



14th ANNUAL REPORT — 2011 - 2012 —

*On Time.. Each Time..Any Time..
We are there For You*



“GVHL, your security is our commitment”

BOARD OF DIRECTORS

Lt.Gen.(Retd.) SJS Saighal
(Chairman)

Mr. P. Raj Kumar Menon
(Whole-time Director)

Dr. Gautam Sen
(Independent Director)

Maj.Gen.(Retd.) Gurdial Singh Hundal
(Independent Director)

Dr. Chandrathil Gouri Krishnadas Nair
(Independent Director)

COMPANY SECRETARY

Mr. Raakesh D. Soni

AUDITORS

B S R & Co.
Chartered Accountants

BANKERS

The Royal Bank of Scotland N.V.

REGISTERED OFFICE

A-54, Kailash Colony,
New Delhi – 110 048
Tel. No.: -91-11-2923 5035
Fax No.: -91-11-2923 5033

CORPORATE OFFICE

Hanger No. C-He / Hf,
Airports Authority of India,
Civil Aerodrome, Juhu,
Mumbai – 400 054
Tel. No.: -91-22-6140 9200
Fax No.: -91-22-6140 9253

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400 078
Tel No.: -91-22-2596 3838

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NOTICE

The Fourteenth ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Friday, 28th day of September, 2012 at 1.30 p. m. at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Chandrathil Gouri Krishnadas Nair, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors & fix their Remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, consent of the Board be and hereby accorded to the appointment of Lt. Gen. (Retd.) SJS Saighal as a Chairman of the Company for a period of one year commencing from 1st October, 2012 up to and inclusive of 30th September, 2013 on such terms and conditions as agreed to between Lt. Gen. (Retd.) SJS Saighal and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Lt. Gen. (Retd.) SJS Saighal”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Lt. Gen. (Retd.) SJS Saighal, a Chairman of the Company, the remuneration, perquisites / benefits set out in the aforesaid Agreement be paid or granted to Lt. Gen. (Retd.) SJS Saighal as the minimum remuneration, in case of excess payment of remuneration to Lt. Gen. (Retd.) SJS Saighal be waived, notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting .”

“RESOLVED FURTHER THAT Lt. Gen. (Retd.) SJS

Saighal also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may be arise in relation thereto and the Board shall have absolute powers to decide breakup of the remuneration within the maximum permissible limit and in order to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act”), subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, consent of the Board be and is hereby accorded to the appointment of Mr. Eduard Van Dam, as a Chief Executive Officer of the Company for a period of one year commencing from 12th November, 2011 up to and inclusive of 11th November, 2012 on such terms and conditions as agreed to between Mr. Eduard Van Dam and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Eduard Van Dam”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Eduard Van Dam, a Chief Executive Officer of the Company, the remuneration, perquisites / benefits set out in the aforesaid Agreement be paid or granted to Mr. Eduard Van Dam, as the minimum remuneration, in case of excess payment of remuneration to Mr. Eduard Van Dam, be waived, notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting .”

“RESOLVED FURTHER THAT Mr. Eduard Van Dam also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may be arise in relation thereto and the Board shall have absolute powers to decide breakup of the remuneration within the maximum permissible limit and in order to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, consent of the Board be and is hereby accorded to the reappointment of Mr. P.Rajkumar Menon as a Whole-time Director of the Company for a period of three years commencing from 1st September, 2012 up to and inclusive of 31st August, 2015 on such terms and conditions as agreed to between Mr. P.Rajkumar Menon and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. P.Rajkumar Menon.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. P.Rajkumar Menon, a Whole-time Director of the Company, the remuneration, perquisites / benefits set out in the aforesaid Agreement be paid or granted to Mr. P.Rajkumar Menon, as the minimum remuneration, in case of excess payment of remuneration to Mr. P.Rajkumar Menon, be waived, notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting .”

“RESOLVED FURTHER THAT Mr. P.Rajkumar Menon also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may be arise in relation thereto and the Board shall

have absolute powers to decide breakup of the remuneration within the maximum permissible limit and in order to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place: - Mumbai
Date: - 14th August, 2012
Registered Office
A-54, Kailash Colony
New Delhi – 110 048

NOTES:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (b) The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, is given below and forms part of the Notice.
- (c) M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with the both NSDL and CDSL.
However, keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at Corporate Office of the Company at Hanger No. C-He / Hf, Airports Authority of India, Civil aerodrome, Juhu, Mumbai – 400054 (Maharashtra), Tel No. 91-22-6140 9200, Registered Office at A-54, Kailash Colony, New Delhi – 110 048, Tel No. 91-11-2923 5035 ; e-mail address: raakesh@gvhl.net.
- (d) The Register of Members and Share Transfer Books of Company will remain closed from 27th day, September, 2012 to 28th day, September, 2012 (both days inclusive) in connection with the Annual General Meeting.
- (e) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place: - Mumbai
Date: - 14th August, 2012
Registered Office
A-54, Kailash Colony
New Delhi – 110 048

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**ITEM NO. 4**

Except Lt. Gen. (Retd.) SJS Saighal, no other Directors of the Company are concerned or interested in the Resolution at Item No. 4 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 14th August, 2012, has in accordance with the provisions of Article 143 of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, re-appointed Lt. Gen. (Retd.) SJS Saighal as Chairman of the Company for a period of one year commencing from 1st October, 2012 up to and inclusive of 30th September, 2013. The remuneration and perquisites payable to Chairman is in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under:-

Remuneration:

I. Basic Salary ₹ 70, 000/- per month

II. Perquisites:

1. House Rent Allowance ₹ 52,500/- per month
2. Other Allowance ₹ 52,500/- per month
3. Company will provide Car to Chairman.
4. Driver shall be provided by the Company for the official use of the Chairman and Company Shall pay Driver Salary of ₹ 8,600/- per month and Petrol Allowances as per actual uses per month.
5. The Company shall pay bills of Mobile Phone of Lt. Gen. (Retd.) SJS Saighal.

The Chairman shall be entitled to avail leave in accordance with the Company's rules applicable from time to time.

The remuneration has been approved by a resolution passed by the Remuneration Committee in its meeting held on 14th August, 2012.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Lt. Gen. (Retd.) SJS Saighal as Chairman of the Company at Item No. 4 is placed before the members with a recommendation for acceptance.

The terms of appointment and remuneration are to be approved by the Members in General Meeting in terms of Schedule XIII to the Companies Act, 1956 and the Board commends the passing of the Ordinary Resolution.

ITEM NO. 5

Except Mr. Eduard Van Dam, Chief Executive Officer of the Company, no other Directors of the Company are concerned or interested in the Resolution at Item No. 5 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 11th November, 2011, has in accordance with the provisions of Articles of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, appointed Mr. Eduard Van Dam as Chief Executive Officer for a period of one year commencing from 12th November, 2012 up to and inclusive of 11th November, 2012. The remuneration and perquisites payable to Chief Executive Office is in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

Remuneration:

I. Basic Salary ₹ 2,65,000/- per month (Net of Tax)
Gross Salary – ₹ 2, 99,349/-

II. Perquisites:

1. Value of Accommodation ₹ 1,25,000/- per month
2. The Company will provide a driver to Chief Executive Officer.
3. The Company shall pay bills of Mobile Phone of Mr. Eduard Van Dam.
4. The Chief Executive Officer shall be entitled to avail leave in accordance with the Company's rules applicable from time to time

The remuneration has been approved by a resolution passed by the Remuneration Committee and Board Meeting in their meeting held on 11th November, 2011.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Mr. Eduard Van Dam as Chief Executive Officer of the Company at Item No. 5 is placed before the members with a recommendation for acceptance.

In terms of paragraph of para 1 (B) of Section II in Part II of Schedule XIII, the General Information as required, is given as under:

Statement of particulars regarding managerial remuneration to be provided in accordance with clause 1B of Part II of Schedule XIII of the Companies Act 1956, to shareholders along with the notice calling the General Meeting are as under :

Sr. No.	Particulars	Information
I. GENERAL INFORMATION		
1.	Nature of industry :	Offshore Transportation Services
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 th April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 rd May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 th August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 th October, 2005.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable

4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.2011 and 31.03.2010)		As on	31.3.11	31.3.10
		a.	Profit before Financial costs, Depreciation and Tax to Service Income	5.59%	33.45%
		b.	Current Ratio	0.81	0.92
		c.	Debt Equity Ratio	3.19	5.06
5.	Export performance and net foreign exchange collaborations:	NIL			
6.	Foreign investments or collaborators, if any:	NIL			
II. INFORMATION ABOUT THE APPOINTEE					
1.	Background details:	Degree of Candidate Doctorate (Drs) in Economy and specialized in transportation, with numerous professional courses and training.			
2.	Past remuneration:	Last Year ₹ 51,09,911/-			
3.	Recognition or awards:	Mr. Eduard Van Dam has extensive background in the aviation business. He carries with him more than three decades of international experience in aviation industry.			
4.	Job profile and his suitability:	As Chief Executive Officer of the Company, he is responsible for the overall management of the company including the preparation of plans, budgets and delivering the planned performance in terms of operations and financial result. He has a rich, varied and international background in the filed of aviation industry.			
5.	Remuneration proposed:	As mentioned above			
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin):	The proposed remuneration of Mr. Eduard Van Dam, Netherland Citizen in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.			
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	No pecuniary interest other than by way of remuneration			
III. OTHER INFORMATION					
1.	Reasons of inadequate profits:	Due to increase in fuel, spares and other operating costs.			
2.	Steps taken or proposed to be taken for improvement:	Steps are being taken to reduce fixed cost. Also the Company is making efforts to increase revenue by effective utilization of fleet and improve margin on contract.			
3.	Expected increase in productivity and profits in measurable terms:	At present though economy is in recession, company is expected to increase its margin by 10 to 15 %.in next year.			

ITEM NO. 6

Except Mr. P. Rajkumar Menon, Whole-time Director of the Company, no other Directors of the Company are concerned or interested in the Resolution at Item No. 6 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 14th August, 2012, has in accordance with the provisions of Articles 143 of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, appointed Mr. P. Rajkumar Menon, Whole-time Director of the Company for a period of three years commencing from 1st September, 2012 up to and inclusive of 31st August, 2015. The remuneration and perquisites payable to Whole-time Director is in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

Remuneration:

I. Basic Salary ₹ 2,16,064/- per month

II. Perquisites:

1. House Rent Allowance ₹ 1,62,048/- per month

2. Other Allowance ₹ 1,62,048/- per month

3. Driver shall be provided by the Company for the official use of the Whole-time director and Company shall pay Driver Salary of ₹ 7,250/- per month and Petrol Allowances as per actual uses per month.

4. The Company shall pay bills of Mobile Phone of Mr. P.Rajkumar Menon.

The Whole-time Director shall be entitled to avail leave in accordance with the Company's rules applicable from time to time

The remuneration has been approved by a resolution passed by the Remuneration Committee and Board Meeting in their meeting held on 14th August, 2012.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Mr. P. Rajkumar Menon, Whole-time Director of the Company at Item No. 6 is placed before the members with a recommendation for acceptance.

In terms of paragraph of para 1 (B) of Section II in Part II of Schedule XIII, the General Information as required, is given as under:

Statement of particulars regarding managerial remuneration to be provided in accordance with clause 1B of Part II of Schedule XIII of the Companies Act 1956, to shareholders along with the notice calling the General Meeting are as under :

Sr. No.	Particulars	Information																
I. GENERAL INFORMATION																		
1.	Nature of industry :	Offshore Transportation Services																
2.	Date or expected date of commencement of fcommercial production:	The Company was incorporated on 13 th April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 rd May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 th August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 th October, 2005.																
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable																
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.2011 and 31.03.2010)	<table><tr><td></td><td>As on</td><td>31.3.11</td><td>31.3.10</td></tr><tr><td>a.</td><td>Profit before Financial costs, Depreciation and Tax to Service Income</td><td>5.59%</td><td>33.45%</td></tr><tr><td>b.</td><td>Current Ratio</td><td>0.81</td><td>0.92</td></tr><tr><td>c.</td><td>Debt Equity Ratio</td><td>3.19</td><td>5.06</td></tr></table>		As on	31.3.11	31.3.10	a.	Profit before Financial costs, Depreciation and Tax to Service Income	5.59%	33.45%	b.	Current Ratio	0.81	0.92	c.	Debt Equity Ratio	3.19	5.06
	As on	31.3.11	31.3.10															
a.	Profit before Financial costs, Depreciation and Tax to Service Income	5.59%	33.45%															
b.	Current Ratio	0.81	0.92															
c.	Debt Equity Ratio	3.19	5.06															
5.	Export performance and net foreign exchange collaborations:	NIL																
6.	Foreign investments or collaborators, if any:	NIL																

Sr. No.	Particulars	Information
II. INFORMATION ABOUT THE APPOINTEE		
1.	Background details:	Working with company since January 1999 and before that with State Civil Aviation Department, Govt. of U.P. as Senior Engineer.
2.	Past remuneration:	Last Year – ₹ 59,63,798/- .
3.	Recognition or awards:	Mr. P. Raj Kumar Menon has extensive background in the aeronautical sector. He carries with him more than 29 years of experience in aeronautical sector.
4.	Job profile and his suitability:	As Whole-time Director, he has been delegated day to day activity of business and engineering activity to promote the second line of management. He has a rich and varied background in the field of aeronautical industry.
5.	Remuneration proposed:	As mentioned above
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The proposed remuneration of Mr. P. Raj Kumar Menon is in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	No pecuniary interest other than by way of remuneration

III. OTHER INFORMATION

1.	Reasons of inadequate profits:	Due to increase in fuel, spares and other operating costs.
2.	Steps taken or proposed to be taken for improvement:	Steps are being taken to reduce fixed cost. Also the Company is making efforts to increase revenue by effective utilization of fleet and improve margin on contract.
3.	Expected increase in productivity and profits in measurable terms:	At present though world economy is in recession, company is expected to increase its margin by 10 to 15 % in next year.

