

Annual Report



"GVHL, a large and diverse fleet meeting each mission"



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. LLP
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 – 400 056
Tel. No.: -91-22-6140 9200
Fax No.: -91-22-6140 9253

REGISTRAR & TRANSFER AGENTS

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

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NOTICE

The Sixteenth ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Friday, 26th day of September, 2014 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, 2014 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 Lt. Gen. (Retd.) SJS Saighal, 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 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s B S R & Co. LLP, Chartered Accountants, Mumbai (Registration No. 101248W/W: 100022), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Nineteenth Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approvals of the Company be and is hereby accorded to the re-appointment and remuneration of Lt. Gen. (Retd.) SJS Saighal (DIN – 01518126), Chairman of the Company under the Companies Act, 2013 for a period of Two years commencing from 1st October, 2014 upto and inclusive of 30th September, 2016 (both days inclusive) on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be

deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Lt. Gen. (Retd.) SJS Saighal, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT not with standing any herein, where in any financial year during the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government if any, pay to the Chairman the above remuneration as the minimum remuneration by way of salary, perquisites, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Companies Act, 2013

“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.”

By Order of the Board of Directors

RAAKESH D. SONI
Company Secretary

Place: - Mumbai
Date: - 14th August, 2014

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

NOTES:

- (1) **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.**
- (2) 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 – 400 056 (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.
- (3) 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 advise any change of address and or bank mandate immediately to M/s. Link Intime India Private Limited / Investor Service Department of the Company.
- (4) The Register of Members and Share Transfer Books of Company will remain closed from 25th day, September, 2014 to 26th day, September, 2014 (both days inclusive) in connection with the Annual General Meeting.
- (5) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- (6) Voting through electronic means
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 16th Annual General Meeting of the Company.

The instructions for members for voting electronically are as under:-**In case of members receiving e-mail:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for the relevant **"GLOBAL VECTRA HELICORP LIMITED"** on which you choose to vote.
 - (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - (xviii) In case of members receiving the physical copy of Annual Report, please follow all steps from sr. No. (I) to sr. no. (xviii) above to cast vote.
 - (xix) The voting period begins on September 20, 2014 (9.00 a.m.) and ends on September 22, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August, 22 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd August, 2014.
 - III. A copy of this notice has been placed on the website of the Company and CDSL.
 - IV. Mr. Arun Gupta, Practicing Company Secretary (Certificate of Practicing Number 5086) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from who do not have access to the e-voting process) in a fair and transparent manner.
 - V. The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of votes cast in favour or against , if any, forthwith to the Chairman.
- The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.globalhelicorp.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors

RAAKESH D. SONI
Company Secretary

Place: - Mumbai
Date: - 14th August, 2014

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**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 Nomination and Remuneration Committee, at their meeting held on 14th August, 2014, 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 two years commencing from 1st October, 2014 up to and inclusive of 30th September, 2016. The remuneration and perquisites payable to Chairman is in accordance within Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The important terms of the appointment are as under:-

Remuneration:

I. Basic Salary ₹70, 000/- per month

II. Perquisites:

1. House Rent Allowance ₹52,500/- per month
2. Other Allowance ₹52,500/- per month
3. Company will provide Car to Chairman.
4. Driver shall be provided by the Company for the official use of the Chairman and Company Shall pay Driver Salary of ₹ 16,968/- 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 Nomination and Remuneration Committee in its meeting held on 14th August, 2014.

The terms of appointment and remuneration are to be approved by the Members in General Meeting in terms of Schedule V to the Companies Act, 2013 and the Board commends the passing of the Special Resolution.

Statement of particulars regarding managerial remuneration to be provided in accordance with clause 1B of Part II of Schedule V of the Companies Act 2013, to shareholders along with the notice calling the General Meeting are as under :

Sr. No.	Particulars	Information												
I. GENERAL INFORMATION														
1.	Nature of industry :	Offshore Transportation Services												
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 th April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 rd May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 th August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 th October, 2005.												
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable												
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.14)	<table> <tr> <th></th><th>Particulars</th><th>INR In Lacs</th></tr> <tr> <td>a.</td><td>Revenue from Operations and Other Income</td><td>33662.32</td></tr> <tr> <td>b.</td><td>Net Profit as per Profit and Loss A/c. before Tax</td><td>889.29</td></tr> <tr> <td>c.</td><td>Net Profit as per Profit and Loss A/c. after Tax</td><td>549.14</td></tr> </table>		Particulars	INR In Lacs	a.	Revenue from Operations and Other Income	33662.32	b.	Net Profit as per Profit and Loss A/c. before Tax	889.29	c.	Net Profit as per Profit and Loss A/c. after Tax	549.14
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a.	Revenue from Operations and Other Income	33662.32												
b.	Net Profit as per Profit and Loss A/c. before Tax	889.29												
c.	Net Profit as per Profit and Loss A/c. after Tax	549.14												
5.	Export performance and net foreign exchange collaborations:	NIL												
6.	Foreign investments or collaborators, if any:	NIL												

II. INFORMATION ABOUT THE APPOINTEE	
Background details:	Master Degree (MSc) and retire after more than forty year of service from army and was chief of the army aviation.
Past remuneration:	Last Year ₹ 23,10,316/-
Recognition or awards:	In recognition of the services, the government conferred the award of Param Vashisht Seva Medal (PVSM), Vashisht Seva Medal (VM) and Vayu Sena Medal (VSM). He carries with him more than four decades of experience in aviation industry.
Job profile and his suitability:	As Chairman of the Company, he is responsible for superintendence, control and direction of the Board of Directors. He has a rich and varied background in the field of aviation industry.
Remuneration proposed:	As mentioned above
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 Lt. Gen. (Retd.) SJS Saighal 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.
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	
Reasons of inadequate profits:	Due to increase in fuel, spares and other operating costs.
Steps taken or proposed to be taken for improvement:	Steps are being taken to reduce fixed cost. Also the Company is making efforts to increase revenue by effective utilization of fleet and improve margin on contract.
Expected increase in productivity and profit in measurable terms	Company is expected to increase its margin by 10% to 15% in next year
IV. DISCLOSURES	
The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report.	

By Order of the Board of Directors

Place: - Mumbai
Date: - 14th August, 2014

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

RAAKESH D.SONI
Company Secretary

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

Lt. Gen. (Retd.) SJS Saighal

Lt. Gen. (Retd.) SJS Saighal PVSM, VM, VSM took over as Chairman of Global Vectra Helicorp Limited in March 2006. He holds a Masters Degree (MSc) from Madras University. General Saighal retired after more than forty years of service in the army. In his last assignment as Master General of Ordnance (Chief of Technology & Logistics), he was responsible for the upkeep, induction and development of equipment in the Army and controlled an annual budget of Rs. 100,000 million under this charge. General Saighal was the Chief of the Army Aviation between 1999 and 2001.

The General has closely worked with the industry and the CII (Confederation Of Indian Industries) for their integration and business development in the defence field. He was on the board of directors of Hindustan Aeronautics Limited and Ordnance Factory Board and was chairman of a number of high level boards/committees on investments, maintenance and logistics.

General Saighal is a veteran of the 1965 and 1971 wars and was head of the Army Aviation during the Kargil operations. In recognition of his dedicated services, the Government conferred the awards of Param Vashisht Seva Medal (PVSM) and Vishisht Seva Medal (VM). He was also awarded Vayu Sena Medal (VSM) during 1971.

Lt. Gen. (Retd) SJS Saighal was appointed as an Executive Director of Global Vectra Helicorp Limited on August 16, 2005 and Chairman since March 18, 2006. He helped the Company to grow from a 6 to 29 Helicopter company.

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

1. Stakeholders Relationship Committee Members
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 are pleased to present the Sixteenth Annual Report of the Company and audited accounts of the Company for the year ended 31st March, 2014.

FINANCIAL PERFORMANCE

(INR in Lacs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Service Income	33,012.57	24,799.11
Other Operating Income	142.34	198.38
Income from operations	33,154.91	24,997.49
Other Income	507.41	516.85
Total Income	33,662.32	25,514.34
Profit before interest, depreciation, amortisation of expenses and Tax	5,933.65	3,799.97
Less : Interest	2,120.74	2,769.25
Less : Depreciation (Net)	2,923.61	3,038.45
Profit / (Loss) for the year before Tax and Exceptional Item	889.30	-2,007.73
Exceptional Item	0	2,693.04
Profit for the year after exceptional item and before Tax	889.30	685.31
Less : Income Tax – Deferred Tax	340.15	0.00
Profit after tax	549.15	685.31

OPERATION REVIEW:

During the year under review, your Company achieved Service Income of ₹ 33,012.57 Lacs as compared to ₹ 24,799.11 Lacs of previous Financial Year, an increase of 33.12%. Total Income of the Financial Year 2013-14 (including Operational and other Income) also increased to ₹ 33,662.32 Lacs from ₹ 25,514.34 Lacs, an increase of 31.93 % over the last Financial Year.

The EBIDATA has increased to ₹ 5,933.65 Lacs (18% of the Service Income) from ₹ 3,799.97 Lacs (15% of the Service Income) of previous year, an increase of 56 % over the last Financial Year.

After considering Interest, Depreciation and Foreign Exchange (Loss) / Gain and an Exceptional Item, the Company has Profit Before Tax of ₹889.30 Lacs for the current year as against Profit of ₹ 685.31 Lacs in the previous year. The net Profit after tax was ₹ 549.15 Lacs for the current year as against Profit of ₹ 685.31 Lacs.

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 2013-2014.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Lt. Gen. (Retd.) SJS Saighal 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 at Annexure-A.

