



*10th Annual Report 2007-2008*

## **BOARD OF DIRECTORS**

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

Mr. Ravinder Kumar Rishi  
(Non-Executive Director)

Mr. Raj Kumar Menon  
(Whole-time Director)

Captain Dharendra Kumar Chand  
(Whole-time Director)

Mr. R.S.S.L.N. Bhaskarudu  
(Independent Director)

Dr. Gautam Sen  
(Independent Director)

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

Dr. Chandrathil Gouri Krishnadas Nair  
(Independent Director)

## **COMPANY SECRETARY**

Mr.Raakesh D.Soni

## **AUDITORS**

BSR & Co.  
Chartered Accountants

## **BANKERS**

ABN Amro Bank N.V.

UTI Bank Limited

Standard Chartered Bank

## **REGISTERED OFFICE**

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

## **CORPORATE OFFICE**

B-314, 3<sup>rd</sup> Floor, Sunder Villa,  
19-S.V.Road, Santacruz (West),  
Mumbai – 400 054  
Tel. No.:-91-22-26611293  
Fax No.:-91-22-26611282

## **REGISTRAR & TRANSFER AGENTS**

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

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**NOTICE**

The Tenth ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Thursday, 25<sup>th</sup> day of September, 2008 at 2.30 p. m. at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Chandrathil Gouri Krishnadas Nair, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Maj. Gen. (Retd.) Gurdial Singh Hundal, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors & fix their Remuneration.

**SPECIAL BUSINESS:**

5. To appoint Captain Dharendra Kumar Chand, as Director, who was appointed an Additional Director of the Company, designated as Whole-Time Director of the Company, by the Board of Directors on 30<sup>th</sup> January, 2008 under Section 260 of the Companies Act, 1956 (the Act) and who holds office upto the date of the forthcoming Annual General Meeting. Captain Dharendra Kumar Chand is eligible for appointment as Director and the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director. Members are requested to pass the following resolution as an Ordinary resolution with or without modification

**“RESOLVED THAT** Captain Dharendra Kumar Chand who was appointed as Additional Director of the Company, designated as Whole-time Director of the Company, by the Board of Directors on 30<sup>th</sup> January, 2008 and who cease to hold office under section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, in accordance with the provisions of section 257 and all other applicable provisions if any, of the Companies Act 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce ) and subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, the Remuneration Committee be and hereby recommend to the Board for the re-appointment of Lt. Gen. (Retd.) SJS Saighal as a Chairman of the Company for a period of two years commencing from 1<sup>st</sup> October, 2007 up to and inclusive of 30<sup>th</sup> September, 2009 on such terms and conditions as agreed to between Lt. Gen. (Retd.) SJS Saighal and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration

Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Lt. Gen. (Retd.) SJS Saighal”

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Lt. Gen. (Retd.) SJS Saighal, a Chairman of the Company, as above, the Company has no profits or the profits are inadequate, the Company may pay to the Chairman a minimum remuneration subject to the provisions of Section 198, 269, 302, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary and such other approvals, permission as may be required.”

**“RESOLVED FURTHER THAT** Lt. Gen. (Retd.) SJS Saighal also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time be available to other Senior Executives of the company.”

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce ) and subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, the Remuneration Committee be and hereby recommend to the Board for the re-appointment of Mr. P.Rajkumar Menon as a Whole-time Director of the Company for a period of two years commencing from 1<sup>st</sup> September, 2007 up to and inclusive of 31<sup>st</sup> August, 2009 on such terms and conditions as agreed to between Mr. P.Rajkumar Menon and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. P.Rajkumar Menon.”

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. P.Rajkumar Menon, a Whole-time Director of the Company, as above, the Company has no profits or the profits are inadequate, the Company may pay to the Whole-time Director a minimum remuneration subject to the provisions of Section 198, 269, 302, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary and such other approvals, permission as may be required.”

