


DRAFT RED HERRING PROSPECTUS
Dated May 22, 2006

Please read section 60B of the Companies Act, 1956

(The Draft Red Herring Prospectus will be updated

upon filing with the ROC)

100% Book Built Issue

Global Vectra Helicorp Limited

(Our Company was originally incorporated as Azal India Private Limited on April 13, 1998. We subsequently changed the name of our Company to Global Helicorp Private Limited pursuant to a special resolution of the shareholders passed at an extraordinary general meeting on May 23, 2003. This name was subsequently changed to Global Vectra Helicorp Private Limited pursuant to a special resolution of the shareholders passed at an extraordinary general meeting on August 26, 2004. The name was changed to Global Vectra Helicorp Limited and the fresh certificate of incorporation consequent on change of name was granted to our Company on October 10, 2005 by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. See "History and Corporate Structure" on page [●] of this Draft Red Herring Prospectus for further details)

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

Corporate Office: 202, Krishna Kunj, V. L. Mehta Marg, JVPD Scheme, Mumbai 400 056

Tel: (91 22) 2618 6155; **Fax:** (91 22) 2617 6501 **Email:** info@gvhl.net; **Website:** http://www.globalhelicorp.com

(Our registered office was shifted from 84-E, C-6 Lane (Off Central Avenue) Sainik Farms, New Delhi 110 062

to the current address by a resolution of our Board dated January 4, 2005.)

Company Secretary: Navin Chowdhary and **Compliance Officer:** Vikram D. Kakaiya

PUBLIC ISSUE OF 3,500,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] MILLION COMPRISING A FRESH ISSUE OF 2,800,000 EQUITY SHARES OF RS. 10 EACH BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE BY AZAL AZERBAIJAN AVIATION LIMITED OF 700,000 EQUITY SHARES OF RS. 10 EACH (THE "OFFER FOR SALE"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE JOINTLY REFERRED TO AS THE "ISSUE". THE ISSUE WOULD CONSTITUTE 25.00% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH.
THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

The Issue is being made through the 100% book building process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, at least 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We have not opted for IPO grading of this Issue.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company, and the Selling Shareholder in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page viii of this Draft Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company and the Selling Shareholder having made all reasonable inquiries, accept responsibility for and confirm that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from NSE and BSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. For purposes of this Issue, the Designated Stock Exchange is [●].

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
 SBI Capital Markets Limited 202, Maker Towers 'E' Cuffe Parade, Mumbai 400 005 Tel: (91 22) 2218 9166; Fax: (91 22) 2218 8332 Email: gvhl ipo@sbicaps.com Website: www.sbicaps.com Contact Person: Rajneesh Kumar	 ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460/70; Fax: (91 22) 2282 6580 Email: gvhl_ipo@isecld.com Website: www.icicisecurities.com Contact Person: Kartik Juneja	 Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, LBS Marg Bhandup (West), Mumbai 400 078, India Tel. : (91 22) 2596 0320; Fax. : (91 22) 2596 0329 Email: gvhlipo@intimespectrum.com Website: www.intimespectrum.com Contact Person: Salim Shaikh

BID / ISSUE PROGRAM

BID/ISSUE OPENS ON : [●] 2006

BID/ISSUE CLOSES ON : [●] 2006

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
“We”, “us”, “our”, “Issuer”, “the Company” “our Company” “GVHL” and “Global Vectra”.	Unless the context otherwise indicates or implies, refers to Global Vectra Helicorp Limited
“Vectra Group”	Unless the context otherwise indicates or implies, refers to Vectra Limited and Vectra Investments Private Limited and the other Promoter Group companies.

Company Related Terms

Term	Description
AAA	Azal Azerbaijan Aviation Limited, Ireland
AIPL	Azal India Private Limited
Articles	Articles of Association of our Company
Auditors	The statutory auditors of our Company, BSR & Co.
Board/ Board of Directors	Board of Directors of our Company
Corporate Office of the Company	202, Krishna Kunj, V. L. Mehta Marg, JVPD Scheme, Mumbai 400 056
Directors	Directors of our Company, unless otherwise specified
Memorandum	Memorandum of Association of our Company
Registered Office of the Company	A-54, Kailash Colony, New Delhi 110 048
VIPL	Vectra Investments Private Limited

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue or transfer of Equity Shares, pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued or transferred
Banker(s) to the Issue	[•]
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and a Hindi national newspaper with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of our Company in terms of the Red Herring Prospectus and the Bid cum Application Form
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs	Book Running Lead Managers to the Issue in this case being SBI Capital Markets Limited and ICICI Securities Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted

Term	Description
Cut-off Price	The Issue Price finalised by our Company and the Selling Shareholder in consultation with the BRLMs
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the ROC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholder, the Registrar, BRLMs, the Syndicate Member and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
Fresh Issue	The fresh issue of 2,800,000 Equity Shares
Issue	The fresh issue of 2,800,000 Equity Shares and the offer for sale of 700,000 Equity Shares, aggregating 3,500,000 Equity Shares at a price of Rs. [●] each for cash, aggregating Rs. [●] by the Company under the Red Herring Prospectus and the Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by the Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Issue Size	3,500,000 Equity Shares to be issued to the Investors at the Issue Price
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or 87,500 Equity Shares (assuming the QIB Portion is for 50% of the Issue) available for allocation to Mutual Funds only, out of the QIB Portion
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non Institutional Portion	The portion of the Issue being 525,000 Equity Shares available for allocation to Non Institutional Bidders
Offer for Sale	An offer for sale by Azal Azerbaijan Aviation Limited, aggregating 700,000 Equity Shares
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(a) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (b) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company and the Selling Shareholder in consultation with the BRLMs finalize the Issue Price
Promoters	Ravinder Kumar Rishi, Vectra Investments Private Limited and Azal Azerbaijan Aviation Limited
Promoter Group	Unless the context otherwise requires, refers to those companies/entities mentioned in the section titled “Our Promoters and Promoter Group” on page 63 of this Draft Red Herring Prospectus
Prospectus	The Prospectus to be filed with the ROC in terms of Section 60 of the Companies

Term	Description
	Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being 1,750,000 Equity Shares to be allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
Refund Account	Account opened with the Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made
Registrar to the Issue	Registrar to the Issue, in this case being Intime Spectrum Registry Limited, having its registered office as indicated on the cover page
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being 1,225,000 Equity Shares available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus which will be filed with ROC in terms of Section 60B of the Companies Act, at least three days before the Bid/ Issue Opening Date
Selling Shareholder	Shareholder offering Equity Shares in the Offer for Sale, consisting of Azal Azerbaijan Aviation Limited as mentioned in the section titled "Capital Structure" on page 14 of this Draft Red Herring Prospectus
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement between the Syndicate, the Company and the Selling Shareholder in relation to the collection of Bids in this Issue
Syndicate Members	[•]
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The Agreement between the members of the Syndicate, our Company and the Selling Shareholder to be entered into on or after the Pricing Date

Conventional and General Terms

Term	Description
Act or Companies Act	Companies Act, 1956 and amendments thereto
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
FII(s)	Foreign Institutional Investors (as defined under the FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Indian GAAP	Generally Accepted Accounting Principles in India
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
OCB	Means and includes an entity defined in Clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of commencement of the Withdrawal of General Permission to Overseas Body Corporate Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted

Term	Description
	under the Foreign Exchange Management (Deposit) Regulations, 2000
SIA	Secretariat for Industrial Assistance
Stock Exchange(s)	BSE and/ or NSE as the context may refer to

Technical and Industry Terms

Term	Description
AAI	Airport Authority of India
AIC	Aeronautical Information Circular
AME	Aircraft Maintenance Engineer
AS-4	Aviation Standard 4
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
ATACs	Air Transport Advisory Circulars
BAMEL	Basic Aircraft Maintenance Engineers Licence
BCAS	Bureau of Civil Aviation Security
BGEPIL	British Gas Exploration and Production India Limited
CARs	Civil Aviation Requirements
DGCA	Director General of Civil Aviation
DNV	Det Norske Veritas
EOR	Enhanced Oil Recovery
FDTL	Flight Duty Time Limit
HUET	Helicopter Underwater Escape Training
HUMS	Helicopter Usage and Monitoring Systems
ICAO	International Civil Aviation Organisation
IOR	Improved Oil Recovery
MoCA	Ministry of Civil Aviation
MMTPA	Million Metric Tonnes Per Annum
MRO	Maintenance, Repairs & Overhaul
NOCs	National Oil Companies
NELP	New Exploration and Licensing Policy
NM	Nautical Miles
NSOP	Non-Scheduled Operator's Permit
OEMs	Original Equipment Manufacturers
OIL	Oil India Limited
RIL	Reliance Industries Limited

Abbreviations

A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per share
€ or Euro	Euro
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FII(s)	Foreign Institutional Investors
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI/Government	Government of India

HNI	High Network Individual
HUF	Hindu Undivided Family
I-Sec	ICICI Securities Limited
IFSC	Indian Financial System Code
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn/mn	Million
MICR	Magnetic Ink Character Recognition
NA	Not Applicable
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
ROC	Registrar of Companies, N.C.T. of Delhi and Haryana
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SBI Caps	SBI Capital Markets Limited
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
Sec.	Section
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
US / USA	United States of America
USD or \$ or US \$	United States Dollar

CERTAIN CONVENTIONS; USE OF INDUSTRY AND MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines included in this Draft Red Herring Prospectus or our audited financial statements. Our Fiscal Year commences on April 1 and ends on March 31 of the next year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

Defined terms and the respective definitions are set forth in the section titled “Definitions and Abbreviations” on page i of this Draft Red Herring Prospectus. In the section titled “Main Provisions of Articles of Association of Global Vectra Helicorp Limited”, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Market and industry data used in this Draft Red Herring Prospectus has been obtained or derived from industry publications and sources. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured and accordingly, no investment decisions should be made based on such information. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further, the extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” are to the United States Dollars, the official currency of the United States of America.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in India;
- Our ability to successfully implement our strategy;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian and international interest rates;
- Allocations of funds by the government towards infrastructure projects;
- Changes in laws and regulations that apply to our clients, suppliers, and the infrastructure and construction industry;
- Increasing competition and the conditions of our clients, suppliers and the infrastructure and construction industry; and
- Changes in political conditions in India.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages (viii) and 108 of this Draft Red Herring Prospectus respectively. Neither our Company, nor the BRLMs, nor any member of the Syndicate nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II- RISK FACTORS

Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Red Herring Prospectus, before making any investment decision relating to our Equity Shares. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of our Equity Shares to fall significantly and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Red Herring Prospectus, including the financial statements. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP. In this section, any reference to "we", "us" or "our" refers to Global Vectra Helicorp Limited.

Internal risk factors

Our operations are dependent on the oil and gas industry.

We provide helicopter services to oil and gas exploration, development and production companies. As a result, our operations are largely dependent upon the levels of activity and transportation needs in oil and gas production and exploration. To varying degrees, these activity levels are affected by trends in oil and gas prices. Historically, the prices for oil and gas have been volatile and are subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control, such as:

- The supply of and demand for oil and gas and market expectations about such supply and demand;
- Actions of OPEC and other oil producing countries to control prices or change production levels;
- Oil and gas companies not able to undertake capital expenditure in relation to further exploration, or not being able to locate oil or gas.
- Marine perils resulting from adverse weather conditions on account of factors including global warming.
- General economic and political conditions, both world wide and in particular regions;
- Governmental regulations including regulation of oil and gas prices; and
- The prices and availability of alternative fuels.

We cannot predict future oil and gas price movements. Any prolonged reduction in oil and gas prices could depress the level of helicopter activity in support of exploration and production activity and, therefore, have a material adverse effect on our business, financial condition and results of operations.

Companies in the oil and gas production and exploration sector continually seek to implement measures aimed at greater cost savings, including helicopter support operations. The implementation of such measures could reduce the demand for helicopter transportation services and have a material adverse effect on our business, financial condition and results of operations.

Our overall operations are highly dependent upon the level of activity in the Bombay High region.

Bombay High has historically been the largest offshore oil and gas reserve in India. It contributes approximately 85% of the total supply of oil in India. On an average, eight of our 11 helicopters were operating for Bombay High region in Fiscal 2006. Even though, we are expanding our base on the east coast of India, where Indian companies have struck gas reserves, we continue to depend on Bombay High for majority of our activities. Any negative development on the activities in and around this region like non-availability of oil and gas or hostile conditions that are not in our control, may have an adverse impact on our business, financial conditions and results of operations.

If we are unable to acquire the necessary helicopters we may not be able to take advantage of growth opportunities.

There are lead times of 18 months to obtain various types of helicopters most often required by us and our clients. While up to now, we have been able to acquire sufficient helicopters, a lack of available helicopters or the failure of our suppliers to deliver the helicopters that we have ordered on a timely basis, could limit our ability to take advantage of growth opportunities. This could adversely impact our profitability.

Thus in the event the helicopters are not delivered in time or the contract for purchase would be cancelled or modified, we would not be able to bring about a timely induction of these helicopters for the contracts and thereby lose the contract. This could adversely affect our profitability.

Helicopter operations involve risks that may not be covered by our insurance or may increase the cost of our insurance.

Operations of helicopters involve some degree of risk. Hazards, such as helicopter accidents, adverse weather and marine conditions, collisions and fires, are inherent in furnishing helicopter services and can cause personal injury and loss of life, severe damage to and destruction of property and equipment, and in suspension of operations. As a result of these and other factors, we may not be able to maintain adequate insurance in the future at rates we consider reasonable.

While we believe that we are adequately covered by insurance in light of our historical need for insurance coverage, the loss of this coverage or the loss, expropriation or confiscation of, or severe damage to, a large number of our helicopters could adversely affect our operations and financial condition. Aviation insurers could further increase their premiums in the event of additional terrorist attacks, hijackings, airline crashes or other events adversely affecting the aviation industry. Significant increases in insurance premiums could increase our costs and adversely affect our operations and financial condition. As a result of these and other factors, no assurance can be given that we will be able to maintain adequate insurance in the future at rates we consider reasonable.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or in time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flows may be adversely affected.

We derive a significant portion of our revenues from a few clients the loss of any one of these clients, a decrease in the volume of work from these clients or a decrease in the price at which we offer our services to them may adversely impact our revenue and profitability. Further, failure to maintain an acceptable safety record may have an adverse impact on our ability to attract and retain clients.

In Fiscal 2005 and Fiscal 2006, our top client accounted for 50.10% and 47.24% of our revenues, respectively. There are a number of factors, other than our performance, which may not be predictable that could cause the loss of a client. The loss of any one of our major clients, any requirement to lower the prices we charge these clients or the loss or financial difficulties of these clients could have a material adverse effect on our business, revenues and profitability.

Our clients consider safety and reliability as primary concerns in selecting a provider of helicopter transportation services. If we fail to maintain a record of safety and reliability that is satisfactory to our clients, our ability to retain current clients and attract new clients may be adversely impacted. An accident or incident involving one of our helicopters could adversely affect our reputation and our profits may be affected.

Our clients are only in the oil and gas industry.

Our clients are engaged in oil and gas production, development and exploration. This may impact our overall exposure and credit risk because changes in economic and industry condition that adversely affect the oil and gas industry could affect our clients. We generally do not require letters of credit or other collateral to support our trade receivables. Accordingly, a sudden or protracted downturn, in the economic conditions of the oil and gas industry could adversely impact our ability to collect our receivables and thus our financial conditions.

We rely on a limited number of large offshore helicopter support contracts and if some of these are discontinued, our revenue could suffer.

We derive our revenue from offshore helicopter support contracts with oil and gas companies. A substantial number of our contracts contain provisions permitting early termination by the client. In addition, upon expiration of their term, these contracts are subject to a bidding process that could result in the loss of these contracts to competitors. The loss of one or more of these large contracts could have a material adverse effect on our business, financial condition and results of operations.

We operate in competitive markets. Our business, operations and financial performance will depend on how effectively we compete.

Certain of our competitors, including Government-owned entities, may have significantly greater resources than those available to us.

Our position among competitors will depend upon effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including pricing strategies by competitors. In addition, our inability to compete, including in terms of operations, safety, security, services quality, could have a material effect on our business, financial condition and operations.

Further, our market position will depend upon effective business development initiatives and its ability to anticipate and respond to various factors affecting its industry, including and service innovations and particular issues important to competition for longer-term charter contracts.

We have only a limited number of suppliers for our helicopters. Any problems with this equipment or these suppliers, whether real or perceived, could harm our business.

One of the key elements of our business strategy is to operate only a few types of helicopters, with helicopters within each type having similar equipment. Our fleet currently consists principally of Bell 412s and we propose to subsequently induct Eurocopter's EC 155B1.

While commonality provides us with many operational and cost benefits, our dependence on these types of helicopter makes us vulnerable to any design defects or mechanical failures that might arise with such helicopters. Such problems could lead to the loss of use of helicopters and other significant disruptions or costs, apart from causing clients to avoid companies operating with such helicopters or equipment.

Our operations could also be harmed by the failure or inability of any of our main suppliers to provide equipment or sufficient parts or related support services on a timely basis.

If we fail to comply adequately with airworthiness requirements, one or more of our helicopters may be grounded by the DGCA or our licence to operate may be suspended, which would adversely affect our revenues and operations.

Failure to comply with any DGCA and/or manufacturer directives or bulletins could lead to one, some or all of our helicopters being grounded. Any non-compliance or delay on complying with any guidelines or directives may result in levying of penalties against us, which may affect our performance.

Our maintenance costs will increase as our fleet ages.

The average age of our helicopters is currently approximately 12.5 years and will further reduce when the proposed present induction plan is completed. New helicopters require less maintenance than old helicopters. As our fleet ages and the warranties on our helicopters expire, our maintenance costs will increase, on an absolute basis. Although we cannot reasonably predict how much our maintenance costs will increase in the future, we expect that they will increase.

If we fail to comply with our financing covenants under some of our financing agreements, they may be terminated.

As of March 31, 2006, our long-term indebtedness and subordinated debt obligations aggregated Rs. 1,621.68 million. Under certain of our financing agreements, we are required to comply with covenants such as payment schedule, interest payment, termination, non-assignability and mortgage over helicopters.

The terms of our financing agreements may limit our ability to obtain additional financing for working capital and other purposes and could result in the diversion of substantial cash flow from our operations to service our financing obligations, thereby limiting our ability to plan for or react to changes in our business and our industry and to general economic conditions.

Our success depends in large part upon our senior management, directors and key personnel and our ability to retain them and attract new key personnel when necessary

We are dependent on our senior management, our directors and our other key personnel. Our future performance will depend upon the continued services of these persons. We also benefit from the recognition and reputation accorded to our key managerial personnel. We do not maintain key man life insurance for the senior members of our management team, our directors or our other key managerial personnel.

Competition for senior management in our industry is intense, and we may not be able to retain all or any of our senior management personnel or attract and retain new senior management personnel in the future. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our operations and financial conditions.

If we are unable to recruit and retain skilled employees, including pilots and others, our operations and expansion plans may be adversely affected, and accordingly impact our revenue

We compete with other aviation operators for labour in skilled personnel positions. Our competitors may offer wage and benefit packages that are more attractive than our wage and benefit packages. In addition, from time to time, the aviation industry in India has experienced a shortage of skilled personnel, especially pilots, qualified engineers, quality control personnel and technicians. The compensation paid for such skilled personnel has also witnessed significant upward movement. The recent past has witnessed poaching of pilots by competing operators. The Government of India accordingly imposed a minimum of six months notice period for resigning pilots. Any relaxation of their directions in the future could worsen the shortage.

Our expansion plans will require us to hire, train and retain a significant number of new employees in the future, and to continue to do so on an ongoing basis particularly on or around the time we take possession of more helicopters. However, as existing players expand or as new competitors enter the aviation market and as we acquire additional helicopters, we may have increasing difficulty recruiting and retaining sufficient numbers of pilots, qualified engineers and technicians to meet our current and future requirements.

If we are unable to attract and retain skilled employees, including pilots and others, we may have to reduce our operations, which could harm our revenues, or we may not be able to develop our business in accordance with our business and expansion plans.

The MoCA approval is yet to be received for any of our independent Directors

Pursuant to applicable regulations, our Directors are required to obtain the security clearance from the Ministry of Civil Aviation before their appointment as our directors. We are also required to obtain a security clearance prior to appointing additional Directors to our Board. We are yet to receive these clearances for some of our Directors, although we have applied for such clearances and have obtained a valid Air Operators Permit. We cannot assure you when MoCA will grant the required clearances if at all. In the event that this clearance is not granted in respect of some or all of our Directors, we may be required to reconstitute our Board.

We do not have written permission or an agreement with one of clients whose hangar and land we use at the Juhu aerodrome, Mumbai for the purpose of servicing other clients.

Under the terms of the contract entered into with one of our clients, we are permitted to use the land and hangar allotted to it at the Juhu aerodrome in Mumbai for providing services to this client. However we are using these facilities for our entire fleet of helicopters and for servicing other clients, though we do not have any arrangement with this client in relation to such usage. Though our client is aware of such use of these facilities and has not raised any objections, until the time our hangar at Juhu aerodrome, Mumbai is constructed and ready for use, if our client objects to the same and does not permit us to use their facilities the performance of our business and results of operations may be adversely affected.

The trading price of our Equity Shares may be affected by variations in our operations, and financial conditions

We expect our quarterly operating results to fluctuate in the future based on a variety of factors, including:

- the timing and success of our growth plans as we lease or purchase additional helicopters, increase operations from existing bases or start new bases;
- changes in contract revenues, fuel, helicopter rentals, and maintenance costs;
- increases in personnel, marketing and other operating expenses to support our anticipated growth; and
- changing competitive environment

In addition, it is possible that in any future quarter our operating results could be below the expectations of investors and any published reports or analysis regarding the Company. In that event, the price of our Equity Shares could decline, perhaps substantially.

Our Company is involved in certain legal proceedings in India

Our Company is involved in two legal proceedings and claims in India in relation to certain civil matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We cannot assure you that these legal proceedings will be decided in our favour.

Nisar Ali Punjabi has filed Complaint (ULP) No. 699 of 2001 against the Company before the 10th Labour Court at Mumbai alleging unfair labour practice by the Company. The Labour Court ordered reinstatement with full back wages. A Revision Application has been filed by the Company, the same is pending.

We have filed a complaint under S. 138 read with Ss. 141 and 142 of the Negotiable Instruments Act 1881 against Vicissitude Consulting Limited and Subrojeet Syam for a total amount of Rs. 650,000 in the 28th Court of Additional Chief Metropolitan Magistrate at Esplanade, Mumbai. The Hon'ble Court has issued process against the accused and the matter has been adjourned to June 22, 2006.

For more information regarding these legal proceedings, please refer to the section entitled "Outstanding Litigation and Material Developments" on page 122.

The contracts entered into with our clients contain certain onerous clauses regarding payments and termination. We may be unable to meet certain contractual obligations or be forced to accept onerous terms in our contractual arrangements with clients.

Under some of our client agreements, our clients may reopen payments under certain circumstances. This may lead to a loss of revenue or delay in payment for the disputed amount in the event that the payments are reopened and reduced or cancelled.

The terms of some of the agreements entered into with our clients allow the client to suspend the services provided by us under the agreement, at its sole discretion, with a short notice period, such as 30 days. This could lead to uncertainty in the continuity of our business with respect to the provision of services to our clients. Further the suspension can take place for reasons that are outside our control, as the decision to suspend can be taken by the client for its own business reasons. Although under some contracts with our clients, in the event of suspension we would be assured of the payment of fixed monthly charges, we would lose additional revenue that would otherwise have been incurred by us had the agreement not been suspended.

Most of our client contracts can be terminated with or without cause, normally with 30 days' notice and without termination-related penalties. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client. Any of these factors could adversely affect our revenues and profitability.

The engagements that we perform for our clients are often critical to the operations of our clients business and any failure in our client's systems could subject us to legal liability, including substantial damages, regardless of our responsibility for our failures. The terms of our client engagements are typically designed to limit our exposure to legal claims and damages related to our services. Assertion of one or more legal claims against us could have an adverse affect on our business and professional reputation. We have been awarded a letter of award of contract by an oil and gas major (who has been our client for the last eight years). We are presently in discussions to finalize the detailed terms of the contract. Such contract may be different from our existing contract with the same client. We cannot assure you that our existing or future clients will not demand such provisions in their contractual arrangements with us. Any such benefit given to specific clients could materially or adversely affect our business, profits and results of operations.

Any inability to manage our growth could disrupt our business and reduce its profitability.

We have experienced significant growth in our total income restated in recent years. Our total income has grown from Rs. 524.20 million in Fiscal 2005 to Rs. 898.38 million in Fiscal 2006. We expect this growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in; recruiting, training and retaining sufficient skilled technical, sales and management personnel; adhering to our high quality and process execution standards; maintaining high levels of client satisfaction; preserving our culture, values and entrepreneurial environment; and developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems. Any inability to manage growth may have an adverse effect on our business, results of operations and financial conditions.

Our principal shareholders may have the ability to determine the outcome of any shareholder resolution

AAA and VIPL, two of our largest shareholders, own 99.99% of our currently issued Equity Shares and will own 75% of our fully diluted post-issue capital after the completion of the Issue. As significant shareholders, AAA and VIPL may have interests that are adverse to the interests of shareholders and/or our own interests and may have the ability to determine the outcome of any shareholder resolution. So long as AAA and VIPL own in the aggregate a majority of our Equity Shares, they would be able to elect our entire Board of Directors and remove any Director, by way of a resolution approved by a simple majority of shareholders in a general meeting. AAA and VIPL would be able to control most matters affecting us, including the appointment and removal of our officers; our business strategies and policies; any determination with respect to mergers, business combinations, and acquisitions or dispositions of assets; our dividend payout; and our capital structure and financing. Further the extent of their shareholding may result in a delay or prevention of a change of management or control of our company, even if such a transaction were to be beneficial to our other shareholders. As only 25% of the fully diluted post-issue capital is being offered in this Issue, you may not be able to determine the outcome of any ordinary resolution proposed at a shareholder meeting or influence any decision taken by AAA and VIPL.

Pursuant to the IPO, we propose to issue Equity Shares as part of a proposed employee stock option scheme.

After the listing of our Equity Shares in this Issue and Offer for Sale, we may adopt an employee stock option scheme. To the extent that the option is exercised and these shares are issued, there would be a dilution of shareholding of the other shareholders. Additionally, the allocation of Equity Shares pursuant to our proposed ESOP Scheme will result in a change to our income and may affect our net income.

We have entered into MOUs in relation to the acquisitions of new helicopters and there are no finalized agreements in place for such acquisitions. The agreements when finalized may differ from the MOUs presently in place.

In relation to some of the helicopters that we propose to acquire in the future, there are no finalized agreements yet in place for the same and we have only entered into memoranda of understanding for the same. We face the risk that the agreements finally entered into with the sellers may be differ from the present understanding with them, and we cannot guarantee that the terms of the current understanding will not change.

For some of the new helicopters for which we have entered into MOUs, we have not tied-up funds for acquisition of these helicopters. Failure to arrange for funds for our fleet expansion may have an adverse effect on our business, result of operation and financial condition.

The warranties given to us under some of the agreements for purchase of new helicopters, as well as under the lease agreements with respect to helicopters in our current fleet, may not be adequate.

Under some of the agreements for the purchase of new helicopters, the warranty given by the manufacturer of the helicopters is limited. The standard warranty clause warrants that the new helicopters will be free from defects in material or workmanship under normal use and service and that the manufacturer's obligation would be limited to replacement or repair which are determined, according to the manufacturer's discretion, to have been defective within the warranty period.

However this is the only warranty given, to the exclusion of all other warranties. There is no warranty given regarding the conditions of merchantability and fitness of the helicopters, nor with respect to any obligation, liability, right, claim or remedy in contract or in delict/tort, including product liabilities based upon strict liability, negligence or implied warranty in law.

We have not commissioned an independent appraisal for the use of proceeds to be raised through the Issue.

The expenses to be incurred under this issue has not been appraised by any bank/financial institution. The funds being raised through the issue are proposed to be used for expansion of fleet, setting up infrastructure facilities, increasing the level of safety compliance, retiring debts and for general corporate purposes of our Company.

The use of proceeds of the Issue has been determined based on our management's internal estimates. No independent body will be monitoring the use of proceeds. Progress in the use of proceeds from the Issue will be reported periodically.

We require certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We have filed an application to the Airports Authority of India, Vishakhapatnam for allocation of land to set up hangar in Vishakhapatnam. If we fail to obtain approval for allocation of land, our business may be adversely affected.

We would face risks and uncertainties in the event that we undertake international operations.

In the event that any of our clients commences activities abroad and we undertake international operations in order to provide services to our clients, we would be subject to risks associated with operating in foreign countries. These risks include uncertainties of laws and enforcement relating to the protection of assets, nationalisation, high insurance costs, unstable political conditions, dependence on local labour market conditions and employment practices and restrictions on converting foreign currencies into Indian rupees and on remitting dividends or other payments by our foreign subsidiaries. The imposition of or increase in withholding and other taxes on remittances and other payments by foreign subsidiaries, hyperinflation in certain foreign countries and the introduction of investment-related and other restrictions by foreign governments could also have a negative effect on our business and profitability.

Further we also face the risk that funding which is required to be deployed towards the cost of our international operations may not become available in a timely manner or at all; we may not be able to acquire land or set up bases to our satisfaction; we may face difficulties in recruiting, training, managing and retaining sufficient skilled technical, marketing and management personnel; we may be unable to manage client and customer expectations; and we may be unable to develop adequate internal administrative functions and systems and controls, particularly financial, operational, communications and other internal control systems.

Certain Promoter group companies have incurred losses in recent years.

The following Promoter group companies have incurred losses:

		(in millions)		
Name of the Company	Currency	2003	2004	2005
Profits/(Losses)				
Vectra Advanced Engineering Private Limited	Rs.	(3.36)	(15.71)	(5.11)
Vectra Investments Private Limited	Rs.	2.83	1.62	(36.39)
Vectra Azad Engineering Pvt Ltd	Rs.	1.28	(18.21)	(31.29)
Terex Vectra Equipment Pvt Ltd.	Rs.		(17.2)	(104.1)
Tatra Trucks India Limited	Rs.	(21.93)	28.37	39.81
Venus Udyog (India) Limited	Rs.	(1.29)	(6.35)	(7.40)
MFR Electronic Components Private Limited	Rs.	1.05	(1.83)	0.47
India Exposition Mart Limited	Rs.	(0.09)	(0.78)	28.9
Azal Azerbaijan Aviation Limited	USD	(0.55)	(1.80)	(1.12)
Vectra Azad Limited	GBP	-	(0.001)	(0.014)
Vectra Canada Limited	CND	(0.19)	(0.31)	(0.06)
Tanax, a.s.	SKK	(104.18)	(0.005)	(0.080)
Hillriver Limited	GBP	-	(0.31)	(0.22)

There may in future be a conflict of interest between us and Vectra Aviation Private Limited, a Promoter Group company which is engaged in onshore business and on the board of which one of our directors is also a director.

One of our directors is also on the board of directors of one of our Promoter Group companies, Vectra Aviation Private Limited, a Promoter Group company which is engaged in the business of maintenance, repairs and overhaul of helicopters and limited onshore charters. We currently specialize in providing offshore helicopter transportation services. However in the future we may commence business in providing onshore helicopter transportation services and to this extent there would be competing interests between us and Vectra Aviation Private Limited and there would be a conflict of interest as one of our directors is on the board of Vectra Aviation Private Limited.

We do not have any registered trademarks and failure to protect our intellectual property rights may adversely affect our business.

We have not registered the 'Global Vectra Helicorp Limited' logo or the trademark. We have not entered into an agreement with Vectra Limited which has applied for registration of the logo and Vectra trademark. We operate in an extremely competitive environment and failure to protect our intellectual property rights may adversely impact our business.

External risk factors

Fluctuations in the price and availability of fuel could adversely affect our business operations

A substantial portion of our total expenditure comprises fuel expenditure. In Fiscal 2005 and Fiscal 2006, ATF expenditure constituted 11.76% and 17.89% respectively, of our total expenses for such periods. There have in the past been wide price fluctuations in the price of ATF, which is based primarily on the international price of crude oil. The price of ATF in India is dependent on many factors including (i) periodic variations in the ex-refinery prices, charged for ATF by IOC, BPCL and HPCL; the only suppliers of ATF; (ii) fluctuations in the exchange rates between the U.S. Dollar and the Rupee, since a substantial

percentage of crude oil is imported; (iii) increase in excise duty and sales tax on ATF; and (iv) our inability to enter into price hedging arrangements for fuel supply due to Government regulations, which do not permit domestic airlines such as us to hedge the price of ATF on the basis that we do not import ATF. In the event of a fuel supply shortage or higher fuel prices, we may be required to curtail some of our scheduled services.

Though we are covered for majority of our helicopters with a price escalation clause with respect to ATF costs, we cannot assure you that future increases in prices of fuel can be offset, in part or at all, by increases in our contract. Any significant increases in fuel costs would harm our financial condition and results of operations.

Indian laws limit our ability to raise capital outside India and to enter into acquisition transactions with non-Indian companies

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to acquire us. Generally, any foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the RBI. Under the current foreign investment policy, FDI in the “Air Transport Services (Domestic Airlines)” sector (including scheduled and non-scheduled operators) is permitted up to 49% and up to 100% by NRIs (both under the automatic route, i.e., without the prior approval of the FIPB). The Industrial Policy further prohibits foreign airlines from making any direct or indirect equity investment in a domestic airline. In addition, the guidelines issued by the DGCA from time to time, including AIC No. 09, specifies certain restrictions including that a (i) foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector must not be a subsidiary of a foreign airline; (ii) a foreign financial institution or other entity that proposes to hold equity in the domestic air transport sector must not have foreign airlines as its shareholder; (iii) the substantial ownership and effective control of companies operating scheduled services must be vested in Indian nationals; and (iv) a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector may have representation on the board of directors of a domestic airline company, but such representation shall not exceed one-third of the total strength of such board. However, if the GoI does not approve any additional investment or acquisition, equity ownership in the Company beyond the ceiling mentioned above, our ability to obtain investments, and/or enter into acquisitions with, foreign investors will be limited. In addition, making investments in and/or the strategic acquisition of a foreign company by us requires various approvals from the GoI and the relevant foreign jurisdiction, and we may not be able to obtain such approvals. For more details on the restrictions applicable to the aviation sector please refer to section entitled “Regulations and Policies” on page 49.

After this Issue, the price of Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including; volatility in the Indian and global securities market; our operations and performance; performance of the Company’s competitors, the Indian aviation industry, the Indian oil & gas industry and the perception in the market about investments in the aviation sector; adverse media reports on the Company or the Indian aviation industry; changes in the estimates of the Company’s performance or recommendations by financial analysts; significant developments in India’s economic liberalization and deregulation policies; and significant developments in India’s Fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

Our results of operations and financial condition may be adversely affected by regulatory and political uncertainties in India

In the early 1990s, India experienced significant inflation, low growth in gross domestic product and shortages of foreign currency reserves. Since 1991, the Government of India has pursued policies of economic liberalization and has relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the aviation sector. We cannot assure you that liberalization policies will continue.

As in other countries, the Indian aviation industry is subject to extensive regulation. Changes in government regulation imposing additional restrictions on our operations could increase our operating costs and result in service delays and disruptions. For details on “Regulations and Policies”, please refer to section entitled “Regulations and Policies” on page 49.

Various other factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members, could trigger significant changes in India’s economic liberalization and deregulation policies, and disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of the Equity Shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation policies) or social stability or other political, economic or diplomatic developments affecting India.

Exchange rate fluctuations may adversely affect our results of operations

We report our financial results in Rupees, but a portion of our expenses such as fuel, helicopters and engine maintenance services, interest and principal obligations under the terms of our foreign debt and helicopter lease payments are denominated in, or linked to, U.S. dollars. The exchange rate between the Rupee and the US dollar has changed substantially in recent years and may fluctuate substantially in future. In addition, we expect that we will continue to incur substantial expenses in U.S. dollars, including in respect of our helicopter leases and our agreements to purchase additional helicopter in the future. See “Our Business” on page 37 of this Draft Red Herring Prospectus. We cannot assure you that we will be able to effectively mitigate any adverse impact of currency fluctuations on our business and financial condition.

Force majeure events, extreme weather condition and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of client confidence and adversely affect our business, operations and financial condition

Certain events that are beyond our control, including the recent floods in Mumbai, Chennai and Bangalore, tsunami, which affected several parts of Southeast Asia, including India and Sri Lanka, on December 26, 2004, terrorist attacks such as the ones that occurred in New Delhi on October 29, 2005, London on July 7, 2005 and New York and Washington, D.C., on September 11, 2001 and other acts of violence or war (including civil unrest, military activity and hostilities among neighbouring countries, such as between India and Pakistan), which may involve India, or other countries, could adversely affect worldwide financial markets and could lead to economic disruptions.

Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have an adverse effect on the market for the Company’s non-scheduled airline services and on the market for securities of Indian companies, including the Equity Shares.

These acts could also result in a loss of business and consumer confidence and have other consequences that could adversely affect our business, operations and financial condition. More generally, any of these events could lower confidence in India. Any such event could adversely affect our financial performance or the market price of the Equity Shares.

Any downgrading of India’s debt rating by an independent agency may harm our ability to raise debt financing

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to obtain financing for capital expenditures, and the price of our Equity Shares.

Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

The Indian Government has traditionally exercised and continues to exercise a significant influence over any aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be

affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Our Shares have never been traded publicly before and this Invitation may not result in an active or liquid market for our Shares. The market prices of, and trading volumes in, our Shares may be volatile which could negatively affect an investment in our Shares.

The Price Band and Issue Price has been determined through negotiations between us and the BRLMs based on several factors and may not be indicative of the market price for Shares after the Allotment. The market price of our Shares may be significantly affected by, among others, the following factors:

- Our and our associate corporations' actual or anticipated results of operations;
- New services or products offered by us or our competitors;
- Announcements by us or our competitors of significant contracts, acquisitions, partnerships, joint ventures or capital commitments;
- The loss of a major client or vendor;
- Additions or departures of key personnel;
- Changes in, or our failure to meet, securities analysts' expectations;
- Changes in market valuations of other similar companies;
- Legislative and regulatory developments affecting the aviation industry;
- Developments in the aviation industry and technological innovations;
- Investor perception of investments relating to Asia;
- Broad share price fluctuations;
- Involvement in litigation; and
- General market conditions and other factors beyond our control.

Prior to this Invitation, there was no public market for our Shares. We have applied to have our Shares listed and quoted on BSE and NSE. The BSE / NSE listing and quotation does not, however, guarantee that a trading market for our Shares will develop or, if a market does develop, the liquidity of that market for our Shares. Therefore, we cannot predict whether an active trading market for our Shares will develop or how liquid that market might become. In recent periods, the trading prices and trading volumes for securities issued by technology, Internet and Internet-related companies have been particularly volatile, and it is possible that this will be the case with our Shares as well.

Notes to risk factors

1. Public issue of 3,500,000 Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs. [●] million comprising a Fresh Issue of 2,800,000 Equity Shares by the Company and an Offer For Sale by Azal Azerbaijan Aviation Limited aggregating 700,000 Equity Shares. The Issue would constitute 25% of the fully diluted post issue paid-up capital of the Company.
2. The average cost of acquisition of Equity Shares by our Promoters – Ravinder Kumar Rishi is Rs. 10 per Equity Share, VIPL is Rs. 6.43 per Equity Share, AAA is Rs. 6.25 per Equity Share which has been calculated by taking the average amount paid by them to acquire our Equity Shares. For details, please see section titled “Capital Structure” on page 14 of this Draft Red Herring Prospectus.
3. Our net worth before the Issue (as of March 31, 2006) was Rs. 179.69 million and the book value per Equity Share as of March 31, 2006 was Rs. 16.04 per Equity Share.

4. We presently do not have an employee stock option plan. Subject to shareholder approval, we propose to issue employee stock options after listing.
5. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
6. Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM and the Syndicate Members for any complaints pertaining to the Issue.
7. For details of our related party transactions, please refer to the section titled “Related Party Transactions” on page 97 of this Draft Red Herring Prospectus.
8. The Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) of which 5% will be reserved for allocation to Mutual Funds on proportionate basis. Mutual Funds will also participate in the rest of the QIB portion. Further, at least 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
9. Investors may note that in case of over-subscription in the Issue, allotment to QIBs, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis in their respective category. For more information, please refer to the section titled “Basis of Allotment” on page 159 of this Draft Red Herring Prospectus.
10. Investors are advised to refer to the section titled “Basis for Issue Price” on page 23 of this Draft Red Herring Prospectus.

We and the BRLMs are obliged to keep this Draft Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Summary

We are one of the largest dedicated offshore transportation services helicopter companies in India servicing the oil and gas exploration and production sector in India. We have 12 Bell 412 helicopters as on April 30, 2006 each having 13 passenger seats and two pilot seats. We have 42 pilots and 18 AMEs. We transport crew and cargo for oil and gas companies to offshore oil platforms located approximately 50 to 100 Nautical Miles (NM) from the coastlines of India for their exploration and production activities. We service our clients through a young fleet of helicopters operated by trained pilots. We service our clients under contracts that contain a combination of fixed monthly charges and flying hourly charges and have terms ranging from one to three years with one or more renewal options.

We are a Vectra Group company. The Vectra Group comprises 18 companies in six countries, primarily in India and Eastern Europe. Vectra Group's product range covers a wide spectrum of products in the area of construction equipments, trucks and bus seats, and more. The Vectra Group has been able to build and expand its operations across India and Eastern Europe with the knowledge of the regions and its relationships.

We were incorporated in 1998 as Azal India Private Limited (AIPL). Initially, our shareholders consisted of Indian individuals. In 1999, Azal Azerbaijan Aviation Limited, an aircraft leasing company, was allotted shares in our Company, constituting 40% of our share capital after such allotment. Vectra Group, recognizing the growth potential of the oil and gas sector in India and thereby the value of our service to this industry, acquired a stake in the Company through acquiring shares in Azal Azerbaijan Aviation Limited in January 2004. The Vectra Group, through Vectra Investments Private Limited acquired shares from our Indian shareholders and consequently the management control in August 2004 and the remaining portion of the equity in October 2004.

We have built self-sufficient infrastructure at Juhu Airport in Mumbai for operations and maintenance of our fleet on a client's base. We also have a DGCA approved in-house training department for training Bell 412 Pilots and Aircraft Maintenance Engineers (AMEs).

For Fiscal 2006, we achieved a gross revenue of Rs. 898.38 million as compared to Rs. 524.20 million in Fiscal 2005, an increase of 71.38% year on year. The net profit for Fiscal 2006 was Rs. 78.01 million as compared to a net loss of Rs. 4.31 million in Fiscal 2005. During Fiscal 2006 with the addition of five helicopters to our fleet strength, our total fleet strength touched 11 helicopters as on March 31, 2006. We have added another helicopter in April 2006 taking the total number of helicopters to 12.

Our clients are major oil and gas companies engaged in exploration and production activities in India such as Reliance Industries Limited, British Gas Exploration and Production India Limited, Transocean (with SEDCO Forex) and Gujarat State Petroleum Corporation Limited. We have also recently been awarded a contract by an Indian oil major (who has been our client for the past eight years). We are presently in discussions to finalize the terms of the contract.

Key Competitive Strengths

1. Long Term Nature of Operations and Strong Relationships:

We provide services to clients operating in oil and gas exploration and production sector under contracts, for a period of one to three years and which can be renewed. We have been in this industry for the last eight years and have grown from serving one client to five clients, with our initial clients continuing to use our services. We are one of the few companies operating in a highly regulated industry that requires considerable expertise and experience for qualifying to do business and in which there is considerable time period involved for gaining an entry into the industry. Personnel are another important factor for success in this industry, since the regulations and client requirements require minimum offshore experience of the pilots. We have thus achieved a first-mover advantage, being one of the first and few companies operating in this niche area. We believe that all these factors act as natural barriers for potential competitors who want to start operations.

2. Large and Modern Fleet of Helicopters:

To meet the operational requirements of our clients, we currently have a fleet strength of 12 Bell 412 helicopters, which is considered a benchmark in its class for performance, availability and reliability. Our large fleet and standard model of helicopters helps us achieve synergy and economies of scale in fleet management and strengthens our flight operations, spares inventory, crewing, engineering activities, insurance, overhead and related activities. The average age of our fleet is around 12.5 years and by December 2006, the average age of the fleet would be lower. We believe that newer helicopters and our young fleet will help us achieve a lower down time, which translates to a high operational efficiency and client satisfaction.