PARTICULARS OF EMPLOYEES

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

AUDITORS

M/s. B S R & Co. LLP, 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 ₹ 2,118,223,606/- (previous year ₹ 1,631,039,755/-) in foreign exchange during the year. The foreign exchange outgoes amount to ₹ 1,203,396,730/- (previous year ₹ 898,129,364/-)

CORPORATE GOVERNANCE

Your Company has complied with the provisions of Clause 49 of the Listing Agreement. A Certificate from the Practicing 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 note no. 34 to the Company's statements, Company has received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs along with penalty aggregating ₹ 2621.95 Lakhs. No provision has been made by the Company for the same nor the interest due thereon as at 31st March, 2014. 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 and that the demand will be set aside by a higher appellate authority.

Reference is drawn to Clause no.(7) of the Auditors' Report and note no 37 to the Company's statement, 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 Saigal
Chairman

Mr. P. Raj Kumar Menon
Whole-Time Director

Date:- 30th May, 2014
Place:- Mumbai

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview:-

Global Vectra Helicorp Limited is the largest private sector helicopter operator in India. It is an **ISO 9001-2008, 14001-2004 & OHSAS 18001-2007** certified company.

Our fleet comprises 23 helicopters at present (and expanding). A breakup of the same is as follows:-

Type of Helicopter	Number
BELL 412	14
AW 139	3
AS 350 B3	4
EC 135 P2+	1
EC 155 B1	1

GVHL has logged more than 1,78,000 accident free flying hours (offshore and onshore) till 31st March, 2014, With a modern and technologically advanced fleet of helicopters, Global Vectra Helicorp Limited provides a range of essential and innovative onshore and offshore services to strategic sectors:

- Oil and Gas
- Geophysical Survey
- Corporate and VVIP flights
- Aerial Photography
- Religious Tourism
- Emergency services
- Underslung operations
- Power Grid Maintenance

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 (BGEPI), Reliance Industries Limited (RIL), Transocean (TSF), Shelf Drilling, 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, Schlumberger & 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 295 personnel including 75 pilots and 108 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 Rajahmundry, Vizag, Bhubaneshwar, Porbandar, S. Yanam, Gadimoga, Itanagar, Dimapur, Port Blair etc.

GVHL is totally committed to maintaining the highest possible standards in everything we do, with an emphasis on our operations, maintenance and safety. GVHL introduced in India 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 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.

GVHL aircraft maintenance facility (MRO) has been approved by Indian DGCA as a CAR 145 approved maintenance organization. Further to this approval, GVHL has acquired international recognition through certification on:

- ISO 9001-2008 – Quality Management System Standards
- ISO 14001-2004 – Environmental Management System Standards
- OHSAS 18001 – 2007 – Occupational Health and Safety Management System Standard

The Company is also CAP 3100 Compliant. Dy. CEO and Whole-time Director Mr. P. Raj Kumar Menon was awarded, the “SALUTE TO EXCELLENCE”, Aircraft Maintenance Engineer Safety Award by Rotary Wing Society of India (RWSI), a nonprofit organization and safety watch dog of the helicopter industry of India.

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

Energy is essential for economic development and oil and gas play a major role in fuelling the economic growth of any country. India's energy demand is expected to double to 1,464 mtoe by 2035 from 559 mtoe in 2011. Moreover, the country's share in global primary energy consumption would increase two fold by 2035.

For an import dependent country like India, oil and gas sector, not only represents the country's growth engine but also provide impetus to the Government (both central and different states) in earning a chunk of its total tax revenue.

Indian oil and gas sector is projected to touch US \$ 139,814.7 million by 2015 from US \$ 117,562.9 million in 2012, thereby, providing vast opportunities for investors.

India's economic growth, as with all other countries, is closely linked to energy demand. The need for oil and gas, which are among the primary sources for meeting energy requirements, is thus projected to grow further.

INDIAN OIL AND GAS SECTOR

1. Upstream segment - Exploration and production

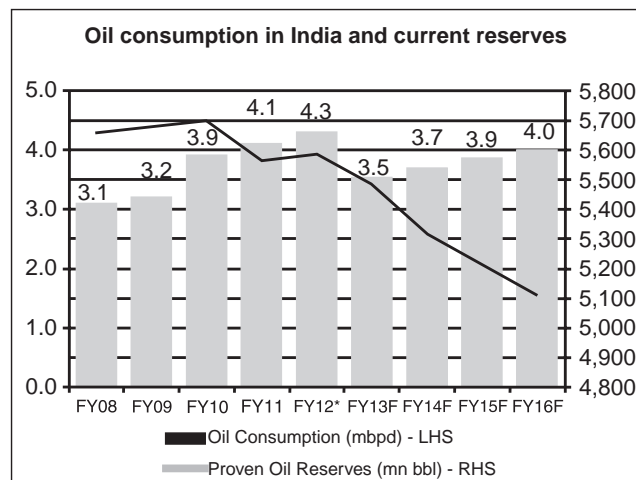
The upstream segment is dominated by the state-owned ONGC. It is the largest upstream company in the exploration and production (E&P) segment, accounting for approximately 60 per cent of the country's total oil output (FY13)

2. Midstream segment – Storage and transportation

IOCL operates a 11,214 km network of crude, gas and product pipelines, with a capacity of 1.6 mbpd of oil and 10 mmscmd of gas. This is around 30 per cent of the nation's total pipeline network.

3. Downstream segment – Refining, processing and marketing

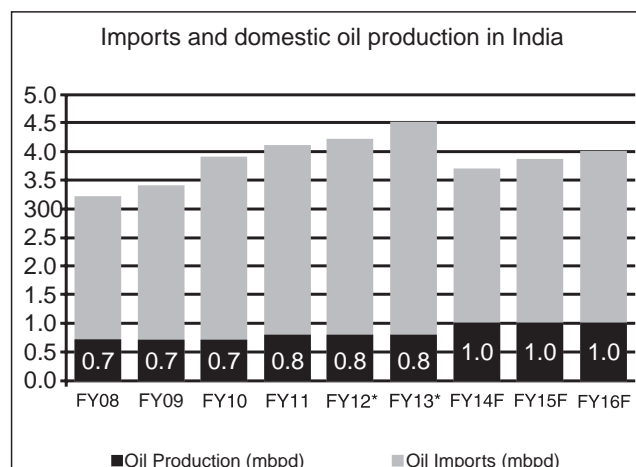
IOCL is the largest company, operating 10 out of 22 Indian refineries. Reliance launched India's first privately owned refinery in 1999 and has gained a considerable market share (28 per cent)



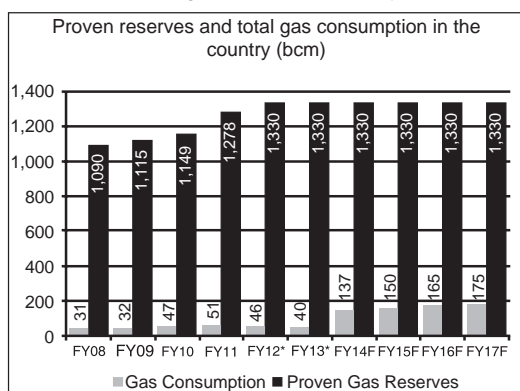
Oil Supply and demand in India Source – { Ministry

Of Oil and Natural Gas, India Brand Equity Foundation (IBEF)}

Oil consumption is estimated to expand at a CAGR of 3.4 per cent during FY2008–16F to 4.0 mbpd by 2016. Owing to this strong expected growth in demand, India's dependency on oil imports is expected to increase further.

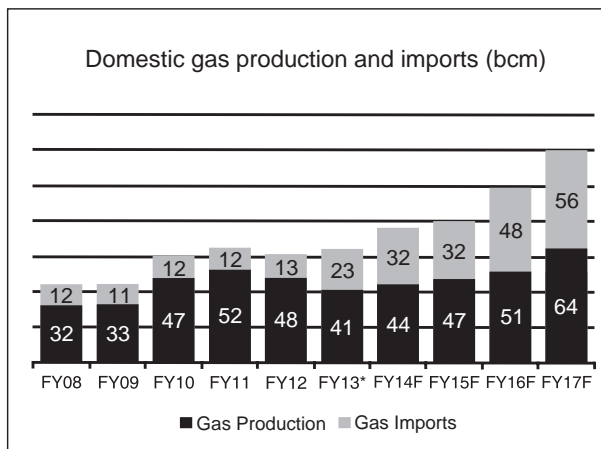


In FY13, imports accounted for approximately 80 per cent of the country's total oil demand. Backed by new oil fields, domestic oil output is anticipated to grow to 1.0 mbpd by FY16.



Gas Supply and demand in India

With India developing gas-fired power stations, consumption is up more than 160 per cent since 1995. Demand is not likely to simmer down any time soon, given strong economic growth and rising urbanisation; during FY2008–17F, gas consumption is likely to expand at a CAGR of 21.0 per cent.

