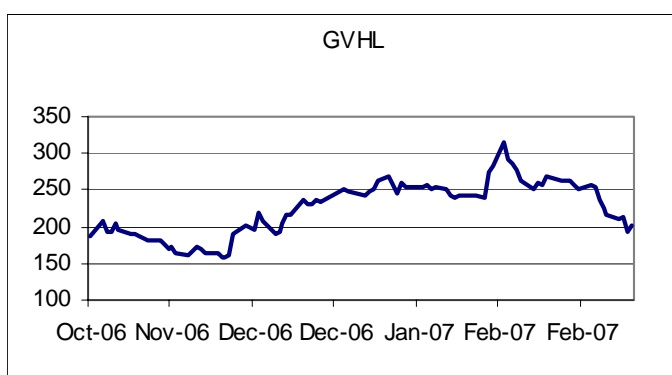


Recommendation	BUY
Share Price (8th Mar, 2007)	Rs.203
Target Price	Rs. 280

Sector	Oil & Gas Exploration Support Service		
NIFTY	3762		
BSE Sensex	13049		
Market Data			
BSE Code	532773		
NSE Code	GLOBALVECT		
Market Cap	Rs284Cr		
O/S Shares	1.4Cr		
52- week H/L	327 / 155		
Avg. Daily Volume (3mth)	376727		
Face Value	10		
Share Holding (30 th June, 2006)	(%)		
Promoter	75.0		
Institution	14.0		
Corporate	2.0		
Public & Other	9.0		
Price Performance (%)	1mth	3mth	1yr
GVHL	-27.0%	-2.2%	NA
BSE Sensex	-10.9%	-5.4%	24.2%



Union Budget 2007 has imposed 3% import duty on Helicopters and its spare parts.

We feel this will increase the capital cost of Helicopter by 3%. Apart from this the impact of this increase on imported spare consumed will be very nominal and will increase maintenance cost by Rs.0.6Cr in FY08. The PAT and EPS for FY08 will be lower by Rs.0.4 Cr and Rs. 0.3 respectively.

Apart from this company is talking to Exploration and Production company to get the certificate for duty free import of new helicopters and its spares, which is available under NELP programs.

We feel the imposition of import duty on helicopter and its spares will have very nominal impact on the performance of the company.

Union Budget has imposed 10% Service tax on services to mining of mineral, oil & gas.

GVHL contract with the customers include clause to pass on any new duty imposed by government, as such this service tax which will be applicable from 1st of April 2007, will be passed on to customers. This service tax to be charged by GVHL can be adjusted by its customer against excise duty or service tax collected by them, as such it may not have any major impact on its customers as well.

We feel new provisions in the union budget will not have any major impact on GVHL future performance.

We have recommended GVHL in Dec., 2006 at a price of Rs.193 with target price of 280. The stock had surpassed our target price and came down in the recent meltdown. We feel the fundamentals are intact and this give again an opportunity to buy the stock.

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Year	Net Sales Rs. in Cr	Growth %	EBITDA Rs.in Cr	Margin %	Adj.PAT Rs. in Cr	Growth %	Adj.EPS Rs.	Cash EPS Rs.	PE	P/B
FY06A	89.5	73.1%	45.3	50.6%	8.2	NA	5.9	12.6	34.6	15.8
FY07E	155.5	73.7%	64.9	41.7%	15.4	87.2%	11.0	21.5	18.5	3.4
FY08E	249.5	60.5%	116.5	46.7%	30.1	95.6%	21.5	44.3	9.4	2.6

Financials:

Profitability (Rs. In Cr)				
Y/E - March	FY05A	FY06A	FY07E	FY08E
Revenues	51.7	89.5	155.5	249.5
% change	40.0	73.1	73.7	60.5
EBITDA	1.7	45.3	64.9	116.5
% change	-70.1	2514.7	43.1	79.6
Interest	1.7	22.9	27.1	39.4
EBDT	0.0	22.4	37.8	77.0
Depreciation	1.4	9.4	14.7	31.9
Other Income	0.7	0.3	0.5	0.7
Extra Ordinary	0.0	0.0	0.0	0.0
PBT	-0.7	13.3	23.5	45.8
% change	-118.8	2029.9	77.3	94.7
Tax	-0.3	5.1	7.9	15.4
Net Profits	-0.4	8.2	15.4	30.1
% change	-120.2	1997.9	87.2	95.6
Shares o/s (crs)	1.4	1.4	1.4	1.4
EPS	-0.3	5.9	11.0	21.5
DPS (Rs.)	0.0	0.0	1.0	1.5

Financial Health (Rs. In Cr)				
Y/E - March	FY05A	FY06A	FY07E	FY08E
Share Capital	8.0	11.2	14.0	14.0
Reserves & Surplus	2.2	6.8	69.6	97.3
Net Worth	10.2	18.0	83.6	111.3
Total Loans	24.4	194.5	284.3	396.3
Deferred Tax Liab	0.4	4.5	9.9	20.5
Total Liabilities	35.0	217.0	377.8	528.0
Net Fixed Assets	27.9	203.7	362.6	505.1
Investments	0.0	0.0	0.0	0.0
Inventories	4.0	7.0	10.1	11.9
Sundry Debtors	6.5	15.8	22.7	31.2
Cash & Bank	3.5	3.1	2.5	3.7
Loans & Advances	3.2	16.7	18.0	23.1
C A L&A	17.2	42.5	53.2	69.9
CL & P	10.1	29.3	38.0	47.0
Net C A	7.1	13.3	15.2	22.9
Misc. Exp (not w/o)	0.0	0.0	0.0	0.0
Total Assets	35.0	217.0	377.8	528.0

Quarterly Performance (Rs. In Cr)				
	Q3FY07			
Revenue	40.19	NA	NA	NA
EBITDA	19.19			
Interest	8.04			
EBDT	11.15			
Dep	3.84			
Other Inc.	0.49			
PBT	7.80			
Tax	2.54			
Net Profits	5.26			
EPS (Rs.)	3.76			

Cash Flow Statement (Rs.in Cr)				
Y/E - March	FY05A	FY06A	FY07E	FY08E
Operating				
Operating Income	1.7	45.3	64.9	116.5
Change in WC	-0.6	-6.5	-2.6	-6.5
Other Adjustment	0.0	-0.5	0.0	0.0
CF from Opeartion	1.1	38.3	62.3	110.0
Investment				
Capex	-15.4	-185.1	-173.6	-174.4
Other Investment	0.0	0.0	0.0	0.0
Total Investment	-15.4	-185.1	-173.6	-174.4
Financing				
Divined Paid	0.0	0.0	-1.6	-2.4
Share Capital	2.2	0.0	2.8	0.0
Premium / Reserve	0.0	0.0	49.0	0.0
Borrowing	13.7	170.1	89.8	112.0
Other Income	0.7	0.3	0.5	0.7
Extraordinary	0.0	0.0	0.0	0.0
Interest	-1.7	-22.9	-27.1	-39.4
Tax Paid	-0.3	-1.0	-2.7	-5.2
Total Financing	14.6	146.5	110.7	65.7
Net Chg. in Cash	0.3	-0.4	-0.6	1.3
Cash at beginning	3.2	3.5	3.1	2.5
Cash at end	3.5	3.1	2.5	3.7

Ratio Analysis				
Y/E - March	FY05A	FY06A	FY07E	FY08E
EBITDA margin (%)	3.4	50.6	41.7	46.7
EBDT margin (%)	0.0	25.0	24.3	30.9
NP margin (%)	-0.8	9.2	9.9	12.1
EPS Growth (%)	NA	NA	87.2	95.6
ROE (%)	-4.3	45.7	18.4	27.0
ROCE (%)	3.0	16.7	13.4	16.1
Price Earnings (x)	NA	34.6	18.5	9.4
Price / Book Value (x)	28.0	15.8	3.4	2.6
P E G (x)	5.1	0.0	0.2	0.1
Book Value (Rs.)	7.3	12.8	59.7	79.5

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