By Order of the Board of Directors

Place: - Mumbai

Date: - 14th August, 2012**RAAKESH D.SONI**

Company Secretary

Registered Office

A-54, Kailash Colony

New Delhi – 110 048

Brief Resume and other information in respect of Director seeking re-appointment at the Annual General Meeting:**Dr. Chandrathil Gouri Krishnadas Nair**

Dr. Chandrathil Gouri Krishnadas Nair obtained a B. Tech degree in Metallurgy from IIT, Madras in 1964. He holds a M.Sc., Engg. (Mechanical Metallurgy) degree from the University of Sask Canada (1966) and a Ph.D. Engg., University of Sask, Canada (1968).

He joined HAL in 1971 and was appointed as Chairman of HAL from August, 1997 to September 2001. He was also a Chairman of Indo-Russian Aviation Pvt. Limited. (1997-2001) and was a Chairman of BAeHAL Software Pvt. Limited from 1997 to 2001. He has been a member of the board of directors in various companies, commencing with The Kerala Minerals and Metals Limited., Quilon, Kerala from 1986-87. Other companies where he has been a member of the Board include the National Aluminium Co., Bhubaneswar (1987-90); Bharat Aluminium Co. Limited., New Delhi (1990-93) and Kerala Hitech Industries Limited., Trivandrum (1992-94).

He was elected as President of the Aeronautical Society of India from 1995-97 and was a Fellow of the Royal Aeronautical Society, London. He was President of the Indian Institute of Metals from 1997-99. He is the Founder President of the Society of Indian Aerospace Technologies and Industries. He has also been a Fellow of the Indian National Academy of Engineering and also of the Institution of Engineers, India. He was an Honorary Fellow of the Indian Institution of Industrial Engineering.

His scientific assignments include being a member of various bodies such as the Scientific Advisory Committee to the Cabinet, GoI (from 2000); Research Council, National Aerospace Laboratories, Bangalore (1990-1999); governing Council, Jawaharlal Nehru Research & Development Centre for Aluminum, Nagpur, Ministry of Steel and Mines (1990-95); Standing Scientific Advisory Committee, Department of Steel and Mines, GoI (1986-1992); Materials and Process Panel, Aeronautics Research & Development Board, Ministry of Defence, GoI (1976-86).

He has obtained a number of awards for science and technology, industry management and social work. These include the Padma Shri Award for significant contributions in the field of Science & Engineering (2001); the Enterprise Excellence Award for the year 1999-2000 from the Indian Institution of Industrial Engineering; the National Award for Design and Development (for Advanced Light Helicopter) Department of Science and Technology, GoI (1999); the Prime Minister's Award for sustained excellent performance (1998, 1999, 2000, 2001); the Indira Gandhi Priyadarshini Award (1997); the National Award for R&D in Process Industry for Foundry Forge by the Department of Science and technology, GoI (1991) and the National Aeronautical Prize (1990) from the Aeronautical Society of India, GoI.

He is a Member of the Audit committee, Remuneration Committee and Shareholders' Investors' Grievance Committee of the Company:

He is a Director and member of Committees of the Board of the following other companies:

Sr. No.	Name of the Company	Director / Chairman	Committee – Chairmanship / Membership		
			AC	RC	SIGC
1.	Brahmos Aerospace Thiruvananthapuram Limited	NED			
2.	Karnataka Hybrid Micro-Devices Limited	NEC	Yes - M		Yes - M
3.	Tata Advanced Materials Limited	NED			
4.	Titan Industries Limited	NED	Yes - C		Yes - M
5.	Titan Time Products Limited	ID			
6.	EMSAC Engineering Private Limited	NEC			
7.	Maini Global Aerospace Private Limited	NEC			
8.	Sika Interplants Private Ltd.	NED			
9.	Sika Tourism Private Ltd.	NED			

NED – Non Executive Director, NEC – Non Executive Chairman,

AC – Audit Committee, RC – Remuneration Committee, SIGC – Shareholders' / Investors' Grievances Committee, M – Member, C - Chairman

He does not hold any shares of the Company.

Nature of expertise in specific functional area – Aeronautical Industry and Management.

DIRECTORS' REPORT

The Directors take pleasure in presenting the Fourteenth Annual Report of the Company and audited accounts of the Company for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

(Rupees' in Lacs)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Service Income	27534.29	22862.81
Other Operating Income	349.91	294.70
Income from operations	27884.20	23157.51
Other Income	504.76	317.99
Total Income	28388.96	23475.50
Profit before interest, depreciation, amortisation of expenses and Tax	4225.07	1278.00
Less : Interest	4050.36	2965.00
Less : Depreciation (Net)	2590.55	2750.11
(Loss) for the year before Tax	-2415.84	-4437.11
(Loss) for the year after extraordinary items and before Tax	-2415.84	-4437.11
Less : Provision for taxation	0.00	-0.63
Loss after tax	-2415.84	-4437.74

FINANCIAL PERFORMANCE:

During the year under review, your Company achieved a Service Income of ₹ 27534.29 Lacs as compared to 22862.81 Lacs of previous Financial Year, a growth of 20.43 %. Total Income of the Financial Year 2011-12 (including Operational and other Income) also increased to ₹ 28388.96 Lacs from ₹ 23475.50 Lacs, an increase of 20.93 % over the last Financial Year.

The EBIDTA was ₹ 4225.07 Lacs for current year (15.34% of the Service Income) as against of ₹ 1278.00 Lacs in the previous year, (5.58% of the Service Income). As this represents a growth of 230%, your Company considers this a major achievement over its activities in the preceding years.

After considering Interest, Depreciation and Foreign Exchange (Loss) / Gain items, the Company has a Loss Before Tax of ₹ 2415.84 Lacs for the current year as against Loss of 4437.11 Lacs in the previous year. After making provision for tax, the net Loss was ₹ 2415.84 for the current year as against a Loss of 4437.74.

Without considering foreign exchange loss including amount classified as interest company made a profit of ₹ 95.19 Lacs.

DIVIDEND:

The Board of Directors regret their inability to declare dividend in view of the loss after tax incurred during the year.

TEMPORARY SUSPENSION OF NSOP

The Director General of Civil Aviation (DGCA) vide its order dated 7th May 2012 suspended the Company's Non-Scheduled Operator's Permit (NSOP). Consequently, the operation of the company was suspended. The Company filed a Writ Petition with High Court of Delhi against the order of DGCA. Delhi High Court vide its judgment dated 11th June 2012 granted an interim relief to the Company and stayed the operation of the above mentioned impugned order. Consequently, DGCA vide its order dated 20th June 2012 stayed its Order of 7th May 2012, accordingly, the Company resumed its operations of flying aircraft. The Company's Operations remained suspended from 8th May 2012 to 20th June 2012 which has severely affected the company's operation. The Management believes that the Company is in compliance with relevant DGCA and other applicable Regulations and continues as a going concern.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Dr. Chandrathil Gouri Krishnadas Nair retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ravinder Kumar Rishi, Mr. R.S.S.L.N. Bhaskarudu and Ms. Swati Rishi have resigned as a Director of the Company with effect from 5th December, 2011, 1st May, 2012 and 4th May, 2012 respectively.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board hereby certifies and confirms that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- 2) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the year under review;
- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, as required under the Listing Agreements with the Stock Exchanges, is enclosed at Annexure-A.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and Accounts, excluding the statement of particulars of the employee under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

M/s. B S R & Co., Chartered Accountants, retire as auditors of the Company and have given their consent for re-appointment. The Shareholders will be required to elect auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the above auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

The observations of the Auditors in their report read with the relevant to accounts are self explanatory and further explanation has been given under Remarks of the Auditors.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public under section 58A of the Companies Act, 1956.

INSURANCE

The Helicopters fleet and insurable interest of your Company like Building, Hanger. Plant and Machinery, Furniture and Fixture, Stocks, Computers, Vehicles etc., are properly insured.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

FOREIGN EXCHANGE EARNING AND OUTGO

The Company earned ₹ 1,562,072,187/- (previous year ₹ 1,287,985,717/-) in foreign exchange during the year. The foreign exchange outflows amount to ₹ 968,289,387/-(previous year ₹ 789,945,674/-)

CORPORATE GOVERNANCE

Your Company has complied with the provisions of Clause 49 of the Listing Agreement. A Certificate from the Practising Company Secretary regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms a part of this Annual Report.

REMARKS OF THE AUDITORS

Reference is drawn to Clause no. (f) of the Auditors' Report and schedule 32 of the financial statements, Company has received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs alongwith penalty aggregating ₹ 262,195,030. No provision has been made by the Company for the same nor for the interest due thereon as at 31st March, 2011. The Management believes that the Company is in compliance with the relevant customs and other regulatory guidelines in this respect and the matter is being contested by the Company with the appropriate authorities.

Reference is drawn to Clause no. (g) of the Auditors' Report and schedule 33 to the financial statements. In this regard, Board informs that Company has already filed an application with the Central Government for approval and the waiver of the excess remuneration to Whole-time Directors of the Company.

Reference is drawn to Clause no. (h) of the Auditors' Report and schedule 36 to the financial statements, certain customers have disputed taxes levied by the Company aggregating ₹ 93,949,478/- (previous year: ₹ 84,503,378). Consequently management has not paid the said taxes to the authorities. No provision has been made by the Company in respect of the outstanding. The Management believes that they have strong case to collect the outstanding amount.

ACKNOWLEDGEMENTS

Your Directors thank the Company's clients, vendors, investors and bankers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity and support. Your directors also thank the Governments of Andhra Pradesh, Arunachal Pradesh, Delhi, Gujarat, Maharashtra, Nagaland, Orissa, and Pondicherry for the patronage extended to your Company in mobilising various forward bases. Your Directors look forward to their continued support in the future.

For and on behalf of the Board
Dr. Gautam Sen
Independent Director

Mr. P. Raj Kumar Menon
Whole-Time Director

Place: Mumbai
Date: 14th August, 2012

ANNEXURE - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT**OVERVIEW**

Global Vectra Helicorp Limited is the largest private sector helicopter operator in India. It is an ISO 9001-2000, 14001-2004 & OHSAS 18001-1999 certified company.

Our fleet comprises 26 helicopters at present (and expanding at a rapid pace). A breakup of the same is as follows:-

Type of Helicopter	Number
BELL 412	16
AW 139	3
AS 350 B2/B3	5
EC 135 P2+	1
EC 155 B1	1

The fleet is deployed both offshore and onshore air service activities. With a **modern and technologically advanced fleet of helicopters**, Global Vectra Helicorp Limited provides a range of essential and innovative services to sectors amongst others the following strategic sectors and markets:

- **Oil and Gas**
- **Geophysical Survey / Industrial Utilities Services**
- **Corporate, VVIP / Special Protection Group and State VVIP**
- **Aerial Photography**
- **Religious Tourism / Shuttle Services**
- **Emergency services**
- **National Power Grid Surveillance and Maintenance**

Its spotless track record also makes the preferred fliers for the top rung of the country for corporate, religious and leisure travel. The Company has world class maintenance facilities and highly skilled and experienced pilots to ensure safe, secure and uninterrupted services to the nation.

The Offshore Division is dedicated to provide Air logistics services to the Oil & Gas industry majors like **Cairn Energy in Sri Lanka, Oil and Natural Gas Corporation (ONGC), Gujarat State Petroleum Corporation (GSPC), Reliance Industries Limited (RIL), Transocean (TSF), British Gas Exploration and Production India Limited (BGEPI), Baker Hughes, Leighton Welspun Contractors Pvt Ltd.** and many more, under long term contracts which represents a market share of approximately 53% in the offshore helicopter market in India.

Dolphin Geophysical Pte Ltd., Polarcus, Fugro, CGG VERITAS, Results Marine & Western Geco have been our major Seismic partners for whom we have flown satisfactorily on the East and West Coast of India in the recent past and are hopeful for the same in the near future as well.

It's GVHL's aim to provide services to its clients under long-term contracts. These contracts range from one to five years with renewal options. Companies involved in offshore Exploration & Production activities have to use helicopter services extensively

for Crew Change, Cargo and Medevac. In the past most of GVHL's activities took place in Exploration Sector of the Oil and Gas Industry. However, recently we also started in the Production Sector by commencing production operations under a contract with ONGC.

GVHL has a total staff of more than 295 people including 87 pilots and 110 engineers and technicians who keep our young fleet operational and maintained to exacting standards.

Our major maintenance base for the offshore fleet is Mumbai where all maintenance work is carried out including 3000 hours check on its Bell 412 fleet of aircraft in a 6000 sqm state-of-the-art hangar.

Our onshore activities take place in principle throughout the Indian subcontinent with operating and maintenance nucleus in Greater Noida / New Delhi whereas our offshore division, with main base at Juhu airport in Mumbai, services the oil and gas industry as well in Porbander, Diu, Trivandrum, Madurai, Vijayawada, Chennai, Rajahmundry, Vizag, Bhubaneswar and Itanagar.

GVHL is totally committed to maintaining the highest possible standards in everything we do, with an emphasis on our operations, maintenance and safety. GVHL was the first operator in India who introduced a full and formal Safety Management System (SMS) as per international recommendations and requirements of the demanding OGP (Oil and Gas Producers Organization setting worldwide standards for the oil and gas industry) and ICAO (International Civil Aviation Organisation) in Montreal.

As part of our continuing effort to further enhance our management systems we have implemented an ERP (Enterprise Resource Planning) System from IFS AB, a Swedish company and one of the world's leading providers of business software. Through this system we have integrated the management data of Flight Operations, Maintenance Repair and Overhaul (MRO) processes, Quality Control, Logistics, Inventory Management, Human Resources/Payroll and Finance.

MISSION STATEMENT

To become one of the world's leading and preferred helicopter services providers. We strive to deliver superior returns to our shareholders by tirelessly pursuing new growth opportunities while continuously improving our profitability. Above all, we are committed to the safety of human life whether with our customers, our own company or the society we work in. In recognition of this commitment, we strive to deliver high quality, cost effective and safe helicopter services in the markets we serve. We are dedicated to creating a workplace that respects and values people from diverse backgrounds and enable all employees to do their work to the best of their capabilities.