3. In-house Maintenance, Repairs & Overhaul (“MRO”) Support Capabilities:

We are able to support our operations in an efficient manner because of our strong in-house MRO capabilities. We are the only helicopter company in India certified to undertake the 3,000 hours / 5 years check on the Bell 412 helicopter fitted with Pratt & Whitney PT6T-3 Series engines. This is the most advanced check on this type of helicopter and entails the complete overhaul of the helicopter and its components. We are also certified by DGCA to undertake an overhaul of some of the major components of the Bell 412 helicopter. We also have spares and servicing support stemming from our long-standing relationships with various OEMs and servicing agencies which gives us priority for availability of parts, and extended credit line, allowing us to achieve a high efficiency in our MRO activities. Our in-house capability enables us to reduce the downtime for repairs on our helicopters, as we do not have to ship the helicopter to outside agencies, leading to enhanced serviceability of our fleet. We also have the advantage of low labour costs in India, which helps reduce our costs further. The combination of the above factors we believe enables us to offer our services at competitive rates in comparison to other operators.

4. Experienced and Professional Management

We have an experienced and professional management team overseeing our operations. Our Chairman and Managing Director has over 25 years of experience in operating helicopters in India. All key personnel have strong aviation backgrounds and possess extensive experience in their areas of operation. We have 42 pilots and 18 Aircraft Maintenance Engineers. Most of our pilots come from defense background with thousands of hours of prior flying experience. We believe, due to our in house pilot training ability we are able to train and release new pilots faster than our competitors.

5. Focus on Safety

We have developed sophisticated safety and training programs & practices that have resulted in our strong safety record. We are certified with the ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 standard by DNV. We have also independently addressed the safety aspect of our operations across all activities including the air and ground crew, helicopter, flight operations, maintenance and training by setting up internal systems. All our AMEs undergo a refresher training every two years and hold regular technical meeting and updates on the latest maintenance systems on helicopters. We are in the process of converting nine of our helicopters to be Aviation Standard 4 compliant. This standard was issued by one of our clients, an Indian oil and gas major and we believe that the compliance requirements of this standard make it one of the highest offshore helicopter safety systems in the world.

Business Strategy

The key components of our business strategies are as follows:

1. Strengthen our competitive position in the existing market with continued focus on exploration and production services

Offshore flying constitutes a large proportion of the helicopter market in India. Offshore exploration and production support offers the twin benefits of assured business every month as well as long term security. The New Exploration & Licensing Policy of the Government of India over the last decade has witnessed success in terms of discoveries and this in turn has given a major fillip to the offshore helicopter industry within the country. The number of helicopters being absorbed in offshore in India has continued to grow over the years and we have been able to remain at the forefront of the business

expansion. Since there are not many companies offering such services in India and since the market size continues to expand each year, we will continue to focus towards providing offshore logistic services in the exploration and production activities of oil and gas companies.

We have achieved the current position in the market by offering competitively priced services while maintaining a helicopter service with a safe and reliable record. This is the reason why we have managed to secure further business from existing clients and add new clients to our portfolio. We intend to strengthen our competitive position by winning new business, renewing existing contracts, cost reduction and through continuing focus on safety. We will continue to offer our services to our existing as well as new clients as they move from exploration to production activity.

2. Growth through Fleet Expansion

Our current fleet size stands at 12 helicopters and we plan to increase it to 29 by the end of Fiscal 2009. We have operated only the Bell 412 helicopter model for medium range operations till date. With exploration moving to deeper waters, we are introducing the technologically advanced Eurocopter EC 155B1 long range helicopter to our fleet. The EC 155B1 type was introduced by Eurocopter around eight years ago and will be introduced to the Indian offshore oil and gas exploration and production industry for the first time.

3. Further Strengthening Infrastructure and expansion of operations

We plan to further develop and strengthen our MRO and support capabilities by adding to our existing infrastructure. This would be achieved partly through setting up of an avionics shop at the Juhu aerodrome facility in Mumbai and subsequently we would construct a hangar on the eastern coast of India. The facilities at these hangars will provide support for the current as well as the planned fleet expansion deployed on both sides of the sub-continent. Additionally, we are in the process of adding to our pilot and engineer strength, to cater to our expanding fleet.

4. Enhancement of Safety Standards

Safety is our priority and while we already comply with the regulatory standards of the DGCA, we will also comply with higher standards such as the new Aviation Standard 4, which is a much higher safety standard than what is being currently adopted in India. Aviation Standard 4 requires, amongst other things, the fitting of advanced safety management systems like Helicopter Usage and Monitoring Systems (HUMS). The incorporation of such equipment helps detect problems earlier thereby making the servicing a mode of prevention rather than reaction. We believe that the compliance requirements of this standard make it one of the highest offshore helicopter safety systems in the world and adds to the existing offshore safety equipment acceptable to Indian offshore helicopter operations.

5. Expand to International Markets

We intend to consolidate our business with our clients by offering them our services when they expand internationally. Our clients, including an Indian oil and gas major, have been successful with their bids for offshore exploration blocks and would require the same service that we offer in India, our experience coupled with our knowledge of our clients' requirements means that we would be strongly placed to service their business internationally as well.

SUMMARY FINANCIAL INFORMATION

The following table sets forth summary financial information derived from our restated financial statements as of and for the Fiscal Years ended March 31, 2002, 2003, 2004, 2005 and 2006, which are included in this Draft Red Herring Prospectus under the section titled "Financial Statements" on page 83 of this Draft Red Herring Prospectus. The restated financial statements have been prepared in accordance with Indian GAAP and the SEBI Guidelines and have been restated as described in the auditors' report attached thereto. The summary financial information presented below should be read in conjunction with the financial statements included in this Draft Red Herring Prospectus, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 108 of this Draft Red Herring Prospectus.

SUMMARY STATEMENT OF RESTATED PROFIT AND LOSS

(Rs. In Million)					
Particulars	Year ended 31 March 2002	Year ended 31 March 2003	Year ended 31 March 2004	Year ended 31 March 2005	Year ended 31 March 2006
Income					
Operating Income	285.15	341.85	369.40	517.19	895.34
Other income	1.04	(0.75)	5.66	7.01	3.04
Total	286.19	341.10	375.06	524.20	898.38
Expenditure					
Administration	48.05	48.69	64.87	70.22	73.24
Financial costs	1.14	2.31	17.72	17.22	229.46
Personnel cost	30.26	42.70	45.11	54.29	105.07
Operating cost	196.63	235.09	201.59	375.33	263.93
Depreciation	1.67	1.51	9.14	14.00	93.91
Total	277.75	330.30	338.43	531.06	765.61
Adjusted profit/(loss) before tax and exceptional items	8.44	10.80	36.63	(6.86)	132.77
Provision for tax					
- Current tax	2.79	4.01	6.05	3.30	8.03
- Deferred tax charge/(release)	(0.30)	0.26	9.18	(5.85)	40.84
Fringe Benefit Tax	-	-	-	-	1.73
Prior Period Tax	-	-	-	-	-
Adjusted profit/(loss) before exceptional items	5.95	6.53	21.40	(4.31)	82.17
Exceptional items -Loss due to floods	-	-	-	-	4.16
Net profit/(loss) after adjustment and exceptional items	5.95	6.53	21.40	(4.31)	78.01
Profit/(Loss) brought forward from previous year	2.11	8.06	4.59	25.99	21.68
Profit/(loss) balance available for appropriation	8.06	14.59	25.99	21.68	99.69
Less: Bonus Shares issued out of free reserve		10.00	-	-	32.00
Appropriations					
Transfer to Capital redemption reserve					
Balance carried forward to Balance Sheet	8.06	4.59	25.99	21.68	67.69

SUMMARY STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. In Million)

Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
A. Fixed assets					
(i) Gross block	7.54	9.34	144.01	259.03	1,761.58
Less : Accumulated depreciation	1.98	3.25	12.16	26.16	119.22
Net block after adjustment for Revaluation reserve	5.56	6.09	131.85	232.87	1,642.36
(ii) Capital work in progress/ advances	12.02	9.93	6.77	45.75	394.55
Net block	17.58	16.02	138.62	278.62	2,036.91
B. Current assets, loans and advances					
(i) Inventories	-	-	46.21	40.28	69.63
(ii) Sundry debtors	16.52	39.22	31.34	64.93	157.59
(iii) Cash and bank balances	5.15	3.51	31.83	34.63	30.95
(iv) Loans and advances	14.72	19.32	20.76	32.07	166.99
	36.39	62.05	130.14	171.91	425.16
A+B	53.97	78.07	268.76	450.53	2,462.07
C. Liabilities and provisions					
Secured loans	5.42	11.09	106.52	157.24	1,713.38
Unsecured loans	0.39	0.14	-	86.64	231.30
Current liabilities and provisions	29.31	41.23	68.03	100.61	292.50
Deferred tax liability – net	0.76	1.02	10.21	4.36	45.20
	35.88	53.48	184.76	348.85	2,282.38
NET WORTH	18.09	24.59	84.00	101.68	179.69
D. Represented by					
(i) Share Capital					
- Equity share capital	10.00	20.00	20.00	80.00	112.00
- Share application money	0.03	-	38.01	0.00	-
	10.03	20.00	58.01	80.00	112.00
(ii) Reserves and surplus					
- Profit and loss account	8.06	4.59	25.99	21.68	67.69
	8.06	4.59	25.99	21.68	67.69
Reserves	8.06	4.59	25.99	21.68	67.69
NET WORTH	18.09	24.59	84.00	101.68	179.69

THE ISSUE

Equity Shares offered:	
Fresh Issue by the Company	2,800,000 Equity Shares
Offer for Sale by the Selling Shareholder	700,000 Equity Shares
Total	3,500,000 Equity Shares
<i>Therefore</i>	
Issue to the Public	3,500,000 Equity Shares
<i>Of which</i>	
A) Qualified Institutional Buyers (QIB) portion	At least 1,750,000 Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only	87,500 Equity Shares
Balance for all QIBs including Mutual Funds	1,662,500 Equity Shares
B) Non-Institutional Portion	At least 525,000 Equity Shares available for allocation
C) Retail Portion	At least 1,225,000 Equity Shares available for allocation
Equity Shares outstanding prior to the Issue	11,200,000 Equity Shares
Equity Shares outstanding after the Issue	14,000,000 Equity Shares
Use of Proceeds by the Company	See the section titled "Objects of the Issue" on page 19 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was originally incorporated as Azal India Private Limited on April 13, 1998. We changed the name of our Company to Global Helicorp Private Limited pursuant to a special resolution of the shareholders passed at an extraordinary general meeting on May 23, 2003. Pursuant to a special resolution passed by our shareholders at an extraordinary general meeting dated August 26, 2004, the name of the Company changed to Global Vectra Helicorp Private Limited. Subsequently, by way of a special resolution passed by our shareholders at an extraordinary general meeting dated August 18, 2005, the name of the Company was changed to Global Vectra Helicorp Limited. The fresh certificate of incorporation consequent on change of name was granted by the ROC to us on October 10, 2005.

Registered Office

Global Vectra Helicorp Limited

A-54, Kailash Colony,
New Delhi 110 048
Tel: (91 11) 29235035/36 ; Fax: (91 11) 29235033
Registration Number: CINU62200BL1998PTC93225

Our registered office was shifted from 84-E, C-6 Lane (Off Central Avenue) Sainik Farms, New Delhi 110 062 to the current address by a resolution of our Board dated January 4, 2005.

Corporate Office

202, Krishna Kunj,
V. L. Mehta Marg, JVPD Scheme,
Mumbai 400 056
Tel: (91 22) 2618 6155; Fax: (91 22) 2617 6501

Address of Registrar of Companies

Registrar of Companies, National Capital Territory of Delhi and Haryana,
Paryavaran Bhawan, CGO Complex, Lodi Road,
New Delhi 110 001.

Board of Directors of the Issuer

Name and Designation,
Lt. Gen. (Retd.) SJS Saighal (Chairman and Managing Director)
P. Rajkumar Menon Director (Engineering)
Ambrish Thakker (Director)

For further details of our directors, see the section titled "Our Management" on page 57 of this Draft Red Herring Prospectus.

Company Secretary

Navin Chowdhary

Global Vectra Helicorp Limited
202, Krishna Kunj
V.L. Mehta Road
JVPD Scheme, Mumbai 400 056
Tel: (91 22) 2618 6155; Fax: (91 22) 2617 6501
Email: companysecretary@gvhl.net
Website: www.globalhelicorp.com

Compliance Officer***Vikram D. Kakaiya***

Global Vectra Helicorp Limited
202, Krishna Kunj
V.L. Mehta Road
JVPD Scheme, Mumbai 400 056
Tel: (91 22) 2618 6155; Fax: (91 22) 2617 6501
Email: vikramk@gvhl.net

Website: www.globalhelicorp.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Book Running Lead Managers**SBI CAPITAL MARKETS LIMITED**

202, Maker Towers 'E', Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 2218 9166
Fax: (91 22) 2218 8332
Email: gvhl.ipo@sbicaps.com
Website: www.sbicaps.com
Contact Person: Rajneesh Kumar

ICICI SECURITIES LIMITED

ICICI Centre,
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460/70
Email: gvhl_ipo@isecltd.com
Website: www.icicisecurities.com
Contact Person: Kartik Juneja

Syndicate Member

[•]

Domestic legal advisors to the Issue***Amarchand & Mangaldas & Suresh A. Shroff & Co.***

5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013, India
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Registrar to the Issue***Intime Spectrum Registry Limited***

C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West),
Mumbai 400 078, India
Tel. : (91 22) 2596 0320
Fax. : (91 22) 2596 0329
Email: gvhlipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Salim Shaikh

Bankers to the Issue and Escrow Collection Banks

[•]

Bankers to the Company

ABN Amro Bank N. V.

Brady House,
14, Veer Nariman Road
Fort , Mumbai - 400 023
Tel: (91 22) 5658 5858
Fax: (91 22) 2204 2673
Email: in.cs@in.abnamro.com

Indian Overseas Bank

Fort Branch,
Elphinstone Building,
2/10, Veer Nariman Road,
Fort , Mumbai - 400 023
Tel: (91 22) 2204 0565
Fax: (91 22) 2204 5669
Email: forttr@mmrc01.jobnet.co.in

ICICI Bank Limited

Sagar Avenue,
Opposite Shoppers Stop,
S V Road, Andheri (W)
Mumbai - 400 058
Tel: (91 22) 2671 5844
Fax: (91 22) 2670 5950
Email: corporatecare@icicibank.com

Standard Chartered Bank

65-F, Vithalbhai Patel Road,
Santacruz (W),
Mumbai - 400 054
Tel: (91 22) 2604 1328
Fax: (91 22) 2649 3959
Email: customer.care@in.standardchartered.com

Auditors

BSR & Co.

Chartered Accountants
KPMG House, Kamala Hills Compound,
448, Senapati Bapat Marg,
Lower Parel,
Mumbai 400 013
Tel - (91 22) 2491 3030
Fax – (91 22) 2491 3132

Statement of Inter Se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities amongst the BRLMs:

Particulars	Responsibility	Coordinator
1. Capital structuring with the relative components and formalities such as type of instruments etc.	SBI Caps, I-Sec	SBI Caps
2. Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same.	SBI Caps, I-Sec	SBI Caps
3. Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, roadshow presentations, FAQs, corporate films etc.	SBI Caps, I-Sec	SBI Caps
4. Appointment of intermediaries viz. Printers and Advertising Agency	SBI Caps, I-Sec	SBI Caps
5. Appointment of other intermediaries viz. Registrar and Bankers to the Issue.	SBI Caps, I-Sec	I-Sec
6. Institutional Marketing of the Issue, which will cover, <i>inter alia</i> , Finalize the list and division of investors for one to one meetings; and Finalize roadshow schedule and investor meeting schedules	SBI Caps, I-Sec	SBI Caps

Particulars	Responsibility	Coordinator
7. Non-Institutional and Retail Marketing of the Issue, which will cover, <i>inter alia</i> , Formulating marketing strategies, preparation of publicity budget; Finalise Media & PR strategy; Finalise centres for holding conferences for brokers etc.; Finalise collection centres; and Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the Issue material.	SBI Caps, I-Sec	I-Sec
8. Deciding pricing in consultation with the Company	SBI Caps, I-Sec	I-Sec
9. The post bidding activities including management of escrow accounts, coordinate allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	SBI Caps, I-Sec	I-Sec

Credit Rating

As this is an offer of Equity Shares there is no credit rating for this Issue.

IPO Grading

We have not opted for the grading of this Issue.

Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company and the Selling Shareholder;
2. BRLMs;
3. Syndicate Member who is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs; and
4. Registrar to the Issue.

The Issue is being made through the 100% book building process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, at least 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Bidder or the Retail Individual Bidder, would be met with spill over from other categories at the sole discretion of the Company and the Selling Shareholder, in consultation with the BRLMs.

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, as per recent amendments to the SEBI Guidelines, QIBs are required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. Please refer to the section titled “The Issue” on page 6 of this Draft Red Herring Prospectus for more details.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

While the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer and the Selling Shareholder, in consultation with the BRLMs, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid, see section titled “Issue Procedure” on page 140 of this Draft Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form, see the section titled “Issue Procedure” on page 140 of this Draft Red Herring Prospectus; and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time even after the Bid/Issue Opening Date without assigning any reason therefore.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	[•]
BID/ISSUE CLOSES ON	[•]

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form on all days and uploaded until such time as permitted by the BSE and the NSE on the Bid /Issue Closing Date.

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with ROC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill its underwriting obligations. The Underwriting Agreement is dated [•].

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. Million)
1. SBI Capital Markets Limited 202, Maker Towers 'E', Cuffe Parade, Mumbai 400 005 Tel: (91 22) 2218 9166 Fax: (91 22) 2218 8332	[•]	[•]
2. ICICI Securities Limited ICICI Centre, H.T. Parekh Marg. Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580		
3. [•]		

The above mentioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Notwithstanding the above table, the BRLMs, and the Syndicate Member shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of filing of this Draft Red Herring Prospectus with SEBI, is set forth below:

	Aggregate Value at Face Value	Aggregate Value at Issue Price
A. Authorized Equity Capital		
25,000,000 Equity Shares	250,000,000	-
B. Issued, Subscribed And Paid-Up Equity Capital before the Issue		
11,200,000 Equity Shares fully paid-up before the Issue	112,000,000	[●]
C. Present Issue in terms of this Draft Red Herring Prospectus		
3,500,000 Equity Shares*	35,000,000	[●]
<i>Of which</i>		
<i>Fresh Issue by the Company</i>		
2,800,000 Equity Shares	28,000,000	[●]
<i>Offer for sale by the Selling Shareholder</i>		
700,000 Equity Shares	7,000,000	[●]
D. Equity Capital after the Issue		
14,000,000 Equity Shares	140,000,000	[●]
E. Securities Premium Account		
Before the Issue	Nil	
After the Issue	[●]	

* The present Issue has been authorized by the Board of Directors in their meeting on January 25, 2006, and by the shareholders of our Company at an EGM held on February 20, 2006 and by the Selling Shareholder by their resolution dated January 30, 2006 and letter of February 6, 2006.

- a) The initial authorized capital of Rs. 10,000,000 comprising of 1,000,000 Equity Shares was increased to Rs. 20,000,000 comprising of 2,000,000 Equity Shares pursuant to a resolution of the shareholders at an EGM held on September 21, 1999.
- b) The authorized capital of Rs. 20,000,000 comprising of 2,000,000 Equity Shares was increased to Rs. 50,000,000 comprising of 5,000,000 Equity Shares pursuant to a resolution of the shareholders at an EGM held on April 4, 2003.
- c) The authorized capital of Rs. 50,000,000 comprising of 5,000,000 Equity Shares was increased to Rs. 100,000,000 comprising of 10,000,000 Equity Shares pursuant to a resolution of the shareholders at an EGM held on January 1, 2004.
- d) The authorized capital of Rs. 100,000,000 comprising of 10,000,000 Equity Shares was increased to Rs. 120,000,000 comprising of 12,000,000 Equity Shares pursuant to a resolution of the shareholders at an EGM held on June 20, 2005.
- e) The authorized capital of Rs. 120,000,000 comprising of 12,000,000 Equity Shares was increased to Rs. 250,000,000 comprising of 25,000,000 Equity Shares pursuant to a resolution of the shareholders at an EGM held on February 18, 2006.

The details of the Equity Shares being offered in the Offer for Sale by the Selling Shareholder is as follows:

Sr. No.	Names of Selling Shareholder	No. of Equity Shares
1.	Azal Azerbaijan Aviation Limited	700,000
Total		700,000

Notes to Capital Structure

1. Share Capital History of our Company

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment ^a	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
April 13, 1998	2	10	10	Cash	Subscription to the Memorandum	2	20	-
August 20, 1999	999,998	10	10	Cash	Allotment to Hemendra Sharma, Manju Sharma, Altaf Tumbi and AAA	1,000,000	10,000,000	-
September 20, 2002	1,000,000	10	10	-	Bonus Issue	2,000,000	20,000,000	-
August 26, 2004	4,000,000	10	10	Cash	Further Allotment to VIPL and AAA	6,000,000	60,000,000	-
September 17, 2004	2,000,000	10	10	Cash	Further Allotment	8,000,000	80,000,000	-
November 7, 2005	3,200,000	10	10	-	Bonus Issue	11,200,000	112,000,000	-
Total	11,200,000							-

^a For more details see the section titled “History and Corporate Structure” on page 54 of this Draft Red Herring Prospectus.

2. Promoter Contribution and Lock-in

All Equity Shares which are being locked in are eligible for computation of Promoter’s contribution and lock in under clause 4.6 of the SEBI Guidelines.

Name of Promoter	Date on which Equity Shares were allotted/transferred	Nature of transaction	Nature of payment of consideration	Number of Equity Shares –	Price (in Rs.)	Lock-in Period*
VIPL	September 17, 2004	Allotment	Cash	879,998	8,799,980	3 year
	May 12, 2005	Transfer	Cash	2	20	
	July 11, 2005	Allotment	Bonus issue	1,920,000	-	
Sub Total				2,800,000	8,800,000	
AAA	August 20, 1999	Allotment	Cash	400,000	4,000,000	1 year
	September 20, 2002	Allotment	Bonus issue	400,000	-	
	August 26, 2004	Allotment	Cash	1,600,000	16,000,000	
	September 17, 2004	Allotment	Cash	800,000	8,000,000	
	July 11, 2005	Allotment	Bonus issue	1,280,000	-	
Sub Total				4,480,000	28,000,000	
VIPL	August 17, 2004	Transfer	Cash	1,199,996	7,199,976	
	September 17, 2004	Transfer	Cash	2	20	
	August 26, 2004	Allotment	Cash	2,400,000	24,000,000	

Name of Promoter	Date on which Equity Shares were allotted/transferred	Nature of transaction	Nature of payment of consideration	Number of Equity Shares –	Price (in Rs.)	Lock-in Period*
	September 17, 2004	Allotment	Cash	320,002	3,200,020	
Sub Total				3,920,000	34,400,016	1 year
Total				11,200,000	71,199,016	

* Including 50 Equity Shares held by five nominees including Ravinder Kumar Rishi on behalf of VIPL, which were transferred by VIPL on July 18, 2005.

A total of 2,800,000 Equity Shares forming 20% of the post Issue paid up capital of our Company shall be locked in by VIPL for a period of three years as minimum Promoter's contribution. The lock-in shall start from the date of allotment in the proposed Issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the public issue. The entire pre-Issue capital other than: (a) locked in as minimum promoters' contribution and (b) offered as part of the Offer for Sale, shall be locked in for a period of one year from the date of Allotment under this Issue.

Further the Promoters have given an undertaking that securities forming part of the minimum promoters' contribution subject to lock-in, will not be disposed /sold /transferred by the promoters during the period starting from the date of filing the draft prospectus with SEBI until the date of commencement of lock-in period as stated above.

The locked in Equity Shares held by the Promoters, can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

In terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoter may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

3. The list of shareholders of our Company and the number of Equity Shares held by them is as follows:

(a) All our seven shareholders and the number of Equity Shares held by them as of the date of filing this Draft Red Herring Prospectus with SEBI and ten days prior are as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding
1.	VIPL	6,719,950	60.00
2.	AAA	4,480,000	40.00
3.	Ravinder Kumar Rishi	10	0.00
4.	Bharat Bhushan Bahl	10	0.00
5.	Kanchan Bharat Bhushan Bahl	10	0.00
6.	Rakesh Jinsi	10	0.00
7.	Anil Mansharamani	10	0.00
	TOTAL	11,200,000	100

- (b) Details of all our shareholders and the number of Equity Shares held by them as of two years prior to filing of this Draft Red Herring Prospectus are as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding
1.	AAA	800,000	40.00
2.	Altaf Tumbi	469,996	23.49
3.	Hemendra Sharma	370,000	18.50
4.	Manju Sharma	360,000	18.00
5.	Premnath Rai	2	0.01
6.	Kapil Dev Sapra	2	0.01
TOTAL		2,000,000	100

4. Shareholding pattern of our Company before and after the Issue is as follows:

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue.

Shareholder Category	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
	No. of shares	%	No. of shares	%
Promoters				
VIPL	6,719,950	60.00	6,719,950	48.00
AAA	4,480,000	40.00	3,780,000	27.00
Ravinder Kumar Rishi	10	0.00	10	0.00
Others	40	0.00	40	0.00
Public	Nil	Nil	3,500,000	25.00
Total	11,200,000	100	14,000,000	100

5. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company.
6. Our Company, our Promoters and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company from any person, other than as disclosed in this Draft Red Herring Prospectus.
7. The Company has not issued Equity Shares for consideration other than cash.
8. There has been no sale or purchase of Equity Shares by the Promoters or the Promoter Group in the last six months. No Equity Shares have been sold or purchased by our Promoter and our Promoter Group Companies, during the period of six months preceding the date on which the DRHP is filed with SEBI.
9. At least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. At least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Bidder or the Retail Individual Bidder, would be met with spill over from other categories at the sole discretion of the Company and the Selling Shareholder in consultation with the BRLMs.
10. As on the date of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

11. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
12. We have not raised any bridge loan against the proceeds of the Issue.
13. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off while finalising the Basis of Allotment.
14. Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.
15. We presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, other than the issue of stock options to our employees. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the interest of the Company.
16. We have not issued any Equity Shares out of revaluation reserves. Apart from bonus Equity Shares we have not issued any Equity Shares for consideration other than cash.
17. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
18. As of May 22, 2006 the total number of holders of Equity Shares is seven.

OBJECTS OF THE ISSUE

The objects of the Issue are to achieve the benefits of listing on the Stock Exchanges and to raise capital. We believe that listing will enhance the Company's brand name and provide liquidity to the Company's existing shareholders. Listing will also provide a public market for the Equity Shares in India. The specific objects of the Issue are:

- Fleet expansion;
- Infrastructure development - Building hangar at Juhu aerodrome, Mumbai;
- Conversion of nine helicopters to Aviation Standard – 4 (AS-4);
- Retirement of Debt;
- General Corporate Purposes; and
- Issue Expenses.

The Issue comprises the Fresh Issue and the Offer for Sale. The object of the Offer for Sale is to carry out the disinvestment of 700,000 Equity Shares by the Selling Shareholder. The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

All expenses, other than the listing fees, with respect to the Issue will be shared between us and the Selling Shareholder on a proportionate basis in the ratio of Equity Shares issued by us in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. The net proceeds of the Fresh Issue after deducting all Issue related expenses are estimated to be approximately Rs. [●] million. The Company intends to use the net proceeds of the Fresh Issue in the manner stated below.

The requirement of funds is based on our current business plan. In view of the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirements may also change. This may include rescheduling of our capital expenditure programmes and / or reducing or increasing the amount of prepayment/repayment of debt. All proposed expenditure is based on internal management estimates unless otherwise specifically stated as based on quotations received. Some of the quotations and estimates received are in currencies other than in Indian Rupees. Any fluctuations in the foreign exchange rate may have an impact on the proposed utilization of the Net Proceeds.

Requirement of Funds and Schedule of Utilization

The following table summarizes the requirement of funds and the use of net proceeds from the Fresh Issue:

<i>(Rs. In Million)</i>		
S. No.	Particulars	Amount
1.	Fleet expansion	2,119.65
2.	Infrastructure development - Building hangar at Juhu aerodrome, Mumbai	80.04
3.	Conversion to AS-4	54.81
4.	Retirement of Debt	189.95
5.	General corporate purposes and other expenses	[●]
6.	Cost of the Issue	[●]
Total		[●]

The sources of finance for our requirements above shall be as follows:

<i>(Rs. in Million)</i>		
S. No.	Particulars	Amount
1.	Borrowings	1,483.76
2.	Issue Proceeds/Internal Accruals	[●]
Total		[●]

Whilst the above table provides the total funds requirement in conformity with our current business plans, it is our intention to obtain borrowings towards at least 70% of the fleet acquisition costs. Net proceeds of the Fresh

Issue will be utilised to meet the balance funding towards fleet acquisition and towards other purposes as provided above. In the event of a surplus after meeting these, the Company will use such surplus towards general corporate purposes. We shall have flexibility in applying the balance Net Proceeds of this Issue, in accordance with the policies determined by our Board. The Board periodically reviews various opportunities that may come up for consideration.

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association enable the Company to undertake its existing activities and the activities for which funds are being raised by the Company in the Fresh Issue.

1. Fleet Expansion

The details of our proposed expenditure in relation to the expenditure required towards the deposits to be paid for new helicopters are as follows:

<i>(Rs. in Million)</i>		
S. No	Particulars	Amount*
1.	Four Bell 412s helicopters	1,296.00
2.	Two EC 155B1 helicopters	823.65
	Total	2,119.65

* Assuming that USD 1 = Rs. 45.00 and Euro 1 = Rs. 57.00

The expenses will be incurred near to the time of taking delivery of helicopters which is expected to be completed by the end of Fiscal 2007.

2. Infrastructure development by building hangar at Juhu aerodrome, Mumbai

To meet our requirements pursuant to our proposed fleet expansion, we plan to construct our own hangar in Juhu aerodrome, Mumbai. The construction of the same shall ensure that our operations are more efficient and increase our ability to service our helicopters. The hangar is proposed to be completed by the end of Fiscal 2007. We estimate that we will use approximately Rs. 80.04 million of the Issue proceeds towards the setting up our hangar. The break-up of the expenditure is as set forth below:

<i>(Rs. in Million)</i>		
S. No	Particulars	Amount
1.	Civil works	38.04
2.	Plumbing and fire fighting works	8.00
3.	Electrical works	13.00
4.	Heating, Ventilation and Air conditioning works	7.00
5.	Electric Overhead Traversing Cranes	3.00
6.	Interior work	10.00
7.	Compressed Air Line	1.00
	Total	80.04

We have already received the approval of land, at Juhu aerodrome, from the Airport Authority of India. We intend to complete the construction of the hangar before the end of Fiscal 2007.

3. Conversion to AS-4

In order to meet our contractual requirements, we intend to upgrade our helicopters to meet AS-4 requirements. The details of our proposed expenditure for the conversion of six Bell 412 helicopters to AS-4, is as follows:

<i>(Rs. in Million)</i>		
S. No	Particulars	Amount
1.	Six Bell 412 Conversion to AS-4	54.81

* Assuming that USD 1 = Rs. 45.00

Estimated cost per helicopter

(in Rs.)

Components	Amount
Public Address System	225,000.00
Upper Torso Restraints	270,000.00
Emergency Exit Lighting	450,000.00
Mini HUMS	5,400,000.00
Re-breathers (15 per helicopter)	675,000.00
Life Rafts (two per helicopter)	675,000.00
Emergency Locator Transmitters	
a) Installed in Life Raft (SARBE)	675,000.00
b) Personalised Wristband (15 per helicopter)	675,000.00
Miscellaneous	90,000.00
Total	9,135,000.00

The conversion to AS-4 is to make our helicopters meet higher safety requirements. The process of conversion takes approximately two to three weeks and is generally scheduled as and when the helicopters are available from the contracts. We plan to complete the conversion for the six helicopters by Fiscal 2007.

4. Retirement of Debt

We propose to use Rs. 189.95 million out of the Issue proceeds for retiring the debt due by us to Vectra Limited, a Promoter Group company and Azal Azerbaijan Aviation Limited, our Promoter. The details of our proposed utilisation of Issue proceeds for the retirement of debt is as follows:

		(Rs. in Million)
S. No	Particulars	2006-07
1.	Retirement of debt from Vectra Limited	114.99
2.	Retirement of debt from AAA	74.96
	Total	189.95

The Company intends to utilize the proceeds of the Fresh Issue towards repayment of the above loans from Promoter and Promoter Group company. For further details regarding the debts from Promoters, please refer to the section titled "Our Management" on page 59 of this Draft Red Herring Prospectus.

5. General Corporate Purposes

Any excess amounts collected from the Fresh Issue will be deployed for general corporate purposes. We will have flexibility in applying the balance Net Proceeds of this Issue, in accordance with the policies determined by our Board. The Board periodically reviews various opportunities that may come up for consideration.

Issue Expenses

All expenses with respect to the Issue will be shared between us and the Selling Shareholder on a proportionate basis in the ratio of Equity Shares issued by us in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale.

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLMs, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

		(Rs. in Million)
		Estimated Expense*
Activity		
Lead management fee, underwriting and selling commissions		[●]
Advertising and marketing expenses		[●]
Printing and stationery		[●]
Others (Registrar's fee, legal fee etc.)		[●]
Total estimated issue expenses		[●]

* Will be incorporated after finalization of Issue Price

In addition to the above, listing fees will be paid by the Company.

Appraisal

The funds requirement and funding plans are the Company's own estimates, and have not been appraised by any bank /financial institution. In case of a shortfall in the Net Proceeds of the Issue, the management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. The management is of the opinion that such alternate arrangements would be available to fund any such shortfall.

Interim Use of Proceeds

The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Fresh Issue. Pending utilization of the proceeds out of the Fresh Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks or temporarily deploy the funds in working capital loan accounts. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilization of Funds

The Board shall monitor the utilization of the proceeds of the Fresh Issue. The Company will disclose the utilization of the proceeds of the Fresh Issue under a separate head in the Company's balance sheet for Fiscal 2007 clearly specifying the purpose for which such proceeds have been utilized. The Company will also, in the Company's balance sheet for Fiscal 2007, provide details, if any, in relation to all such proceeds of the Fresh Issue that have not been utilized and also indicating investments, if any, of such unutilized proceeds of the Fresh Issue.

BASIS FOR ISSUE PRICE

The Price Band for the Issue shall be decided prior to the filing of the Red Herring Prospectus with the ROC. The Issue Price will be determined by the Company and the Selling Shareholder in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs. 10 each and the Issue Price is [●] times of the face value.

Investors should read the following summary with the section titled “Risk Factors” beginning on page (viii) of this Draft Red Herring Prospectus and the details about the Company and its financial statements included in this Draft Red Herring Prospectus. The trading price of the Equity Shares of the Company could decline due to these risks and the investor may lose all or part of his/her/its investments.

Qualitative Factors

1. Long Term Nature of Operations and Strong Relationships:

We provide services to clients operating in oil and gas exploration and production sector under contracts, which are for a period of one to three years with renewal options. We have been in this industry over the last eight years and have grown from serving one client to five clients, with our initial clients continuing to use our services. We are one of the few companies operating in a highly regulated industry which requires considerable expertise and experience for qualifying to do business and in which there is considerable time period involved for gaining an entry into the industry. Personnel are another important factor for success in this industry, since the regulations and client requirements require minimum offshore experience of the pilots. We have thus achieved a first-mover advantage, being one of the first and few companies operating in this niche area. All these factors act as natural barriers for potential competitors who want to start operations.

2. Large and Modern Fleet of Helicopters:

To meet the operational requirements of our clients, we currently have a fleet strength of 12 Bell 412 helicopters, which is considered a benchmark in its class for performance, availability and reliability. Our large fleet and standard model of helicopters helps us achieve synergy and economies of scale in fleet management and strengthens our flight operations, spares inventory, crewing, engineering activities, insurance, overhead and related activities. The average age of our fleet is around 12.5 years and by December 2006 the average age of the fleet would be lower. We believe that newer helicopters and our young fleet will help us achieve a lower down time, which translates to a high operational efficiency and client satisfaction.

3. In-house Maintenance, Repairs & Overhaul (MRO) Support Capabilities:

We are able to support our operations in an efficient manner because of our strong in-house MRO capabilities. We are the only helicopter company in India certified to undertake the 3,000 hours / 5 years check on the Bell 412 helicopter fitted with Pratt & Whitney PT6T-3 Series engines. This is the most advanced check on this type of helicopter and entails the complete overhaul of the helicopter and its components. We are also certified by DGCA to undertake an overhaul of some of the major components of the Bell 412 helicopter. We also have spares and servicing support stemming from our long-standing relationships with various OEMs and servicing agencies which gives us priority for availability of parts, and extended credit line, allowing us to achieve a high efficiency in our MRO activities. Our in-house capability enables us to reduce the downtime for repairs on our helicopters, as we do not have to ship the helicopter to outside agencies, leading to enhanced serviceability of our fleet. We also have the advantage of low labour costs in India, which helps reduce our costs further. The combination of the above factors we believe enables us to offer our services at competitive rates in comparison to other operators.

4. Experienced and Professional Management

We have an experienced and professional management team overseeing our operations. Our Chairman and Managing Director has over 25 years of experience in operating helicopters in India. All key personnel have strong aviation backgrounds and possess extensive experience in their areas of

operation. We have 44 pilots and 18 Aircraft Maintenance Engineers. Most of our pilots come from defence background with thousands of hours of prior flying experience. We believe, due to our in house pilot training ability we are able to train and release new pilots faster than our competitors. The strong support from the parent Vectra Group in the management, compliments the strength of the Indian management team.

5. Focus on Safety

We have developed sophisticated safety and training programs & practices that have resulted in our strong safety record. We are certified with the ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 standard by DNV. We have also independently addressed the safety aspect of our operations across all activities including the air and ground crew, helicopter, flight operations, maintenance and training by setting up internal systems. All our AMEs undergo a refresher training every two years and hold regular technical meeting and updates on the latest maintenance systems on helicopters. We are in the process of converting nine of our helicopters to be Aviation Standard 4 compliant. This standard was issued by an Indian oil and gas major and requires compliance with one of the highest offshore helicopter safety system in the world.

Quantitative Factors

Information presented in this section is derived from the Company's restated financial statements prepared in accordance with Indian GAAP and included in the Draft Red Herring Prospectus. Some of the quantitative factors which may form the basis for computing the Issue Price are given below:

1. Earning per share (EPS)

Year	EPS (Rs.)	Weight
Fiscal 2004	4.12	1
Fiscal 2005	(0.48)	2
Fiscal 2006	7.34	3
Weighted Average	4.19	

Note:

- (i) EPS has been calculated as per the following formula: (Net Profit) / (Weighted average number of Equity Shares)
- (ii) EPS calculations have been done in accordance with AS 20 – "Earnings per Share" issued by the ICAI

2. Price to Earning Ratio (P/ E) in relation to Issue Price of Rs. [●]

Based on the Fiscal 2006, adjusted EPS of Rs. 7.34 is [●].

P/E based on the weighted average EPS is [●].

Industry peer: There are no listed comparables in the Indian offshore helicopter transportation service industry.

3. Return on Net Worth % (RONW)

Year	RONW	Weight
Fiscal 2004	25.47	1
Fiscal 2005	(4.24)	2
Fiscal 2006	45.73	3
Weighted Average	25.70	

RONW has been calculated as per the following formula:

(Net Profit) / (Equity shareholder's funds outstanding at the end of the year) x 100

Minimum Return on the increased Net Worth after the Issue required to maintain the pre-Issue EPS of Rs. 7.34 is [●]%

4. Net Asset Value (NAV) per Equity Share

As of March 31, 2006 : Rs. 16.04
After the Issue: Rs. [●]

The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

NAV has been calculated as per the following formula: (Shareholders' equity less miscellaneous expenses)/ (Total number of Equity Shares outstanding at the end of the period)

5. Comparison with Industry Peers

There are no listed comparables in the Indian offshore helicopter transportation services industry.

The Issue Price of Rs. [●] has been determined by the Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above factors.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Auditors' Report on Statement of Possible Tax Benefits

We hereby report that we have reviewed the enclosed Annexure 'A' which states the possible tax benefits available to Global Vectra Helicorp Limited (formerly Global Vectra Helicorp Private Limited) ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions specified under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives that the Company faces in future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For **BSR & Co.**

Mumbai
4 May 2006

Akeel Master
Partner
Membership No: 046768

1. Benefits available to the Company

Direct Tax – The Income-tax Act 1961 ('the Act')

- a) **Exemption of lease payments:** In terms of section 10(15A) of the Act, any consideration payable by the company to a foreign enterprise for acquiring an aircraft or an aircraft engine (other than payment for providing spares, facilities or services in connection with the operation of the leased aircraft) on lease under an agreement executed before April 1, 2007 and approved by the Central Government in this behalf is exempt from tax in the hands of the recipient. Accordingly, no tax would be required to be borne by the company for payments under a tax protected agreement executed before April 1, 2007.
- b) **Dividend income:** Dividend income, if any, received by the Company from its investment in shares of another Domestic Company will be exempt from tax under Section 10(34) read with Section 115O of the Act. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Act will also be exempt from tax under Section 10(35) of the Act.
- c) **Capital gains:** Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other listed securities or units of UTI or Mutual Fund units or Zero Coupon Bonds) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company or any other listed securities or units of UTI or Mutual Fund units and Zero Coupon Bonds are considered as long term capital assets if these are held for a period exceeding 12 months.

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset (except Securities transaction tax), from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under the provisions of Section 112 of the Act, long-term gains are subject to tax at a rate of 20.91 percent (basic rate of 20% to be increased by a surcharge of 2.50 percent and the total to be increased by an additional surcharge by way of education cess at the rate of 2 per cent).

Under the proviso to Section 112(1), the long term capital gains arising on transfer of listed securities or units is restricted to 10.45 per cent (basic rate of 10% to be increased by a surcharge of 2.50 per cent and the total to be increased by an additional surcharge by way of education cess at the rate of 2 per cent) of gains without indexation benefit.

From 1 October 2004, long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under Section 10(23D) entered into in a recognized stock exchange are exempt from tax under Section 10(38) of the Act on being subject to Securities Transaction Tax levied under Chapter VII of the Finance (No. 2) Act of 2004.

From 1 October 2004, under the provisions of section 111A of the Act, short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under Section 10(23D) on recognized stock exchange are subject to tax at the rate of 10.45% (basic rate of 10% to be increased by a surcharge of 2.50% and the total to be increased by an additional surcharge by way of education cess at the rate of 2%), provided the transfer is chargeable to Securities Transaction Tax being levied under Chapter VII of the Finance (No. 2) Act of 2004.

- d) **Exemption of capital gains from income tax:** As per Section 54EC of the Act and subject to conditions specified therein, taxable long-term capital gains are not chargeable to tax to the extent they are invested in certain notified bonds within six months from the date of transfer. If the Company transfers or converts the said bonds into money (as stipulated therein) within a

period of three years from the date of their acquisition, the amount of gain exempted earlier would become chargeable to tax in such year. The bonds specified for this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC).

- e) **Fringe Benefit Tax:** Under Chapter XII-H of the Act (as introduced by the Finance Act, 2005 for every assessment year commencing on or after the 1st day of April, 2006 (financial year 2005-06) in addition to the income-tax charged under the Act, the company will be liable to pay, additional income-tax (referred to as “fringe benefit tax”) in respect of fringe benefits provided or deemed to have been provided by an employer to its employees during the previous year. Fringe benefit tax is leviable at the rate of 33.66% (basic rate of 30% to be increased by a surcharge of 10% and the total to be increased by an additional surcharge by way of education cess at the rate of 2%) on the value of such fringe benefits.

Fringe benefits are deemed to have been provided if the employer has, in the course of his business or profession, incurred any expense on or made any payment for purposes such as entertainment, festival celebrations, gifts, conference, employee welfare, conveyance, tour and travel, hotel, boarding and lodging, repair running and maintenance of motor cars, use of telephone, etc.

However, in case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes of repair, running (including fuel) and maintenance of aircrafts and the amount of depreciation thereon will be taken as Nil, and for provision of hospitality and use of hotel, boarding and lodging facilities the value will be taken as 5% instead of 20% of the total expenditure applicable to other employers.

- f) **Credit for Minimum Alternate Taxes (“MAT”):** In terms of section 115JAA, the company is eligible to claim credit for any tax paid as under Section 115JB or 115JA of the Act against income tax liabilities incurred in subsequent years. MAT credit eligible for carry forward to subsequent years is the difference between MAT paid and the tax computed as per the normal provisions of the Act.