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

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce ) and subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, the Remuneration Committee be and hereby recommend to the Board for the appointment of Captain Dhirendra Kumar Chand as a Whole-time Director of the Company for a period of two years commencing from 30<sup>th</sup> January, 2008 up to and inclusive of 29<sup>th</sup> January, 2010 on such terms and conditions as agreed to between Captain Dhirendra Kumar Chand and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Captain Dhirendra Kumar Chand .”

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Captain Dhirendra Kumar Chand, a Whole-time Director of the Company, as above, the Company has no profits or the profits are inadequate, the Company may pay to the Whole-time Director a minimum remuneration subject to the provisions of Section 198, 269, 302, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary and such other approvals, permission as may be required.”

**“RESOLVED FURTHER THAT** Captain Dhirendra Kumar Chand also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time be available to other Senior Executives of the company.”

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

may be otherwise considered by it to be in the best interest of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act”), subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, consent of the Board be and is hereby accorded to the appointment of Mr. David Vaughan Hayler, as a Chief Executive Officer of the Company for a period of two years commencing from 1<sup>st</sup> April, 2008 up to and inclusive of 31<sup>st</sup> March, 2010 on such terms and conditions as agreed to between Mr. David Vaughan Hayler and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. David Vaughan Hayler ”

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. David Vaughan Hayler, a Chief Executive Officer of the Company, as above, the Company has no profits or the profits are inadequate, the Company may pay to the Chief Executive Officer a minimum remuneration subject to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary and such other approvals, permission as may be required.”

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

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

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

**“RESOLVED THAT** pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company to borrow for and on behalf of the Company from time to time as they may consider fit, any sum or sums of money in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency from any bank or banks or any financial institutions, other person

or persons, and whether the same be unsecured or secured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on over or in respect of all or any of the Company's assets and effects and properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or in transit ) notwithstanding that the monies, if any, already borrowed by the Company (apart from temporary loans and credits obtained from the Company's bankers in the ordinary course of business ) may exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. reserves not set apart for any specific purpose, provided that, the total amount so borrowed by the Directors and outstanding at any time shall not exceed Rs. 600 Crores (Rupees Six Hundred Crores Only ) over and above the aggregate of the paid up capital of the Company and its free reserves."

"**RESOLVED FURTHER THAT** pursuant to Section 293 (1)(a) and all other applicable provisions, if any of the Companies Act, 1956 ( including any statutory modification or re-enactment thereof, for the time being in force ) , consent of the Company be and is hereby accorded to the Board of Directors of the Company to create a further mortgage and/or charge on such terms and conditions and at such time(s) and in such form and manner and with such ranking as to priority as the Board in its absolute discretion think fit, on the whole or substantially the whole of the Company's any one or more of the undertakings or all the undertakings, including the present and/or future properties, whether movable or immovable comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of the Lenders, including any Trustees(appointed/ to be appointed by the Board) and/or such other parties, as may be required, to secure borrowing upto an aggregate amount not exceeding Rs. 600 Crores ( Rupees Six Hundred Crores only ) i.e. within the overall ceiling approved by the members of the company, in terms of Section 293 ( 1 ) ( d ) of the Companies Act, 1956 for various financial assists from the company's Bankers / Financial Institutions / Agencies by way of Term Loan / working Capital / External Commercial Borrowing and/or Private Placement of Secured / Unsecured Redeemable Convertible / Bonds / Notes, if any together with interest, additional interest, liquidating damages, commitment charges, redemption costs/premium, charges, expenses, and all other monies in respect of all such borrowings. "

**NOTES:**

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (b) The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, is given below and forms part of the Notice.
- (c) M/s. Intime Spectrum Registry Limited (Intime), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with the

both NSDL and CDSL.

However, keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at Corporate Office of the Company at B-314, 3<sup>rd</sup> Floor, Sunder Villa, Santacruz (West), Mumbai – 400056 (Maharashtra), Tel No. 91-22-2661 1293, Registered Office at A-54, Kailash Colony, New Delhi – 110 048, Tel No. 91-11-2923 5035 ; e-mail address: raakesh@gvhl.net.