The Oil and Gas Industry

Since GVHL's operations are too a large extent depending on the national developments in the oil and gas sector, it will serve its purpose to summarize the nation's sectors.

GVHL's expects in the years to come to continue and steadily

expand its operations in the oil and gas market. The industry is expected to continue with a solid and gradual growth and will form for GVHL a stable market for our operations for the years to come.

Introduction

The Indian oil and gas sector is one of the six core industries in India and has very significant forward linkages with the entire economy. India has been growing at a decent rate annually and is committed to accelerate the growth momentum in the years to come. This would translate into India's energy needs growing many times in the years to come. Hence, there is an emphasized need for wider and more intensive exploration for new finds, more efficient and effective recovery, a more rational and optimally balanced global price regime - as against the rather wide upward fluctuations of recent times, and a spirit of equitable common benefit in global energy cooperation.

The Indian oil and gas sector is of strategic importance and plays a predominantly pivotal role in influencing decisions in all other spheres of the economy. The annual growth has been commendable and will accelerate in future consequently encouraging all round growth and development. This has necessitated the need for a wider intensified search for new fields, evolving better methods of extraction, refining and distribution, the constitution of a national price mechanism - keeping in mind the alarming price fluctuation in the recent past and evolving a spirit of equitable global cooperation.

Exploration and Production (E&P)

The growing demand for crude oil and gas in the country and policy initiative of Government of India towards increased E&P activity, have given a great impetus to the Indian E&P industry raising hopes of increased exploration.

Oil and Natural Gas Corporation Limited (ONGC) and Oil India Ltd. (OIL), the two National Oil Companies (NOCs) and private and joint-venture companies are engaged in the exploration and production (E&P) of oil and natural gas in the country.

Natural Gas

Natural Gas has emerged as one of the most preferred fuel due to its environmentally benign nature, greater efficiency and cost effectiveness. At present, the main producers of natural gas are Oil and Natural Gas Corporation Limited (ONGC), Oil India Limited (OIL) and the Joint Ventures of Panna Mukta & Tapti, and Ravva.

Natural Gas Production Performance

The gas transmission domain was dominated by Gas Authority of India Ltd (GAIL) till, in April 2009, the first natural gas production started from Krishna Godavari (KG) basin deepwater block by Reliance Gas Transportation Infrastructure Ltd. Currently, the natural gas production from the KG D6 block is about 60 million standard cubic metres per day (MMSCMD). The natural gas production from the block is expected to be in the range of 80-89 MMSCMD till March 2012.

Gas production is expected to rise from an estimated 45BCM in 2010 to a possible 95 BCM by 2019.

Natural gas is expected to play a key role in India's energy mix by 2025. The proportion of natural gas in the total energy mix has increased to 10 per cent in 2009 from 4 per cent in 1999. The same is expected to increase to 20 per cent in 2025.

Natural gas production in India grows at an average annual rate of 4.0 per cent over the projection period, the fastest growth in non-OECD Asia. Most of the growth in India's natural gas production is expected in the near term, averaging 11.7 per cent per year as total production grows from 1.1 trillion cubic feet in 2007 to 2.7 trillion cubic feet in 2015.

Oil & Gas - Key Developments and Investments

- India and Nepal have decided to take forward the proposal to build a 41 kilometers (kms) petroleum pipeline between the two countries at a cost of about ₹ 100 crore (US\$ 19.23 million). The pipeline is to be laid between Raxaul in Bihar to Amlekhgunj in Nepal
- Kerala State Industrial Development Corporation Ltd (KSIDC) has partnered with Gail Gas Ltd to set up a joint venture (JV) company, to implement Supplementary Gas Infrastructure in Kerala. The JV company formed is known as Kerala Gail Gas Ltd (KGGL)
- Oil and Natural Gas Corporation's (ONGC) overseas investment arm, ONGC Videsh, sealed a deal to take 25 per cent stake in Kazakhstan's Satpayev acreage in the Caspian Sea, marking India's first firm foothold in the hydrocarbons-rich Central Asia
- Reliance Industries Ltd (RIL) and British Petroleum Plc (BP) on November 21, 2011, have announced the formation of India Gas Solutions, an equal joint venture (JV) that would focus on global sourcing and marketing of natural gas in India

Oil & Gas - Government Initiatives

The India Hydrocarbon Vision 2025 envisages a demand of about 391 million standard cubic feet per day (MMSCMD) of gas by the year 2020-25. The current production of natural gas in the country is about 150 MMSCMD and is expected to go up to about 192 MMSCMD by the year 2011-12.

- New Exploration Licensing Policy (NELP), implemented by Government of India, permits 100 per cent FDI for small and medium sized oil fields via competitive bidding
- Public-private partnerships (PPP) as well as only private investments can foray into the refining sector. In case of an Indian private company, 100 per cent FDI is allowed
- 100 per cent FDI is allowed for petroleum products and pipeline sector as well as natural gas/ LNG pipeline, for infrastructure related to marketing of petroleum products, market study of formulation and investment financing
- Minimum 26 per cent equity is covered over five years, in case of trading and marketing
- The Government is determined to protect the interest of common man while providing quality petroleum products at reasonable prices, asserted Mr S Jaipal Reddy, Minister of Petroleum and Natural Gas in a recent meeting. He further added that with a view to reduce burden on consumers as well as oil marketing companies (OMCs), the Government

has eradicated the Customs Duty on Crude Oil and trimmed Customs Duty on petroleum products by 5 per cent. Excise Duty on diesel was also reduced by US\$ 0.056 per litre

Oil & Gas - Road Ahead

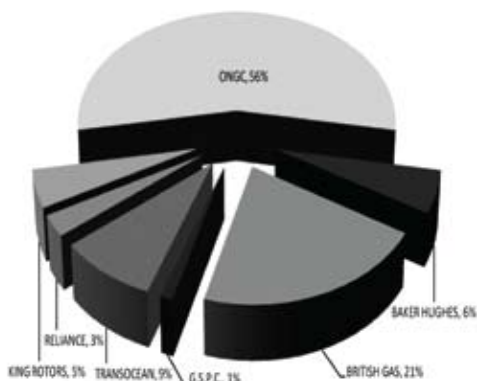
India's demand for liquid petroleum products is projected to grow at a 4.7 per cent compound annual growth rate (CAGR), during the next five years, while the demand for gas is expected to grow at a CAGR of 14 per cent. Presently, natural gas accounts for around 10 per cent of India's primary energy basket. India is also increasing its current RLNG re-gasification capacity from the current 13 MTPA to well over 30 MTPA by 2015. To carry gas across the length and breadth of India, 8,000 kms of gas pipelines are being laid while another 5,000 kms are under the bidding process. All these are pointers to the attractiveness of India as a stable gas market with an assured demand.

India's oil companies are present in around 24 countries including Egypt, Kenya, Uganda, Tanzania and Mauritius. The total overseas investment by our public sector oil undertakings is about US\$ 13 billion which includes two pipeline projects in Sudan and Myanmar. India being a US\$ 1.8 trillion economy, aims to grow steadily at 8-9 per cent per annum, it seeks to build a long term partnership with oil rich African countries to meet its growing energy needs.

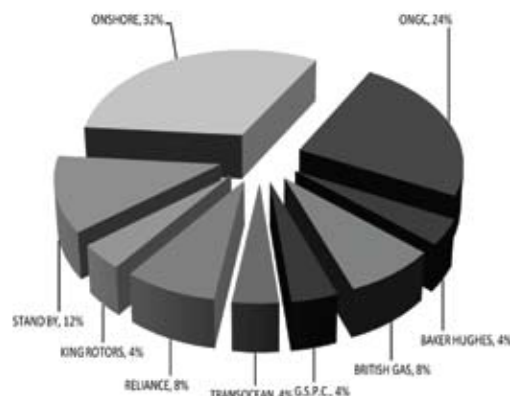
Onshore Activities

Our onshore activities are carried out on PAN India basis under the name of BIRDIE. The Company is operating in Delhi, Katra, Patna, Hyderabad, Nagaland on permanent basis and on others on ad-hoc basis as and when require. Our onshore activities include corporate services, business promotion, political rallies, tourism, pilgrimage, geophysical survey, power-line cleaning and emergency services. The Company is using single or double engine Helicopters for the same. Some of our premium onshore clients include Geotech, Fugro, Atomic Minerals Directorate for Exploration and Research (AMD), National Geophysical Research Institute (NGRI) and various State Government like – Government of Andhra Pradesh, Government of Arunachal Pradesh, Government of Bihar, Government of Haryana, Government of Madhya Pradesh, Government of Nagaland and Government of Punjab.

GVHL - Client wise Revenue Hours (2011-2012)



GVHL - Client wise Helicopter Deployment (2011-2012)



INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against and unauthorized use or disposition of the assets and those transactions are authorised, recorded and reported correctly.

The Company ensure adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Audit Committee of the Board of Directors appraised the adequacy of internal controls.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the requirement of the business.

As on March 31, 2012 the Company has a total workforce of 295 employees.

CAUTIONARY STATEMENT

Statement in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, figures and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company possesses an ethical mindset about the values of good corporate governance. As it involves support from many diversified categories of people and agencies the following attributes are significant for good corporate governance:

- Transparency - in policies and action
- Independence - to develop and maintain a healthy work culture
- Accountability – for performance
- Responsibility – for society and its core values
- Growth – for stakeholders

The Company makes an honest endeavour to uphold these attributes in all aspects of its operations.

The objective of the Company is not just to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement, but to develop such systems and follow such practices and procedures to satisfy the spirit of the law.

II. BOARD OF DIRECTORS

The Board of Directors consists of the Chairman, One - Whole Time Director and Three Independent Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name of Director	Category	No. of Board Meeting attended	Last AGM Attended	No. of other Directorship and Committee Membership / Chairmanship		
				Other Directorship	Committee Memberships	Committee Chairmanship
Lt. Gen. (Retd.) SJS Saigal	C	5	Yes	None	None	None
Mr. P.Rajkumar Menon	WTD	4	No	None	None	None
Mr. Ravinder Kumar Rishi *	NED	NIL	No	8	None	None
Mr. R.S.S.L.N. Bhaskarudu**	ID	5	Yes	9	1	8
Dr. Chandrathil Gouri Krishnadas Nair	ID	4	No	9	3	1
Dr. Gautam Sen	ID	5	No	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	5	No	None	None	None
Ms. Swati Rishi ***	NED	2	No	2	None	None

C: Chairman, WTD: Whole-time Director, NED: Non-executive Director, ID: Independent Director

Excluding Private Limited Companies and Company registered under section 25 of the Companies Act, 1956.

Five Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

26 th April, 2011	26 th May, 2011	10 th August, 2011	11 th November, 2011	7 th February, 2012
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* Resigned as Director w.e.f. 05-12-2011

** Resigned as Director w.e.f. 01-05-2012

***Appointed as Director w.e.f. 11-11-2011 and Resigned as Director w.e.f. 04-05-2012

The event with regards to Constitution of Board of Directors after 31st March, 2011 includes appointment of Ms. Swati Rishi as additional Director with effect from 11th November, 2011 by Board of Directors in their meeting held on 11th November, 2011

Mr. Ravinder Kumar Rishi has resigned with effect from 5th December, 2011, Mr. R.S.S.L.N. Bhaskarudu has resigned with effect from 1st May, 2012 and Ms. Swati Rishi has resigned with effect from 4th May, 2012.

III. AUDIT COMMITTEE

The Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time. The

constitution of the Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

Composition, Name of Members and Chairperson

Dr. Gautam Sen (Chairperson), Dr. Chandrathil Gouri Krishnadas Nair and Maj. Gen. (Retd.) Gurdial Singh Hundal.

During the year the Audit Committee met Four times and all the members were present in all the meeting except Mr. Ravinder Kumar Rishi who was not able attend the Audit Committee meeting held on 26th May, 2011, 10th August, 2011 and 11th November, 2011.

Mr. Ravinder Kumar Rishi has resigned with effect from 5th December, 2011 and Mr. Bhaskarudu has resigned with effect from 1st May, 2012.

Ms. Swati Rishi has been appointed as a member of the audit committee on 7th February, 2012 and has resigned with effect from 4th May, 2012.

Dr. Chandrathil Gouri Krishnadas Nair has been appointed as a member of the audit committee on 4th May, 2012.

The Chairman, Chief Executive Officer and Chief Financial Officer of the Company were invited to attend and participate at meeting of the Committee.

The Company Secretary acts as the Secretary of the Committee.

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprised of three members. The Committee has authorised to determine the remuneration package for Executive Directors as well as the remuneration payable to the non-executive Directors from year to year and to distribute the same amongst all or some of the Directors in such proportion or manner as the Committee may decide.

Meetings and attendance during the year

The Remuneration Committee comprises of 3 Directors:

Dr. Gautam Sen (Chairman), Dr. Chandrathil Gouri Krishnadas Nair and Maj. Gen. (Retd.) Gurdial Singh Hundal.

The committee met on 11th November, 2011 to consider the re- appointment of Mr. Eduard Van Dam as Chief Executive Officer of the Company. All members were present except Mr. Ravinder Kumar Rishi in the meeting. The committee confirmed that the remuneration is in accordance with the provisions of Part III of the Schedule XIII of The Companies Act, 1956 and recommended the same to the board.

Mr. Ravinder Kumar Rishi has resigned as a member of the remuneration committee with effect from 5th December, 2011. Dr. Chandrathil Gouri Krishnadas Nair has been appointed as a member of the audit committee on 13th July, 2012.

Remuneration Policy

The Remuneration Policy of the Company for the managerial personnel is primarily based on the following criteria:-

1. Performance of the Company
2. Track record, potential and performance of individual managers and
3. External competitive environment.