2. Benefits available to resident shareholders

- a) **Dividend income:** As outlined in item (b) of paragraph 1 above.
- b) **Capital gains:** As outlined in item (c) of paragraph 1 above except in case of individuals, Hindu undivided family, Association of persons or Body of individuals, where the applicable surcharge is 10 per cent if the total income exceeds 1,000,000 and needs to be factored in before levy of additional surcharge by way of educational cess of 2%. In case where income does not exceed Rs. 1,000,000 the applicable surcharge is nil and additional surcharge by way of educational cess of 2%.
- c) **Exemption of capital gains from income tax:** As outlined in item (d) of paragraph 1 above. Further, as per the provisions of Section 54F of the Act and subject to conditions specified therein, any taxable long term capital gains (other than on transfer of residential house but including those on shares) arising to an individual or Hindu Undivided Family are exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three year from the date of transfer, provided that the individual should not own more than one residential house.

If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as capital gains in the year in which the additional residential house is required.

- d) **Rebate of Securities transaction tax:** In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head “Profit and gains of business or profession” arising from taxable securities transactions computed by applying average income tax rate. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains.

3. Benefits available to Non-Resident Shareholders

- a) **Dividend income:** As outlined in item (b) of paragraph 1 above.
- b) **Capital gains:** As outlined in item (c) of paragraph 1 above except that under first proviso to Section 48 of the Act, the taxable capital gains arising on transfer of capital assets being shares or debentures of an Indian Company need to be computed by converting the cost of acquisition, expenditure on connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares or debentures were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. In view of this mechanism, in computing such gains, the benefit of indexation is not available to non-resident shareholders. In case of a non-resident individual, the applicable surcharge is 10 per cent if the total income exceeds Rs. 1,000,000 and needs to be factored in before levy of additional surcharge by way of education cess of 2 per cent. In other cases the applicable surcharge is nil and additional surcharge by way of education cess of 2 per cent.
- c) **Exemption of capital gains from income tax:** Benefits outlined in item (d) of paragraph 1 and benefits available to resident shareholders in item (c) of paragraph 2 above are also available to non-resident shareholders.
- d) **Tax Treaty Benefits:** As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty or the Act.
- e) **Rebate of Securities transaction tax:** As outlined in item (d) of paragraph 2 above.

4. Benefits available to Non-Resident Indian shareholders

- a) **Dividends:** As outlined in item (b) of paragraph 1 above.
- b) **Capital gains:** Under Section 115I of the Act, a Non-resident Indian (NRI) as defined therein has the option to be governed by the normal provisions of the Act as outlined in item (c) of paragraph 2 and item (0) of paragraph 3 or the provisions of Chapter XII-A of the Act through appropriate declaration in the return of income. The said Chapter *inter alia* entitles NRI to the benefits stated hereunder in respect of income from shares in an Indian company acquired, purchased or subscribed in convertible foreign exchange.

As per the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, taxable long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the of 10.20 percent (basic rate of 10 per cent to be increased by additional surcharge by way of education cess of 2 per cent) (if the total income exceeds Rs. 1,000,000 then a surcharge of 10% needs to be factored before levy of additional surcharge).

As per the provisions of Section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long-term capital asset being shares in an Indian Company would not be chargeable to tax. To avail this benefit the entire net consideration received on such transfer needs to be invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act.

If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

The specified asset or savings certificates in which the investment has been made are restricted from being transferred within a period of three years from the date of investment. In the event of such a transfer the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if:

- Their only source of income is income from investments or long term capital gains earned on transfer of such investments or both; and
- The tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

As per Section 115H of the Act, when a NRI becomes a resident in India, the provisions of the Chapter XII-A can continue to apply in relation to investment made when he was a NRI. Towards this, the NRI needs to furnish a declaration in writing to the Assessing Officer along with his return of income.

- c) **Tax Treaty Benefits:** As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident (including NRIs) can opt to be governed by the beneficial provisions of an applicable tax treaty or the Act.
- d) **Rebate of Securities transaction tax:** As outlined in item (d) of paragraph 2 above.

5. Special benefits available to Foreign Institutional Investors ('FIIs')

- a) **Dividend income:** As outlined in item (c) of paragraph 1 above.
- b) **Capital gains:** As per the provisions of Section 115AD of the Act, FIIs are taxed on the capital gains income at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains	30

The above tax rates would need to be increased by the applicable surcharge of 2.5 per cent and the total to be increased by an additional surcharge of 2 per cent towards education cess. In case of Non-corporate FIIs (e.g. trusts) the surcharge is 10% if their total income exceeds Rs. 1,000,000, otherwise it is Nil. This has to be increased by additional surcharge of 2%. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to a FII.

From 1 October 2004, long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under Section 10(23D) entered into in a recognized stock exchange are exempt from tax under Section 10(38) of the Act on being subject to Securities Transaction Tax as levied under Chapter VII of the Finance (No. 2) Act of 2004.

From 1 October 2004, short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under Section 10(23D) on the recognized stock exchange to Corporate FIIs are subject to tax at the rate of 10.45 per cent (basic rate of 10% to be increased by a surcharge of 2.50 per cent and the total to be increased by an additional

surcharge of 2 per cent by way of education cess) on being subject to Securities Transaction Tax levied under Chapter VII of the Finance (No. 2) Act of 2004. In case of Non-corporate FIIs (e.g. FII), the applicable surcharge is 10% if their total income exceeds Rs. 1,000,000.

c) **Tax Treaty Benefits:** As outlined in paragraph 4(c) above.

d) **Rebate of Securities transaction tax:** As outlined in item (d) of paragraph 2 above.

6. Benefits available to Mutual Funds

Dividend income: As outlined in item (c) of paragraph 1 above.

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions.

7. Benefits available to Venture Capital Companies / Funds

Dividend income: As outlined in item (c) of paragraph 1 above.

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified.

8. Benefits available under the Wealth-tax Act, 1957

Asset as defined under Section 2(ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

Notes:

- i. *All the above benefits are as per the current tax law as amended by the Finance Act, 2006.*
- ii. *The stated benefits will be available only to the sole/first named holder in case the share are held by joint holders; and*
- iii. *In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.*

SECTION IV: ABOUT THE COMPANY

INDUSTRY

The information in this section is derived from various government and other public sources. The industry sources cited herein include the websites of Director General of Civil Aviation, Ministry of Petroleum, Director General of Hydrocarbons, www.indiapetro.com and Helicopter Safety and Advisory Conference. Neither we nor any other person connected with the Issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources and publications generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assumed and accordingly investment decisions should not be based on such information.

Overview

Helicopters are used commercially in the oil and gas exploration and production sector to transport crew and cargo to oil rigs. They are also deployed in a variety of other sectors, including, forestry, mining, search and rescue, emergency medical services, construction, mapping, electronic news gathering, law enforcement, power line maintenance, fire fighting, search and rescue.

The main demand driver for the offshore helicopter transportation services industry is oil and gas exploration and production activity. This activity has increased in recent years as the crude oil prices have risen and developing countries like China and India increased requirement of oil and gas to sustain their economic growth. Both China and India are increasingly tapping their local energy reserves to ensure supplies and meet their requirements. Faced with an increasing demand for oil and gas, both these developing economies have ventured to international exploration and production arena for sourcing additional energy.

In the offshore helicopter transportation industry, the level of offshore oil and gas exploration and production has traditionally influenced demand for helicopter transportation services. This is because helicopters make remote blocks or wells accessible and economically feasible. With rising oil prices, oil and gas companies are increasing their exploration and production activities which in turn increases the demand for offshore helicopter transportation services. Even the efforts to improve recovery in existing oil fields enhances the prospects for additional helicopter usage.

India's Oil Sector

Exploration activity started in India in 1866 in the North Eastern state of Assam with the drilling of the Digboi well, seven years after drilling of the first oil well in Pennsylvania, USA. In 1956, Oil and Natural Gas Commission (ONGC) was established by the government and Burmah Oil was merged with Oil India Limited (OIL). Both of these companies are National Oil Companies (NOCs) and have market share of 90% and 10% respectively. (source: www.indiaonline.com)

Existing Reserves

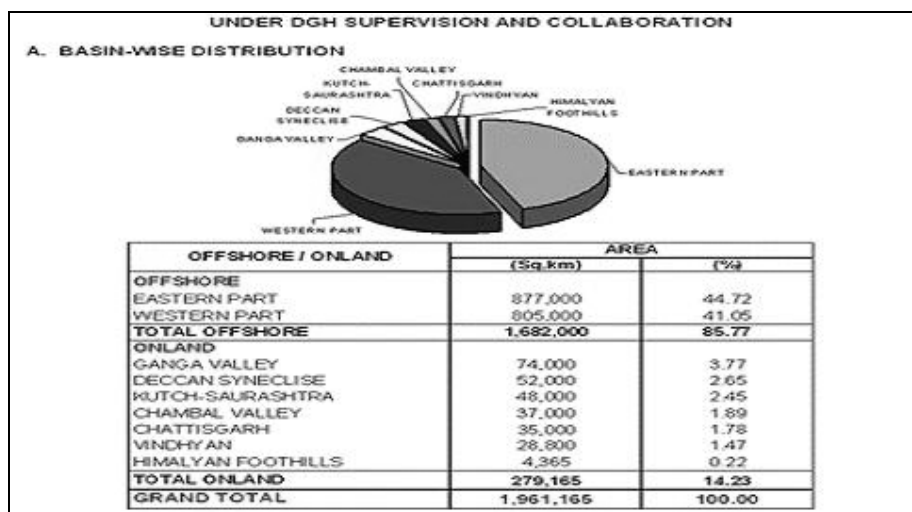
About 80% of the oil and gas reserves are in the Middle East and CIS countries. India's share is:

- 0.5% of the world's proven oil reserves
- 0.5% of the world's proven gas reserves
- 4.5% of the world's sedimentary basins
- 1.0% of the world's oil production
- 1.1.% of the world's gas production

(www.indiapetro.com)

The sedimentary basins of India, onshore and offshore upto the 200m isobath, have an areal extent of about 1.79 million sq kms. So far 26 basins have been recognized and have been divided into four categories based on their degree of prospectivity.

The most important source of oil in Indian subcontinent has been Mumbai High with approximately 78% of the oil produce. As per the Ministry of Petroleum & Natural Gas, 85% of India's oil reserves are offshore.



Source: www.dghindia.com

India's domestic hydrocarbon resources, inclusive of deep waters are estimated at around 28 billion tonnes of oil and oil-equivalent of gas. Against this, the country's crude production stands around 33 Million Metric Tonnes Per Annum (MMTPA) which constitutes about 30% of the annual requirement. The balance 70% is imported from abroad mostly from the middle-east Asian countries (source www.indianpetro.com). Of the local production, 50% is from the western coast and the balance from the rest of the offshore and onshore fields. This huge import dependency has put the energy requirements of the country into a very vulnerable position viz-a-viz oil price fluctuations. As per the International Energy Agency, a US \$10 per barrel oil price increase will result in a loss of 1% of India's GDP and 2.6% increase in inflation in the following year of the price increase (source www.indianpetro.com).

India today remains one of the least explored regions. With the increasing demand and supply gap for crude oil in India coupled with the rising oil prices worldwide, the exploration and production activities is expected to increase further in the country.

New Exploration & Licensing Policy

The New Exploration and Licensing Policy (NELP) was launched in 1997-98 with a view to lower the country's oil dependency on imports and also to tap the vast resources of the oil and gas present within the country. The Government permitted the private sector to take part in the activity. The private sector is working alongside the National Oil Companies, towards the oil sufficiency of the country. Even global players like Cairn Energy Pty. Limited, Niko Resources Limited, British Gas Exploration & Production India Limited, were immediately attracted to the potential in India and are notching up huge successes in the fields across India. This policy provided a level playing field to all the parties in the exploration filed including the NOCs and the private sector involved in the exploration and production activity in India through attractive terms like upto 100% foreign participation, no minimum expenditure commitment during exploration period, income tax holiday for seven years from start of commercial production etc.

Buoyed by the NELP, the private sector expressed its satisfaction with the policy through active bidding of blocks vide NELP I. Subsequently five more rounds of the NELP were launched with the sixth one currently open for bidding. The breakup of blocks offered in the NELPs so far is as follows:

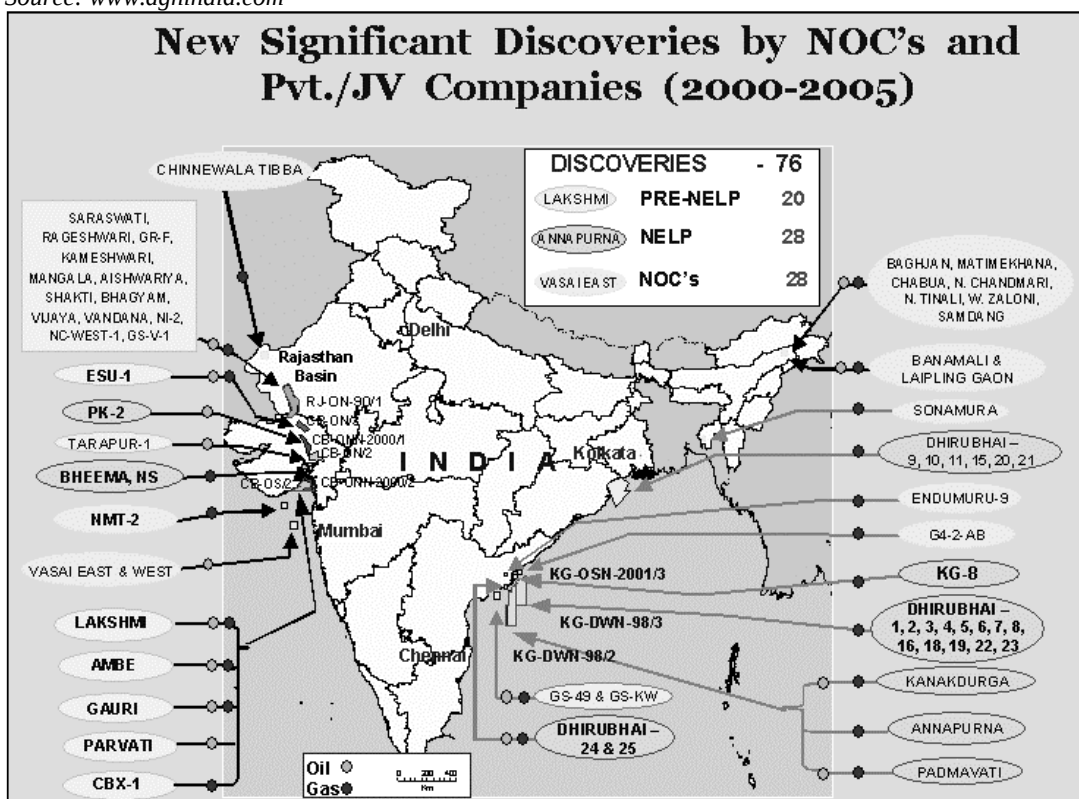
Series	Shallow waters		Onshore		Deepwaters	
	Number of blocks	Area (sq km)	Number of blocks	Area (sq km)	Number of blocks	Area (sq km)
I	23	194820	1	36750	-	-
II	8	74590	7	54498	8	139256
III	6	35343	8	22840	9	146409
IV	-	-	10	31155	10	161653
V	2	8364	10	32492	6	103948
VI*	6	22034	25	56866	24	273291
Total	45	335151	61	234601	57	824557

*NELP VI program is under process and bids are closing on September 15, 2006

New Finds

The gas discovery by RIL in the Krishna-Godavari basin is one of the largest in India. Another major gas discovery was made by GSPC in 2005 and is expected to be even bigger than the RIL discovery.

Source: www.dghindia.com



Helicopters in the oil & gas industry

Helicopters are an essential means for transporting people and cargo in the offshore exploration and production industry. Bristow Plc. with over 310 helicopters and CHC Helicopter Corporation ("CHC") with nearly 225 helicopters are the two largest helicopter companies in the world operating. CHC is a dedicated helicopter company and 67% of its revenues are generated from the oil and gas sector.

Since offshore oil and gas fields are located in far away distances from shore, helicopters offer the most direct and fastest means of commuting to these fields from onshore. Helicopters are used for standard crew change as well as medical evacuation and for search and rescue. Various types of helicopters are required to meet the diverse needs of the industries they serve. Medium to heavy helicopters are generally utilized to support the oil and gas industry and for search and rescue and emergency medical services. These helicopters are used for transporting passengers and supplies and/or for lifting heavy cargo externally and are capable of operating even during night and adverse weather conditions. Typically equipped with Instrument Flight Rules equipment,

medium to heavy helicopters are capable of long distance flights to offshore oil platforms in all kinds of weather conditions. Furthermore, technology improvements allow oil and gas exploration and production companies to pursue opportunities further offshore, thereby increasing demand for helicopter transportation services, particularly for modern helicopters, which generally have a greater range and payload.

A lot of helicopters are deployed for offshore services in the Gulf of Mexico, North Sea, Persian Gulf, Coast of Malaysia, Indonesia and Eastern Europe. In Gulf of Mexico alone, around 590 helicopters were operating in 2005. In Asia, most of the offshore exploration and production activity is concentrated around the Middle East region with Abu Dhabi Aviation and Gulf Helicopters being the leading players.

Indian Offshore Helicopter Scenario

In the early eighties, ONGC and OIL were the two major national oil companies exploring and producing India's oil and gas. The offshore helicopter services at that time was being provided by foreign companies like Oakenagan and Canadian Helicopters. The Indian Air Force also contributed with their helicopters towards the country's exploration efforts.

In 1985, the government established Pawan Hans Helicopters Limited with the purpose of supporting ONGC's offshore exploration and production efforts. Today, Pawan Hans Helicopters Limited has the largest fleet of helicopters in India. Totalling 30 in number, its fleet comprises mostly of Eurocopter helicopters. Pawan Hans operates its helicopters for both offshore and onshore operations for oil and gas companies as well as for civil charter purposes. Global Vectra Helicorp Limited started operations in India in 1998 as 'Azal India Private Limited' and become the largest dedicated offshore helicopter company in India. Some of the other major players in the civil helicopter industry in India are Deccan Aviation with 11 helicopters, United Helicharters Private Limited with eight helicopters, Sahara India with three helicopters, Million Air with three helicopters, Trans Bharat Aviation with three helicopters and Himalayan Heli Services with three helicopters.

However, Pawan Hans Helicopters Limited, Global Vectra Helicorp Limited, United Helicharters Private Limited and Deccan Aviation Limited are the only players operating helicopters for the offshore oil and gas companies.

Approximately 29 helicopters are engaged in the offshore business transportation services in India. The largest portion of the total flying hours of this civil charter segment is flown by the offshore helicopters due to the dedicated and intensive flying requirements round the year.

Majority of these offshore helicopters are operated from Juhu aerodrome, Mumbai in support of the western offshore operations of oil and gas companies. With the award of NELP blocks on the east coast as well as the recent discoveries of gas in the region, a lot of helicopter activity is coming up in this region as well. ONGC continues to be the single largest helicopter user in the civil market with a current chartered fleet of 15 helicopters. Other major oil and gas companies are:

- British Gas Exploration & Production India Limited uses two helicopters
- Gujarat State Petroleum Corporation Limited uses one helicopter
- Reliance Industries Limited uses one helicopter and is currently evaluating bids for another three helicopters; and
- Transocean (with Sedco Forex) use two helicopters and is evaluating bids for another three helicopters.

Regulatory requirements for starting offshore helicopter operations in India

Important requirements for offering such a service are:

- i. Non-Scheduled Operators' permit from the Director General of Civil Aviation (DGCA), Ministry of Civil Aviation, Government of India;
- ii. Twin engine helicopters in offshore configuration conforming to laid down standards of the DGCA and the helicopter manufacturer;
- iii. Twin pilot operations, with licensed and experienced pilots as per the laid down criteria of the DGCA to operate in offshore;
- iv. Approved manuals, systems and infrastructure to service the type of helicopter in operation; and

Although the size of the offshore market was not very big in India, it has reflected a propensity to grow over the past few years due to the following reasons:

1. Entrance of new exploration and production companies under the NELPs,
2. Big discoveries being made by some of the companies in the oil and gas fields
3. Enhanced Oil Recovery measures adopted by ONGC
4. Implementation of Class 'I' Performance Standard in offshore by DGCA

On the basis of the seat capacity available with the following helicopter transportation services companies (including both offshore and onshore) the following is the standing of the players:

	Seat Capacity	No. of helicopters
Pawan Hans Helicopters Limited	365	30
Global Vectra Helicorp Limited	156	12
United Helicharters Private Limited	102	8
Deccan Aviation Limited	68	11
Others (18 operators)	176	30
Total	867	91

Source: www.dgca.nic.in as on April 30, 2006

OUR BUSINESS

Any references to 'we', 'us', 'our' in this section wherever relating to past history or activities, refers to the history of or activities carried out by Global Vectra Helicorp Limited.

Overview

We are one of the largest dedicated offshore transportation services helicopter company in India servicing the oil and gas exploration and production sector in India. We have 12 Bell 412 helicopters as on April 30, 2006 each having 13 passenger seats and two pilot seats. We have 44 pilots and 18 AMEs. We transport crew and cargo for oil and gas companies to offshore oil platforms located approximately 50 to 100 Nautical Miles (NM) from the coastlines of India for their exploration and production activities. We service our clients through a young fleet of helicopters operated by trained pilots. We service our clients under contracts that contain a combination of fixed monthly rates and hourly rates and have terms ranging from one to three years with one or more renewal options.

We are a Vectra Group company. The Vectra Group comprises 18 companies in six countries, primarily in India and Eastern Europe. Vectra Group's product range covers a wide spectrum of products in the area of construction equipments, trucks and bus seats, and more. The Vectra Group has been able to build and expand its operations across India and Eastern Europe with the knowledge of the regions and its relationships.

We were incorporated in 1998 as Azal India Private Limited (AIPL). Initially, our shareholders consisted of Indian individuals. In 1999, Azal Azerbaijan Aviation Limited, an aircraft leasing company, was allotted shares in our Company, constituting 40% of our share capital after such allotment. Vectra Group, recognizing the growth potential of the oil and gas sector in India and thereby the value of our service to this industry, acquired a stake in the Company through acquiring shares in Azal Azerbaijan Aviation Limited in January 2004. The Vectra Group, through Vectra Investments Private Limited acquired shares from our Indian shareholders and consequently the management control in August 2004 and the remaining portion of the equity in October 2004.

We have built self-sufficient infrastructure at Juhu Airport in Mumbai for operations and maintenance of our fleet on the base of one of our clients. We also have a DGCA approved in-house training department for training Bell 412 Pilots and Aircraft Maintenance Engineers (AMEs).

For Fiscal 2006, we achieved a gross revenue of Rs. 898.38 million as compared to Rs. 524.20 million in Fiscal 2005, an increase of 71.38% year on year. The net profit for Fiscal 2006 was Rs. 78.01 million as compared to a net loss of Rs. 4.31 million in Fiscal 2005. During Fiscal 2006 with the addition of five helicopters to our fleet strength, our total fleet strength touched 11 helicopters as on March 31, 2006. We have added another helicopter in April 2006 taking the total number of helicopters to 12.

Our clients are major oil and gas companies engaged in exploration and production activities in India such as, Reliance Industries Limited, British Gas India Exploration and Production Limited and Gujarat State Petroleum Corporation Limited. We have also recently been awarded a contract by an Indian oil major (who has been our client for the past eight years). We are presently in discussions to finalize the terms of the contract.

Key Competitive Strengths

Long Term Nature of Operations and Strong Relationships:

We provide services to clients operating in oil and gas exploration and production sector under contracts, which are for a period of one to three years with one or more renewal options. We have been in this industry over the last eight years and have grown from serving one client to five clients, with our initial clients continuing to use our services. We have been able to develop a strong relationship with our clients through continuous support, reliable service, and experienced personnel.

Our business model provides us with assured revenues every month as well as long term security because the sector that we service requires constant utilization of helicopters for transportation of crew and cargo to and from offshore oil fields at all times.

Our contracts comprise of two components for payment: fixed monthly charges and flying hourly charges which are dependent on the number of hours flown thereby keeping revenues independent of the number of seat utilized. For our clients we designate specific helicopter(s) in our fleet for their exclusive use.

We are one of the few companies operating in a highly regulated industry which requires considerable expertise and experience for qualifying to do business and in which there is considerable time period involved for gaining an entry into the industry. Personnel are another important factor for success in this industry, since the regulations and client requirements require minimum offshore experience of the pilots. We have thus achieved a first-mover advantage, being one of the first and few companies operating in this niche area. All these factors acts as natural barriers for potential competitors who want to start operations.

Large and Modern Fleet of Helicopters:

To meet the operational requirements of our clients, we currently have a fleet strength of 12 Bell 412 helicopters, which is considered a benchmark in its class for performance, availability and reliability. Bell 412 has been flying successfully for medium range distances in the offshore oil and gas exploration and production industry. Our large fleet and standard model of helicopters helps us achieve synergy and economies of scale in fleet management. It also strengthens our flight operations, spares inventory, crewing, engineering activities, insurance, overhead and related activities. The average age of our fleet is around 12.5 years and pursuant to fleet expansion, the average age of the fleet would stand reduced. We believe that newer helicopters and our young fleet will help us achieve a lower down time, which translates to a high operational efficiency and client satisfaction.

In-house Maintenance, Repairs & Overhaul (MRO) Support Capabilities:

We are able to support our operations in an efficient manner because of our strong in-house MRO capabilities. We are the only helicopter company in India certified to undertake the 3,000 hours / 5 years check on the Bell 412 helicopter fitted with Pratt & Whitney PT6T-3 Series engines. This is the most advanced check on this type of helicopter and entails the complete overhaul of the helicopter and its components. We are also certified to undertake an overhaul of some of the other major components of the Bell 412 helicopter.

We also have spares and servicing support stemming from our long-standing relationships with various OEMs and servicing agencies which gives us priority for availability of parts, and extended credit line, allowing us to achieve a high efficiency in our MRO activities. The strong relationships also stems from the fact that we operate the largest fleet of Bell helicopters in India. We believe we have high standards in helicopter maintenance and the same has been endorsed by various third party audits undertaken by international and local aviation auditing agencies.

Our in-house capability enables us to reduce the time taken for servicing our helicopters, as we do not have to ship the helicopter to external agencies, leading to enhanced serviceability of our fleet and additional flying hours due to quicker turnaround time. We also have the advantage of low labour costs in India, which helps reduce our costs further. We believe that the combination of the above factors enables us to offer our services at competitive rates in comparison to other operators.

Experienced and Professional Management

We have an experienced and professional management team overseeing our operations. Our Chairman and Managing Director has over 25 years of experience in operating helicopters in India. All key personnel have strong aviation backgrounds and possess extensive experience in their areas of operation. We have 44 pilots and 18 Aircraft Maintenance Engineers. Most of our pilots come from defense background with thousands of hours of prior flying experience. We believe, due to our in house pilot training ability we are able to train and release new pilots faster than our competitors. Our AMEs also have many years of experience in maintaining helicopters in India.

Focus on Safety

We have developed sophisticated safety and training programs & practices that have resulted in our strong safety record. We have been compliant with the stringent safety and performance requirements required by our clients, DGCA and the helicopter manufacturers. We have also independently addressed the safety aspect of our operations across all activities including the air crew and ground crew, helicopter, flight operations, maintenance and training by setting up internal systems.

Our engineering department is certified with the ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 standard by DNV and has an approved safety shop and electrical shop for overhaul/repair of the safety equipment and batteries installed on our helicopters. The team has developed internal safety systems specific to this helicopter type.

Our internal systems and operations have always complied with the safety requirements mandated by our clients, which are over and above the DGCA standard. We are in the process of converting nine of our helicopters to be Aviation Standard 4 compliant. This standard was issued by an Indian oil and gas major and requires compliance with one of the highest offshore helicopter safety system in the world.

Business Strategy:

The key components of our business strategies are as follows:

Strengthen our competitive position in the existing market with continued focus on exploration and production services

Offshore flying constitutes a large proportion of the helicopter market in India. While charter business is uncertain by nature, offshore exploration and production support offers the benefits of assured business every month as well as long term security. The number of helicopters being absorbed in offshore in India has continued to grow over the years and we have been able to remain at the forefront of the business expansion. Since there are not many companies offering such services in India and since the market size continues to expand each year, we will continue to focus towards providing offshore logistic services in the exploration and production activities of oil and gas companies.

We intend to strengthen our competitive position by winning new business, renewing existing contracts, cost reduction and through continuing focus on safety. We hope to continue to offer our services to our existing as well as new clients as they move from exploration to production activity within India.

Growth through Fleet Expansion:

Our current fleet size stands at 12 helicopters and we plan to increase it to 29 by the end of Fiscal 2009. We have operated only the Bell 412 helicopter model for medium range operations till date. With exploration moving to deeper waters, we are introducing the technologically advanced Eurocopter EC 155B1 long range helicopter to our fleet. The EC 155B1 type was introduced by Eurocopter around eight years ago and will be introduced to the Indian offshore oil and gas exploration and production industry for the first time. Strong and pro-active support has been offered by Eurocopter to facilitate the successful induction of this new type of helicopter into the Indian offshore market.

Strengthening and Expansion of Infrastructure

We plan to further develop and strengthen our MRO and support capabilities by adding to our existing infrastructure. We initially plan to construct a full service hangar and avionics shop at Juhu aerodrome, Mumbai and subsequently construct a hangar on the eastern coast of India. The facilities at these hangars will provide support for the current as well as the planned fleet expansion deployed on both sides of the sub-continent.

Enhancement of Safety Standards

Safety is our priority and while we already comply with the regulatory standards of the DGCA, we will also comply with higher standards such as an Indian oil and gas major's new Aviation Standard 4 (AS-4), which is a higher safety standard than what is being currently adopted in India. The standard AS-4 requires, amongst other things, the fitting of advanced safety management systems like Helicopter Usage and Monitoring Systems (HUMS). The incorporation of such equipment helps detect problems earlier thereby making the servicing a mode of prevention rather than reaction. We believe that this standard is based on stringent safety standards, applicable to offshore helicopter services worldwide. We plan to upgrade a majority of our helicopter fleet to comply with such new standard.

Expand to International Markets

We intend to consolidate our business with our clients by offering them our services when they expand internationally. Some of our clients, directly or indirectly, have been successful with their bids for overseas

offshore exploration blocks and would require services similar to those that we offer in India. Our experience coupled with our knowledge of our clients' requirements means that we would be strongly placed to service their business internationally as well.

Our Helicopters:

Our helicopter fleet consists of 12 Bell 412 helicopters, which are used for medium range operations, in the range of 50 to 100 Nautical Miles. This type has been in use since 1991 and is the successor to the widely used Bell 212 helicopter. Due to their serviceability coupled with performance, these helicopters are considered to be benchmarks in their category.

For our long-range operations we have ordered EC 155B1 helicopters from Eurocopter. There is currently a delivery period of 18 months for acquiring a new Bell 412 helicopter or EC 155B1 helicopter. Due to this lengthy delivery period and a substantial increase in offshore exploration and production activity around the world, the market for used helicopters has witnessed a rise of prices.

Current Fleet

We have 12 helicopters in our fleet, three of which are owned by us. We have leased six helicopters from Vectra Limited, for a period of seven years, with the option to renew for a further two years. We have leased one helicopter from Cessna Finance Corporation, USA for a period of ten years, one from Srei Infrastructure Finance Limited for a period of five years and one from Venus Projects Limited, Hong Kong for a term of seven years, with the option to renew for a further two years. We are presently also in discussions with Vectra Limited to assign their rights in relation to two new EC 155B1 helicopters that Vectra is scheduled to receive in Fiscal 2007.

The helicopters have been on a dry-lease basis, i.e. we do not receive maintenance support from the lessors. Under the lease agreements, we are responsible for, and bear the expenses toward maintenance and operation of the helicopters, obtaining statutory licenses and approvals the maintenance of records in accordance with the requirements of the manufacturer as well as the DGCA. Under all the lease agreements, we bear the responsibility for providing insurance for the helicopters leased by us.

Current Fleet and Planned Fleet Expansion on a Cumulative Basis

	Capacity (Seats)	FY05	FY06	FY07*	FY08*	FY09*
Bell 412	13					
- Own		2	2	7	11	13
- Leased		5	9	11	11	11
Subtotal		7	11	18	22	24
Eurocopter	13					
- Own		-	0	2**	2	5
- Leased		-	-	-	-	-
Subtotal		0	0	2	2	5
Total		7	11	20	24	29

* Orders have been placed with various suppliers and delivery is expected in the manner set out above.

** In discussions with Vectra Limited to assign these helicopters.

Fleet Expansion

With an eye on the growing offshore helicopter transportation services market in India and the requirements of our clients, we have placed orders for a further 12 Bell 412 helicopters, including two on lease, and five Eurocopter EC 155B1 helicopters to cater to the requirements of the domestic industry over the next five years. The Eurocopter EC 155B1 has been ordered to cater for the expanding deepwater exploration activity. The number of deepwater blocks on offer are increasing with each NELP and the EC 155B1 is ideally suited to address the challenges of deepwater exploration and production activities.

Since the demand for helicopters in the offshore industry has increased globally, pre-owned helicopters are not available for a price that is in line with their residual values. Purchasing new machines has allowed us to obtain a fair value for a helicopter, take advantage of warranties offered by the manufacturer and to align our deliveries

according to our expected contracts. This gives an edge over those of our competitors who might not have placed orders for new machines even if they were to do so, we would have a lead time of 18 months.

We have signed contracts for 17 additional helicopters to be delivered between Fiscal 2007 and Fiscal 2009. The current fleet of 12 helicopters will increase to 14 by the end of June, 2006 and these two new helicopters (Bell 412) will commence flying for exploration and production contracts from July, 2006. Another four Bell 412s and two EC 155B1 helicopters are joining the fleet during Fiscal 2007. The balance seven helicopters, four Bell 412 and EC 155B1, will join the fleet in a phased manner till the Fiscal 2009. We propose to own most of these helicopters.

Operating/Financial Leases and hire purchase terms

Helicopter acquisition can be done under a variety of ownership and financing options such as lease, hire purchase or outright purchase. Outright purchase can be done using available funds or through finance arrangement. As on May 16, 2006, nine out of our 12 helicopters are through leases.

Nine of our helicopters are on lease from outside lessors with six leased from our Promoter Group company, Vectra Limited. Two leased helicopters are for a period of four years and five are for seven years. These seven leases are extendable for a period of two years. Further three helicopters are leased from Cessna Finance Corporation, Srei Infrastructure Finance and Venus Projects Limited each for a period of 10, five and seven years respectively.

Our Recent Performance:

Services and Operations:

We currently operate twelve helicopters for offshore air transportation services to the oil and gas exploration and production companies. These helicopters are primarily used for:

- (i) Crew Change: Ferrying crew and material to offshore platforms and back during the day and for night flying restricted to emergency medical evacuation purposes;
- (ii) Production Tasks: Flights between platforms used for ferrying crew and material between manned and unmanned platforms.

We are a client-focused, professionally managed organization aiming to excel in the Indian offshore helicopter transportation services. We are constantly working towards improving our systems and processes to make ourselves more competitive for the present and future markets.

Offshore fields are spread across the east and west coast of India, our fleet is deployed likewise to cater to the various operations on both sides of the country. Our operations are divided into two regions:

- a. West coast operations comprising Mumbai High and Gujarat coast, which are covered from Mumbai, Diu and Porbander;
- b. East coast operations which are covered from Vishakhapatnam and Rajamundry. .

We have our main base at Juhu aerodrome, in Mumbai, on a base owned by one of our clients. Our base has strong maintenance, repairs and overhaul capabilities and most of the scheduled and unscheduled checks are carried out in-house. In the past, we have also operated from bases like Bhubaneshwar, Tirupati, Chennai and Jamnagar to cater to the requirements of the clients' operations around these coastlines.

Our flight operations are headed by Captain K.N.G. Nair, an ex-air force veteran pilot with approximately 11,300 hours of total flying experience in helicopters and offshore flying experience of approximately 4,850 hours in Bell 412 as on May 16, 2006. He is assisted by Captain D.K. Chand, another ex-air force pilot with approximately 8,800 hours of flying experience and approximately 3,500 hours on the Bell 412 helicopter, as on May 16, 2006. Captain Chand is also a DGCA approved training manager of our Company and is in-charge of training and initiating new pilots.

The majority of our fleet is usually deployed for standard crew change flights to offshore rigs and back, however a few helicopters also undertake production operations flying for clients such as British Gas Exploration and

Production Limited. Flying for the day commences closely after sunrise and is completed just before sunset. Flying is not undertaken at night unless it is for a medical or operational emergency. In our experience, these emergencies are few and in the past have been required once every six months.

We have a current strength of 44 pilots who are licensed to fly the Bell 412 helicopter, of whom 42 are rated and two are undergoing rating to fly such helicopter. Some of our pilots will be trained at the Eurocopter facility in France to enable them to fly the EC 155B1 and agreements for the same have already been signed with the manufacturer.

Engineering, Facilities and Procedures:

Our engineering team is responsible for fleet serviceability, reliability and supporting our operations. The team consists of qualified and experienced people. Our engineering strength stands at 18 licensed AMEs to service the Bell 412 helicopters and this team is assisted by a second rung of 8 BAMELs and 23 technicians. We believe that the team is experienced and licensed to carry out various maintenance activities.

We follow a progressive maintenance program with checks scheduled at 100 hours, 300 hours and 600 hours. As of the date of filing of this Draft Red Herring Prospectus, we are the only DGCA approved facility in India that can undertake the 3,000 hours / 5 years check on the Bell 412 helicopter fitted with Pratt & Whitney PT6T 3 Series engines. This is the most important check on the helicopter and involves the complete overhaul of the helicopter and all its major components. These checks normally take three weeks to accomplish and we have undertaken seven of these so far. Apart from this, our engineering team also undertakes the overhaul of the following major components of the Bell 412 Helicopter:

- 42 Degree Gear Box
- 90 Degree Gear Box
- Swashplate Assembly and
- Tail Rotor Assembly

To be able to offer the highest aircraft serviceability to our clients, we carry out most of our scheduled maintenance in-between flights and at the end of the flying day. This offers an unhindered utilization of the fleet during the daylight hours and thus the maximum flying time to the client. The unscheduled maintenance requirements are addressed immediately as and when they arise whether between flights or after the flying day. This kind of maintenance program allows us to maximise revenues by offering higher flying hours as well as meeting the serviceability requirement of our clients.

We are equipped to meet the maintenance challenges of our helicopter utilization, with spares inventory worth Rs. 69.63 million (as of March 31, 2006) maintained at the main base at Juhu aerodrome, Mumbai. This inventory support is supported by procurement directly from OEMs and authorised spares vendors suppliers including:

- Bell Helicopter Textron, USA and Singapore for helicopter spares;
- Pratt & Whitney, Singapore and Canada for engine spares;
- S.T. Aerospace Engineering, Singapore for overhaul of major components;
- Perkins, USA for overhaul of critical spares and procurements from other OEMs;
- Honeywell, UK for overhaul and repair of avionics.

We believe that our in-house capabilities enable us to have lower overhaul costs compared to an operator who uses external agencies. It also ensures that there are no logistic costs involved in shipping parts to external agencies thus reducing the time that the helicopter is not available for use.

We also have an approved safety shop for overhaul and repair of safety items such as life vests, life rafts and floats and also an approved electrical shop for overhaul of batteries installed on the helicopters.

The current uniformity of our fleet has resulted in economies of scale through inventory optimization. Our helicopters are fitted with Pratt & Whitney PT6T-3 series engines and this lends commonality to our engines spares and engine maintenance efforts of the Company. We also store a spare engine in our inventory to ensure highest serviceability for our fleet.

To ensure that our inventory costs do not go up exponentially with the induction of the EC 155B1 helicopters, we have entered into engineering support agreements with the manufacturer which guarantee above 95% availability of the helicopter at all times. To ensure that the same is achieved and the time utilised for such support is reduced, Eurocopter shall be holding spares worth € 3 million in consignment for us.

Major checks required as per the manufacturers schedule / DGCA requirements:

Type of check	In-house facility	Average time taken	Remarks
3,000 hours / 5 year check	Yes	21 days	Replacement helicopter offered to client during the Check
Engine overhaul	No	11 days	Rental engine in place before engine is overhauled
600 hours	Yes	2 days	-
300 hours	Yes	1 days	-
100 hours	Yes	6 Hours	-

We are further proposing an expansion of the inventory base, both to cater to the current fleet and to additional helicopters that will be inducted.

At present, we have a forward base at Vishakapatnam, which operates a helicopter each for our clients including an oil and gas major and Gujarat State Petroleum Corporation Limited. We have also recently commenced a base at Porbander for Reliance Industries Limited.

Our facilities and procedures are periodically audited by DGCA and international agencies for ensuring adherence to highest industry standards. Some of the prominent auditors include DGCA, Schlumberger, IAS (UK), Hart Aviation (Australia), Shell Aviation (UK), Air Security International (USA), India Air Force, and Rotary Wing Society of India.

Safety and Quality:

We are committed to ensuring the maximum safety possible during the provision of our helicopter transportation services and to maintaining the helicopters and equipment in accordance with safety requirements prescribed by authorities such as the DGCA, as well as by our clients. Further, we ensure regular and updated training and checks for our pilots and technical staff.

We are an ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 certified aviation Company. All our flight operations and engineering activities are based on good industry practices and are constantly being monitored at different levels. Our Safety Department is independently managed and headed by a safety manager who is the interface between the Company and DGCA and also our ISO Management Representative. Our Safety Manager is an ex-air force pilot with over four decades of experience in the aviation industry. He undergoes regular safety courses conducted by independent aviation agencies, most recently being by DGCA and Boeing.

We have a comprehensive safety manual for general safety and quality requirements. In addition to the DGCA approved manuals including the operations manual, maintenance manual, and quality control manual, we also adhere to the Helicopter Manufacturer's manual providing the specific safety requirements on the Bell 412 helicopter. All these manuals are constantly updated through issue of technical circulars by the quality control department of the Company reflecting any new development / directives in DGCA regulations or of the helicopter manufacturer.

Aviation Standard 4 Compliance

We are currently in the process of ensuring compliance with the recently introduced Aviation Standard 4 of Indian oil and gas major. This newly introduced standard has stringent requirements for Safety Management. The requirements include addition of systems like Helicopter Usage and Monitoring Systems (HUMS) for airframe and engine monitoring to be installed on the helicopters. This is in addition to standard offshore safety equipment already installed on our helicopters. Some of the equipment like re-breathers, two reversible life rafts (each with 100% seat capacity of the helicopter), life jackets (with two independent buoyancy chambers), emergency locator transmitter in each life raft, public address system, upper torso restraints, radar altimeter, automatic flotation system have been provided for the first time in an Indian offshore helicopter operation.

Safety in Flight Operations

Safety management at our Company is an ongoing process and is not restricted to helicopter equipment alone. Mandatory proficiency check and instrument rating check for pilots are carried out once every six months. Additionally, various processes such as checks to ensure that our pilots are eligible to fly at night and unscheduled cockpit voice recorder readouts are carried out at regular intervals to ensure that we meet safety requirements.

Safety in Engineering

On the engineering side, safety is ensured by mandatory pre-flight and post-flight checks, periodic internal refresher of technical staff and regular meetings both internally and with external authorities and clients.

Helicopter Safety

All our helicopters during operations have automatically deployable floats, lifejackets for all passengers and life rafts on board fitted with emergency locator transmitter and a sea survival kit including food and flares. Our DGCA approved safety shop conducts periodic checks on the life jackets, life rafts and helicopter floats.

Marketing:

Oil and gas exploration and production is a capital intensive business with long gestation periods. Most of the companies involved in this activity are companies such as Oil and Natural Gas Corporation Limited, and Reliance Industries Limited. We endeavour to build brand equity in the market by offering the best service at the lowest cost to our clients. We enjoy excellent client relationships, which have been built up over years of service to these clients.

Under our marketing strategy, each client informs us of their requirements vis-à-vis the seating capacity, speed, maximum take-off weight, temperatures and distances of their missions, which put together create a mission profile. This profile helps in determining which type of helicopter would be most suited to do the job. Once the possible types have been identified, the helicopter with the lowest cost per seat-nautical-mile, superior performance and better manufacturer support is chosen for bidding in a contract.

Business development and subsequent client servicing is looked after by our General Manager (Commercial) who has over 13 years of experience in aviation, more specifically in helicopter aviation. As a policy, we have only bid for long term contracts which require dedicated aircraft for long durations. Our clients pay a fixed monthly charge irrespective of utilization level of the helicopter during the month. In addition, they also pay flying hourly charge, which are dependent on the number of hours that the helicopter has flown.

Most of the contracts that we bid for, particularly contracts floated by public sector entities, are based on tenders. The public sector entities usually follow the normal government tender process as prescribed by Central Vigilance Commission. Such processes include: (a) short listing of various bids on various technical and commercial criteria; (b) opening of the commercial bids for all technically qualified bids; and (c) selection on basis of lowest bid.

