Global VECTRA helicorp Ltd

15th Annual Report
2012 - 13

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For GLOBAL VECTRA HELICORP LTD.
Company Secretary

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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

CONTENTS

NOTICE

The Fifteenth ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Friday, 27th day of September, 2013 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, 2013 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 Maj. Gen. (Retd.) Gurdial Singh Hundal, who retires by rotation and is eligible for re-appointment,.
3. To appoint Auditors and to fix their Remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** M/s. B S R & Co., Chartered Accountants (Registration No. 101248W) be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

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, 2013 up to and inclusive of 30th September, 2014 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 two year commencing from 12th November, 2012 up to and inclusive of 11th November, 2014 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."

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place: - Mumbai

Date: - 14th August, 2013

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 – 400 054 (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) Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advice any change of address and or bank mandate immediately to M/s. Link Intime India Private Limited / Investor Service Department of the Company.

(e) The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by issuing circulars allowing paperless compliances by Company through electronic mode. Further in line with recent circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered the same by submitting duly filled-in "E- Communication Registration Form" which is available on our website www.globalhelicorp.com to M/s. Link Intime India Private Limited / Investor Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

(f) The Register of Members and Share Transfer Books of Company will remain closed from 26th day, September, 2013 to 27th day, September, 2013 (both days inclusive) in connection with the Annual General Meeting.

(g) 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, 2013

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, 2013, 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, 2013 up to and inclusive of 30th September, 2014. The remuneration and perquisites payable to Chairman is in accordance within the limits specified in Section II of Part II of Schedule - XIII of the Companies Act, 1956. The important terms of the appointment are as under:-

Remuneration:

I. Basic Salary Rs.70, 000/- per month

II. Perquisites:

1. House Rent Allowance Rs.52,500/- per month
2. Other Allowance Rs.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 Rs. 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 and by the Board of Director in their meeting held on 14th August, 2013.

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 of 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 9th November, 2012, 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 two years commencing from 12th November, 2012 up to and inclusive of 11th November, 2014. The remuneration and perquisites payable to Chief Executive Officer is in accordance within the limits specified in Section II of Part II of Schedule - XIII of the Companies Act, 1956. The important terms of the appointment are as under :-

Remuneration:

I. Basic Salary GBP 39,600/- per annum

GBP 3,300/- per month (Equivalent Approximately INR) Rs. 2,87,098/- per month (Net of Tax)

Gross Salary – Rs. 434,740/-

II. Perquisites:

1. Value of accommodation – Rs. 1,80,000/-
2. Company will provide Car to Chief Executive Officer (CEO)
3. Driver shall be provided by the Company for the official use of the Chief Executive Officer of the Company.
4. The Company shall pay bills of Mobile Phone of Mr. Eduard Van Dam.
5. The Chief Executive Officer of the Company 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 by Board of Directors in their meeting held on 9th November, 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. 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 :

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Information</th></tr>
<tr><td>I.</td><td colspan="2">GENERAL INFORMATION</td></tr>
<tr><td>1.</td><td>Nature of industry :</td><td>Offshore Transportation Services</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement off commercial production:</td><td>The Company was incorporated on 13th April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23rd May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26th August, 2004 and subsequently to Global Vectra Helicorp Limited on 10th October, 2005.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:</td><td>Not Applicable</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.12 and 31.03.11)</td><td><table>
<tr><th></th><th>As on</th><th>31.3.12</th><th>31.3.11</th></tr>
<tr><td>a.</td><td>Profit before Financial costs, Depreciation and Tax to Service Income</td><td>15.34%</td><td>5.59%</td></tr>
<tr><td>b.</td><td>Current Ratio</td><td>0.43</td><td>0.81</td></tr>
<tr><td>c.</td><td>Debt Equity Ratio</td><td>4.61</td><td>3.19</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Export performance and net foreign exchange collaborations:</td><td>NIL</td></tr>
<tr><td>6.</td><td>Foreign investments or collaborators, if any:</td><td>NIL</td></tr>
</table>

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 Rs. 59,39,263/-
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 field 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 rimprovement:	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.

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place:- Mumbai
Date:- 14th August, 2013

Registered Office
A-54, Kailash Colony
New Delhi – 110 048

Brief Resume and other information in respect of Directors seeking re-appointment at the Annual General Meeting:

Maj. Gen. (Retd.) Gurdial Singh Hundal

Major General (Retd.) G. S. Hundal has served in the Regiment of Artillery/ Army Aviation Corps. He had trained at the National Defense Academy. He holds a graduation degree in Arts. He has undertaken professional specialized courses in (a) Basic Flying and Helicopter Conversion, (b) All Purpose Flying Instructors Course and (c) Interviewing Officers Course.

The General brings with him rich experience in Aviation. He is a qualified Flying Instructor with thousands of hours of Instructional flying in the most difficult terrains in India. He was Head of Army Aviation as Additional Director General. He also held the prestigious post of CMD of Pawan Hans.

He continues to be actively involved in the Aviation matters as a member of Rotary Wing Society of India. For his outstanding contribution in the Aviation field, Major General (Retd.) G. S. Hundal was awarded Ati Vashisht Seva Medal (AVSM) & Bar by the president of India.

He is a member of the following committees of the Board of Directors of the Company:

1. Audit Committee
2. Remuneration Committee

He is not a Director and member of Committees of the Board of any other Company.

He does not hold any shares of the Company.

Nature of expertise in specific functional area – Aviation Industry

DIRECTORS' REPORT

The Directors take pleasure in presenting the Fifteenth Annual Report of the Company and audited accounts of the Company for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Service Income	24799.11	27534.29
Other Operating Income	198.38	345.29
Income from operations	24997.49	27879.58
Other Income	516.85	509.38
Total Income	25514.34	28388.96
Profit before interest, depreciation, amortisation of expenses and Tax	3799.97	4225.07
Less : Interest	2769.25	4050.36
Less : Depreciation (Net)	3038.45	2590.55
(Loss) for the year before exceptional item and Tax	-2007.73	-2415.84
Exceptional Item	2693.04	0
Profit/(Loss) for the year after exceptional item and before Tax	685.31	-2415.84
Less : Provision for taxation	0.00	0.00
Profit / (Loss) after tax	685.31	-2415.84

OPERATION REVIEW:

During the year under review, your Company achieved Service Income of ₹ 24799.11 Lacs as compared to ₹ 27534.29 Lacs of previous Financial Year, a reduction of 9.93%. Total Income of the Financial Year 2012-13 (including Operational and other Income) also reduced to ₹ 25514.34 Lacs from ₹ 28388.96 Lacs, a decrease of 10.13 % over the last Financial Year.

The EBIDTA was ₹ 3799.97 Lacs for current year (15.32% of the Service Income) as against of ₹ 4225.07 Lacs in the previous year, (15.34% of the Service Income).

After considering Interest, Depreciation and Foreign Exchange (Loss) / Gain and Extra-ordinary Item, the Company has Profit Before Tax of ₹ 685.31 Lacs for the current year as against Loss of ₹ 2415.84 Lacs in the previous year. The net Profit after tax was ₹ 685.31 Lacs for the current year as against Loss of ₹ 2415.84 Lacs.

The reason of loss of revenue and consequential loss for the quarter ended 30th June, 2012, and its effect on annual result is explained below:-

The Director General of Civil Aviation (DGCA) vide its order dated 7th May 2012, suspended the Company's Non-Scheduled Operator's Permit (NSOP).

The Company filed a Writ Petition with the single-judge bench of the Delhi High Court 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 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 aircrafts. The Company's Operations remained suspended from 8th May 2012, to 20th June 2012, which has severely affected the company's operation for the year ended 31st March, 2013. For the quarter ended 30th June, 2012, Company has made loss due to above amounting to ₹ 3883.80 Lacs.

On 19th September 2012, the DGCA has filed an appeal which is pending before the divisional bench of the Delhi High Court seeking the interim order passed by the single-judge bench to be set aside. Currently, the Company's Non-Scheduled Operator's Permit (NSOP) has been renewed and is subject to the outcome of the above court matter.

The Management believes that the Company is in compliance with relevant DGCA and other applicable Regulations and continues as a going concern.

DIVIDEND:

In order to conserve resources for future growth and expansion projects of the Company, the Board of Directors has not recommended any dividend for the Financial Year 2012-2013.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Maj. Gen. (Retd.) Gurdial Singh Hundal retires by rotation in the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

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 affair 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 as 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, retires as auditors of the Company and has 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 ₹ 1,631,039,755/- (previous year ₹ 1,562,072,187/-) in foreign exchange during the year. The foreign exchange outgoes amount to ₹ 891,312,527/- (previous year ₹ 968,289,387/-)

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. (6) of the Auditors' Report and schedule 35 to the financial statements. In this regard, Board informs that Company has already filed a application with Central Government for approval and the waiver of the excess remuneration to Whole-time Directors of the Company.

Reference is drawn to Clause no.(7) of the Auditors' Report and schedule 34 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 ₹ 2621.95 Lakhs. No provision has been made by the Company for the same nor the interest due thereon as at 31st March, 2013. 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.(8) of the Auditors' Report and schedule 38 to the financial statements, certain customers have disputed taxes levied by the Company aggregating ₹904.25 Lakhs (previous year: ₹ 904.25 lakhs). Consequently management have 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

Lt. Gen. (Retd.) SJS Saighal
Chairman

Mr. P. Raj Kumar Menon
Whole-Time Director

Date:- 28th May, 2013
Place:- Mumbai

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

Type of Helicopter	Number
BELL 412	14
AW 139	3
AS 350 B3	3
EC 135 P2+	1

The fleet deployed both offshore and onshore. With a modern and technologically advanced fleet of helicopters, Global Vectra Helicorp Limited provides a range of essential and innovative services to strategic sectors for various purposes:

- **Oil and Gas**
- **Geophysical Survey**
- **Corporate and VVIP flights**
- **Aerial Photography**
- **Tourism**
- **Emergency services**
- **Underslung operations**

Its spotless track record also makes it preferred fliers for the top rung of the country for corporate, religious and leisure travel. It 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 providing Air logistics services to the Oil & Gas industry majors like **Oil and Natural Gas Corporation** (**ONGC), Cairn India, British Gas Exploration and Production India Limited (BGEPIL), Reliance Industries Limited (RIL), Transocean (TSF), British Petroleum, Gujarat State Petroleum Corporation (GSPC), Baker Hughes** and many more, under long term contracts with an outstanding market share 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.

GVHL provides services to its clients under long-term contracts. These contracts range from one to five years with renewal options. Companies involved in offshore E&P activities have to use helicopter services extensively for Crew Change, Cargo and Medevac and recently we have started operating under Production contract with ONGC.

GVHL has a total staff of 286 personnel including 76 pilots and 118 engineering staff. For its customers in the Oil and Gas sector GVHL transport crew and cargo for their exploration and production activities utilizing a young fleet of helicopters operated by trained pilots and maintained by highly qualified maintenance personnel.

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 nuclei in Greater Noida/New Delhi and Bangalore whereas our offshore division, with main base at Juhu airport in Mumbai, services the oil and gas industry as well in Rajahmundary, Vizag, Bhubaneshwar, Porbandar, S. Yanam, Gadimoga, Itanagar, Dimapur, Port Blair

GVHL is totally committed to maintaining the highest possible standards in everything we do, with an emphasis on our operations, maintenance and safety. GVHL is the only operator in India having introduced a full and formal Safety Management System (SMS) as per international recommendations and requirements of the Global Oil/Gas Industry and International Civil Aviation Organisation.