Details of remuneration paid to Directors/CEO's for the year 2011-2012

(Rupees)

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees
Lt. Gen. (Retd.) SJS Saigal	Executive Director	2,135,000	35,000	101,698	0
Mr. P. Rajkumar Menon	Executive Director	6,702,659	99,216	52,512	0
Mr. R.S.S.L.N. Bhaskarudu	Independent Director	0	0	0	180,000
Dr. Chandrathil Gouri Krishnadas Nair	Independent Director	0	0	0	140,000
Maj.Gen.(Retd.) Gurdial Singh Hundal	Independent Director	0	0	0	180,000
Dr. Gautam Sen	Independent Director	0	0	0	180,000
Mr. Eduard Van Dam	Chief Executive Officer	4,381,394	47,250	1,510,619	0

V. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

This Committee comprising two Directors viz. Dr. Chandrathil Gouri Krishnadas Nair (Chairman), and Lt. Gen. (Retd.) SJS Saigal. The Committee met four times during the year. The Committee approves and monitors transfer, transmissions, and consolidations etc. of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders.

The Company received no Shareholders correspondence / Complaints during the financial year ended 31st March, 2012.

Mr. Raakesh Soni, Company Secretary is the Compliance Officer of the Company.

VI. GENERAL BODY MEETINGS

Particulars of Annual General Meeting held during the last three years:

General Meeting	Day, Date and Time	Venue	Special Resolutions passed thereat
Annual General Meeting	Friday, 23 rd September 2011 at 1.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	2
Annual General Meeting	Thursday, 16 th September 2010 at 2.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	3
Annual General Meeting	Tuesday, 29 th September, 2009 at 2.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	5

During the Financial year 2011-2012, the Company has not passed any Resolution through postal ballot.

VII. CODE OF CONDUCT

The Code of Conduct for the Directors and Employees of the Company is posted on the Website of the Company.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Global Vectra Helicorp Limited Code of Conduct for the financial year ended March 31, 2012.

Eduard Van Dam

Chief Executive Officer

Mumbai

14th August, 2012

VIII. CEO / CFO CERTIFICATE

Certificate from CEO and CFO for the financial year ended March 31, 2012 has been provided elsewhere in the Annual Report.

IX. DISCLOSURES

a) Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the directors, management, their relatives etc. that may have any conflict with the interests of the Company.

b) Compliances by the Company

During the last three years, no strictures or penalties have been imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

c) Proceeds from public issues

During the year the Company has not come with Public Issue.

d) The Company has complied with all the mandatory requirements and has adopted non-mandatory requirements as per details given below:

1. The Board

The Company maintains the office of the Chairman at its Registered Office at A-54, Kailash Colony, New Delhi – 110 048, and also reimburses the expenses incurred in performance of his duties.

There is no fixed tenure for Independent Directors.

2. Remuneration Committee

The Company has constituted Remuneration Committee as detailed in IV to the report. The Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges.

3. Shareholders' Right

The quarterly financial results are published in the news papers as mentioned under the heading "Means of Communication" at Sl. No. X herein below and also displayed on the website of the Company. The results are not separately circulated to the

shareholders.

4. Audit qualification

There are audit qualifications in the Company's financial statements for the year under reference and the same has been explained by the Board in Directors' Report.

5. Training of Board Members

No specific training programme was arranged for Board Members. However, at the Board / Committee meetings detailed presentation are made by Professional, Senior Executives of the Company on the business related matters, risk assessment, strategy, effect of the regulatory changes, etc.

6. Mechanism for evaluation of non-executive Board Members

The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Directors.

7. Whistle Blower Policy

The Company has laid down a Code of Conduct for all its employees across the organisation. The Code of Conduct of the Company lays down that the employees shall promptly report any concern or breach and suggests not hesitating in reporting a violation or raising a policy concern to the Code Compliance Cell or concerned superior. The Code provides that the Company shall support and protect employees for doing so. The Code has been rolled out across the Organisation. Further during the year 2011-2012, no employee was denied access to the Audit Committee of the Company.

X. MEANS OF COMMUNICATION

Quarterly results are normally published in Financial Express or Business Standard (in English) and Jan Satta or Business Standard (in Hindi) and also display on the website of the Company. The audited results for the year are published in the above newspapers.

Management Discussion and Analysis Report forms part of the Director's Report.

XI. GENERAL SHAREHOLDER INFORMATION

a. 14th Annual General Meeting

Date	: -	28 th September, 2012
Time	: -	1.30 p.m.
Venue	: -	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065.

No Special Resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

b. Financial Calendar

Adoption of Quarterly Results is proposed in the 5th / 6th week of the quarter ending

June 30, 2012	August, 2012
September 30, 2012	November, 2012
December 31, 2012	February, 2013
March 31, 2013	May, 2013

c. Date of Book Closure : 27th September, 2012 to 28th September, 2012

d. Listing on Stock Exchanges

The Equity Shares of the Company are listed on The National Stock Exchange of India Limited and Bombay Stock Exchange Limited at Mumbai.

The Company confirms that it has paid annual listing fees due to the Stock Exchanges for the year 2011-2012.

e. Stock code

1. The National Stock Exchange of India Ltd. GLOBALVECT
2. Bombay Stock Exchange Limited 532773

f. Market Price Data

Share prices of the Company for the Financial Year from April'2011 to March, 2012

Month	NSE		BSE	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April, 2011	31.85	24.25	30.95	25.00
May, 2011	27.90	22.10	27.50	22.05
June, 2011	28.65	21.10	25.00	21.10
July, 2011	26.65	21.20	25.60	21.50
August, 2011	24.90	15.85	24.60	17.55
September, 2011	23.90	18.65	22.90	18.50
October, 2011	22.80	18.05	22.20	18.00
November, 2011	20.00	13.10	20.05	15.05
December, 2011	18.55	11.75	17.85	12.10
January, 2012	20.45	13.80	20.00	13.95
February, 2012	21.05	16.25	22.20	17.20
March, 2012	19.25	14.00	18.90	14.45

Share Price performance in comparison to broad based indices – NSE and BSE Sensex

Particulars	GVHLshare price v/s. NSE		GVHLshare price v/s. BSE	
As on April 1, 2011	25.75	5835.00	25.80	19,463.11
As on March 31, 2012	15.35	5295.55	15.85	17,404.20
% Change	-40.39%	-9.25%	-38.57%	-10.58%

Total No. of Equity Shares as on 31st March, 2012 was 1,40,00,000 (Previous Year 1,40,00,000) of ₹ 10 each.

- g. **Registrar and Transfer Agents** : Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai 400 078

h. **Share Transfer system**

Shares lodged for transfer at the Registrars' address are normally processed within 15 days from the date of lodgment, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days from the date of lodgment, if the documents are clear in all respects.

The Executive Director & the Secretary who is also the Compliance Officer verifies the transfer Register sent by the Registrars. The Share Transfer and Investors' Grievance Committee approves the transfer of shares and debentures. Correspondence such as change of address, mandates, etc. are processed by the Registrars within 21 days. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Investors' Grievance Committee.

i **Distribution of Shareholding as on March 31st 2012**

Sr. No.	Category	No. of shares Held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters		
	- Indian Bodies Corporate	67,20,000	48.00
	- Foreign Bodies Corporate	37,80,000	27.00
	Sub-Total (A)	1,05,00,000	75.00
B.	Non-Promoters Holding		
2.	Institutions Investors		
a.	Mutual Fund / UTI	1,56,897	1.12
b.	Financial Institutions/ Banks	0	0.00
c.	Central Government / State Government(s) Institutions	0	0.00
d.	Venture Capital Funds	0	0.00
e.	Insurance Companies	2,01,155	1.44
f.	Foreign Institutional Investors	0	0.00
g.	Foreign Venture Capital Investors	0	0.00
h.	Any Other (Trust)	0	0.00

	Sub-Total (B) (1)	3,58,052	2.56
3.	Non-institutions Investors		
a.	Private Corporate Bodies	2,88,169	2.06
b.	Indian Public	27,37,809	19.55
c.	NRIs / OCBs	90,925	0.65
d.	Any other (Clearing Member)	25,045	0.18
	Sub-Total(B)(2)	31,41,948	22.44
	Sub-Total (B) (1) + (B) (2)	35,00,000	25.00
	GRAND TOTAL	1,40,00,000	100.00
Note.	Preference Share Capital Company has allotted 65,93,490 (Sixty Five Lacs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-convertible Cumulative Redeemable Preference Shares of Rs. 100/-each -Vectra Limited on 27th December, 2010.		

Shareholding of Nominal Values	Shareholders		Shares	
Rupees	Number	% of Total	Number	% of Total
1 -500	9,136	91.0686	10,57,064	7.5505
501 -1000	481	4.7947	3,77,294	2.6950
1001 -2000	225	2.2428	3,30,112	2.3579
2001 -3000	80	0.7974	2,00,542	1.4324
3001 -4000	29	0.2891	1,02,811	0.7344
4001 -5000	24	0.2392	1,14,857	0.8204
5001 -10000	32	0.3190	2,29,056	1.6361
10001-Above	25	0.2492	1,15,88,264	82.7733
TOTAL	10,032	100.0000	1,40,00,000	100.0000

j. Dematerialisation of shares

The shares of the Company are available for dematerialization and Agreements have been signed with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). 100 % of the Company's shares are held in dematerialized mode. Trading in dematerialized form is compulsory for all investors. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL

k. International Securities Identification Number

INE792H01019 (with NSDL and CDSL)

l. Address of Correspondence

- | | |
|---|---|
| <p>1. To the Company – Corporate Office
Global Vectra Helicorp Limited
Hanger No. C – He / Hf,
Airports Authority of India, Civil Aerodrome,
Juhu, Mumbai – 400 054
Telephone No. – 91-22-61409200 / 201
Fax No.-91-22-61409253
E-mail – raakesh@gvhl.net
Business Hours – 10.00 A.M to 6.00 P.M.</p> | <p>2. To Registrar and Share Transfer Agent
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078
Telephone No.- 91-22- 2594 6970 / 78
Fax No.– 91-22-2594 6969
E-mailrnt.helpdesk@linkintime.co.in
Business Hours – 10.00 A.M. to 5.00 P.M.</p> |
|---|---|

For and on behalf of the Board

Dr. Gautam Sen
Independent Director

Mr. P. Raj Kumar Menon
Whole-Time Director

Place: Mumbai
Date: 14th August, 2012

CERTIFICATION BY CEO / CFO

The Board of Directors,
Global Vectra Helicorp Limited
A-54, Kailash Colony,
New Delhi – 110 048

RE: - CERTIFICATION BY CEO / CFO FOR THE FINANCIAL YEAR 2011-2012

We have reviewed financial statements, read with the cash flow statement of Global Vectra Helicorp Limited for the year ended 31st March, 2012 and that to the best of our knowledge and belief, we certify that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated wherever applicable to the Auditors and the Audit committee :
 - (i) significant changes in internal control over financial reporting, if any, during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there were no instances of fraud of which we are aware, that involve the Management or other employee who have a significant role in the Company's internal control system.

Eduard Van Dam
Chief Executive Officer
Place:- Mumbai
Date:- 14th August, 2012

Ashvin Bhatt
Chief Financial Officer

Certificate on Corporate Governance

The Members of
GLOBAL VECTRA HELICORP LIMITED,
A-54, Kailash Colony
New Delhi – 110048

We have examined the compliance of the conditions of Corporate Governance by GLOBAL VECTRA HELICORP LIMITED ('the Company') for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders/ Investor Grievance Committee, no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao
Proprietor
Membership No. 6221
COP no. : 5676
Mumbai
Dated: 14th August, 2012

Auditors' Report

To the Members of Global Vectra Helicorp Limited

We have audited the attached balance sheet of Global Vectra Helicorp Limited ('the Company') as at 31 March 2012 and the related statement of profit and loss and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, except as stated in paragraph (f) and (h) below, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e) on the basis of written representations received from directors of the Company as at 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- f) *as more fully explained in note no 32 to the financial statements, the Company has received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs along with penalty aggregating Rs 262,195,030. No provision has been made by the Company for the same nor the interest due thereon as at 31 March 2012, as the management believes that the demand will be set aside by a higher appellate authority. Had the Company made a provision for the demand as required by Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets, the fixed asset gross block would have been higher and revaluation reserve would have been lower by ₹ 79,978,358 (previous year: ₹ 86,597,066), depreciation would have been higher by ₹ 29,446,012 (previous year: ₹ 23,219,078) and the loss after tax and accumulated losses for the year ended 31 March 2012 would have been higher by Rs 183,988,955 (previous year: ₹ 177,762,021).*
- g) *as more fully explained in note no 33 to the financial statements, managerial remuneration paid/payable to Whole Time Directors of the Company has exceeded the limits prescribed under Section 198 of the Act by Rs 2,054,387 for the year ended 31 March 2012 and ₹ 12,242,128 for period prior to 1 April 2011. The Company has applied for post-facto approval and is yet to receive the same from the Central Government;*
- h) *as more fully explained in note no 36 to the financial statements, certain customers have disputed taxes levied by the Company aggregating ₹ 93,949,478 (previous year: ₹ 93,949,478). Consequently management have not paid the said taxes to the authorities. No provision has been made by the Company in respect of such outstanding, as required by the accounting policies of the Company. However, as detailed in note 36, management believes that they have a strong case to collect the outstanding amount. Had the Company made the provision, loss after tax and accumulated losses for the year ended 31 March 2012 would have been higher by ₹ 93,949,478 (previous year: Rs 93,949,478);*
- i) In our opinion, and to the best of our information and according to the explanations given to us, subject to adjustments, if any, which may arise from the matters referred to in (f), (g) and (h) above, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii) in the case of the statement of profit and loss, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & Co.