- (d) The Register of Members and Share Transfer Books of Company will remain closed from Wednesday, 24<sup>th</sup> September, 2008 to Thursday, 25<sup>th</sup> September, 2008 (both days inclusive) in connection with the Annual General Meeting.
- (e) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

**For and on behalf of the board**

**RAAKESH D.SONI**  
Company Secretary

Place:- Mumbai  
Date:- 30<sup>th</sup> July, 2008  
Registered Office  
A-54, Kailash Colony  
New Delhi – 110 048

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM NO. 5**

The Board of Directors of the Company ( the Board ) has appointed, pursuant to the provision of Section 260 of the Companies Act, 1956 ( the Act ) and Article 138 of the Articles of Association of the Company, Captain Dhirendra Kumar Chand as an Additional Director of the Company, designated as Whole-time Director of the Company with effect from 30<sup>th</sup> January, 2008.

In terms of the provisions of Section 260 of the Act, Captain Dhirendra Kumar Chand would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member, proposing the candidature of Captain Dhirendra Kumar Chand for the office of the company, under the provisions of Section 257 of the Act.

Captain Dhirendra Kumar Chand, 59 Years, has graduated from the National Defence Academy Aviation School and from the Army Aviation School, Fort Rucker, Alabama, U.S.A.

He was 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 Courses as Aviation School, Fort Rucker, Alabama, U.S.A. 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 1<sup>st</sup> September, 1998 and has

been with us for over 9 years. He was appointed as Deputy Chief Pilot and Training Manager.

Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Captain Dharendra Kumar Chand is appointed as a Director, who if appointed, shall be retire by rotation, in accordance with the provisions of the Articles of Association of the Company.

The Board recommends the resolution set out at Item No. 5 of the Notice for your approval.

Save as except Captain Dharendra Kumar Chand none of the Directors of the Company is, in any way, concerned or interested in the resolution.

**ITEM NO. 6**

Except Lt. Gen. (Retd.) SJS Saighal, no other Directors of the Company are concerned or interested in the Resolution at Item No. 6 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 30<sup>th</sup> October, 2007, has in accordance with the provisions of Article 143 of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, re-appointed Lt. Gen. (Retd.) SJS Saighal as Chairman of the Company for a period of two years commencing from 1<sup>st</sup> October, 2007 up to and inclusive of 30<sup>th</sup> September, 2009. The remuneration and perquisites payable to Chairman is in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

**Remuneration:**

- |     |   |                       |
|-----|---|-----------------------|
| I   | Basic Salary  | Rs.70,000/- per month |
| II. | Perquisites:  |                       |
| 1.  | House Rent Allowance  | Rs.52,500/- per month |
| 2.  | Other Allowance   | Rs.52,500/- per month |
| 3.  | Driver shall be provided by the Company for the official use of the Chairman and Company shall pay Driver Salary of Rs. 8,600/- per month and Petrol Allowances as per actual uses per month. |                       |
| 4.  | The Company shall pay bills of Mobile Phone of Lt. Gen. (Retd.) SJS Saighal.  |                       |

The Chairman shall be entitled to avail leave in accordance with the Company's rules applicable from time to time  
The remuneration has been approved by a resolution passed by the Remuneration Committee in its meeting held on 30<sup>th</sup> October, 2007.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Lt. Gen. (Retd.) SJS Saighal as Chairman of the Company at Item No. 6 is placed before the members with a recommendation for acceptance.

In terms of paragraph of para 1 (B) of Section II in Part II of Schedule XIII, to the Companies Act, 1956.

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

**ITEM NO. 7**

Except Mr. P. Raj Kumar Menon, no other Directors of the Company are concerned or interested in the Resolution at Item No. 7 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 30<sup>th</sup> October, 2007, has in accordance with the provisions of Article 143 of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, re-appointed Mr. P. Raj Kumar Menon as Whole –time Director of the Company for a period of two years commencing from 1<sup>st</sup> September, 2007 up to and inclusive of 31<sup>st</sup> August, 2009. The remuneration and perquisites payable to Whole Time Director are in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

