent liabilities will remain with AI and AIXL. Within the contingent liabilities, the Income Tax, Customs duty, Service Tax (due to GOI), Guarantee Fee/Penal charges due to GOI, will continue to remain with AI with the Government commitment to make it good/indemnify in case the liabilities are confirmed against AI.

Details of this debt/liabilities reallocation shall be shared at RFP stage.

INDUSTRY OVERVIEW: AIRLINE SECTOR

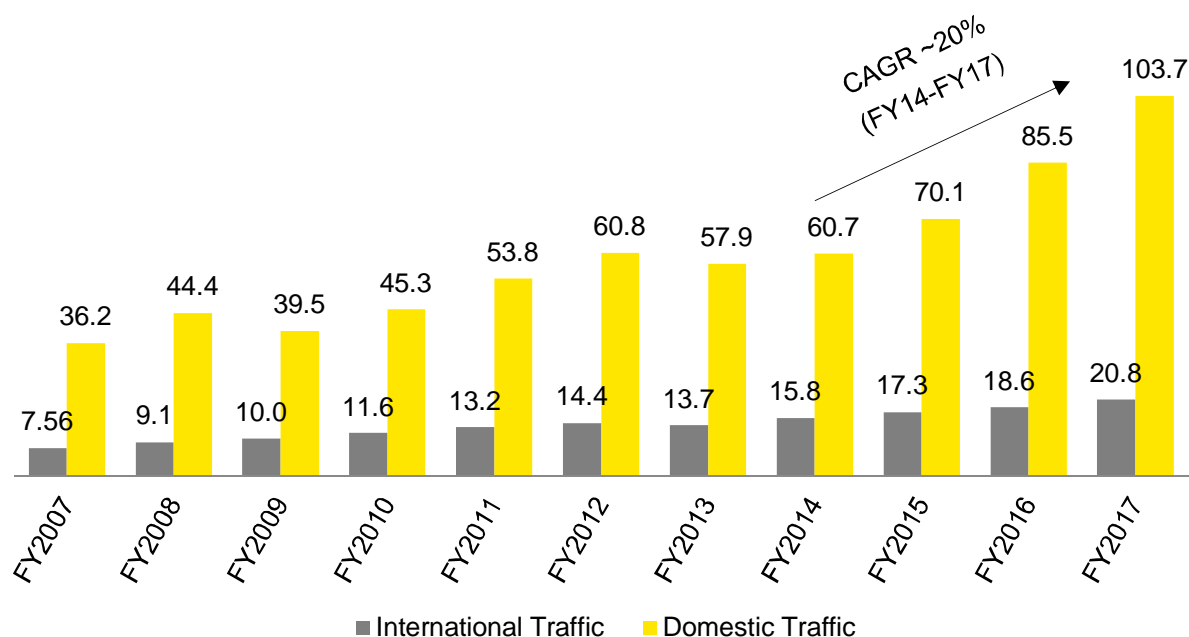
7. AIRLINE INDUSTRY OVERVIEW

7.1 Indian Air Travel Market

Overview of Indian Air Travel Market

- Ø India is the third largest air travel market in terms of domestic passenger traffic, behind the United States and China and ahead of Japan, according to CAPA²⁸.
- Ø Indian air travel market has been showing sustained growth:
 - Domestic Air Traffic increased **~2.9x** at CAGR of ~11% between FY2007 and FY2017. Growth rate has significantly accelerated in last three years with CAGR of ~20%
 - International traffic increased **~2.8x** at CAGR of ~11% between FY2007 and FY2017

Figure 11: Indian Domestic and International Traffic Growth from FY2007-17



Source: DGCA

²⁸ IndiGo Prospectus, 18th Sep, 2017

- Ø Very low air traffic penetration compared to other markets globally, offering a significant expansion potential going forward

Figure 12: Comparison of Air Traffic Penetration of various markets globally

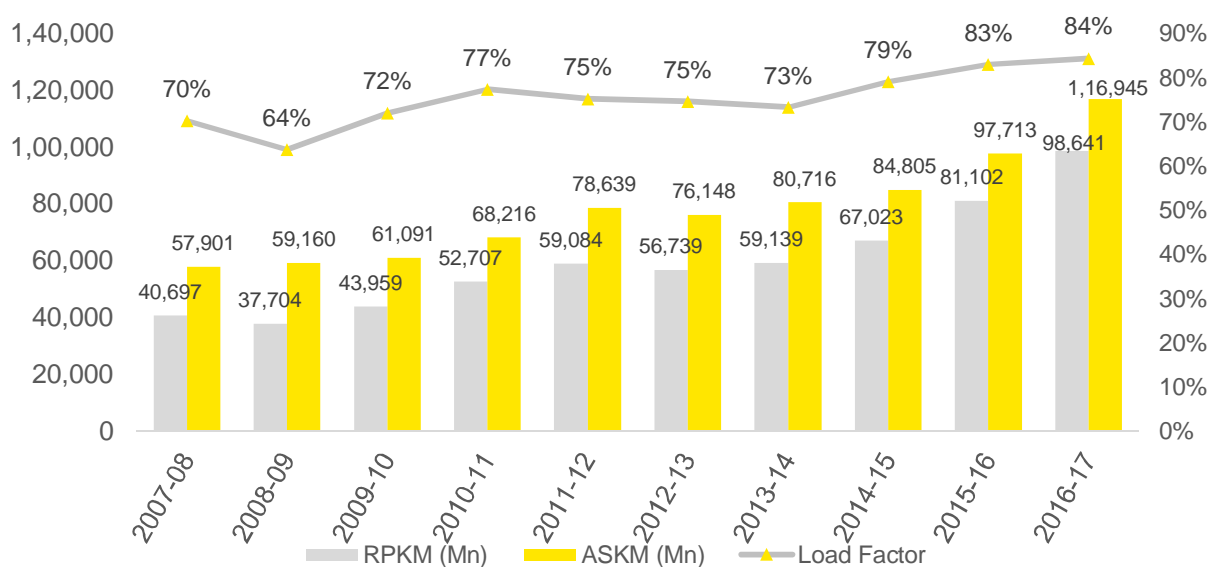


Source: IATA

Share of total global RPKs (Year ended May 2017)

- Ø Demand has outstripped growth in supply leading to high load factors for industry as a whole. Load factors have seen almost a 14 percentage point growth in last 9 years.

Figure 13: Growth in ASKMs, RPKMs and Load Factor for Indian Air Travel Market from FY08-17



Source: DGCA

7.2 Air Travel Growth Drivers

The following are expected to be the key drivers of air travel growth in India in future:

- **Economic Growth**

India is expected to be one of the fastest growing major economies in the world over the next four years, with real GDP expected to grow at a CAGR of 8% between 2018 and 2022, according to Economic Intelligence Unit.

- **Growth in Middle Class/ Working population**

The IMF projects that India's population will grow at a CAGR of 1.3% to reach 1.34 Bn by the end of 2019.

- India's middle-class growth is predicted to accelerate. From 2027, India's population is set to overtake China's and the middle class may overtake that of the United States, Europe and China. India could witness a dramatic expansion of its middle class, from 5-10% of its population in 2010 to 90% in 30 years²⁹.
- Working population (aged between 15 and 64 years) is estimated to increase from 780 Mn in 2011 to 900 Mn by 2030, almost three times the US population³⁰.