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.

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.

A country's economic growth is closely correlated to the energy demand. Consequently, the demand for oil and gas, which is one of the main sources of meeting energy requirements, is expected to increase further. The value of the Indian oil and gas sector is forecasted to grow from US$ 117,562.9 million in 2012 (estimated) to US$ 139,814.7 million by 2015. The Indian government is looking forward to promoting a plan for the sustainable development of the oil and gas sector, and investments in research and development (R&D) activities in alternative fuels segment so as to prevent the depletion of the country's natural reserves.

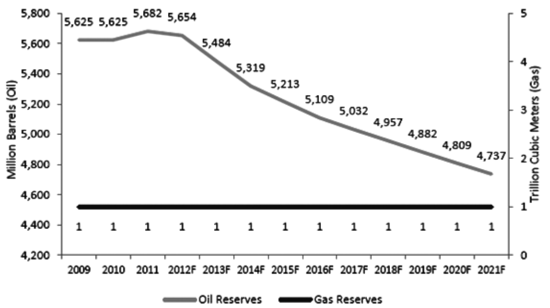
India is working towards self-reliance in O&G segment and has immense potential to achieve the same, as about 80 per cent of the country's sedimentary area is yet to be explored. Recent large-scale oil and gas discoveries in the Krishna Godavari and Rajasthan basins have further consolidated India's confidence to achieve the targets.

The country's exploration and production sector is majorly dominated by public sector corporations wherein Oil and Natural Gas Corporation (ONGC) accounts for the highest market share.

1. *Key Developments and Current State of the Indian Oil and Gas Sector*

The oil and gas sector in India is a critical component of the country's economy, accounting for 15 per cent of the country's gross domestic product (GDP).Economic growth is directly linked with energy demand, and a conservative estimate of 7 per cent growth is expected to double India's per capita energy consumption from 560 kilograms of oil equivalent (kgoe) in FY10 to 1,124 kilograms of oil equivalent (kgoe) by FY32. As oil and gas is one of the main sources to meet the required demand for energy in India, its demand is forecast to rise further. In 2011, natural gas accounted for 10 per cent of the country's total energy requirements, whereas estimates suggest that this figure will reach 20 per cent by 2025, with oil and gas together accounting for approximately 45 per cent of the total demand Market reports estimate that this growth is expected to take the size of the Indian gas market to that of the gas market in Japan, the largest consumer of liquefied natural gas (LNG) in Asia, by the end of 2015. As shown in Figure 1.1 and Figure 1.2, despite having significant reserves in India, the increase in demand is expected to be primarily met through imports.

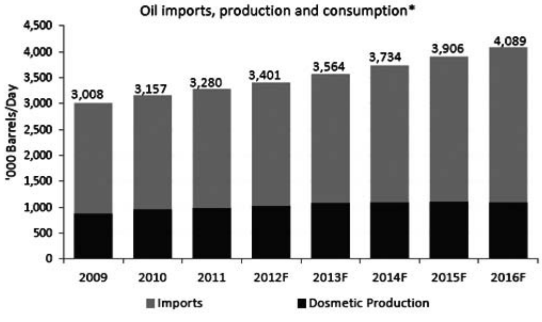
Figure 1.1
India's total Oil and Gas reserves



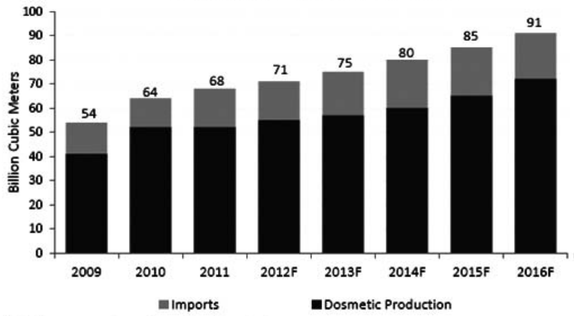
Source: Business Monitor International: India Oil and Gas Report, 2012

Figure 1.2
India's total Oil and Gas market dynamics

Oil imports, production and consumption*



Gas imports, production and consumption*



*Total consumption = Imports + Production

Source: Business Monitor International: India Oil and Gas Report, 2012

1.1. *Regulatory landscape and competitive scenario*

The Indian oil and gas sector is highly regulated and largely state controlled. Figure 2 shows key regulatory authorities in India and the main legislations that govern the sector.

Figure 2
Regulatory environment for Oil and Gas sector in India

The oil and gas sector is dominated by PSUs and a few large private sector companies.

1.2. *Factors affecting the Indian Oil and Gas sector*

Some key factors affecting the Indian oil and gas industry are the following:

- ***Dominated by state controlled enterprises**:* The sector is primarily dominated by state controlled enterprises, with only a few foreign players. The primary reason for this could be the country's regulatory framework, where ventures involving foreign players take longer to get the required approvals. Further, the participation of foreign players has been limited during the nine rounds of bidding for exploration rights through the NELP, while the participation of state owned players has been high.
- ***Subsidies on Oil and Gas products**:* Eliminating subsidies on oil and gas products is proving to be a major challenge for the government, due to political pressure. These subsidies have led to large scale under recoveries in the Indian oil and gas sector.
- ***Environmental issues***: Offshore mining of oil and gas and deep water exploration poses significant threats to the environment in terms of potential threats of water contamination. Further particulate emissions of refineries and production plants could have an adverse impact on the environment as well.
- ***Requirement of advanced technology for upstream segment**:* The industry faces a shortage of skilled labour for the mining of unconventional assets such as

shale gas and Coal Bed Methane (CBM), which offer a huge potential in terms of ensuring sustainability. The Government has proactively aimed to curb some of these challenges including subsidies on oil and gas, and technology requirements in the upstream segments through actionable reforms such as the Kirith Parikh Committee's recommendations, and by encouraging a higher level of private sector participation. It further addresses them through initiatives introduced in the 2012–13 Union Budget and the 12th Five Year Plan, as discussed in the subsequent sections.

India is world's fifth-largest energy consumer in the world; oil accounts for 30 per cent of the total energy consumption. Buoyant economic growth is the main factor driving the country's energy requirements.

The country has 5.7 billion barrels of proven oil reserves with an average oil production of 1 million barrels per day (MPBD). Oil consumption is estimated to rise from 3.1 MPBD in 2008 to 4 MPBD by 2016, a compound annual growth rate (CAGR) of 3.5 per cent. India has 1,100 billion cubic meters (BCM) of gas reserves, which produce 46.1 BCM of gas annually (2011).

India's gas demand is approximately 11.2 per cent of the total Asia Pacific regional demand. Several industries are increasing the usage of natural gas in operations; this has boosted natural gas demand in India.

The Government of India has enacted various policies, such as the New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) Policy, to encourage investments across the industry's value chain. 100 per cent foreign direct investment (FDI) is allowed in the exploration and production (E&P) projects/ companies; and 49 per cent is allowed in refining.

Liquefied natural gas (LNG) imports have increased significantly; this provides an opportunity to boost production capacity in the country. In light of mounting LNG production, huge opportunity lies for LNG terminal operation, engineering, procurement and construction services.

Key Statistics

India stood out as one of the top contributors to growth in the refining sector in 2012, according to the International Energy Agency (IEA). The latest report released by the international entity shows that the country processed 4.5 million barrels per day (mbpd) of crude oil in October 2012, (680, 000 bpd higher than a year earlier) India's refining capacity was enhanced by 400, 000 bpd in 2012. Another 400, 000 bpd of capacity could be added in 2013 if Indian Oil Corporation's 300,000 bpd Paradip and Nagarjuna's 120,000 bpd Cuddalore refineries are completed by the end of this year.

Furthermore, Indian exports of refined petroleum products marked a record growth in October 2012; wherein they stood at over 1.5 mbpd, according to the Petroleum Planning & Analysis Cell (PPAC). Of this, 39 per cent was diesel, 25 per cent gasoline, 15 per cent naphtha and 8 per cent jet fuel

Diesel & Petrol

India's petroleum products' consumption grew by 0.1 per cent year-on-year (y-o-y) in November 2012, according to PPAC. Cumulative growth for the period April - November 2012 stood at 5.5 per cent

The petrol consumption recorded highest monthly growth at 13.9 per cent in November 2012 while the high-speed diesel (HSD) recorded a growth of 1.7 per cent

India's petroleum production consumption would rise 6.1 per cent to 157.1 million tonne (MT) in FY13

Gas

India's shale gas reserves are at about 290 trillion cubic feet (TCF), of which 63 TCF could be recovered, according to a study by US Energy International Agency. Shale gas is natural gas formed from being trapped within shale formations.

Natural gas sector constitutes about 9.8 per cent of primary energy consumption which is projected to grow up to 20 per cent by 2025 as per Indian Hydrocarbon vision. About 65 per cent of natural gas consumption is accounted by power and fertiliser sectors.

The demand for natural gas in India has been growing, and is expected to increase by 280 per cent from the current levels to 220 billion cubic meters (BCM) by 2020

Oil & Gas - Key Developments and Investments

State-run oil major ONGC has partnered with Bharat Petroleum Corporation Ltd (BPCL) and Mitsui Group of Japan to invest about US$ 1 billion to set up a 5 MT LNG terminal in Mangalore. The company will soon sign a memorandum of understanding (MoU) with BPCL and is in talks with New Mangalore Port Trust for a location in the region

The Anglo-Dutch oil major Royal Dutch Shell has plans to invest around US$ 1 billion to develop a floating LNG terminal off the coast of Kakinada in the state of Andhra Pradesh as early as 2014 through a joint venture (JV) with Reliance Power, India's biggest private sector power generation firm

Shell currently has an LNG import plant in the state of Gujarat which has a capacity of 3.6 million tonnes. It is planned to be gradually upgraded to 10 million tonnes by the end of 2017

More recently, the British energy major BP Plc (BP) has announced a JV with Reliance Industries. The partnership intends to spend over US$ 5 billion in the next three to five years to boost the gas output from D6 block in Krishna Godavari basin. The two companies plan to extract 113.26 BCM of already discovered natural gas

Oil & Gas - Government Initiatives

India has been very active in O&G exploration and production activities on the global front and the Government has played vital role in sustaining the country's strategic position.

The Indian Government is planning to introduce fuel-efficiency ratings for automobiles to encourage sale of cars that consume less petrol or diesel.

Oil & Gas - Way forward and key opportunities

The Indian oil and gas sector expects to attract investment of Rs 3.9 trillion (US$ 75 billion) over 2012–17, during the 12th Five Year Plan, while ONGC and IOC, both upstream companies, are expected to spend Rs 1.75 trillion (US$ 32.9 billion) and Rs 190 billion (US$ 3.6 billion), respectively, primarily in exploration activities. It is therefore essential to analyse, and capitalise upon key opportunities that are put forth before the oil and gas sector to maximise output, and ensure sustainable development.