We are safeguarded against any adverse movement in the aviation turbine fuel (ATF) prices in contracts employing a majority of our fleet. Ten of the fourteen helicopters on contract from May 2006 are protected by ATF price escalation clause, which requires the client to compensate us for any fuel price escalation on the basis of a pre-defined formula stated in the contract.

Existing Clientele:

We believe that our strong relationships with our clients assure us continuity of business with them and revenues. We currently have five clients, which include some of the largest oil and gas companies operating in India today.

Table with name of clients and services provided.

Client	Service	Region	Tenure	No. of Helicopters
Indian Oil and Gas Major	Air Logistics support for crew/personnel and essential cargo to and from offshore	Mumbai High	Ends May 2006	Four helicopters
	Air Logistics support for crew/personnel and essential cargo to and from offshore	Mumbai High	Three years and renewable for 1 year (from May, 2006)	Nine helicopters of which four are in operation with the Indian oil and gas major and the balance five are being mobilised from outside India.
Reliance Industries Limited	Air Logistics support for crew/personnel and essential cargo to and from offshore	West Coast	One year and extensions (from Jan 2006)	1
GSPC	Air Logistics support for crew/personnel and essential cargo to and from offshore	Vishakapatnam	Two and extensions (Expiry July, 2007)	1
Transocean	Integrated services for an Indian oil and gas major	Mumbai High & East coast	Two years (from July, 2005)	Two (However only one helicopter has been requested for)
BGEIPL	Air Logistics support for crew/personnel and essential cargo to and from offshore	Mumbai High	Two years extendable for one year (from July, 2005)	Two

Client Contracts:**Contract with Indian oil and gas major:**

We had entered into an agreement with an Indian oil and gas major on February 12, 2001 for provision of helicopter services to it for its operations of exploration and exploitation of oil and natural gas in the offshore/onshore areas of operation in India.

We have provided three of our helicopters for the exclusive use of this client. The helicopters would be used for transportation of passengers and cargo. As per the agreement, we are in most cases, required to provide and pay for the fuel for the operation of the helicopters and are responsible for the quality and condition of the fuel.

In consideration of the provision of our services, the client is required to pay us a fixed monthly charge of US\$ 90,000.00 and hourly charges of US\$520.00 based on utilization, for each helicopter. Other charges which are paid by the client to us include charges for ferry of the helicopters between various base locations of this Indian oil and gas major in India; mobilization charges and demobilization charges.

As per the agreement, we are required to maintain throughout the period of the agreement, certain insurance over and in relation to the helicopters as well as third party liability insurance, passenger liability insurance, and property personnel baggage liability insurance. We have also taken insurance policies against all risks of loss or

damage caused to the client's existing property which includes live wells, naturally existing oil and gas reservoirs and offshore drilling units, platforms and pipelines.

We cannot transfer by sale or assign our rights and obligations in the helicopter without the prior written consent of the client.

Under the agreement, the client has the exclusive right to terminate the contract by giving 30 days written notice without assigning any reason. Other grounds for termination include operational problems and consequent delay in providing the helicopters, insolvency of the Company, force majeure, any assignment made by us of our rights and obligations under the agreement and/or assignment of rights, title and interest on the helicopters without the prior written consent of the client.

The agreement has been extended till May 31, 2006.

Contract with RIL:

We had entered into a contract for provision of helicopter services, with Reliance Industries Limited (RIL), which was acting on behalf of itself and various co-venturers having varying participating interests in the production sharing contracts for exploration, development and production of hydrocarbons in certain blocks. The contract provides for utilization of our helicopter services by RIL for its drilling operation in the west coast.

We have provided one helicopter to service the contract for the exclusive use of RIL.

The commencement date for the contract is January 22, 2006 and the contract extends upto 12 months from this date. RIL has the option to extend the term of the contract at the same terms and conditions and mutually agreed rates and prices.

We are required to insure RIL and its co-venturers in order to protect them against any liability, loss or expense due to damage to property or injury or death caused to any person. The types of insurance required to be specifically maintained by us include workman's compensation and employer's liability insurance, comprehensive automobile insurance, comprehensive general liability insurance, hull and machinery protection and indemnity insurance, and excess umbrella liability coverage.

It is provided under this agreement that RIL may terminate the contract at its option, by giving notice to us. Other grounds for termination include default in compliance with contractual obligations such as failure to meet contract schedule or mobilization schedule, failure to make prompt payment to sub-contractors or for material, equipment or personnel, and insolvency of the contractor. Further, RIL also has the option, regardless of cause, of suspending at any time the performance of all or any portion of the work. This is in addition to RIL's right to suspend the contract for reasons of default by us in the performance of the contract. Further, we cannot assign the contract or any rights under the contract without the prior consent of RIL.

Competition:

We compete for our clients on a number of factors such as the pricing of our services, reliability of service, availability of helicopters as specified by our clients in terms of technical requirements as well as the time period of service, and safety. We believe that our large and young fleet of helicopters, our safety procedures, our constant training and efficient performance, enable us to compete favourably in many of these areas.

Our market position will depend on our ability to respond to various competitive factors affecting the industry. Any failure by us to compete effectively, including in terms of pricing or providing quality services, could have a material adverse effect on our results of operations. There are many players in the helicopter charter business in India, however there are only four companies operating in the specialized offshore helicopter service. Apart from us, the other three operators are Pawan Hans Helicopters Limited, United Helicharters Private Limited and Deccan Aviation Limited.

Please refer to the section on "Industry" on page 32 of this Draft Red Herring Prospectus for further details.

Personnel:

We believe that our employees are the key to our business and we aim to keep our personnel motivated and enthusiastic. We offer our employees the best-in-industry remuneration and ensure the improvement of their skills through regular training.

Our total employee strength is 148, of which pilots constitute the largest segment. We have 44 pilots as on May 16, 2006 of which 21 are captains and 21 are co-pilots. The other two pilots are understudies. Our maintenance team consists of 18 AMEs of which 14 are certified to perform category A and C checks.

The average flying experience of our pilots is around 5,510 hours and 1,460 hours on Bell 412 Helicopters in Offshore flying. The average flying experience of our captains is around 7,200 hours and 2,750 hours on Bell 412 Helicopters in Offshore flying. The average flying experience of our co-pilots is around 3,830 hours and 265 hours on Bell 412 Helicopters in Offshore flying.

There are stringent Flight Duty Time Limit (FDTL) rules stipulated by DGCA, in place within our Company to ensure that pilots do not fly more than their stipulated time. This ensures that pilot fatigue is never a cause for any day-to-day flying incident/accident. FDTL is closely monitored through advanced software to ensure that pilot utilization levels are well tracked to ensure that no pilot crosses his FDTL.

Training

We have an approved training department for the Bell 412 helicopter. Our training department consists of DGCA approved instructors and examiners for type certifying new pilots on the Bell 412 helicopter. We send all our new pilots to either the Bell Helicopter Training Academy in Fort Worth Texas, USA or Flight Safety International, USA where they receive initial ground school as well as simulator training. Our pilots and AMEs undergo regular refresher courses and training in relation to their skill sets.

Insurance:

Aviation insurance is a mandatory requirement of the DGCA and its proof forms a part of the documents needed by DGCA for the revalidation of the company's Non-Scheduled Operator's permit at the end of every year. As a rule, the helicopter, passengers, crew and third party must be covered under an adequate insurance coverage.

All helicopters in the fleet are insured under a single policy taken out by the Company. The current policy is written through ICICI Lombard in India and reinsured, by insurers at Lloyds and the General Insurance Corporation of India. The type of insurance, the terms of the policy and the agreed value of the helicopter are governed by the insurance clauses in our contracts with our clients and our financiers. The insurance for our fleet consists of the following:

- Hull All Risks (including ground and flight exposure) – This covers the helicopter against all risks of physical loss or damage, subject to a deductible of 2.5% of the aircraft agreed value against each and every loss (also applicable to any form of total loss). The Hull premium rate for the fleet is stated as a percentage of the Agreed fleet value
- Liabilities - This covers passengers, passenger baggage, cargo and mail legal liability and third party legal liability, including premises liability for a combined single limit of \$150 million each accident. Personal injury is limited to \$25 million any one offence and in the aggregate
- Spares All Risk – This includes engines and equipment, subject to a deductible of \$1,000 each and every claim for the limit of \$1.5 million. This is quoted as a percentage of the sum insured.
- Hull and spares war and allied risks – This covers the helicopter for any damage when used by the government or a third party at the request of the government. The premium is quoted as a percentage of the agreed fleet value and is for a \$50 million war liability.
- Personal Accident for Pilots and AME's – This insurance cover is for accidental death and/or disablement including medical and repatriation expenses; all personnel are insured for a sum of \$125,000. The premium is quoted as a percentage of the sum insured and the premium cost is subject further to a 20% of the cost of war and terrorism write back, so that the pilots and crew are covered in such a situation.

- Loss of License for Pilots – This covers the pilot from a temporary loss of his flying licence due to accident or illness. All captains are insured for a sum of \$50,000 and the premium rate is quoted as a percentage of the sum insured. The insurance rate is a variable rate and dependent on the age of the pilot and pilots between the ages of 60-65 are only covered for accidental bodily injury.

Premium rates are largely dependent on the insurance market, claims history and size of the fleet. Despite the hardening of the insurance market in the helicopter industry in the last three years, we have been able to lower our premium rates and thus reduce our insurance costs per helicopter.

Intellectual Property

The Vectra logo is owned by Vectra Limited which has applied for the registration of this trademark in India. Vectra Limited has agreed vide letter dated April 3, 2006 that it will enter into a trademark license agreement with us wherein we will be the licensed users of the logo and will be permitted usage of right to use the trademark; for a consideration of Rs. 101 which shall be payable annually. Such usage shall be permitted until such time that the Vectra Group is the majority shareholder of our Company. Such a license agreement will be entered into by Vectra Limited once its trademark over the logo is registered or in the event that the trademark registration application is not accepted then it will enter into an agreement to license the unregistered trademark to us.

Property

The Company's registered office is located at A-54, Kailash Colony, New Delhi 110 048. The Company occupies these premises pursuant to a letter dated January 1, 2005 with Ravinder Kumar Rishi. The term of the license is for a period of three years, with a provision for automatic renewal unless mutually agreed otherwise. Under the terms of the agreement the Company is liable to pay an annual rent of Re. 1.

The corporate office of the Company is situated at 202, Krishna Kunj, V. L. Mehta Marg, JVPD Scheme, Mumbai 400 056. The leave and license agreement entered into with Kashyap Choksi on September 6, 2004, is for a period of eleven months and is renewable for a further period of eleven months.

In Mumbai, we provide offshore helicopter transportation services through the hangar at the Juhu aerodrome. This land and hangar is owned by an Indian oil and gas major. Whilst we have been using these facilities for a considerable period of time, we currently do not have an agreement with this company permitting us to use this land and hangar for the purpose of servicing clients apart from this company.

We have also entered into leave and license agreements for flats in Mumbai and Visakhapatnam for use by our pilots and engineers. These agreements are for periods of 22 and 33 months and are valid till middle of 2007.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

The Government of India has formulated various regulations which specifically apply to companies operating in the aviation sector. These regulations affect various aspects of our business including the acquisition of our helicopters, their maintenance and operation and the personnel we retain or engage. Some of the key industry regulations and the roles of the regulators thereunder, are discussed below.

Legislation applicable to our business

The primary legislation governing the aviation sector in India is the Aircraft Act and the Aircraft Rules, 1937 which are enacted under the Aircraft Act. The statute empowers various authorities including the DGCA to regulate aircraft operations in India.

In addition to the aforesaid legislation, the following are some of the important enactments applicable to entities which provide air transport services in India:

- **The Airports Authority of India Act, 1994:** a statute creating the Airports Authority of India (AAI), and providing for the administration and cohesive management of aeronautical communication stations, airports and civil enclaves where air transport services are operated or are intended to be operated.
- **The Carriage by Air Act, 1972:** a statute giving effect to the Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw on October 12, 1929 (as amended by the Hague Protocol on the September 28, 1955), acceded to by India. India has also extended the provisions of this act to non-international carriage by air.
- **The Tokyo Convention Act, 1975:** a statute giving effect to the Convention of Offences and Certain Other Acts Committed on Board Aircraft, as signed at Tokyo on September 14, 1963 and acceded to by India.
- **The Anti-Hijacking Act, 1982:** a statute giving effect to the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on December 16, 1970; and acceded to by India.
- **The Suppression of Unlawful Acts Against Safety of Civil Aviation Act, 1982:** An Act to give effect to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed on September 23, 1971 at Montreal and acceded to by India.

In addition to the above enactments and the Aircraft Rules, air transport services in India are governed by other rules including:

- The Aircraft (Public Health) Rules, 1954;
- The Aircraft (Demolition of Obstructions Caused by Buildings, Trees Etc.) Rules, 1994; and
- The Aircraft (Carriage of Dangerous Goods) Rules, 2003.

In addition to the above, legislations relating to direct and indirect taxation, environmental and pollution control regulations, intellectual property, labour and employment related legislation apply to us, as they apply to all industries. We are required to obtain various consents, approvals and permissions prior to or during the course of our operations under the aforesaid legislation.

Regulators

Director General of Civil Aviation (DGCA)

Domestic aviation in India is regulated by the Ministry of Civil Aviation (MoCA) and its two attached offices, the Bureau of Civil Aviation Security (BCAS) which is the central agency for aviation security; and the Director General of Civil Aviation which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations, air safety and airworthiness standards.

The DGCA is the principal regulator in the Indian civil aviation sector. *Inter alia*, the office of the DGCA promulgates, implements and monitors standards relating to the operations and airworthiness of an aircraft, licensing of personnel such as flight crew, flight dispatchers and aircraft maintenance engineers, air transport operations, investigation of minor accidents, etc. The detailed terms and conditions of these standards, including, without limitation, the authorities involved, the application processes and the requirements of renewal are prescribed by the Aircraft Act, the Aircraft Rules, CARs, ATACs, AICs and other circulars and advisory circulars.

Amongst other things, the DGCA is responsible for the following:

- **Aircraft registration:** DGCA is responsible for registration of all civil aircraft in India. Rule 30 of the Aircraft Rules empowers the DGCA to register aircraft and to grant certificate of registration in India;
- **Airworthiness certification:** Rule 15 requires that all aircraft registered in India to possess a current and valid Certificate of Airworthiness before it is flown. Under the provisions of Rule 50A, the DGCA issues/renews or revalidates the Certificate of Airworthiness;
- **Grant of approval to maintenance organisations:** Rule 133B certifies approved organisations for maintenance of aircraft.
- **Continuing airworthiness information:** DGCA issues continuing airworthiness information in the form of mandatory modifications/inspections which prescribe the mandatory actions required for the continued safe operation of the aircraft. These mandatory modification/inspection notify aircraft owners of potentially unsafe and other conditions affecting the airworthiness of their aircraft and/or accessories;
- **Grant of air operator's permits:** DGCA, under the provisions of Rule 134 of the Aircraft Rules grants permission to persons to operate an air transport service to, within and from India. The air transport services offered are (a) Scheduled Air Transport Services (Passenger) (CAR Section 3 Series 'C' Part II), (b) Non- Scheduled Air Transport Services (Passenger) (CAR Section 3 Series 'C' Part III), (c) Air Transport Services (Cargo) (CAR Section 3 Series 'C' Part IV) and (d) Non- Scheduled Air Transport Services (Charter Operation) (CAR Section 3 Series 'C' Part V). These permits are equivalent to the Air Operator's Certificate required to be granted by ICAO member States. Our helicopter operations are covered by the Non-Scheduled Operator's Permit (NSOP) which is discussed below.
- **Grant of licences to crews and personnel involved in the operation and maintenance of aircraft:** The DGCA grants approvals and licences to certain personnel such as flight crew, flight dispatchers and aircraft maintenance engineers.

Regulations applicable to our business:

We are engaged in providing non scheduled air transport services in India. Companies engaged in providing non scheduled air transport services are required to obtain the Non-Scheduled Operators Permit (NSOP) from the DGCA.

Operation of Non-scheduled air transport services

A 'scheduled air transport service' means an air transport service undertaken between two or more places and operated according to a published time table or with flights so regular or frequent that they constitute a recognisably systematic series, each flight being open to use by members of the public. A non-scheduled operation means an air transport service other than scheduled air transport service and that may be on charter basis and/or non-scheduled basis. Permission to operate non-scheduled services in India is only granted to:

- a citizen of India; or
- a company registered under the Companies Act, 1956 having its principal place of business within India, its chairman and at least two-thirds of its directors are citizens of India; and, its substantial ownership and control are vested in Indian Nationals.

Requirements for the operating permit also include certain requirements relating to permissible classes of aircraft, a minimum subscribed equity capital depending on the number of aircraft, availability of sufficient maintenance facilities, adequate maintenance and repair facilities, adequate number of flight crew and cabin crew, and adequate ground handling facilities and staff.

Foreign ownership restrictions

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy, FDI in the “Air Transport Services (Domestic Airlines)” sector (including scheduled and non-scheduled operators) is permitted up to 49% and up to 100% by NRIs (both under the automatic route, i.e., without the prior approval of the FIPB). Detailed guidelines in this regard have been issued by the DGCA under AIC No. 09. The Industrial Policy further prohibits foreign airlines from making any direct or indirect equity investment in a domestic airline.

In addition, the guidelines issued by the DGCA from time to time, including AIC No. 09, specify the following restrictions:

- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector must not be a subsidiary of a foreign airline;
- a foreign financial institution or other entity that proposes to hold equity in the domestic air transport sector must not have foreign airlines as its shareholder;
- the substantial ownership and effective control of companies operating non-scheduled services must be vested in Indian nationals; and
- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector may have representation on the board of directors of a domestic airline company, but such representation shall not exceed one-third of the total strength of such board.

No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with the AIC No. 09, and other applicable laws, rules, regulations, guidelines and approvals.

Investors making a Bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribed to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

Regulations applicable to our fleet:

Acquisition of aircraft

The acquisition of aircraft and their use for non scheduled airline operations requires that we obtain various permissions, approvals and consents. The import of aircraft requires a general “no-objection” certificate from the MoCA and subsequently a specific “no-objection” certificate to import aircraft from the DGCA. Further, permission from the RBI is required for foreign currency financing arrangements for the acquisition of aircraft. For aircraft that are in operation elsewhere prior to their import by us, export certificates of airworthiness and certificates of deregistration are required from the regulators in the country of import prior to their import into India. Following the import of aircraft, further permissions, particularly in connection with registration of the aircraft, certification of their airworthiness and an issue or extension of the permit to operate air transport services for non scheduled commercial operations must be obtained and maintained in order for them to be inducted into our fleet and used for our operations. In addition to the above, we also required to obtain and maintain adequate levels of insurance for its scheduled commercial operations, including:

- Insurance for passengers, baggage, crew and cargo; and
- Hull loss and third party risk.

Under the applicable regulations, aircraft imported for non scheduled commercial operations must comply with various functional requirements prior to their certification. These include limitations on maximum permissible age, type of aircraft that may be imported, installation of prescribed instrumentation and safety equipment and restrictions specific to the nature of the arrangement under which aircraft are leased.

Regulations governing our personnel

Personnel employed in our operations including our flight crews, flight dispatchers, and engineering personnel engaged in maintenance are required to be approved or licensed by the DGCA. In addition to the above requirements, certain clearances are required for non-scheduled airlines prior to appointment of various personnel, including:

- Security clearance for non-India pilots and engineers to be obtained under ATC No. 03 of 1998.
- Security clearance for the chairman and directors of all scheduled and non scheduled airline operators under ATC No. 3 of 1998.

Air crew

All of our flight crews are required to obtain aircraft specific licences from the DGCA prior to the operation of aircraft. These licences are to be renewed on a periodic basis. Our air crews are also required to undergo proficiency checks on a regular basis in order to keep their licences current. In addition, our flight crews may also need to satisfy specific requirements in connection with offshore operations. Our air crew training program is required to be approved by the DGCA.

Regulations governing engineering and maintenance

All the AME’s employed in connection with our engineering and maintenance operations must be licensed or approved by the DGCA for carrying out their specific maintenance and certification roles. These licences or approvals have to be renewed on an annual basis. Recurrent training of these personnel is also required to ensure compliance with proficiency requirements. Further, our quality control documentation is required to be approved by the DGCA.

We are required to maintain certain basic maintenance facilities for our aircraft in order to qualify for a permit to provide non scheduled air transport services. Consequently, we have obtained approvals from the DGCA to provide different levels of maintenance services for our fleet. We are required to renew these approvals on an annual basis.

Regulations governing security

We are required to comply with BCAS requirements when training our airport based security personnel and our security documentation must be approved by the BCAS. We are also required to obtain BCAS approval for our security arrangements in each airport prior to commencing our operations.

Regulations governing safety

Only scheduled operators are mandatorily required to establish a flight safety cell in order to monitor its flight safety, investigate any safety related incidents and recommend remedial measures in connection with the same; while non-scheduled operators are only 'encouraged' to do so by the applicable CAR. Notwithstanding the recommendatory nature of these guidelines, we have undertaken strict voluntary compliance with the applicable CAR.

Regulations governing quality assurance

We are required to have a quality assurance system to carry out internal audits of its engineering activities. We are also required to appoint a quality control manager whose appointment is to be approved by the DGCA.

Further, we are also required to designate an accountable manager who has the corporate authority to ensure compliance of our maintenance operations with DGCA requirements.

HISTORY AND CORPORATE STRUCTURE

Our History

We were incorporated as Azal India Private Limited (AIPL) on April 13, 1998. We received a fresh certificate of incorporation consequent upon the change of our name to Global Helicorp Private Limited on July 22, 2003. Subsequently we changed our name to Global Vectra Helicorp Private Limited and were issued a fresh certificate of incorporation consequent upon this change in name on September 20, 2004. Upon our conversion to a public limited company, we became Global Vectra Helicorp Limited on October 10, 2005.

We are one of the largest dedicated offshore transportation services helicopter company in India servicing the oil and gas exploration and production sector in India. We are an ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 certified aviation Company. Our fleet operates to transport crew and supplies between offshore and onshore bases. We have serviced several offshore contracts since our inception in 1998. Our clients include Reliance Industries Limited, Gujarat State Petroleum Corporation Ltd. and BG Exploration and Production India Limited.

Our Promoters are Ravinder Kumar Rishi, VIPL and AAA.

VIPL was incorporated on October 10, 1997 as an investment company. AAA, which was incorporated in Ireland, was set up to finance leased assets of the Company. However since October 5, 2004, Vectra Limited has acquired full rights and interests in the business of AAA and the shareholding in AAA.

We are part of the Vectra Group of companies. The Vectra Group comprises of companies mainly in Eastern Europe and India.

Our Company was incorporated with its registered office at 84-E, C-6 Lane (Off Central Avenue) Sainik Farms, New Delhi 110 062. We moved our corporate office to 202, Krishna Kunj, V. L. Mehta Marg, JVPD Scheme, Mumbai 400 056 vide resolution passed by our Board of Directors on August 17, 2004. Pursuant to a board resolution dated January 4, 2005 we shifted our registered office to A-54, Kailash Colony, New Delhi 110 048.

Shareholder Agreements

We were incorporated as Azal India Private Limited (AIPL) on April 13, 1998, with two individuals being the subscribers to the memorandum of the Company. Three other individuals were allotted Equity Shares of the Company on August 20, 1999. Also on this date, AAA was allotted 400,000 Equity Shares constituting 40% in the Company. Vectra Limited subscribed to three AAA shares constituting 50% of the Equity Share capital of AAA on January 24, 2004, thus acquiring 20% of the Equity Share capital of the Company.

On August 17, 2004 the Equity Shares held by three individual shareholders of the Company were transferred to VIPL through agreements for sale of shares, described below. Subsequently, VIPL also acquired the remaining shares from the individual shareholders of the Company. On July 18, 2005 VIPL transferred ten Equity Shares each to five individuals (as nominees) to meet compliance with requirements relating to a public company under the Companies Act.

As a result of the above, AAA currently holds 40% of the Equity Share capital of the Company. VIPL, along with the five individual transferees of its shares in the Company, holds 60% of the Equity Share capital of the Company. Vectra Limited acquired 100% ownership of AAA through a Sale and Release Agreement described below. As a result of this, Vectra Limited holds 40% of the Equity Share capital of the Company through AAA. The agreements for purchase of Equity Shares by VIPL and for the acquisition of the interests in the business of AAA by Vectra Limited are detailed below.

Agreements for Sale of Equity Shares

An agreement for sale of Equity Shares was entered into on August 17, 2004 between Hemendra Sharma (Transferor) and VIPL (Transferee) for sale of 370,000 Equity Shares. The consideration paid by the Transferee was Rs. 2,220,000 paid on August 16, 2004.

Under the agreement, the Transferor has declared that the Equity Shares held by him have not been hypothecated, pledged or encumbered in favour of any person for any loan or security or for any purpose and that the Transferor has the full rights as owners of the Equity Shares to sell the Equity Shares to the Transferee.

Two similar agreements were also entered into on August 17, 2004 for transfer of Equity Shares to VIPL. The agreements were for transfer of 469,996 Equity Shares by Altaf Tumbi for a consideration of Rs. 2,819,976 and for transfer of 360,000 Equity Shares by Manju Hemendra Sharma for a consideration of Rs. 2,160,000. The terms and conditions of these agreements are the same as detailed above.

Sale and Release Agreement

A Sale and Release Agreement was entered into on October 5, 2004 between Vectra Limited, Balnopen Limited, Cyprus (Balnopen) and Jaygrove Limited, Cyprus (Jaygrove). Balnopen and Jaygrove (the Sellers) are owned ultimately by CHIM-NIR Flights Services Limited (CHIM-NIR), a public limited company incorporated in Israel for sale of Balnopen's interests and rights in AAA, including its holdings in the share capital of AAA and for sale of Jaygrove's ownership interests in a helicopter to Vectra Limited.

Balnopen and Vectra Limited were the sole owners, in equal shares of 50% each, of AAA, which is a company incorporated in Ireland and which holds 40% of our Equity Shares.

Jaygrove and Vectra Limited were the sole owners, in equal shares of 50% each, of a Bell 412 HP helicopter, SN 36024, Registration VT-AZE (the Helicopter).

The agreement provides for the sale of Balnopen's interests and rights in the business of AAA and the sale of Balnopen's entire receivables from AAA amounting to USD 4,490,722 (referred to as Debt) to Vectra Limited. Specifically, the subject matter of sale and purchase consisted of all of Balnopen's holdings in the share capital of AAA, which consisted of 3 ordinary shares and all rights which the Seller had in the share capital of the Company, including ownership rights, equitable rights, rights of action, beneficiary rights against trustees and any other rights. The subject matter also included all rights which Balnopen had in the control and management of the Company, and AAA. The agreement also provided for sale of Jaygrove's interests and rights in the Helicopter to Vectra Limited.

The governing law with respect to the agreement are the laws of UK.

Thus pursuant to this agreement, Vectra Limited has acquired further 50% of the Equity Share capital of AAA and has acquired 100% of the Equity Share capital of AAA and through AAA owns 40% of our Equity Shares.

Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To carry on the business of flying, operating, hiring, letting on hire, leasing, chartering, tendering, providing aviation services, buying, selling, importing, exporting, or otherwise dealing in all varieties, descriptions, specifications, capacities, strengths and applications of aircrafts including specifically helicopters, aeroplanes, monoplanes, biplanes, supersonics, airbus, hovercrafts, training planes, machines, seaplanes, flying boats, flying apparatus, or other mechanical devices for aerial operation or navigation, of any and every kind and description and any future improvements or developments of the same used for transportation of passengers, merchandise, cargo and materials of every kind.
2. To carry on the business of service, repair, maintain, fabricate, assemble, design, develop, recondition, remodel, renovate or otherwise deal in all machinery, appliances, components, materials, parts, accessories, fittings, equipments, instruments, tools, supplies, systems, devices, consumables, freight and passenger station houses, storages facilities, machine and repair shops, stock and repair yards, facilities of communication and other allied products pertaining to the items mention in Clause 1 above.
3. To carry on the business of travel agents, flight couriers, freight and passenger ticket booking agents, aircraft players, and to undertake any contract or assignment from government, semi-government, or other authorities to own and operate any airtaxi route in India or the world and to buy, sell, import, export, store or otherwise deal in all goods, articles and things connected to the foregoing activities.

The present business of the Company is as per the main objects as contained in the Memorandum of Association.

Amendments to our Memorandum of Association

Date	Details
September 20, 2002	Article 3(iv) inserted in the Articles of Association reading as follows: "Prohibit any invitation or acceptance of deposits from persons other than its members, Directors or their relatives."
March 3, 2003	Increase in the authorised share capital from Rs. 20,000,000 to Rs. 50,000,000
July 22, 2003	Change of name from Azal India Private Limited to Global Helicorp Private Limited
December 5, 2003	Increase in the authorised share capital from Rs. 50,000,000 to Rs. 100,000,000
September 20, 2004	Change of name from Global Helicorp Private Limited to Global Vectra Helicorp Private Limited
May 27, 2005	Increase in the authorised share capital from Rs. 100,000,000 to Rs. 120,000,000
October 10, 2005	Change of name from Global Vectra Helicorp Private Limited to Global Vectra Helicorp Limited
February 18, 2006	Increase in the authorised share capital from Rs. 120,000,000 to Rs. 250,000,000

Changes in the registered office

Date of change	Address
Up to January 3, 2005	84-E, C-6 Lane (Off Central Avenue) Sainik Farms, New Delhi 110 062
January 4, 2005	A-54, Kailash Colony, New Delhi 110 048

The registered office was changed to A-54, Kailash Colony, New Delhi 110 048 with effect from January 4, 2005.

Key Milestones

Date	Event
December 1997	Entry of 'Azal', a project office of Azerbaijan Airlines in India
February 1998	Introduction of Bell 412 Helicopter to the Indian offshore market
February 1998	Commenced offshore operations with the first of the three Bell 412 Helicopters taken on Charter-Hire Contract by an Indian oil and gas major
April 1998	Formation of Indian company 'Azal India Private Limited'
January 1999	Assignment of the contract by Azal to AIPL
March 2003	ISO 9001-2000 Certified Company through DNV
January, 2004	Vectra Limited acquired 50% stake in Azal Azerbaijan Aviation Limited, an aircraft leasing company incorporated in Ireland and which held 40% equity in AIPL
August 2004	VIPL acquired majority stake in Global Helicorp and the Vectra Group thereby acquired control of our Company
October 2004	Vectra Limited acquired the remaining 50% stake in AAA whereby 100% of our shareholding was held by the Vectra Group
May 2005	ISO 14001-2004 Certified Company through DNV OHSAS 18001-1999 Certified Company through DNV

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have no less than three and no more than twelve directors. We currently have three directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name, Father's/Spouse's Name, Address, Designation, Occupation and Term	Nationality	Age	Date of Appointment and term	Other Directorships/Partnerships
1.	Lt. Gen. (Retd.) SJS Saighal Chairman and Managing Director (S/o) Mr. Naunihal Singh. 1654 Sector 4, Panchkula Haryana 134 112 Service Not liable to retire by rotation	Indian	63	August 16, 2005	1. Vectra Aviation Private Limited
2.	P. Rajkumar Menon Wholetime Director (S/o) Late Mr. T. P. Menon 502, Casurina B, Evershine Green, New Link Road, Andheri (West) Mumbai 400 053 Service Not liable to retire by rotation	Indian	42	January 11, 1999	None
3.	Ambrish Thakker Director (S/o) Mr Laxmidas T. Thakker 8, Jai Jagadish, 5 th N.S. Road. JVPD Scheme Vile Parle (West) Mumbai 400 056 Business Liable to retire by rotation	Singaporean	47		1. Agriprojects Limited., U.K 2. Capp International Pte Ltd, Singapore 3. Armex (Singapore) Pte Ltd, Singapore

Brief Biographies of our Directors

Lt. Gen. (Retd.) SJS Saighal PVSM, VM, VSM took over as Chairman of the Company in August 2004. He holds a Masters degree 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 of upkeep, induction and development of equipment 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 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 and 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 has conferred the awards of Param Vashisht Seva Medal (PVSM) and Vishisht Seva Medal (VM). He was also awarded Vayu Sena Medal (VSM) during 1971. His cost to company for FY 2006 was Rs. 916,802.

Lt. Gen. (Retd) SJS Saighal was appointed as executive director on our Board on August 16, 2005 and as Chairman and Managing Director on March 18, 2006 pursuant to the provisions of the Companies Act for a period of three years with effect from August 16, 2005 vide a resolution of our Board on August 16, 2005 and to be approved at our next Annual General Meeting. We have entered into an agreement dated August 16, 2005 executed between us and Lt. Gen. (Retd) SJS Saighal.

P. Rajkumar Menon

P. Rajkumar Menon has a Diploma in Aircraft Maintenance Engineering from HIET, Madras, India. (Approved by DGCA) and an Aircraft Maintenance Engineering license No. 3183, Issued by the DGCA (Director General of Civil Aviation) Govt. of India.

He has had more than 23 years of experience in the aeronautical sector. From 1988 to 1999 he joined the State Civil Aviation Department, Government of Uttar Pradesh as an Assistant Engineer, and was promoted to the post of Senior Engineer in 1993. He joined the Company in January 1999 as an engineer and was promoted to the post of Deputy Chief Engineer and thereafter Chief Engineer. He is presently the Director Engineering in the Company.

P. Rajkumar Menon has obtained special approvals issued by the DGCA to cover component overhaul of Bell 412 and to cover weight and certification of weight schedule of the Bell 412 helicopter. His cost to company for FY 2006 was Rs. 2,460,500.

P. Rajkumar Menon was appointed as an executive director on August 16, 2005 pursuant to the provisions of the Companies Act for a period of three years with effect from such date, a resolution of our Board on August 16, 2005 and to be approved at our next Annual General Meeting. We have entered into an agreement dated August 16, 2005 executed between us and P. Rajkumar Menon.

Ambrish Thakker

Ambrish Thakker obtained a B. Sc degree from Elphinstone Technical College, Mumbai in 1980. He has a diploma in international trade and finance.

He has specialised in trade structured finance and offset business. He was appointed as a director on the Board of our Company in 2003 and is also currently a director on the board of CAPP International Pte Ltd., Singapore, Armex (Singapore) Pte Ltd. and Agriprojects Limited in the UK. He does not receive remuneration from the Company.

Borrowing powers of the Board

Our Articles, subject to the provisions of the Act, authorise our Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Our members have, pursuant to a resolution dated October 22, 2005 authorised our Board to borrow monies together with moneys already borrowed by us, in excess of the aggregate of the paid-up capital of the Company and its free reserves, not exceeding Rs. 1,000 million at any time.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We shall comply with the Corporate Governance Code in accordance to Clause 49 (as applicable) of the Listing Agreement to be entered into with the Stock Exchanges prior to the filing of the Red Herring Prospectus with the ROC and prior to the listing of our Equity Shares.

The Board has three Directors, of which the Chairman of the Board is an executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, pursuant to approval from the DGCA, we shall have four executive Directors and four independent directors on our Board.

Audit Committee

We have applied to DGCA for security clearance of new directors to be appointed to the Board. The Audit Committee shall be constituted in compliance with the Listing Agreement pursuant to receipt of such clearance.

Remuneration Committee

We have applied to DGCA for security clearance of new directors to be appointed to the Board. The Remuneration Committee shall be constituted in compliance with the Listing Agreement pursuant to receipt of such clearance.

Investor Grievance Committee

We have applied to DGCA for security clearance of new directors to be appointed to the Board. The Investor Grievance Committee shall be constituted in compliance with the Listing Agreement pursuant to receipt of such clearance.

Shareholding of our Directors in the Company

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in our Company. None of our directors hold any shares in the Company.

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our executive directors receive remuneration from us. For further details see the section titled “Our Management” on page 57 of this Draft Red Herring Prospectus.

The Company’s Registered Office is located at A-54, Kailash Colony, New Delhi 110 048. The Company occupies these premises pursuant to a letter dated January 1, 2005 with Mr. Ravinder Kumar Rishi, one of the Promoters of the Company. The term of the license is for a period of three years, with a provision for automatic renewal unless mutually agreed otherwise. Under the terms of the agreement the Company is liable to pay an annual rent of Re. 1.

Except as stated in the section titled “Related Party Transactions” on page 97 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business. As stated in the section titled “Related Party Transactions” on page 97 of this Draft Red Herring Prospectus we have taken a loan of Rs. 189.95 million from certain of our Promoter AAA and Promoter Group company, Vectra Limited.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Our Articles provide that our Directors and officers shall be indemnified by our Company against loss in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgement in his favour or is acquitted in such proceeding. We currently do not have any directors’ and officers’ insurance policy.

Our Articles provide that where our Directors become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security cover affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors any loss in respect of such liability.

Remuneration of our Executive Directors

Lt. Gen. (Retd.) SJS Saighal

The significant employment terms are as follows:

Particulars	Remuneration
Gross salary for Fiscal 2006	Rs. 916,802
Salary	Rs. 75,000 per month
Perquisites	Rs. 16,802
Minimum Remuneration	Rs. 900,000

P. Rajkumar Menon

The significant employment terms are as follows:

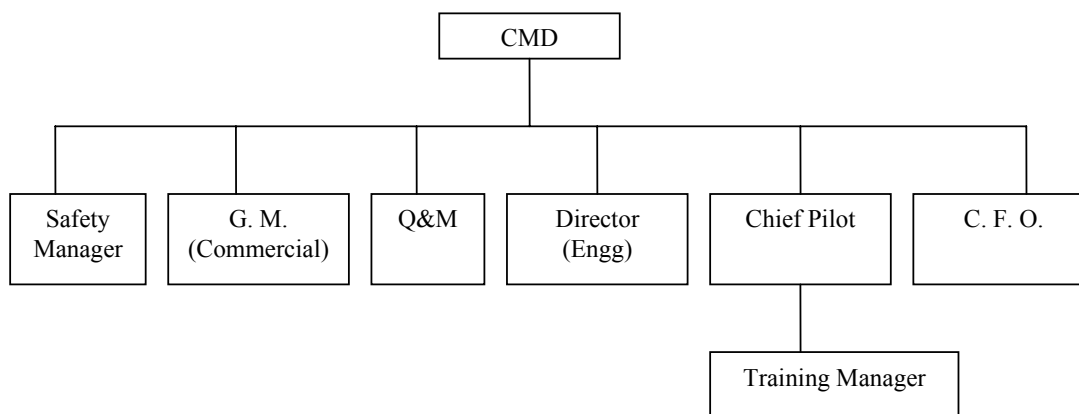
Particulars	Remuneration
Gross salary for Fiscal 2006	Rs. 2,460,500
Salary from January 1, 2006	Rs. 300,000 per month (inclusive of all perquisites and allowances)
Bonus	Annual Bonus entitlement

Changes in Our Board of Directors during the last three years

The following are the changes in the Board of Directors during the last three years:

Name	Date of Appointment/ Resignation	Reason
Govind R. Gaonkar	August 17, 2004	Resigned from directorship
Subhash Kharbanda	August 17, 2004	Resigned from directorship
Omer Levavi	August 17, 2004	Resigned from directorship
Govind R. Gaonkar	August 18, 2004	Appointed as additional Director
Lt. Gen. (Retd) SJS Saighal	August 26, 2004	Appointed as additional Director
Sanjay Bhandari	August 26, 2004	Appointed as additional Director
Ambrish Thakker	August 26, 2004	Appointed as additional Director
Rakesh K. Mehrotra	March 1, 2005	Resigned from directorship
P. Rajkumar Menon	April 28, 2005	Resigned from directorship
Lt. Gen. (Retd) SJS Saighal	April 28, 2005	Resigned from directorship
Sanjay Bhandari	April 28, 2005	Resigned from directorship
Ambrish Thakker	April 28, 2005	Resigned from directorship
P. Rajkumar Menon	August 16, 2005	Appointed as executive Director
Lt. Gen. (Retd) SJS Saighal	August 16, 2005	Appointed as executive Director
Ambrish Thakker	August 16, 2005	Appointed as additional Director
Govind R. Gaonkar	August 17, 2005	Resigned from directorship

Managerial Organizational Structure



Key Managerial Personnel

Other than Lt. Gen. SJS Saighal and P. Rajkumar Menon, our Key Managerial Personnel are as follows:

Siddharth Prakash Verma, holds a BA (Honours) Economics degree from the Sri Ram College of Commerce Delhi University. He obtained a PGDMM in Business Management from the Times School of Management, New Delhi.

He has had 13 years of work experience of which 12 years has been with the aviation industry. He joined the Company on August 11, 1997. He was appointed as General Manager Commercial on April 20, 1998. He has nine years of experience in managing offshore helicopter services.

From 1993 to 1996 Mr. Verma had worked with the Damania Group of Companies, in the area of business development and for the travel agent segment of the industry for the airline operations of the group. From 1996 to 1997 he worked as a Manager at Bell Helicopter Textron, India in the business development and client relations segment. From 1997 onwards he has been working at the Company and is the General Manager, Commercial of the Company. He was involved in the establishment of the Company and in product development. His cost to company for FY 2006 was Rs. 1,830,450.

Vikram D. Kakaiya, 48 years, obtained a B. Com. degree from M.S. University of Baroda in 1978. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He has had 23 years of post qualification experience in finance, accounts, company law matters, taxation and FEMA. He joined the Vectra Group in 1983 by joining MFR Electronic Components Private Limited. He has been engaged in the incorporation and formation of all Vectra Group companies in India. He has been deputed as our Chief Financial Officer on May 1, 2006 from VIPL, after the acquisition, to administer financial control and discipline and ensure statutory compliance. He does not receive remuneration from the Company.

Capt. K. N. Gopakumaran Nair, 52 years, has a Bachelor of Sciences degree from Kerala University. He has 32 years of experience in aviation and has had ten years of experience in offshore flying. He joined the Indian Air Force in July 1974. He served as a pilot in the IAF in various appointments up to June 30, 1998. He took premature release from the IAF on July 1, 1998 as a Group Captain.

He joined the Company on July 1, 1998. He has had eight years offshore experience with the Company. He has a total of more than 11,500 hours of flying. He has more than 5,500 hours of offshore flying and has 4,700 hours of flying on Bell 412 helicopters. In 1987, Capt. K. N. Gopakumaran Nair received the Flight Safety Three Star from the IAF for excellent accident / incident free flying performance. In 1993, he was awarded the Commendation by the Chief of Air Staff for display of high level of professional skill and dedication to the service. He received the Vayusena medal for gallantry, awarded by the President of India for professional excellence, devotion to duty and display of courage in the face of the enemy in 1991. From October 2001 till

date he has been serving as the Chief Pilot of the Company. His cost to company for FY 2006 was Rs. 2,489,213.

Captain Dhirendra Kumar Chand, 57 years, has graduated from the National Defence Academy Aviation School and from the Army Aviation School, Fort Rucker, Alabama, USA.

He was a commissioned officer in the army for 29 years and has had experience in army aviation for 25 years including 21 years as a Qualified Instructor. He has been a recipient of the Gallantry Award, has held the highest flying, instrument and instructor rating and has exceeded the Aviation Officers Advance Course Standards at Aviation School, Fort Rucker, Alabama, USA. In the civil aviation sector he has work experience as a Training Manager and as an Examiner. He has also worked as a Deputy Chief Pilot. He was a member of the DGCA Committee on Helicopter Licensing, Training and Operations in 2004-2005. He is HUET, Dangerous Goods, First Aid and CRM qualified.

He joined the Company on September 1, 1998 and has been with us for over seven years. He was appointed as Deputy Chief Pilot and Training Manager on September 1, 1998. His gross salary for FY 2006 was Rs. 3,017,410.

Pranab Kumar Nandi, 41 years, holds an AME diploma from the Air Technical Training Institute, Dum Dum, Kolkata. He has a number of different licenses with respect to airplane airframe; engines and with respect to different helicopters such as Bell 412, Dauphin SA365N and Pushpak MK-1 Aircraft.

He has more than 21 years of aviation experience, beginning from July 1984 onwards. He worked with Pawan Hans Helicopters Limited (Western region), Mumbai, gaining experience on Dauphin SA365N Helicopter and its engine, from April 1990 to July 1993. He has worked with the Civil Aviation Department, Government of Bihar as an AME in the post of Senior Helicopter Engineer from August 1993 to March 2000. He was appointed as Q. C. Engineer by the Company on April 1, 2000. His gross salary for FY 2006 was Rs. 1,595,450.

Apart from Vikram D. Kakaiya, our CFO, all our other key managerial personnel are on the payroll of the Company.

Shareholding of the Key Managerial Personnel

Our Key Managerial Personnel do not hold any Equity Shares in the Company.

Bonus or profit sharing plan of the Key Managerial Personnel

The Company has in the past paid bonus to its employees. There is no profit sharing plan for our Key Managerial Employees.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company.