Chartered Accountants

Firm's Registration No: 101248W

Vijay Mathur

Partner

Membership No: 046476

Mumbai
14 August 2012

Annexure to the Auditors' Report – 31 March 2012

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has physically verified certain fixed assets during the year and that no material discrepancies were noticed on such verification.
- (c) None of the fixed assets were disposed off during the year.
- (ii) (a) The inventory of consumables, spares and stores, including stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
- (b) The Company has taken unsecured loans from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 80,540,973 and the year-end balance of such loans was Rs. 54,874,931.
- (c) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from the aforesaid company covered in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interests of the Company.
- (d) Loans taken from the company covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and interest amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of spares are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of spares and fixed assets and with regard to the sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh, with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchases of certain items of spares and for obtaining information technology services, which are of specialised nature that are required by the Company and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable. Refer Clause (iii) with respect to loan taken from a company covered the register maintained in the Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Employee State Insurance, Profession Tax, Wealth Tax, Cess, Custom Duty and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Income Tax and Service Tax have not been regularly deposited during the year by the Company with the appropriate authorities and there has been serious delay in several cases. As explained to us, the Company did not have any dues on account of Excise Duty, Investor Education and Protection Fund and Sales Tax.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Profession Tax, Wealth Tax, Cess, Custom Duty and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable. The following undisputed dues of Income Tax and Service tax have not been deposited by the Company and were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable:

Name of Statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due dates
Income tax Act 1961	Income tax – Principle Interest	57,979,685 8,792,588	Various	Various

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date
Finance Act 1994	Service tax	257,535,936	Various	Various

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Custom Duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	*212,195,030	2007-2008	CESTAT (Appeals)
	Penalty	50,000,000	2007-2008	CESTAT (Appeals)
Finance Act 1994	Service tax	56,719,124	16.05.2008 to 31.03.2011	CESTAT (Appeals)
	Penalty	221,285,269	16.05.2008 to 31.03.2011	CESTAT (Appeals)

* includes amount aggregating Rs 53,826,044 paid as duty under protest during the year ended 31 March 2010

- (x) The accumulated losses of the Company are more than fifty percent of its networth at the end of the financial year. The Company has no cash losses in the current year, however there were cash losses in the immediately preceding financial year. The accumulated losses and networth have been arrived at after considering the effect of the qualifications stated in paragraphs (f) and (h) of the Auditors' Report.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to information and explanation given to us, term loan was applied for the purpose for which the loan was obtained during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that short term working capital amounting to Rs 1,544,079,183 (previous year: Rs 771,687,460) has partly financed the additions to fixed assets during the year and the accumulated losses.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

Mumbai
14 August 2012

Vijay Mathur
Partner
Membership No: 046476

Balance sheet as at 31 March 2012

		(Currency: Indian Rupees)	
	Notes	31 March 2012	31 March 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	799,349,000	799,349,000
Reserves and Surplus	3	(279,933,097)	(3,168,785)
		<u>519,415,903</u>	<u>796,180,215</u>
Non-Current Liabilities			
Long-term borrowings	4	1,993,091,740	1,713,054,475
Long term provisions	5	13,236,840	9,982,709
		<u>2,006,328,580</u>	<u>1,723,037,184</u>
Current Liabilities			
Short-term borrowings	6	401,529,391	390,786,799
Trade payables	7	1,140,021,348	865,231,874
Other current liabilities	8	1,358,765,967	1,328,181,475
Short-term provisions	5	19,576,338	17,664,053
		<u>2,919,893,044</u>	<u>2,601,864,201</u>
		<u>5,445,637,527</u>	<u>5,121,081,600</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	4,069,823,666	3,676,765,623
Capital work-in-progress		-	-
		<u>4,069,823,666</u>	<u>3,676,765,623</u>
Deferred tax assets (net)	10	-	-
Long-term loans and advances	11	294,074,914	272,269,012
		<u>294,074,914</u>	<u>272,269,012</u>
Current assets			
Inventories	12	151,740,680	121,290,706
Trade receivables	13	633,544,993	761,274,103
Cash and Bank Balances	14	25,368,704	13,546,957
Short-term loans and advances	15	241,405,244	251,977,178
Other current assets	16	29,679,328	23,958,021
		<u>1,081,738,947</u>	<u>1,172,046,965</u>
		<u>5,445,637,527</u>	<u>5,121,081,600</u>
Significant accounting policies			
Notes to the financial statements			
The notes referred to above form an integral part of the financial statements.			

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

For and on behalf of the Board of Directors**Gautam Sen**

(Independent Director)

P. Rajkumar Menon

(Executive Director)

Ashvin Bhatt

(Chief Financial Officer)

Raakesh D. Soni

(Company Secretary)

Place : Mumbai

Date : 14 August 2012

Place : Mumbai

Date : 14 August 2012

Statement of Profit and Loss for the year ended 31 March 2012

(Currency: Indian Rupees)

	Notes	31 March 2012	31 March 2011
REVENUE FROM OPERATIONS			
Service income (net)		2,753,428,997	2,286,281,453
Other operating income	17	34,991,398	29,470,410
		2,788,420,395	2,315,751,863
OTHER INCOME			
	18	50,475,772	31,798,598
		2,838,896,167	2,347,550,461
EXPENDITURE			
Helicopter Maintenance	19	423,623,985	393,862,341
Helicopter Lease Rentals		621,969,673	482,335,120
Employee Cost	20	588,149,552	505,915,927
Finance costs	21	405,036,714	296,499,836
Depreciation and amortisation	9	259,055,072	275,010,606
Other expenses	22	782,646,090	837,637,413
		3,080,481,086	2,791,261,243
(Loss) for the year before tax		(241,584,919)	(443,710,782)
Less: Provision for tax			
Current tax		-	63,049
Deferred tax		-	-
(Loss) for the year after tax		(241,584,919)	(443,773,831)
Basic and diluted earnings per share	31	(17.26)	(31.70)
(Face value of per share ₹ 10 each)			
Significant accounting policies	1		
Notes to the financial statements	2 - 38		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 14 August 2012

For and on behalf of the Board of Directors

Gautam Sen

(Independent Director)

Ashvin Bhatt

(Chief Financial Officer)

Place : Mumbai

Date : 14 August 2012

P. Rajkumar Menon

(Executive Director)

Raakesh D. Soni

(Company Secretary)

Cash flow statement for the year ended 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
Cash flow from operating activities		
Loss before taxation	(241,584,917)	(443,710,782)
Adjustments:		
Depreciation and amortisation	259,055,072	275,010,606
Interest income	(10,897,363)	(11,309,779)
Sundry balances written back	(11,325,871)	-
Provision for bad debts written back	-	(2,633,271)
Finance lease cost	77,315,982	97,265,762
Interest expenses	307,332,029	180,752,701
Provision for gratuity	5,394,704	5,204,813
Provision for leave encashment	(228,288)	1,315,928
Loss on conversion / sale of fixed assets	-	138,046,513
Bad debts written off	13,716	6,327,447
Unrealised exchange loss / (gain) (net)	60,134,472	8,819,069
	686,794,454	698,799,788
Operating cash flow before working capital changes	445,209,536	255,089,006
Decrease / (Increase) in trade receivables	141,349,506	(251,964,111)
Decrease / (Increase) in inventories	(30,449,974)	1,249,907
(Increase) in other current assets	(7,540,138)	(15,814,313)
Increase in trade payables	210,450,364	258,116,797
Increase / (Decrease) in other current liabilities	(56,034,645)	244,185,272
Cash generated from operations	257,775,114	235,773,553
Taxes refund / (paid)	(7,465,985)	8,537,863
Net cash generated from operating activities	(A) 695,518,665	499,400,422
Cash flows from investing activities		
Purchase of fixed assets	(592,447,150)	(70,895,757)
Proceeds from sale of fixed assets	-	599,180,261
Additions to fixed deposits	(5,438,769)	(3,451,250)
Interest received (net of tax deducted at source)	10,844,606	11,257,022
Net cash generated / (used in) investing activities	(B) (587,041,313)	536,090,276

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 14 August 2012

For and on behalf of the Board of Directors**Gautam Sen**

(Independent Director)

Ashvin Bhatt

(Chief Financial Officer)

Place : Mumbai

Date : 14 August 2012

P. Rajkumar Menon

(Executive Director)

Raakesh D. Soni

(Company Secretary)

Cash flow statement for the year ended 31 March 2012(Continued)

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
Cash flows from financing activities		
(Decrease) / increase in overdraft facility	(8,132,112)	22,481,831
Proceeds from long - term borrowings	452,110,750	-
Repayment of long - term borrowings	(179,901,813)	(460,760,899)
Principal repayment under finance lease	(126,459,945)	141,510,790
Payment of finance lease cost	(77,562,282)	(434,712,238)
Payment of interest	(181,023,676)	(179,699,722)
(Repayment) / Borrowings from group companies (net)	18,874,703	(130,664,003)
Repayments of vehicle loan	-	(259,483)
Net cash used in financing activities	(102,094,375)	(1,042,103,725)
	(C)	
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 6,382,977	(6,613,027)
Cash and cash equivalents at beginning of the year	9,261,392	15,874,419
Cash and cash equivalents at end of the year	15,644,369	9,261,392

- 1 Cash and cash equivalents includes cash in hand, current accounts with banks and exchange earners foreign currency accounts aggregating ₹ 2,553,397, ₹ 3,282,589 and ₹ 9,808,383 (Previous year: ₹ 1,824,544, ₹ 1,095,032 and ₹ 6,341,816) respectively
- 2 Lease liability aggregating ₹ Nil (Previous year: ₹ 6,593,490) converted into 5.46% Preference Shares of ₹ 100/- each totaling to ₹ Nil (Previous year: ₹ 659,349,000) have not been considered in the above Statement (refer schedule 2).

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 14 August 2012

For and on behalf of the Board of Directors**Gautam Sen**

(Independent Director)

Ashvin Bhatt

(Chief Financial Officer)

Place : Mumbai

Date : 14 August 2012

P. Rajkumar Menon

(Executive Director)

Raakesh D. Soni

(Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Currency: Indian Rupees)

Background

Global Vectra Helicorp Limited ('the Company') was incorporated in 1998 as a private limited company and was subsequently listed on the stock exchange on 27 October 2006. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The Company is mainly engaged in helicopter charter services for offshore transportation, servicing the oil and gas exploration and production sector in India.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements

1.1 Basis of preparation of financial statements

These financial statements are prepared and presented under the historical cost convention, except for certain fixed assets which were revalued (at fair value) during the year ended 31 March 2009, on the accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards (AS) prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') to the extent applicable. The financial statements are presented in Indian rupees.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the Company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

1.2 Going concern

The Company's net worth (excluding revaluation reserve) stands partially eroded as at 31 March 2012. However, the financial statements have been prepared on a going-concern basis based on a letter of support from its major shareholders stating that they will continue to provide such financial support to the Company as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its debts and liabilities, both present as well as in the future, as and when they fall due for payment in the normal course of business, and the business plans reviewed by the management.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

1.3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.4 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;

- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

1.5 Tangible Fixed assets

Fixed assets are stated at cost of acquisition or revalued amounts, as the case may be, less accumulated depreciation/ amortisation and impairment losses, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under capital work in progress.

Depreciation on fixed assets except leasehold improvements is provided on straight line basis at the rates prescribed under Schedule XIV of the Act which in management's opinion, reflects the estimated useful economic lives of fixed assets. Leasehold improvements in the nature of hangar and administrative building are amortised over the primary lease period or the useful life of the assets, whichever is shorter.

Major component parts of a helicopter which require replacement at regular intervals are identified and depreciated separately over their respective estimated remaining useful life. Accordingly, rotor heads are segregated from the helicopters are depreciated over 5,000 hours, being their estimated useful life.

Assets individually costing up to ₹ 5,000 are depreciated fully in the year of their purchase. If the aggregate of such item of plant and equipment constitute more than ten percent of the total actual cost of plant and equipment, the depreciation rate applicable to such items are applied.

Where depreciable assets are revalued, the additional depreciation on the revalued amount is transferred from the revaluation reserve to the Statement of Profit and Loss.

The useful life of asset are reviewed by the management at each financial year end and revised if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life.

1.6 Impairment of assets:

Where there is an indication of impairment of the Company's assets, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to the present values based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.7 Maintenance expenditure

Helicopter maintenance checks including overhaul and repairs and maintenance that are required to be performed at regular intervals as enforced by the Director General of Civil Aviation (DGCA) and in accordance with the maintenance programme laid down by the manufacturers are debited to the Statement of Profit and Loss as and when incurred.

1.8 Inventories

Inventories comprising of consumables, spare and shop supplies, are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of inventory comprises of all cost of purchase and other incidental cost incurred in bringing the inventories to their present location and condition.

1.9 Revenue recognition

Service income, including income from operation and maintenance contracts and reimbursement of expenses is recognized as and when services are rendered in accordance with the terms of the specific contracts, net of all contractual deductions. Revenue is recognised net of all taxes and levies.

Interest income is recognised on time proportion basis.

1.10 Employee benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post employment benefits

Defined contribution plans:

The Company makes specified monthly contributions towards employee provident fund and employees' state insurance corporation ('ESIC'). The Company's contribution paid / payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(c) Long term employment benefits:

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

1.11 Foreign exchange transactions

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year, except for exchange fluctuations arising on settlement of long term foreign currency monetary assets or liabilities.

Exchange differences arising on settlement of long term foreign currency monetary assets or liabilities are adjusted to the cost of the specifically identifiable assets as per the option available under paragraph 46 of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31 March 2009.

Restatement at reporting date

a) Short term foreign currency monetary assets and liabilities

Short term foreign currency monetary assets and liabilities denominated in foreign currency are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

A monetary asset or liability denominated in foreign currency is designated as a short term monetary asset or liability if the original term at the time of origination of the asset or liability is less than 12 months.

b) Long term monetary assets and liabilities

As per the option available under paragraph 46 of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31 March 2009 in so far as they relate to recognition of losses or gains arising on restatement of long term monetary items, the Company has availed the option of adjusting the exchange differences on restatement of long term foreign currency monetary assets or liabilities to the historical cost of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the asset. All long term monetary assets or liabilities denominated in foreign currency are specifically identifiable with depreciable assets and hence no accumulation of exchange differences is made in the foreign currency monetary item translation difference account.