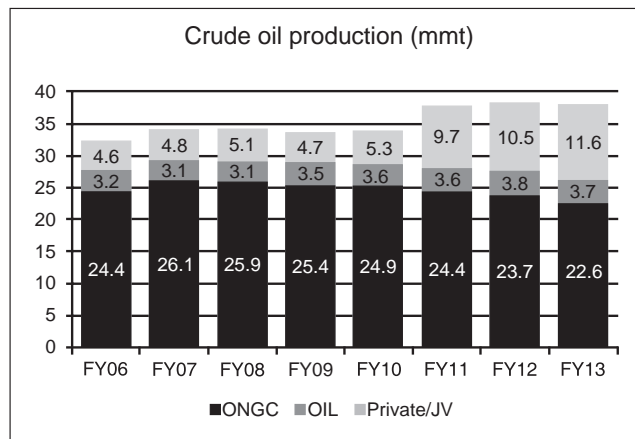
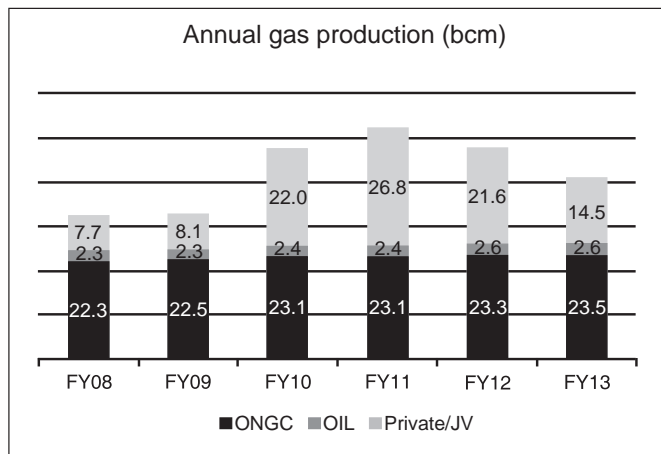


Domestic production accounts for more than three-quarters of total gas consumption in the country. Imports constitute the rest; in 2012, the share of imports was 22.0 per cent. India increasingly relies on imported LNG; the country was the sixth-largest LNG importer in 2011 and accounted for 5.3 per cent of global imports. India's LNG imports are forecast to increase at a CAGR of 33 per cent during 2012–17.

CRUDE OIL AND GAS

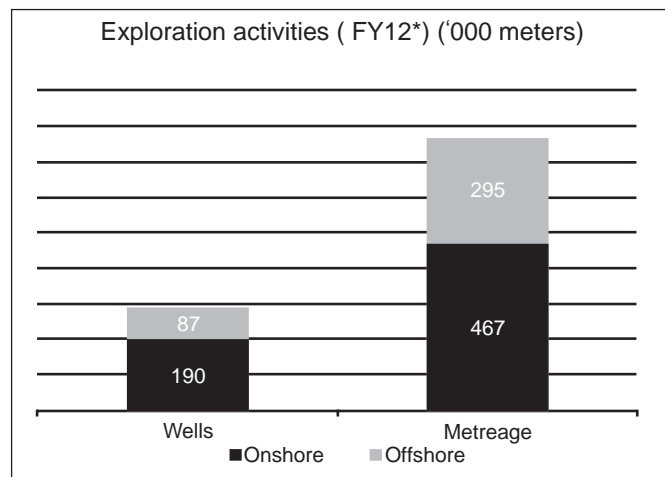
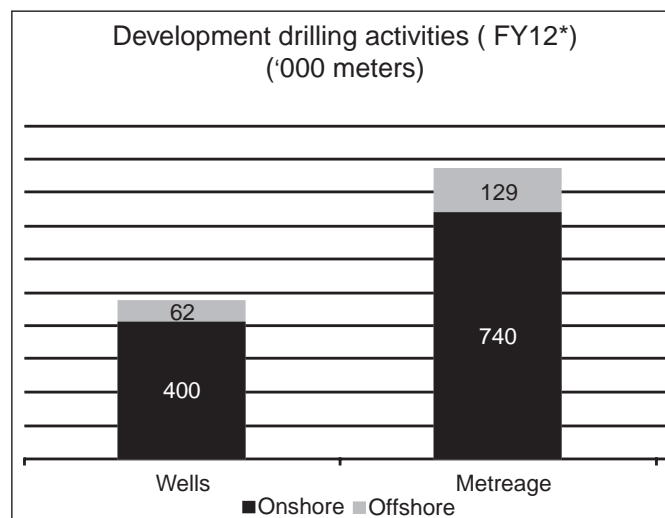
Production

Total crude oil production was 37.9 mmt during FY13. ONGC accounted for 59.5 per cent of total crude oil production in India. Total gas production was 40.7 bcm during FY13. The contribution from Private/JV has decreased over the last couple of years.



EXPLORATION AND DEVELOPMENT ACTIVITIES

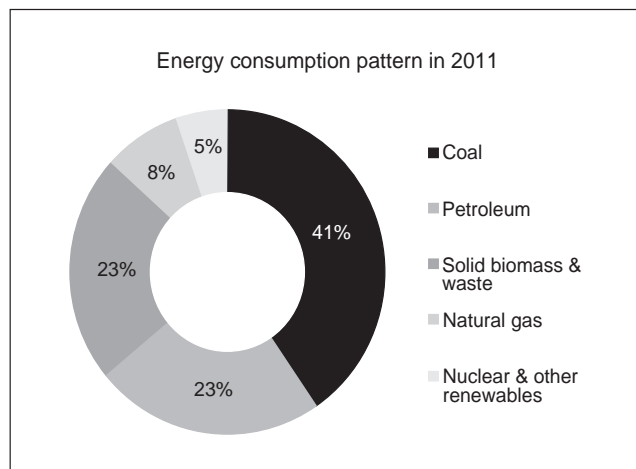
During FY12, 1,631,000 meters of wells were explored and developed in India. During the same period, 756 wells were drilled in the country. Most upstream drilling and exploration work is undertaken by state-owned oil companies. ONGC is the leader in the upstream segment and accounts for 62 per cent of total crude oil output in India



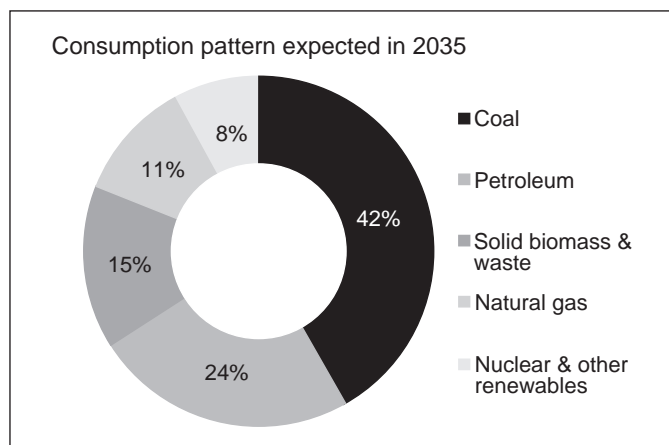
India's Energy Consumption Mix

In 2011, coal accounted for 41 per cent of total primary energy demand. Energy demand in the Asia-Pacific region is expected to reach 5,627 Mtoe by 2020 and 6,861 Mtoe by 2035.

India's energy demand is expected to double by 2035 to 48.7 quadrillion BTU



Over the next few years, the dependence on gas, hydro power and nuclear power is expected to increase relative to oil and coal. The government aims to quadruple India's nuclear power generation capacity to 20 GW by 2020; currently, seven nuclear power reactors of 4,930 MWe capacity are under construction.



ADVANTAGE FOR INDIA.

Increasing demand for natural gas

Several industries are increasing the usage of natural gas in operations; this has boosted natural gas demand in India. Some of the main industries that use natural gas – pulp and paper, metals, chemicals, glass, plastic and food processing. Gas demand is rising fast across the industrial, residential and power sectors and consumption has risen by almost 400% since 1995. Average annual demand growth of about 5% is forecast over the next several years, accelerating as domestic field development and liquefied natural gas (LNG) import deals make more gas

available. While gas consumption faltered in 2013 due to supply curbs, demand growth is expected to return 2014 and rise to 80bcm a year by 2018.

Abundant raw material

The nation has large coal, crude oil and natural gas reserves. Oil reserves amounted to 5.47 billion barrels in FY13. Natural gas proved reserves stood at 1.24 tcm in FY13.

Favourable policies

100 per cent FDI allowed in E&P projects/companies; 49 per cent allowed in refining under the automatic route from earlier approval route. Policies to promote investments in the industry such as New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM).

Natural gas discoveries

Several domestic companies (such as ONGC, Reliance and Gujarat State Petroleum) have reportedly found natural gas in deep waters. This offers significant expansion opportunity for the next decade.

Policy support

Government 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. Oil consumption is estimated to reach 4.0 mbpd by FY16, expanding at a CAGR of 3.2 per cent during FY08–FY16F.

LNG imports accounted for about one-fourth of total gas demand. India's gas demand is estimated to more than double over the next five years.

OIL & GAS - GOVERNMENT INITIATIVES

With the objective of harnessing the country's hydrocarbon prospects and to give them greater flexibility in future, the Government of India plans to establish a National Data Repository (NDR) centre. The centre is expected to be complete by 2015 or 2016. The companies would use the data and pick acreage for prospecting, which is an attempt at reforming the existing production sharing contract system.

Also, there will be hydrocarbon production linked payments (PLP) as against the present production sharing basis. Most of the reforms are aimed at encouraging indigenous energy exploitation, by offering flexible terms to companies.

The government has adopted several policies, such as allowing 100 per cent foreign direct investment (FDI) in several segments of the sector, including petroleum products, natural gas, pipelines, and refineries. The FDI limit for public sector refining projects has been raised to 49 per cent.

Oil & Gas - Road Ahead

ONGC will explore 30 additional shale gas wells in the country over the next two years. The company plans to invest about ₹ 600 crore (US\$ 96.81 million) for the project. Shale gas is natural gas that can be found in fine-grained sedimentary rock. The gas

is often locked in small spaces and is called 'tight gas' due to this characteristic. It requires high-end technique to produce the hydrocarbon at economic rates.