In the 12th Five Year Plan, the government is expected to focus majorly on E&P activities, including intensive exploration of existing hydrocarbon reserves and geographical focus on the east coast for exploring off shore oil fields. Further, the government will focus on harvesting unconventional fuels such as shale gas, CBM and bio diesel. The focus on R&D is expected to increase during the 12th Plan period, with major focus on fuel conservation/ efficiency improvement, reduction of carbon emissions and innovations to diversify the domestic product portfolio.

Working towards the goal of self-reliance in O&G sector, the Indian Government is also looking to build storage capacity for about 18 MT of crude by 2020. The first phase of this strategic stockpile--5.33 MT--will be commissioned by April 2014.

Indian Strategic Petroleum Reserves Ltd (ISPRL), a special purpose vehicle owned by the Oil Industry Development Board (OIDB), is now building storages in underground rock caverns at Visakhapatnam (1.33 MT), Mangalore (1.5 MT) and Padur, Kerala (2.5 MT). With this, India will become one of the first countries in Asia to have storage capacity in underground rock caverns.

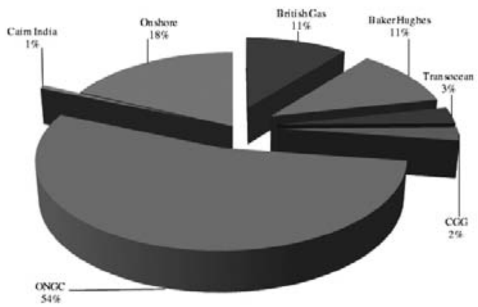
The Indian oil ministry has set targets to reduce energy import dependency from current 80 per cent to 50 per cent by 2020. The Government believes that it can be further reduced by 75 per cent in 2025 and we can achieve self sufficiency by 2030.

Exchange Rate Used: INR 1 = US$ 0.01825 as on March 6, 2013

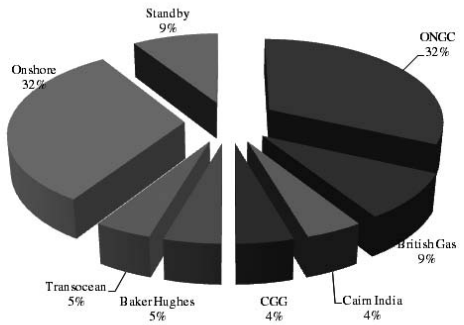
CONCLUSION

The oil and gas sector is fairly well developed in India, and is poised to contribute a large share to India's energy basket over the next 15–20 years. A conservative estimate of 7 per cent growth in the Indian economy is expected to approximately double India's per capita energy consumption over the next 20 years. Since energy demand and economic growth are almost interlinked, the Indian oil and gas sector, which provides the country with a significant portion of its energy requirements, has been identified as a key metric that will drive future GDP growth. To cope up with the increasing demand, the government has allowed 100 per cent FDI in the oil and gas sector, enabling some large partnerships such as the US$ 7.2 billion deal between BP and Reliance Industries. In order to further aid the development of the sector, the government introduces legislations such as the NELP to enable companies to bid for exploration rights, and encourage private sector participation. The participation of the private sector is expected to bring in monetary resources and technological capabilities, especially in the field of deep sea exploration while simultaneously reducing the dominance of PSUs in the country's competitive landscape. The government has also exempted the basic customs duty on the import of liquefied natural gas for power generation for two years, and made oil and gas pipelines eligible for viability gap funding, consequently aiding the midstream segment and thereby greatly benefiting the sector. The main future opportunities for the sector include assessing the feasibility of using non conventional fuels such as coal bed methane, hydrogen and bio diesel. The sector must also lay greater focus on developing midstream infrastructure, with specific attention on city gas distribution networks, and the construction of strategic storage facilities as a safeguard against short term disruptions in fuel supply.

GVHL - Client wise Revenue Contribution (2012-2013)



Average Fleet Deployed for FY 2012-2013 (21 Helicopters)



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, 2013 the Company has a total workforce of 286 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 PHILOSPHY 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:

a) Transparency - in policies and action

b) Independence - to develop and maintain a healthy work culture

c) Accountability – for performance

d) Responsibility – for society and its core values

e) Growth – for stakeholders

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

The objecti0ve 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 Saighal	C	4	Yes	None	None	None
Mr. P. Rajkumar Menon	WTD	4	Yes	None	None	None
Dr. Chandrathil Gouri Krishnadas Nair	ID	3	No	5	3	1
Dr. Gautam Sen	ID	4	Yes	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	4	No	None	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 2012-13 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

5th June, 2012	13th July, 2012	14th August, 2012	9th November, 2012	12th February, 2013

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 Maj. Gen. (Retd.) Gurdial Singh Hundal who was not able attend the Audit Committee meeting held on 13th July, 2012 and Dr. Chandrathil Gouri Krishnadas Nair who was not able attend the Audit Committee meeting held on 12th February, 2013

The dates on which the Audit Committee Meetings were held were as follows:-

13th July, 2012	14th August, 2012	9th November, 2012	12th February, 2013

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.

During the year the Remuneration Committee met Two times.

The dates on which the Remuneration Committee Meetings were held were as follows:-

14th August, 2012	9th November, 2012

The Committee met on 14th August, 2012 to consider the re- appointment of Lt. Gen. (Retd.)SJS Saighal Chairman of the Company and Mr. P. Rajkumar Menon Whole-time Director of the Company. The committee also met on 09th November, 2012 to consider the re- appointment of Mr. Eduard Van Dam as Chief Executive Officer of the Company. All members were present 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.

Dr. Chandrathil Gouri Krishnadas Nair has been appointed as a member of the Remuneration 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 2012-2013

(Rupees)

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees	Total
Lt. Gen. (Retd.)SJS Saighal	Executive Director	2,100,000	70,000	140,316	0	2,310,316
Mr. P. Rajkumar Menon	Executive Director	6,481,920	204,748	58,459	0	6,745,127
Mr. Eduard Van Dam	Chief Executive Officer	3,261,027	96,750	1,931,418	0	5,289,195
Dr. Chandrathil Gouri Krishnadas Nair	Independent Director	0	0	0	160,000	160,000
Maj. Gen.(Retd.) Gurdial Singh Hundal	Independent Director	0	0	0	140,000	140,000
Dr. Gautam Sen	Independent Director	0	0	0	160,000	160,000

V. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

This Committee comprising two Directors viz. Dr. Chandrathil Gouri Krishnadas Nair (Chairman), and Lt. Gen. (Retd.) SJS Saighal.

During the year the Shareholders' / Investors' Grievance Committee met Four times.

The dates on which the Shareholders' / Investors' Grievance Committee Meetings were held were as follows:-

5th June, 2012	13th July, 2012	9th November, 2012	12th February, 2013

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 1 Shareholder correspondence / Complaints during the financial year ended 31st March, 2013 which was replied to the satisfaction of the concern shareholder. 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, 28th September 2012 at 1.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	3
Annual General Meeting	Friday, 23rd 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, 16th 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

During the Financial year 2012-2013, 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, 2013.

Eduard Van Dam

Chief Executive Officer

Mumbai

28th May, 2013

VIII. CEO / CFO CERTIFICATE

Certificate from CEO and CFO for the financial year ended March 31, 2013 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 has an Executive Chairman. Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company. The Company is ensuring that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

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 2012-2013, no employee was denied access to the Audit Committee of the Company.

X. MEANS OF COMMUNICAION

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. **15th Annual General Meeting**

Date	:	27th September, 2013
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, 2013	August, 2013
September 30, 2013	November, 2013
December 31, 2013	February, 2014
March 31, 2014	May, 2014

c. **Date of Book Closure** : 26th September, 2013 to 27th September, 2013

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 / will paid annual listing fees due to the Stock Exchanges for the year 2012-2013 before its due date.

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'2012 to March, 2013

Month	NSE		BSE	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April, 2012	16.65	13.15	16.90	13.00
May, 2012	14.95	09.00	13.89	09.20
June, 2012	12.45	09.00	12.21	09.41
July, 2012	10.55	08.30	10.95	08.10
August, 2012	11.05	08.70	10.55	08.56
September, 2012	09.95	08.10	10.43	08.18
October, 2012	09.95	08.50	10.00	08.33
November, 2012	13.80	08.95	13.83	08.76
December, 2012	26.85	14.45	26.78	14.52
January, 2013	24.70	16.85	24.80	16.80
February, 2013	18.40	13.80	18.00	13.80
March, 2013	17.95	11.35	18.19	11.15

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

Particulars	GVHL share price v/s. NSE		GVHL share price v/s. BSE	
As on April 1, 2012	15.50	5296.35	16.20	17429.96
As on March 31, 2013	12.10	5682.55	11.29	18835.77
% Change	-21.94%	+7.29%	-30.31%	8.07%

Total No. of Equity Shares as on 31st March, 2013 was 1,40,00,000 (Previous Year 1,40,00,000) of ₹ 10 each.

g. Registrar and Transfer Agents : LinkIntime 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 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 2013

	Category	No. of shares Held	Percentage of shareholding
A.	**Promoter and Promoter Group**		
1.	Indian		
	- Indian Bodies Corporate	67,20,000	48.00
2.	Foreign		
	- Foreign Bodies Corporate	37,80,000	27.00
	Sub-Total (A)	**1,05,00,000**	**75.00**
B.	**Public Shareholding**		
1.	**Institutions**		
a.	Mutual Fund and UTI	0	0.00
b.	Financial Institutions / Banks	0	0.00
c.	Central Government / State Government (s)	0	0.00
d.	Venture Capital Fund	0	0.00
e	Insurance Companies	500	0.00
f.	Any other (specify)	0	0.00
	Sub-Total (B) (1)	**500**	**0.00**
3.	**Non-institutions**		
a.	Corporate Bodies Corporate	2,50,895	1.79
b.	Individual Shareholders	30,94,313	22.10

	Category	No. of shares Held	Percentage of shareholding
c.	Qualified foreign Investors	0	0.00
d.	Any Other		
	I NRIs (Repatriation)	1,13,326	0.81
	II NRIs (Non Repatriation)	7,797	0.06
	III Clearing Member	33,169	0.24
	Sub-Total(B)(2)	**34,99,500**	**25.00**
	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 ₹ 100/-each -Vectra Limited on 27th December, 2010.		

Shareholding of Nominal Values	Shareholders		Shares	
Rupees	**Number**	**% of Total**	**Number**	**% of Total**
1 - 500	8,599	89.9853	1004431	7.1745
501 - 1000	477	4.9916	376703	2.6907
1001 - 2000	243	2.5429	359303	2.5664
2001 - 3000	93	0.9732	235657	1.6833
3001 - 4000	40	0.4186	145103	1.0364
4001 - 5000	34	0.3558	159526	1.1395
5001 - 10000	41	0.4290	300657	2.1475
10001 - Above	29	0.3035	11418620	81.5616
TOTAL	**9,556**	**100.0000**	**14000000**	**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

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.

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-mail –mumbai@linkintime.co.in
   Business Hours -10.00 A.M. to 5.00 P.M.