A monetary asset or liability denominated in foreign currency is designed as a long term monetary asset or liability if the original term at the time of origination of the asset or liability is more than 12 months.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. Exchange fluctuations to the extent covered under paragraph 4 (e) of AS 16 – 'Borrowing cost' are classified as borrowing cost and disclosed accordingly.

1.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.14 Leases

Asset acquired under leases other than finance lease are classified as operating leases. Lease rentals (including scheduled rental increases) in respect of assets acquired under operating lease are charged off to the Statement of Profit and Loss on a straight line basis with reference to the lease term and other contractual consideration as incurred. Initial direct cost incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired on or after 1 April 2001 are capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. A corresponding amount is recorded as a lease liability. The principal amount in the lease rentals paid is adjusted against the lease liability and the balance charged to the profit and loss account as finance cost.

1.15 Earnings per share ('EPS')

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the result would be anti dilutive.

1.16 Provisions and contingencies

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision are measured on an undiscounted basis.

A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision in respect of loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

1.17 Derivatives

In compliance with the announcement dated 29th March, 2008 by ICAI regarding Accounting for Derivatives, the loss arising out of marking each class of derivative contracts to market price is recognised in the statement of Profit and Loss. Income, if any, arising out of marking each class of derivative contracts to market price is not recognised in the Statement of Profit and Loss.

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
2 Share Capital		
Authorised		
25,000,000 (previous year: 25,000,000) equity shares of ₹ 10 each	250,000,000	250,000,000
7,000,000 (previous year: 7,000,000) Non convertible cumulative redeemable preference shares of ₹ 100 each		
	<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paidup		
Equity Share Capital		
14,000,000 (previous year: 14,000,000) equity shares of ₹ 10 each, fully paid up	140,000,000	140,000,000
Preference Share Capital		
6,593,490 (previous year: 6,593,490) 5.46% Non convertible cumulative redeemable preference shares of ₹ 100 each, fully paid	659,349,000	659,349,000
	<u>799,349,000</u>	<u>799,349,000</u>

a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period.

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
Equity shares in the beginning and at the end of the year	14,000,000	140,000,000	14,000,000	140,000,000
Preference Shares in the beginning of the year	6,593,490	659,349,000	-	-
Add: Preference shares issued during the year	-	-	6,593,490	659,349,000
Preference shares at the end of the year	6,593,490	659,349,000	6,593,490	659,349,000

b) Particulars of shareholders holding more than 5% share of a class of shares

	% Holding	No of Shares	% Holding	No of Shares
Equity shares of ₹ 10 each, fully paid up held by				
Vectra Investments Private Limited	48%	6,720,000	48%	6,720,000
Azal Azerbaijan Aviation Limited	27%	3,780,000	27%	3,780,000
5.46% Non convertible Cumulative redeemable Preference share of ₹ 100 each fully paid up, held by				
Vectra Limited U. K.	100%	6,593,490	100%	6,593,490

c) Terms / rights attached to shares

i) Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Rights, Preference and restrictions attached to Preference Shares

The Company has only one class of preference shares having a par value of ₹ 100/- per share. All the preference shares are non convertible and redeemable at par on 27th December, 2017. Each preference share is entitled to cumulative dividend of 5.46% per annum on par value.

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

31 March 2012 31 March 2011

3 Reserves and surplus

Securities premium account at the commencement and end of the year	441,226,336	441,226,336
Revaluation reserve (refer note below)		
At the commencement of the year	426,080,771	760,838,756
Amount Transferred to statement of profit and loss on account of additional depreciation on revalued assets.	(35,179,393)	(39,507,034)
Loss on sale of revalued assets	-	(234,708,496)
Transferred to general reserve	-	(60,542,455)
	390,901,378	426,080,771
General reserve		
At the commencement of the year	60,542,455	-
Transfer from revaluation reserve on sale of assets	-	60,542,455
	60,542,455	60,542,455
Surplus (profit and loss account)		
At the commencement of the year	(931,018,347)	(487,244,516)
Loss for the year	(241,584,919)	(443,773,831)
	(1,172,603,266)	(931,018,347)
	(279,933,097)	(3,168,785)

Note:

During the year ended 31 March 2009, the Company has, in order to reflect the current reinstatement cost/market value of its assets, revalued all of its leased helicopters and owned helicopters. The revaluation for the helicopters has been carried out by international helicopters/aircraft valuers considering the total time of air frame (TTAF) (Cumulative time in Service). Accordingly, the resultant accretion to the value of the helicopters aggregating ₹ 924,551,109 has been adjusted (added) to the historical cost of the asset and a corresponding amount has been credited to Revaluation Reserve. Additional depreciation of the accretion to the historical cost of the asset on account of the revaluation aggregating ₹ 3,51,79,393 (previous year: 3,95,07,034) has been passed through the statement of profit and loss with an equivalent withdrawal from the revaluation reserve to the statement of profit and loss.

Further on account of the revaluation of assets during the year ended 31 March 2009, an adjustment (reduction) aggregating ₹ 26,891,368 has been made to the carrying value of two helicopters. The reduction in the carrying value of the assets has been charged to the statement of profit and loss.

Notes to Financial Statements as at 31 March 2012

4 Long-term borrowings

(Currency: Indian Rupees)

	Non Current portion		Current Portion*	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
- Secured				
Term Loan				
From Bank				
External Commercial Borrowing-Royal Bank of Scotland**	206,806,081	250,525,874	82,722,432	71,578,821
From Others				
External Commercial Borrowing-Export Development Canada***	868,971,038	461,071,639	124,813,163	68,306,910
SREI Equipment Finance Pvt Ltd (refer note 3)****	-	39,582,844	42,063,168	17,149,305
SREI Infrastructure Finance Ltd. *****	200,796,306	194,320,121	55,000,000	86,823,287
	1,276,573,425	945,500,478	304,598,763	243,858,322
Finance lease obligation*****	716,518,315	767,553,997	194,828,236	158,402,776
	1,993,091,740	1,713,054,475	499,426,999	402,261,098

* Amount disclosed in note 8 under "Other Current Liabilities".

** ECB of JPY 894,404,000 (previous year: JPY 894,404,000) is repayable in twenty seven quarterly installments commencing from 19 March 2009. The ECB is secured by exclusive charge over one (Previous Year:one) Eurocopter helicopter .

*** ECB of USD 15,298,300 (previous year : USD 15,298,300)is repayable in forty quarterly installments commencing from 16 January 2009 . The ECB is secured by exclusive charge over two (previous year : two)Bell 412 helicopters. ECB of USD 9,100,000 (previous year : USD NIL)from Export Development Canada is repayable in forty quarterly installments commencing from 20 May 2012. The ECB is secured by exclusive charge over one (previous year :Nil) Bell 412 helicopter.

**** Repayable in five years for 70% of principal amount and bullet repayment of balance 30% at the end of five years. Secured by specific assignment of book debts and exclusive charge over one (previous year : one) helicopter.

Position of default as on	31 March 2012	31 March 2011
Principal	1,154,639	3,988,700
Interest	2,691,300	4,191,606

***** The Loan consists of ₹ 147,445,651 (previous year: ₹ 140,611,993) for VT-AZY and ₹ 53,350,655 (previous year: ₹ 53,708,128 for VT-GVE. Pursuant to an agreement entered with lender SREI Infrastructure Finance Ltd during the financial year, interest due but not paid amounting ₹ 10,729,213 (previous year:Nil) and 4,124,753 (previous year:Nil) for VT-AZY and VT-GVE respectively was converted to loan.

Position of default as on	31 March 2012	31 March 2011
Principal	6,500,000	20,701,066
Interest	8,164,819	16,940,499

***** Finance lease obligation is secured by hypothecation of helicopters taken on lease.

Notes to Financial Statements as at 31 March 2012

Position of default as on	31 March 2012	31 March 2011
Principal	31,942,834	25,446,890
Interest	15,289,228	15,535,528

Five (previous year:five) helicopters have been obtained on finance lease basis. The legal title to these items vests with their lessors. The lease term for such helicopters ranges between 9-11 years with equated monthly payments beginning from the month subsequent to the commencement of the lease. The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

	Non Current portion		Current Portion	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
a) Total future minimum lease payment	836,778,114	932,564,144	231,918,787	205,099,155
b) Future interest included in (a) above	120,259,800	163,572,346	69,033,380	73,788,256
c) Present future value of minimum lease payments (a-b)	716,518,315	768,991,797	162,885,406	131,310,899

The rate of interest implicit in the above is in the range of 8% to 9%.

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments		Present value	
Minimum lease payments	231,918,787	205,099,155	162,885,406	195,862,331
Payable within 1 year	836,778,114	918,433,530	716,518,315	617,657,680
Payable between 1-5 years	-	14,642,371	-	86,782,685
Payable beyond 5 years	-	-	-	-

5 Provisions

	Long Term		Short Term	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Provisions for employee benefits				
Gratuity (Refer Note 27)	11,159,816	7,285,218	14,024,257	12,504,151
Compensated absences (Refer Note 27)	2,077,024	2,697,491	5,270,393	4,878,214
Other provisions	-	-	281,688	281,688
	13,236,840	9,982,709	19,576,338	17,664,053

Notes to Financial Statements as at 31 March 2012**6 Short-term borrowings**

	31 March 2012	31 March 2011
i) Secured Loan		
From Bank		
Cash credit and overdraft facilities #	250,443,061	258,575,173
ii) Unsecured Loan		
From Bank		
Royal Bank of Scotland-Short Term Loan ##	25,000,000	25,000,000
Loans and advances from related parties repayable on demand ###		
- From associates	126,086,330	107,211,626
	401,529,391	390,786,799

Secured by a pari-passu charge of the following:

- Exclusive charge over two (previous year : two) bell helicopters and one (previous year : one) eurocopter helicopter.
- Specific assignment of books debts relating to four (previous year : four) helicopters being charged.
- Hypothecation of stock / inventory and book debts.

The short term loan from a bank is guaranteed by a non-executive promoter director of the Company.

###The Company had incurred various expenses pertaining to spare parts purchase and helicopter maintenance, some of which were paid by the group companies directly to the third parties. The said amounts have been converted into loans and will be governed by Reserve Bank of India Circular No. RBI/2004/154/ AP(Direct Services) Circular No. 87 dated 17/04/2004.

7 Trade Payable	31 March 2012	31 March 2011
Trade Payable	1,140,021,348	865,231,874
	1,140,021,348	865,231,874

On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

8 Other Current Liabilities	31 March 2012	31 March 2011
Current maturities of long-term debt (Refer Note 4)	304,598,763	243,858,322
Current maturities of finance lease obligation (Refer Note 4)	194,828,236	158,402,776
Interest accrued but not due on borrowing	922,026	1,183,844
Interest accrued and due on borrowing	11,931,945	21,970,590
Interest accrued and due on finance lease obligation	15,289,228	15,535,528
Income received in advance	78,576,505	150,131,948
Share application money due for refund	27,000	27,000
Service Tax Payable	387,781,248	435,330,174
TDS Payable	128,815,974	76,193,788
Other Payable	235,995,042	225,547,503
	1,358,765,967	1,328,181,475

Notes to Financial Statements as at 31 March 2012

9 Fixed assets

(Currency: Indian Rupees)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1 April 2011	Additions during the period	Deductions during the period	As at 31 March 2012	As at 1 April 2011	During the period	As at 31 March 2012	As at 31 March 2011
Building	7,954,063	-	-	7,954,063	7,954,063	-	7,954,063	-
Hanger and Administrative Building	(7,954,063)	-	-	(7,954,063)	(7,954,063)	-	(7,954,063)	-
	85,811,170	-	-	85,811,170	15,989,458	5,457,782	21,447,240	69,821,712
Plant and Machinery	(85,811,170)	-	-	(85,811,170)	(8,530,011)	(7,459,447)	(15,989,458)	(77,281,159)
	24,651,507	922,614	-	25,574,121	3,589,932	1,192,057	4,781,989	21,061,575
Furniture and Fixtures	(23,896,304)	(755,203)	-	(24,651,507)	(2,431,263)	(1,158,669)	(3,589,932)	(21,465,041)
	28,143,268	1,051,994	-	29,195,262	6,790,352	1,702,524	8,492,876	21,352,916
Helicopters	(27,818,397)	(324,871)	-	(28,143,268)	(5,064,846)	(1,725,506)	(6,790,352)	(22,753,551)
Owned	2,620,943,218	607,515,300	-	3,228,458,516	452,639,448	172,794,862	625,434,310	2,168,303,768
	(3,204,452,134)	(68,371,228)	(651,880,144)	(2,620,943,218)	(446,168,200)	(158,249,205)	(452,639,448)	(2,758,283,934)
Leased	1,948,962,857	76,730,133	-	2,025,692,990	562,195,801	110,931,870	673,127,671	1,386,767,056
	(3,183,105,456)	-	(1,234,142,599)	(1,948,962,857)	(795,051,313)	(143,872,593)	(562,195,801)	(2,388,054,143)
Computers	12,248,271	1,072,467	-	13,320,738	5,495,084	1,680,650	7,175,734	6,753,187
	(10,803,816)	(1,444,455)	-	(12,248,271)	(3,917,584)	(1,577,500)	(5,495,084)	(6,886,232)
Vehicles	5,031,283	-	-	5,031,283	2,325,874	474,720	2,800,594	2,705,409
	(5,031,283)	-	-	(5,031,283)	(1,851,154)	(474,720)	(2,325,874)	(3,180,129)
Total	4,733,745,637	687,292,508	(1,886,022,743)	5,421,038,143	1,056,980,012	294,234,465	1,351,214,477	3,676,765,623
Previous Year	(6,548,872,623)	(70,895,757)	(1,886,022,743)	(4,733,745,637)	(1,270,968,434)	(314,517,640)	(1,056,980,012)	(5,277,904,189)

Notes:

a) Amounts disclosed in brackets are comparatives as at 31 March 2011.

b) Helicopters leased assets includes helicopters obtained under a finance lease and does not include helicopters obtained under operating lease.

c) As per the option available under paragraph 46 of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31 March 2009, in so far as they relate to recognition of losses or gains arising on restatement of long term monetary items, the Company has availed the option of adjusting the exchange differences on restatement of long term monetary assets or liabilities to the historical cost of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the asset. The Company has adjusted the exchange differences arising of such long term foreign currency items (assets and liabilities) to the historical cost of the depreciable assets for all accounting periods commencing on or after 7 December 2006.