The use of shale gas can be the first step towards 'economic freedom'. India could follow a similar path to the US, which turned from a net importer of energy to a net exporter of energy with the use of shale gas and oil. The news could not have come at a better time. By 2015–16, India's demand for gas is set to rise to 124 million tonnes per annum (mtpa) against a domestic supply of 33 mtpa and higher imports of 47.2 mtpa, which still leaves a shortage of 44 mtpa, according to projections of the Petroleum and Natural Gas Ministry.

In all likelihood, auctions for oil and gas blocks under the New Exploration Licensing Policy 's (NELP) 10th round, as were planned to be put forward for the Cabinet's consideration in February 2014, will not take place during the term of the current government due to a lack of consensus among various arms of the government. This would now take approximately an year to fructify.

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.

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 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.

More areas and opportunities for investment, technology and entrepreneurship are now open for the global players as well as for India's own public and private sectors. India's largest gas find is expected to be around 22 trillion cubic feet (TCF) at the Krishna Godavari (KG) basin. India has invited foreign companies to invest and participate in the Indian hydrocarbon sector as a bulk of oil and gas potential still "remain locked up" in its basins.

Investments worth USD75 billion is expected across the oil & gas value chain under the 12th Plan (2012–17). Since April 2000-September 2013, FDI worth USD5.4 billion has been invested in India's petroleum and natural gas sector.

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 authorized, 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, 2014 the Company has a total workforce of 295 employees.

CAUTIONARY STATEMENT:-

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

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

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

II. BOARD OF DIRECTORS

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

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year, last Annual General Meeting and Adjourned 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	Last Adjourned AGM Attended	No. of other Directorship and Committee Membership / Chairmanship		
					Other Directorship	Committee Memberships	Committee Chairmanship
Lt. Gen. (Retd.) SJS Saighal	C	4	Yes	Yes	None	None	None
Mr. P. Rajkumar Menon	WTD	4	Yes	Yes	None	None	None
Dr. Chandrathil Gouri Krishnadas Nair	ID	3	No	Yes	5	1	1
Dr. Gautam Sen	ID	4	Yes	Yes	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	3	Yes	No	None	None	None

C: Chairman, WTD: Whole-time Director, ID: Independent Director

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

Four Board Meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

28 th May, 2013	14 th August, 2013	12 th November, 2013	12 th February, 2014
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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 12th November, 2013 and Dr. Chandrathil Gouri Krishnadas Nair who was not able attend the Audit Committee meeting held on 12th February, 2014

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

28 th May, 2013	14 th August, 2013	12 th November, 2013	12 th February, 2014
----------------------------	-------------------------------	---------------------------------	---------------------------------

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 one time.

The date on which the Remuneration Committee Meeting held was as follows:-

14 th August, 2013

The Committee met on 14th August, 2013 to consider the re- appointment of Lt. Gen. (Retd.) SJS Saighal Chairman 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.

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 2013-2014

(Rupees)

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees	Total
Lt. Gen. (Retd.)SJS Saighal	Executive Director	2,100,000	35,000	56,622	0	2,191,622
Mr. P. Rajkumar Menon	Executive Director	7,075,723	263,551	73,681	0	7,412,955
Mr. Eduard Van Dam	Chief Executive Officer	7,162,594	49,500	1,998,890	0	9,210,984
Dr. Chandrathil Gouri Krishnadas Nair	Independent Director	0	0	0	180,000	180,000
Maj. Gen.(Retd.) Gurdial Singh Hundal	Independent Director	0	0	0	120,000	120,000
Dr. Gautam Sen	Independent Director	0	0	0	160,000	160,000

V. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

This Committee comprising two Director 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:-

28 th May, 2013	14 th August, 2013	12 th November, 2013	12 th February, 2014
----------------------------	-------------------------------	---------------------------------	---------------------------------

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 3 Shareholders correspondence / Complaints during the financial year ended 31st March, 2014 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
Adjourned Annual General Meeting	Tuesday, 12 th November, 2013 at 10.00 A.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	2
Annual General Meeting	Friday, 27 th September, 2013 at 1.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	Nil
Annual General Meeting	Friday, 28 th 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, 23 rd September 2011 at 1.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	2

During the Financial year 2013-2014, 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, 2014.

Mumbai
30th May, 2014

Eduard Van Dam
Chief Executive Officer

VIII. CEO / CFO CERTIFICATE

Certificate from CEO and CFO for the financial year ended March 31, 2014 has been provided elsewhere in the Annual Report.

IX. DISCLOSURES

a) Related Party Transactions

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

b) Compliances by the Company

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

c) Proceeds from public issues

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

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

1. The Board

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

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 2013-2014, 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. 16th Annual General Meeting

Date	:	26th September, 2014
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, 2014	August, 2014
September 30, 2014	November, 2014
December 31, 2014	February, 2015
March 31, 2015	May, 2015

c. Date of Book Closure : 25th September, 2014 to 26th September, 2014

d. Listing on Stock Exchanges

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

The Company confirms that it has paid annual listing fees due to the Stock Exchanges for the year 2013-2014 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'2013 to March, 2014

Month	NSE		BSE	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April, 2013	14.20	11.50	15.75	11.30
May, 2013	13.30	12.70	14.50	11.26
June, 2013	12.30	11.70	11.61	9.30
July, 2013	12.00	12.00	11.02	9.54
August, 2013	11.90	9.30	10.50	8.58
September, 2013	11.40	9.10	11.25	9.05
October, 2013	10.85	10.00	11.25	9.55
November, 2013	10.50	9.50	10.50	9.54
December, 2013	10.35	9.40	11.00	9.02
January, 2014	11.20	9.50	10.95	9.13
February, 2014	16.35	9.00	16.73	9.00
March, 2014	20.75	14.65	21.25	14.75

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, 2013	12.70	5697.35	11.85	18890.81
As on March 31, 2014	16.40	6704.20	16.55	22386.27
% Change	29.13%	17.67%	39.66%	18.50%

Total No. of Equity Shares as on 31st March, 2014 was 1, 40, 00,000 (Previous Year 1, 40, 00,000) of ₹ 10/- each.

g. Registrar and Transfer Agents

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (W), Mumbai 400 078

h. Share Transfer system

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

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

a. Distribution of Shareholding as on March 31st 2014

	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

	Category	No. of shares Held	Percentage of shareholding
2.	Non-institutions		
a.	Corporate Bodies Corporate	2,29,830	1.64
b.	Individual Shareholders	30,86,733	22.05
c.	Qualified foreign Investors	0	0
d.	Any Other		
I	NRIs (Repatriation)	1,20,801	0.86
II	NRIs (Non Repatriation)	7,894	0.06
III	Clearing Member	5,4242	0.39
	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 U.K. on 27 th December, 2010.		

Shareholding of Nominal Values	Shareholders		Shares	
Rupees	Number	% of Total	Number	% of Total
1 - 500	8369	89.9312	973314	6.9522
501 - 1000	465	4.9968	373894	2.6707
1001 - 2000	242	2.6005	355353	2.5382
2001 - 3000	80	0.8597	202318	1.4451
3001 - 4000	44	0.4728	159910	1.1422
4001 - 5000	34	0.3654	157985	1.1285
5001 - 10000	42	0.4513	296260	2.1161
10001 - Above	30	0.3224	11480966	82.0069
TOTAL	9,306	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
Hangar No. C – He / Hf, Airports
Authority of India, Civil Aerodrome,
Juhu, Mumbai – 400 056
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 – rnt.helpdesk@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:- 30th May, 2014

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 2013-2014

We have reviewed financial statements, read with the cash flow statement of Global Vectra Helicorp Limited for the year ended 31st March, 2014 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:- 30th May, 2014

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, 2014 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:- 30th May, 2014

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 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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. 34 to the financial statements, the Company had received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs along with penalty aggregating Rs 262,195,030. No provision has been made by the Company for the same nor the interest due thereon as at 31 March 2014, 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, depreciation would have been higher by Rs 40,028,525 (31 March 2013: Rs 34,133,645), the profit after tax for the year ended 31 March 2014 would have been converted to loss after tax of Rs 139,657,093 (31 March 2013: Rs 120,145,103) and accumulated losses as at 31 March 2014 would have been higher by Rs 194,571,468 (31 March 2013: Rs 188,676,588).*
7. *As more fully explained in note no. 37 to the financial statements, certain customers have disputed taxes levied by the Company aggregating Rs 90,264,239 (31 March 2013: Rs 90,264,239). No provision has been made by the Company in respect of such outstandings as required by the accounting policies of the Company. However management believes that the Company has a strong case to collect the outstanding amount. Had the Company made the provision, the profit after tax for the year ended 31 March 2014 would have been converted to loss after tax of Rs 35,349,863 (31 March 2013: Rs 21,732,754) and accumulated losses as at 31 March 2014 would have been higher by Rs 90,264,239 (31 March 2013: Rs 90,264,239).*

Qualified Opinion

8. *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 2014;*
- (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

9. We draw attention to note no. 38 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 Air Operator Permit (formally 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 to the financial statements 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

10. 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.
11. 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 6 and 7 of the Basis for Qualified Opinion paragraph, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;and*
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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. LLP**
 Chartered Accountants
 Firm's Registration No: 101248W

Mumbai
 Date: 30 May 2014

Vijay Mathur
 Partner
 Membership No: 046476

Annexure to the Independent Auditors' Report – 31 March 2014

With reference to the Annexure referred to in our report of even date, we report that:

- (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 67,904,290 and the year-end balance of such loans was Rs 62,419,648.
- (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, prima facie, not 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 have 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, Service tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable. *The following undisputed dues of Income Tax have not been deposited by the Company and were in arrears as at 31 March 2014 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–	26,103,321	2013-14	Various

- (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	90,264,239	16.05.2008 to 31.03.2010	CESTAT (Appeals)
	Interest	84,849,675	16.05.2008 to 31.03.2014	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 6 and 7 respectively of the Independent Auditors' 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 and 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 6 and 7 of the Independent 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 the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (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 1,499,717,562 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. LLP**
Chartered Accountants
Firm's Registration No: 101248W

Mumbai
Date: 30 May 2014

Vijay Mathur
Partner
Membership No: 046476

Balance Sheet as at 31 March 2014

		(Currency: Indian Rupees)	
	Notes	31 March 2014	31 March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	799,349,000	799,349,000
Reserves and surplus	3	(224,328,289)	(246,221,328)
		<u>575,020,711</u>	<u>553,127,672</u>
Non-current Liabilities			
Long-term borrowings	4	1,105,526,663	1,444,160,157
Deferred tax liabilities (net)	5	34,015,455	-
Long-term provisions	6	13,491,034	14,080,999
		<u>1,153,033,152</u>	<u>1,458,241,156</u>
Current Liabilities			
Short-term borrowings	7	406,553,238	393,661,634
Trade payables	8	1,453,379,857	1,352,214,537
Other current liabilities	9	1,307,346,114	1,239,898,260
Short-term provisions	6	17,490,625	21,262,930
		<u>3,184,769,834</u>	<u>3,007,037,361</u>
		<u>4,912,823,697</u>	<u>5,018,406,189</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	3,594,133,551	3,730,689,242
Long-term loans and advances	11	350,584,839	287,891,231
Other non current assets	12	71,556,320	42,365,396
Current assets			
Inventories	13	154,824,710	139,697,839
Trade receivables	14	271,816,730	562,288,860
Cash and bank balances	15	46,668,694	30,736,337
Short-term loans and advances	16	227,314,168	224,737,284
Other current assets	17	195,924,685	-
		<u>896,548,987</u>	<u>957,460,320</u>
		<u>4,912,823,697</u>	<u>5,018,406,189</u>
Significant accounting policies	1		
Notes to the financial statements	2 - 39		
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. LLP**

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

Mumbai

30 May 2014

Raakesh D. Soni

Company Secretary

Mumbai

30 May 2014

Statement of Profit and Loss for the year ended 31 March 2014

(Currency: Indian Rupees)

	Notes	31 March 2014	31 March 2013
Income			
Revenue from operations			
Service income (net)		3,301,256,532	2,479,911,267
Other operating income	18	14,234,096	19,838,083
		3,315,490,628	2,499,749,350
Other income	19	50,740,992	51,684,664
Total revenue		3,366,231,620	2,551,434,014
Expenses			
Helicopter maintenance	20	617,265,066	381,061,151
Helicopter lease rentals		771,442,197	664,212,166
Employee benefits	21	630,557,882	573,121,036
Finance costs	22	212,073,954	276,924,821
Depreciation	10	292,360,604	303,844,743
Other expenses	23	753,602,087	553,042,875
Total expenses		3,277,301,790	2,752,206,792
Profit/(loss) before exceptional items and tax		88,929,830	(200,772,778)
Exceptional items	24	-	269,304,263
Profit before tax		88,929,830	68,531,485
Income tax expense			
-Current tax		-	-
-Deferred tax		34,015,455	-
Profit for the year		54,914,375	68,531,485
Basic and diluted earnings per share	33	0.91	1.91
(nominal value per share of ₹ 10, previous year: ₹ 10)			
Significant accounting policies	1		
Notes to the financial statements	2 - 39		

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. LLP**

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

Mumbai

30 May 2014

Raakesh D. Soni

Company Secretary

Mumbai

30 May 2014

Cash flow statement for the year ended 31 March 2014

	(Currency Indian Rupees)	
	31 March 2014	31 March 2013
Cash flow from operating activities		
Profit before taxation	88,929,830	68,531,485
Adjustments:		
Depreciation	292,360,604	303,844,743
Interest income	(11,062,385)	(15,211,567)
Liabilities no longer required written back (refer 36 c)	(38,024,922)	(167,589,542)
Finance lease cost	69,326,871	88,542,041
Interest expenses	123,123,912	169,281,778
Provision for gratuity	268,052	1,847,381
Provision for leave encashment	(4,630,322)	683,370
Provision for doubtful debts and advances	30,704,676	2,109,753
Loss on sale of fixed assets	479,013	21,977,160
Bad debts written off	12,706,015	25,025,915
Reversal of interest cost as per para 4(e) of AS 16 (refer note 36 a)	-	(160,164,978)
Unrealised exchange (gain) (net)	(115,531,230)	(83,029,113)
Operating cash flow before working capital changes	359,720,284	187,316,941
Decrease in trade receivables	247,061,439	44,120,465
(Increase) / decrease in inventories	(15,126,871)	12,042,841
(Increase) / decrease in other current assets	(255,198,262)	55,323,814
Increase in trade payables	126,434,769	361,300,973
Increase / (decrease) in other current liabilities	29,890,379	(130,919,947)
Cash generated from operations	133,061,454	341,868,146
Net cash generated from operating activities	(A) 581,711,568	597,716,572
Cash flows from investing activities		
Purchase of fixed assets	(14,054,929)	(28,966,562)
Proceeds from sale of fixed assets	405,000	271,720,450
Investment in bank deposit	(29,190,924)	(42,365,396)
Interest received (net of tax deducted at source)	5,065,470	12,418,722
Net cash (used in) / generated from investing activities	(B) (37,775,383)	212,807,214
Cash flows from financing activities		
Increase / (decrease) in overdraft facility	12,891,604	(7,867,757)
Repayment of long - term borrowings	(288,525,697)	(276,149,772)
Principal repayment under finance lease	(66,994,584)	(261,646,030)
Payment of finance lease cost	(61,540,996)	(99,071,994)
Payment of interest	(123,834,155)	(160,420,600)
Net cash (used in) / generated from financing activities	(C) (528,003,828)	(805,156,153)
Net increase in cash and cash equivalents	(A+B+C) 15,932,357	5,367,633
Cash & cash equivalents at beginning of the year	30,736,337	25,368,704
Cash & cash equivalents at end of the year	46,668,694	30,736,337

Note:

- 1) The Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement prescribed in Companies (Accounting Standards) Rules, 2006.
- 2) Cash and cash equivalents includes cash in hand, current accounts with banks and exchange earners foreign currency accounts and deposits aggregating ₹ 3,820,358, ₹ 9,998,230, ₹ 24,596,417 and ₹ 8,253,689 (Previous year: ₹ 3,042,017, ₹ 5,706,586 and ₹ 10,807,535 and ₹ 11,180,199) respectively.

As per our report of even date attached

For **B S R & Co. LLP**

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

Ashvin Bhatt

Chief Financial Officer

Mumbai, 30 May 2014

P. Rajkumar Menon

Executive Director

Raakesh D. Soni

Company Secretary

Mumbai, 30 May 2014

Notes to Financial Statements for the year ended 31st March 2014

(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. The Company is also engaged in helicopter charter services for onshore transportation.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods 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') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs 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 2014. 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:

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

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

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- 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 ₹ 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, spares 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 i.e. compensated absences 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 based on actuarial valuation at the balance sheet date using the projected unit credit method and is discounted to its present value. 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.

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 designated 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 2014

(Currency: Indian Rupees)

2 Share Capital

	31 March 2014	31 March 2013
Authorised		
25,000,000 (previous year: 25,000,000) equity shares of ₹ 10 each	250,000,000	250,000,000
7,000,000 (previous year: 7,000,000) Non convertible cumulative redeemable preference shares of ₹ 100 each		
	<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up		
Equity Share Capital		
14,000,000 (previous year: 14,000,000) equity shares of ₹ 10 each, fully paid up	140,000,000	140,000,000
Preference Share Capital		
6,593,490 (previous year: 6,593,490) 5.46% Non convertible cumulative redeemable preference shares of ₹ 100 each, fully paid		
	<u>659,349,000</u>	<u>659,349,000</u>
	<u>799,349,000</u>	<u>799,349,000</u>

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

	31 March 2014		31 March 2013	
	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 ₹ 10 each, fully paid up held by				
Vectra Investments Private Limited	48%	6,720,000	48%	6,720,000
Azal Azerbaijan Aviation Limited	27%	3,780,000	27%	3,780,000
5.46% Non convertible Cumulative redeemable Preference share of ₹ 100 each fully paid up, held by				
Vectra Limited, 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 ₹ 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 ₹ 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 2014

(Currency: Indian Rupees)

3 Reserves and surplus

	31 March 2014	31 March 2013
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	335,759,999	390,901,378
Amount transferred to the statement of profit and loss on account of additional depreciation on revaluation reserve on sale of assets.	(33,021,336)	(34,819,716)
Transfer to general reserve on sale of asset	-	(20,321,663)
	302,738,663	335,759,999
General reserve		
At the commencement of the year	80,864,118	60,542,455
Transfer from revaluation reserve on sale of assets	-	20,321,663
	80,864,118	80,864,118
Surplus (profit and loss balance)		
At the commencement of the year	(1,104,071,781)	(1,172,603,266)
Profit for the year	54,914,375	68,531,485
	(1,049,157,406)	(1,104,071,781)
	(224,328,289)	(246,221,328)

Note:

During the year ended 31 March 2009, the Company has, in order to reflect the current reinstatement cost/market value of its assets, revalued all of its leased helicopters and owned helicopters. The revaluation for the helicopters has been carried out by international helicopters/aircraft valuers considering the total time of air frame (TTAF) (Cumulative time in Service). Accordingly, the resultant accretion to the value of the helicopters aggregating ₹ 924,551,109 has been adjusted (added) to the historical cost of the asset and a corresponding amount has been credited to revaluation reserve. Additional depreciation of the accretion to the historical cost of the asset on account of the revaluation aggregating ₹ 33,021,336 (previous year: ₹ 34,819,716) has been passed through the statement of profit and loss with an equivalent withdrawal from the revaluation reserve to the statement of profit and loss.