For and on behalf of the Board

Lt. Gen. (Retd.) SJS Saighal
Chairman

Mr. P. Raj Kumar Menon
Whole-Time Director

Place:- Mumbai
Date:- 28th May, 2013

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 2012-2013

We have reviewed financial statements, read with the cash flow statement of Global Vectra Helicorp Limited for the year ended 31st March, 2013 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:- 28th May, 2013

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, 2013 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:28th May, 2013

Independent Auditors' report

To the Members of

Global Vectra Helicorp Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Global Vectra Helicorp Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. *As more fully explained in note no. 35 to the financial statements, managerial remuneration paid / payable to Whole Time Director of the Company has exceeded the limits prescribed under Section 198 of the Act by Rs 1,945,127 for the year ended 31 March 2013 and Rs 14,296,515 for period prior to 1 April 2012. The Company has applied for post-facto approval and is yet to receive the same from the Central Government*.

7. *As more fully explained in note no. 34 to the financial statements, the Company had received an order in 2008 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 2013, as 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 revaluation reserve would have been lower by Rs 74,070,446 (previous year: Rs 79,978,358), depreciation would have been higher by Rs 34,133,645 (previous year: Rs 29,446,012), the profit after tax for the year ended 31 March 2013 would have been converted to loss after tax of 120,145,103 (previous year: loss would have been higher by Rs 183,988,955) and accumulated losses as at 31 March 2013 would have been higher by Rs 188,676,588 (previous year: Rs 183,988,955).*

8. *As more fully explained in note no. 38 to the financial statements, certain customers have disputed taxes levied by the Company aggregating Rs 90,425,938 (previous year: Rs 90,425,938). 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 38, management believes that they have a strong case to collect the outstanding amount. Had the Company made the provision, the profit after tax for the year ended 31 March 2013 would have been converted to loss after tax of Rs 21,894,453 (previous year: loss would have been higher by Rs 90,425,938) and accumulated losses as at 31 March 2013 would have been higher by Rs 90,425,938 (previous year: Rs 90,425,938).*

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph,* the financial statements 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to note no. 39 to the financial statements which states that during the year, the Company's operations were disrupted due to an order dated 7 May 2012 received from The Director General of Civil Aviation (DGCA). The Company received an ad interim relief from the single-judge bench of the Delhi High Court vide its judgment dated 11 June 2012 which stayed the operation of the above mentioned order. Accordingly, the Company resumed its operations of flying aircrafts. However, on 19 September 2012 the DGCA filed an appeal which is pending before the divisional bench of the Delhi High Court seeking the interim order passed by the single-judge bench to be set aside. Pursuant to the said appeal, the Company's Non Scheduled Operator's Permit (NSOP) has been renewed and is subject to the outcome of the above court matter. These conditions along with other matters as set forth in note no. 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

12. As required by Section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d. in our opinion, *except for the possible effects of the matters described in paragraphs 7 and 8 of the Basis for Qualified Opinion paragraph,* the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act; and

    e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
Date: 28 May 2013

Annexure to the Auditors' Report – 31 March 2013

(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 no material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(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.

(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 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 58,593,325 and the year-end balance of such loans was Rs 58,551,666.

(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) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under 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, Wealth Tax, Customs 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 delays 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, Wealth Tax, Customs Duty and other material statutory dues were in arrears as at 31 March 2013 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 2013 for a period of more than six months from the date they became payable:*

Name of Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Due dates
Income tax Act, 1961	Tax deducted at source, including interest–	30,071,555	2012-13	Various
Finance Act, 1994	Service tax – Interest	10,020,273	2012-2013	Various

Of the outstanding Service tax – interest disclosed in the above table, Rs 3,000,000 has been paid subsequent to the year end.

(b) According to the information and explanations given to us, there are no dues of Income Tax and Wealth Tax which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Customs Duty and Service Tax 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 Interest	90,425,938 70,306,020	16.05.2008 to 31.03.2010 16.05.2008 to 31.03.2012	CESTAT (Appeals) CESTAT (Appeals)
	Penalty	221,285,269	16.05.2008 to 31.03.2010	CESTAT (Appeals)

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

***refer paragraphs 7 & 8 respectively of the Indpendent Audiors' report*

(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 not incurred cash losses in the current year*; however, it has incurred cash losses in the immediately preceding financial year.* The accumulated losses, cash losses and networth have been arrived at after considering the possible effects of the qualifications stated in paragraphs 7 and 8 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. The Company did not have any outstanding dues to any financial institution or debenture holders 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 1,359,638,757 has partly financed the additions to fixed assets 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
Vijay Mathur
Partner
Membership No: 046476

Mumbai
Date: 28 May 2013

Balance Sheet as at 31 March 2013

(Currency: Indian Rupees)

	Notes	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	**799,349,000**	799,349,000
Reserves and surplus	3	**(246,221,328)**	(279,933,097)
		553,127,672	519,415,903
Non-current Liabilities			
Long-term borrowings	4	**1,444,160,157**	1,993,091,740
Long-term provisions	5	**14,080,999**	13,236,840
		1,458,241,156	2,006,328,580
Current Liabilities			
Short-term borrowings	6	**393,661,634**	401,529,391
Trade payables	7	**1,352,214,537**	1,140,021,348
Other current liabilities	8	**1,239,898,260**	1,358,765,967
Short-term provisions	5	**21,262,930**	19,576,338
		3,007,037,361	2,919,893,044
		5,018,406,189	5,445,637,527
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	**3,730,689,242**	4,069,823,666
Deferred tax assets(net)	10	**-**	-
Long-term loans and advances	11	**287,891,231**	294,074,914
Other non current assets	12	**42,365,396**	-
Current assets			
Inventories	13	**139,697,839**	151,740,680
Trade receivables	14	**562,288,860**	633,544,993
Cash and bank balances	15	**30,736,337**	25,368,704
Short-term loans and advances	16	**197,094,407**	241,405,244
Other current assets	17	**27,642,877**	29,679,326
		957,460,320	1,081,738,947
		5,018,406,189	5,445,637,527
Significant accounting policies	1		
Notes to the financial statements	2 - 40		

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

As per our report of even date attached
For **B S R & Co.**
Chartered Accountants
Firm's Registration No : 101248W

For and on behalf of the Board of Directors of Global Vectra Helicorp Limited

Vijay Mathur
Partner
Membership No : 046476

Lt. Gen. (Retd.) SJS Saighal
Chairman

P. Rajkumar Menon
Executive Director

Ashvin Bhatt
Chief Financial Officer

Raakesh D. Soni
Company Secretary

Mumbai
28 May 2013

Mumbai
28 May 2013

Statement of Profit and Loss for the year ended 31 March 2013

(Currency: Indian Rupees)

	Notes	31 March 2013	31 March 2012
Income			
Revenue from operations			
Service income (net)		**2,479,911,267**	2,753,428,997
Other operating income	18	**19,838,083**	34,529,457
		2,499,749,350	2,787,958,454
Other income	19	**51,684,664**	50,937,713
Total revenue		**2,551,434,014**	2,838,896,167
Expenses			
Helicopter maintenance	20	**381,061,151**	466,340,918
Helicopter lease rentals		**645,274,233**	621,969,673
Employee benefits	21	**573,121,036**	588,149,552
Finance costs	22	**276,924,821**	405,036,714
Depreciation	9	**303,844,743**	259,055,072
Other expenses	23	**571,980,808**	739,929,157
Total expenses		**2,752,206,792**	3,080,481,086
(Loss) before exceptional items and tax		**(200,772,778)**	(241,584,919)
Exceptional items	24	**269,304,263**	-
Profit / (Loss) before tax		**68,531,485**	(241,584,919)
Income tax expense			
-Current tax		**-**	-
-Deferred tax		**-**	-
Profit / (Loss) for the year		**68,531,485**	(241,584,919)
Basic and diluted earnings per share	33	**1.91**	(17.26)
(nominal value per share of Rs 10, previous year: Rs 10)			
Significant accounting policies	1		
Notes to the financial statements	2 - 40		

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

For and on behalf of the Board of Directors of Global Vectra Helicorp Limited

Vijay Mathur
Partner
Membership No : 046476

Lt. Gen. (Retd.) SJS Saighal
Chairman

P. Rajkumar Menon
Executive Director

Ashvin Bhatt
Chief Financial Officer

Raakesh D. Soni
Company Secretary

Mumbai
28 May 2013

Mumbai
28 May 2013

Cash flow statement for the year ended 31 March 2013

(Currency Indian Rupees)

		31 March 2013	31 March 2012
Cash flow from operating activities			
Profit / (Loss) before taxation		**68,531,485**	(241,584,919)
Adjustments:			
Depreciation		**303,844,743**	259,055,072
Interest income		**(15,211,567)**	(10,897,363)
Liabilities no longer required written back		**(36,473,097)**	(11,787,812)
Liabilities no longer payable written back (refer note 36 c)		**(131,116,445)**	-
Finance lease cost		**88,542,041**	77,315,982
Interest expenses		**169,281,778**	307,332,029
Provision for gratuity		**1,847,381**	5,394,704
Provision for leave encashment		**683,370**	(228,288)
Provision for doubtful debts and advances		**2,109,753**	-
Loss on sale of fixed assets		**21,977,160**	-
Bad debts written off		**25,025,915**	13,716
Reversal of interest cost as per para 4(e) of AS 16 (refer note 36 a)		**(160,164,978)**	-
Unrealised exchange (gain) / loss (net)		**(83,029,113)**	60,134,472
		187,316,941	686,332,512
Operating cash flow before working capital changes		**255,848,426**	444,747,593
Decrease in trade receivables		**44,120,465**	141,349,506
Decrease / (Increase) in inventories		**12,042,841**	(30,449,974)
Decrease / (Increase) in other current assets		**55,323,814**	(7,540,138)
Increase in trade payables		**361,300,973**	210,450,364
Decrease in other current liabilities		**(130,919,947)**	(55,572,704)
Cash generated from operations		**341,868,146**	258,237,055
Taxes paid		**-**	(7,465,985)
Net cash generated from operating activities	***(A)***	**597,716,572**	695,518,663
Cash flows from investing activities			
Purchase of fixed assets		**(28,966,562)**	(592,447,150)
Proceeds from sale of fixed assets		**271,720,450**	-
Investment in bank deposits		**(42,365,396)**	-
Interest received (net of tax deducted at source)		**12,418,722**	10,844,606
Net cash generated from / (used in) investing activities	***(B)***	**212,807,214**	(581,602,544)

As per our report of even date attached
For **B S R & Co.**
Chartered Accountants
Firm's Registration No : 101248W

For and on behalf of the Board of Directors of Global Vectra Helicorp Limited

Vijay Mathur
Partner
Membership No : 046476

Lt. Gen. (Retd.) SJS Saighal
Chairman

P. Rajkumar Menon
Executive Director

Ashvin Bhatt
Chief Financial Officer

Raakesh D. Soni
Company Secretary

Mumbai
28 May 2013

Mumbai
28 May 2013

Cash flow statement for the year ended 31 March 2013

(Currency Indian Rupees)

		31 March 2013	31 March 2012
Cash flows from financing activities			
(Repayment) / Proceeds of short term borrowings (net)		**(7,867,757)**	10,742,592
Repayment of long - term borrowings		**(276,149,772)**	(179,901,813)
Proceeds from long - term borrowings		**-**	452,110,750
Principal repayment under finance lease		**(261,646,030)**	(126,459,945)
Payment of finance lease cost		**(99,071,994)**	(77,562,282)
Payment of interest		**(160,420,600)**	(181,023,676)
Net cash used in financing activities	***(C)***	**(805,156,153)**	(102,094,375)
Net increase in cash and cash equivalents	***(A+B+C)***	**5,367,633**	11,821,744
Cash & cash equivalents at beginning of the year		**25,368,704**	13,546,960
Cash & cash equivalents at end of the year		**30,736,337**	25,368,704

1 Cash and cash equivalents includes cash in hand, current accounts with banks, exchange earners foreign currency accounts and deposit accounts aggregating Rs 3,042,017, Rs 5,706,586 , Rs 10,807,535 and Rs 11,180,199 (Previous year: Rs 2,553,397, Rs 3,282,589, Rs 9,808,383 and Rs 9,724,335) respectively.