- **Growth in Tourism**

Travel and tourism sector's contribution is expected to rise to around 10% (USD 424.5 Bn) of GDP by 2027. The industry is forecasted to grow at a CAGR of 6.7% to USD 424.5 Bn in 2027 from USD 208.9 Bn in 2016³¹. Emergence of business hubs like Mumbai (Finance), Bengaluru (IT), Chennai (IT), Delhi (Manufacturing, IT), is likely to boost business travel as well.

- **Low Aircraft Penetration Rates**

India's penetration of 0.10 annual domestic seats per capita is low relative to other developing markets such as Vietnam, China, Indonesia, Thailand and Malaysia, where penetration rates are between 0.39 and 1.04 annual seats per capita according to CAPA³². With economic growth, it is expected that India's air penetration rate will increase substantially in the next few years.

- **Expansion in Airport Infrastructure**

The government has proposed to invest ~ USD 6 Bn³³ in the next 5 years for development of airport infrastructure.

- Government plans to increase the number of operational airports to

²⁹ OECD Development Centre Working Paper No.285

³⁰ IBEF reports

³¹ IBEF Tourism and Hospitality Sector Report, December 2017

³² IndiGo Prospectus, 18th September 2017

³³ IBEF Report – December 2017 [<https://www.ibef.org/download/Airports-December-20161.pdf>]

around 250 by the year 2030 from around 130 airports currently

- The Airports Authority of India (AAI) plans to revive and operationalize around 50 airports in India over the next 10 years to improve regional and remote air connectivity.

· **Policy Support:**

- FDI is allowed for scheduled air transport service, regional air transport service and domestic scheduled passenger airlines as per the FDI Policy

IB's are advised to obtain own advice on the FDI and other regulations applicable to the aviation sector.

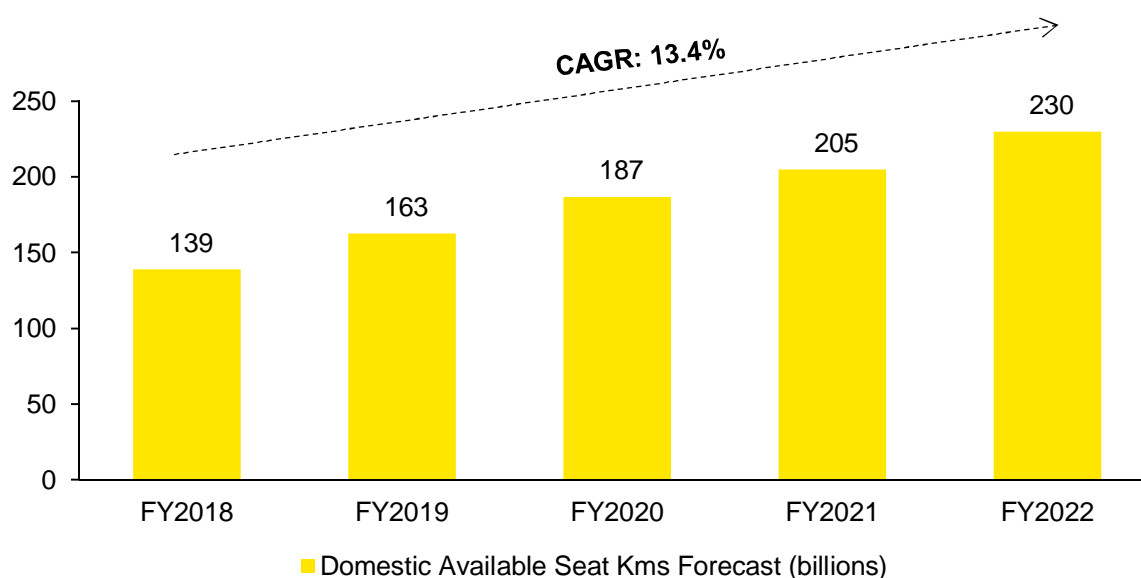
7.3 Demand and Supply Projections

Going forward, the Indian air travel market is expected to enter a period of accelerated growth.

CAPA Projections

Between FY2018 and FY2022, domestic ASKMs are forecast to grow at a CAGR of 13.4%, while domestic passengers carried are forecast to grow at a CAGR of 9.4%, according to CAPA.

Figure 14: Forecasted ASKMs of Indian Scheduled Domestic Carriers (In Bn)



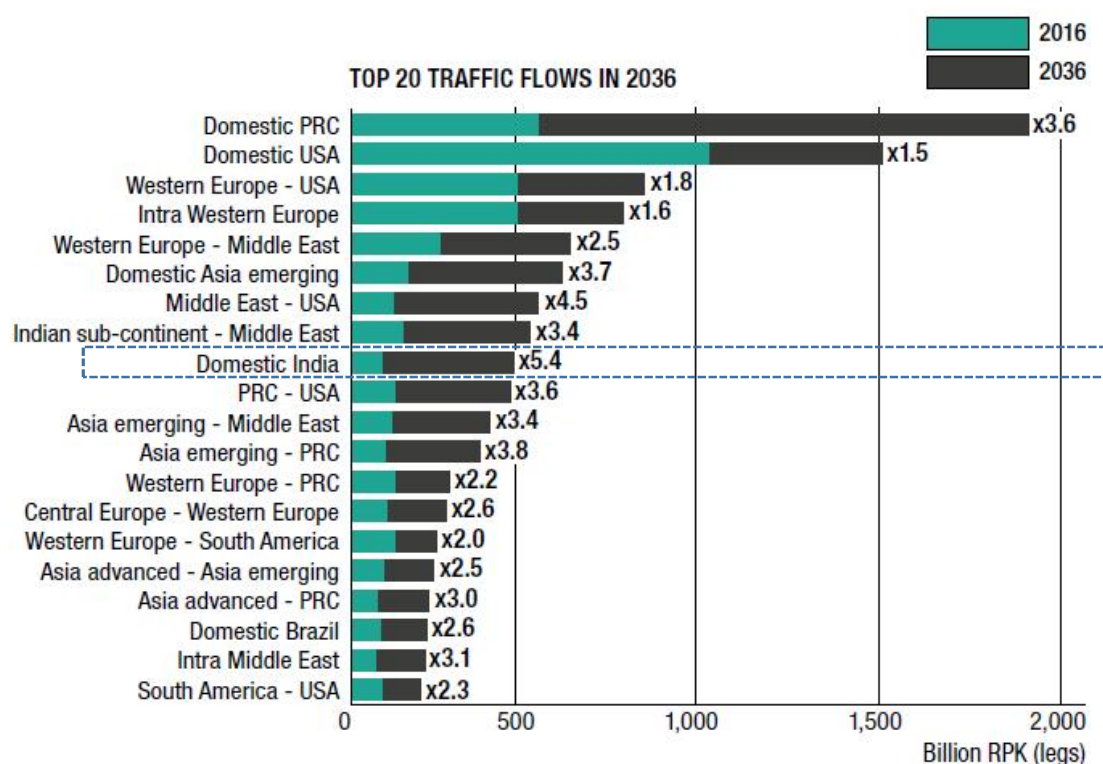
Source: IndiGo Prospectus, 18th September 2017

Airbus Projections

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

By origin and destination passenger flows, India's domestic air travel market is forecast to grow 5.4 times from 2016 to 2036, the highest growth rate among the expected 20 largest markets globally in 2036.

Figure 15: Forecasted growth for 2016-36 for the expected 20 largest markets in 2036



Source: Airbus Global Market Forecast 2017

Boeing Projections

As per the Boeing's Market Outlook, South Asia is projected to continue its strong passenger growth rate in the next 20 years at an average of about 8 percent per year. India-domiciled airlines generate 80% of the total ASKMs for the region.