As a consequence, exchange loss on restatement of long term monetary liabilities at 31 March 2012 aggregating to ₹ 94,845,357 (previous year ₹ 14,132,813 decapitalised) (net of tax) has been capitalised by adjusting the historical cost of the specifically identifiable asset. The above adjustment to the historical cost of the specifically identifiable assets has resulted in additional depreciation charge aggregating to ₹ 2,081,481 (previous year: ₹ 791,427). The depreciation charge has been computed on the basis of the remaining useful life of the assets as at the date of the above adjustments. The exchange fluctuation during the year is presumed to occur evenly throughout the reporting period.

Depreciation charge has been disclosed as under:

	31 March 2012	31 March 2011
Depreciation Charge for the year	294,234,465	314,517,640
Amount withdrawn from revaluation reserve	35,179,393	39,507,034
As per the profit and loss account	<u>259,055,072</u>	<u>275,010,606</u>

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
10 Deferred tax assets (net)		
Deferred tax assets (refer note 1)		
Arising on account of timing difference in:		
- Unabsorbed depreciation	631,086,393	632,620,524
- Carry forward business loss	32,604,094	33,381,989
- Provision for doubtful debts and advances	2,273,399	16,675,218
- Provision for impairment losses and downward revaluation of assets	-	-
- Others (disallowances under section 43B of the Income Tax Act, 1961)	113,203,719	23,188,384
	779,167,605	705,866,115
Deferred tax liabilities		
Arising on account of timing difference in:		
- Lease rentals on assets acquired on finance lease	153,517,381	161,421,273
- Depreciation	625,650,223	544,444,842
	779,167,604	705,866,115
Net deferred tax assets	-	-

Note

- 1) Due to carry forward losses and consequent absence of virtual certainty of realisation of deferred tax assets, deferred tax asset is recognised to the extent of the deferred tax liability since the same is considered to be virtually certain of realisation.

	Non-Current portion		Current portion	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
11 Long term loans and advances				
Unsecured and considered good to other than related parties				
Security Deposits	49,196,691	48,973,343	6,374,248	2,851,760
Inter Corporate Deposits	66,650,220	66,650,220	-	-
TDS Receivable	131,251,724	123,785,739	-	-
Prepaid expenses	46,976,279	32,859,710	29,679,329	23,958,021
	294,074,914	272,269,012	36,053,577	26,809,781

	31 March 2012	31 March 2011
12 Inventories		
(Valued at lower of cost and net realisable value)		
Consumables, spares and stores	151,740,680	121,290,706
	151,740,680	121,290,706

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
13 Trade Receivables		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured Considered good	228,517,953	319,794,521
Unsecured Considered doubtful	3,682,955	44,879,055
	<u>232,200,908</u>	<u>364,673,575</u>
Less: Provision for doubtful receivables	3,682,955	44,879,055
	<u>228,517,953</u>	<u>319,794,521</u>
Other receivable		
Unsecured Considered good	405,027,040	441,479,582
Unsecured Considered doubtful	-	-
	<u>405,027,040</u>	<u>441,479,582</u>
	<u><u>633,544,993</u></u>	<u><u>761,274,103</u></u>
14 Cash and cash equivalents		
Balances with banks		
- on current accounts	3,282,589	1,095,032
- on exchange earners' foreign currency account	9,808,383	6,341,816
- on deposit accounts (with original maturity of 3 months or less)	9,724,335	4,285,566
Cash on hand	2,553,397	1,824,544
	<u>25,368,704</u>	<u>13,546,957</u>
Amounts with banks in deposit accounts have been pledge with banks as security for credit facilities obtained		
15 Short-term loans and advances		
Loans and advances to related parties		
Unsecured, considered good	60,278,473	48,866,639
Others		
Unsecured, considered good		
Advance to vendors	71,445,040	71,898,559
Loans to employees	58,500	58,500
Travel and other advances	4,177,294	4,415,321
Interest receivable	52,757	52,757
Security deposits	6,374,248	2,851,760
Other advances	74,313,333	123,833,641
Service tax receivable	24,705,599	-
Considered doubtful		
Advance to vendors	3,323,977	5,321,045
	<u>184,450,748</u>	<u>208,431,583</u>
Less: Provision for doubtful advances	3,323,977	5,321,045
	<u><u>241,405,244</u></u>	<u><u>251,977,178</u></u>

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

31 March 2012

31 March 2011

16 Other current assets

Prepaid expenses- insurance	2,200,273	2,058,950
Prepaid expenses-others (Refer note 11)	27,479,055	21,899,072
	29,679,328	23,958,021

17 Other operating income

Revenue - maintenance, repairs and overhaul	539,333	555,178
Reimbursement of expenses	13,056,000	10,747,174
Revenue - others	21,396,065	18,168,058
	34,991,398	29,470,410

18 Other income

Interest income		
- banks (tax deducted at source ₹10,231 (previous year: ₹ 5,527))	105,218	52,757
- others (tax deducted at source ₹ 5,68,080.00(previous year: ₹ 5,66,528.00.))	10,792,145	11,257,022
Insurance claim received	28,252,538	-
Provision for bad debts written back	-	2,633,271
Reversal of MTM loss	-	17,855,548
Creditors written back	11,325,871	-
	50,475,772	31,798,598

19 Helicopter maintenance

Helicopter spares consumption and maintenance	130,114,680	133,858,860
Maintenance, repairs and overhaul charges	293,509,305	260,003,481
	423,623,985	393,862,341

20 Employee benefits

Salaries and bonus	557,824,658	475,327,065
Contribution to provident and other funds	11,015,933	13,103,346
Staff welfare expenses	19,308,961	17,485,516
	588,149,552	505,915,927

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
21 Finance costs		
Interest		
- term loan	44,148,698	65,459,339
- external commercial borrowings	12,425,452	12,641,887
- Interest cost Para 4(e) of AS-16 (Refer note 33)	160,164,978	25,990,648
- cash credit and overdraft facility	45,584,607	34,081,793
- others	45,008,293	42,579,034
Finance lease cost	77,315,982	97,265,762
Bank charges and commission	8,619,854	12,301,532
Facility advisory fees	11,768,850	6,179,841
	405,036,714	296,499,835
22 Other expenses		
Aviation fuel	197,131,672	152,535,131
Insurance charges		
- helicopter	71,469,073	90,258,565
- other	1,021,263	710,899
Parking, landing and passenger service fees	38,679,835	29,949,276
Charter hire cost	66,247,712	60,718,377
Royalty	18,669,752	4,237,760
Clearing, forwarding and freight	38,275,155	40,117,506
Amortisation of initial costs	23,012,481	11,768,376
Travelling and conveyance	100,841,386	103,983,577
Legal and professional fees	24,417,384	19,169,805
Auditors' remuneration (refer note 24 (a))	2,449,720	2,416,694
Directors sitting fees	680,000	580,000
Training expenses	20,003,555	23,228,580
Lease rent	16,607,301	18,391,293
Telephone and other communication expenses	6,196,753	5,872,821
Car rentals	13,958,032	12,252,227
Repairs and maintenance		
- buildings	50,400	990,864
- plant and machinery	103,000	61,550
- others	14,913,580	9,920,973
Electricity expenses	8,446,291	7,204,040
Printing and stationery	6,158,320	3,690,474
Advertisement	940,931	396,539
Rates and taxes	15,740,729	19,740,605
Security Charges	3,028,501	2,894,847
Bad debts written off	13,716	6,327,447
Loss on conversion / sale of fixed assets	-	138,046,543
Miscellaneous expenses	2,650,721	6,737,685
Foreign exchange loss	90,938,827	65,434,959
	782,646,090	837,637,413

Notes to Financial Statements as at 31 March 2012

(Currency: Indian Rupees)

	31 March 2012	31 March 2011
23 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances	-	17,244,194
Preference dividend on 6,593,490 (previous year: 6,593,490) 5.46%	45,370,436	9,369,981
Non-convertible cumulative redeemable preference shares		
Dividend tax on Preference dividend	7,396,527	1,556,354
	52,766,963	17,244,194
(b) Contingent liabilities		
Claims against the Company not acknowledged as debts		
Employee related	3,698,534	2,490,882
Demands in respect of which appeals are in the process of being filed		
- Customs duty related (refer note 1)	262,195,030	262,195,030
	265,893,564	264,685,912
Note		
1 Includes duty paid under protest aggregating ₹ 53,826,044(previous year : ₹ 53,826,044)		
24 Supplementary statutory information		
(a) Auditors' remuneration (excluding service tax)		
Audit fees	1,599,000	1,599,350
Other services	650,720	666,585
Out of pocket expenses	200,000	150,759
	2,449,720	2,416,694
(b) Expenditure, earnings in foreign currency		
(i) Expenditure in foreign currency (on accrual basis)		
Lease rentals	571,601,361	436,184,859
Helicopter overhaul and maintenance	223,984,372	164,816,758
Training expenses	10,171,215	11,425,727
Interest – finance lease	77,315,982	84,832,945
Interest	12,425,452	38,632,535
Salaries	66,395,475	66,553,480
Legal and professional fees	6,061,051	4,950,094
Insurance charges	-	1,662,925
Travelling and conveyance	261,446	161,789
Miscellaneous expenses	5,012	322,377
Bank charges	68,022	2,079
(ii) Earnings in foreign exchange (on accrual basis)		
- Revenue	1,562,072,187	1,287,985,717

Notes to Financial Statements as at 31 March 2012

24 Supplementary statutory information (Continued)

(c) Details of imported and indigenous spare parts and components consumed

	31 March 2012		31 March 2011	
	Value	% of total consumption	Value	% of total consumption
Imported	91,252,124	70	93,877,995	70
Indigenous	38,862,556	30	39,980,865	30
	<u>130,114,680</u>	<u>100</u>	<u>133,858,860</u>	<u>100</u>

(d) Value of imports on CIF basis (excluding leased assets)

	31 March 2012	31 March 2011
Spare parts and components	191,040,266	84,672,347
Capital spares	39,404,296	64,605,650
Capital goods (Plant & Machinery / helicopters)	549,995,779	1,428,574
	<u>780,440,341</u>	<u>150,706,571</u>

25 Segment reporting

The Company is engaged in providing helicopter services in India, which is considered as one business segment. The segment reporting based on geographical risk factor which may be present in different countries is also not applicable, as the Company provides helicopter services only in the domestic market. Hence, there are no separate reportable segments, as required by the Accounting Standard 17 on "Segment Reporting" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

26 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

i Contribution to provident fund and ESIC

Amount of ₹ 2,774,984 (previous year: ₹ 2,724,477) is recognized as an expense and included in "Personnel cost" (refer note 20 to the financial statements).

ii Leave Wages

Amount of ₹ 1,765,088 (previous year: ₹ 1,509,097) is recognized as an expense and included in "Personnel cost" (refer note 20 to the financial statements).

iii Defined benefit plan and long term employment benefit

a General description

Gratuity (Defined benefit plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

Leave wages (Long term employment benefit)

Eligible employees can carry forward leave with a maximum accumulation of thirty (30) days. All leave balances in excess of thirty (30) days at the end of the calendar year are compulsorily encashed on the basis of basic salary last drawn. Leave wages are also payable to all eligible employees at the rate of daily basic salary on accumulated leave at the time of death / resignation / retirement or on attaining superannuation age.

Sick leave (Long term employment benefit)

The sick leave is not encashable and can be accumulated till 90 days for employees other than pilots, whose leave balance will lapse at the end of the year.