**Remuneration:**

- |     |  |                          |
|-----|--|--------------------------|
| I   | Basic Salary   | Rs. 2,08,000/- per month |
| II. | Perquisites:   |                          |
| 1.  | House Rent Allowance   | Rs. 1,56,000/- per month |
| 2.  | Other Allowance  | Rs. 1,56,000/- per month |
| 3.  | Driver shall be provided by the Company for the official use of the Whole-time Director and Company shall pay Driver Salary of Rs. 7,250/- per month and Petrol Allowances as per actual uses per month. |                          |
| 4.  | The Company shall pay bills of Mobile Phone of Mr. P.Rajkumar Menon.   |                          |

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

The remuneration has been approved by a resolution passed by the Remuneration Committee in its meeting held

on 30<sup>th</sup> October, 2007.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Mr. P. Raj Kumar Menon as Whole Time Director of the Company at Item No. 7 is placed before the members with a recommendation for acceptance.

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

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

#### Information

<u>Sr. No.</u>	<u>Particulars</u>	<u>Information</u>															
I.	<u>GENERAL INFORMATION</u>																
1	Nature of industry :	Offshore Transportation Services															
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 <sup>th</sup> April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 <sup>rd</sup> May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 <sup>th</sup> August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 <sup>th</sup> October, 2005.															
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable															
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.07)	<table border="1"> <thead> <tr> <th><b>As on</b></th> <th><b>31.3.07</b></th> <th><b>31.3.06</b></th> </tr> </thead> <tbody> <tr> <td>a. Sales to Profit before Interest, Depreciation &amp; Tax</td> <td>26.82%</td> <td>27.19%</td> </tr> <tr> <td>b. Sales to Profit before Depreciation &amp; Tax</td> <td>23.09%</td> <td>24.10%</td> </tr> <tr> <td>c. Current Ratio</td> <td>1.50%</td> <td>1.45%</td> </tr> <tr> <td>d. Debt Equity Ratio</td> <td>9.83%</td> <td>10.85%</td> </tr> </tbody> </table>	<b>As on</b>	<b>31.3.07</b>	<b>31.3.06</b>	a. Sales to Profit before Interest, Depreciation & Tax	26.82%	27.19%	b. Sales to Profit before Depreciation & Tax	23.09%	24.10%	c. Current Ratio	1.50%	1.45%	d. Debt Equity Ratio	9.83%	10.85%
<b>As on</b>	<b>31.3.07</b>	<b>31.3.06</b>															
a. Sales to Profit before Interest, Depreciation & Tax	26.82%	27.19%															
b. Sales to Profit before Depreciation & Tax	23.09%	24.10%															
c. Current Ratio	1.50%	1.45%															
d. Debt Equity Ratio	9.83%	10.85%															
5.	Export performance and net foreign exchange collaborations:	NIL															
6.	Foreign investments or collaborators, if any:	NIL															
II.	<b>INFORMATION ABOUT THE APPOINTEE</b>																
1.	Background details:	Work with company since January 1999 and before that with State Civil Aviation Department, Govt. of U.P. as Senior Engineer.															
2.	Past remuneration:	Last Year – Rs. 44, 56,250/- .															
3.	Recognition or awards:	Mr. P. Raj Kumar Menon has extensive background in the aeronautical sector. He carries with him more than 24 years of experience in aeronautical sector.															
4.	Job profile and his suitability:	As Whole-time Director , he has been delegated day to day activity of business and engineering activity to promote the second line of management. He has a rich and varied background in the field of aeronautical industry.															
5.	Remuneration proposed:	As mentioned above															
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The proposed remuneration of Mr. P. Raj Kumar Menon is in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.															
7.	Pecuniary relationship directly or indirectly with	No pecuniary interest other than by way of remuneration															

the company, or relationship with the managerial personnel, if any:

**III. OTHER INFORMATION**

- |   |   |
|---|---|
| 1. Due to increase in manpower cost & fuel cost.                      | The Company is growing in terms of profits every year.                            |
| 2. Steps taken or proposed to be taken for improvement:               | The Company is highly manpower dependent and quality recruitments are being made. |
| 3. Expected increase in productivity and profits in measurable terms: | Expected to double the profits next year.   |