Boeing forecasts a demand for 2,100 new aircraft in India, valued at \$290 Bn, over the next 20 years. Given the current fleet strength, the CAGR for the period 2017-36 is expected to be 8.7%.

7.4 Competitive Landscape

Table 59: Key players in Indian Air Travel Market

Carriers	Fleet Size ^	Pax FY2017 (Mn)	Total Cities Served	Domestic Market Share** (%)	Domestic Cities Served	International Market Share*** (%)	International Cities served
Air India*	138	23.0	97	12.3	54	42.8	43
IndiGo	140	43.5	54	40.1	38	9.3	7
Jet Airways#	111	27.1	65	18.1	45	38.5	20
SpiceJet	55	14.9	53	14.0	42	8.2	11
GoAir	25	29.3	23	8.1	23	-	-
Vistara	16	2.9	21	3.7	21	-	-
AirAsia (India)	13	2.7	19	4.0	19	-	-

Source: DGCA, Company Website, EY Estimates

*Figures reflect the combined operations of Air India and Air India Express

**Market share calculated for the carriers for Q3 CY2017

***Market share calculated only for Indian carriers with international operations for Q3 CY2017

^Fleet size for carriers (other than Air India) as of September 2017, DGCA. Air India details are as of 31st December 2017

#Figures reflect the combined operations of Jet Airways and JetLite

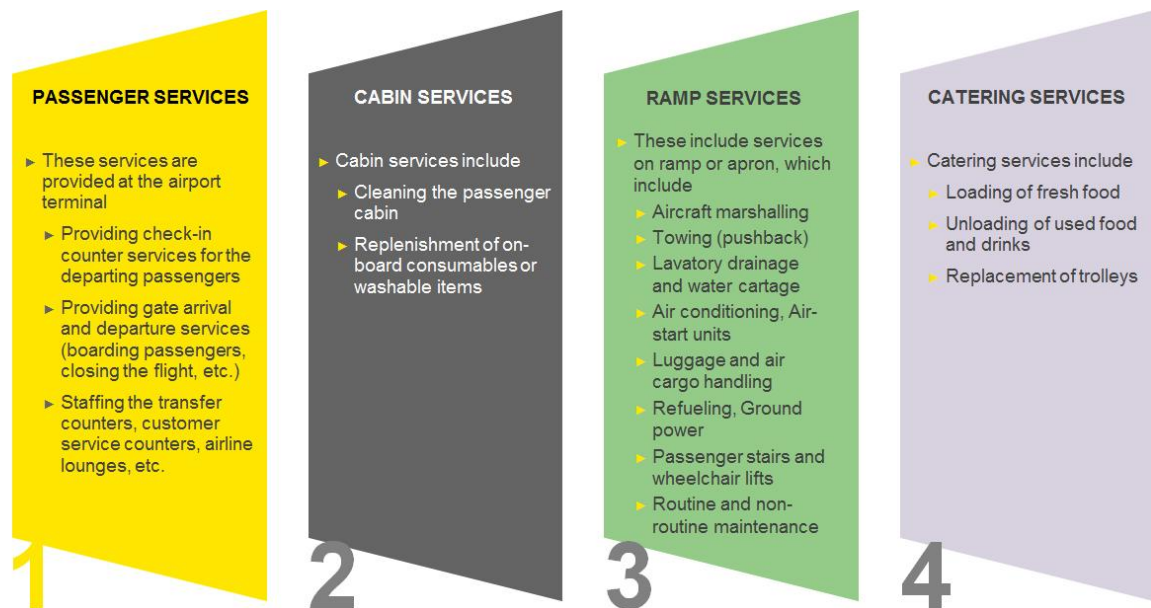
INDUSTRY OVERVIEW: GROUND HANDLING

8. GROUND HANDLING INDUSTRY OVERVIEW

8.1 Overview

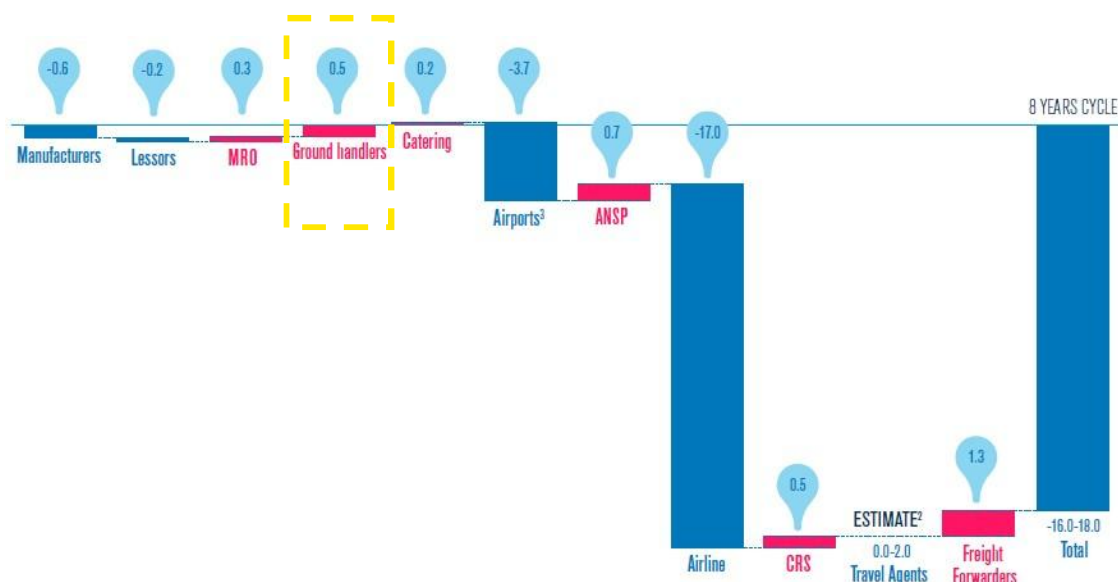
Aircraft ground handling defines the servicing of an aircraft while it is on the ground and parked at a terminal gate of an airport.

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)³⁴.

³⁴ IATA Report



8.2 Ground Handling Market size

8.2.1 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.³⁵

8.2.2 Cargo/logistics industry

Indian logistics industry was valued at an estimated US\$ 260 Bn in 2017³⁶. 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 value³⁷. Cargo/freight traffic handled by Indian Airports registered a growth of 7% (CAGR) during last 12 years (2006-2017) and is expected to cross 11.4 Mn tonnes by 2032³⁸. 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.