Notes to Financial Statements as at 31 March 2012**26 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits' (Continued)**

(b) Amounts for the current period are as follows	Gratuity	
	31 March 2012	31 March 2011
i Change in the present value of the defined benefit obligation:		
Defined benefit obligation at the beginning of year	21,743,820	16,394,233
Interest cost	1,793,865	1,270,553
Current service cost	4,717,521	5,701,848
Past Service Cost (Vested Benefit)	-	6,570,683
Benefit paid	(1,081,157)	(3,665,010)
Actuarial (gain)/loss on obligation	120,832	(4,528,488)
Defined benefit obligation at the end of year	27,294,881	21,743,820
ii Change in fair value of plan assets:		
Fair value of plan assets at the beginning of year	1,954,451	1,809,677
Expected return on plan assets	161,242	140,250
Contribution by employer	-	-
Benefit paid	-	-
Actuarial gain on plan assets	(4,886)	4,524
Fair value of plan assets at the end of year	2,110,807	1,954,451
iii Actual return on plan assets		
Expected return on plan assets	161,242	140,250
Actuarial gain on plan assets	(4,886)	4,524
Actual return on plan assets	156,356	144,774
iv Amount recognised in balance sheet		
Liability at the end of year	27,294,880	21,743,820
Fair value of plan assets at the end of the year	(2,110,807)	(1,954,451)
Difference	25,184,073	19,789,369
Amount recognised in the balance sheet	25,184,073	19,789,369
v Expense recognised in profit and loss statement		
Current service cost	4,717,521	5,701,848
Interest cost on benefit obligation	1,793,865	1,270,553
Expected return on plan assets	(161,242)	(140,250)
Past Service Cost (Vested Benefit) Recognised	-	6,570,683
Net actuarial (gain)/ loss in the year	125,718	(4,533,012)
Expenses recognized in profit and loss statement	6,475,862	8,869,822
vi Balance sheet reconciliation		
Opening net liability	19,789,369	14,584,556
Expenses as above	6,475,862	8,869,822
Employer's contribution	(1,081,157)	(3,665,010)
Benefit paid	-	-
Amount recognized in balance sheet	25,184,074	19,789,369

Notes to Financial Statements as at 31 March 2012

	Gratuity	
	31 March 2012	31 March 2011
vii Actuarial assumptions		
Experience adjustments		
Planned liabilities (gain)/loss	(1,438,876)	(3,192,640)
Planned asset gain/(loss)	(4,886)	4,524
Discount rate	8.75%	8.25%
Rate of return on plan assets	8.75%	8.25%
Salary escalation	5.00%	5.00%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

27 Related parties

As per Accounting Standard 18 on "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, the disclosure of transactions with the related parties as defined in Accounting Standard are given below:

(a) Related parties where control exists Vectra Investment Private Limited Azal Azerbaijan Aviation Limited Ravinder Kumar Rishi	Parent Company up to 19 October 2006 and a Promoter Company holding 48 %. Promoter Company. Individual having control at any time during the year.
(b) Other related parties with whom transactions have taken place during the year. <i>Enterprises in which promoter has significant influence</i> Vectra Limited Vectra Limited Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.) Vectra I.T. Solutions Private Limited Vectra Glosec Private Limited	UK Hongkong India India India
(c) Key managerial personnel ('KMP') Lt. Gen. (Retd.) S J S Saigal Mr. Eduard Van Dam Mr. P. Rajkumar Menon Mr. R.S.S.L.N. Bhaskurudu Dr. C.G.K. Nair Dr. Gautam Sen Maj. Gen. (Retd.) Gurdial Singh Hundal	Chairman Chief Executive Officer (with effect from 12 November 2008) Whole-time director Non-executive director Non-executive director Non-executive director Non-executive director

Notes to Financial Statements as at 31 March 2012

27 Related parties (Continued)

Nature of the transaction	31 March 2012			31 March 2011		
	Parties where control exist	Enterprises in which the promoter exercising significant influence	KMP	Parties where control exist	Enterprises in which the promoter exercising significant influence	KMP
Charter flying income						
Vectra Limited, UK	-	23,918,067	-	-	21,687,874	-
Helicopter insurance recovery						
Vectra Limited, UK	-	3,272,168	-	-	6,079,873	-
Services cost						
Indocopters Pvt. Ltd. (Earlier known as Vectra Aviation Pvt. Ltd.)	-	49,452,238	-	-	69,825,092	-
Vectra I.T. Solutions Private Limited	-	4,000,425	-	-	3,904,506	-
Purchase of Consumables, Spares and shop supplies						
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	-	1,241,936	-	-	9,580,721	-
Operating lease for helicopter						
Vectra Limited, Hongkong	-	7,959,100	-	-	7,159,200	-
Azal Azerbaijan Aviation Limited	387,905,746	-	-	157,135,854	-	-
Vectra Limited, UK	-	76,956,992	-	-	154,170,000	-
Initial direct cost (operating lease) paid						
Azal Azerbaijan Aviation Limited	12,370,697	-	-	13,237,377	-	-
Interest expense on borrowings						
Vectra Limited, UK	-	121,926	-	-	511,752	-
Azal Azerbaijan Aviation Limited	40,287	-	-	34,423	-	-
Vectra Limited, Hongkong	-	727,597	-	-	1,601,966	-
Vectra Investment Private Limited	-	3,385,172	-	-	1,467,863	-
Revenue - Others						
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	-	-	-	-	405,916	-
Loans taken						
Vectra Limited, UK	-	-	-	-	-	-
Vectra Limited, Hongkong	-	-	-	-	-	-
Vectra Investment Private Limited	104,230,000	-	-	85,500,000	-	-
Loans repaid						
Vectra Limited, UK	-	19,044,717	-	-	56,729,772	-
Vectra Limited, Hongkong	-	2,046,260	-	-	96,636,945	-
Vectra Investment Private Limited	69,730,000	-	-	65,500,000	-	-
Sundry debtors						
Vectra Limited, UK	-	36,612,080	-	-	16,650,935	-
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	-	35,955	-	-	35,955	-

Notes to Financial Statements as at 31 March 2012

27 Related parties (Continued)

Nature of the transaction	31 March 2012			31 March 2011		
	Parties where control exist	Enterprises in which the promoter exercising significant influence	KMP	Parties where control exist	Enterprises in which the promoter exercising significant influence	KMP
Advance receivable in cash or kind						
Vectra Limited, UK	-	55,929,835	-	-	45,756,398	-
Vectra Limited, Hongkong	-	4,348,638	-	-	3,110,241	-
Vectra Glosec Private Limited	-	-	-	-	12,408	-
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	-	7,848,196	-	-	5,364,943	-
Outstanding amount (Due to)						
Interest payable						
Vectra Investment Private Limited	374,931	-	-	137,590	-	-
Loan outstanding						
Vectra Investment Private Limited	54,500,000	-	-	20,000,000	-	-
Buyers credit						
Azal Azerbaijan Aviation Limited	4,190,112	-	-	3,622,016	-	-
Vectra Limited, UK	-	11,691,650	-	-	10,275,854	-
Vectra Limited, Hongkong	-	55,704,568	-	-	73,313,757	-
Operating lease payable						
Azal Azerbaijan Aviation Limited	205,639,359	-	-	61,846,948	-	-
Vectra Limited, Hongkong	-	22,552,200	-	-	13,280,400	-
Vectra Limited, UK	-	257,556,454	-	-	150,693,750	-
Sundry creditors						
Vectra Limited, UK	-	213,310,272	-	-	117,514,021	-
Vectra Limited, Hongkong	-	154,988,843	-	-	115,917,699	-
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	-	33,724,401	-	-	16,608,080	-
Vectra I.T. Solutions Private Limited	-	351,305	-	-	354,885	-
Azal Azerbaijan Aviation Limited	47,218,064	-	-	40,998,896	-	-
Maneagerial Remuneration						
Ltd. Gen. (Retd.) S J S Saighal	-	-	2,271,698	-	-	2,265,856
P. Rajkumar Menon	-	-	6,854,387	-	-	5,963,798
Capt. D. K. Chand	-	-	-	-	-	-
Eduard Van Dam	-	-	5,939,264	-	-	5,109,911
Others	-	-	680,000	-	-	580,000
Managerial Remuneration Payable						
Ltd. Gen. (Retd.) S J S Saighal	-	-	134,608	-	-	136,757
P. Rajkumar Menon	-	-	358,311	-	-	429,757
Eduard Van Dam	-	-	267,588	-	-	215,911
Conversion of payables to preference shares						
Vectra Limited, UK	-	-	-	-	659,349,000	-
Personal Gurantee on behalf of the Company						
Ravinder Kumar Rishi	29,000,000	-	-	29,000,000	-	-
Letter of credit on behalf of the company						
Vectra Limited UK	207,716	-	-	-	207,716	-

Notes to Financial Statements as at 31 March 2012

28 Foreign exchange currency exposure not covered by forward contracts / other derivative contracts as at 31 March 2012:

Details	USD Exposure		EURO Exposure		Great Britain Pound ('GBP') Exposure		Australian Dollar ('AUD') Exposure		Singapore Dollar ('SGD') Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO	Indian Rupees	GBP	Indian Rupees	AUD	Indian Rupees	SGD
Receivables										
31 March 2012	260,549,960	5,657,084	35,470,114	519,024	-	-	-	-	-	-
31 March 2011	371,996,709	8,331,393	16,336,938	258,332	-	-	-	-	-	-
Payables										
31 March 2012	2,663,607,060	52,352,747	259,054,069	3,790,665	541,739	6,623	318,640	5,917	33867	829
31 March 2011	2,109,193,437	47,238,375	274,855,642	4,346,231	803,165	11,166	250,080	6,091	-	-
Advances										
31 March 2012	11,187,233	218,686	24,261	355	-	-	-	-	-	-
31 March 2011	31,133,066	697,269	1,478,425	23,378	1,078,997	15,001	-	-	-	-

Note : the above disclosures excludes exchange earners' foreign currency account

29 The Company has used currency swap to hedge its risk associated with foreign currency borrowings. The details of interest cum currency swaps outstanding at the year end are as follows:

	Number of contracts	Buy Amount (JPY)	INR equivalent
31 March 2012	4	200,156,137	195,687,043
31 March 2011	4	596,269,333	322,104,694

As at 31 March 2012, the Company has marked to market ('MTM') the above mentioned interest cum currency swaps and has earned a fair value of ₹ 49,679,126(previous year ₹ 24,919,145) the same was not recorded in the books of accounts pursuant to notification issued by ICAI relating to recognition of gain / loss on derivate contract.

Notes to Financial Statements as at 31 March 2012

30 Operating leases

The Company has taken certain helicopters under operating lease. The helicopter leases typically run for a period of 3 to 10 years, sub-letting is not permitted.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows :

	31 March 2012	31 March 2011
Payable within one year	347,375,047	325,432,380
Payable between one and five years	865,497,413	346,398,120
Payable after five years	-	39,928,035
Total	<u>1,212,872,460</u>	<u>711,758,535</u>

31 Earnings per share

The computation for earnings per share is set out below:

(Loss) for the year after tax and before extra-ordinary items	(241,584,917)	(443,773,831)
(Loss) / Profit for the year after tax and after extra-ordinary items	(241,584,917)	(443,773,831)
Shares:		
Weighted average number of equity shares outstanding during the year	14,000,000	14,000,000
Basic and diluted earnings per share (in rupees) per share of face value of ₹ 10 each before extra-ordinary item	(17.26)	(31.70)
Basic and diluted earnings per share (in rupees) per share of face value of ₹ 10 each after extra-ordinary item	(17.26)	(31.70)

32 Demand notice issued by the Customs authorities

During the year ended 31 March 2009, the Office of the Commissioner of Customs (Preventive) has seized three helicopters for alleged non compliance of the duty waivers given to non-scheduled operators (passenger). The Company has received a Show Cause Cum Demand Notice (SCN) citing an amount of ₹ 237,924,458 (previous year: ₹ 237,924,458) towards custom duty under Section 28 of the Customs Act, 1962 and applicable interest and penalty thereon. Pursuant to the receipt of the said SCN, the Commissioner of Customs (Preventive) has confirmed a demand of ₹ 262,195,030 (previous year: ₹ 262,195,030) towards differential duty of customs and penalty there on for two helicopters. The management believes that the Company is in compliance with the relevant customs and other regulatory guidelines in this respect and the matter is being contested by the Company with the appellate tribunal. An amount aggregating ₹ 53,826,044 (previous year: ₹ 53,826,044) has been paid as duty under protest during the year ended 31 March 2010. The Auditor's report has been modified in this respect.

33 Remuneration paid in excess of the limits specified by the Companies Act, 1956

The remuneration paid/payable to one whole time directors (previous year: two whole time directors) exceeded the limits prescribed under the Companies Act, 1956 by ₹ 2,054,387 (previous year ₹ 12,242,128) as at 31 March 2012. The Company is yet to receive Central Government approval in respect of the same. Approval of the Central Government for excess remuneration of CEO is received on 17 September 2010.

Notes to Financial Statements as at 31 March 2012

34 Reclassification of exchange fluctuation as borrowing cost

Applicability of paragraph 4(e) of Accounting Standard 16 'Borrowing Cost' has resulted in exchange differences on restatement of foreign currency monetary liabilities aggregating ₹ 160,164,978 (previous year: ₹ 25,990,648) to be reclassified as finance cost.

35 Transfer Pricing

The Company's international transactions with related parties are at arms length as per the independent accountants report for the year ended 31 March 2011. Management believes that the Company's international transactions with related parties post 31 March 2011 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation. Management is in the process of obtaining the transfer pricing study/report for the year ended 31 March 2012.

36 Recoverables from customers

As at 31 March 2012, certain customers of the Company have disputed taxes levied for the services rendered aggregating ₹ 93,949,478. The Company has initiated proceedings for recoveries of these amounts and is confident of recovery of these sums.

37 Suspension of Non-Scheduled Operator's Permit

The Director General of Civil Aviation (DGCA) vide its order dated 7 May 2012 suspended the Company's Non-Scheduled Operator's Permit (NSOP). Consequently, the Company's operation remained suspended from 8 May 2012 to 20 June 2012. The Company filed a Writ Petition with High Court of Delhi against the order of DGCA. (Delhi High Court vide its judgment dated 11 June 2012 granted an interim relief to the Company and stayed the operation of the above mentioned impugned order. Consequently, DGCA vide its order dated 20 June 2012 stayed its Order of 7 May 2012, accordingly, the Company resumed its operations of flying aircrafts). The Management believes that the Company is in compliance with relevant DGCA and other applicable Regulations and accordingly the financial statement continues to be prepared on a going concern basis.

38 Prior year figures

Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's presentation.

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 14 August 2012

For and on behalf of the Board of Directors

Gautam Sen

(Independent Director)

Ashvin Bhatt

(Chief Financial Officer)

Place : Mumbai

Date : 14 August 2012

P. Rajkumar Menon

(Executive Director)

Raakesh D. Soni

(Company Secretary)



Regd. Office: A-54, Kailash Colony, New Delhi – 110 048.
Tel. : 91-11-2923 5035

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

Full Name of the member attending. _____

Full Name of the First Joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India on Friday, 28th September 2012 at 1.30 p.m.

DP ID	
-------	--

No. of Shares	
---------------	--

Client ID	
-----------	--

Regd. Folio No.	
-----------------	--

Member's / Proxy's Signature _____

(To be signed at the time of handing over this slip)

Tear here



Regd. Office : A-54, Kailash Colony, New Delhi – 110 048.
Tel. : 91-11-2923 5035

PROXY FORM

I/We _____ of _____

_____ in the district of _____

_____ being member(s) of the above named Company, hereby appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my / our proxy to vote for me / us on my / our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India on Friday, 28th September, 2012 at 1.30 p.m.

Signed this _____ day of _____ 2012.

Regd. Folio No /DP ID & Client ID _____

Please affix
Revenue Stamp

No. of Shares held : _____

Signature

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

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