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

Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

4 Long-term borrowings

	Non current portion		Current portion*	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
-Secured				
Term Loan				
From Bank				
External Commercial Borrowing-Royal Bank of Scotland**	-	20,537,402	20,917,857	123,666,642
ICICI Bank Ltd - Car Loan	1,021,529	-	261,688	-
From Others				
External Commercial Borrowing-Export Development Canada***	727,620,014	791,184,422	146,633,296	145,074,211
SREI Infrastructure Finance Ltd. ****	-	126,796,306	169,296,306	99,707,716
	728,641,543	938,518,130	337,109,147	368,448,569
Finance lease obligation*****	376,885,120	505,642,027	224,942,525	163,180,202
	1,105,526,663	1,444,160,157	562,051,672	531,628,771

*Amount disclosed in note 9 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 previous year ended 31 March 2013 the repayment schedule was revised as a result of which the loan is fully paid by June 2014 (previous year: June 2014). 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 2014	31 March 2013
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) helicopter.

Position of default as on	31 March 2014	31 March 2013
Principal	-	-
Interest	-	1,919,136

**** The Loan consists of ₹ 90,945,651 (previous year: ₹ 147,445,651) for VT-AZY and ₹ 35,850,655 (previous year: ₹ 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.

Position of default as on	31 March 2014	31 March 2013
Principal	42,500,000	25,500,000
Interest	7,941,413	13,528,722

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

Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

Position of default as on	31 March 2014	31 March 2013
Principal	43,096,694	12,025,700
Interest	12,545,150	4,759,275

Four (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 2014	31 March 2013	31 March 2014	31 March 2013
a)	Total future minimum lease payment	409,510,451	572,019,732	222,567,403	201,419,714
b)	Future interest included in (a) above	32,625,331	66,377,705	40,721,573	50,265,212
c)	Present future value of minimum lease payments (a-b)	376,885,120	505,642,027	181,845,830	151,154,502
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		222,567,403	201,419,714	181,845,830	151,154,491
Payable between 1-5 years		409,510,451	572,019,732	376,885,120	505,642,027
Payable later than 5 years		-	-	-	-

5 Deferred tax liabilities (net)

31 March 2014 31 March 2013

Deferred tax assets (refer note 1 below)

Arising on account of timing differences in:

- Unabsorbed depreciation	684,488,946	667,555,666
- Carry forward business loss	37,263,783	35,569,975
- Provision for doubtful debts and advances	13,535,281	2,957,909
- Others (disallowances under section 43B of the Income Tax Act, 1961)	126,831,107	120,218,481
	862,119,117	826,302,031

Deferred tax liabilities

Arising on account of timing difference in:

- Lease rentals on assets acquired on finance lease	182,683,947	153,069,882
- Depreciation	713,450,625	673,232,149
	896,134,572	826,302,031

Deferred tax liabilities (net)

34,015,455 -

Note:

- Due to carry forward losses and consequent absence of virtual certainty of realisation of deferred tax assets, deferred tax asset as at 31 March 2013 is recognised to the extent of the deferred tax liability since the same is considered to be virtually certain of realisation.

Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

6 Provisions

	Non current portion		Current portion	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provisions for employee benefits				
Gratuity (refer note 28)	12,161,684	13,102,007	15,137,822	13,929,447
Compensated absences (refer note 28)	1,329,350	978,992	2,071,115	7,051,795
Other provisions				
Provision for tax (net of advance tax)	-	-	281,688	281,688
	13,491,034	14,080,999	17,490,625	21,262,930

7 Short-term borrowings

	31 March 2014	31 March 2013
i) Secured loan		
From Bank		
Cash credit and overdraft facilities #	248,779,894	242,906,778
ii) Unsecured loan		
From Bank		
Royal Bank of Scotland-Short Term Loan ##	25,000,000	25,000,000
From related parties repayable on demand ###		
-From associates	132,773,344	125,754,856
	406,553,238	393,661,634

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%

8 Trade payables

	31 March 2014	31 March 2013
Due to micro, small and medium enterprises	-	-
Others	1,453,379,857	1,352,214,537
	1,453,379,857	1,352,214,537

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.

9 Other current liabilities

	31 March 2014	31 March 2013
Current maturities of long-term debt (refer note 4)	337,109,147	368,448,569
Current maturities of finance lease obligation (refer note 4)	224,942,525	163,180,202
Interest accrued but not due on borrowings	2,605,606	2,910,729
Interest accrued and due on borrowings	21,440,589	21,845,709
Interest accrued and due on finance lease obligation	12,545,150	4,759,275
Income received in advance	59,358,948	2,254,477
Share application money due to refund	-	27,000
Service tax payable	185,679,531	277,460,866
TDS payable	101,022,313	100,165,666
Other payables	362,642,305	298,845,767
	1,307,346,114	1,239,898,260

10 Tangible fixed assets

(Currency: Indian Rupees)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 April 2013	Additions during the year	Deductions during the year	As at 31 March 2014	As at 1 April 2013	During the year	Deletion / Adjustment	As at 31 March 2014	As at 31 March 2014
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	26,767,615	5,481,934	-	32,249,549	53,561,621
	(85,811,170)	-	-	(85,811,170)	(21,447,240)	(5,320,375)	-	(26,767,615)	(59,043,555)
Plant and Machinery	25,730,022	536,669	163,663	26,103,028	5,994,811	1,240,121	42,494	7,192,438	18,910,590
	(25,574,121)	(155,901)	-	(25,730,022)	(4,781,989)	(1,212,822)	-	(5,994,811)	(19,735,211)
Furniture and Fixtures	30,004,049	210,761	-	30,214,810	10,233,534	1,794,382	-	12,027,916	18,186,894
	(29,195,262)	(808,787)	-	(30,004,049)	(8,492,876)	(1,740,658)	-	(10,233,534)	(19,770,515)
Helicopters									
Owned	3,306,181,166	118,141,993	270,274	3,424,052,885	810,186,557	214,489,578	270,168	1,024,405,967	2,399,646,918
	(3,228,458,516)	(190,246,067)	(112,523,417)	(3,306,181,166)	(625,434,310)	(214,850,441)	(30,098,194)	(810,186,557)	(2,495,994,609)
Leased	1,772,326,354	67,691,335	-	1,840,017,689	643,747,182	100,076,107	-	743,823,289	1,096,194,400
	(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)
Computers	13,703,408	1,062,246	130,928	14,634,726	8,835,676	1,717,620	130,928	10,422,368	4,212,358
	(13,320,736)	(382,672)	-	(13,703,408)	(7,175,733)	(1,659,943)	-	(8,835,676)	(4,867,732)
Vehicles	5,981,283	2,067,257	2,743,605	5,304,935	3,282,835	582,198	1,980,868	1,884,165	3,420,770
	(5,031,283)	(950,000)	-	(5,981,283)	(2,800,594)	(482,241)	-	(3,282,835)	(2,698,448)
Total	5,247,691,515	189,710,261	3,308,470	5,434,093,306	1,517,002,273	325,381,940	2,424,458	1,839,959,755	3,594,133,551
	(5,421,038,141)	(293,227,647)	(466,574,273)	(5,247,691,515)	(1,351,214,476)	(338,664,459)	(172,876,662)	(1,517,002,273)	(3,730,689,242)

Notes:

- a) Amounts disclosed in brackets are comparatives as at 31 March 2013.
- b) As per paragraph 46A of AS 11, exchange loss on restatement of long term monetary liabilities at 31 March 2014 aggregating to ₹ 175,655,333 (previous year: ₹ 272,765,669 capitalised) (net of tax) has been capitalised by adjusting the historical cost of the specifically identifiable asset. 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 2014 | 31 March 2013 |
| Depreciation charge for the year | 325,381,940 | 338,664,459 |
| Amount withdrawn from revaluation reserve | 33,021,336 | 34,819,716 |
| As per the statement of profit and loss | 292,360,604 | 303,844,743 |

Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

11 Long term loans and advances

	Non-current portion		Current portion	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<i>Unsecured and considered good to other than related parties</i>				
Security deposits (refer note 16)	57,483,006	62,931,492	8,778,056	1,640,416
Inter corporate deposits	66,650,220	66,650,220	-	-
Advance tax receivable	202,430,733	130,640,010	-	-
Prepaid expenses (refer note 16)	24,020,880	27,669,509	40,640,804	27,642,877
	350,584,839	287,891,231	49,418,860	29,283,293

12 Other non current assets

Bank deposits (due to mature after 12 months of the reporting date) (refer note 15)	31 March 2014	31 March 2013
	71,556,320	42,365,396
	71,556,320	42,365,396

13 Inventories

(Valued at lower of cost and net realisable value)
Consumables, spares and stores

31 March 2014	31 March 2013
154,824,710	139,697,839
154,824,710	139,697,839

14 Trade receivables

Receivables outstanding for a period exceeding six months from the date they became due for payment

Unsecured considered good	31 March 2014	31 March 2013
Unsecured considered doubtful	208,799,834	186,521,424
	34,320,506	3,615,830
	243,120,340	190,137,254
Less: Provision for doubtful receivables	34,320,506	3,615,830
	208,799,834	186,521,424

Other receivable

Unsecured considered good	63,016,896	375,767,436
	271,816,730	562,288,860

15 Cash and bank balances

Cash and cash equivalents

- Balances with banks on current accounts	31 March 2014	31 March 2013
on exchange earners' foreign currency account	9,998,230	5,706,586
on deposit accounts (with original maturity of 3 months or less)	24,596,417	10,807,535
- Cash on hand	8,253,689	11,180,199
	3,820,358	3,042,017
	46,668,694	30,736,337

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'.