**ITEM NO. 8**

Except Captain Dharendra Kumar Chand, no other Directors of the Company are concerned or interested in the Resolution at Item No. 8 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 30<sup>th</sup> January, 2008, has in accordance with the provisions of Article 143 of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, appointed Captain Dharendra Kumar Chand as Whole –time Director of the Company for a period of two years commencing 30<sup>th</sup> January, 2008 up to and inclusive of 29<sup>th</sup> January, 2010. The remuneration and perquisites payable to Whole Time Director are in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

**Remuneration:**

- |  |                          |
|--|--------------------------|
| I Basic Salary   | Rs. 2,21,000/- per month |
| II. Perquisites:   |                          |
| 1. House Rent Allowance  | Rs. 1,65,700/- per month |
| 2. Other Allowance   | Rs. 1,65,840/- per month |
| 3. The Company shall pay Rs. 6,000/- for re-imbursment of expenses for Mobile Phone and other expenses of Captain Dharendra Kumar Chand. |                          |

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

The remuneration has been approved by a resolution passed by the Remuneration Committee in its meeting held on 30<sup>th</sup> January, 2008.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Captain Dharendra Kumar Chand as Whole Time Director of the Company at Item No. 8 is placed before the members with a recommendation for acceptance.

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

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

<u>Sr. No.</u>	<u>Particulars</u>	<u>Information</u>		
I.	<u>GENERAL INFORMATION</u>			
1.	Nature of industry :	Offshore Transportation Services		
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 <sup>th</sup> April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 <sup>rd</sup> May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 <sup>th</sup> August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 <sup>th</sup> October, 2005.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.07)		<b>As on</b>	<b>31.3.07</b> <b>31.3.06</b>
		a.	Sales to Profit before Interest, Depreciation & Tax	26.82%      27.19%



	b.	Sales to Profit before Depreciation & Tax	23.09%	24.10%
	c.	Current Ratio	1.50%	1.45%
	d.	Debt Equity Ratio	9.83%	10.85%
5.		Export performance and net foreign exchange collaborations:		NIL
6.		Foreign investments or collaborators, if any:		NIL

## II. INFORMATION ABOUT THE APPOINTEE

1.	Background details:	Work with company since September 1998 and before that with Army Aviation.
2.	Past remuneration:	Last Year – Rs. 50, 93,736/- .
3.	Recognition or awards:	Captain D.K. Chand has extensive background in the army aviation. He carries with him more than 29 years of experience in army aviation.
4.	Job profile and his suitability:	As Whole-time Director , he has been delegated day to day activity of business, training and operation. He has a rich and varied background in the filed of Training Manager and as an examiner.
5.	Remuneration proposed:	As mentioned above
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The proposed remuneration of Captain D.K. Chand is in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	No pecuniary interest other than by way of remuneration

## III. OTHER INFORMATION

1.	Due to increase in manpower cost & fuel cost.	The Company is growing in terms of profits every year.
2.	Steps taken or proposed to be taken for improvement:	The Company is highly manpower dependent and quality recruitments are being made.
3.	Expected increase in productivity and profits in measurable terms:	Expected to double the profits next year.

## ITEM NO. 9

Except Mr. David Vaughan Hayler, Chief Executive Officer of the Company, no other Directors of the Company are concerned or interested in the Resolution at Item No. 9 of the Notice.

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 26<sup>th</sup> April, 2008, has in accordance with the provisions of Articles of the Articles of Association of the Company and subject to the approval of the members in the General Meeting, appointed Mr. David Vaughan Hayler as Chief Executive Officer for a period of two years commencing from 1<sup>st</sup> April, 2008 up to and inclusive of 31<sup>st</sup> March, 2010. The remuneration and perquisites payable to Chief Executive Officer are in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

### Remuneration:

I.	Basic Salary	Rs.2,53,000/- per month ( Net of Tax ) Gross Salary – Rs.3,16,500/-
II.	<b>Perquisites:</b>	
1.	Value of Accommodation	Rs.1,56,000/- per month
2.	Driver shall be provided by the Company for the official use of the Chief Executive Officer of the Company and Company shall pay Driver Salary of Rs.10,000/- per month and Petrol Allowances as per actual uses per month.	
3.	The Company shall pay bills of Mobile Phone of Mr. David Vaughan Hayler .	
4.	The Chief Executive Officer shall be entitled to avail leave in accordance with the Company's rules applicable from time to time	

The remuneration has been approved by a resolution passed by the Remuneration Committee and Board Meeting in their meeting held on 26<sup>th</sup> April, 2008.