Changes in the Key Managerial Personnel

The changes in our Key Managerial Personnel during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Jehangir Damania		March 18, 2006	Resigned
Lt. Gen. (Retd.) SJS Saighal	August 16, 2005		Appointed as our executive director
Vikram D. Kakaiya	May 1, 2006		Deputed as CFO to the Company by VIPL

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Currently, our Promoters are Ravinder Kumar Rishi, VIPL and AAA.

Ravinder Kumar Rishi



Ravinder Kumar Rishi, 50 years, (Driving license number (UK): RISHI509095RK9NC11), is the Promoter of the Company.

Vectra Investments Private Limited

VIPL was incorporated on October 10, 1997. The registered office of VIPL is situated at Vectra House, No. 15 1st Main, 6th Cross, Gandhinagar, Bangalore 560 009. The main business of VIPL is to carry on business as an investment company in all its branches and without prejudice to the generality of the foregoing, to buy, underwrite, invest in and acquire and hold, lease, sell, and otherwise deal in shares, debentures, stock, bonds, obligation, and securities of every kind.

Equity Shareholding Pattern

The equity shares of VIPL are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Deepti Rishi	14,289,540	28.58
Suruchi Rishi	8,927,720	17.86
Swati Rishi	8,927,020	17.85
Rati Rishi	8,927,020	17.85
Hemang R. Rishi	8,927,020	17.85
Bharat Bhushan Bahl	10	0.01
Ravinder Kumar Rishi	10	0.01
	49,998,540	100.00

Board of Directors

The board of directors of VIPL as on May 16, 2006 comprises:

1. Bharat Bhushan Bahl
2. Ravinder Kumar Rishi
3. Nitin B. Bahl
4. Anil Mansharamani
5. Surindar Singh Kahlon

Financial Performance

The financial results of VIPL for the last three financial years are as follows:

	<i>(Rs. in millions)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	41.02	37.67	19.87

Profit/(Loss) after tax	2.83	1.62	(36.39)
Equity share capital (paid up)	281.66	281.66	430.36
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	Nil	Nil	0.89
Earnings/(Loss) per share (diluted) (Rs.)	0.02	0.06	(1.13)
Net Asset Value (Rs./share)	9.50	9.68	8.90

Azal Azerbaijan Aviation Limited, Ireland

AAA was incorporated on September 12, 1997. The main business of AAA is to carry out activities in investment holdings, aviation leasing and management services.

Equity Shareholding Pattern

The equity shares of AAA are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Vectra Limited	6	100

Board of Directors

The board of directors of AAA as on May 16, 2006 comprises:

1. Swati Rishi
2. Jojo Alexander

Financial Performance

The financial results of AAA for the last three financial years are as follows:

	<i>(USD in million)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	3.30	0.58	2.50
Profit/(Loss) after tax	(0.55)	(1.80)	(1.12)
Equity share capital (paid up)	0.003	0.003	0.006
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	(2.12)	(3.92)	(5.04)
Earnings/(Loss) per share (diluted) (USD)	(183,150)	(599,400)	(186,850)
Net Asset Value (USD/share)	(706,010)	(1,305,410)	(839,570)

(hereinafter individually referred to as “**Promoter**” and collectively referred to as “**Promoters**”)

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled “Related Party Transactions” beginning on page 97 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoter, namely, Ravinder Kumar Rishi, have been submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Further, we confirm that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the address of the ROC where VIPL and AAA are registered have been submitted to the Stock Exchanges on which our securities are proposed to be listed.

Further, our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Promoter Group Companies and Entities

In addition to our Promoters, as specified above, the following individuals (being the immediate relatives of our Promoters and some of whom hold Equity Shares), companies and entities are part of our Promoter Group:

Individuals

1. Deepti Rishi
2. Suruchi Rishi
3. Swati Rishi
4. Rati Rishi
5. Hemang R. Rishi

Corporates

1. Vectra Advanced Engineering Private Limited
2. Vectra Azad Engineering Private Limited
3. Terex Vectra Equipment Private Limited
4. Tatra Trucks India Limited
5. Venus Udyog (India) Limited
6. MFR Electronic Components Private Limited
7. Vectra Aviation Private Limited
8. Indian Exposition Mart Limited
9. Vectra Limited
10. Vectra Azad Limited
11. Trans Continental Industries LLC
12. CKD Mobilni Jeraby a.s.
13. Tanax a.s
14. Tatra a.s.
15. Vectra Canada Limited
16. Hillriver Limited

Partnership Firms

1. Turzovska Drevarska Fabrika s.r.o.
2. Hlboka 7 s.r.o.

Proprietorship Concern and HUF

1. Nil

The details of our Promoter Group companies and entities are as below:

Promoter Group: Corporates

1. Vectra Advanced Engineering Private Limited

Vectra Advanced Engineering Private Limited (VAEPL) was incorporated on December 27, 1999. The registered office of VAEPL is situated at Vectra House, No. 15 1st Main, 6th Cross, Gandhinagar, Bangalore 560 009. The main business of VAEPL is to carry on business as manufacturers, fabricators, assemblers, exporters, importers, merchants, traders, stockists, suppliers, contractors, commission agents, brokers, indentors or in any other capacity in India or elsewhere and to buy, sell, distribute, pledge, mortgage, make advances upon or otherwise deal in all types of machinery, machinery parts, equipments, components, spare parts, tools, mechanical, electrical, electronic and scientific apparatus, instruments, components and devices and engineering goods as per specific drawings and requirements of clients.

Equity Shareholding Pattern

The equity shares of VAEPL are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Deepti Rishi	2,347,550	9.98
Vectra Limited	13,194,890	56.09
Suruchi Rishi	1,847,550	7.85
Swati Rishi	1,847,550	7.85
Rati Rishi	1,847,550	7.85
Hemang R. Rishi	1,847,550	7.85
Ravinder Kumar Rishi	500,000	2.13
VIPL	90,000	0.38
Others	20	0.02
Total	23,522,660	100.00

Board of Directors

The board of directors of VAEPL as on May 16, 2006 comprises:

1. Ravinder Kumar Rishi
2. Bharat Bhushan Bahl
3. Anil Mansharamani
4. Surindar Singh Kahlon
5. Lt. Gen R.I.S. Kahlon

Financial Performance

The financial results of VAEPL for the last three financial years are as follows:

	<i>(Rs. in millions)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	2.03	28.94	34.76
Profit/(Loss) after tax	(3.36)	(15.71)	(5.11)
Equity share capital (paid up)	117.78	164.68	195.07
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	Nil	Nil	Nil
Earnings/(Loss) per share (diluted) (Rs.)	(0.07)	(1.22)	(0.30)
Net Asset Value (Rs./share)	9.58	8.74	8.67

2. Vectra Azad Engineering Private Limited

Vectra Azad Engineering Private Limited was incorporated on May 22, 1992. The registered office of Vectra Azad Engineering Private Limited is situated at 26, KIADB Industrial Area Attibele, Hosur Road, Bangalore 562 107. The main business of Vectra Azad Engineering Private Limited is to carry on the business of automotive superstructures and earth moving equipment steel fabrication.

Equity Shareholding Pattern

The equity shares of Vectra Azad Engineering Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
VIPL	4,819,900	99.99%
Rakesh Jinsi	100	0.01%
	4,820,000	100.00

Board of Directors

The board of directors of Vectra Azad Engineering Private Limited as on May 16, 2006 comprises:

1. Rakesh Jinsi
2. Anil Mansharamani
3. P. V. Sudarshan

Financial Performance

The financial results of Vectra Azad Engineering Private Limited for the last three financial years are as follows:

	<i>(Rs. in millions)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	108.67	137.73	165.98
Profit/(Loss) after tax	1.28	(18.21)	(31.29)
Equity share capital (paid up)	22.00	22.00	22.00
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	8.83	(9.38)	(40.68)
Earnings/(Loss) per share (diluted) (Rs.)	0.63	(9.01)	(15.50)
Net Asset Value (Rs./share)	163.77	6.24	6.04

3. Terex Vectra Equipment Private Limited

Terex Vectra Equipment Private Limited was incorporated on April 10, 2003. The registered office of Terex Vectra Equipment Private Limited is situated at A-54, Kailash Colony, New Delhi 110 048. The main business of Terex Vectra Equipment Private Limited is to carry on the business of manufacturing and trading of construction and material handling equipments.

Equity Shareholding Pattern

The equity shares of Terex Vectra Equipment Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Terex Corporation, USA	8,498,597	50
VIPL	8,498,597	50
Total	16,997,194	100.00

Board of Directors

The board of directors of Terex Vectra Equipment Private Limited as on May 16, 2006 comprises:

1. Ravinder Kumar Rishi
2. Vijay Sharma
3. Jojo Alexander
4. Tony Gardner
5. Brian J. Henry
6. Daljit Wallia
7. Anil Mansharamani

Financial Performance

The financial results of Terex Vectra Equipment Private Limited for the last three financial years are as follows:

(Rs. in millions)

	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	NA	9.50	199.80
Profit/(Loss) after tax	NA	(17.20)	(104.10)
Equity share capital (paid up)	NA	99.30	141.70
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	NA	(17.20)	(121.30)
Earnings/(Loss) per share (diluted) (Rs.)	NA	(23.77)	(10.55)
Net Asset Value (Rs./share)	NA	8.26	1.44

4. Tatra Trucks India Limited

Tatra Trucks India Limited was incorporated on July 9, 1997. The registered office of Tatra Trucks India Limited is situated at Vectra House, No. 15, 1st Main, 6th Cross, Gandhinagar, Bangalore 560 009. The main business of Tatra Trucks India Limited is to carry on the business of manufacturing dumper trucks for use in mining, heavy construction, service and sale of spare parts.

Equity Shareholding Pattern

The equity shares of Tatra Trucks India Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
TATRA a.s.	1,666,056	10
Vectra Limited	6,664,224	40
VIPL	8,330,280	50
Total	16,660,560	100

Board of Directors

The board of directors of Tatra Trucks India Limited as on May 16, 2006 comprises:

1. Lt. Gen. R I S Kahlon
2. Ravinder Kumar Rishi
3. Jojo Alexander
4. Zbynek Keisler
5. Rakesh Jinsi

Financial Performance

The financial results of Tatra Trucks India Limited for the last three financial years are as follows:

(Rs. in millions)

	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	508.62	583.64	711.14
Profit/(Loss) after tax	(21.93)	28.37	39.81
Equity share capital (paid up)	166.61	166.61	166.61
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	(101.99)	(73.62)	(33.81)
Earnings/(Loss) per share (diluted) (Rs.)	NIL	1.70	2.39
Net Asset Value (Rs./share)	3.88	5.58	7.97

5. Venus Udyog (India) Limited

Venus Udyog (India) Limited was incorporated on August 2, 1994. The registered office of Venus Udyog (India) Limited is situated at Navyug Niketan, 185 Walkeshwar Road, Mumbai 400 006. The main business of Venus Udyog (India) Limited is to purchase or take on lease land or development rights in land with or without structures standing thereon and to carry on construction activities thereon with a view to develop and sell constructed buildings and to carry on business as housing and real estate developers, builders, contractors, civil engineers, builders, supervisors, road contractors, railway-track builders, quarry owners, manufacture of items required for civil construction, decoration, architectural designs etc.

Equity Shareholding Pattern

The equity shares of Venus Udyog (India) Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Anant R. Bhandari	10	0.00
Hemang Holdings Private Limited	25,000	0.51
Vectra Investments Private Limited	159,970	3.28
Suruchi Rishi	704,550	14.42
Swati Rishi	704,550	14.42
Rati Rishi	704,550	14.42
Hemang R. Rishi	704,550	14.42
Deepti Rishi	1,882,800	38.53
Total	4,881,980	100

Board of Directors

The board of directors of Venus Udyog (India) Limited as on May 16, 2006 comprises

1. Bharat Bhushan Bahl
2. Ravinder Kumar Rishi
3. Nitin B. Bahl

Financial Performance

The financial results of Venus Udyog (India) Limited for the last three financial years are as follows:

	<i>(Rs. in million)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	5.32	0.44	1.56
Profit/(Loss) after tax	(1.29)	(6.35)	(7.40)
Equity share capital (paid up)	48.86	48.86	48.86
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	43.91	37.56	30.16
Earnings/(Loss) per share (diluted) (Rs.)	-	(0.13)	(0.15)
Net Asset Value (Rs./share)	18.98	17.69	16.17

6. MFR Electronic Components Private Limited

MFR Electronic Components Private Limited was incorporated on October 1, 1982. The registered office of MFR Electronic Components Private Limited is situated at Unit No. 40, SDF 2, SEEPZ, Andheri East, Mumbai – 400 096. The main business of MFR Electronic Components Private Limited is to carry on business as manufacturers, contractors, assemblers of, dealers in, contractors for, repairers of, maintainers of, importers and exporters of radio and transistor products, radio and transistor parts, spares, apparatus electrical and electronic apparatus, parts, television apparatus,

telephone parts, telegraphic parts, electric (domestic) and electronic appliances and components, parts, tools, fittings or accessories connected with any of the above.

Equity Shareholding Pattern

The equity shares of MFR Electronic Components Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Bharat Bhushan Bahl	112,500	25.00
Kanchan Bharat Bhushan Bahl	112,500	25.00
Deepti Rishi	112,500	25.00
Suruchi Rishi	28,125	6.25
Swati Rishi	28,125	6.25
Rati Rishi	28,125	6.25
Hemang R. Rishi	28,125	6.25
Total	70,000	100.00

Board of Directors

The board of directors of MFR Electronic Components Private Limited as on May 16, 2006 comprises

1. Bharat Bhushan Bahl
2. Ravinder Kumar Rishi
3. Vikram Kakaiya

Financial Performance

The financial results of MFR Electronic Components Private Limited for the last three financial years are as follows:

	<i>(Rs. in million)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	20.33	13.65	13.84
Profit/(Loss) after tax	1.05	(1.83)	0.47
Equity share capital (paid up)	4.50	4.50	4.50
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	2.99	1.16	1.62
Earnings/(Loss) per share (diluted) (Rs.)	2.34	(0.41)	1.04
Net Asset Value (Rs./share)	16.63	12.56	13.60

7. Vectra Aviation Private Limited

Vectra Aviation Private Limited was incorporated on January 31, 2005. The registered office of Vectra Aviation Private Limited is situated at A-54 Kailash Colony, New Delhi 110 048. Vectra Aviation Private Limited carries on the business of carries on the business of flying, operating, hiring, letting on hire, leasing, chartering, tendering, providing aviation services, buying, selling, importing, exporting or otherwise dealing in all varieties, descriptions, specifications, capacities, strengths and applications of aircrafts including specifically helicopters, aeroplanes, monoplanes and other devices for aerial operation or navigation.

Equity Shareholding Pattern

The equity shares of Vectra Aviation Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Vectra Investments Private Limited	48,000	48
Ravinder Kumar Rishi	52,000	52
Total		100

Board of Directors

The board of directors of Vectra Aviation Private Limited as on May 16, 2006 comprises:

1. Anil Mansharamani
2. Lt. Gen. (Retd.) SJS Saighal

Financial Performance

Vectra Aviation Private Limited was incorporated on March 31, 2005 and the first audited financial statements would be only for the year ending March 31, 2006.

8. India Exposition Mart Limited

India Exposition Mart Limited was incorporated on April 12, 2001. The registered office of India Exposition Mart Limited is situated at C-5/30, (L.G.F.) Vasant Kunj, New Delhi 110 070. The main business of India Exposition Mart Limited is business services, rental/leasing services without operators, convention centres.

Equity Shareholding Pattern

The equity shares of India Exposition Mart Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Export Promotion Council for Handicrafts	3,156,098	9.02
Vectra Investments Private Limited	7,000,000	20
Total	24,843,902	100

Board of Directors

The board of directors of India Exposition Mart Limited as on May 16, 2006 comprises:

1. Navratan Samdria
2. Ravi K. Passi
3. O.P. Prahaladka
4. Sudhir Kumar Tyagi
5. Kamal Chandra Agarwal
6. Rakesh Kumar
7. Joint Secretary (Exports), Ministry of Textiles
8. Sanjay Aggarwal
9. Anil Garg
10. Harish Kumar Verma
11. K. L. Katyal
12. Atul Saluja
13. Dileep Baid
14. Dinesh Kumar
15. Nirmal Bhandari
16. Om Prakash Garg
17. Vivek Vikas
18. Ikramul Haq
19. Suresh Kumar Gupta

20. Sudeshwar Saran
21. Raj Kumar Malhotra

Financial Performance

The financial results of India Exposition Mart Limited for the last three financial years are as follows:

(Rs. in million)

	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	Nil	0.7	50.7
Profit/(Loss) after tax	(9.0)	(7.8)	28.9
Equity share capital (paid up)	223.20	284.60	341.50
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	Nil	20.00	129.4
Earnings/(Loss) per share (Rs.) (diluted)	(0.25)	(0.22)	(0.82)
Net Asset Value (Rs./share)	0.60	0.80	1.34

9. Vectra Limited

Vectra Limited was incorporated on March 13, 2000. The registered office of Vectra Limited is situated at 36, Paradise Road, Richmond, Surrey TW9 1SE UK. The main business of Vectra Limited includes activities of group holding, investments, leasing, financial and management services.

Equity Shareholding Pattern

The equity shares of Vectra Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Hemang Foundation	100,000	100
Total	100,000	100

Board of Directors

The board of directors of Vectra Limited as on May 16, 2006 comprises:

3. Ravinder Kumar Rishi
4. Deepti Rishi
5. Swati Rishi
6. Jojo Alexander
7. Sanjay Bhandari

Financial Performance

The financial results of Vectra Limited for the last three financial years are as follows:

(GBP in million)

	Year Ending March 31, 2004	Year Ending March 31, 2005	Year Ending March 31, 2006
Total Income	0.74	1.00	3.29
Profit/(Loss) after tax	0.02	0.04	0.42
Equity share capital (paid up)	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	0.03	0.07	0.49
Earnings/(Loss) per share (GBP) (diluted)	0.22	0.42	4.18

Net Asset Value (GBP/share)	1.26	1.68	5.87
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10. Vectra Azad Limited

Vectra Azad Limited was incorporated on June 25, 2003. The registered office of Vectra Azad Limited is situated at 36, Paradise Road, Richmond, Surrey, TW9 1SE UK. The main business of Vectra Azad Limited is acting as a holding company of Trans Continental Industries LLC, UAE.

Equity Shareholding Pattern

The equity shares of Vectra Azad Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Vectra Limited	25,000	50.00
B. S. Chadha	25,000	50.00
Total		100.00

Board of Directors

The board of directors of Vectra Azad Limited as on May 16, 2006 comprises:

1. Jojo Alexander
2. Bhupinder Singh Chadha
3. Ravinder Kumar Rishi

Financial Performance

The financial results of Vectra Azad Limited for the last three financial years are as follows:

	<i>(in GBP)</i>	
	Year Ending June 30, 2004	Year Ending June 30, 2005
Total Income	-	-
Profit/(Loss) after tax	(1,278)	(14,007)
Equity share capital (paid up)	50,000	50,000
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	(1,278)	(15,285)
Earnings/(Loss) per share (diluted)	(0.03)	(0.28)
Net Asset Value (GBP/share)	0.97	0.69

11. Trans Continental Industries LLC

Trans Continental Industries LLC was incorporated on March 27, 2004. The registered office of Trans Continental Industries LLC is situated at Bin Jabr Building, P.O. Box 46711, Abu Dhabi, United Arab Emirates. The main business of Trans Continental Industries LLC is bus and coach body building.

Equity Shareholding Pattern

The equity shares of Trans Continental Industries LLC are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Value of Equity Shares (AED)	% of Issued Equity Share Capital
Saeed Saif Bin Jabr Al Suwaidi	2,805,000	51
Vectra Azad Limited	2,695,000	49
Total	5,500,000	100

Board of Directors

The board of directors of Trans Continental Industries LLC as on May 16, 2006 comprises:

1. Saeed Saif Bin Jabr Al Suwaidi
2. Ravinder Kumar Rishi
3. Bhupinder Singh Chadha
4. Jojo Alexander
5. Subhash Kaul

Financial Performance

Trans Continental Industries LLC began manufacturing operations from March 2006 and has not filed any accounts as of May 16, 2006.

12. CKD Mobilni Jeraby a.s.

CKD Mobilni Jeraby a.s. was incorporated on December 15, 1997. The registered office of the company is situated at Politickych Veznu 1337, 274 01 Slany, Czech Republic. The main business of the company is the production of truck-mounted cranes.

Equity Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Ravinder Kumar Rishi	10	10
Others	90	90
Total		100

Board of Directors

The board of directors of CKD Mobilni Jeraby as on May 16, 2006 comprises:

1. Ing. Milos Kubr
2. Pavel Sindler
3. Ing. Jaroslava Malcova

Financial Performance

The financial results of the company for the last three financial years are as follows:

	<i>(in million CZK.)</i>		
	Year Ending December 31, 2003	Year Ending December 31, 2004	Year Ending December 31, 2005
Total Income	82.53	134.76	172.59
Profit/(Loss) after tax	1.18	6.66	5.04
Equity share capital (paid up)	16.00	16.00	16.00
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	8.40	2.50	0.00
Earnings/(Loss) per share (diluted) (CZK)	11,790	66,570	50,420
Net Asset Value (CZK/share)]	24,400	18,500	16,000

13. TANAX, a.s.

TANAX, a.s. was incorporated on March 2, 1998. The registered office of TANAX, a.s. is situated at Partizanska 73, 95711, Banovce nad Bebravou, Slovakia. The main business of TANAX, a.s. is to carry on the business of engineering, production and sale of axles for trucks and custom manufacturing.

Equity Shareholding Pattern

The equity shares of TANAX, a.s. are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	% of Issued Equity Share Capital	Number of Equity Shares
TB TRADE, a.s.	50	148 shares of face value SKK 1,000,000 each 200 shares of face value SKK 10,000 each
Vectra Ltd.	50	150 shares of face value SKK 1,000,000 each
Total	100	298 shares of face value SKK 1,000,000 each; and 200 shares of face value SKK 10,000 each

Board of Directors

The board of directors of TANAX, a.s. as on May 16, 2006 comprises:

1. Lubica Fodrekova
2. Milan Minarovic
3. Dusan Mazak

Financial Performance

The financial results of TANAX, a.s. for the last three financial years are as follows:

	<i>(SKK in millions)</i>		
	Year Ending March 31, 2003	Year Ending March 31, 2004	Year Ending March 31, 2005
Total Income	501.73	777.84	554.18
Profit/(Loss) after tax	(104.19)	4.93	(79.57)
Equity share capital (paid up)	250.00	300.00	300.00
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	7.20	8.11	11.53
Earnings/(Loss) per share (diluted) (in SKK)			
(i) For share of face value of SKK 1,000,000 each.	(347,300)	16,433.33	265,233
(ii) For share of face value of SKK 10,000 each	(3,473)	164.33	2,652
Net Asset Value (SKK/share)			
(i) For share of face value of SKK 1,000,000 each.	24,000	27,033	38,433
(ii) For share of face value of SKK 10,000 each	240	270	384

14. TATRA, a.s.

TATRA, a.s. was incorporated on April 1, 1992. The registered office of TATRA, a.s. is situated at Stefanikova 1163, 742 21, Koprivnice, Czech Republic. The main business of TATRA, a.s. is manufacture of commercial vehicles.

Equity Shareholding Pattern

The equity shares of TATRA, a.s. are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Share Capital ('000 CZK)	% of Share Capital
Terex Corporation and TEREX CZECH	1,666,358	80.51
Vectra Limited	229,950	11.11
Other minority shareholders	173,445	8.38
Total	2,069,753	100

Board of Directors

The board of directors of TATRA, a.s. as on May 16, 2006 comprises:

1. Igor Vlcek
2. Miroslav Krizek
3. Martin Adamec

Financial Performance

The financial results of TATRA, a.s. for the last three financial years are as follows:

	<i>(CZK in millions)</i>		
	Year Ending December 31, 2002	Year Ending December 31, 2003	Year Ending December 31, 2004
Total Income	3,363.71	2,984.92	4,417.38
Profit/(Loss) after tax	(534.78)	(485.10)	793.72
Equity share capital (paid up)	2,069.75	2,069.75	2,069.75
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	(917.39)	(1,388.77)	(601.85)
Earnings/(Loss) per share (diluted) (CZK)	(0.026)	(0.023)	0.038
Net Asset Value (CZK/share)	(0.04)	(0.07)	0.03

15. Vectra Canada Ltd.

Vectra Canada Ltd. was incorporated on July 30, 2002. The principal office of Vectra Canada Ltd. is at 145 A Lexington Court, Waterloo, Ontario, N2J4R2. The main business of Vectra Canada Ltd. is design and development of construction equipment.

Equity Shareholding Pattern

The equity shares of Vectra Canada Ltd. are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Ravinder Kumar Rishi	800	80
Vijay Sharma	200	20
Total	1,000	100

Board of Directors

The board of directors of Vectra Canada Ltd. as on May 16, 2006 comprises:

1. Ravinder Kumar Rishi
2. Vijay Sharma

Financial Performance

The financial results of Vectra Canada Ltd. for the last three financial years are as follows:

(CND in millions)

	Year Ending December 31, 2003	Year Ending December 31, 2004	Year Ending December 31, 2005
Total Income	Nil	Nil	0.43
Profit/(Loss) after tax	(0.19)	(0.37)	(0.06)
Equity share capital (paid up)	0.0001	0.0001	0.0001
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	(0.19)	(0.49)	(0.55)
Earnings/(Loss) per share (diluted) (CND)	(187.19)	(306.21)	(56.01)
Net Asset Value (CND/share)	(187.08)	(493.39)	(549.41)

16. Hillriver Limited

Hillriver Limited was incorporated on January 28, 1991. The principal office of Hillriver Limited is Unit 23, Kingstons Farm, Downhall Road, Matching Green, UK CM17 0RB. The main business of Hillriver Limited is making alternate fuel systems.

Equity Shareholding Pattern

The equity shares of Hillriver Limited are not listed on any stock exchange. The shareholding pattern of the company, as on May 16, 2006 is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Vectra Limited	100,000	66.67
David McConochie	50,000	33.33
Total	150,000	100

Board of Directors

The board of directors of Hillriver Limited as on May 16, 2006 comprises:

1. David McConochie
2. Swati Rishi
3. Jojo Alexander

Financial Performance

The financial results of Hillriver Limited for the last three financial years are as follows:

(GBP in millions)

	Year Ending January 31, 2004	Year Ending January 31, 2005	Year Ending January 31, 2006
Total Income	0.46	1.05	1.14
Profit/(Loss) after tax	(0.31)	(0.22)	0.05
Equity share capital (paid up)	0.00	0.15	0.15
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	(0.19)	(0.41)	(0.36)
Earnings/(Loss) per share (diluted) (GBP)	(154,815)	(1.46)	0.32
Net Asset Value (GBP/share)	(96,272)	(1.74)	(1.43)

Promoter Group: Partnership Firms

1. Turzovska Drevarska Fabrika s.r.o.

Turzovska Drevarska Fabrika s.r.o. is a partnership firm incorporated as per the laws of Slovakia as per the applicable law. The registered office of Turzovska Drevarska Fabrika s.r.o. is situated at Sturova 37, 023 54, Turzovka, Slovakia. The main business of Turzovska Drevarska Fabrika s.r.o. is manufacture of timber products and furniture.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Name of Shareholder	Profit/Loss Sharing Percentage
Vectra Limited	10
Others	90
Total	100

Board of Directors

The board of directors of Turzovska Drevarska Fabrika s.r.o. as on May 16, 2006 comprises:

1. Ing. Vladimir Dlhopolock
2. Ing. Martin Pistovcak
3. JUDr. Peter Dlhopolcek
4. Jozef Lucan

Financial Performance

The financial results of Turzovska Drevarska Fabrika s.r.o. for the last three financial years are as follows:

	(SKK in million)		
	Year Ending December 31, 2003	Year Ending December 31, 2004	Year Ending December 31, 2005
Total Income	124.13	139.75	179.18
Profit/(Loss) after tax	4.09	5.32	9.98
Reserves and Surplus (excluding revaluation reserves)and debit balance of Profit/Loss Account	8.67	4.56	4.16

2. Hlboka 7 s.r.o.

Hlboka 7 s.r.o. is a partnership firm incorporated as per the laws of Slovakia as per the applicable law. The registered office of Hlboka 7 s.r.o. is situated at Hlboka 81104 Bratislava, Slovak Republic. The main business of Hlboka 7 s.r.o. is building development projects in Bratislava, rent tenement, retail trade, wholesale trade, mediatorial activities and advertising activities.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Name of Shareholder	Profit/Loss Sharing Percentage
Vectra Limited	100
Total	100

Board of Directors

The board of directors of Hlboka 7 s.r.o. as on May 16, 2006 comprises:

1. Ing. Bozena Durdovicova

Financial Performance

Hlboka 7 s.r.o. was incorporated on March 30, 2006 and no accounts have been filed. There are no liabilities outstanding.

Companies with which the Promoters / Promoter Group have disassociated in the last three years.

The Promoters and the Promoter Group companies have not disassociated with any company in the last three years.

RELATED PARTY TRANSACTIONS

For Related Party Transactions, please refer to Annexure VI of the Auditors Report as part of the Financial Statements on page 97 of this Draft Red Herring Prospectus.

EXCHANGE RATES

In this Draft Red Herring Prospectus, all references to “Rupees” and “Rs.” are to the legal currency of India, all references to “U.S. Dollars”, and “US\$” are to the legal currency of the United States of America and all references to “Euro” are to the legal currency of the European Union.

Any percentage amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements, consolidated and standalone.

Currency of Presentation

For your convenience, this Draft Red Herring Prospectus contains translations of some Rupee amounts into U.S. Dollars, which should not be construed as a representation that those Rupee or U.S. Dollar amounts could have been, or could be, converted into U.S. Dollars or Rupees, as the case may be, at any particular rate, the rate stated below, or at all. The closing rate on March 31, 2006 was Rs. 44.61 per US\$1.00.

We have not converted any amounts appearing in Euros to Indian Rupees in this Draft Red Herring Prospectus. On March 31, 2006 the closing rate for Euro 1.00 was Rs. 54.20. This should not be construed as a representation that those Rupee or Euro amounts could have been, or could be, converted into Euros or Rupees, as the case may be, at any particular rate, the rate stated below, or at all.

We have not converted any amounts appearing in Great Britain Pounds (GBP) to Indian Rupees in this Draft Red Herring Prospectus. On March 31, 2006 the closing rate for GBP 1.00 was Rs. 77.80. This should not be construed as a representation that those Rupee or Euro amounts could have been, or could be, converted into Euros or Rupees, as the case may be, at any particular rate, the rate stated below, or at all.
(Source: www.rbi.gov.in)

We have not converted any amounts appearing in Czech Koruna (CZK) to Indian Rupees in this Draft Red Herring Prospectus. On May 31, 2006 the closing rate for CZK 1.00 was Rs. 1.89. This should not be construed as a representation that those Rupee or CZK amounts could have been, or could be, converted into CZK or Rupees, as the case may be, at any particular rate, the rate stated below, or at all.
(Source: www.cnb.cz)

We have not converted any amounts appearing in Slovak Colara (SKK) to Indian Rupees in this Draft Red Herring Prospectus. On May 31, 2006 the closing rate for SKK 1.00 was USD 0.03. This should not be construed as a representation that those Rupee or SKK amounts could have been, or could be, converted into SKK or Rupees, as the case may be, at any particular rate, the rate stated below, or at all.
(Source: www.nbs.sk)

We have not converted any amounts appearing in Arab Emirates Dirham (AED) to Indian Rupees in this Draft Red Herring Prospectus. On May 31, 2006 the closing rate for AED 1.00 was USD 0.27. This should not be construed as a representation that those Rupee or AED amounts could have been, or could be, converted into AED or Rupees, as the case may be, at any particular rate, the rate stated below, or at all.
(Source: www.oanda.com)

All rates have been converted based on the closing rate for Rupee to USD and the closing rate of the respective currency to USD as of March 31, 2006.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments will be made in cash to the shareholders of the Company. As of date, the Company has not declared any dividend. However, this is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future.

SECTION V: FINANCIAL STATEMENTS

SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AS AT AND PROFITS AND LOSSES FOR THE YEARS ENDED MARCH 31, 2006, 2005, 2004, 2003 AND 2002 AND CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2006, 2005 AND 2004, AS RESTATED, OF GLOBAL VECTRA HELICORP LIMITED

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

Dear Sirs,

We have examined the accounts of Global Vectra Helicorp Limited (formerly known as Global Vectra Helicorp Private Limited) ('the Company') for the financial year ended March 31, 2006 being the last date to which the accounts of the Company have been made up and audited by us for presentation to the members of the Company. The accounts of the Company for the year ended March 31, 2002, March 31, 2003, March 31, 2004 and March 31, 2005 have been audited by Nangia & Co., Chartered Accountants.

In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the Act), the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) and our terms of reference with the Company dated 25 April 2006, requesting us to make this report for the purpose of the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus being issued by the Company in connection with the public issue of 3,500,000 equity shares comprising fresh issue of 2,800,000 equity shares of Rs. 10 each and offer for sale of 700,000 equity shares of Rs. 10 each, we report that:

- (a) The restated profits/losses of the Company for the five consecutive financial years ended March 31, 2006 are as set out in Annexure I to this report. These profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure III and Annexure IV to this report.
- (b) The restated assets and liabilities of the Company as at March 31, 2002, March 31, 2003, March 31, 2004, March 31, 2005 and March 31, 2006, are as set out in Annexure II to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure III and Annexure IV to this report.
- (c) No dividend has been declared by the Company in respect of the five consecutive financial years ended March 31, 2006.
- (d) We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus:
 - (i) Cash flow statement, as restated, for the financial years ended March 31, 2004, March 31, 2005 and March 31, 2006 as appearing in Annexure V to this report;
 - (ii) Selective financial information as appearing in Annexure VI to this report;
 - (iii) Details of loans as appearing in Annexure VII to this report.
 - (iv) Details of other income as appearing in Annexure VIII to this report.
 - (v) Accounting ratios as appearing in Annexure IX to this report.
 - (vi) Capitalisation statement as at March 31, 2006 as appearing in Annexure X to this report.
 - (vii) Statement of tax shelters as appearing in Annexure XI to this report.

In respect of financial information contained in this report, we have relied upon the audited financial statements of the Company for the four consecutive financial years ended March 31, 2005 which were audited by a firm of chartered accountants other than us, as referred to above.

In our opinion the above financial information of the Company read with significant accounting policies attached in Annexure III to this report, after making adjustments and re-grouping as considered appropriate has been prepared in accordance with Part II of Schedule II of the Act and the SEBI DIP Guidelines.

This report is intended solely for your information and for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

Yours faithfully
For **BSR & Co.**
Chartered Accountants

Mumbai
Date: May 4, 2006

Akeel Master
Partner
Membership No: 046768

Annexure I - STATEMENT OF RESTATED PROFIT AND LOSS

(Rs. In Million)

Particulars	Year ended 31 March 2002	Year ended 31 March 2003	Year ended 31 March 2004	Year ended 31 March 2005	Year ended 31 March 2006
Income					
Operating Income	285.15	341.85	369.40	517.19	895.34
Other income	1.04	(0.75)	5.66	7.01	3.04
Total	286.19	341.10	375.06	524.20	898.38
Expenditure					
Administration	48.05	48.69	64.87	70.22	73.24
Financial costs	1.14	2.31	17.72	17.22	229.46
Personnel cost	30.26	42.70	45.11	54.29	105.07
Operating cost	196.63	235.09	201.59	375.33	263.93
Depreciation	1.67	1.51	9.14	14.00	93.91
Total	277.75	330.30	338.43	531.06	765.61
Adjusted profit/(loss) before tax and exceptional items	8.44	10.80	36.63	(6.86)	132.77
Provision for tax					
- Current tax	2.79	4.01	6.05	3.30	8.03
- Deferred tax charge/(release)	(0.30)	0.26	9.18	(5.85)	40.84
Fringe Benefit Tax	-	-	-	-	1.73
Prior Period Tax	-	-	-	-	-
Adjusted profit/(loss) before exceptional items	5.95	6.53	21.40	(4.31)	82.17
Exceptional items -Loss due to floods		-	-	-	4.16
Net profit/(loss) after adjustment and exceptional items	5.95	6.53	21.40	(4.31)	78.01
Profit/(Loss) brought forward from previous year	2.11	8.06	4.59	25.99	21.68
Profit/(loss) balance available for appropriation	8.06	14.59	25.99	21.68	99.69
<i>Less: Bonus Shares issued out of free reserve</i>		10.00	-	-	32.00
Appropriations					
Transfer to Capital redemption reserve					
Balance carried forward to Balance Sheet	8.06	4.59	25.99	21.68	67.69

Note: To be read together with summary of significant accounting policies (Annexure III) and Notes to statement of restated profit and loss and restated assets and liabilities (Annexure IV).

Annexure II - STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. In Million)

Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
A. Fixed assets					
(i) Gross block	7.54	9.34	144.01	259.03	1,761.58
Less : Accumulated depreciation	1.98	3.25	12.16	26.16	119.22
Net block after adjustment for Revaluation reserve	5.56	6.09	131.85	232.87	1,642.36
(ii) Capital work in progress/ advances	12.02	9.93	6.77	45.75	394.55
Net block	17.58	16.02	138.62	278.62	2,036.91
B. Current assets, loans and advances					
(i) Inventories	-	-	46.21	40.28	69.63
(ii) Sundry debtors	16.52	39.22	31.34	64.93	157.59
(iii) Cash and bank balances	5.15	3.51	31.83	34.63	30.95
(iv) Loans and advances	14.72	19.32	20.76	32.07	166.99
	36.39	62.05	130.14	171.91	425.16
A+B	53.97	78.07	268.76	450.53	2,462.07
C. Liabilities and provisions					
Secured loans	5.42	11.09	106.52	157.24	1,713.38
Unsecured loans	0.39	0.14	-	86.64	231.30
Current liabilities and provisions	29.31	41.23	68.03	100.61	292.50
Deferred tax liability - net	0.76	1.02	10.21	4.36	45.20
	35.88	53.48	184.76	348.85	2,282.38
NET WORTH	18.09	24.59	84.00	101.68	179.69
D. Represented by					
(i) Share Capital					
- Equity share capital	10.00	20.00	20.00	80.00	112.00
- Share application money	0.03	-	38.01	0.00	-
	10.03	20.00	58.01	80.00	112.00
(ii) Reserves and surplus					
- Profit and loss account	8.06	4.59	25.99	21.68	67.69
	8.06	4.59	25.99	21.68	67.69
Reserves	8.06	4.59	25.99	21.68	67.69
NET WORTH	18.09	24.59	84.00	101.68	179.69

Note: To be read together with summary of significant accounting policies (Annexure III) and Notes to statement of restated profit and loss and restated assets and liabilities (Annexure IV).

Annexure III - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of preparation of financial statements*

These financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 1956 ('the Act') and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable. The financial statements are presented in Indian rupees.

2. *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. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. *A Fixed Assets and depreciation*

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, and taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition, installation of the asset upto the time the assets are ready for their intended use. The cost of imported fixed assets also includes the exchange differences (favourable as well as adverse) arising in respect of foreign currency loans or other liabilities incurred for the purpose of their acquisition or construction.

Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised.

Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956 unless the useful life of the asset warrants higher rate of depreciation

Major component part of a helicopter which requires replacement at regular intervals is identified and depreciated separately over its respective estimated remaining useful life. Accordingly, rotor heads are segregated from the helicopters and depreciated over 5,000 hours, being its estimated useful life, prospectively from 1 April 2005.

All assets (including plant and machinery) costing less than Rs. 5,000 are depreciated @ 100% in the year of their purchase.

Assets retired from active use and held for disposal are written down to their estimated realizable value.

In accordance with AS 28 on 'Impairment Of Assets' issued by the Institute Of Chartered Accountants Of India, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (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. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account.

B) *Miscellaneous expenditure including overhaul expenditure*

Heavy maintenance checks including overhaul and repairs and maintenance that need to be performed at regular intervals as enforced by the Director General of civil aviation and in accordance with the maintenance programme laid down by the manufacturers are debited to the profit and loss account as and when incurred.

Preliminary expenses are charged off as and when incurred.

4. *Inventories*

Inventories comprise of spares and are valued at lower of cost and net realizable value. Cost is determined on the basis of First in First out (FIFO) method.

5. *Revenue Recognition*

Revenue from services is recognized as and when services are rendered in accordance with the terms of the specific contracts. Interest income is recognised on time proportionate basis.

6. *Retirement benefits*

Gratuity which is defined benefits is accrued based on actuarial valuations at the balance sheet date. None of the Company's employees are covered under the Employees Provident Funds & Miscellaneous Provision Act, 1952. Thus no contribution is made for provident fund.

7. *Foreign currency transactions*

Transactions in foreign exchange are accounted for at the exchange rate in force at the time the transactions are affected. The exchange differences arising out of the settlement, other than those on liabilities, relating to imported fixed assets are dealt with in the Profit and Loss Account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are revalued at the closing exchange rates at that date. Resultant gains or losses are recognised in the Profit and Loss Account except exchange differences arising on settlement or translation of foreign currency liabilities on acquisition of imported fixed assets which are adjusted against the carrying costs of corresponding fixed assets.

8. *Taxes on income*

Income tax expense comprises current tax as per Income Tax Act, 1961, Fringe Benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. 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 realized.

9. *Leases*

Lease rentals in respect of assets acquired under operating lease are charged off to the Profit & Loss Account as incurred. Lease 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.

10. *Earnings Per Share*

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the period, with the weighted number of equity shares outstanding during the period.

11. *Provisions and Contingencies*

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

Annexure IV - NOTES TO STATEMENTS OF RESTATED PROFIT AND LOSS (ANNEXURE I) AND RESTATED ASSETS AND LIABILITIES (ANNEXURE II)

(Rs. In Million)					
Adjustments [(income/expense) in Statement of Profit and Loss arising out of:	Year ended 31 March 2002	Year ended 31 March 2003	Year ended 31 March 2004	Year ended 31 March 2005	Year ended 31 March 2006
A. Changes in accounting policies					
(a) Accounting for preliminary and share issue expenses (refer Note 3)	(0.01)	(0.01)	0.42	(0.11)	(0.32)
(b) Deferred tax charge/ (release) (refer Note 5)	(0.30)	0.30	-	-	-
(c) Depreciation (refer Note 4)	(0.41)	(0.45)	(13.15)	(12.22)	1.80
(d) Deferred Revenue Expenditure (refer Note 6)	-	-	-	34.65	(34.65)
(e) Accounting of overhaul expenses (refer Note 6)	-	-	-	29.47	-
(f) Reduction in profit on sale of fixed assets (refer Note 4)	0.01	0.26	0.31	-	-
B. Adjustments arising due to qualification of Audit Report					
Gratuity provision (refer Note 2)	0.30	(0.30)	-	-	-
C. Prior Period Adjustments (refer Note 1)	-	-	1.83	(1.83)	-
D. Error in classification					
Change in Depreciation rate (refer Note 4)	-	-	-	(2.81)	-
E. Tax effect of Adjustments	(0.30)	(0.26)	4.49	(17.87)	12.09
F. Regroupings					
Administration	(17.57)	(13.67)	(13.68)	(15.75)	-
Financial costs	1.14	2.31	-	-	-
Personnel cost	4.48	5.69	5.55	4.78	-
Operating cost	11.95	5.68	8.13	10.97	-

Annexure IV - NOTES TO STATEMENTS OF RESTATED PROFIT AND LOSS (ANNEXURE I) AND RESTATED ASSETS AND LIABILITIES (ANNEXURE II) (Continued)

(Rs. In Million)

Cumulative effect of above [increase/ (decrease)] in Statement of Assets and Liabilities:	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
A. Changes in accounting policies					
i Reserves and surplus	0.20	(0.56)	(6.66)	15.74	1.55
ii Fixed Assets (refer Note 4)	(0.87)	(1.06)	(13.91)	0.54	2.34
iii Current liabilities and provision	-	-	1.84	-	-
iv Miscellaneous expenditure to the extent not written-off (refer note 3)	0.01	-	0.42	34.97	-
B. Adjustments arising due to qualification of Audit Report					
Gratuity provision (refer Note 2)	0.30	-	-	-	-
C. Tax effect of Adjustments	0.76	0.50	4.99	(19.78)	(0.79)
D. Regroupings					
Share application money received	-	-	-	(47.07)	-
Secured loans	5.42	-	-	-	-
Unsecured loans	-	-	-	45.29	-
Fixed Assets	9.93	9.93	6.77	45.70	-
Current assets :					
(i) Sundry debtors	0.12	11.05	1.77	0.97	-
(ii) Cash and bank balances	0.99	2.58	13.42	-	-
(iii) Loans and advances	(11.04)	(23.55)	(21.96)	(46.67)	-
Current liabilities	(5.42)	-	-	1.78	-

Annexure IV - NOTES TO STATEMENTS OF RESTATED PROFIT AND LOSS (ANNEXURE I) AND RESTATED ASSETS AND LIABILITIES (ANNEXURE II)

1. Prior period adjustments

In the financial statements for the year ended 31 March 2005, the Company had recognised Rs 1.83 million as income tax expense for prior period based on revised returns filed by the Company for the year ended 31 March 2004. For the purpose of this statement, the said expense has been appropriately adjusted in the year that it relates to.