As per our report of even date attached
For **B S R & Co.**
Chartered Accountants
Firm's Registration No : 101248W

For and on behalf of the Board of Directors of Global Vectra Helicorp Limited

Vijay Mathur
Partner
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Executive Director

Ashvin Bhatt
Chief Financial Officer

Raakesh D. Soni
Company Secretary

Mumbai
28 May 2013

Mumbai
28 May 2013

Notes to Financial Statements for the year ended 31st March 2013

(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.

1.2 *Going concern*

The Company's net worth (excluding revaluation reserve) is significantly eroded as at 31 March 2013. 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 and 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 statements. 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:

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) 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:

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

d) 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 and are depreciated over 5,000 hours, being their estimated useful life.

Assets individually costing up to Rs 5,000 are depreciated fully in the year of their purchase. Provided that where the aggregate actual cost of individual items of plant and machinery costing ₹ 5,000 or less constitutes more than 10 per cent of the total actual cost of plant and machinery, rates of depreciation applicable to such items shall be the rates as specified in Item II of the Schedule.

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 assets 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 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 46A of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 914 (E) issued by the Ministry of Corporate Affairs dated 29 December 2011.

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.

Short term foreign currency monetary assets and liabilities

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 items

As per the option available under paragraph 46A of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 914 (E) issued by the Ministry of Corporate Affairs dated 29 December 2011 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.

Exchange fluctuations to the extent covered under paragraph 4 (e) of AS 16 – 'Borrowing cost' are also classified as exchange differences and disclosed accordingly (refer note. 36 a).

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.

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).

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*

Assets 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 statement of profit and loss 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 provisions 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 2013

(Currency: Indian Rupees)

		31 March 2013	31 March 2012
2	**Share Capital**		
	Authorised		
	25,000,000 (previous year: 25,000,000) equity shares of Rs 10 each	**250,000,000**	250,000,000
	7,000,000 (previous year: 7,000,000) Non convertible cumulative redeemable preference shares of Rs 100 each	**700,000,000**	700,000,000
	Issued, subscribed and paid-up		
	Equity Share Capital		
	14,000,000 (previous year: 14,000,000) equity shares of Rs 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 Rs 100 each, fully paid	**659,349,000**	659,349,000
		799,349,000	799,349,000

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

	31 March 2013		31 March 2012	
	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 and 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	**number of shares**	% Holding	number of shares
Equity shares of Rs 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 Rs 100 each fully paid up, held by				
Vectra Limited, UK	**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 Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

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 Rs 100/- per share. All the preference shares are non convertible and redeemable at par on 27 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 2013

	31 March 2013	31 March 2012
		(Currency: Indian Rupees)
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	**390,901,378**	426,080,771
Amount transferred to the statement of profit and loss on account of additional depreciation on revaluation reserve on sale of assets.	**(34,819,716)**	(35,179,393)
Transfer to general reserve on sale of asset	**(20,321,663)**	-
	335,759,999	390,901,378
General reserve		
At the commencement of the year	**60,542,455**	60,542,455
Transfer from revaluation reserve on sale of assets	**20,321,663**	-
	80,864,118	60,542,455
Surplus (profit and loss balance)		
At the commencement of the year	**(1,172,603,266)**	(931,018,347)
Profit / (Loss) for the year	**68,531,485**	(241,584,919)
	(1,104,071,781)	(1,172,603,266)
	(246,221,328)	(279,933,097)

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 Rs 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 Rs 34,819,716 (previous year: Rs 35,179,393) 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 Rs 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 2013

4 Long-term borrowings

(Currency: Indian Rupees)

	Non current portion		Current portion*	
-Secured	**31 March 2013**	31 March 2012	**31 March 2013**	31 March 2012
Term Loan				
From Bank				
External Commercial Borrowing-Royal Bank of Scotland**	**20,537,402**	206,806,081	**123,666,642**	82,722,432
From Others				
External Commercial Borrowing-Export Development Canada***	**791,184,422**	868,971,038	**145,074,212**	124,813,163
SREI Equipment Finance Pvt Ltd ****	**-**	-	**-**	41,855,452
SREI Infrastructure Finance Ltd. *****	**126,796,306**	200,796,306	**99,707,716**	55,207,716
	938,518,130	1,276,573,425	**368,448,570**	304,598,763
Finance lease obligation****	**505,642,027**	716,518,315	**163,180,202**	194,828,236
	1,444,160,157	1,993,091,740	**531,628,772**	499,426,999

*Amount disclosed in note 8 under "other current liabilities".

**ECB of JPY 894,404,000 (previous year: JPY 894,404,000) was originally repayable in twenty seven quarterly instalments commencing from 19 March 2009. During the year the repayment schedule was revised as a result of which the loan will be fully paid by June 2014 (previous year: September 2015). The ECB is secured by exclusive charge over one (previous year: one) Eurocopter helicopter. The interest terms are 3months JPY libor plus 8%.

***ECB of USD 15,298,300 (previous year: USD 15,298,300) is repayable in forty quarterly instalments 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 9,100,000) is repayable in forty quarterly instalments commencing from 20 May 2012. The ECB is secured by exclusive charge over one (previous year: one) Bell 412 helicopter. The interest terms are 3 months USD libor plus 1.08% for two helicopters and 3 months libor plus 1.16 for the third helicopter.

Position of default as on	**31 March 2013**	31 March 2012
Principal	**12,373,566**	-
Interest	**1,645,290**	-

****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) helicopters. Interest is payable @ 12.65% pa.

Position of default as on	**31 March 2013**	31 March 2012
Principal	-	1,154,639
Interest	**1,919,136**	2,691,300

***** The Loan consists of Rs 90,945,651 (previous year: Rs 147,445,651) for VT-AZY and Rs 35,850,655 (previous year: Rs 53,350,655) for VT-GVE.
The loans are secured by exclusive charge over two (previous year: two) helicopters. Interest is payable @ 13.5% pa.

Notes to Financial Statements as at 31 March 2013

Position of default as on	31 March 2013	31 March 2012
Principal	**25,500,000**	6,500,000
Interest	**13,528,722**	8,164,819

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

Position of default as on	31 March 2013	31 March 2012
Principal	**12,025,700**	31,942,834
Interest	**4,759,275**	15,289,228

Five (previous year: five) helicopters have been obtained on finance lease basis. Lease in respect of one of the helicopters' was foreclosed during the year. 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 2013	31 March 2012	**31 March 2013**	31 March 2012
a)	Total future minimum lease payment	**572,019,732**	836,778,114	**201,419,703**	231,918,782
b)	Future interest included in (a) above	**66,377,705**	120,259,800	**50,265,212**	69,033,380
c)	Present future value of minimum lease payments (a-b)	**505,642,027**	716,518,315	**151,154,491**	162,885,401
	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	**Minimum lease payments**		**Present value**	
	Payable within 1 year	**201,419,703**	231,918,782	**151,154,491**	162,885,401
	Payable between 1-5 years	**572,019,732**	836,778,114	**505,642,027**	716,518,315
	Payable later than 5 years	-	-	**-**	-

5 Provisions

	Long term		Short term	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
Provisions for employee benefits				
Gratuity (refer note 28)	**13,102,007**	11,159,816	**13,929,447**	14,024,257
Compensated absences (refer note 28)	**978,992**	2,077,024	**7,051,795**	5,270,393
Other provisions				
Provision for tax (net of advance tax)	**-**	-	**281,688**	281,688
	14,080,999	13,236,840	**21,262,930**	19,576,338

Notes to Financial Statements as at 31 March 2013

		31 March 2013	31 March 2012
6	**Short-term borrowings**		
i)	**Secured Loan**		
	From Bank		
	Cash credit and overdraft facilities #	**242,906,778**	250,443,061
ii)	**Unsecured Loan**		
	From Bank repayable on demand		
	Royal Bank of Scotland - short term loan ##	**25,000,000**	25,000,000
	From related parties repayable on demand ###		
	- From associates	**125,754,856**	126,086,330
		393,661,634	401,529,391

\# Secured by a pari-passu charge of the following:

a) Exclusive charge over two (previous year: two) bell helicopters and one (previous year: one) eurocopter helicopter.

b) Specific assignment of books debts relating to three (previous year: three) helicopters being charged.

c) Hypothecation of stock / inventory and book debts.

Interest terms are variable with respect to the cash credit and overdraft facilities

\## The short term loan from a bank is guaranteed by a promoter of the Company. The interest terms on which loan has been obtained are variable.

\### 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. Interest terms are 3 months libor plus 0.5%

7	**Trade payables**	**31 March 2013**	31 March 2012
	Due to micro, small and medium enterprises	**-**	-
	Others	**1,352,214,537**	1,140,021,348
		1,352,214,537	1,140,021,348

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 2013**	31 March 2012
	Current maturities of long-term debt (refer note 4)	**368,448,569**	304,598,763
	Current maturities of finance lease obligation (refer note 4)	**163,180,202**	194,828,236
	Interest accrued but not due on borrowings	**2,910,729**	3,963,315
	Interest accrued and due on borrowings	**21,845,709**	11,931,945
	Interest accrued and due on finance lease obligation	**4,759,275**	15,289,228
	Income received in advance	**2,254,477**	78,576,505
	Share application money due for refund	**27,000**	27,000
	Service tax payable	**277,460,866**	387,781,248
	TDS payable	**100,165,666**	128,815,974
	Other payable	**298,845,767**	232,953,753
		1,239,898,260	1,358,765,967