In accordance with the provisions of Part III of Schedule XIII of the Companies Act, the Resolution regarding ratification of the appointment and remuneration of Mr. David Vaughan Hayler as Chief Executive Officer of the Company at Item No. 9 is placed before the members with a recommendation for acceptance.

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

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

<u>Sr. No.</u>	<u>Particulars</u>	<u>Information</u>		
<b>I. GENERAL INFORMATION</b>				
1.	Nature of industry :	Offshore Transportation Services		
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 <sup>th</sup> April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 <sup>rd</sup> May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 <sup>th</sup> August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 <sup>th</sup> October, 2005.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.07)	<b>As on</b>	<b>31.3.07</b>	<b>31.3.06</b>
		a. Sales to Profit before Interest, Depreciation & Tax	26.82%	27.19%
		b. Sales to Profit before Depreciation & Tax	23.09%	24.10%
		c. Current Ratio	1.50%	1.45%
		d. Debt Equity Ratio	9.83%	10.85%
5.	Export performance and net foreign exchange collaborations:	NIL		
6.	Foreign investments or collaborators, if any:	NIL		
<b>II. INFORMATION ABOUT THE APPOINTEE</b>				
1.	Background details:	Qualified as Pilot with Bristow Helicopter Group.		
2.	Past remuneration:	Appointed as Chief Executive Officer first time.		
3.	Recognition or awards:	Mr. David Vaughan Hayler has extensive background in the aviation business. He carries with him more than three decades of international experience in aviation industry.		
4.	Job profile and his suitability:	As Chief Executive Officer of the Company, he has been delegated day today activity of business promotion, and marketing to promote the second line of management. He has a rich, varied and international background in the filed of aviation industry.		
5.	Remuneration proposed:	As mentioned above		
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The proposed remuneration of Mr. David Vaughan Hayler, British Citizen in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.		
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	No pecuniary interest other than by way of remuneration		
<b>III. OTHER INFORMATION</b>				
1.	Due to increase in manpower cost & fuel cost.	The Company is growing in terms of profits every year.		
2.	Steps taken or proposed to be taken for improvement:	The Company is highly manpower dependent and quality recruitments are being made.		

3. Expected increase in productivity and profits in measurable terms: Expected to double the profits next year.

**ITEM NO. 10**

Under section 293 (1)(d) & 293 ( 1 ) ( a ) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, and create mortgage / charge on the property of the Company to cover such Borrowings.

The Company has already borrowed money from Banks and others for the business of the which is within the limit of section 293(1)(d). The members in the Extra Ordinary General Meeting of the Company held on 28<sup>th</sup> June, 2007 empower the Board to borrow money from Banks, Financial Institutions etc upto Rs.400 Crores and to create mortgage / charge on the property of the Company to cover such Borrowings.

However in future the Company may need to borrow more money from Banks, Financial Institutions, firms or person(s) and bodies corporate(s) for its projects in the form of Term Loan (which are not temporary loans obtained in the ordinary course of business) which may exceeds Rs.400 Crores and for which Company may give mortgage of all the movable and immovable properties of the Company present and future. Hence it is deemed desirable, as a matter of abundant caution also, to provide a sufficient margin for such loans to be covered by the borrowing powers of the Board.

In the circumstances, sanction of the shareholders is being taken to enable the Directors to borrow money to the extent of Rs. 600 Crores and to create mortgage / charge on the property to cover such Borrowings. Hence special resolutions at Item nos. 10 is recommended for your approval. None of the Directors is interested in the said resolutions.