2. Qualification in auditor's report

The auditor's report for the financial year ended 31 March 2002 was qualified for non-provision of gratuity as per the provisions of Accounting Standard 15 – Accounting for retirements in the financial statements issued by the Institute of Chartered Accountants of India ('ICAI'). Accordingly, adjustment is made in the statement of profit and loss account, as restated to give effect to such qualification with corresponding effect in profit and loss account and provisions.

3. Preliminary expenses

Until the year ended 31 March 2005, the Company amortised preliminary expenses over a period of five years. Effective 1 April 2005, the Company changed its accounting policy to charge off these expenses to the profit and loss account, as incurred.

Accordingly, preliminary expenses have been adjusted in line with the above mentioned policy for the years ended 31 March 2002, 31 March 2003, 31 March 2004 and 31 March 2005. Further, reserves as at 1 April 2001 have been adjusted to reflect the impact of change pertaining to prior years.

4. Depreciation

Until the year ended 31 March 2005, the Company depreciated its fixed assets based on the written down value ('WDV') method of depreciation, at the rates prescribed under schedule XIV to the Companies Act, 1956.

Effective 1 April 2005, the Company changed the method of providing depreciation from the WDV method to straight-line method ('SLM') since the management believed that this method reflects more appropriately, the period of economic benefit to be derived from the use of assets and would hence result in a more appropriate preparation of the financial statements. Accordingly, depreciation on fixed assets and profit/loss on sale of fixed assets have been recomputed based on the straight line method for the year ended 31 March 2002, 31 March 2003, 31 March 2004 and 31 March 2005.

During the year ended 31 March 2005 the Company was charging depreciation on helicopters at the rates prescribed for plant and machinery under Schedule XIV to the Companies Act, 1956, (the 'Act'). During the year ended 31 March 2006, the Company has reclassified these assets into aero engines and accordingly applied the revised depreciation rates as prescribed under Schedule XIV to the Act. Consequent effect on account of such change is given in the respective years. However, in the statutory accounts this has been adjusted prospectively.

Further, reserves as at 1 April 2001 have been adjusted to reflect the impact of change pertaining to prior years.

5. Deferred Tax Liability

The provision relating to Deferred Tax Liability as per Accounting Standard 22, "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India, became mandatory for the Company from 1 April 2002. In accordance with the transitional provision, the accumulated Deferred Tax Liability upto the year ended 31 March 2002 amounting to Rs 0.76 million has been adjusted from the brought forward Profit and Loss Account balance as on 1 April 2002, in the accounts for the year ended 31 March 2003.

However, for the purposes of restated profit and loss and restated assets and liabilities, the standard has been applied retrospectively from 1 April 2001.

6. Overhaul

In the previous year, heavy maintenance checks including overhaul and repairs and maintenance that need to be performed at regular intervals as enforced by the Director General of civil aviation and in accordance with the maintenance programme laid down by the manufacturers were being deferred over a period of three years for leased helicopters and capitalized for owned helicopters. Effective 1 April 2005, such expenses are debited to the profit and loss account as and when incurred.

Accordingly such maintenance expenditure has been charged off in the previous year in line with the above mentioned policy

7. Figures have been regrouped for consistency of presentation.

Annexure V - RESTATED CASH FLOW STATEMENTS

Particulars	31 March 2004	31 March 2005	31 March 2006
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation and exceptional items	36.63	(6.86)	132.77
<i>Adjustment:</i>			
Depreciation	9.14	14.00	93.91
Interest Income	(1.96)	(1.85)	(2.88)
Finance Lease Cost	-	-	193.68
Interest Expenses	12.67	15.17	27.78
Loss on sale of Fixed Assets	0.53	-	0.10
<i>Exceptional items:</i>			
Loss due to floods	-	-	(4.16)
	20.38	27.32	308.43
<i>Operating cash flow before working capital changes</i>	57.01	20.46	441.20
(Increase) / decrease in sundry debtors	7.88	(33.59)	(92.66)
(Increase) / decrease in inventories	(46.21)	5.93	(29.35)
(Increase) / decrease in other current assets	(1.48)	(5.78)	(113.91)
Increase / (decrease) in sundry creditors	21.83	39.40	120.95
Increase / (decrease) in other current liabilities	(1.08)	(10.12)	61.17
Cash generated from operations	(19.06)	(4.16)	(53.80)
Income taxes paid	0.04	(3.54)	(21.01)
Net cash provided / (used) by operating activities	37.99	12.76	366.39
Cash flows from investing activities			
Purchase of fixed assets	(136.03)	(115.02)	(140.20)
Purchase of fixed assets (work in progress)	3.16	(38.98)	(348.80)
Proceeds from sale of fixed assets	0.61	-	0.85
Interest received	1.96	1.85	2.88
Loan given to group company	-	(4.50)	-
Repayment of Loan from group company	-	2.50	-
Net cash provided / (used) by investing activities	(130.30)	(154.15)	(485.27)
Cash flows from financing activities			
Increase in share capital	-	21.99	-
Receipt of share application money	38.01	-	-
Proceeds from unsecured loans	-	86.64	-
Repayment of unsecured loans	(0.14)	-	-
Increase in Overdraft Facility	2.08	9.45	46.99
Proceeds from long - term borrowings	108.19	69.34	383.19
Repayment of long - term borrowings	(15.95)	(27.65)	(152.67)

Particulars	31 March 2004	31 March 2005	31 March 2006
Principal payment under finance lease	-	-	(86.91)
Finance Lease Cost	-	-	(193.68)
Interest Paid	(12.67)	(15.17)	(27.78)
Borrowings from group companies	-	-	144.66
Increase in Vehicle Loan	1.11	(0.41)	1.40
<i>Net cash provided / (used) by financing activities</i>	120.63	144.19	115.20
Net increase in cash and cash equivalents	28.32	2.80	(3.68)
Cash & cash equivalents at beginning of period	3.51	31.83	34.63
Cash & cash equivalents at end of period	31.83	34.63	30.95
	(28.32)	(2.80)	3.68

Note:

- i) To be read together with summary of significant accounting policies (Annexure III) and Notes to statement of restated profit and loss and restated assets and liabilities (Annexure IV).
- ii) Figures have been regrouped for consistency of presentation

Annexure VI - SELECTIVE FINANCIAL INFORMATION

1. Age-wise analysis of Sundry Debtors

(Rupees in Millions)

Age wise Break-up	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
Less than six months	16.52	36.63	28.93	64.88	157.44
More than six months	-	2.59	2.41	0.05	0.15
Total	16.52	39.22	31.34	64.93	157.59

(None of the sundry debtors are affiliates/group companies or those related to promoters/directors in any way)

2. Schedule of Loans and Advances, As Restated

(Rupees in Millions)

Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
A.Unsecured, considered good					
Advances recoverable in cash					
or					
in kind or for value to be					
received	3.52	4.20	4.17	8.60	23.54
Advance income taxes,					
net of provisions	7.36	10.44	10.40	13.94	34.95
Other receivables	3.84	4.68	6.19	7.53	91.15
(security deposit & accrued					
interest)					
Dues from Fellow Subsidiary					
company	-	-	-	2.00	17.35
Total	14.72	19.32	20.76	32.07	166.99

Notes:

The above amounts are as per statement of assets and liabilities of the company, as restated.

3. Contingent Liabilities

The company has the following contingent liabilities for which no provisions have been made in the books of accounts of the company:

Period	Rs in million
Year ended 31 March 2002	Nil
Year ended 31 March 2003	Nil
Year ended 31 March 2004	Nil
Year ended 31 March 2005	Nil
Year ended 31 March 2006	Nil

4) Related Party Transactions

As per Accounting Standard 18 on “Related Party Disclosure” issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in Accounting Standard are given below:

a. Related parties where control exists

Vectra Ltd., U.K. – Ultimate holding company
Vectra Investment Pvt. Ltd. – Parent company

b. Related parties with whom transactions have taken place during the year

Vectra Ltd., U.K. – Ultimate holding company
Vectra Investments Pvt. Ltd. – Parent company
Vectra Advanced Engineering. Pvt. Ltd. – Fellow Subsidiary company
Azal Azerbaijan Aviation Ltd. – Fellow Subsidiary company

c. Key Managerial personnel

Lt. Gen. (Retd.) SJS Saighal
P. Rajkumar Menon
Ambrish Thakker
Jehangir Damania (upto 18 March 2006)
Sanjay Bhandari (upto 28 April 2005)
Maj. Govinda Raya Gaonkar, SM (Retd) (upto 17 August 2005)

					Rupees in Millions			
31 March 2006					31 March 2005			
Nature of Transaction	Ultimate	Parent	Fellow	Key	Ultimate	Parent	Fellow	Key
	Holding Company	Company	Subsidiary Company	Managerial Personnel	Holding Company	Company	Subsidiary Company	Managerial Personnel
Reimbursement of expenses	-	1.58	-	-	-	1.38	-	-
Interest expense on borrowings	0.49	-	1.17	-	-	-	-	-
Interest on Finance Lease	167.50	-	-	-	-	-	-	-
Finance Lease Liability	789.60	-	-	-	-	-	-	-
Borrowings (net of repayment)	114.99	-	74.96	-	-	-	75.28	-
Loans given (net of repayment)	-	-	16.60	-	-	-	2.00	-
Interest income on loan	-	-	0.97	-	-	-	-	-
Capital expense on lease helicopters	6.60	-	-	-	-	-	-	-
Security Deposit Payable	45.97	-	-	-	-	-	-	-
Lease Payment	-	-	6.80	-	1.86	-	122.19	-
Helicopter insurance	-	-	-	-	-	-	8.13	-
Insurance claim received	-	-	-	-	-	-	3.02	-
Purchase of fixed assets	-	-	-	-	113.23	-	-	-
Helicopter spares	-	-	-	-	-	-	3.58	-
Payments to Directors	-	-	-	5.81	-	-	-	4.78
Outstanding amount (due to)	950.56	-	112.75	-	1.86	-	69.61	-
Outstanding amount (due from)	-	-	17.35	-	-	-	2.00	-

For and on behalf of the board

Lt. Gen. (Retd.) SJS Saighal
Chairman

P. Rajkumar Menon
Director

Mumbai
4 May 2006

Annexure VII - DETAILS OF LOANS

1. DETAILS OF UNSECURED LOANS

(Rupees in Millions)

Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
Loans from directors	0.39	0.14	-	-	-
Loan from financial institution	-	-	-	86.64	41.35
Loans from promoter companies	-	-	-	-	189.95
Total	0.39	0.14	-	86.64	231.30

Note:

- 1) Loan from director represents car loan taken by director in his personal name and transferred to company.
- 2) Loan from financial institution represents loan from GE Capital Finance Services Ltd. for purchase of one helicopter

This loan is repayable in 12 months. Rate of interest charged @ 8.35% p.a.

This Loan is backed by stand by letter of credit issued by ultimate holding company (Vectra Ltd., UK)

- 3) Loans from promotor companies represents various expenses pertaining to spare parts purchase and down payment for purchase of new helicopter, some of which were paid by the group companies directly to the third parties. The said amount have been converted into loans and will be governed by Reserve Bank of India Circular No. RBI/2004/154AP(Direct Service) Circular No. 87 dated 17/04/2004. These loans are repayable within one year

2. DETAILS OF SECURED LOANS

(Rupees in Millions)

Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
Cash credit facility from bank	5.42	11.09	13.17	22.62	69.61
Term loan from bank - foreign current loan / ECB	-	-	42.17	62.72	213.19
Term loan from bank - Rupee loan	-	-	50.07	71.20	131.25
Short term loan from bank	-	-	-	-	20.00
Vehicle loan from bank / financial institutions	-	-	1.11	0.70	2.10
Finance lease obligations	-	-	-	-	1,277.23
Total	5.42	11.09	106.52	157.24	1,713.38

- 1) AS on 31 March 2006 term loan from bank, ECB and cash credit facilities are secured by pari-passu charge of the followings:
 - a) Exclusive charge over the two bell helicopters
 - b) Exclusive charges over a third helicopter - to be charged as and when it is procured.
 - c) Specific assignment of book debts relating to 2 helicopters being charged. Receivables from 3rd helicopter to be charged to bank as and when it is procured.

- d) Security margin equivalent to a fixed deposit of Rs. 6,150,000 plus interest thereon.
 - e) Hypothecation of stock / inventory and book debts
- 2) The interest on rupee term loan from banks was payable in the range of 13.5% to 14.5%, 12.5% to 13.5% and 8.5% for the year ended 31 March 2004, 31 March 2005 and 31 March 2006 respectively. Rupee term loan is repayable over period of five years starting from October 2005
 - 3) Foreign Currency & ECB loans carry interest @ 6% to 8.25% p.a.
 - 4) Interest on cash credit facility is payable at 9% p.a.
 - 5) Interest on short term loan is payable @ 8.5% p.a. and repayable within 90 days. Eligible for rollover
 - 6) Vehicle loans are secured by hypothecation of respective assets
 - 7) Finance lease is secured by the underlying assets
 - 8) The above amounts are as per statement of assets and liabilities of the Company, as restated

Annexure VIII - SCHEDULE OF OTHER INCOME, AS RESTATED

(Rupees in Millions)					
Particulars	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
Other income, as restated (incl. Exchange gain / (loss))	1.04	(0.75)	5.66	7.01	3.04
Net profit / (loss) before tax before exceptional items, as restated	8.44	10.80	36.63	(6.86)	132.77
Percentage	12.34	-	15.46	-	2.29

(Rupees in Millions)					
Source of other income	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006
Interest on bank deposits and other deposits	0.02	-	1.96	1.85	2.88
Sundry balances / provisions written back	-	-	-	0.15	0.14
Foreign exchange gain/(loss), net	1.00	(0.75)	2.55	3.31	(0.32)
Miscellaneous income	0.02	0.00	1.15	0.10	0.34
Insurance claim (non-recurring)	-	-	-	1.59	-
	1.04	(0.75)	5.66	7.00	3.04

Notes:

- 1) Other income considered above is as per the statement of the restated Profit & Loss.
- 2) The classification of other income by the management into recurring and non-recurring is based on the current operations and the business activities of the company.
- 3) Other income is related/incidental to the business activities of the company.

Annexure IX – ACCOUNTING RATIOS

(Rs. In Millions)

Particulars	Year ended 31 March 2002	Year ended 31 March 2003	Year ended 31 March 2004	Year ended 31 March 2005	Year ended 31 March 2006
Net Profit before exceptional items but after tax (A)	5.95	6.53	21.40	(4.31)	82.17
Net worth at the end of the year (B)	18.09	24.59	84.00	101.68	179.69
Weighted average number of equity shares outstanding during the year (C)	5,200,000	5,200,000	5,200,000	9,033,333	11,200,000
Total number of equity shares outstanding at the end of the year (D)	1,000,000	2,000,000	2,000,000	8,000,000	11,200,000
Earnings per share - Basic (A/C)	1.14	1.26	4.12	(0.48)	7.34
Return on Net worth (%) (A/B)	32.90	26.55	25.47	(4.24)	45.73
Net asset value per share (Rs) (B/D)	18.09	12.29	42.00	12.71	16.04

Notes:

- The ratios have been computed as follows:

$$\begin{aligned} \text{Earnings per equity share} &= \frac{\text{Net Profit before exceptional items but after tax}}{\text{Weighted average number of equity shares outstanding during the year}} \\ \text{Return on Net worth} &= \frac{\text{Net Profit before exceptional items but after tax}}{\text{Net worth at the end of the year}} \\ \text{Net asset value per equity share} &= \frac{\text{Net worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}} \end{aligned}$$

- Restated net profit, as appearing in the restated Statement of profits and losses, has been considered for the purpose of computing the above ratios.
- Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” issued by the Institute of Chartered Accountants of India.
- During the year ended 31 March 2003 and 31 March 2006, the Company allotted bonus shares in the ratio of 1:1 and 2:5 resp. The number of shares considered in the calculation of earnings per share has been adjusted to include the above bonus issue for all periods

Annexure X – CAPITALISATION STATEMENT

(Rupees in Millions)		
Particulars	Pre-issue as at 31 March 06	Adjusted for the Public Issue
Borrowing		
Short - Term debt	323.00	[•]
Long-term debt	1,621.68	[•]
Total Debt	1,944.68	[•]
Shareholders' funds		
Share Capital		
- Equity	112.00	[•]
Less: Calls- in- arrears		
- Preference	-	
Share premium		
	-	
Reserves & surplus	67.69	[•]
Less: Miscellaneous Expenditure not written off		
	-	
Total Shareholders Funds	179.69	[•]
Long-term Debt/Equity ratio	9.02	[•]

Notes:

- 1) Debts maturing within the next one year from 31 March 2006 are considered as short term debts.
- 2) The figures included above are as per the restated statements of assets and liabilities and profits and losses.

Annexure XI – TAX SHELTER STATEMENT

PARTICULARS		FOR THE FINANCIAL YEAR ENDED ON				
		31.3.2002	31.3.2003	31.3.2004	31.3.2005	31.3.2006
Profit before current and deferred taxes,		8.44	10.80	36.63	(6.86)	132.77
as restated	A					
Tax rate - Normal (%)	B	35.70	36.75	35.88	36.59	33.66
Tax rate - MAT (%)	C	7.65	7.88	7.69	7.84	8.42
Tax expense at applicable tax rate on restated profits	D	3.01	3.97	13.14	-	11.18
ADJUSTMENTS:						
Permanent Differences						
Preliminary Expenses		-	-	0.53	-	0.98
General disallowances		0.29	0.51	0.43	0.13	0.07
Total	E	0.29	0.51	0.96	0.13	1.05
Temporary Differences						
Depreciation		1.21	0.09	26.34	47.75	61.83
Gratuity		(0.30)	0.30	(0.52)	0.52	(2.94)
Allowable Expenses on Payment basis		-	-	(5.11)	(7.99)	10.73
Assets acquired on lease		-	-	-	-	14.98
Unabsorbed Depreciation		-	-	-	-	18.85
Total	F	0.91	0.39	20.71	40.28	103.45
Net Adjustments	G=F-E	0.62	(0.12)	19.75	40.15	102.40
Tax Saving thereon	H=G*B/C	0.22	(0.04)	7.09	3.15	8.62
Net impact	I=D-H	2.79	4.01	6.05	(3.15)	2.56
Tax Provision		2.79	4.01	6.05	3.30	8.03
Deferred tax expense/(credit)		-	-	-	-	-
Fringe benefit tax						-
Incremental tax due to MAT		-	-	-	3.30	5.47

Notes:

- 1) The tax is the normal rate of tax or MAT tax rate as may be applicable in the respective financial years.

INDEBTEDNESS

Details of Secured Borrowings

Our secured borrowings as of March 31, 2006 are as follows:

S.No	Nature of borrowing/debt	Amount Sanctioned (in Rs. Million)	Outstanding (in Rs. Million)	Repayment and Interest	Security
1.	ABN AMRO Bank N.V.	a. Term Loan (1): INR 150,000,000. b. General Banking (Working Capital facilities): INR 180,000,000. c. Performance Guarantees: INR 150,000,000. d. Overdraft (OD)/ Working Capital Demand Loan (WCDL)/ Short Term Prime Lending Rate Loans (STPLR)/ - for working capital purposes: INR 50,000,000. e. Term Loan (2) and Short Term Loan (STL)/ Performance Guarantees: INR 300,000,000.	131.25 69.60 213.19 20.00	a. OD: At Bank's Prime Lending Rate (PLR) minus 3.75% (presently PLR is 12.75% p.a.) b. Term Loan (1) and (2)/ WCDL/ STPLR/ STL: At negotiated rates. c. Guarantees: At Standard Tariff.	(1) Exclusive charge over the two bell helicopters (Indian oil and gas major and GSPC – Ref. VT-AZD 33172 412SP and VT-AZG 33185 412SP). (2) Exclusive charge over a third helicopter – to be charged as and when it is procured. (3) Specific assignment of book debts relating to 2 helicopters being charged. Receivables from 3 rd helicopter to be charged to ABN AMRO Bank as and when it is procured. (4) Security margin equivalent to 2 months' Term loan instalments plus interest to be placed up-front under lien in the Escrow/ TRA account. (5) Hypothecation of stocks/ inventory and book debts.
2.	GE Services (GECSI)	Term Loan of INR 41,350,000.	41.35	7.35% per annum and payable monthly in arrears on outstanding balance during the tenor of the facility.	Irrevocable and unconditional SBLC issued by Habib Bank AG Zurich, Switzerland in favour of GE Capital Services India in form and substance acceptable to GECSI. The SBLC, issued in USD would cover: a. Entire principal amount b. Interest amount for 60 days (30 days interest instalment and 30 days buffer) c. 5.0% (of the Principal + 60 days interest) as a forex margin to cover INR appreciation. Top up in SBLC amount required within 3 days when margin falls to 2.5%, so as to achieve forex margin of 5%. Failure to top up is an

S.No	Nature of borrowing/debt	Amount Sanctioned (in Rs. Million)	Outstanding (in Rs. Million)	Repayment and Interest	Security
					event of default, allowing GECSI to exit by invoking the SBLC. d. 9.85% of the 60 day interest as an interest rate margin to cover any appreciation in interest rates. The security also includes a Demand Promissory Note duly issued by GVHPL.
3.	Term loan facility taken by Vectra Limited from ICICI Bank UK Limited	a. Term loan facility dated March 15, 2005 up to USD 10,000,000. b. Term loan facility dated December 16, 2005 consisting of Tranche A up to USD 2,500,000 and Tranche B (subject to utilisation of Tranche A having occurred) up to an amount equal to the available commitment after utilisation of Tranche A to finance the payment of balance under the purchase contract dated February 22, 2005 for the purchase of helicopters between Eurocopter (1) and Global Helicorp Private Limited. c. Facility of USD 2.2 million dated March 25, 2006.	USD 8.14 million USD 2.50 Million USD 2.20 Million		a. Security for term loan facility for USD 10,000,000 includes: 1. First priority helicopter mortgages of four helicopters: (i) BELL VT-AZE S/N 36024 (ii) BELL VT-AZA S/N 33188 (iii) BELL VT-AZB S/N 36067 (iv) BELL VT-AZC S/N 36161. 2. Assignment of borrower's rights, title and interest over leases between the borrower and Global Vectra Helicorp Private Limited in favour of the lender of all the four helicopters referred to above. 3. Corporate guarantees from Global Vectra Helicorp Private Limited and Venus Projects Limited. It has been agreed by the parties that this corporate guarantee need not be given by the Company. 4. Personal guarantee from Ravinder Kumar Rishi. 5. Charge over Current Accounts of the Company at ICICI Bank Limited in India.

S.No	Nature of borrowing/debt	Amount Sanctioned (in Rs. Million)	Outstanding (in Rs. Million)	Repayment and Interest	Security
					b. For term loan facility dated December 16, 2005: 1. First ranking charge by the Borrower in favour of the lender over the purchase contract. 2. First ranking charge by the borrower in favour of the lender over the two EC 155B1 helicopters, the purchase contract and the helicopter lease for the lease of these helicopters by the borrower to Global Helicorp Private Limited for a term of not less than 8 years. c. For facility dated March 25, 2006 the security created includes: 1. First priority Helicopter Mortgages of 4 helicopters being: BELL VT-AZE S/N 36024; BELL VT-AZA S/N 33188; BELL VT-AZB S/N 36067; BELL VT-AZC S/N 36161. 2. Assignment of Vectra Limited's right, title, interest over Leases between the Borrower and the Company in favour of the Lender of all above helicopters. 3. First Assignment of Earnings in favour of the Lender of all above helicopters. 4. Charge over Current Accounts of the Company at ICICI Bank Limited in India. 5. Charge over Current Accounts of the Borrower at the Lenders branch in the UK. 6. Undertaking by Borrower that all future contracted payments by new companies in respect of the current four helicopters or other helicopters which might replace these in accordance with the contracts with an Indian oil and gas major

S.No	Nature of borrowing/debt	Amount Sanctioned (in Rs. Million)	Outstanding (in Rs. Million)	Repayment and Interest	Security
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/Reliance/other company.
7. Letter of Confirmation from Reliance and the Indian oil and gas major conforming to the standard instructions issued by the Company instructing Reliance to make payments in respect of its contract(s) with the Company in designated account with ICICI Bank Limited to their satisfaction.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our financial statements, as restated, under Indian GAAP for the Fiscal Years ended March 31, 2002, 2003, 2004, 2005 and 2006, including the significant accounting policies and notes and annexures thereto beginning on page 83 of this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our restated financial statements have been derived from our financial statements prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act and Indian securities regulations. The following discussion is also based on internally prepared statistical information and publicly available information. You are also advised to read the section titled "Risk Factors" beginning on page (viii), which discusses a number of factors and contingencies that could affect our financial condition, results of operations and cash flows. Our Fiscal Year ends on March 31 of each year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year.

Vectra Group took over the management control of our Company in August 2004. Since then we have grown significantly and expanded our fleet size from seven to current twelve.

OVERVIEW

We are one of the largest dedicated offshore helicopter transportation services company in India servicing the oil and gas exploration and production sector.

We were incorporated in 1998 as Azal India Private Limited (AIPL). The Vectra Group, recognizing the growth potential of the oil and gas sector in India and thereby the value of our service to this industry, acquired a stake in the Company and consequently the management control in August 2004. Vectra Group acquired the total equity capital in AIPL in October 2004.

We have experienced high growth in our business and operations, especially in the last two years. Since commencement of operations in 1998 and our subsequent acquisition by the Vectra Group in October 2004, we have developed and strengthened the necessary expertise and infrastructure to better serve the oil and gas industry in India.

At the end of Fiscal 2005 we had revenues of Rs. 524.20 million on an operational fleet of six helicopters as compared to Rs. 898.38 million at the end of Fiscal 2006 on an operational fleet of 11 helicopters. We added another helicopter in April 2006 taking the total number of helicopters to 12. The net profit for Fiscal 2006 was Rs. 78.01 million as against a net loss of Rs. 4.31 million for Fiscal 2005.

We have built self-sufficient, DGCA approved infrastructure at Juhu aerodrome in Mumbai for operations and maintenance of our fleet on a client's base. We have an authorised in-house training department for training Bell 412 pilots and AMEs.

Key factors affecting our Operations:

The key factors affecting our results of operations, financial conditions and cash flow include:

- a. **General business and economic conditions in India:** All our operations are based in India and we derive our revenues from the Indian market. The oil and gas industry, which we service, is dependent on the general economic conditions of India and rest of the world. We therefore are affected by general economic conditions in the country, particularly economic conditions affecting the oil and gas sector.
- b. **Oil and gas industry:** We provide offshore transportation services to the oil and gas industry. The demand and growth of the oil and gas industry will lead to increased exploration and production activities, which will impact our growth.
- c. **Expansion of Operations:** Helicopter operations are highly capital intensive, more so in a growth phase which we are currently experiencing. We have made significant expansion in our operations and

have grown from three operating helicopters in October 2004 to 11 helicopters at the end of Fiscal 2006. We have taken delivery of one helicopter, which will be ready, for deployment from May 2006. The fleet expansion will also impact the overall inventories, assets, debt levels, maintenance expenses and personnel costs.

- d. **Fleet Utilisation:** The utilisation of helicopters is an important element of our business and has direct bearing on the results of our operations. High utilisation implies higher revenues under contracts since, over and above the fixed monthly charges we are also paid on the basis of flying hours.

Significant Accounting Policies

1. Basis of preparation of financial statements

These restated financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 1956 ('the Act') and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable. The financial statements are presented in Indian rupees.

2. Use of estimates

The preparation of restated financial statements in conformity with the generally accepted accounting principles (GAAP) 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. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. A) Fixed Assets and depreciation

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, and taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition, installation of the asset upto the time the assets are ready for their intended use. The cost of imported fixed assets also includes the exchange differences (favourable as well as adverse) arising in respect of foreign currency loans or other liabilities incurred for the purpose of their acquisition or construction.

Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised.

Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956 unless the useful life of the asset warrants higher rate of depreciation

Major component part of a helicopter which requires replacement at regular intervals is identified and depreciated separately over its respective estimated remaining useful life. Accordingly, rotor heads are segregated from the helicopters and depreciated over 5,000 hours, being its estimated useful life, prospectively from April 1, 2005.

All assets (including plant and machinery) costing less than Rs. 5,000 are depreciated at the rate of 100% in the year of their purchase.

Assets retired from active use and held for disposal are written down to their estimated realizable value.

In accordance with AS 28 on 'Impairment Of Assets' issued by the Institute Of Chartered Accountants Of India, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (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. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account.

B) *Miscellaneous expenditure*

Heavy maintenance checks including overhaul and repairs and maintenance that need to be performed at regular intervals as enforced by the Director General of civil aviation and in accordance with the maintenance programme laid down by the manufacturers are debited to the profit and loss account as and when incurred.

Preliminary expenses are charged off as and when incurred.

4. *Inventories*

Inventories comprise of spares and are valued at lower of cost and net realizable value. Cost is determined on the basis of First in First out (FIFO) method.

5. *Revenue Recognition*

Revenue from services is recognized as and when services are rendered in accordance with the terms of the specific contracts. Interest income is recognized on time proportionate basis.

6. *Retirement benefits*

Gratuity which is defined benefits are accrued based on actuarial valuations at the balance sheet date. None of the Company's employees are covered under the Employees Provident Funds & Miscellaneous Provision Act, 1952. Thus no contribution is made for provident fund.

7. *Foreign currency transactions*

Transactions in foreign exchange are accounted for at the exchange rate in force at the time the transactions are affected. The exchange differences arising out of the settlement, other than those on liabilities, relating to imported fixed assets are dealt with in the Profit and Loss Account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are revalued at the closing exchange rates at that date. Resultant gains or losses are recognised in the Profit and Loss Account except exchange differences arising on settlement or translation of foreign currency liabilities on acquisition of imported fixed assets which are adjusted against the carrying costs of corresponding fixed assets.

8. *Taxes on income*

Income tax expense comprises current tax as per Income Tax Act, 1961, Fringe Benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. 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 realized.

9. *Leases*

Lease rentals in respect of assets acquired under operating lease are charged off to the Profit & Loss Account as incurred. Lease 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.

10. *Earnings Per Share*

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the period, with the weighted number of equity shares outstanding during the period.

11. *Provisions and Contingencies*

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

Our Revenues

Fleet Utilisation

High utilisation implies higher revenues under contracts since, over and above the fixed monthly charges we are also paid on the basis of flying hours. The following are details of our fleet utilisation for the last three Fiscal:

Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006
No. of helicopters ¹	7	6	11
Total Flying hours ²	4,387.9	5,091.8	8,878.9
Fleet Serviceability ³	62.27%	87.12%	82.50%
Revenue hours ⁴	4,329.0	4,982.0	8,712.2
Total Revenue (In Rs. millions)	369.40	517.19	895.34
Average Revenue per Hour (Rs)	85,332	103,812	102,771

1. In Fiscal 2004, there were seven helicopters with the Company. However only four were operational. Two helicopters were under long term repairs at a third party facility and one was down for litigation which was settled upon the Promoters gaining management control of the Company.

In Fiscal 2005, only six helicopters were operating as one had been sent back to its owners.

In Fiscal 2006, all eleven of our helicopters were in operation. The additional helicopters which joined the fleet of six in Fiscal 2006 were inducted at different points of time. During the year, two helicopters were not flying for approximately five months due to damage caused by the floods in Mumbai on July 26, 2005.

2. Total Flying Hours includes the training hours, maintenance flying hours as well as the revenue hours.
3. Fleet Serviceability% = (aggregate number of days flown) / (aggregate number of days helicopters were available) x 100.
4. Revenue hours include only the commercial hours for which the company was paid by clients.

Operating Income

Operating income is the income generated under long-term contracts with various oil and gas exploration and production companies. There are two components of the income under contracts:

- (i) Fixed monthly charges: This is the monthly charges we get under contract for keeping the helicopters under contract available to the clients, irrespective of the flying hours.
- (ii) Flying hourly charges: This is the charges we get on the basis of number of flying hours for the client calculated at the fixed rate per hour under the contract.

Most of the contracts are based on tenders floated by the exploration and production companies. We, based on the expected number of flying hours per month and the fixed cost and variable cost for flying, ascertain the fixed monthly charges and flying hourly charge for a contract.

Following is the analysis of our operating revenues for the previous three years:

	Fiscal 2004	Fiscal 2005	Fiscal 2006
Operating Revenues (Rs. In millions)	369.40	517.19	895.34
- Fixed monthly charges (%)	51.03	57.00	54.80
- Flying hourly charges (%)	48.97	43.00	45.20

Other Income

Other Income constitutes a small portion of our revenues and primarily comprises of:

- Interests on bank deposits
- Foreign exchange gain
- Insurance claim
- Miscellaneous / Adjustments

The nature and amount of other income is not certain in nature.

Expenses

Administration Expenses: The administration expense primarily includes legal & professional expense, travelling & conveyance, training and rent. The detailed break up of administrative expenses is as given below:

(Rs. In million)			
Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006
Travelling & conveyance	21.86	26.50	23.68
Legal & professional expense	19.09	8.23	14.63
Rent	3.33	3.44	2.18
Training expense	1.13	12.61	13.48
Miscellaneous expense	19.45	19.45	19.26
Total	64.87	70.22	73.24

Financial Expenses: Financial expenses include interest to banks, interest to others, finance lease costs and bank charges & commission. The detailed break up of financial expenses is as given below:

(Rs. In million)			
Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006
Interest to banks	12.55	15.08	24.17
Interest to others	3.01	0.09	3.62
Finance lease costs	0.00	0.00	193.68
Bank charges & commission	2.16	2.05	8.00
Total	17.72	17.22	229.46

Personnel Expenses: Personnel expenses include director's remuneration and salaries & wages. The detailed break up of personnel expenses is as given below:

(Rs. In million)			
Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006
Salaries & wages	39.56	49.50	99.27
Director's remuneration	5.55	4.78	5.81
Total	45.11	54.29	105.07

Operating Expenses: Operating expenses includes aviation fuel for helicopters, spares consumption and maintenance, parking, landing & passenger service fees, lease rentals and insurance charges. The detailed break up of operational expenses is as given below:

(Rs. In million)			
Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006
Aviation fuel for helicopters	45.23	62.44	136.97
Helicopter maintenance	35.51	177.07	97.58
Parking & landing charges & PSF	5.97	3.64	7.04
Charter hire	3.93	0.00	0.70
Lease rentals	106.41	124.06	6.80
Insurance charges	4.53	8.13	14.83
Total	201.59	375.33	263.93

Depreciation: We have adopted the straight line method of accounting depreciation from April 1, 2005. The depreciation charges for the Fiscal 2006 were Rs. 93.91 million, for Fiscal 2005 they were Rs. 14.00 million and for Fiscal 2004 they were Rs. 9.14 million.

Results of Operations

The following table sets forth certain information with respect to our income, expenditures and profits, for the periods indicated:

(Rs. In million, except percentages)			
	Fiscal 2004	Fiscal 2005	Fiscal 2006
Income			
Operating Income	369.40	517.19	895.34
- Growth (%)	8.06%	40.01%	73.12%
Exchange Fluctuation	0.00	0.00	
Other income	5.66	7.01	3.04
- Growth (%)	-856.45%	23.69%	-56.63%
Total Income	375.06	524.20	898.38
Expenditure			
Administration	64.87	70.22	73.24
- Growth (%)	33.23%	8.25%	4.30%
- % of Operating Income	17.56%	13.58%	8.18%
Financial costs	17.72	17.22	229.46
- Growth (%)	667.40%	-2.82%	1,232.52%
- % of Operating Income	4.80%	3.33%	25.63%
Personnel cost	45.11	54.29	105.07
- Growth (%)	5.64%	20.33%	93.56%
- % of Operating Income	12.21%	10.50%	11.74%
Operating cost	201.59	375.33	263.93
- Growth (%)	-14.25%	86.19%	-29.68%
- % of Operating Income	54.57%	72.57%	29.48%
Depreciation	9.14	14.00	93.91
- Growth (%)	504.74%	53.21%	570.78%
- % of Operating Income	2.47%	2.71%	10.49%
Total Expenditure	338.43	531.06	765.61

Adjusted profit/(loss) before tax and extra-ordinary items	36.63	-6.86	132.77
Provision for tax			
- Current tax	6.05	3.30	8.03
- Deferred tax charge/(release)	9.18	-5.85	40.84
Fringe Benefit Tax	Nil	Nil	1.73
Adjusted profit/(loss) before extra-ordinary items	21.40	-4.31	82.17
Extra-ordinary items (net of tax) -Loss due to floods	Nil	Nil	4.16
Net profit/(loss) after adjustment and extra-ordinary items	21.40	-4.31	78.01

Adjustments resulting from changes in accounting policies

1. Prior period adjustments

In the restated financial statements for the year ended March 31, 2005, the Company had realised Rs 1.83 million as income tax expense for prior period based on revised returns filed by the Company for the year ended March 31, 2004. For the purpose of this statement, the said expense has been appropriately adjusted in the year that it relates to.

2. Qualification in auditor's report

The auditor's report for the financial year ended March 31, 2002 was qualified for non-provision of gratuity as per the provisions of Accounting Standard 15 – Accounting for retirements in the financial statements issued by the Institute of Chartered Accountants of India ('ICAI'). Accordingly, adjustment is made in the statement of profit and loss account, as restated to give effect to such qualification with corresponding effect in profit and loss account and provisions.

3. Preliminary expenses

Until the year ended March 31, 2005, the Company amortised preliminary expenses over a period of five years. Effective April 1, 2005, the Company changed its accounting policy to charge off these expenses to the profit and loss account, as incurred.

Accordingly, preliminary expenses have been adjusted in line with the above mentioned policy for the years ended March 31, 2002, 2003, 2004 and 2005. Further, reserves as at April 1, 2001 have been adjusted to reflect the impact of change pertaining to prior years.

4. Depreciation

Until the year ended March 31, 2005, the Company depreciated its fixed assets based on the written down value ('WDV') method of depreciation, at the rates prescribed under schedule XIV to the Companies Act, 1956.

Effective April 1, 2005, the Company changed the method of providing depreciation from the WDV method to straight-line method ('SLM') since the management believed that this method reflected more appropriately, the period of economic benefit to be derived from the use of assets and would hence result in a more appropriate preparation of the financial statements. Accordingly, depreciation on fixed assets has been recomputed based on the straight line method for the years ended March 31, 2002, 2003, 2004 and 2005.

Previously the Company was charging depreciation on helicopters at the rates prescribed for plant and machinery under Schedule XIV to the Companies Act, 1956, (the 'Act'). During the year ended March 31, 2006, the Company has rectified the depreciation rates to rates prescribed for aero engines and aircrafts under Schedule XIV to the Act. Consequent effect on account of such change is given in the respective years.

5. Deferred Tax Liability

The provision relating to Deferred Tax Liability as per Accounting Standard 22, “Accounting for taxes on income” issued by The Institute of Chartered Accountants of India, became mandatory for the Company from April 1, 2002. In accordance with the transitional provision, the accumulated Deferred Tax Liability upto the year ended March 31, 2002 amounting to Rs 0.76 millions has been adjusted from the brought forward Profit and Loss Account balance as on April 1, 2002, in the accounts for the year ended March 31, 2003.

However, for the purposes of restated profit and loss and restated assets and liabilities, the standard has been applied retrospectively from April 1, 2001.

6. Overhaul

Heavy maintenance checks including overhaul and repairs and maintenance that need to be performed at regular intervals as enforced by the DGCA and in accordance with the maintenance programme laid down by the manufacturers were being deferred over a period of three years for leased helicopters and capitalized for owned helicopters. Effective April 1, 2005, such expenses are debited to the profit and loss account as and when incurred.

Accordingly such maintenance expenditure has been charged off in the Fiscal Year it is incurred in line with the above mentioned policy.

COMPARISON OF FISCAL 2006 WITH FISCAL 2005

Key trends and developments during Fiscal 2006 included:

a) *Addition of five helicopters during the year*

During Fiscal 2006 we added five Bell 412 helicopters. With the addition of new helicopters in our fleet we were able to participate in more tenders floated by companies which were not serviced by us in earlier years. The increased fleet strength also enabled us to offer more helicopters to our existing clientele. We incurred higher expenses on account of repairs, maintenance, personnel costs, and increase in spares inventory held by us.

b) *Increase in the number of contracts from three to five*

Two additional contracts were awarded to us during the Fiscal 2006 by Transocean for providing one helicopter and British Gas for two helicopters. We serviced both the clients for the first time. The additional contracts led to an increase in revenues.

c) *Force Majeure event of July 26, 2005*

As our base is located in Juhu aerodrome, Mumbai, we were affected by the floods on July 26, 2005. The water logging at Juhu airport affected two of our helicopters, which were under scheduled maintenance. The repair costs incurred on these helicopters, as a result of the water logging, was covered under insurance. However we had to suffer a loss of revenue as a result of these two helicopters being grounded for five months.

Income

Operating Income

Our operating income increased by 73.12% from Rs. 517.19 million in Fiscal 2005 to Rs. 895.34 million in Fiscal 2006. This was primarily due to the increase in our services because of expansion of our fleet strength from six helicopters in the previous year to 11 helicopters as on March 31, 2006. The increased fleet strength enabled us to take more contracts which led to increase in number of clients from three to five at the end of Fiscal 2006.

Other Income

Our other income decreased by 56.63% from Rs. 7.01 million in Fiscal 2005 to Rs. 3.04 million in Fiscal 2006. This decrease was primarily due to the exchange rate fluctuations (gain) of Rs. 3.31 million in Fiscal 2005.

Expenditure

Our total expenses increased by 44.17% from Rs 531.06 million in Fiscal 2005 to Rs. 765.61 million in Fiscal 2006. This was primarily due to increase in personnel cost, financial cost, and depreciation.

Administration Costs

Our administration expenses increased by 4.30% from Rs. 70.22 million in Fiscal 2005 to Rs. 73.24 million in Fiscal 2006 due to costs associated with the increase in the fleet and administration of additional personnel.

Financial Costs

Our financial costs increased from Rs. 17.22 million in Fiscal 2005 to Rs. 229.46 million due to an increase in the debt and finance cost of helicopters leased by us due to entering into long term lease agreements which were treated as finance leases as per accounting standard 19. We had only operating leases in Fiscal 2005, the charges under which were classified as operating costs.

Personnel Costs

Our personnel costs increased by 93.56% from Rs. 54.29 million in Fiscal 2005 to Rs. 105.07 million due to the increase in the number of pilots, engineers and technicians associated with the maintaining and operating of an increased number of helicopters. The increase in Personnel costs were also due to an inflation linked rise in salaries.

Operating Costs

Our operating costs decreased by 29.68% from Rs. 375.33 million in Fiscal 2005 to Rs. 263.93 million. This was partly due to the new lease agreements entered in Fiscal 2006 for all the helicopters, whereby the operating leases were treated as financial leases and the rentals as financial costs. The lease rental under operation lease in Fiscal 2005 was Rs. 124.05 million as against Rs. 6.80 million in Fiscal 2006. Additionally, we incurred higher scheduled maintenance costs in Fiscal 2005 of Rs. 81.14 million on account of overhaul of engines and gear box of our helicopters, which was written off in the same year. Our operating costs also reduced on account of two of our helicopters which were affected by water logging being grounded for five months, thereby we did not incur direct operating costs for these helicopters.

Depreciation

Our depreciation increased from Rs. 14.00 million in Fiscal 2005 to Rs. 93.91 million due to change in the lease agreements which led to treatment of the same as financial leases instead of operating leases which was the case in Fiscal 2005, and the addition of a new helicopter to our fleet.

Profit/(Loss) Before Taxation and Extraordinary items

We had a net profit before tax and extraordinary items of Rs. 132.77 million in Fiscal 2006 as against a net loss before tax and extraordinary items of Rs. 6.86 million in Fiscal 2005. This was primarily due to an increase in operating income and a decrease in operating costs as a percentage of income as a result of stringent cost cutting measures in administration costs.

Provision for Tax

In Fiscal 2005 we made a provision for tax of Rs. (2.55) million as against a provision of Rs. 50.61 million in Fiscal 2006. For Fiscal 2006, the provision includes current tax of Rs. 8.03 million, deferred tax charges of Rs. 40.84 million and fringe benefit tax of Rs. 1.73 million. While in Fiscal 2005, the current tax was Rs. 3.30 million and deferred tax asset of Rs. 5.85 million. The increase in deferred tax provision is firstly due to a temporary difference in book profit and taxable profit caused by a higher depreciation claim under the I. T. Act, which applies to our owned helicopters and secondly to expenses allowable on a payment basis.