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

9 Tangible fixed assets

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Particulars	As at 1 April 2012	Additions during the period (refer note 36 a)	Deductions during the period (refer note 36 b)	As at 31 March 2013	As at 1 April 2012	During the period	Deletion / Adjustment	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Building	**7,954,063**	**-**	**-**	**7,954,063**	**7,954,063**	**-**	**-**	**7,954,063**	**-**	-
	(7,954,063)	-	-	(7,954,063)	(7,954,063)	-	-	(7,954,063)	-	-
Hangar and Administrative Building	**85,811,170**	**-**	**-**	**85,811,170**	**21,447,240**	**5,320,375**	**-**	**26,767,615**	**59,043,555**	64,363,930
	(85,811,170)	-	-	(85,811,170)	(15,989,458)	(5,457,782)	-	(21,447,240)	(64,363,930)	(69,821,712)
Plant and Machinery	**25,574,121**	**155,901**	**-**	**25,730,022**	**4,781,989**	**1,212,822**	**-**	**5,994,811**	**19,735,211**	20,792,132
	(24,651,507)	(922,614)	-	(25,574,121)	(3,589,932)	(1,192,057)	-	(4,781,989)	(20,792,132)	(21,061,575)
Furniture and Fixtures	**29,195,262**	**808,787**	**-**	**30,004,049**	**8,492,876**	**1,740,658**	**-**	**10,233,534**	**19,770,515**	20,702,386
	(28,143,268)	(1,051,994)	-	(29,195,262)	(6,790,352)	(1,702,524)	-	(8,492,876)	(20,702,386)	(21,352,916)
Helicopters										
Owned	**3,228,458,516**	**190,246,067**	**112,523,417**	**3,306,181,166**	**625,434,310**	**214,850,442**	**30,098,195**	**810,186,557**	**2,495,994,609**	2,603,024,206
	(2,620,943,218)	(607,515,300)	-	(3,228,458,516)	(452,639,448)	(172,794,862)	-	(625,434,310)	(2,603,024,206)	(2,168,303,768)
Leased	**2,025,692,990**	**100,684,220**	**354,050,856**	**1,772,326,354**	**673,127,671**	**113,397,979**	**142,778,468**	**643,747,182**	**1,128,579,172**	1,352,565,319
	(1,948,962,857)	(76,730,133)	-	(2,025,692,990)	(562,195,801)	(110,931,870)	-	(673,127,671)	(1,352,565,319)	(1,386,767,056)
Computers	**13,320,736**	**382,672**	**-**	**13,703,408**	**7,175,734**	**1,659,943**	**-**	**8,835,677**	**4,867,731**	6,145,004
	(12,248,271)	(1,072,465)	-	(13,320,736)	(5,495,084)	(1,680,650)	-	(7,175,734)	(6,145,004)	(6,753,187)
Vehicles	**5,031,283**	**950,000**	**-**	**5,981,283**	**2,800,594**	**482,241**	**-**	**3,282,835**	**2,698,448**	2,230,689
	(5,031,283)	-	-	(5,031,283)	(2,325,874)	(474,720)	-	(2,800,594)	(2,230,689)	(2,705,410)
Total	**5,421,038,141**	**293,227,647**	**466,574,273**	**5,247,691,515**	**1,351,214,477**	**338,664,460**	**172,876,663**	**1,517,002,274**	**3,730,689,241**	**4,069,823,666**
Previous year	(4,733,745,637)	(687,292,506)	-	(5,421,038,141)	(1,056,980,012)	(294,234,465)	-	(1,351,214,477)	(4,069,823,666)	(3,676,765,624)

Notes:

a) Amounts disclosed in brackets are comparatives as at 31 March 2012.

b) As per paragraph 46A of AS 11, exchange loss on restatement of long term monetary liabilities at 31 March 2013 aggregating to Rs 272,765,669 (previous year: Rs 94,845,357 capitalised) (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 Rs 7,509,705 (previous year: Rs 2,081,481). 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.

c) Depreciation charge has been disclosed as under:

	31 March 2013	31 March 2012
Depreciation charge for the year	**338,664,459**	294,234,465
Amount withdrawn from revaluation reserve	**34,819,716**	35,179,393
As per the statement of profit and loss	**303,844,743**	259,055,072

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

		31 March 2013	31 March 2012
10	**Deferred tax assets (net)**		
	Deferred tax assets (refer note 1 below)		
	Arising on account of timing differences in:		
-	Unabsorbed depreciation	**667,555,666**	631,086,393
-	Carry forward business loss	**35,569,975**	32,604,094
-	Provision for doubtful debts and advances	**2,957,909**	2,273,399
-	Others (disallowances under section 43B of the Income Tax Act, 1961)	**120,218,481**	113,203,719
		826,302,031	779,167,605
	Deferred tax liabilities		
	Arising on account of timing difference in:		
-	Lease rentals on assets acquired on finance lease	**153,069,882**	153,517,381
-	Depreciation	**673,232,149**	625,650,224
		826,302,031	779,167,605
	Deferred tax assets (net)	**-**	-

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.

11 Long term loans and advances

	Non-current portion		Current portion	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
Unsecured and considered good, to other than related parties				
Security deposits (refer note 16)	**62,931,492**	49,196,691	**1,640,416**	6,374,248
Inter corporate deposits	**66,650,220**	66,650,220	**-**	-
Advance tax recoverable	**130,640,010**	131,251,724	**-**	-
Prepaid expenses (refer note 17)	**27,669,509**	46,976,279	**27,642,877**	29,679,326
	287,891,231	294,074,914	**29,283,293**	36,053,574

		31 March 2013	31 March 2012
12	**Other non current assets**		
	Bank deposits (due to mature after 12 months of the reporting date) (refer note 15)	**42,365,396**	-
		42,365,396	-
13	**Inventories**		
	(Valued at lower of cost and net realisable value)		
	Consumables, spares and stores	**139,697,839**	151,740,680
		139,697,839	151,740,680

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

		31 March 2013	31 March 2012
14	**Trade receivables**		
	Receivables outstanding for a period exceeding six months from the date they became due for payment		
	Unsecured considered good	**186,521,424**	228,517,953
	Unsecured considered doubtful	**3,615,830**	3,682,955
		190,137,254	232,200,908
	Less: Provision for doubtful receivables	**3,615,830**	3,682,955
		186,521,424	228,517,953
	Other receivables		
	Unsecured considered good	**375,767,436**	405,027,040
		375,767,436	405,027,040
		562,288,860	633,544,993
15	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks		
	- on current accounts	**5,706,586**	3,282,589
	- on exchange earners' foreign currency account	**10,807,535**	9,808,383
	- on deposit accounts (with original maturity of 3 months or less)	**11,180,199**	9,724,335
	Cash on hand	**3,042,017**	2,553,397
		30,736,337	25,368,704
	Amounts with banks in deposit accounts have been pledged with banks as security for credit facilities obtained		
	Details of bank balances / deposits		
	- Bank balances available on demand / deposits with original maturity of 3 months or less included under 'cash and bank balances'.	**11,180,199**	9,724,335
	- Bank deposits due to mature after 12 months of the reporting date included under 'other non current assets balances' (refer note 12)	**42,365,396**	-
		53,545,595	9,724,335
16	**Short-term loans and advances**		
	To related parties		
	Unsecured, considered good	**64,087,730**	60,278,473

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

		31 March 2013	31 March 2012
	To parties other than related parties		
	Unsecured, considered good		
	Advances to suppliers	**30,458,151**	71,445,040
	Travel and other advances	**3,950,467**	4,235,794
	Interest receivable	**2,845,602**	52,757
	Security deposits (refer note 11)	**1,640,416**	6,374,248
	Other advances	**52,261,562**	61,965,579
	Service tax receivable	**41,850,479**	37,053,353
	Considered doubtful		
	Advances to vendors and other advances	**5,500,855**	3,323,977
		138,507,532	184,450,748
	Less: Provision for doubtful advances	**5,500,855**	3,323,977
		197,094,407	241,405,244
17	**Other current assets**		
	Prepaid expenses- insurance	**635,779**	2,200,273
	Prepaid expense - unamortised initial direct costs of operating leases (refer note 11)	**27,007,098**	27,479,053
		27,642,877	29,679,326
18	**Other operating income**		
	Revenue - maintenance, repairs and overhaul	**306,585**	539,333
	Reimbursement of expenses	**19,531,498**	33,990,124
		19,838,083	34,529,457
19	**Other income**		
	Interest income from		
	- banks	**3,979,895**	105,218
	- inter corporate deposits	**5,665,269**	5,709,671
	- income tax refund	**5,566,403**	5,082,474
	Insurance claim received	**-**	28,252,538
	Liabilities no longer required written back	**36,473,097**	11,787,812
		51,684,664	50,937,713
20	**Helicopter maintenance**		
	Helicopter spares consumption	**170,201,817**	172,831,613
	Maintenance, repairs and overhaul charges	**210,859,334**	293,509,305
		381,061,151	466,340,918
21	**Employee benefits**		
	Salaries and bonus (refer note 28)	**542,299,328**	557,824,658
	Contribution to provident and other funds	**12,010,668**	11,015,933
	Staff welfare expenses	**18,811,040**	19,308,961
		573,121,036	588,149,552

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

		31 March 2013	31 March 2012
22	**Finance costs**		
	Interest expense on		
	- term loan	**38,783,443**	44,148,698
	- external commercial borrowings	**17,439,376**	12,425,453
	- interest cost para 4(e) -AS16 (refer note 24)	**-**	160,164,978
	- cash credit and overdraft facility	**45,360,970**	45,584,607
	- others	**67,697,989**	45,008,293
	Finance lease cost	**88,542,041**	77,315,982
	Bank charges and commission	**11,717,150**	8,619,854
	Facility advisory fees	**7,383,852**	11,768,850
		276,924,821	405,036,714
23	**Other expenses**		
	Aviation fuel for helicopters	**142,685,921**	197,131,672
	Insurance expense on		
	-helicopters	**79,509,814**	71,469,073
	-others	**2,507,223**	1,021,265
	Parking, landing and passenger service fees	**33,353,666**	38,679,835
	Charter hire cost	**13,200,687**	66,247,712
	Royalty	**18,471,874**	18,669,752
	Travelling and conveyance	**74,709,817**	100,841,386
	Legal and professional fees	**28,707,745**	24,417,384
	Auditors' remuneration (refer note 26 (a))	**2,752,350**	2,449,720
	Directors sitting fees	**460,000**	680,000
	Training expenses	**11,672,326**	20,003,555
	Lease rent	**16,993,147**	16,607,301
	Telephone and other communication expenses	**5,174,444**	6,196,753
	Car rentals	**12,563,649**	13,958,032
	Repairs and maintenance		
	- buildings	**882,307**	50,400
	- plant and machinery	**21,000**	103,000
	- others	**13,634,025**	14,913,580
	Electricity expenses	**6,508,031**	8,446,291
	Printing and stationery	**5,481,507**	6,158,320
	Advertisement	**394,640**	940,931
	Rates and taxes	**11,918,257**	11,298,951
	Provision for doubtful advances	**2,109,753**	-
	Bad debts written off	**25,025,915**	13,716
	Foreign exchange loss (net)	**35,858,591**	90,938,827
	Miscellaneous expenses	**27,384,119**	28,691,699
		571,980,808	739,929,157
24	**Exceptional items**		
	Reversal of interest cost as per para 4(e) of AS 16 (refer note 36 a)	**160,164,978**	-
	Liabilities no longer payable written back (refer note 36 c)	**131,116,445**	-
	Loss on sale / lease termination of helicopter (refer note 36 b)	**(21,977,160)**	-
		269,304,263	**-**

Notes to Financial Statements as at 31 March 2013

(Currency: Indian Rupees)

	31 March 2013	31 March 2012
25 Commitments and contingent liabilities		
(a) Commitments		
Preference dividend on 6,593,490 (previous year: 6,593,490) 5.46% Non-convertible cumulative redeemable preference shares	**81,370,892**	45,370,436
Dividend tax on Preference dividend	**13,236,700**	7,396,527
	94,607,592	52,766,963
(b) Contingent liabilities		
Claims against the Company not acknowledged as debts		
Employee related	**5,063,692**	3,698,534
Demands contested by the Company		
- Customs duty related (refer note 1)	**262,195,030**	262,195,030
	267,258,722	265,893,564