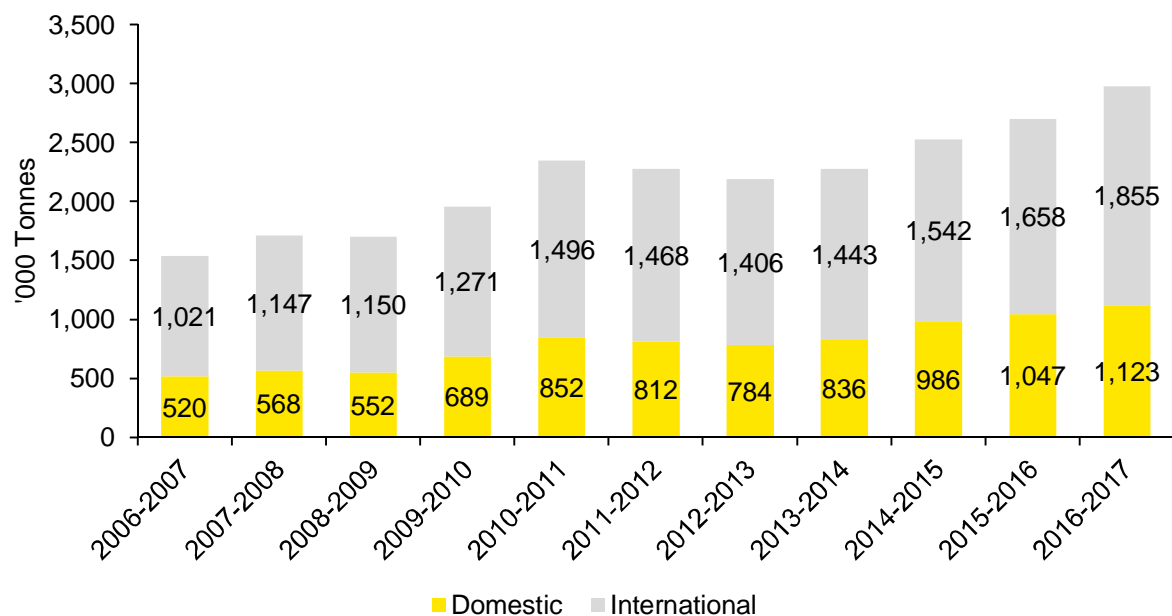
³⁵ <https://www.gminsights.com/pressrelease/aircraft-ground-handling-system-market>

³⁶ <http://www.imap.com/Reports/Logistics%20India%202017.pdf>

³⁷ <https://www.businesswire.com/news/home/20171205006077/en/India-Freight-Market-Report-2017---Research>

³⁸ IBEF report on Aviation Sector, 2017

Figure 16: Freight Traffic at Indian Airports³⁹



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.

8.3 Ground Handling Growth drivers⁴⁰

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 2007-17, domestic passenger traffic expanded at a CAGR of 11% and international passenger traffic registered growth at a CAGR of 11%. Further, by 2020, passenger traffic at Indian airports is expected to increase to 421 Mn from 265 Mn in 2016-17.

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 aircraft⁴¹. Backed by strong demand (CAGR ~20% for last three years), the fleet size of airline operators in India is expected to grow

³⁹ Airports Authority of India's website

⁴⁰ IBEF reports

⁴¹ DGCA

significantly. Many Indian scheduled airline operators such as Jet Airways, Air 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 - National Civil Aviation Policy 2016 (NCAP) and Ministry of Civil Aviation (Ground Handling Services) Regulations, 2017⁴²

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

- Ø At airports with ≥ 10 million passengers per annum throughput, to have three ground handling agencies
- Ø At airports with ≤ 10 million passengers per annum throughput, the airport operator to decide on the number of ground handling agencies, not exceeding three
- Ø 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 or Joint User Defence Airfields
- Ø No royalty is payable in case of self-handling
- Ø Hiring of employees through manpower supplier will not be permitted
- Ø The policy accords infrastructure status to ground handling operations

4. Airport development and Regional Connectivity Scheme (RCS)

The government has proposed to invest ~ USD 6 Bn⁴³ 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.

- Ø In October 2016, the central government launched UDAN – the regional connectivity scheme for civil aviation to increase air travel penetration in India to underserved routes. In the first phase, 22 airports are proposed to be connected
- Ø 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.
- Ø 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.
- Ø 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.

⁴² http://www.civilaviation.gov.in/sites/default/files/Final_NCAP_2016_15-06-2016-2_1.pdf

⁴³ IBEF Report – December 2017 [<https://www.ibef.org/download/Airports-December-20161.pdf>]

PART B

9. PROCESS OF PROPOSED TRANSACTION

- 9.1** 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

- 9.2** Through this PIM, the GOI is providing the IBs with instructions for submitting their EOI to the TA, acting on behalf of the GOI, which would be used for prequalifying the IBs for Stage II in accordance with the criteria specified herein.
- 9.3** The EOI will be evaluated based on the Eligibility Criteria, Disqualifications and other terms detailed in this PIM.
- 9.4** Only IBs shortlisted in Stage I (“**Qualified Interested Bidders**”, “**QIB**”) would be allowed to participate in Stage II.

Stage II - RFP stage

- 9.5** The QIBs will be provided with an RFP, access to a data room to review certain documents pertaining to the Companies for conducting a due diligence on the Companies, and a CIM, which shall provide certain details of the Companies 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.
- 9.6** The QIB may be required to deposit earnest money (in the form of bank guarantee) at Stage II as required by GOI.
- 9.7** The H1 bidder (highest bidder) shall undergo a security clearance process in accordance with the terms of the RFP and DIPAM guidelines.
- 9.8** The H1 bidder, who has received the security clearance will be referred to as “Confirmed Selected Bidder”.

Other Details regarding the Proposed Transaction:

- 9.9** An advertisement (“Advertisement”) will be issued in certain newspapers on 29th March 2018, inviting IBs to submit their EOIs for participating in the Proposed Transaction. A copy of such advertisement is enclosed as Annexure 1.

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 16 A
 - (xxii) Format of covering letter for certificate of Financial Capability

(Net Worth/ ACI) - Annexure 16B

- (xxiii) 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 (Profitability), specifying the Profit After Tax - Annexure 16 C
- (xxiv) Format of covering letter for certificate of Financial Capability (Profitability) - Annexure 16 D
- (xxv) Statement of outstanding litigations along with a certificate that as per IB's assessment, likely outcome of outstanding litigations against such IB, its Associate and Parent, 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
- (xxvi) 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 Parent, 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
- (xxvii) Format for certificate on No Prohibition - Annexure 19
- (xxviii) Format for Affidavit - IBs undertake all the information to be true and correct - Annexure 20

- 9.10** 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.
- 9.11** The QIBs shall carry out their own due diligence, independent assessment and appraisal of the Companies and the Proposed Transaction including all information provided as a part of the PIM and RFP. The GOI or the Companies 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.
- 9.12** 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.
- 9.13** EOIs are liable to be rejected by the GOI 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.

- 9.14** GOI reserves the right to modify/ postpone/ cancel or call off the Proposed Transaction without communicating any reasons whatsoever. In such an event, no financial obligation whatsoever shall accrue to the GOI, Companies, or TA or their advisors or any of their respective officers, employees, advisors or agents.
- 9.15** 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 the GOI, Companies, TA or their respective officers, employees, advisors or agents.
- 9.16** By submitting their EOIs, the IBs shall be deemed to have acknowledged that the PIM is not a legally binding document. 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 referred to the President of India or officiating person and he shall adjudicate and decide the dispute, if any, between the parties and his decision shall be final, conclusive and binding on all parties. The laws of the Republic of India shall govern all matters relating to the Proposed Transaction. All disputes will be subject to jurisdiction of the Courts at New Delhi (to the exclusion of all other Courts).

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

10. INSTRUCTION FOR SUBMISSION OF EOI

- 10.1** 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/ Mr. Sushi Shyamal Vemu
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.

- 10.2** Submission of the EOIs by any electronic means and /or facsimile will not be accepted.
- 10.3** Any EOI received after the EOI Deadline will be rejected.
- 10.4** 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 Disinvestment of Air India Limited” in different file folders as per the following directions:

A. Cover 1:

- (i) Demand Draft of INR 10,00,000/- (INR One Mn only) (INR Ten Lakhs) towards non-refundable fees as Application Fee for the EOI drawn in favor 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) ("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 11.2 and 11.3 of this PIM (as per Annexure 16, Annexure 16 A).
- i. Covering letter for certificate of Financial Capability- Net Worth/ACI (as per Annexure 16 B)
- j. 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 Profit After Tax of the IB (sole bidder or each member of Consortium, as applicable), as defined in the Eligibility Criteria, for the immediately preceding five financial years (as per Annexure 16 C).
- k. Covering letter for certificate of Financial Capability- Profitability (as per Annexure 16 D)
- l. 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 years ago, then 5 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.

