

# Govt calls off strategic sale of Pawan Hans

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under disinvestment," said the Department of Investment and Public Asset Management (DIPAM) on Monday.

DIPAM said the current process, under expression of interest (EOI), for the strategic disinvestment of Pawan Hans stands "annulled". The decision has been taken with the approval of the alternative mechanism on strategic disinvestment (duly empowered by Cabinet Committee on Economic Affairs) comprising Minister of Road Transport & Highways, Minister of Finance and Minister of Civil Aviation. Notably, the government has since 2016 made four failed attempts for the disinvestment of Pawan Hans.

The government on April 29, 2022, had approved Star9 Mobility as the successful bidder for the sale of its 100 per cent equity in Pawan Hans. After the adverse order by NCLT, a letter of intent (LoI) was not issued in favor of Star9 Mobility. The consortium member filed an appeal against the NCLT order in National Company Law Appellate Tribunal (NCLAT), (principal bench at New Delhi).

NCLAT had dismissed the appeal and upheld the original order of NCLT and directed that the NCLT order be forwarded to the Ministry of

## FLIGHTPATH

### Pawan Hans

- Govt owns **51%**
- ONGC owns **49%**

### Pawan Hans sale fails thrice in 2017, 2018, and 2019 as it didn't find suitable buyer

- In 2017, govt receives three financial bids above the reserve price of **₹199.20 crore**; decides to sell to a consortium of Star9 Mobility for **₹211 crore**
- In 2018, NCLT prosecutes Almas group for non-payment of resolution amount of **₹538 crore**
- In 2019, govt issues show cause to Star9, seeking explanation over adverse order
- After examining response, annuls Pawan Hans' EoI



Corporate Affairs and Bankruptcy regulator, IBBI for their consideration on initiation of complaint under sections 74(3) and 236 of the IBC. Acting

on the instruction, IBBI had filed a complaint against the concerned consortium member in the special court.

The Centre has scrapped its proposed strategic sale in Pawan Hans after examining the response of Star9 Mobility, the winning bidder for the state-owned helicopter service provider, on an adverse order by a company court.

Star9, a consortium of three companies led by majority owner Cayman Islands' Almas Global Opportunity Fund (AGOF), placed a winning bid of ₹211.14 crore for Pawan Hans in 2021.

The government put the sale on hold after the Kolkata bench of the National Company Law Tribunal (NCLT) passed an adverse order against AGOF for willful contravention of an approved resolution plan for another company, EMC Ltd, and forfeited its performance bank guarantee of ₹30 crore. The government in April issued a notice to AGOF, asking it to explain why its winning bid should not be quashed.

"After careful consideration of the response of the successful bidder (Star9 Mobility) to the show cause notice, government has decided that successful bidding consortium is disqualified... for not fulfilling terms of preliminary information memorandum and request for proposal