Note

1 Includes duty paid under protest aggregating Rs 53,826,044 (previous year : Rs 53,826,044) (refer note 34)

	31 March 2013	31 March 2012
26 Supplementary statutory information		
(a) Auditors' remuneration (excluding service tax)		
Audit fees	**1,599,000**	1,599,000
Other services	**910,000**	600,000
Out of pocket expenses	**243,350**	250,720
	2,752,350	2,449,720
(b) Expenditure, earnings in foreign currency		
(i) Expenditure in foreign currency (on accrual basis)		
- Lease rentals	**595,209,372**	571,601,361
- Helicopter overhaul and maintenance	**137,776,236**	223,984,372
- Training expenses	**2,310,388**	10,171,215
- Interest on finance lease	**88,542,041**	77,315,982
- Interest on loans	**17,439,376**	12,425,452
- Salaries	**43,598,341**	66,395,475
- Legal and professional fees	**5,560,789**	6,061,051
- Travelling and conveyance	**36,941**	261,446
- Miscellaneous expenses	**-**	5,012
- Bank charges	**839,045**	68,022
(ii) Earnings in foreign exchange (on accrual basis)		
- Revenue	**1,631,039,755**	1,562,072,187

Notes to financial statements for the year ended 31 March 2013

(Currency: Indian Rupees)

26 Supplementary statutory information *(Continued)*

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

	31 March 2013		31 March 2012	
	Value	% of total consumption	Value	% of total consumption
Imported	**119,141,272**	**70**	120,982,129	70
Indigenous	**51,060,545**	**30**	51,849,484	30
	170,201,817	**100**	172,831,613	100

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

	31 March 2013	31 March 2012
Spare parts and components	**140,813,437**	191,040,266
Capital spares	**18,164,622**	39,404,296
Capital goods (Plant & Machinery / helicopters)	**-**	549,995,779
	158,978,059	780,440,341

27 Segment reporting

The Company is engaged in providing helicopter services in India, which is considered as one business segment. The secondary segment reporting based on geographical risk factor which may be present in different countries is also not applicable, as the Company's overseas business is less than 10% of the total business. 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.

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

i Contribution to provident fund and ESIC

Amount of Rs 2,684,196 (previous year: Rs 2,774,984) is recognized as an expense and included in "Employee benefits" (refer note 21).

ii Leave Wages

Amount of Rs 905,385 (previous year: Rs 1,765,088) is recognized as an expense and included in "Employee benefits" (refer note 21).

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 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 *(Continued)*

28 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits' ***(Continued)***

(b) Amounts for the current period are as follows

	Gratuity	
	31 March 2013	31 March 2012

i Change in the present value of the defined benefit obligation:

Defined benefit obligation at the beginning of year	**27,294,880**	21,743,820
Interest cost	**2,388,302**	1,793,865
Current service cost	**4,975,163**	4,717,521
Past service cost (vested benefit)	**-**	-
Benefit paid	**(6,746,829)**	(1,081,157)
Actuarial loss on obligation	**1,399,610**	120,832
Defined benefit obligation at the end of year	**29,311,126**	27,294,880

ii Change in fair value of plan assets:

Fair value of plan assets at the beginning of year	**2,110,807**	1,954,451
Expected return on plan assets	**184,696**	161,242
Contribution by employer	**-**	-
Benefit paid	**-**	-
Actuarial loss on plan assets	**(15,831)**	(4,886)
Fair value of plan assets at the end of year	**2,279,672**	2,110,807

iii Actual return on plan assets

Expected return on plan assets	**184,696**	161,242
Actuarial loss on plan assets	**(15,831)**	(4,886)
Actual return on plan assets	**168,865**	156,356

iv Amount recognised in Balance Sheet

Liability at the end of the year	**29,311,126**	27,294,880
Fair value of plan assets at the end of the year	**(2,279,672)**	(2,110,807)
Difference	**27,031,454**	25,184,073
Amount recognised in the balance sheet	**27,031,454**	25,184,073

v Expense recognised in Statement of Profit and Loss

Current service cost	**4,975,163**	4,717,521
Interest cost on benefit obligation	**2,388,302**	1,793,865
Expected return on plan assets	**(184,696)**	(161,242)
Past service cost (vested benefit) recognised	**-**	-
Net actuarial (gain)/ loss in the year	**1,415,441**	125,718
Expenses recognized in statement of profit and loss	**8,594,210**	6,475,862

vi Balance sheet reconciliation

Opening net liability	**25,184,073**	19,789,369
Expenses as above	**8,594,210**	6,475,862
Employer's contribution	**(6,746,829)**	(1,081,157)
Benefit paid	**-**	-
Amount recognised in balance sheet	**27,031,454**	25,184,073

Notes to Financial Statements as at 31 March 2013

vii Actuarial assumptions

Experience adjustments	**31 March 2013**	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Planned liabilities (gain)/loss	**(6,723,679)**	(1,438,876)	(3,192,640)	(2,851,716)	445,744
Planned asset gain/(loss)	**(15,831)**	(4,886)	4,524	12,509	7,686
Discount rate	**8.25%**	8.75%	8.25%	7.75%	7.75%
Rate of return on plan assets	**8.70%**	8.75%	8.25%	7.75%	7.75%
Salary escalation	**5.00%**	5.00%	5.00%	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.

Classification into current / non-current

The asset/(liability) comprises of the following non-current and current portions:

	31 March 2013	31 March 2012
Gratuity		
Current liability	**13,929,447**	14,024,257
Non-current liability	**13,102,007**	11,159,816
Liability to be recognised in the balance sheet	**27,031,454**	25,184,073
Compensated absences		
Short term compensatory absence	**7,051,795**	5,270,393
Long term compensatory absence	**978,992**	2,077,024
Liability to be recognised in the balance sheet	**8,030,787**	7,347,417

29 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	Parent Company up to 19 October 2006 and a Promoter Company thereafter.
Azal Azerbaijan Aviation Limited	Promoter Company.

(b) Other related parties with whom transactions have taken place during the year.

Enterprises over which the promoter has significant influence	
Vectra Limited	UK
Vectra Limited	Hong Kong
Vectra I.T. Solutions Private Limited	India

(c) Key management personnel ('KMP')

Lt. Gen. (Retd.) S J S Saighal	Chairman
Eduard Van Dam	Chief Executive Officer
P. Rajkumar Menon	Whole-time Director

Notes to Financial Statements as at 31 March 2013

29 Related parties *(Continued)*

	31 March 2013			31 March 2012		
Nature of the transaction	**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	-
Vectra Hong Kong	-	**962,500**	-	-	-	-
Helicopter insurance recovery						
Vectra Limited, UK	-	-	-	-	3,272,168	-
Services cost						
Vectra I.T. Solutions Private Limited	-	**4,891,669**	-	-	4,000,425	-
Operating lease for helicopter						
Vectra Limited, Hong Kong	-	**8,400,300**	-	-	7,959,100	-
Azal Azerbaijan Aviation Limited	**484,040,193**	-	-	387,905,746	-	-
Vectra Limited, UK	-	-	-	-	76,956,992	-
Initial direct cost (operating lease) paid						
Azal Azerbaijan Aviation Limited	**9,979,444**	-	-	12,370,697	-	-
Managerial remuneration						
Lt. Gen. (Retd.) S J S Saighal	-	-	**2,310,316**	-	-	2,271,698
P. Rajkumar Menon	-	-	**6,745,127**	-	-	6,854,387
Eduard Van Dam	-	-	**6,910,861**	-	-	5,939,264
Interest expense on borrowings						
Vectra Limited, UK	-	**86,113**	-	-	121,926	-
Azal Azerbaijan Aviation Limited	**34,529**	-	-	40,287	-	-
Vectra Limited, Hong Kong	-	**457,439**	-	-	727,597	-
Vectra Investment Private Limited	**4,905,001**	-	-	3,385,172	-	-
Liabilities no longer payable written back						
Vectra Limited, UK (refer note 36 c)	-	**131,116,445**	-	-	-	-
Loans taken	-	-		-	-	
Vectra Investment Private Limited	-	-	-	104,230,000	-	-
Loans repaid						
Vectra Limited, UK	-	-	-	-	19,044,717	-
Vectra Limited, Hong Kong	-	-	-	-	2,046,260	-
Vectra Investment Private Limited	-	-	-	69,730,000	-	-
Trade receivables						
Vectra Limited, UK	-	**37,307,075**	-	-	36,612,080	-

Notes to Financial Statements as at 31 March 2013

29 Related parties *(Continued)*

	31 March 2013			31 March 2012		
Nature of the transaction	**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	**-**	**59,464,282**	**-**	-	55,929,835	-
Vectra Limited, Hong Kong	**-**	**4,623,447**	**-**	-	4,348,638	-
Balances at the end of the year						
5.46% non convertible cumulative redeemable preference shares						
Vectra Limited, UK	**-**	**659,349,000**	**-**	-	659,349,000	-
Interest payable						
Vectra Investment Private Limited	**4,051,666**	**-**	**-**	374,931	-	-
Loan outstanding						
Vectra Investment Private Limited	**54,500,000**	**-**	**-**	54,500,000	-	-
Buyers credit						
Azal Azerbaijan Aviation Limited	**4,412,071**	**-**		4,190,112	-	-
Vectra Limited, UK	**-**	**6,961,557**	**-**	-	11,691,650	-
Vectra Limited, Hong Kong	**-**	**58,451,204**	**-**	-	55,704,568	-
Operating lease payable						
Azal Azerbaijan Aviation Limited	**498,557,645**	**-**	**-**	205,639,359	-	-
Vectra Limited, Hong Kong	**-**	**31,293,000**	**-**	-	22,552,200	-
Vectra Limited, UK	**-**	**273,832,558**	**-**	-	257,556,454	-
Trade payables						
Vectra Limited, UK	**-**	**88,286,115**	**-**	-	213,310,272	-
Vectra Limited, Hong Kong	**-**	**159,998,860**	**-**	-	154,988,843	-
Vectra I.T. Solutions Private Limited	**-**	**1,887,649**	**-**	-	351,305	-
Azal Azerbaijan Aviation Limited	**50,201,977**	**-**	**-**	47,218,064	-	-
Vectra Glosec Private Limited	**-**	**12,408**	**-**	-	-	-
Managerial remuneration payable						
Lt. Gen. (Retd.) S J S Saighal	**-**	**-**	**120,457**	-	-	134,608
P. Rajkumar Menon	**-**	**-**	**343,887**	-	-	358,311
Eduard Van Dam	**-**	**-**	**275,687**	-	-	267,588
Letter of credit on behalf of the company						
Vectra Limited UK	**-**	**207,716**	**-**	-	207,716	-

Notes to financial statements *(Continued)*

30 Details of unhedged foreign currency exposure

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 2013	**242,715,931**	**4,462,568**	**36,092,943**	**519,024**	-	-	-	-	-	-
31 March 2012	260,549,960	5,657,084	35,470,114	519,024	-	-	-	-	-	-
Payables										
31 March 2013	**2,712,712,721**	**49,875,853**	**143,977,033**	**2,070,420**	**-**	**-**	**335,267**	**5,917**	**-**	**-**
31 March 2012	2,663,607,060	52,352,747	259,054,069	3,790,665	541,739	6,623	318,640	5,917	33,867	829
Advances given										
31 March 2013	**20,997,158**	**386,053**	**-**	**-**	**-**	**-**	**721,848**	**12,740**	**45,972**	**1,048**
31 March 2012	11,187,233	218,686	24,261	355	-	-	-	-	-	-

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

31 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 2013	**4**	**340,849,742**	**196,874,811**
31 March 2012	4	200,156,137	195,687,043

As at 31 March 2013, the Company has Marked to Market ('MTM') the above mentioned interest cum currency swaps and has earned a fair value gain of ₹ 16,680,298 (previous year ₹ 49,679,126) which has not been recorded in the books of accounts pursuant to notification issued by ICAI. (refer 1.18).