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.

- m. 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.
- n. 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.
- o. 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.

- p. 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.
- q. Statement of outstanding litigations along with a certificate that as per IB's assessment, likely outcome of outstanding litigations against such IB, its Associate and Parent, 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).
- r. 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 Parent, 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).
- s. If the IB is a foreign entity/ OCB, specify list of statutory approvals, from the GOI/ the RBI/ DIPP/ relevant ministry/ any other Government agency, received/applied for/ to be obtained/ awaited.
- t. 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).
- u. In case of a Consortium, a Consortium Agreement duly executed amongst each of the Consortium members (as per Annexure 8).

- v. Duly executed Confidentiality Undertaking (as per Annexure 9).
- w. 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

- 10.5** 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 10.4, as if it was 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.
- 10.6** 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.
- 10.7** All the bid(s) shall be valid for 180 days from the EOI Deadline and can be further extended by another 180 days, on intimation to the IBs by TA.
- 10.8** 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.
- 10.9** The IBs are expected to carry out their own investigations and other examination in relation to the Proposed Transaction before submitting their EOIs.
- 10.10** 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).

- 10.11** All financial statements or data to be derived therefrom for the evaluation of financial capability referred herein shall mean on a consolidated basis.
- 10.12** The EOI and all related correspondence and documents in relation to the PIM shall be in English language.
- 10.13** The documents including this PIM and all attached documents are and shall remain or become the properties of the GOI and are transmitted to the IBs solely for the purpose of preparation and the submission of an EOI in accordance herewith. IBs are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their EOI.
- 10.14** EOIs shall be opened only after the EOI Deadline.
- 10.15** EOIs shall be submitted on or prior to 17:00:00 hours IST on the EOI Deadline.
- 10.16** 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.
- 10.17** 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/GOI/Companies 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 Companies, GOI and TA.
- 10.18** **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 GOI/Companies).
- 10.19** The consummation 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 Companies are expected to inter-alia adhere to:

- (a) Stipulations under the extant Aircraft Rules regarding composition of Board of Directors and management structure for the Companies (including for the avoidance of doubt, for AIXL), which inter alia specify as below:
 - (i) Chairman and at least two-thirds of directors shall be citizens of India; and,
 - (ii) Substantial ownership and effective control shall be vested in Indian nationals.
- (b) Terms of any other regulations of DGCA and MOCA;
- (c) Terms of FDI Policy of GOI as applicable to the Companies; and
- (d) Terms of any other approvals as may be required by law.

10.20 Amendment to PIM: At any time prior to the EOI Deadline, GOI/TA 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 DIPAM at <http://dipam.gov.in>, MOCA at <http://www.civilaviation.gov.in/>, Company at <http://www.airindia.in/> 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, GOI/TA may, in their sole discretion, extend the EOI Deadline for submission of EOIs.

- 10.21** 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.
- 10.22** Notwithstanding anything contained in this PIM, the GOI reserves the right to reject any or all EOIs on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.
- 10.23** The GOI/TA 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.
- 10.24** 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 the GOI thereunder.

- 10.25** The IBs may note that the files containing information about the Companies 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.
- 10.26** 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.

11. ELIGIBILITY CRITERIA

The Eligibility Criteria for the IBs are as follows:

- 11.1 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 the AI shall be held through an incorporated investment vehicle (special purpose vehicle), incorporated in India, within stipulated time, as may be prescribed by the GOI 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 management/employees of Companies 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).

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

- 11.2 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:

- i) **Net Worth:** A minimum Net worth of INR 50,000 Mn (INR 5000 Crore) computed in terms of Clause 11.2 and 11.3.

OR

ACI – A minimum ACI of INR 50,000 Mn (INR 5000 Crore) computed in terms of Clause 11.2 and 11.3.

AND

- ii) **Profitability:** Positive Profit After Tax in at least three of the immediately preceding five financial years from the EOI Deadline.

Financial Capability shall be calculated as follows:

- (a) **Net Worth** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure 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**").
- (b) **In case of Funds:** In addition to Net Worth as set out under 11.3 (a), Funds may also qualify 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 ("**ACI**").

11.3 Financial Capability shall be assessed on the basis of:

- (a) Latest audited financial statement 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 and Profit After Tax 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).
- (b) In case of Funds and 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 management/employees of the Companies, the Net Worth of employees 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 from the EOI Deadline.

11.4 Continued Compliance with Substantial Ownership and Effective Control Criteria and FDI Policy: The IBs will be required to demonstrate to the relevant government authority and ensure continued compliance by AI, and AIXL with FDI Policy and the requirement that substantial ownership and effective control of the AI and AIXL will be vested in Indian nationals.

- 11.5 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 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 the GOI stake being disinvested in AI.
 - (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 the GOI stake being disinvested in AI.
- (c) **Net Worth/ACI requirement:**

Minimum Net Worth/ ACI of Each Member: Net Worth/ACI of each participating member should be equal to or more than that proportion of the Net Worth/ACI requirement (INR 50,000 Mn) as is its equity shareholding in the Consortium. However, if the member of the Consortium is a Scheduled Airline Operator in India, the condition to meet minimum share of Net Worth/ACI requirement shall not apply to such member provided equity shareholding of such member is restricted to maximum of 51% of paid up equity share capital of the Consortium (special purpose vehicle). In case of a foreign airline (i.e. airline which is not a Scheduled Airline Operator in India), the requirement to meet minimum share of the Net Worth/ACI requirement shall remain applicable.

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 11.2 above. The negative Net Worth of a member, only if it is a Scheduled Airline Operator in India, would be considered as nil. However, the remaining members of the Consortium in this case will have to meet the minimum Financial Capability for Consortium as a whole and also their respective, Net Worth/ACI requirement in the Consortium.

(d) **Profitability requirement:**

Each consortium member should have positive profit after tax in at least three of the immediately preceding five financial years from the EOI Deadline. However, if the member of the Consortium is a Scheduled Airline Operator in India, the condition to meet positive profit after tax shall not apply to such member provided shareholding of such member is restricted to maximum of 51% of paid up equity share capital of the Consortium (special purpose vehicle). In case of a foreign airline (i.e. airline which is not a Scheduled Airline Operator in India), the requirement to meet positive profit after tax requirement shall remain applicable.

The profitability requirement set out above and in Clause 11.2 (ii) is not applicable to Funds and employees.

