



14th ANNUAL REPORT — 2011 - 2012 —

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



“GVHL, your security is our commitment”

BOARD OF DIRECTORS

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

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

Dr. Gautam Sen
(Independent Director)

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

Dr. Chandrathil Gouri Krishnadas Nair
(Independent Director)

COMPANY SECRETARY

Mr. Raakesh D. Soni

AUDITORS

B S R & Co.
Chartered Accountants

BANKERS

The Royal Bank of Scotland N.V.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

CONTENTS

| | |
|--|----|
| Notice | 01 |
| Directors' Report | 07 |
| Management Discussion and Analysis Report | 09 |
| Report on Corporate Governance | 12 |
| Report of the Auditors | 19 |
| Balance Sheet | 22 |
| Statement of Profit and Loss | 23 |
| Cash Flow Statement | 24 |
| Accounting Policies | 26 |
| Notes to Financial Statements | 30 |

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

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

NOTES:

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

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

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

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

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

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

Remuneration:

I. Basic Salary ₹ 70, 000/- per month

II. Perquisites:

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

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

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

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

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

ITEM NO. 5

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

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

Remuneration:

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

II. Perquisites:

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

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

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

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

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

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

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

ITEM NO. 6

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

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

Remuneration:

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

II. Perquisites:

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

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

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

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

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

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

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

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

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

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

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

III. OTHER INFORMATION

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

By Order of the Board of Directors

Place: - Mumbai

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

Company Secretary

Registered Office

A-54, Kailash Colony

New Delhi – 110 048

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

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

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

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

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

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

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

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

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

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

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

He does not hold any shares of the Company.

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

DIRECTORS' REPORT

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

FINANCIAL PERFORMANCE

(Rupees' in Lacs)

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

FINANCIAL PERFORMANCE:

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

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

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

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

DIVIDEND:

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

TEMPORARY SUSPENSION OF NSOP

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

DIRECTORS

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

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

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

FIXED DEPOSITS

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

INSURANCE

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

CORPORATE GOVERNANCE

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

REMARKS OF THE AUDITORS

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

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

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

ACKNOWLEDGEMENTS

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

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

Mr. P. Raj Kumar Menon
Whole-Time Director

Place: Mumbai
Date: 14th August, 2012