8,253,689 11,180,199

- Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'

- -

- Bank deposits due to mature after 12 months of the reporting date included under 'other non current assets balances' (refer note 12)

71,556,320 42,365,396

79,810,009 **53,545,595**

Notes to Financial Statements as at 31 March 2014

		(Currency: Indian Rupees)	
		31 March 2014	31 March 2013
16 Short-term loans and advances			
To related parties			
<i>Unsecured, considered good</i>		71,761,258	64,087,730
To parties other than related parties			
<i>Unsecured, considered good</i>			
Advances to suppliers		38,340,947	30,458,151
Travel and other advances		5,021,538	3,950,467
Interest receivable		8,842,517	2,845,602
Current portion of security deposits (refer note 11)		8,778,056	1,640,416
Other advances		53,153,589	52,261,562
Current portion of prepaid expenses (refer note 11)		40,640,804	27,642,877
Service tax receivable		775,459	41,850,479
<i>Considered doubtful</i>			
Advances to suppliers and other advances		5,500,855	5,500,855
		161,053,765	166,150,409
Less: Provision for doubtful advances		5,500,855	5,500,855
		227,314,168	224,737,284
17 Other current assets		31 March 2014	31 March 2013
Unbilled revenue		195,924,685	-
		195,924,685	-
18 Other operating income		31 March 2014	31 March 2013
Revenue - maintenance, repairs and overhaul		14,234,096	306,585
Reimbursement of expenses		-	19,531,498
		14,234,096	19,838,083
19 Other income		31 March 2014	31 March 2013
Interest income from			
- banks		5,397,116	3,979,895
- inter corporate deposits		5,665,269	5,665,269
- income tax refund		-	5,566,403
Liabilities no longer required written back		25,183,507	36,473,097
Miscellaneous Income		14,495,100	-
		50,740,992	51,684,664
20 Helicopter maintenance		31 March 2014	31 March 2013
Helicopter spares consumption		235,732,791	170,201,817
Maintenance, repairs and overhaul charges		381,532,275	210,859,334
		617,265,066	381,061,151
21 Employee benefits		31 March 2014	31 March 2013
Salaries and bonus		596,606,077	542,299,328
Contribution to provident and other funds (refer note 28)		10,667,235	12,010,668
Staff welfare expenses		23,284,570	18,811,040
		630,557,882	573,121,036

Notes to Financial Statements as at 31 March 2014

		(Currency: Indian Rupees)	
		31 March 2014	31 March 2013
22 Finance costs			
Interest expenses on			
- term loan		28,461,727	38,783,443
- external commercial borrowings		13,776,688	17,439,376
- cash credit and overdraft facility		41,037,196	45,360,970
- others		39,848,301	67,697,989
Finance lease cost		69,326,871	88,542,041
Bank charges and commission		10,204,527	11,717,150
Facility advisory fees		9,418,644	7,383,852
		<u>212,073,954</u>	<u>276,924,821</u>
23 Other expenses		31 March 2014	31 March 2013
Aviation fuel for helicopters		170,733,957	142,685,921
Insurance expenses on			
-helicopters		77,701,627	79,509,814
-others		2,309,105	2,507,223
Parking, landing and passenger service fees		39,452,242	33,353,666
Charter hire cost		22,714,568	13,200,687
Royalty		31,231,362	18,471,874
Travelling and conveyance		89,494,674	74,709,817
Legal and professional fees		22,762,512	28,707,745
Payment to auditors' (refer note 26 (a))		2,711,550	2,752,350
Directors sitting fees		460,000	460,000
Training expenses		37,533,924	11,672,326
Lease rent		16,499,865	16,993,147
Telephone and other communication expenses		5,220,679	5,174,444
Car rentals		18,167,320	12,563,649
Repairs and maintenance			
- buildings		696,951	882,307
- plant and machinery		-	21,000
- others		14,777,368	13,634,025
Electricity expenses		10,762,774	6,508,031
Printing and stationery		4,092,703	5,481,507
Advertisement		524,035	394,640
Loss on sale of fixed assets		479,013	-
Rates and taxes		16,699,634	11,918,257
Provision for doubtful debts and advances		30,704,676	2,109,753
Bad debts written off		12,706,015	25,025,915
Foreign exchange loss (net)		117,605,755	35,858,591
Miscellaneous expenses		7,559,778	8,446,186
		<u>753,602,087</u>	<u>553,042,875</u>
24 Exceptional items		31 March 2014	31 March 2013
Reversal of interest cost as per para 4(e) of AS 16 (refer note 36)		-	160,164,978
Liabilities no longer required written back (refer note 36)		-	131,116,445
Loss on sale / lease termination of helicopter (refer note 36)		-	(21,977,160)
		<u>-</u>	<u>269,304,263</u>

Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

31 March 2014 31 March 2013

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	117,371,348	81,370,892
Dividend tax on Preference dividend	19,354,862	13,236,585
	<u>136,726,210</u>	<u>94,607,477</u>

(b) Contingent liabilities

Claims against the Company not acknowledged as debts

Employee related	6,502,900	5,063,692
Demands contested by the Company		
- Customs duty related (refer note 1 below)	262,195,030	262,195,030
	<u>268,697,930</u>	<u>267,258,722</u>

Note

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

26 Supplementary statutory information

(a) Payment to auditors' (excluding service tax)

As auditors

Audit fees	1,650,000	1,599,000
Other services	915,000	910,000
Out of pocket expenses	146,550	243,350
	<u>2,711,550</u>	<u>2,752,350</u>

(b) Expenditure, earnings in foreign currency

(i) Expenditure in foreign currency (on accrual basis)

- Lease rentals	706,018,056	595,209,372
- Helicopter overhaul and maintenance	337,936,587	137,776,236
- Training expenses	16,595,872	2,310,388
- Interest on finance lease	69,326,871	88,542,041
- Interest on loans	13,776,688	17,439,376
- Salaries	54,221,878	43,598,341
- Legal and professional fees	283,092	5,560,789
- Subscription Fees	2,702,895	1,367,878
- Insurance	1,438,496	4,369,812
- Interest others	563,701	578,081
- Repairs and maintenance	425,997	501,065
- Travelling and conveyance	-	36,941
- Miscellaneous expenses	16,440	-
- Bank charges	90,157	839,045

(ii) Earnings in foreign exchange (on accrual basis)

- Revenue	2,118,223,606	1,631,039,755
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Notes to Financial Statements as at 31 March 2014

(Currency: Indian Rupees)

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

	31 March 2014		31 March 2013	
	Value	% of total consumption	Value	% of total consumption
Imported	165,012,954	70	119,141,272	70
Indigenous	70,719,837	30	51,060,545	30
	235,732,791	100	170,201,817	100

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

	31 March 2014	31 March 2013
Spare parts and components	186,813,394	140,813,437
Capital spares	10,177,995	18,164,622
Capital goods (Plant & Machinery / helicopters)	4,616,836	-
	201,608,225	158,978,059

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 ₹ 4,361,314 (previous year: ₹ 2,684,196) is recognized as an expense and included in "Employee benefits" (refer note 21).

ii Leave Wages

Amount of ₹ 978,922 (previous year: ₹ 905,385) is recognised 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 as at 31 March 2014

(Currency: Indian Rupees)

(b) Amounts for the current period are as follows

Gratuity

31 March 2014 31 March 2013

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

Defined benefit obligation at the beginning of year	29,311,126	27,294,880
Interest cost	2,418,168	2,388,302
Current service cost	4,678,969	4,975,163
Past service cost (vested benefit)	-	-
Benefit paid	(5,266,690)	(6,746,829)
Actuarial (gain) / loss on obligation	(1,408,517)	1,399,610
Defined benefit obligation at the end of year	29,733,056	29,311,126

ii Change in fair value of plan assets:

Fair value of plan assets at the beginning of year	2,279,672	2,110,807
Expected return on plan assets	198,331	184,696
Contribution by employer	-	-
Benefit paid	-	-
Actuarial loss on plan assets	(44,453)	(15,831)
Fair value of plan assets at the end of year	2,433,550	2,279,672

iii Actual return on plan assets

Expected return on plan assets	198,331	184,696
Actuarial loss on plan assets	(44,453)	(15,831)
Actual return on plan assets	153,878	168,865

iv Amount recognised in Balance Sheet

Liability at the end of the year	29,733,056	29,311,126
Fair value of plan assets at the end of the year	(2,433,550)	(2,279,672)
Difference	27,299,506	27,031,454
Amount recognised in the balance sheet	27,299,506	27,031,454

v Expense recognised in Statement of Profit and Loss

Current service cost	4,678,969	4,975,163
Interest cost on benefit obligation	2,418,168	2,388,302
Expected return on plan assets	(198,331)	(184,696)
Past service cost (vested benefit) recognised	-	-
Net actuarial (gain)/ loss in the year	(1,364,064)	1,415,441
Expenses recognized in statement of profit and loss	5,534,742	8,594,210

vi Balance sheet reconciliation

Opening net liability	27,031,454	25,184,073
Expenses as above	5,534,742	8,594,210
Employer's contribution	(5,266,690)	(6,746,829)
Benefit paid	-	-
Amount recognised in balance sheet	27,299,506	27,031,454

Notes to Financial Statements as at 31 March 2014

vii Actuarial assumptions (Currency: Indian Rupees)

Experience adjustments	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Planned liabilities loss / (gain)	1,591,312	(6,723,679)	(1,438,876)	(3,192,640)	(2,851,716)
Planned asset (loss) / gain	(44,453)	(15,831)	(4,886)	4,524	12,509
Discount rate	9.31%	8.25%	8.75%	8.25%	7.75%
Rate of return on plan assets	8.70%	8.70%	8.75%	8.25%	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 2014	31 March 2013
Gratuity		
Current liability	15,137,822	13,929,447
Non-current liability	12,161,684	13,102,007
Liability to be recognised in the balance sheet	27,299,506	27,031,454
Compensated absences		
Short term compensated absence	2,071,115	7,051,795
Long term compensated absence	1,329,350	978,992
Liability to be recognised in the balance sheet	3,400,465	8,030,787

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.