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

Case	Member 1	Member 2	Eligibility
1	Stake in Consortium : 51% Net Worth : Nil or Negative Profit After Tax : Positive in 2 out of 5 years Category : Scheduled Airline Operator	Stake in Consortium : 49% Net Worth/ACI : INR 50,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium qualifies as : Clause 11.5.c: Member 1 (Schedule Airline Operator) is not required to meet minimum proportionate share (51%) of the Financial Capability as shareholding is within limit of 51%. Member 2 (Non Airline) meet the minimum proportionate share (49%) of the Financial Capability. Clause 11.5.d: Member 1 (Schedule Airline Operator) is not required to meet requirement of positive Profit After Tax in 3 out of last 5 years as shareholding is within limit of 51%. Member 2 (Non Airline) meet the requirement of positive Profit After Tax in 3 out of last 5 years. Consortium meet the Financial Capability requirement (Clause 11.2) Negative Net Worth of Member 1(Scheduled Airline Operator) is considered as Nil. Consortium Financial Capability : Nil+ INR 50,000 Mn = INR 50,000 Mn
2	Stake in Consortium : 51% Net Worth/ACI: INR 60,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Stake in Consortium : 49% Net worth : INR Negative 2,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium disqualifies as: Member 2 (Non Airline) does not meet minimum proportionate share (49%) of the Financial Capability.
3	Stake in Consortium : 51% Net worth/ACI :INR 50,000 Mn Profit After Tax : Positive in 4 out of 5 years Category: Non	Stake in Consortium : 49% Net worth/ACI : INR 2,000 Mn Profit After Tax : Positive in 4 out of 5 years Category:	Consortium qualifies as : Clause 11.5.c : Member 1(Non Airline) meet the minimum proportionate share (51%) of the Financial Capability. Member 2 (Scheduled Airline Operator) is not required to meet minimum proportionate share (49%) of the Financial Capability. Clause 11.5.d :

Case	Member 1	Member 2	Eligibility
	Airline	Scheduled Airline Operator	Member 1 and 2 meet the requirement of positive Profit After Tax in 3 out of last 5 years. Consortium meet the Financial Capability requirement (Clause 11.2) Consortium Financial Capability : INR 50,000 Mn + INR 2,000 Mn = INR 52,000 Mn
4	Stake in Consortium :60% Net worth/ACI : INR 26,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Scheduled Airline Operator	Stake in Consortium : 40% Net worth/ACI : INR 25,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium disqualifies as: Member 1 (Scheduled Airline Operator) does not meet minimum proportionate share (60%) of the Financial Capability and stake held is more than 51%.
5	Stake in Consortium :51% Net worth/ACI : INR 26,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Stake in Consortium : 49% Net worth/ACI : INR 25,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium qualifies as Clause 11.5.c : All the Member of the Consortium meet minimum proportionate share of the Financial Capability. Clause 11.5.d : Member 1 and 2 meet the requirement of positive Profit After Tax in 3 out of last 5 years. Consortium meet the Financial Capability requirement (Clause 11.2) Consortium Financial Capability: INR 26,000 Mn + INR 25,000 = INR 51,000 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 25,500 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Stake in Consortium : 25% Net Worth/ACI : INR 12,500 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Stake in Consortium : 24% Net Worth/ACI : INR 12,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium qualifies as Clause 11.5.c: All the Member of the Consortium meet minimum proportionate share of the Financial Capability. Consortium meet the Financial Capability requirement (Clause 11.2) Clause 11.5.d : Member 1, 2 and 3 meet the requirement of positive Profit After Tax in 3 out of last 5 years Consortium Financial Capability (Clause 11.2) : INR 25,500 Mn + INR 12,500 Mn+ INR 12,000 Mn = INR 50,000 Mn
2	Stake in Consortium : 51% Net Worth/ACI : INR 25,500 Mn Profit After Tax : Positive in 2 out of 5 years Category : Non Airline	Stake in Consortium : 25% Net Worth/ACI : INR 500 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Stake in Consortium : 24% Net Worth/ACI : INR 25,000 Mn Profit After Tax : Positive in 4 out of 5 years Category : Non Airline	Consortium disqualifies as Clause 11.5.c: Member 2 (Non Airline) does not meet minimum proportionate share (25%) of the Financial Capability. Clause 11.5.d : Member 1 does not meet the requirement of positive Profit After Tax in 3 out of last 5 years.

11.6 Where a Consortium or a sole bidder has submitted the EOI, it is expected that, subsequent to the submission of the EOI:

- (i) with respect to a consortium, there shall not be any changes in the members of the Consortium;
- (ii) with respect to a sole bidder, the sole bidder shall not form a consortium.

However, any change prior to the EOI Deadline is permissible by withdrawing the EOI and submitting a fresh EOI before the EOI Deadline. But, no changes inter-alia by way of withdrawal/ substitution/ addition of any member of any

Consortium or sole bidder (as applicable), shall be permitted post EOI Deadline.

11.7 The Confirmed Selected Bidder shall be required to lock-in its entire shareholding in AI and in the special purpose vehicle (in case investment in AI is made through a special purpose vehicle by a Consortium or otherwise), up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction and shall not be permitted to cede the management control of AI and of the special purpose vehicle (in case investment in AI is made through a special purpose vehicle by a Consortium or otherwise) for such period. The aforesaid restriction on change in shareholding in, and management control of AI, shall also be applicable to a special purpose vehicle's investment in AI, in case investment in AI is made by a Confirmed Selected Bidder through a special purpose vehicle. There shall also be no change in the management control of the IB (sole bidder or each member of a Consortium, as applicable) up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction.

11.8 Till such time the GOI owns any shareholding in the Company, the Confirmed Selected Bidder shall carry on the business of the Companies:

- (a) On a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction; and
- (b) On an arms-length basis from its other business.

11.9 The Confirmed Selected Bidder shall abide by conditions set out in the RFP or the definitive documents to safeguard employees' interests.

11.10 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 Companies.

11.11 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 the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the shareholders and 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 the GOI that such special purpose vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the shareholders and share purchase agreements or other materials prepared in connection with the Proposed Transaction.

11.12 Bids by management/employees of the Companies shall satisfy the minimum Net-Worth criteria as specified in clause 11.2. 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.

- 11.13** The IBs shall ensure that they are permitted to invest under applicable laws to the extent they propose to participate.
- 11.14** 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.
- 11.15** 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.
- 11.16** The GOI/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.
- 11.17** QIBs at stage II shall be required to provide a certificate either from the bank/financial institution(s) (criteria for such bank/financial institution shall be provided in RFP) or from statutory auditors that the QIB has got enough funds to complete the Proposed Transaction.
- 11.18** GOI may prescribe additional conditions (including but not limited to replacement of all GOI guarantee or other GOI support extended on behalf of the Companies) 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/the shareholders and share purchase agreements and other documents related to Proposed Transaction.
- 11.19** Confirmed Selected Bidder shall continue using the “Air India” brand for AI business operations for a minimum specified number of years on terms to be detailed at RFP stage.
- 11.20** It is the intention of GOI to divest its residual shareholding through the process of dispersed disinvestment (i.e. would not be sold as a block) on such terms as may be prescribed in the RFP. Further, the Confirmed Selected Bidder may be required to list AI on such terms as may be prescribed in the RFP. GOI may support such listing through proportionate offering in the listing process and the lock-in specified under clause 11.7 above, will not be applicable to the Confirmed Selected Bidder for such listing.

12. DISQUALIFICATIONS

12.1 GOI/ 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 GOI).

12.2 Without prejudice to any other rights or remedies available to GOI including the right to disqualify any IB at its sole discretion with or without assigning any reason, the GOI 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 GOI 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 Companies 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 the GOI 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 Parent 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 Parent/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 Companies) 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 Parent 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 Companies when it is disinvested 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 Parent/ 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) IB (sole bidder or any member of Consortium, as applicable) is prohibited or restricted from investing in the Companies on the basis of status or sector in which the Companies 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 Companies.
- (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 Parent (or any Associate of Parent) and any other IB (sole bidder or any member of the Consortium, as applicable), its Associate or its Parent (or any Associate of Parent) 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 20% (twenty

percent) of the paid up and subscribed share capital of such IB, or its Associate or its Parent or any Associate of Parent, 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 Parent (or any Associate of Parent) 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 Parent (or any Associate of Parent) 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 Parent (or any Associate of Parent); 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 Parent (or any Associate of Parent) has a relationship with another IB (sole bidder or any member of the Consortium, as applicable) or its Associate or its Parent (or any Associate of Parent), 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 Parent (or any Associate of Parent) has participated as a consultant or advisor to the MOCA/ AI / GOI/TA for the Proposed Transaction.