Our effective tax rate (which is defined herein as current tax divided by profit before tax and extraordinary item) for Fiscal 2006 was 6.05%. The effective rate was lower than the statutory tax rate of 33.66% because of (a) higher depreciation claim allowed under the I. T. Act, (b) unabsorbed depreciation of Fiscal 2005 and (c) expenses claimed on payment basis.

Net Profit/(Loss) after adjustments and extraordinary items

In Fiscal 2006 we had a net profit of Rs. 78.01 million as compared to a net loss of Rs. 4.31 million in Fiscal 2005. This was primarily due to increase in operating income by 73.12% year-on-year and reduction in expenses as a percentage of operating income from 102.68% in Fiscal 2005 to 85.51% in Fiscal 2006.

COMPARISON OF FISCAL 2005 WITH FISCAL 2004

Key trends and developments during Fiscal 2005 included:

a) *Fleet*

We had four operational helicopters at the beginning of Fiscal 2005, which were increased to six by the end of it. Two helicopters were under repairs for a period exceeding approximately two years.

b) Increase in the number of clients

Till Fiscal 2004 we were providing services to an Indian oil and gas major for three helicopters and RIL for one helicopter. During the Fiscal 2005, we won a contract from GSPC for one helicopter and from RIL for an additional helicopter.

Income

Operating Income

Our operating income increased by 40.01% from Rs. 369.40 million in Fiscal 2004 to Rs. 517.19 million in Fiscal 2005. This was primarily due to the increase in our services because of an increase a number of operational helicopters from four to six. We also executed more contracts which led to an increase in number of clients from two to three at the end of Fiscal 2005.

Other Income

Our other income increased by 23.85% from Rs. 5.66 million in Fiscal 2004 to Rs. 7.01 million in Fiscal 2005 due to exchange rate fluctuation gain of Rs. 3.31 million during the years as compared to Rs. 2.56 million in Fiscal 2004.

Expenditure

Our total expenses increased by 56.92% from Rs 338.43 million in Fiscal 2004 to Rs. 531.06 million in Fiscal 2005. This was primarily due to increase in operating cost, personnel cost, and depreciation.

Administration Costs

Our administration expenses increased by 8.25% from Rs. 64.87 million in Fiscal 2004 to Rs. 70.22 million due to an increase in the training expenses of new pilots, engineers and technicians who were inducted for the increased operational fleet strength from Rs. 1.13 million in Fiscal 2004 to Rs. 12.61 million.

Financial Costs

Our financial costs decreased by 2.82% from Rs. 17.72 million in Fiscal 2004 to Rs. 17.22 million mainly due to no interest payment made to the Airport Authority of India in Fiscal 2005, which in Fiscal 2004 was Rs. 2.88 million. Term loan interest increased in Fiscal 2005 to Rs. 12.22 million from Rs. 10.27 million in Fiscal 2004 due to increase in the loan amount from Rs. 92.23 million in Fiscal 2004 to Rs. 133.92 million in Fiscal 2005.

Personnel Costs

Our personnel costs increased by 20.33% from Rs. 45.11 million in Fiscal 2004 to Rs. 54.29 million in Fiscal 2005 due to an increase in number of pilots, engineers and technicians which were required in order to operate the additional helicopters inducted onto the fleet.

Operating Costs

Our operating costs increased by 86.19% from Rs. 201.59 million in Fiscal 2004 to Rs. 375.33 million due to costs associated with an increased fleet, spares and maintenance. In Fiscal 2005, two of our helicopters came in for major overhauls and maintenance and this expense was written off in the same year. Our cost of aviation fuel increased as well during this year due to increased fleet strength and increase in fuel prices. Our insurance cost also increased with the introduction of an owned helicopter to our fleet.

Depreciation

Our depreciation increased by 53.21% from Rs. 9.14 million in Fiscal 2004 to Rs. 14.00 million due to the additional owned helicopter.

Profit/(Loss) Before Taxation and Extraordinary items

We had a net profit before tax and extraordinary items of Rs. 36.63 million in Fiscal 2004 as against a net loss before tax and extraordinary items of Rs. 6.86 million in Fiscal 2005 due to maintenance and overhaul expenses of Rs. 81.14 million for Fiscal 2005.

Provision for Tax

In Fiscal 2004 we made a provision for tax of Rs. 15.23 million as against a provision of Rs. (2.55) million in Fiscal 2005. For Fiscal 2005, the provision includes current tax of Rs. 3.30 million and deferred tax charges of Rs. (5.85) million. The increase in deferred tax provision is firstly due to a temporary difference in book profit and taxable profit caused by a higher depreciation claim under the I. T. Act, which applies to helicopters owned by us and secondly to expenses allowable on a payment basis.

Net Profit/(Loss) after adjustments and extraordinary items

In Fiscal 2004 we had a net profit of Rs. 21.40 million as compared to a net loss of Rs. 4.31 million in Fiscal 2005. The total expenses increased as a percentage of operating income from 91.62% in Fiscal 2004 to 102.68% in Fiscal 2005 as a result of heavy maintenance and overhaul costs that had to be written off in the Fiscal, even though the operating income increased by 40.01% year-on-year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our primary liquidity requirements have been to finance our working capital requirements and our capital expenditures. We have met these requirements from cash flows from operations and short-term and long-term borrowings.

Cash Flows

Based on our restated financial statements, as of March 31, 2006 we had cash and cash equivalents of Rs. 30.95 million as compared to Rs. 34.63 million as of March 31, 2005 and Rs. 31.83 as of March 31, 2004.

(Rs. In million)			
	Fiscal		
	2004	2005	2006
Net Cash flow from operating activities	37.99	12.76	366.39
Net Cash flow from/(use) in investing activities	(130.30)	(154.15)	(485.27)
Net Cash flow from/(use) in financing activities	120.63	144.19	115.20
Cash and cash equivalent at the end of the period	31.83	34.63	30.95

Cash flows from operating activities

Our cash flow from operating activities in Fiscal 2006 was Rs. 366.39 million which reflects a net profit before tax of Rs. 132.77 million and income taxes paid of Rs. 21.01 million adjusted for a depreciation of Rs. 93.91 million, interest income of Rs. 2.88 million, finance/lease cost of Rs. 193.68 million, interest expenses of Rs. 27.78 million, loss on sale of fixed assets of Rs. 0.10 million. This also included an exceptional item of loss due to floods amounting to Rs. 4.16 million.

Sundry debtors increased by Rs. 92.66 million reflecting increase in revenues with corresponding increase in the receivables from clients. There was an increase in inventories to the extent of Rs. 29.35 million due to increase in the number of helicopters and therefore the increase in spares and parts for the same. There was also increase in other current assets for Rs. 113.91 million due to advances to suppliers and security deposits required for the leased helicopters. Sundry creditors increased by Rs. 120.95 million due to increase in inventory of spares and overhaul expenses payable. Other current liabilities increased by Rs. 61.17 million primarily due to lease rentals under finance lease of Rs. 32.88 million which was not incurred in Fiscal 2005 and increase in insurance premium payable of Rs. 9.45 million.

Our cash flow from operating activities in Fiscal 2005 was Rs. 12.76 million which reflects a net loss before tax of Rs. 6.86 million and income taxes paid of Rs. 3.54 million adjusted for a depreciation of Rs. 14.00 million, interest income of Rs. 1.85 million and interest expenses of Rs. 15.17 million. Sundry debtors increased by Rs. 33.59 million reflecting the additional contracts that were awarded to us, which led to the generation of higher revenues. There was a decrease in inventories to the extent of Rs. 5.93 million due to stream lining of the operations and utilization of these parts in the helicopters as a result of the major overhauls undertaken. There was also increase in other current assets for Rs. 5.78 million. Sundry creditors increased by Rs. 39.40 million due to amount payable for consumption of spare parts for repairs, maintenance and overhaul as a result of an increase in business activities. Other current liabilities decreased by Rs. 10.12 million due to increase in statutory liabilities payable with respect to increase in salary and wages.

Cash flows from investing activities

Our cash flows used in investing activities were Rs. 485.27 million in Fiscal 2006 and comprised primarily purchase of fixed assets of Rs. 140.20 million and an increase of Rs. 348.80 million in capital work-in-progress as a result of advance payments that were required to be made to Bell Helicopters, the manufacturer of the Bell 412 helicopter that we took delivery of in April 2006.

Our cash flows used in investing activities were Rs. 154.15 million in Fiscal 2005 and comprised primarily purchase of fixed assets of Rs. 115.02 million and an increase of Rs. 38.98 million in capital work-in-progress as a result of increase in the fleet strength.

Cash flows from financing activities

In Fiscal 2006 we had a working line of Rs. 46.99 million and net long term borrowings of Rs. 230.52 million. Additionally we had a finance lease cost of Rs. 193.68 million and principal payment under finance lease of Rs. 86.91 million. We borrowed Rs. 144.66 million from our group companies for financing of additional helicopters. Under various finance arrangements, we paid interest charges of Rs. 27.78 million. The resulting net cash flow from financing activities was Rs. 115.20 million for the Fiscal 2006.

In Fiscal 2005, we raised additional shares capital of Rs. 21.99 million. We received proceeds from unsecured loans of Rs. 86.64 million. There was an increase in working capital facility of Rs. 9.45 million during the same period. Net long term borrowings in Fiscal 2005 was Rs. 41.70 million. Under various finance arrangements, we paid interest charges of Rs. 15.17 million.

ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Unusual or Infrequent Events or Transactions

On July 26, 2005, Mumbai experienced a heavy torrential rain, which led to a large part of Mumbai getting water logged. Because of this, our main base at Juhu aerodrome in Mumbai was also water logged leading to grounding of two of our helicopters for a period of approximately four months. Because of this force majeure event we suffered loss of revenue on account of these two helicopters being grounded. Except as described in this Draft Red Herring Prospectus there have been no events or transactions to our knowledge which may be described as 'unusual' or 'infrequent'.

Significant Economic/Regulatory Changes

In our opinion, except as mentioned in Draft Red Herring Prospectus, there are no significant economic or regulatory changes which affected us.

Known Trends or Uncertainties

Other than as described in the section titled 'Risk Factors' on page (viii) in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have material adverse impact on the revenues of our company from continuing operations

Future Relationship Between Costs and Income

Other than as described in the section titled ‘Risk Factors’ on page (viii) in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have material adverse impact on the revenues of our company from continuing operations

New Product or Business Segments

Other than as described in this Draft Red Herring Prospectus there are no new products or business segments where we operate.

Seasonality of Business

The business of our company is not seasonal in nature.

Significant Dependence on a Few Suppliers

We depend on a few suppliers for the supply of our helicopter and spare parts. Our fleet currently consists principally of Bell 412s and we propose to subsequently induct Eurocopter’s EC 155B1. Our dependence on these types of helicopter and engines makes us vulnerable to any design defects or mechanical failures that might arise with such helicopters or engines. Such problems could lead to the loss of use of helicopters or engines and other significant disruptions or costs, apart from causing clients to avoid companies operating with such helicopters or equipment. Our operations could also be harmed by the failure or inability of any of our suppliers to provide equipment or sufficient parts or related support services on a timely basis.

Competitive Conditions

We expect competition to intensify further as existing competitors would seek to extend their operations. However competition from new entrants would be minimal as there are tough entry barriers in this sector. For further details, please refer to the competition discussions in the sections entitled “Risk Factors” and “Our Business” on pages (viii) and 37, respectively, in this Draft Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Directors, its Promoter or its Promoter Group (other than Tatra a.s.).

A. Company

Contingent Liabilities as of March 31, 2006

We do not have any contingent liabilities as of March 31, 2006.

Cases against the Company

Civil Cases

Nisar Ali Punjabi has filed Complaint (ULP) No. 699 of 2001 against the Company before the Presiding Officer in the 10th Labour Court at Mumbai alleging unfair labour practice by the Company. The Labour Court ordered reinstatement with full back wages. A Revision Application has been filed by the Company in the Industrial Court at Mumbai and is pending.

Cases filed by the Company

We have filed a complaint under S. 138 read with Ss. 141 and 142 of the Negotiable Instruments Act, 1881 against Vicissitude Consulting Limited and Subrojeet Syam for a total amount of Rs. 650,000 in the 28th Court of Additional Chief Metropolitan Magistrate at Esplanade, Mumbai. The Court has issued process against the accused and the matter has been adjourned to June 22, 2006.

B. Promoter

Vectra Investments Private Limited

Contingent Liabilities

Corporate Guarantee given to lending banks on behalf of: (a) Tatra Trucks (India) Limited- Rs. 210,000,000 (Rupees Two Hundred and Ten Million); and (b) Vectra Azad Engineering Private Limited – Rs. 14,000,000 (Rupees Fourteen Million).

Cases filed by the company

Criminal cases

Complaint bearing no. CC No. 1173/1 under S. 138 of the Negotiable Instruments Act was filed for 10 bounced cheques aggregating Rs. 1,123,764 and the next date of hearing is June 28, 2006 in the Court of the Metropolitan Magistrate, New Delhi. The complaint has been filed against M/s Atwal & Associates and its partners Voron Atwal, Zora S. Atwal and Premjit Singh Atwal. The accused have not appeared in the court till date and on the last date non-bailable warrants were issued against the accused.

Civil Cases

Civil Suit bearing no. CS (OS) 626/2005 under Order 37 Civil Procedure Code filed in the Delhi High Court on April 2, 2005 for recovery of Rs. 12,688,591 plus interest and costs. The case has been filed against M/s Atwal & Associates and its partners Viron Atwal, Zora S. Atwal and Premjit Singh Atwal. The defendants have not put in their appearance as yet. Publication under Order 37 of the Civil Procedure Code in the newspapers has been done already.

C. Promoter Group

Vectra Azad Engineering Private Limited

Contingent Liabilities

Letters of credits outstanding Rs. 7.22 million.

Cases against the company

An appeal is pending before the Employee State Provident Funds Appellate Tribunal against the order of Assistant Provident Fund Commissioner, Bommanahalli imposing damages under Section 14B of the E.P.F Act, 1952 for delayed remittances during the period from January 1996 to February 2003. The disputed amount of Rs. 287,027 has already been paid as under protest

Terex Vectra Equipment Private Limited

Contingent Liabilities

Sales tax of Rs. 145,840 as on March 31, 2005 (deposited under protest), nil as on March 31, 2004.

Indian Exposition Mart Limited

Cases against the company

A suit has been filed against Indian Exposition Mart Limited by Jade Exports in the District Court, Muradabad, U.P., for non-allotment of mart in Phase-I of India Expo Centre, Knowledge Park – II, Greater Noida, U.P. The case is pending before the court.

Tatra Trucks India Limited

Cases against the company

1. Show cause notice (SCN) number C.No.IV/17/55/2003 S. Tax was issued in December 2003 towards service tax on a dumper truck for annual maintenance. The show cause amount was Rs. 1,040,020 with interest and penalty. A reply was filed and the matter went for personal hearing. The A.C had not heard the case and the company was informed that the subject matter is under SAF. The case is under the Assistant Commissioner of Central Excise, Hosur – I, Division, Thally Road Hosur.
2. Show cause notice No. 1/2004 & C.No. V/15/87/125/2003 CX ADJ.III was issued for in eligible exemption for Crane chassis supplied to Ministry of Defence through BEML. The show case amount was Rs. 2,741,538 with interest and penalty. A reply has been filed and personal hearing is awaited. No personal hearing notice was received from the Department from the date of issue of the SCN (i.e., 2003 onwards.). The case is under the Additional Commissioner of Central Excise, Chennai-III Commissionerate, Chennai.
3. Show cause notice No. C.No.V/87/30/26/04-Adj was issued in August 2004 for demanding cess on chassis captively consumed. The show cause amount was Rs. 390,846 plus interest and penalty. A reply was filed and the personal hearing was completed. The order is awaited. The case is under the Deputy Commissioner of Central Excise, Hosur –II Division, 67A SIPCOT, Hosur – 635 126.

4. Show cause notice no. 59/2003 & C.No. V/15/87/102/02- CX.Adj.III dated December 22, 2003 and Order in Original No.32/2004 dated June 22, 2004 were Issued for goods as such removals to our spares warehouse. The Department had interpreted that the assessable value should be adopted as per spare parts price for payment of duty. The show cause amount was Rs. 2,364,057 plus interest and penalty.

An appeal no. 84/2004(M-III), dated September 10, 2004 and a pre-deposit of Rs. 1 million was made against the Interim Order No.01/10/2004 dated October 11, 2004 passed by the Commissioner (Appeals) . Subsequently the case was transferred to call book. The case was re-opened in March 2006, and there was a personal hearing in the same month. The order from the Commissioner of C.E (Appeals) is awaited.

5. SCN No. C.No.V/87/30/07/04 Adj in February 2004 was issued for cess payable on chassis captively consumed. The show cause amount was Rs. 201,250 plus interest and penalty. The personal hearing was attended and the order is awaited to be passed. The case is under the Deputy Commissioner, Hosur – II Division, 67 A SIPCOT, HOSUR – 635 126.
6. SCN no. 49/2004 and C.No.V/15/87/70/2003 Cx.Adj. III dated November 1, 2004 was issued for CENVAT credit availed parts used in the duty exempted goods. The show cause amount was Rs. 2741538. A reply has been filed and a personal hearing is awaited. No Personal hearing notice was received from the Department until the date from the issue of the SCN. The case is under the Additional Commissioner, Chennai –III Commissionerate, Chennai.
7. SCN No. 46/2004 and C. No. V/15/87/71/2004 CX.Adj III was issued for NCCD 1% (2nd SCN) for the subsequent period. The SCN amount was Rs. 3,126,774. The personal hearing was attended with commissioner of CE. The order is awaited. The company had already won the case in the same issue with the Commissioner (Appeals) for the first SCN issued by the Department. The case is under the Commissioner of Central Excise, Chennai – III Commissionerate.
8. SCN and C.No. V/87/30/6/2005 Adj dated February 14, 2005 were issued for demanding cess on chassis captively consumed for the period of July 1, 2004 to December 31, 2004. The SCN amount was Rs. 212,644 and the amount in the Corrigendum issued on May 17, 2005 was Rs. 347,361 plus cess of Rs. 6,947. The personal hearing is over and the order is awaited to be passed. The case is under the Deputy Commissioner of Central Excise, Hosur – II Division.
9. SCN No. C.No. V/87/30/6/2005 Adj was issued in May, 2005 making a demand of cess on chassis captively consumed. The SCN amount was Rs. 242,730 plus educational cess of Rs. 4,855. The personal hearing is over and the order is awaited to be passed. The SCN was issued by D.C Hosur – II Division.
10. SCN No. C.No.V/15/87/10/2005 Cx.Adj III, NCCD 1% (Third SCN received as Periodical notice) SCN was issued for the period from July 2004 to March 2005. The SCN amount was Rs. 4,520,726 including educational cess of Rs. 90,415. The personal hearing is over and the order is awaited to be passed. The company had already won the case in the same issue with Commissioner (Appeals) for the 1st SCN issued by Department. There is no SCN issued for the subsequent period from April 1, 2005 till date. The SCN has been issued by issued by the Additional Commissioner of Central Excise.
11. SCN No. V/87/30/05/2006 Adj dated February 15, 2006 was issued towards demanding IDR Cess for captive consumption of chassis. The show cause amount was Rs. 339,932 and educational cess of Rs. 6,799. The reply has been filed and the personal hearing is awaited. The SCN was issued by Deputy Commissioner of C.E, Hosur – II Division.

Customer complaints

A case was filed by Banowari Lal Agarwalla Private Limited, Kolkata, a customer of Tatra Trucks India Limited regarding a malfunction of a Hemang vehicle. The legal notice was received on March 29, 2006.

Overdue interest/principal as on March 31, 2006

There have been no defaults and there are no overdues in respect of bonds/debentures (placed through public or private placement), for payment of interest or principal on due dates on term loans, debentures, bonds, deposits or any other liability except as under:

1. The principal amount of Rs.3.75 million on term loan taken from ING Vysya bank is outstanding as on March 31, 2006.
2. The temporary overdraft as on March 12, 2006 is due to the extent of Rs. 10 million given by Indian Bank outstanding as on March 31, 2006.

There has been no rollover of liability.

TANAX, a.s.

Cases against the company

1. There are five litigations involving civil and economic offences relating to trade creditors. The claim amounts aggregate to 1,298,569.87 SKK. All five claims are under litigation in the Slovak Republic.
2. A claim has been against TANAX, a.s. on grounds of unpaid bonus. The claim amount is 128,985 SKK. The claim is under litigation in the Slovak Republic.

GOVERNMENTAL APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

Approvals for the Issue

1. In-principle approval from the National Stock Exchange dated [•];
2. In-principle approval from the Bombay Stock Exchange dated [•].

Approvals to carry on our Business

1. *Licenses and approvals for our helicopter operations*

We have obtained the relevant approvals from the appropriate authorities for our operations:

- (i) Non-Scheduled Operator Permit from the Director General of Civil Aviation to operate non-scheduled air transport services, dated January 1, 1999, valid upto December 31, 2006. Eleven helicopters (with Registration Numbers VT-AZA, VT-AZB, VT-AZC, VT-AZE, VT-AZD, VT-AZG, VT-AZH, VT-AZK, VT-AZJ, VT-AZI, VT-AZL) can be operated under the authority of this permit.
- (ii) Approval from the Ministry of Civil Aviation for the operation of non-scheduled air transport services.
- (iii) We have valid Certificates of Registration and Certificates of Airworthiness for all our helicopters, issued by the DGCA.
- (iv) Approval No. Q-3/GVHPL/1142 of Quality Control Manager and Deputy Quality Control Manager of Global Vectra Helicorp Private Limited, Mumbai dated March 14, 2006 from the Office of the Director of Airworthiness, Mumbai.
- (v) No Objection Certificate No. AV/14015/5/98-ACVL for the operation of non-scheduled air transport services dated November 6, 1998 to Azal India Private Limited.
- (vi) Security Clearances for Directors No. 14014/48/97-AT(1) dated August 11, 2005 from the Directorate General of Civil Aviation according approval for the induction of three new directors in the Board of Directors namely Ambrish Thakker, P. Rajkumar Menon and Lt. Gen. (Retd.) SJS Saighal.
- (vii) Approval No. Q-3/AZAL/5960 dated September 24, 2003 of Quality Control and Assurance Manuals of Azal India Private Limited from the Director of Airworthiness, Mumbai.
- (viii) Approval No. CAS-6(10/97-Div-VI (Azal India) dated February 17, 1998 for the Security Manual and non-scheduled operations of Azal India Private Limited from the Commissioner of Security (Civil Aviation).
- (ix) Approval No. Q3-GVHPL/5086 for Maintenance System Manual of Global Vectra Helicorp Private Limited from the Director of Airworthiness, Mumbai.

2. *RBI/FIPB*

We have obtained necessary approvals from the FIPB and/or RBI from time to time in relation to (i) foreign equity investment into the Company, including issue of bonus shares; (ii) overseas investment by the Company; (iii) transfer of shares of the Company between residents and non residents.

3. *Miscellaneous*

We have also obtained necessary approvals and registration from the tax authorities, (labour department) (pollution control board) which include:

- Permanent Account Number AADCA9318F under the I. T. Act
- Exemption Under S. 10(15A) of the I. T. Act for payments made by the Company under various aircraft lease agreements.
- Certificate of Importer-Exporter Code (IEC No. 0304082082) issued under the Foreign Trade Development Act by the Foreign Trade Development Officer dated February 17, 2005
- Approval for foreign collaboration from the GOI, Ministry of Industry, Department of Industrial Policy and Promotion, Secretariat for Industrial Assistance, Foreign Collaboration – II Section dated April 7, 1999 to AIPL; allowing 40% Foreign Equity Participation by AAA; amounting to Rs. 4,000,000 (Rupees Four Million) towards the paid-up capital of Rs. 10,000,000 (Rupees Ten Million) million of the new joint venture company. (to undertake the business of rendering charter-hire helicopter services to an Indian oil and gas major and others for the exploration and exploitation of oil and natural gas in the offshore/ onshore areas of operation in India for passenger/freight transportation. Valid for a period of two years from the date of issue.

Licenses Applied for and Pending Approval

1. We have filed an application to the Airports Authority of India, Vishakhapatnam for allocation of land to set up a hangar in Vishakhapatnam in east India.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The present Issue has been authorised by the Board of Directors in their meeting on January 25, 2006 and by the shareholders of our Company at an EGM held on February 20, 2006 and by the Selling Shareholder by their resolution dated January 30, 2006 and their letter dated February 6, 2006.

Regulatory Approvals for the Issue

The Company is in the process of applying for approval from the RBI for the transfer of Equity Shares held by the Selling Shareholder as part of an Offer for Sale in this Issue to Bidders resident in India and outside India. As on the date of this Draft Red Herring Prospectus, it has not yet received the approval from the Reserve Bank of India.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Directors, our Promoter, our group companies, associates of our group companies and other companies promoted by our Promoter and companies with which our Company's Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither we nor our directors, associates, Promoters, Promoter Group companies or relatives of our Promoters have been detained as wilful defaulters by the RBI or government authorities. There are no violations of securities laws committed by any them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue as per Clause 2.2.2 of the SEBI Guidelines. The Company is an unlisted company that does not comply with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is therefore required to meet both the conditions set forth in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- The Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 50% of the Issue is proposed to be allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders. Further the Company will comply Clause 11.3.5(i)(a) and (b) of the SEBI Guidelines, and at least 15% and 35% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.
- The Company will also comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. [●] million, which is more than the minimum requirement of Rs. 10 crores (Rs. 100 million).

Hence, the Company is eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

The Company, directors, our associates and companies with which our directors are associated as directors or promoters, are not prohibited from accessing the capital market under any order or directions passed by SEBI. None of our Promoters and none of the directors of the companies in our Promoter Group are prohibited from accessing the capital market under any order or direction passed by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS SBI CAPITAL MARKETS

LIMITED AND ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS SBI CAPITAL MARKETS LIMITED AND ICICI SECURITIES LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, DUE DILIGENCE CERTIFICATES DATED MAY 22, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- (i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
- (ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;
- (D) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND
- (E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS AND BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.”

THE BOOK RUNNING LEAD MANAGERS AND OUR COMPANY ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT RED HERRING PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT OUR INSTANCE AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

WE CERTIFY THAT WRITTEN CONSENT FROM OUR PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA AT MUMBAI, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Caution

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.globalhelicorp.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs, the Selling Shareholder and us, and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and us.

All information shall be made available by us, the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to permitted non-residents including FIIs registered with SEBI, and eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI, and eligible foreign investors, provided that they are eligible to under all applicable laws and regulations to hold Equity Shares of the Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been submitted to SEBI.

Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the ROC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the ROC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, “A” Wing, Nariman Point, Mumbai 400 012.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with ROC at the Office of the Registrar of Companies 100, Everest, Marine Drive, Mumbai 400 002, India.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. [•] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then the Company, and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue and Syndicate Member, Escrow Collection Bankers, Registrar to the Issue and Legal Advisors to the Underwriters, to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the ROC.

BSR and Co., Chartered Accountants have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the ROC.

BSR and Co., Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

Expert Opinion

Except as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [•] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses, other than the listing fees, with respect to the Issue will be shared between us and the Selling Shareholder on a proportionate basis in the ratio of Equity Shares issued by us in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale.

The estimated Issue expenses are as under:

Activity	Expenses		
	(in Rs. Million)	(Percentage of total Issue expenses)	(Percentage of total Issue size)
Lead management, underwriting commission*	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Registrars fee, legal fee, etc.	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total estimated Issue expenses.....	[•]	[•]	[•]

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Member will be as per the letter of appointment dated February 22, 2006 with the BRLMs issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the Memorandum of Understanding between us and the Registrar to the Issue dated May 22, 2006.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to

enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on previous issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public issues

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Other than as disclosed in the section titled “Capital Structure” on page 14 of this Draft Red Herring Prospectus, our Company has not made any previous issues of shares for consideration otherwise than for cash

Companies under the Same Management

Except as stated in “Our Promoters and Promoter Group” on page 63 of this Draft Red Herring Prospectus, there are no companies under the same management.

Promise v/s performance

Our Company nor any Group or associate companies has made any previous rights and public issues.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed Vikram D. Kakaiya, as the Compliance Officer for this Issue. He may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

Global Vectra Helicorp Limited
202, Krishna Kunj,
V.L. Mehta Road,
JVPD Scheme,
Mumbai 400 056
Tel: (91 22) 2618 6155;
Fax: (91 22) 2617 6501
Email: vikramk@gvhl.net
Website: www.globalhelicorp.com

Change in Auditors

Name of Auditor	Date	Reasons
Nangia & Co., Chartered Accountants	September 30, 2005	Resignation
BSR & Co., Chartered Accountants	September 30, 2005.	Appointment

Capitalization of Reserves or Profits

Our Company has not capitalized our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 14 of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Payment or benefit to our officers

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Other than as disclosed in the section titled "Financial Statements" on page 83 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, Registrar of Companies, RBI, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

From the Company

The Issue has been authorised by a resolution of our Board dated January 25, 2006 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at a general meeting of the shareholders of our Company held on February 20, 2006.

Authority from the Selling Shareholder

The Selling Shareholder, AAA by their letter dated February 6, 2006 and their Board Resolution dated January 30, 2006 have authorised the offer of their Equity Shares as part of the Offer for Sale.

Based on the letter dated February 6, 2006 provided by the Selling Shareholder, we understand that they have not been prohibited from dealing in the securities market and the Equity Shares offered by them are free from any encumbrance.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Mode of Payment of Dividend

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 166 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [•] Equity Share subject to a minimum allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire

subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

The present Issue of 3,500,000 Equity Shares, at a price of Rs. [•] for cash aggregating Rs. [•] million is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 1,750,000 Equity Shares	Minimum of 525,000 Equity Shares or Issue Size less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 1,225,000 Equity Shares or Issue Size less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allotment/allocation	At least 50% of Issue Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Minimum of 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 35% of Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 87,5000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 1,662,500 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	[•] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.		
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

* The Issue is being made through the 100% book building process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. At least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of the Company and the Selling Shareholder in consultation with the BRLMs. See "Issue Procedure" on page 140 of this Draft Red Herring Prospectus.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

The Company in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date, without assigning any reason thereof.

Bidding/Issue Programme

BID/ISSUE OPENS ON	●
BID/ISSUE CLOSES ON	●

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid /Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded until such time as permitted by the BSE and the NSE on the Bid /Issue Closing Date.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

The Draft Red Herring Prospectus reflects the changes made to the SEBI Guidelines in relation to the refunds to the applicants by way of NEFT/ECS/RTGS pursuant to the SEBI Circular SEBI/CFD/DIL/DIP/18/2006/20/1 dated January 20, 2006. However, we may make certain other changes in the relevant sections of the Red Herring Prospectus to reflect the position arising out of the amendments brought in to the SEBI Guidelines by the terms of the SEBI circular dated January 20, 2006, pursuant to further internal consultations with Stock Exchanges, the Registrar and other intermediaries.

Book Building Procedure

The Issue is being made through the 100% book building process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. At least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through Syndicate Members. In case of QIB Bidders, the Company and the Selling Shareholder in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholder would have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs applying on a non repatriation basis	White
Non-Residents, Eligible NRIs, FVCIs, FIIs etc applying on a repatriation basis	Blue

Who can Bid?

- Indian nationals resident in India who are majors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;

- Mutual Funds;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in Equity Shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
- FII registered with SEBI, on a repatriation basis;
- Scientific and/or Industrial Research Organisations authorised to invest in Equity Shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- A permitted by the applicable laws, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares; and
- Multilateral and Bilateral Development Financial Institutions.

Our Company requires the approval of the RBI for the transfer of Equity Shares held by the Selling Shareholder as part of an Offer for Sale in this Issue to investors' resident in India and outside India. We are in the process of applying to the RBI for their approval. As on the date of this Draft Red Herring Prospectus, we have not received the said approval.

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLMs and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [•] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by NRIs

1. Bid cum application forms have been made available for NRIs at our registered /corporate office, members of the Syndicate and the Registrar to the Issue.
2. NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital, i.e. 1,336,800 Equity Shares. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of our total paid up capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

- (a) Our Company will file the Red Herring Prospectus with the ROC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.
- (d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Member or their authorized agent(s) to register their Bids.
- (e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with ROC and also publish the same in three widely circulated newspapers (one each in English and Hindi). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bidding Period shall be for a minimum of three days and not exceeding seven days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in three national newspapers (one each in English and Hindi) and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 days.
- (c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the section titled "Issue Procedure" on page 140 of this Draft Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

- (d) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure" on page 140 of this Draft Red Herring Prospectus.
- (e) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (f) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled "Issue Procedure" on page 140 of this Draft Red Herring Prospectus.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (Rupee One).
- (b) Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band, during the Bidding Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in this Red Herring Prospectus.
- (c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 (ten) days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi), and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.
- (d) Our Company and the Selling Shareholder, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional

payment does not exceed Rs. 100,000 for Retail Individual Bidders, if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Price from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the section titled “Issue Procedure” on page 140 of this Draft Red Herring Prospectus.) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section titled “Issue Structure” on page 138 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two (2) days from the date of

communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor.
 - Investor Category – Individual, Corporate, NRI, FII, or Mutual Fund etc.
 - Numbers of Equity Shares bid for.
 - Bid price.
 - Bid cum Application Form number.
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form.
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/allotment either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in the section titled "Issue Procedure" on page 140 of this Draft Red Herring Prospectus.

- (h) The permission given by BSE and NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (f) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (g) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (h) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (i) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.
- (b) The Company and the Selling Shareholder in consultation with the BRLMs shall finalise the “Issue Price”.
- (c) The allocation to QIBs will be at least 50% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be at least 15% and 35% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under-subscription, if in any category would be met with spill over from any other category at the discretion of our Company, the Selling Shareholder in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.
- (e) Allocation to Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (f) The BRLMs, in consultation with us and the Selling Shareholder, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Price has not been collected from the Bidders.
- (g) The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Issuance of CAN

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs, or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLMs or members of the Syndicate would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the

time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

- (c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.
- (d) The Issuance of CAN is subject to “Allotment Reconciliation and Revised CANs” as set forth under the chapter “Terms of Issue” of this Draft Red Herring Prospectus.

Signing of Underwriting Agreement and ROC Filing

- (a) The Company, the Selling Shareholder, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /allotment to the Bidders.
- (b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with ROC, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the ROC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on this Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wide circulation, one national newspaper and a regional language newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the ROC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Designated Date and allotment of Equity Shares

- (a) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account allotment of the Equity Shares to the allottees shall be within 15 days from the Bid/Issue Closing Date.
- (b) In accordance with the SEBI Guidelines, Equity Shares will be issued, transferred and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply;
- (b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) as the case may be;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;
- (d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (e) Ensure that you have been given a TRS for all your Bid options;
- (f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Where Bid(s) is/ are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN Card or PAN allotment letter should be submitted with the Bid cum Application form. If you have mentioned "Applied for" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof;
- (h) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects; and
- (i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not bid for lower than the minimum Bid size;
- (b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue or pink).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equals to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These Bank Account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (hereinafter referred to as 'Demographic Details'). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same, once sent to the address obtained from the Depositories, are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company and the Selling Shareholder, in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three).
3. NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation;
4. By other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Price exceeds Rs. 100,000. For further details, please refer to the section titled 'Issue Structure' on page 138 of this Draft Red Herring Prospectus.
5. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/allotment in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of QIB Bidders: “Escrow Account– Global Vectra Public Issue – QIB – R”
 - In case of Non-resident QIB Bidders: “Escrow Account- Global Vectra Public Issue – QIB– NR”
 - In case of Resident Bidders: “Escrow Account – Global Vectra Public Issue - R”
 - In case of Non Resident Bidders: “Escrow Account – Global Vectra Public Issue – NR”
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE)

Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
6. Where a Bidder has been allocated/allotment a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.
7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/allotment to the Bidders.
10. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by Stockinvest

In terms of RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

Unique Identification Number - MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000 an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

Our Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs and the Selling Shareholder may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
5. PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
6. GIR number furnished instead of PAN;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut Off Price by Non-Institutional and QIB Bidders
11. Bids for number of Equity Shares which are not in multiples of [●];
12. Category not ticked;
13. Multiple Bids as defined in this Draft Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and / or joint Bidders missing;
17. Bid cum Application Forms does not have the stamp of the BRLMs, or Syndicate Members;

18. Bid cum Application Forms does not have Bidder's depository account details;
19. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by QIBs not submitted through members of the Syndicate;
23. Bids by OCBs;
24. Bids by employees the Company who are not Indian nationals and are not in India on the date of submission of the Bid cum Application form in the Issue;
25. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- (a) Agreement dated [●], 2006 with NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated [●], 2006 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

- (g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

Disposal of Applications and Application Moneys and Interest In Case Of Delay

The Company and the Selling Shareholder shall ensure dispatch of Allotment advice, refunds and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days from the Bid/Issue Closing Date.

Refunds shall be made in the manner described in the section titled "Issue Procedure" on page 140 of this Draft Red Herring Prospectus.

For this purpose, the details of bank accounts of applicants would be taken directly from the depositories' database. The registrar will send the electronic files with the refund data to the bankers to the issue and the bankers to the issue shall send the refund files to the RBI system within 15 days from the Bid/ Issue Closing date. A suitable communication shall be sent to the bidders receiving refund through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Selling Shareholder and the Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalization of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Refunds will be done within 15 days from the Bid/Issue Closing Date at the sole or First Bidder's sole risk ;and
- We shall pay interest @15% per annum if the allotment letters/ refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from Bid/Issue Closing Date.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,225,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 1,225,000 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of 1,225,000 Equity Shares. For the method of proportionate basis of allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 525,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 525,000 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of 525,000 Equity Shares. For the method of proportionate basis of allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allotment to all QIBs shall be determined as follows:
 - (i) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - (ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - (iii) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.
- The aggregate allotment to QIB Bidders shall be at least at least 1,750,000 Equity Shares.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company and the Selling Shareholder shall finalize the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs, and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorized according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [•] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal

to the number of Equity Shares calculated in accordance with (b) above.

- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders

We shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid Closing Date / Issue Closing Date. We shall ensure refunds as per the modes of refund discussed in the paragraph given below.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders

Refunds will be done within 15 days from the Bid/Issue Closing Date at the sole or First Bidder's sole risk. We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue; and

- Interest in case of delay in dispatch of allotment letters/refund orders

We shall pay interest @ 15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from Bid/Issue Closing Date.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Modes of Refund

The payment of refund, if any, shall be undertaken in the following order of preference:

1. NEFT

Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the Demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

2. ECS

Payment of refund shall be undertaken through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory through ECS for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through Direct Credit or Real Time Gross Settlement (RTGS).

3. Direct Credit

Applicants having bank accounts with the Banker(s) to the Issue, in this case being, [•] shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Bank(s) to the Issue for the same would be borne by the Selling Shareholder.

4. RTGS

Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Selling Shareholder. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

Note: Wherever payments cannot be made through NEFT or ECS or direct credit and the refund amount exceeds one million, such applicants shall have the option to receive the refund payment through RTGS.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for dispatch of refund orders /allotment letters to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund; and

- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested; and
- our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

Under the current foreign investment policy, FDI in the “Air Transport Services (Domestic Airlines)” sector (including scheduled and non-scheduled operators) is permitted up to 49% and up to 100% by NRIs (both under the automatic route, i.e., without the prior approval of the FIPB). Detailed guidelines in this regard have been issued by the DGCA under AIC No. 09. The Industrial Policy further prohibits foreign airlines from making any direct or indirect equity investment in a domestic airline.

In addition, the guidelines issued by the DGCA from time to time, including AIC No. 09, specify the following restrictions:

- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector must not be a subsidiary of a foreign airline;
- a foreign financial institution or other entity that proposes to hold equity in the domestic air transport sector must not have foreign airlines as its shareholder;
- the substantial ownership and effective control of companies operating scheduled services must be vested in Indian nationals; and
- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector may have representation on the board of directors of a domestic airline company, but such representation shall not exceed one-third of the total strength of such board.

No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with the AIC No. 09, and other applicable laws, rules, regulations, guidelines and approvals.

Investors making a Bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribe to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of the Company

The regulations contained in Table 'A' of Schedule I to the Companies Act shall apply only in so far as the same are not provided for or are not inconsistent with these Articles and the regulations for the management of the Company and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to repeal or alteration of or addition to, its regulations by Special Resolution, as prescribed by the Companies Act, be such as are contained in these Articles.

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of the Company are detailed below:

The following Articles were adopted as the Articles of Association of the Company in substitution for and to the exclusion of the previous Articles of the Company in pursuance of a special resolution passed at the Extra Ordinary General meeting of the Company held on 18 August 2005.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

1. Amount of Capital

The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores) only divided into two crores and fifty lakh Equity Shares of Rs. 10/- (Rupees Ten) each.

2. Increase of Capital by the Company and how carried into effect

The Company in General Meeting may, from time to time, by special Resolution increase the capital by the creation of new shares. Such increase to be such aggregate amount and to be divided into share of such respective amount as the resolution shall prescribe. Subject to the provision of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the Creation thereof shall direct, and if no direction be given, as the Director shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provision of this Article the Company shall comply with the provisions of Section 97 of the Act.

3. New Capital same as existing Capital

Except so far as otherwise provided by the conditions of the issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with Reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

4. Redeemable Preference Shares

- (a) Subject to the provisions of Section 80 of the Act, the Company shall have the power by Ordinary Resolution to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Provided that:

- (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;

- (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account before the shares are redeemed;
 - (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.
- (b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
 - (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorized Share Capital.
 - (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.
- Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.
- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

5. Reduction of Capital

The Company may (subject to the provisions of Sections 78, 80 & 100 to 105 both inclusive, of the Act) from time to time, by Special Resolution, reduce its capital and apply any Capital Redemption Reserve Account or any Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

6. Sub-division consolidation and cancellation of Shares

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time, by Ordinary Resolution, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the other or other, subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

7. Variation of rights

- (a) (i) If any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of sections 106 and 107, and whether or not the company is being wound-up, be varied with the consent in writing of the holders

of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class

- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.
- (b) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- (c)
 - (i) The company may exercise the powers of paying commissions conferred by section 76, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by section.
 - (ii) The rate of the commission shall not exceed the rate of five per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to five per cent of such price, as the case may be.
 - (iii) The commission may be satisfied by the payment of cash or allotment of fully or partly paid shares or partly in the one way and partly in the other.
 - (iv) The company may also, on any issue of shares, pay such brokerage as may be lawful.
- (d) Except as required by law, no person shall be recognised by the company as holding any shares upon any trust, and the company as holding any shares upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof), any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARES AND CERTIFICATES

8. Register and Index of Members

The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act and the Depositories Act, 1996 with details of Shares held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be the Register and Index of Members holding shares in dematerialised form, for the purpose of the Act.

9. Shares to be numbered progressively and no share to be subdivided

The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no shares shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number of which the same was originally distinguished.

10. Further Issue Of Shares

- (a) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- (i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
 - (ii) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him.
 - (iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- (b) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
- (i) If a special resolution to that effect is passed by the Company in General Meeting, or
 - (ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or, where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
- (c) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
- (i) To convert such debentures or loans into shares in the Company; or
 - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

- (ii) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

11. Shares At The Disposal Of The Directors

Subject to the provisions of section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

12. Power also to Company in General Meeting to issue shares

In addition to and without derogation from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, by special resolution and subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether member or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount. Such option being exercisable at such times and for such consideration as may be directed by such General Meeting. The Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

13. Acceptance of shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of the shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a Member.

14. Deposit and call etc. to be a debt payable immediately

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

15. Liability of Members

Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

16. Share Certificates

- (a) Every member or allottee of shares shall be entitled without payment to receive certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issues of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee one.

“Provided however that no share certificate(s) shall be issued for shares held by a Depository.”

- (b) Any two or more joint allottees of a share, shall for the purpose of this article, be treated as a single member, and the certificate of any share, which may be subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act..
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. Limitation of time for the issue of certificates

- (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment or within one month after the receipt of the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of his shares as the case may be (or within such other period as the conditions of issue shall provide)-
- (i) one certificate in marketable lots for all the shares of each class or denomination registered in his name, without payment; or
 - (ii) if the Directors so approve, several certificates in marketable lots, each for one or more of his shares, upon payment of one rupee for every certificate after the first;
- (b) Every certificate shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares to which it relates, and the amount paid up thereon and shall be in such form as the directors may prescribe and approve.
- (c) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

18. Issue of new certificate in place of one defaced, lost or destroyed

If a share certificate is worn out, defaced, mutilated, lost or destroyed, or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

19. Company not to bound to recognise any interest in share other than that of registered holder

Except as ordered by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.