Notes to financial statements *(Continued)*

32 Operating leases

	31 March 2013	31 March 2012
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 :		
Payable within one year	**502,256,550**	347,375,047
Payable between one and five years	**1,033,186,607**	865,497,413
Payable after five years	**-**	-
	1,535,443,157	1,212,872,460

33 Earnings per share

The calculation for earnings per share is set out below:

Profit / (loss) for the year after tax	**68,531,485**	(241,584,919)
Less: Dividend on preference shares and tax thereon	**41,840,629**	
Profit / (loss) for the year after tax attributable to equity shareholder for calculation of earnings per share	**26,690,856**	(241,584,919)
Shares		
Weighted average number of equity shares outstanding during the year for calculation of earnings per share	**14,000,000**	14,000,000
Basic and diluted earnings per share (in rupees) per share of face value of ₹ 10 each before and after extra-ordinary item	**1.91**	(17.26)

34 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.

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

The remuneration paid/payable to whole time directors is in excess of the limits prescribed under Section 198 of the Companies Act, 1956, by ₹ 1,945,127 for the year ended 31 March 2013 and ₹ 14,296,515 for the period prior to 1 April 2012. The Company has made an application seeking post-facto approval and is yet to receive the same from the Central Government.

36 Exceptional items

a In pursuance of a clarification dated 9 August 2012 issued by The Ministry of Corporate Affairs, the Company has changed theaccounting policy w.e.f. from 1 April 2011 in respect of borrowing costs as prescribed under AS -16 4(e) – "Borrowing costs" and accounted for such foreign exchange differences arising from foreign currency borrowings as per AS-11 - "The Effects of Changes in Foreign Exchange Rates". Consequent to the above, ₹ 160,164,978 previously recognized as borrowing costs in the Financial Year 2011-12 has been reversed and recorded as an exceptional item during the year ended 31 March 2013.

Further, the aforesaid amount of ₹ 160,164,978 has been capitalised to fixed assets and additional depreciation of ₹ 4,973,602 has been charged during the year ended 31 March 2013 b During the year ended 31 March 2013, pursuant to the approval of the Board, the Company has terminated lease / sold two of its helicopters This lease termination /sale has resulted into a loss (net) of ₹ 21,977,160 which has been recorded as an exceptional item for the year ended 31 March 2013.

c Pursuant to the Company's request, an amount aggregating to ₹ 131,116,445 was waived by a group company against outstanding liabilities. The amount has been recorded as an exceptional item for the year ended 31 March 2013.

37 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 2012. Management believes that the Company's international transactions with related parties post 31 March 2012 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 2013.

38 Recoverable from customers

As at 31 March 2013, certain customers of the Company have disputed taxes levied for the services rendered aggregating ₹ 90,425,938. The Company has initiated proceedings for recoveries of these amounts and is confident of recovery of these sums.

39 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 operations of the Company were suspended. The Company filed a Writ Petition with the single-judge bench of the Delhi High Court 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 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.

On 19 September 2012 the DGCA has filed an appeal which is pending before the divisional bench of the Delhi High Court seeking the interim order passed by the single-judge bench to be set aside. Pursuant to the said appeal, the Company's Non-Scheduled Operator's Permit (NSOP) has been renewed and is subject to the outcome of the above court matters.

The Company's operations remained suspended from 8 May 2012 to 20 June 2012 which has severely affected the Company's operations for the year ended 31 March 2013. Management believes that the Company is in compliance with relevant DGCA and other applicable Regulations and continues as a going concern.

40 Prior year figures

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

i	Regrouped rates and taxes and clearing, forwarding and freight from 'Other expenses' to 'Helicopter maintenance'	42,716,933
ii	Regrouped 'Revenue others' under ' Liabilities no longer required written back'	461,941

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

Mumbai
28 May 2013

For and on behalf of the Board of Directors of Global Vectra Helicorp Limited

Lt. Gen. (Retd.) SJS Saighal
Chairman

P. Rajkumar Menon
Executive Director

Ashvin Bhatt
Chief Financial Officer

Raakesh D. Soni
Company Secretary

Mumbai
28 May 2013

GLOBAL VECTRA HELICORP LIMITED

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 **FIFTEENTH ANNUAL GENERAL MEETING** of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065 on Friday, September 27, 2013 at 13.30 hrs (1.30 p.m.).

DP ID	
Client ID	

No. of Shares	
Regd. Folio No.	

Member's / Proxy's Signature…………………………………....

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

....Tear here..

Tear Here

GLOBAL VECTRA HELICORP LIMITED

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 **FIFTEENTH ANNUAL GENERAL MEETING** of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065 on Friday, September 27, 2013 at 13.30 hrs (1.30 p.m.).

Signed this ....day of ....2013.

Please affix
Revenue Stamp

Regd. Folio No. / DP ID & Client ID...................

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.

BOOK-POST

If undelivered, please return to :

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Hanger No. C - He / Hf,
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Mumbai - 400 054.

Orient Press Ltd.

Form B

Covering letter of the Annual Audit report to be filed with the Stock exchanges

Name of the Company	Global Vectra Helicorp Limited ('the Company')
Annual Financial Statements for the year ended	31 March 2013
Type of Audit observation / qualification	**Emphasis of Matter** **<u>Emphasis of Matter – Independent Auditors' Report on page no. 19 of the Annual Report:</u>** We draw attention to note no. 39 to the financial statements which states that during the year, the Company's operations were disrupted due to an order dated 7 May 2012 received from The Director General of Civil Aviation (DGCA). The Company received an ad interim relief from the single-judge bench of the Delhi High Court vide its judgment dated 11 June 2012 which stayed the operation of the above mentioned order. Accordingly, the Company resumed its operations of flying aircrafts. However, on 19 September 2012 the DGCA filed an appeal which is pending before the divisional bench of the Delhi High Court seeking the interim order passed by the single-judge bench to be set aside. Pursuant to the said appeal, the Company's Non Scheduled Operator's Permit (NSOP) has been renewed and is subject to the outcome of the above court matter. These conditions along with other matters as set forth in note no. 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter. **Qualified** **<u>Basis for Qualified Opinion – Independent Auditors' Report on page no. 18 of the Annual Report:</u>** 1) *As more fully explained in note no. 35 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. 1,945,127 for the year ended 31 March 2013 and Rs. 14,296,515 for period prior to 1 April 2012. The Company has applied for post-facto approval and is yet to receive the same from the Central Government.* 2) *As more fully explained in note no. 34 to the financial statements, the Company had received an order in 2008*

B S R & Co. Chartered Accountants

M/s. GLOBAL VECTRA HELICORP. LTD.

	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 2013, as 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 revaluation reserve would have been lower by Rs.74,070,446 (previous year: Rs. 79,978,358), depreciation would have been higher by Rs. 34,133,645 (previous year: Rs 29,446,012), the profit after tax for the year ended 31 March 2013 would have been converted to loss after tax of Rs.120,145,103 (previous year: loss would have been higher by Rs. 183,988,955) and accumulated losses as at 31 March 2013 would have been higher by Rs. 188,676,588 (previous year: Rs. 183,988,955). 3) *As more fully explained in note no. 38 to the financial statements, certain customers have disputed taxes levied by the Company aggregating Rs. 90,425,938 (previous year: Rs. 90,425,938). 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 38, management believes that they have a strong case to collect the outstanding amount. Had the Company made the provision, the profit after tax for the year ended 31 March 2013 would have been converted to loss after tax of Rs 21,894,453 (previous year: loss would have been higher by Rs. 90,425,938) and accumulated losses as at 31 March 2013 would have been higher by Rs. 90,425,938 (previous year: Rs. 90,425,938).*
Frequency of qualification	**Emphasis of Matter** First time **Qualified** Point no.1 - Since F.Y. 2007-08 Point no.2 - Since F.Y. 2007-08 Point no.3 - Since F.Y. 2007-08
Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	**Notes in the annual financial statements** **Note no. 35 on page no. 47 of the Annual Report:**

1) The remuneration paid/payable to whole time directors is in excess of the limits prescribed under Section 198 of the Companies Act, 1956, by Rs. 1,945,127 for the year ended 31 March 2013 and Rs. 14,296,515 for the period prior to 1 April 2012. The Company has made an application seeking post-facto approval and is yet to receive the same from the Central Government.

Note no. 34 on page no. 47 of the Annual Report:

2) 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 Rs. 237,924,458 (previous year: Rs. 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 Rs. 262,195,030 (previous year: Rs. 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 Rs. 53,826,044 (previous year: Rs. 53,826,044) has been paid as duty under protest during the year ended 31 March 2010.

Note no. 38 on page no. 48 of the Annual Report:

3) As at 31 March 2013, certain customers of the Company have disputed taxes levied for the services rendered aggregating Rs. 90,425,938. The Company has initiated proceedings for recoveries of these amounts and is confident of recovery of these sums.

Management's response on 'Basis for Qualified Opinion':

Directors' report on page no. 6 of the Annual Report

1) Reference is drawn to Clause no. (6) of the Auditors' Report and schedule 35 to the financial statements. In this regard, Board informs that Company has already filed an application with Central Government for approval and the waiver of the excess remuneration to

	Whole-time Directors of the Company. 2) Reference is drawn to Clause no.(7) of the Auditors' Report and schedule 34 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 Rs. 2621.95 Lakhs. No provision has been made by the Company for the same nor the interest due thereon as at 31st March, 2013. 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. 3) Reference is drawn to Clause no.(8) of the Auditors' Report and schedule 38 to the financial statements. Certain customers have disputed taxes levied by the Company aggregating Rs. 904.25 Lakhs (previous year: Rs. 904.25 lakhs). Consequently management have 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.
Additional comments from the board / audit committee chair:	**Reference is drawn to Clause no. (6) of the Auditors' Report and schedule 35 to the Financial Statements, regarding payment of excess managerial remuneration to whole time Directors:-** Company has received approval from the Central Government for Waiver of excess remuneration paid and for payment of excess managerial remuneration, vides their letters dated 11 June 2013 and 21 June 2013. The same has been noted by the Members of the Audit Committee and Board of Directors in their Meetings held on 14th August 2013 and the qualification regarding excess managerial remuneration has been removed from the Limited review report issued by the Auditors on the Unaudited Financial Results for the quarter ended 30 June 2013.

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

Vijay Mathur
Partner
Membership No: 046476
Mumbai

For Global Vectra Helicorp Limited

Eduard Van Dam
Chief Executive Officer

Dr. Gautam Sen
Chairman Audit Committee

Ashvin Bhatt
Chief Financial Officer

B S R & Co. Chartered Accountants

M/S. GLOBAL VECTRA HELICORP. LTD.