Provided that the provisions set out in clause 12.2(y) (i), 12.2(y) (iii) and 12.2(y)(iv) shall not apply to IBs which are government entities.

- 12.3** If any information or disqualification is discovered or becomes known after the IB has been qualified to receive the CIM, which information/ disqualification would have entitled GOI to reject the EOI of the relevant IB, GOI reserve the right to reject the IB at the time such information/ disqualification becomes known to/ discovered by GOI/ TA. Where such party is member of a Consortium, GOI, may disqualify the entire Consortium, even if the information/disqualification pertained/applied to only one member of the Consortium.
- 12.4** GOI's determination that one or more of the events specified in clauses 12.1, 12.2 and 12.3 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 consummation of the Proposed Transaction. The IB shall be required to provide a declaration to certify its continuous eligibility.
- 12.5** 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 Parent 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.
- 12.6** 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 the GOI.

- 12.7** Breach of Confidentiality Undertaking executed by the IB (including any member of a Consortium) will result in disqualification.
- 12.8** 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 the GOI/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.
- 12.9** Notwithstanding anything contained in this PIM, the GOI 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 the GOI rejects or annuls all the EOIs, it may, in its discretion, invite all eligible IBs to submit fresh EOI hereunder.
- 12.10** The GOI 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.
- 12.11** The GOI/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



GOVERNMENT OF INDIA

MINISTRY OF CIVIL AVIATION

GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF AIR INDIA LTD. BY WAY OF THE TRANSFER OF MANAGEMENT CONTROL AND SALE OF 76 % EQUITY SHARE CAPITAL OF AIR INDIA LTD HELD BY GOI, WHICH WILL INCLUDE AI'S SHAREHOLDING INTEREST OF 100% IN AIR INDIA EXPRESS LTD. AND 50% IN AIR INDIA SATS AIRPORT SERVICES PRIVATE LTD.

BY GOVERNMENT OF INDIA

Air India Limited (AI) is a wholly owned Government of India Company engaged in the activity of Air Transport Operations and allied activities operating both domestically and internationally.

Government of India (GOI) proposes Strategic Disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI's shareholding interest of 100% in the Air India Express Limited and 50% in Air India SATS Airport Services Private Limited. GOI has appointed Ernst & Young LLP, India (EY), as its sole Transaction Advisor (TA) to advise and manage the strategic disinvestment process.

This disinvestment 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 DIPAM at <http://dipam.gov.in>, MoCA at <http://www.civilaviation.gov.in/>, Company at <http://www.airindia.in> 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 14th May, 2018. In future, any amendments/extension for submission of EOI will be uploaded on the above websites.

Address for submission of EOI: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu
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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“PIM”) inviting applications for the strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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 12 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. As required by clause 11.7 of 'Eligibility Criteria' of the PIM , we agree that :
 - a) we shall lock-in our entire shareholding in AI, in the special purpose vehicle (in case investment in AI is made through a special purpose vehicle) and special purpose vehicle's shareholding in AI, up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction
 - b) we shall not cede the management control of AI and of the special purpose vehicle (in case investment in AI is made through a special purpose vehicle) up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction and management control of IB shall also not change for such period.
6. We undertake that in the event we are finally selected to enter into definitive documents as per the RFP for the Proposed Transaction, till such time the GOI owns any shareholding in AI, we shall :
 - a) continue the business of the Companies on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction; and
 - b) continue the business of the Companies on an arms-length basis from our other business.
7. We shall abide by conditions set out in the RFP or the definitive documents to safeguard employees' interests.
8. 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 Companies.
9. 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.
10. 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 12 of the PIM.
11. 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 Companies.
12. 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.

13. 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.
14. We certify that no legal proceedings have been initiated or exist, by or against us in respect of the companies, which proceeding may be prejudiced by our participation in the Bid Process or the Proposed Transaction.
15. We certify that neither have we/our Parent 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 Companies when they are disinvested or which related to a grave offence that outrages the moral sense of the community.
16. 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 Parent and Associate.
17. 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 the GOI of the same immediately.
18. 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 Companies) 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.
19. 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).
20. 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.
21. We certify that there are no winding up/insolvency proceedings or other proceedings of a similar nature initiated or pending against us.
22. We undertake that substantial ownership and effective control of the AI and AIXL will continue to be vested in Indian nationals.
23. We represent that the loans availed by us (including by our Parent 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 Parent 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 Parent 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 Companies on the basis of status or sector in which the Companies 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 10.4

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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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 12 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 11.5 of the PIM.
 7. We acknowledge that GOI will have rights of enforcement as against the special purpose vehicle mentioned above under the parent guarantee and also against the members of Consortium for breach of undertakings and representations made to the GOI 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 11.6 of the PIM.
 9. As required by clause 11.7 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 AI, up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction.
 - b) we shall not cede the management control of AI and of the special purpose vehicle up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction.
 10. We agree to lock-in our entire shareholding in AI and in the special purpose vehicle (in case investment in AI is made through a special purpose vehicle), up to the expiry of 3rd Anniversary of the consummation of the Proposed Transaction and shall cede the management control of AI and of the special purpose vehicle (in case investment in AI is made through a special purpose vehicle) for such period
 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, till such time the GOI owns any shareholding in AI, we shall :

- a) continue the business of the Companies on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction; and
 - b) continue the business of the Companies on an arms-length basis from our other business.
- 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 Companies.
- 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 12 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 Companies.
- 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 undertake that substantial ownership and effective control of the AI and AIXL will continue to be vested in Indian nationals.
- 24. We certify that neither have we/our Parent 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 Companies when they are disinvested or which related to a grave offence that outrages the moral sense of the community.

25. 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 Parent and Associate.
26. 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 the GOI of the same immediately.
27. 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 Companies) 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.
28. We represent that the loans availed by us (including by our Parent and subsidiaries) have not been classified as 'non-performing asset' or such similar classification by any lender.
29. We represent that we are not entities (including our Parent 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.
30. We represent that we nor our Parent 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.
31. We represent that we are not erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI.
32. 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).
33. We represent that we are not prohibited or restricted from investing in the Companies on the basis of status or sector in which the Companies operates under FEMA, 1999 or any regulations made thereunder or under the extant provisions of the FDI.
34. 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.

35. 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 10.4
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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of AI by way of the transfer of management control and sale of 76 % equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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).
- 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 five years ago, then 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.
- 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 Parent, 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 Parent, 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 GOI/TA, representing us in all matters before GOI/TA and generally dealing with GOI/TA/Company 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 disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI's shareholding interest in the AIXL and AISATS.

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 "AI" referred is to "Air India 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**") issued by the Ministry of Civil Aviation, Government of India, inviting applications for participation in the strategic disinvestment of AI by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI's shareholding interest in AIXL and AISATS ("**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 GOI.

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 agrees that after the submission of the EOI, there shall be no change to the composition of the Consortium, and that any change prior to the EOI Deadline is permissible by withdrawing the EOI and submitting a fresh EOI before the EOI Deadline. The provisions of Clause 11.6 of the PIM shall apply in this regard.
6. 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.
7. 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 consummation of the Proposed Transaction, as required under Clause 11.7 of the PIM.