20. Funds of Company shall not be applied in purchase of shares of the Company

None of the funds of the Company shall be applied in the purchase of any shares of the Company and itself not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its Holding Company save as provided by Section 77 of the Act.

21. Director may waive fees

The Directors may waive payment of any fee generally or in particular case.

22. Endorsement on Certificate

Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Directors in that behalf.

23. Directors to comply with rules

The Board shall comply with requirements prescribed by any rules made pursuant to the said Act relating to the issue and execution of share certificates.

24. Dematerialization Of Securities

- (a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, Debentures and other securities (both existing and future) held by it with a Depository and to offer its shares, Debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any;

(b) Option for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed issue to the Beneficial Owner the required certificates of securities.

When a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

(c) Securities in depositories to be in fungible form

All securities held by a Depository shall be dematerialized and shall be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187A and 187C of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(d) Rights of depositors and Beneficial Owners

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner;

(ii) Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits, and be subject to all the liabilities in respect of its securities held by a Depository.

(iii) Except by an order of a Court of competent jurisdiction or if required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest of any other person in any security or (except as expressly provided by these Articles) any right in respect of a security other than an absolute right thereto, on the part of any other person whether or not it shall have expressed or implied notice thereof.

(e) Depository to furnish information

Notwithstanding anything to the contrary in the Act or these Articles, where the securities are in a depository, the records of the Beneficial Ownership may be served by such Depository on the Company means of electronic mode or by delivery of floppies and discs.

(f) Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the depository accordingly. The Depository shall on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly;

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fee as may be specified by the regulations, issue the certificate of securities to be Beneficial Owner or the transferee as the case may be.

(g) Section 83 & 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles.

- (i) Section 83 of the Act shall not apply to the shares with a depository.
 - (ii) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a depository.
- (h) **Transfer and Transmission of Shares**
- Notwithstanding anything contained in these Articles, in the case of transfer or transmission of Securities, where the Company has not issued any Certificates and where such Securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- (i) **Intimation to Depository**
- The register and index of Beneficial Owners, maintained by a Depository under the Depositories Act shall be deemed to be the register and index of members and security holders, as the case may be for the purpose of these Articles
- (j) **Stamp duty on securities held in dematerialized form**
- No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.
- (k) **Applicability of the Depositories Act**
- In case of transfer of shares, Debentures and other marketable securities, where the Company has not issued any certificate and where such shares, Debentures or securities are being held in an electronic and fungible form in a depository, the provisions of the Depository Act, 1996 shall apply.
- (l) **Company to recognize the rights of Registered holders as also the Beneficial Owner in the records of the Depository**
- Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any benami trust or equity or equitable contingent or to other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

25. Term of issue of debenture

Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

26. Declaration By Person Not Holding Beneficial Interest In Any Share

- (a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Member of the Company as the holder of share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in Section 187-C of the Act;

- (b) A person who holds a beneficial interest in share or a class of shares of the Company shall, within the time prescribed after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187-C of the Act.
- (c) Whenever there is a change in the beneficial interest in share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act.
- (d) Notwithstanding anything contained in Section 153 of the Act and Article 21 hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

UNDERWRITING AND BROKERAGE

27. Commission may be paid

Subject to the provisions of Section 76 of the Act the Company may at any time pay a Commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures, are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

28. Brokerage

The Company may also on any issue of shares, debentures pay such brokerage as may be lawful.

FORFEITURE, SURRENDER AND LIEN

29. IF call or instalment not paid, notice may be given

If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal, or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remains unpaid together within any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

30. Terms of Notice

The notice shall name a day (not being less than 14 days from the date of the notice) on or before which and the place or places at which such call, instalment or such part thereof and such other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment on or before the time and (if payable to any person other than the Company) at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

31. Shares to be forfeited in default of payment

If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given may, at any time thereafter but before payment of all calls or instalments, interest and expenses and other moneys due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

32. Entry of forfeiture in Register of Members

When any shares shall have been so forfeited an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

33. Forfeited shares to be property of the Company and may be sold etc.

Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the original holder thereof, or to any other person upon such terms and in such manner as the Board shall think fit.

34. Directors may annul forfeiture

The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

35. Shareholders still liable to pay money owing at the time of forfeiture and interest

Any person whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, Instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

36. (a) The company shall have a first and paramount lien-

(i) on every share/debenture (not being a fully-paid share/debenture), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect.

(ii) on all shares/debentures (not being fully-paid shares/debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(b) The company's lien, if any, on a share shall extend to all dividends and bonuses payable thereon.

Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures.

37. The company may sell, in such manner as the Board thinks fit, any shares on which has lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable, or

- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 38. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 39. (a) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (b) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

40. Certificate of forfeiture

A certificate in writing under the hands of two Directors, that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

41. Title of purchaser and allottee of forfeited shares or shares sold in exercise of lien

Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein above given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holders of the share and he shall not be bound to see to the application of the consideration, if any, nor, shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment, or other disposal of the share and after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person.

42. Cancellation of share certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate originally issued in respect of the relevant shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Director shall be entitled to issue a new certificate or certificate in respect of the said shares to the person or persons entitled thereto.

CALLS ON SHARES

- 43. (a) The Board may, from time to time, make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotments thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (b) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

- (c) A call may be revoked or postponed at the discretion of the Board.
44. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
45. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
46. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at five per cent per annum or at such lower rate, if any, as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
47. (a) Any sum which by terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purpose of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
48. The Directors –
- (a) may, if they think fit, subject to the provisions of Section 92 of the Act agree to and receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance is being made and
- (b) upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, six per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Provided that money paid in advance of calls shall not confer a right to participate in profits or in dividend.

The directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

49. Directors may extend time

The Board may, from time to time at their discretion, extend the time for the payment of any call, and may extend such time as to payment of call for all or any of the members who, from residence at a distance or other cause, the Board may deem entitled to such extension but no member shall be entitled to such extension save as a matter of grace or favour.

50. Amount payable at fixed time or by instalments as calls

If by the terms of issue of any shares, any amounts are made payable at any fixed time or by instalments at fixed times (whether on account of the nominal amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

51. Judgement decree or partial payment not to preclude forfeiture

Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

52. Proof on trial of suit for money due on shares

Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member, in respect of whose shares money is sought to be recovered is entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the calls is duly recorded in the minute book, and that of such call was duly posted to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

TRANSFER OF SHARES

53. Register of Transfer

The Company shall keep a book called the "Register of Transfer", and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any share in the Company.

54. Application for transfer

- (a) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (b) Where the application is made by the transferor and related to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (c) For the purpose of Clause (2) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

- 55.**
- (a) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
 - (b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

56. Transfer not to be registered except on production of instrument of transfer

The Company shall not register a transfer of shares in the Company unless a proper instruments of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company alongwith the certificate relating to the shares, or if no such share certificate is in existence, alongwith the letter of allotment of the shares, provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms of indemnity as the Board may think fit, Provided further that

nothing in this Article shall prejudice any power of the Company to register as shareholder, any person to whom the right to any share in the Company has been transmitted by operation of law.

57. Subject to the provisions of section 108, the shares in the company be transferred in the form No.7B. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

58. The Directors may at their own absolute and uncontrolled discretion and by giving reasons, subject to the right of appeal conferred by section 111-A of the Act decline to register-

(a) the transfer of a share, whether a fully-paid share or not, to a person of whom they do not approve ; or

(b) any transfer of shares on which the company has a lien.

The right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferor and transferee notice of the refusal to register such transfer provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in **whatever** lot shall not be refused.

59. The Board may also decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(b) the instrument of transfer is in respect of only one class of shares.

60. Subject to the provisions of section 154, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

61. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, certificate of death or marriage, Power of Attorney or similar other document.

62. No Transfer to minor

“The Board shall not knowingly, register the transfer any share to minor or a person of unsound mind except where the share is fully paid up and the minor or person of unsound mind is duly represented as permissible in law”

63. Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of the persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

TRANSMISSION OF SHARES

64. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in his shares.
- (b) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
65. (a) Any persons becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- (i) to be registered himself as the holder of the share; or
- (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
66. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
67. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

68. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration.

69. Board may require evidence of transmission

Every transmission of share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

70. Directors right to refuse splitting of shares/ debentures certificate

Notwithstanding anything contained in these Articles, the Directors of the Company may in their absolute discretion refuse splitting of any share certificate or debenture certificate into denomination of other than marketable lots i.e. the minimum number of shares or debentures are required for the purpose of trading on the Stock Exchange on which the Company's share and/or debentures are enlisted, except where such sub-division is required to be made to comply with a statutory provisions or an order of a competent court of law.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

71. The company may, by ordinary resolution,-

- (a) convert any paid-up shares into stock; and
- (b) reconvert any stock into paid-up shares of any denomination.

72. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the share from which the stock arose might before the conversation have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

73. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

74. Such of the regulations of the company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words, "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

BORROWING POWERS

75. Power to Borrow

Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power, from time to time at their discretion by a resolution passed at a meeting of the Board and not by circular resolution, to accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of moneys in any manner whatsoever for the purposes of the Company provided that the total amount borrowed by the Company (apart from temporary loans contained from the Company's bankers in the ordinary course of business) shall not, without the consent of the members in General Meeting, exceed the aggregate of the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the amount upto which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six months from the date of the loan, such as short term loans, cash credit arrangements discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

76. Conditions on which moneys may be borrowed

Subject to the provisions of the Act and these Articles the directors may, by a resolution passed at a meeting to the Board and not by circular resolution, raise or secure the payment of such or sums in such manner and upon such issue of bonds, perpetual or redeemable debentures or debentures-stock, or any

mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being, as they deem fit.

77. Bonds, Debentures etc. to be subject to control of Directors

Subject to the provisions of the Act, any bonds debentures, debentures-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and condition as to redemption, surrender, allotment or otherwise then Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

78. Securities may be free from securities

Debentures, debentures stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

79. Conditions on which bonds, debentures etc may be issued

Subject to the provisions of the Act and these Articles any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with special rights, privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at General Meetings, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting, by a special resolution.

80. Mortgage of uncalled capital

If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Director, the Directors shall, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed, or if permitted by the Act, may be instrument under seal, authorise the persons in whose favour such mortgage or security is executed or any other person interest for him to receive moneys on call from the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors or contingently and either to the exclusion of the Directors power or otherwise and shall be assignable if expressed so to be.

81. Indemnity may be given

Subject to the provisions of the Act and the Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

82. Register of Mortgage and Debentures to be kept

The Directors shall cause a proper register to be kept in accordance with the provisions of Section 143 of the said Act, of all mortgages, debentures and charges and shall cause the requirements of Section of the said Acts in that behalf to duly complied with so far as they are required to be complied with by Directors.

The Company shall, if at any time it issues Debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act and the Depositories Act, with details of Debentures held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of debenture holders holding Debentures in a dematerialised form for the purpose of the Act. The Company shall have a power to keep in any state or country outside India a Branch Register of Debenture holders resident in that state or country.

83. Registration of charges

The provisions of the Act relating to registration of charges which expression shall include mortgages shall be complied with.

In the case of a charge created out of India and comprising solely of property situated outside India the provisions of Section 125 of the Act shall be complied with.

- (a) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under that Section or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated as provided by Section 125 of the Act.
- (b) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein, shall be deemed to have notice of the charge as from the date of such registration.
- (c) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.
- (d) The Company shall also comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders to any charge to the benefit of which the debenture holder of that series are entitled 'pari passu'.

SHARE WARRANTS

- 84. The company may issue share warrant subject to, and in accordance with, the provision of section 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identify of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- 85.
 - (a) The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
 - (b) Not more than one person shall be recognised as depositor of the share warrant.
 - (c) The company shall, on two days written notice, return the deposited share warrant to the depositor.
- 86.
 - (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company.

- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.
87. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

88. Annual General Meeting

The Company shall, in addition to any other meetings which are hereinafter referred to as "Extraordinary General Meetings", hold a General Meeting which shall be styled as Annual General Meeting at the intervals and in accordance with the provisions hereinafter mentioned.

Subject to the provisions of Section 166 of the Act, every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company be situate and the notice calling the meeting shall specify it as the Annual General Meeting.

89. All general meetings other than annual general meetings shall be called extraordinary general meetings.
90. (a) The Board may, whenever it thinks fit, call an extraordinary general meeting and such meetings shall be held at such place and time as the Directors think fit.
- (b) If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly possible, as that in which such a meeting may be called by the Board.

91. Calling of Extraordinary General Meeting on requisition

- (a) The Board of the Company, shall on the requisition of such number of members of the Company as is specified in sub-clause (4) forthwith, proceed duly to call an Extraordinary General Meeting of the Company.
- (b) The requisition shall set out the matter for the consideration of which the meeting is to be called and shall be signed by the requisitionists, and shall be deposited at the Registered office of the Company.
- (c) The requisition may consist of several documents in like form each signed by one or more requisitionist.
- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.
- (e) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (4) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.
- (f) (i) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called.
 - a. by the requisitionists themselves, or

- b. by such of requisitions as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-clause (4) whichever is less.
- (ii) For the purpose of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (g) A meeting called under sub-clause (6) by the requisitionists or any of them,
 - (i) shall be called in same manner, as nearly as possible as that in which meetings are to be called by the Board; but
 - (ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.
 - (iii) Nothing in clause (b) shall be deemed to prevent a meeting duly convened before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.
- (h) Where two or more persons hold any shares or interests in the Company, jointly, a requisition or a notice calling a meeting signed by one or some only of them shall for the purposes of this Section have the same force and effects as it if has been signed by all of them.
- (i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and sums so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

92. Notice of Meeting

- (a) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing.
- (b) However, a General Meeting may be called after giving shorter notice than 21 days' if the consent is accorded thereto:-
 - (i) in the case of Annual General meeting by all the members entitled to vote thereat; and
 - (ii) in the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former Resolution or Resolutions but not in respect of the latter.

PROCEEDINGS AS TO GENERAL MEETINGS

- 93.** (a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (b) Save as herein otherwise provided, five members present in person, shall be a quorum.

94. If quorum not present, when meeting to be dissolved and when to be adjourned

If, within half an hour from the time appointed for holding the meeting, a quorum of members is not present, the meeting, if convened by or upon such requisition of members as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to such other day and at such other time and place as the Directors may determine.

95. Adjourned meeting to transact business even if no quorum present

If at such adjourned meeting a quorum of members is not present within half an hour from the time appointed for holding the meeting, the members, present, whatever their number, shall be a quorum and may transact the business, and decide upon all matter which could properly have been disposed of at the meeting from which the adjourned took place, if a quorum had been present thereat.

96. The chairman, if any, of the Board shall preside as chairman at every general meeting of the company.

97. If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the directors present shall elect one of their number to be chairman of the meeting.

**98. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
No business shall be transacted at any General Meeting, except the election of Chairman, whilst the Chair is vacant.**

- 99.**
- (a) The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
 - (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
 - (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
 - (e) A resolution passed at an adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

100. Every resolution must be proposed and seconded

No resolution submitted to a meeting, unless proposed by the Chairman of the Meeting, shall be discussed nor put to vote until the same has been proposed by a member or such representative present and entitled to vote on such resolution and seconded by another member or such representative present and entitled so to vote.

101. Voting to be by show of hands

At any General Meeting, a resolution put to vote at the meeting shall, unless a poll is demanded under Article 99 be decided on a show of hands.

102. Chairman's declaration of result of voting by show of hands conclusive

A declaration by the Chairman in pursuance of Clause (1) hereof that on a show of hands a resolution has or has not been carried, either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

- 103.** (a) At any General Meeting before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the Resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

(b) The demand for a poll may be withdrawn at any time by the person who made the demand

104. Time of taking poll

If a poll is duly demanded, the same, if on the election of Chairman of a meeting or on any question of adjourned, shall be taken at the meeting and without adjournment, and if on any other question, shall be taken in such manner and at such time and place and either at once, or after an interval or adjournment not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting, who subject to the provisions of the said Act shall have power to regulate the manner in which a poll shall be taken, shall direct.

105. Poll how to be taken

Every such poll may be taken either by open voting or by ballot as the Chairman of the meeting at which the poll was demanded may direct. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

106. Appointment of scrutineers

Two scrutineers shall be appointed by the Chairman to scrutinise the votes given on the poll and to report to him. The chairman shall have the power at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of instalment arising from such removal or from any other cause. At least one scrutineer shall be a member present at the meeting not being an officer or employee of the Company provided such a member is available and willing to be appointed.

107. Manner of taking poll and result thereof

(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to Regulate the manner in which a poll shall be taken.

(b) The decision of the Chairman on any difference between the scrutineers shall be conclusive.

108. Other business may proceed notwithstanding demand for poll

The demand for a poll shall not prevent the continuance of the meeting for the transactions of any business other than the question on which the poll has been demanded.

109. Form of demand for poll

A demand for a poll shall be made in the following or similar terms:

“We, the undersigned members of GLOBAL VECTRA HELICORP LIMITED, Demand a poll upon the resolution now before this meeting. Dated this ____ day of _____ 20____”

110. Casting vote of Chairman

In case of an equality of votes the Chairman of any meeting shall both on the show of hands and at a poll (if any) held pursuant to a Demand made at such meeting shall not have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

111. Minutes of proceedings of General Meetings, Board and other meetings

- (a) The Company shall cause minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board, to be entered in book kept for the purpose.
- (b) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.
- (c) All appointments of officers made at any time in the meetings aforesaid shall be included in the minutes of meeting.
- (d) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain;
 - (i) The names of the Directors present at the meeting and
 - (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring on the resolution.
- (e) Nothing contained in sub-clause (a) to (d) shall be deemed to require the inclusion in any such minutes of any matter which, in the absolute discretion of the Chairman of the Meeting;
 - (i) is, or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings, or
 - (iii) is detrimental to the interest of the Company.
- (f) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this article.

112. Minutes to be evidence

Any such minute, if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

113. Presumption to be drawn where minutes duly drawn and signed

Where minutes of the proceedings of any General Meeting of the Company or of any meeting of its Board of Directors or of a committee of the Board have been made and signed in accordance with the provisions of Section 193 and 194 of the Act, and Clauses (1) and (2) hereof, then until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and, in particular, all appointments Directors or liquidators made at the meeting shall be deemed to be valid.

114. Inspection of Minute Books of General Meeting

- (a) The Books containing the minutes of the proceedings of any General meeting of the Company shall.
 - (i) be kept at the registered office of the Company. And
 - (ii) be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Directors may impose so however that less than two hours in each day are allowed for inspection.
- (b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in clause (1) above on payment of a charge as prescribed under the Act.

115. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of poll.

VOTES OF MEMBERS

116. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be as laid down in section 87.

117. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.

118. **Restrictions on exercise of voting rights in other cases to be void**

A member is not prohibited from exercising his voting right on the ground that he has not held share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 98.

119. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

120. **Representation of corporations**

A body corporate (whether a Company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any meeting of any class of members of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of both body corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company and if personally present, shall be entitled to exercise such rights and powers as aforesaid as could the body corporate if personally present.

121. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company registered in his name have been paid or in regard to which the Company has or has exercised any right of lien.

122. (a) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (b) Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

123. **Number of votes to which member is entitled**

Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company, every member, entitled to vote under the provisions of these presents and not disqualified by these Articles shall on a show of hands have one vote and upon a poll every member, present in person, or proxy or agent duly authorized by a power of attorney or representative duly authorized and not disqualified as aforesaid, shall have voting rights in proportion to his share of the paid-up equity capital of the Company, subject however, to any limits

imposed by law. But no member shall have any voting rights in respect of any moneys paid up in advance.

124. No voting by proxy on show of hands

No Member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy by proxy or by a representative duly authorized under Section 187 of the Act in which case such proxy or representative may vote on a show proxy or representative may vote on a show of hands as if he were a member of the Company.

125. Right to use vote differently

On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. A member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes.

126. Votes of a person entitled to a share on transmission

Any person entitled under the transmission clause (Article 65) to transfer any share shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless at least forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such shares (as to which the opinion of the Directors shall be final) or unless the Directors shall have previously admitted his right to vote in respect thereof.

127. Instrument of proxy to be in Writing

The instruments appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is body corporate, such instrument shall be under its seal or be signed by an officer or an attorney duly authorised by it, or person authorized to act as the representative of such body corporate under Article 106. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer.

128. Instrument of proxy to be deposited at Registered Office.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy or an attorney permanently or for a certain period once registered with the Company need not be again registered before each successive meeting and shall be in force until the same shall be revoked.

129. Production of original Power of Attorney or Authority

Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney at least seven days before the date of a meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

130. Custody of the instrument of appointment

If any such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain, permanently or for such time as the Directors may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

131. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.

132. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

133. Time for objection of vote

No objection shall be made to the validity of any vote, except at the meeting or adjourned meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

134. Chairman sole judge of the validity of a vote

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and the chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

BOARD OF DIRECTORS

135. The number of the directors shall not be less than 3 and not more than 12 and at the date of conversion of company from private to public following are the Directors.

- (a) Lt. Gen. SJS Saighal (Retd)
- (b) Jehangir Damania
- (c) P. Rajkumar Menon

All Directors shall be elected by shareholders of the Company in General Meeting and shall be liable to retire by rotation as herein provided.

136. Appointment of Nominee Director

The Directors may agree with any financial institution, mutual funds or any Authority or person or state that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it to the Company it shall till such time as the loan or financial assistance is Subsisting, have power to nominate one or more directors on the Board of Directors of the Company. The Director so appointed shall not be required to hold qualification shares nor shall be liable to retire by rotation. As and when such nominee Director vacates office by removal, death, and resignation or otherwise the financial institution or any authority or person or state appointing such Director may appoint any other Director in his place.

137. Appointment of Alternate Director

The Board shall appoint an Alternate Director to act for a Director (hereinafter called 'The Original Director') during his absence for a period of not less than three months from the state in which the meetings of the Board are ordinary held. The person to be appointed as an Alternate Director shall be one recommended for such appointment by the Original Director and such appointment shall be made by the Board at its meeting held immediately after receipt of recommendation in this behalf (whether by telex or other writing) from the Original Director. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of office of the Original Directors is determined before he so returns to that State, any

provisions in the Act or in these Articles for the Automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

138. Board's power to appoint Additional Directors

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 124 (a). Any such additional Director shall hold office only upto the date of the next Annual General Meeting.

139. Board's power to fill casual vacancies

Subject to the provision of the Act, the Board shall have power at any time and from time to time, to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

140. Debenture Director

Any Trust Deed of securing debentures or debentures stock may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture-stock, from time to time, to remove or re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

141. Special Director

In connection with any collaboration arrangement with any Company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such Company, corporation, firm or person (hereinafter in this clause referred to as "collaborator") to appointment, from time to time, any person as a Director of the Company (hereinafter referred to as 'Special Director') and may agree that such special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangement or at any time thereafter.

The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such Company or Corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one Collaborator is so entitled there may be at any time as many Special Directors as the Collaborators eligible to make the appointment.

142. Qualification shares of Directors

A Director shall not be required to hold any qualification shares.

143. Remuneration of Directors

- (a) Subject to the provisions of the Act, a Managing Director or a Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (b) Subject to the provisions of the Act, and in the case of the Managing Director, subject to the provisions of Article 146 the Board shall have power to pay such remuneration to a Director for his services, whole time or part time, to the Company or for service of a professional or other nature rendered by him as may be determined by the Board. If any Director being willing, shall be called upon to perform extra services or make any special efforts / exertion in going to or residing at a place other than the place where the office of the Company is situated or where the Director usually resides, or otherwise in the Company's business or for any of the purposes of the Company, then, subject to the provisions of the 'Act, the Board shall have power to pay to such Director such remuneration as may be determined by the Board
- (c) Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director, may be paid remuneration either;
 - (i) by way of monthly, quarterly or annual payment with the approval of the central Government , or
 - (ii) by way of commission if the Company by a Special Resolution authorise such payment .
- (d) The fee payable to Director (excluding the Managing Director or the whole Time Director, if any) for attending a meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Act or the Central Government from time to time.

144. Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business

The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for instalment, boarding, lodging and other expenses, in addition to his fee for attending such meetings as above specified. If any Director be called upon to go or reside out of the Ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

145. Directors may act notwithstanding any vacancy

The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by Article 124(a) hereof the continuing Directors being less than three may act for the purpose of increasing the number of Directors, to that number, or of summoning a General Meeting, but for no other purpose.

146. Disclosure of interest

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of Act; provided in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other Company.

147. General Notice of Interest

A General Notice given to the Board by the Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such General Notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such General Notice, and no renewal thereof shall be of effect unless either, it is given at a meeting of Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

148. Retirement and rotation of Directors

At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

149. Ascertainment of Directors retiring by rotation and filling of vacancies

Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 137 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

150. Eligibility for re-election

A retiring Director shall be eligible for re-election.

151. Company to appoint successors

Subject to provisions of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

152. Provision in default of appointment

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, until the next succeeding day which is not a public holiday at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless;
 - (i) At that meeting or at the previous meeting, the resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (ii) The retiring Director has by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for the appointment or re appointment by virtue of any provisions of the Act; or
 - (v) the provisions to sub-section (2) of Section 263 of the Act is applicable to the case.

153. Removal of Directors

- (a) The Company may (subject to the provisions of Section 284 of the Act, and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

Special notice as provided by Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

- (b) On receipt of notice of resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (c) Where notice is given of a resolution to remove a Director under this Article and the Director concerned make with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notifications to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to member of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may without prejudice to his right to be heard orally require that the representations quorum had been present thereat shall be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.
- (d) A vacancy by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 127 or Section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office he had not been removed as aforesaid.
- (e) If the vacancy is not filled under sub-clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 128 or Section 262 of the Act, and all the provisions of the Act in all respect thereof shall accordingly apply.
- (f) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (g) Nothing contained in this Article shall be taken:
- (i) As depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director;
- (ii) or as derogating from any power to remove a Director which may exist apart from this Article.

154. Notice of candidate for office of Director except for certain cases.

- (a) No Person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some members intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office alongwith a deposit of five hundred rupees which shall be refunded to such person, or as the case may be to such member, if the person succeeds in getting elected as a Director.

- (b) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as Director, if appointed.
- (c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act appointed as a Director or re-appointed as an additional or Alternate Director immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director

155. Register of Directors etc. and notification of change to Registrar

- (a) The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respect.

156. Managing Director

The Board of Directors may appoint one of its body as Managing Director of the Company who shall be a non-retiring Director. Subject to the superintendence, control and direction of the Board the day to day management will vest in the hands of Managing Director. The remuneration of the Managing Director may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act

157. Special position of Managing Director

A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with Article 138. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be Managing Director.

PROCEEDINGS OF BOARD OF DIRECTORS

158. Meetings of Directors

- (a) The Board of Directors may meet for the despatch of business, and shall so meet at least once in every three months and at least four such meetings shall be held in every year . The Board of Directors may adjourn and otherwise regulate its meetings, as it thinks fit.
- (b) A director may, and the manager or secretary on the requisition of a director shall, at any time summon a meeting of the Board.

159. Who to preside at meetings of the Board

All the meeting of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Directors shall choose one of the Directors then present to preside at the meeting.

160. Quorum

Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.

161. Adjournment of meeting for want of quorum

If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

162. Notice of Director's Meeting

Written notice of every meeting of the Board shall be sent at least Seven days in advance thereof to every Director whether in or outside India. In the case of Directors residing outside India, notice of the meeting shall be sent to him by cable or telex at his usual address.

Every notice covering a meeting of the Board of Directors shall set out the agenda of the business to be transacted thereat.

163. Powers of Board Meeting

A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

164. Directors may appoint Committee

Subject to the restriction contained in Section 292 of the Act, the Board may at a meeting of the board by a Resolution delegate any of their powers to committees of the Board consisting of such member, or members of its body as it think fit, and it may, from time to time, revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fullfilment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board.

165. Meetings of Committee to be governed

The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

166. Resolution by circulation

No Resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the Resolution has been circulated in draft, together, with the necessary papers, if any, to all Directors, or to all the members of the committee, (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all other Directors or members of the committee, at their usual address and has been approved by such number of Directors as are required under the Act and these Articles (including the provisions with regard to affirmative vote) for passage of Resolution a at a Board Meeting.

167. Act of Board or Committee valid notwithstanding informal appointment

All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be considered as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

168. Minutes of proceedings of meetings of the Board

- (a) The Company shall cause minutes of all proceedings of every Meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding meeting.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct Summary of the proceedings thereat.
- (e) All appointment of officers made at any of the meetings, aforesaid shall be included in the minutes of the meeting.
- (f) The minutes shall also contain –
 - (i) the names of the Directors present at the meetings, and
 - (ii) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (g) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion of any such minutes of any matter which, in the opinion of the Chairman of the meetings –
 - (i) is, or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or no-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

169. Power of Directors

The Board may exercise all such powers of the Company and do all such acts and things as are not prohibited by the Act, or any other Act, or by the memorandum or by the Articles of the Company or as are not required to be exercised by the Company in General Meeting, subject-nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid of the regulation had not been made, provided that the Board shall not except with the consent of the Company in General Meeting :

- (a) sell, lease or otherwise dispose off the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings;
- (b) remit or give time for the repayment of any debt due by a Director;

- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as if referred to in clause (a), or of any premises or properties referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) borrow moneys;
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the financial year immediately preceding, whichever is greater.

Provided further that the powers specified in Section 293 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated.

170. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Articles and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles, it is hereby declared that the Board of Directors shall have the following powers, that is to say, power:-

- (a) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation establishment and registration of the Company.
- (b) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereof under the provisions of Sections 76 and 208 of the Act.
- (c) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (d) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (e) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (f) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company and also to compounded allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration and observe and perform any awards thereon;

- (i) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (j) To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the Company;
- (k) Subject to the provisions of Sections 292, 295, 336, 370 and 372 of the Act, to invest and deal with any money of the Company not immediately required for the purchases thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time, to vary or release such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (l) To execute in the name and on behalf of the Company in favour of any Director or any other person who may be a Director or any other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (m) To determine, from time to time, who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (n) To distribute by way of bonus amongst the staff of the Company as share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company.
- (o) To provide for the Welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows, husbands, widowers and families or the dependents or connections of such persons, by building or contributing to the building of the houses, dwelling or chawls, or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to the Provident Fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medicals and other attendance and other assistance as the Board shall think fit, and to subscribe or otherwise to assist or to guarantee to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (p) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay debenture stocks or for special dividends or for equalising dividends or for preparing, improving, extending and maintain any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied for expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with however, to Board at their discretion to pay or allow to the credit of

such funds interest at such a rate as the Board may think proper.

- (q) To appoint and at their discretion remove or suspend such General Managers, Secretaries, Assistants, Supervisors, Clerks, Agents and Servants for permanent, temporary or special services as they may, from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also, from time to time, provide for the management and transaction of affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following subclauses shall be without prejudice to the general powers conferred by this sub-clause;
- (r) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (s) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards, and to fix their remuneration and to authorize the Members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies.
- (t) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their powers to make calls or to make loan or borrow moneys and any such appointment or delegation may be made on such terms and subject remove any person so appointed and may annual or vary any such delegation.
- (u) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limit, authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may, from time to time, think fit; and any such appointment may (if the Board think fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any association body of persons whether nominated directly or indirectly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them;
- (v) Subject to Sections 294, 294A, 294AA and 297 of the Act, for in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (w) From time to time, to make, vary and repeal by laws for the regulations of the Business of the Company its Officers and servants.

Notwithstanding the powers conferred by articles 158 and 159 as mentioned above, the Board of Directors of the Company shall not take any action in any of the following matters except upon the affirmative vote of a majority of the Directors :

- (i) Adoption of trademarks or trade names by the Company.
- (ii) Merger or amalgamating with any other Company or liquidation of the Company.

- (iii) Declaration and the amount of dividends to be paid and making calls on the members (shareholders) and allotment of shares and registration of transfer of share and any changes in the share capital structure or paid-up capital of the Company.
- (iv) Entering into contracts with parties hereto or entities or business in which they or any of them have a substantial direct or indirect interest.
- (v) Delegation of any of the powers and authorities contained in clauses (1) through (4) above.

MANAGER OR SECRETARY

The Directors may, from time to time, appoint a Secretary and at their discretion, remove any such Secretary to perform any functions which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may, from time to time, be assigned to the secretary by the Directors, or Directors may also at any time appoint any person or persons (who need not be the Secretary), to keep the registers required to be kept by the Company, provided that if the paid-up capital of the Company shall be Rs. 2 Crores or more, then in such event, the Company shall appoint a whole time Secretary as provided in Section 383-A of the Act and he shall possess such qualifications as may be prescribed, from time to time, by the rules made under the Section.

171. Subject to the provisions of the Act, -

- (a) a manager or secretary may be appointed by the Board for such remuneration and upon such conditions as it may think fit; and any manager or secretary so appointed may be removed by the Board,
- (b) A director may be appointed as manager or secretary.

172. A provision of the Act, or these regulations requiring or authorizing a thing to be done by or to a director and the manager or secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in place of, the manager or secretary.

THE SEAL, ITS CUSTODY AND USE

- 173.** (a) The Board, shall provide a common Seal for the purpose of the Company and shall have power, from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or Committee of the Board previously given. , and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose and that abovesaid Director(s) and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so fixed in their presence.
- (b) The Company shall also be at liberty to have an official Seal in accordance with Sections 50 of the Act, for use in any territory, district or place outside India.

Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by a Director provided that the Seal shall be affixed in accordance with Articles 19 (a).

DIVIDENDS AND RESERVE

174. The company in general meeting may subject to the provisions of S. 205 of the Act declare dividends to be paid to the members according to their respective rights and interest in the profit and may fix the time for the payment thereof.,

No dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

No dividends shall be payable except out of profits of the Company of the year or any other undistributed profits or otherwise than in accordance with the provisions of Section 205, 206 and 207 of the Act. The declaration of the Directors as to the amount of net profits of the Company shall be conclusive.

175. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
176.
 - (a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable, for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investment (other than shares of the company) as the Board may, from time to time, think fit.
 - (b) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
177.
 - (a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the shares.
 - (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the share.
 - (c) All dividends shall be appointed and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly. Capital paid up in advance of calls shall not confer a right to dividend or to participate in profits.
178. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
179.
 - (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by electronic transfer to the bank account of, or cheque or warrant sent through the post within 42 days of the date on which such dividends are declared by the Company; directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of the members, or to such person and to such address as the holder or joint holders may in writing direct.
 - (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
 - (c) the Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsement on any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
 - (d) UNPAID OR UNCLAIMED DIVIDEND

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of GLOBAL VECTRA HELICORP LIMITED " and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

Provided that no unclaimed or unpaid dividend shall be forfeited by the Board.

180. Production of Share Certificate when applying for dividends

The Directors may, if they think fit, call upon the members, when applying for dividends to produce their share certificates to such person or persons appointed by them in that behalf.

181. Dividend payable in cash

No dividends shall be payable except in cash, provided that nothing herein shall be deemed to prohibit the capitalization of profits or reserve by the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

182. Dividend and call together and set-off allowed

Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, so that the call be made payable at the same time as the dividend, and the dividend may, if so resolved by the Company in General Meeting be set off against the calls.

183. Any one of the two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.

184. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

185. No dividend shall bear interest against the company.

- 186.**
- (a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
 - (b) No member (not being a director) shall have any right of inspecting any accounts or books or documents of the company except as conferred by law or authorised by the Board or by the company in general meeting.

ACCOUNTS

187. The Directors shall keep or cause to be kept at the Registered Office of the Company or at such other place in India as the Board thinks fit proper books of accounts in respect of:

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) All sales and purchases of goods by the Company; and
- (c) The assets and liabilities of the Company.

188. Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarized returns made up to date at intervals of not more than three months shall be sent by each branch office to the Company at its Registered Office or the other place referred to in Clause (1) hereof.

- 189.** The books of accounts referred to in clauses (1) and (2) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transactions.
- 190.** The books of accounts shall be open to inspection by any Directors during business hours.
- 191.** The Directors shall comply in all respect with Sections 209 to 220 of the said Act and any statutory modifications thereof.
- 192. Inspection to member's when allowed**
- Except the Directors of the Company no member shall have any right to inspect accounts or books including supporting vouchers or documents unless such right has been conferred upon the members by a Court of Competent Jurisdiction or consented to by the Directors.
- 193. Balance Sheet and Profit & Loss Account to be laid before the members**
- Subject to Section 210 of the Act at every Annual General meeting of the Company, the Directors shall lay before the Company a Balance Sheet and Profit and Loss Account for the period since the preceding account made up to the date not earlier than the date of the meeting by more than six months unless and extension of time has been granted by the Registrar under Section 166(1) of the said Act. Such Balance Sheet and Profit and Loss Account may be for a period of one year or less or more than one year, but such period shall not exceed fifteen months unless special permission is granted by the Registrar under Section 210 (4) of the said Act.
- 194. Contents of Balance Sheet and Profit & Loss Account**
- (a) The Balance Sheet shall give a true and fair view of the state of affairs of the Company at the end of the period of the account.
 - (b) The Profit and Loss Account shall give a true and fair view of the Profit or Loss of the Company for the Company for the period of account
 - (c) The Balance Sheet and Profit and Loss Account shall comply with the provisions of sections 211 and 212 of the said Act.
- 195. Report how to be signed**
- The Balance Sheet and Profit and Loss Account shall be signed in Accordance with the provisions of Sections 215 of the said act.
- 196. Balance Sheet and Profit & Loss Account**
- (a) The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report shall be attached thereto.
 - (b) The Directors shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board of directors which shall comply with the requirements of and shall be signed in the manner provided by Section 217 of the said Act.
- 197. Right of members to copies of Balance Sheet and Auditor's Report**
- A copy of Balance Sheet so audited (including the Profit & Loss Account, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) is to be laid before the Company in General Meeting shall, not less than twenty-one days before the date of meeting be made available for inspection to the Members of the Company, and to every other person entitled thereto under the provisions of Section 219 of the said Act at the Registered Office of the Company during the working hours and a statement containing the salient features of such documents in the form prescribed under the Companies Act, 1956 or copies of the aforesaid documents, as the Company may deem fit be sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty one days before

the date of meeting.

198. Right of members to copies of Balance Sheet and Auditor's Report

Any member or holder of Debentures of a Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditors Report.

199. Copies of Balance Sheet etc. to be filed

- (a) After the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting, the Company shall file with the Registrar three copies of the Balance Sheet and Profit and Loss account signed in the manner provided in Section 220 of the said Act together with the copies of all documents which are required by the said Act to be annexed to such Balance sheet & Profit and Loss Account.
- (b) If the Annual General Meeting before which a Balance Sheet is laid as aforesaid does not adopt the Balance Sheet, statement of that fact and of the reasons therefore shall be annexed to the Balance Sheet and to the copies thereof required to be filled with the Registrar unless otherwise determined by Special Resolution of the Company in General Meeting.

200. When account to be deemed finally settled

Every account when audited and approved by a General meeting shall be conclusive, except as regards any error discovered therein within three months next after the approval thereof. Whenever any error is discovered within the period, the account shall forthwith be corrected and henceforth shall be conclusive.

201. Capitalisation of profits

- (a) The company in general meeting may, upon the recommendation of the Board, resolve –
 - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in the clause (3), either in or towards-
 - (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (c) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

- 202.** (a) whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power-
- (i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, for the cause of shares or debentures becoming distributable in fraction; and also
 - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any future share to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (c) Any agreement made under such authority shall be effective and binding on all such members.

AUDIT

203. Accounts to be audited

Auditors shall be appointed and their rights and duties regulated in accordance with sections 224 to 233 of the Act.

204. First Auditor or Auditors

The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting, provided that the Company may at a General Meeting remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company not less than fourteen days before the date of the meeting provided further that if Board fails to exercise its powers under this Articles, the Company in General Meeting may appoint the first Auditors or Auditors.

205. Accounts when audited and approved to be conclusive

Every account when audited and approved by a General Meeting shall be conclusive except as regards, any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.

206. Authentication documents and proceedings

Save as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not under its seal.

DOCUMENTS AND NOTICES

207. Service of documents or notice on members by Company

A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address.

Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

208. By Advertisement

A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office shall be deemed to be duly served or sent on the day of which the advertisement on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

209. On Joint-holders

A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.

210. On personal representatives etc.

A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the might have been given if the death or insolvency had not occurred.

211. To whom document or notices must be served on or given

Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the Auditor/Auditors for the time being of the Company.

212. Member bound by documents or notices served on or given to pervious holders

Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

213. Document or notice by Company and signature thereto

Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Director for such purposes and the signature thereto may be written, printed or lithographed.

214. Service of Document or notice by members

All document or notice to be served or given by members on or to the Company or any officer at the Office by post under a certificate of posting or by registered post or by leaving it at the office.

215. Reconstruction

On any sale of the undertaking of the Company, the Board or the liquidators on a winding -up may, if authorised by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase of whole or part of the property of the Company, and the Board (if the profits of the Company permit), or the liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or in the course of being wound up such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or exclude by these Articles.

216. Winding up

- (a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidators, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

217. Indemnity

Every officer or agent for the time being of the company shall be indemnified only out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by Court.

218. Secrecy Clause

- (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall given such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be into the nature of a trade secret, mystery or trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

219. Social Objective

The Company shall have among its objective the promotion and growth of the nominal economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community.

220. General Powers

Wherever in the Companies Act, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulations in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the ROC, Maharashtra at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office/corporate office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letter of appointment dated February 22, 2006 to the BRLMs from our Company appointing them as the BRLMs.
2. Memorandum of Understanding amongst our Company, the Selling Shareholder and the BRLMs dated May 22, 2006.
3. Memorandum of Understanding between our Company and Registrar to the Issue, dated May 22, 2006.
4. Escrow Agreement dated [●], 2006 between the Company, the Selling Shareholder, BRLMs, the Escrow Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated [●], 2006 between the Company, the Selling Shareholder, the BRLMs, and the Syndicate Member.
6. Underwriting Agreement dated [●], 2006 between the Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our certification of incorporation.
3. Our certificate of commencement of business.
4. Our certificates in relation to change of name.
5. Board resolutions in relation to the Issue and other related matters.
6. Shareholders' resolutions in relation to this Issue and other related matters.
7. Selling Shareholder resolution dated January 30, 2006 and their letter to the Company dated February 6, 2006 in relation to their participation in the Issue.
8. RBI Approval letter no. [●], 2006 permitting the transfer of Equity Shares held by the Selling Shareholder as part of an Offer for Sale in this Issue to investors resident in India and outside India.
9. Power of Attorneys by the Selling Shareholder to specified person(s) for signing the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus for carrying out necessary changes in the above document as may be required and for fixation of the Price Band, the Issue Price and for deciding on any other matter related to the Offer for Sale
10. Present terms of employment between our Company and our Directors as approved by our Board and our Shareholders.
 - a. Board resolutions dated August 16, 2005 appointing Lt. Gen. (Retd.) SJS Saighal as an executive director and March 18, 2006 in relation to his appointment as the Chairman and

Managing Director and agreement dated August 16, 2005;

- b. Board resolutions dated August 16, 2005 in relation to the appointment of P. Rajkumar Menon as an executive director, agreement dated August 16, 2005 and Board resolution dated January 25, 2006 increasing his remuneration
- 11. Restated Financial Statements prepared by Company under the SEBI Guidelines and the report from BSR & Co. on such restated financial statements, dated May 4, 2006 and mentioned in the Draft Red Herring Prospectus. Tax benefit report dated from BSR & Co. dated May 4, 2006.
- 12. Copies of annual reports of our Company for the financial years ended March 31, 2002, 2003, 2004, 2005 and 2006.
- 13. Consent of BSR & Co., our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements in the form and context in which they appear in the Draft Red Herring Prospectus.
- 14. Consents of Bankers to the Company, BRLMs, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Transaction Counsel to the Issue, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
- 15. Initial listing applications dated May 22, 2006 filed with BSE and NSE respectively.
- 16. In-principle listing approval dated [●], 2006 and [●], 2006 from BSE and NSE respectively.
- 17. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated [●], 2006.
- 18. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●], 2006.
- 19. Due diligence certificate dated May 22, 2006 to SEBI from the BRLMs.
- 20. SEBI observation letter No. [●] dated [●], 2006 and our in-seriatim dated [●], 2006.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Lt. Gen. (Retd.) SJS Saighal (Chairman and Managing Director)	Sd/-
P. Rajkumar Menon	Sd/-
Ambrish Thakker	Sd/-

Signed by the Chief Financial Officer

Sd/-

Vikram D. Kakaiya

Signed by the Selling Shareholder

For Azal Azerbaijan Aviation Limited
Sd/-
Jojo Alexander

Date: May 22, 2006

Place: Mumbai

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