<i>Enterprises over which the promoter has significant influence</i>	
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

29 Related parties (Continued)

Nature of the transaction	31 March 2014			31 March 2013		
	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
<i>Charter flying income</i>						
Vectra Hong Kong		840,833			962,500	
<i>Services cost</i>						
Vectra I.T. Solutions Private Limited	-	5,600,004	-	-	4,891,669	-
<i>Operating lease for helicopter</i>						
Vectra Limited, Hong Kong		9,690,400	-		8,400,300	-
Azal Azerbaijan Aviation Limited	580,869,016			484,040,193		
<i>Initial direct cost (operating lease) paid</i>						
Azal Azerbaijan Aviation Limited	9,808,811	-	-	9,979,444	-	-
<i>Managerial remuneration</i>						
Lt. Gen. (Retd.) S J S Saighal	-	-	2,191,622	-	-	2,310,316
P. Rajkumar Menon	-	-	7,412,955	-	-	6,745,127
Eduard Van Dam	-	-	9,210,984	-	-	6,910,861
<i>Interest expense on borrowings</i>						
Vectra Limited, UK	-	56,201		-	86,113	
Azal Azerbaijan Aviation Limited	35,619	-	-	34,529	-	-
Vectra Limited, Hong Kong	-	471,881	-	-	457,439	-
Vectra Investment Private Limited	4,964,425	-	-	4,905,001	-	-
<i>Liabilities no longer payable written back</i>						
Vectra Limited, UK (refer note 36 c)	-	-	-	-	131,116,445	-
<i>Loans taken</i>						
Vectra Investment Private Limited	6,000,000	-	-	-	-	-
<i>Loans repaid</i>						
Vectra Investment Private Limited	6,000,000	-	-	-	-	-
<i>Trade receivables</i>						
Vectra Limited, UK	-	44,202,626	-	-	37,307,075	-
<i>Advance receivable in cash or kind</i>						
Vectra Limited, UK	-	65,707,620	-	-	59,464,282	-
Vectra Limited, Hong Kong		6,053,638	-		4,623,447	-

29 Related parties (Continued)

Nature of the transaction	31 March 2014			31 March 2013		
	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
Balances at the end of the year						
<i>5.46% non convertible cumulative redeemable preference shares</i>						
Vectra Limited	-	659,349,000	-	-	659,349,000	-
<i>Interest payable</i>						
Vectra Investment Private Limited	7,919,648	-	-	4,051,666	-	-
<i>Loan outstanding</i>						
Vectra Investment Private Limited	54,500,000	-	-	54,500,000	-	-
<i>Buyers credit</i>						
Azal Azerbaijan Aviation Limited	4,875,307			4,412,071		
Vectra Limited, UK	-	7,692,472	-	-	6,961,557	-
Vectra Limited, Hong Kong	-	64,588,175	-	-	58,451,204	-
<i>Operating lease payable</i>						
Azal Azerbaijan Aviation Limited	621,076,525			498,557,645		
Vectra Limited, Hong Kong	-	47,070,600	-	-	31,293,000	-
Vectra Limited, UK	-	302,583,081	-	-	273,832,558	-
<i>Trade payables</i>						
Vectra Limited, UK	-	97,555,546	-	-	88,286,115	-
Vectra Limited, Hong Kong	-	185,601,497	-	-	159,998,860	-
Vectra I.T. Solutions Private Limited	-	2,371,098	-	-	1,887,649	-
Azal Azerbaijan Aviation Limited	55,472,837	-	-	50,201,977	-	-
Vectra Glosec Private Limited	-	12,408	-	-	12,408	-
<i>Managerial remuneration payable</i>						
Lt. Gen. (Retd.) S J S Saighal	-	-	135,211	-	-	120,457
P. Rajkumar Menon	-	-	500,851	-	-	343,887
Eduard Van Dam	-	-	267,345	-	-	275,687

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 2014	54,253,577	902,725	42,861,018	519,024	-	-	-	-	-	-
31 March 2013	242,715,931	4,462,568	36,092,943	519,024	-	-	-	-	-	-
Payables										
31 March 2014	2,686,004,887	44,692,410	194,420,270	2,354,326	-	-	-	-	-	-
31 March 2013	2,712,712,721	49,875,853	143,977,033	2,070,420	-	-	335,267	5,917	-	-
Advances given										
31 March 2014	30,048,515	499,977	72,996	884	-	-	151,885	2,749	49,747	1,048
31 March 2013	20,997,158	386,053	-	-	-	-	721,848	12,740	45,972	1,048

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 2014	4	49,344,174	29,029,178
31 March 2013	4	340,849,742	196,874,811

As at 31 March 2014, the Company has Marked to Market ('MTM') the above mentioned interest cum currency swaps and has earned a fair value gain of ₹ 2,122,416 (previous year ₹ 16,680,298) which has not been recorded in the books of accounts pursuant to notification issued by ICAI. (refer note 1.17).

31 March 2014 31 March 2013

32 Operating leases

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

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

Payable within one year	591,434,430	502,256,550
Payable between one and five years	691,302,341	1,033,186,607
Payable after five years	-	-
	<u>1,282,736,770</u>	<u>1,535,443,157</u>

33 Earnings per share

The calculation for earnings per share is set out below:

Profit for the year after tax	54,914,375	68,531,485
Less: Dividend on preference shares and tax thereon	42,118,733	41,840,629
Profit for the year after tax attributable to equity shareholders for calculation of earnings per share	12,795,642	26,690,856

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	0.91	1.91
Basic and diluted earnings per share (in rupees) per share of face value of ₹ 10 each after extra-ordinary item	3.92	4.90

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 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 2013. Management believes that the Company's international transactions with related parties post 31 March 2013 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 2014.

36 Exceptional items

- a In pursuance of a clarification dated 9 August 2012 issued by The Ministry of Corporate Affairs, the Company has changed the accounting 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 as 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 Recoverable from customers

As at 31 March 2014, certain customers of the Company have disputed taxes levied for the services rendered aggregating ₹ 90,264,239. The Company has initiated proceedings for recoveries of these amounts and is confident of recovery of these sums.

38 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 Air Operator Permit (formally NSOP) has been renewed and is subject to the outcome of the above court matters.

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

39 Prior year figures

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

i	Regrouped prepaid expenses from 'Other current assets' to 'Short term loans and advances'	27,642,877
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As per our report of even date attached

For **B S R & Co. LLP**

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

Mumbai

30 May 2014

Raakesh D. Soni

Company Secretary

Mumbai

30 May 2014

**GLOBAL VECTRA HELICORP LIMITED****ATTENDANCE SLIP****Regd. Office:** A-54, Kailash Colony, New Delhi – 110 048.PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
16TH ANNUAL GENERAL MEETING, FRIDAY, 26TH SEPTEMBER, 2014

DP ID	
Client ID	

Regd. Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **16TH ANNUAL GENERAL MEETING**, of the Company held on FRIDAY, 26TH SEPTEMBER, 2014 at 1.30 P.M., ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065_____
Signature of the Shareholder / Proxy

Tear Here

**Regd. Office:** A-54, Kailash Colony, New Delhi – 110 048.**PROXY FORM**

DP ID	
Client ID	

Regd. Folio No.	
No. of Shares	

I/ Weof being a member / members of
Global Vectra Helicorp Limited hereby appoint
..... of or failing him /her
.....ofas my / our proxy to vote for
me / us and on my / our behalf at the **16TH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 26th September,
2014 at 1.30 P.M. and at any adjournment thereof.

I wish my above proxy to vote in the manner as indicated in the box below;

SR.NO.	RESOLUTIONS	FOR	AGAINST
1.	Adoption of Accounts, Report of the Board of Directors and Auditors		
2.	Re-appointment of Lt. Gen. (Retd.) SJS Saighal as Director Retire by rotation		
3.	Appointment of Auditors		
4.	Re-appointment of Lt. Gen. (Retd.) SJS Saighal as Chairman of the Company		

Note: Please tick the appropriate box for casting the vote either "For" or "Against" against each resolution.

Please
affix
Revenue
StampPlace:
Date:_____
Signature:

By Courier

If undelivered, please return to :

GLOBAL VECTRA HELICORP LIMITED

Hanger No. C - He / Hf,
Airports Authority of India,
Civil Aerodrome, Juhu,
Mumbai - 400 054.