8. The Members agree that there shall be no change in the management control of each Member of the Consortium for a period of three (3) years after the consummation of the Proposed Transaction, as required under Clause 11.7 of the PIM.
9. Each Member of the Consortium, jointly and severally, irrevocably and unconditionally guarantees to the GOI that the SPV, shall at all times, fully and faithfully perform and discharge all its obligations under the shareholders and 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.
10. In the event that the Consortium is the Confirmed Selected Bidder, each Member shall ensure that the business of the Companies is (a) continued on a going-concern basis, as was being conducted prior to the date of completion of the Proposed Transaction and (b) conducted on an arms-length basis from our other businesses as required by Clause 11.8 of the PIM.
11. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required.
12. 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.
13. 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.
14. 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.
15. 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).
16. 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 the GOI.

17. 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.
18. 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 GOI.
19. This Agreement
- (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
 - (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GOI.

IN WITNESS WHEREOF, the Members have, through their Authorized 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 "AI" referred is to "Air India 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 [•], 2018.

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:

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

AND

Air India Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number -----, having its registered office at -----, ("**AI**" or the "**Company**", which expression shall include its successors, executors and permitted assigns),

AND

EY LLP India, whose registered office is, -----India (hereafter referred to as the "**Transaction Advisor**", which expression shall include its successors, executors and permitted assigns),

AND

-----, whose registered office is _____, India (hereafter referred to as the "**Legal Advisor**", which expression shall include its successors, executors and permitted assigns),

AND

_____, whose registered office _____, India (hereafter referred to as the "**Asset Valuer**", which expression shall include its successors, executors and permitted assigns).

WHEREAS:

- A. 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 disinvestment of Air India Limited ("**AI**") by way of the transfer of management control and sale of 76% equity share capital of AI held by Government of India ('**GOI**' / '**Government**'), which will include AI's shareholding interest in the AIXL and AISATS (the "**Proposed Transaction**"); and

- 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. _____ (TA) _____ LA,
_____ (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 ("**AI Entities**") (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the AI Entities and new businesses (if any) proposed to be undertaken by the AI 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 AI Entities' operations prepared by external consultants which are proprietary to the Company or the GOI or the Administrative Ministry), and any information memorandum /or draft /final offer document, request for proposal, drafts of shareholders and share purchase agreements or other 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 the Government and/or the Company on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means 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 the Administrative Ministry for participation in disinvestment 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 the Administrative Ministry; in each case formed by the Bidder for purposes of the Proposed Transaction.

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

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

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

"Representative(s)" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this 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 the Company's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the 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 the Government's prior written consent, be disclosed by the Bidder and/or each such Consortium Member and/or Representative of the Bidder and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the Bidder or each such Consortium Member or Representative of the Bidder or Representative of Consortium Member other than in connection with an evaluation of the 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 the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the 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 the Government, 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 the Government, 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 and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the 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, the Administrative Ministry, the Government 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, the Government and the Company with prompt written notice of such request so that the Advisors, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Bidder's legal counsel (reasonably acceptable to the Advisors, the Government and the Company), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, the Company and the Advisors, be amended, modified or superseded upon the Bidder and the Consortium Members and/or any company formed and promoted by them executing definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.
9. The Bidder agrees that the Government 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 Government and/or the Company may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with the Bidder's evaluation of the Proposed Transaction. After any such termination by the Government and/or the Company, 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, the Government or the Company request or give prior written consent to the Bidder's request, the Bidder will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any 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, the Government 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 Government or the Company 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 Government and/or the Company for any discussions, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisors in writing.
12. The Government 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 the Government to enter into the Proposed Transaction or to negotiate such Proposed Transaction for any specified period of time or (ii) requires the Advisors, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisors, the Government or the Company from entering into any agreement or understanding, for proceeding with the 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 the Government 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 the Government, 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 the Government 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, the Administrative Ministry, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies

available at law or equity to the Advisors, the Government and/or the Company.

15. The Bidder understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisors are beneficiaries under this Undertaking. The Bidder further agrees and confirms that each of the Government, the Company and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
16. The Bidder agrees that no failure or delay by the Advisors/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
17. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking and may be terminated only with the prior written consent of the Administrative Ministry.
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 the Government:

Attention of:

Ministry of Civil Aviation

If the notice is to the Advisors:

Transaction Advisor:

Mr. Kuljit Singh/ Mr. Sushy Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Legal Advisor:

Asset Valuer:

If the notice is to the Company:

If the notice is to the Interested Bidder:

*●+

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

IN WITNESS WHEREOF, this Undertaking has been executed by the 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 "AI" referred is to "Air India 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 Companies;
 - 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 MANAGEMENT-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 Limited, Air India Express Limited and Air India – SATS Airport Services Private 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. The GOI and TA may provide for such further clarifications, conditions, criteria's as it may deem necessary for the purposes of Employees to participate.
5. Subject to paragraph 7, the forms and format to be submitted by the Employees, in case in of Direct Employee Participation shall be the same as that of a sole/individual bidder mentioned in this document.
6. Subject to paragraph 7, the forms and format to be submitted by the Employees and Consortium members of Employee Consortium, in case of Employees Participating through an Employee Consortium, shall be the same as that of a Consortium 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 Disinvestment of shares held by the Government of India in Air India Limited including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to GOI/TA and generally dealing with GOI/TA/Companies 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
DISINVESTMENT OF AIR INDIA LIMITED**

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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 Interested Bidder (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]

Kind Attention: [●]

**SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF AIR INDIA LIMITED**

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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:

Name of company	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 <ul style="list-style-type: none">· 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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76 % equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**Proposed Transaction**”).

We certify that we have Net Worth of INR [●] Mn. The certificate(s) of the 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.

[In case of consortium following table should be provided]

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

(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 DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“**AI**”) by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**Proposed Transaction**”).

We certify that [●] has reported positive Profit After Tax in at least three of the immediately preceding five financial years from the EOI Deadline.

Please find below the Profit After Tax reported for last five audited financial statements.

Name	Financial Year	Profit After Tax	Reference#

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 Interested Bidder (that is sole bidder or each Member of the Consortium).*
2. *The audited accounts on the basis of which the Profit After Tax 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)*
3. *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 D: FORMAT FOR COVERING LETTER FOR CERTIFICATE OF
FINANCIAL CAPABILITY (PROFITABILITY)**

*(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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

**SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF AIR INDIA LIMITED**

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76 % equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**Proposed Transaction**”).

We certify that we have reported positive Profit After Tax in at least three of the immediately preceding five financial years from the EOI Deadline.

The certificate(s) of the auditor for this purpose is provided as annexure to this letter.

[In case of consortium following table should be provided]

Financial Year	Profit After Tax as per auditor’s certificate (INR Mn)		
	Lead Member	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 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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76 % equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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 Parent, 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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of Gol)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Sir,

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76% equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**Proposed Transaction**”).

We certify that based on our assessment, likely outcome of our contingent liabilities, contingent liabilities of our Associate and Parent, 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.

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/ Mr. Sushi Shyamal Vemu

Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Undertaking

We _____ (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/ Mr. Sushi Shyamal Vemu
Ernst & Young LLP India (TA, acting on behalf of GoI)
3rd Floor, Worldmark-1,
IGI Airport Hospitality District, Aerocity,
New Delhi-110037, India

Kind Attention: Mr. Kuljit Singh/ Mr. Sushi Shyamal Vemu

SUB – INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF AIR INDIA LIMITED

Certificate

This is with reference to the advertisement dated [●] and Preliminary Information Memorandum (“**PIM**”) inviting applications for the strategic disinvestment of Air India Limited (“AI”) by way of the transfer of management control and sale of 76 % equity share capital of AI held by GOI, which will include AI’s shareholding interest in the AIXL and AISATS (“**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