**For and on behalf of the board**

**RAAKESH D.SONI**  
Company Secretary

Place:- Mumbai  
Date:- 30<sup>th</sup> July, 2008

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

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

**Dr. Chandrathil Gouri Krishnadas Nair**

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

He joined HAL in 1971 and was appointed as Chairman of HAL from August, 1997 to September 2001. He was also a Chairman of Indo-Russian Aviation Pvt. Limited. (1997-2001) and was a Chairman of BAEHAL Software Pvt. Limited from 1997 to 2001. He has been a member of the board of directors in various companies.

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

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

- 1.Shareholders' / Investors' Grievance Committee - Member

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

Directorship

- |   |                          |
|---|--------------------------|
| 1. Titan Industries Limited                     | – Independent Director   |
| 2. Tata Advanced Material Limited               | - Independent Director   |
| 3. Karnataka Hybrid Devices Limited             | – Non Executive Chairman |
| 4. Cades Digitech Private Limited               | – Director               |
| 5. Sika Interplant Private Limited              | – Independent Director   |
| 6. Cochin International Airport Limited         | – Director               |
| 7. Brahmos Aerospace Thiruvananthapuram Limited | – Non-Executive Director |

Member of the Committees of the Board

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

He does not hold any shares of the Company.

Nature of expertise in specific functional area - Aeronautical Industry and Management

**Maj. Gen. (Retd.) Gurdial Singh Hundal**

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

He is a member of the Defence Services Officers Institute, New Delhi; Shivalik Officers Institute, Chandimandir and Defence Services Officers Institute, Chandigarh. Major General (Retd.) G. S. Hundal was awarded a Ati Vashisht Seva Medal (AVSM) & Bar.

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

1. Remuneration Committee - Member
2. Audit Committee - Member

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

He does not hold any shares of the Company.

Nature of expertise in specific functional area - Aviation Industry

**Captain Dharendra Kumar Chand**

Captain Dharendra Kumar Chand 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 is working with company since 1<sup>st</sup> September, 1998.

He is not a member of the Committee of the Board of the Directors of the company.

He is not a Director and member of the Committee of the Board of any other company.

He does not hold any shares of the company.

Nature of expertise in specific functional area - Aviation Industry – Operation, Quality Assurance & Resource Management

## DIRECTORS' REPORT

The Directors take pleasure in presenting the Tenth Annual Report of the Company and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL PERFORMANCE

Particulars	Year ended 31 <sup>st</sup> March, 2008	(Rupees' in Lacs) Year ended 31 <sup>st</sup> March, 2007
Service Income	17953.64	14936.92
Other Income	1068.43	41.62
Gross Income from operations	19022.07	14978.54
Profit before interest, depreciation, amortisation of expenses, exceptional items and Tax	5590.60	6707.13
Less : Interest	3676.62	3249.09
Less : Depreciation ( Net )	2343.51	1570.86
Profit / Loss before tax	-429.53	1887.18
Less : Provision for taxation	85.97	637.49
Profit / Loss after tax	-515.50	1249.69
Balance of Profit for earlier years	1942.15	692.46
Add :- Effect of Transitional Provisions on implementation of Accounting Standard 15(revised)		
- Gratuity	14.17	0.00
- Leave encashment	4.63	0.00
- Deferred tax on above	-6.39	0.00
Balance carried forward to Balance Sheet	1439.06	1942.15

### OPERATION REVIEW:

During the year under review, your Company achieved a total income aggregating to Rs. 19022.07 Lacs as compared to Rs. 14978.54 Lacs. After providing for Depreciation and Finance Charges, the company has registered a Loss before tax of Rs. 429.53 Lacs for the current year as against profit of Rs. 1887.18 Lacs for the previous year. After making provision for tax, the net loss of Rs. 515.50 Lacs for the current year as against a profit of Rs. 1249.69.

### DIVIDEND:

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

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Dr. Chandrathil Gouri Krishnadas Nair and Maj. Gen. (Retd.) Gurdial Singh Hundal retire by rotation in the forthcoming Annual General Meeting. Both of them, being eligible offer themselves for re-appointment.

Mr. Siddharth Om Prakash Verma resigned as a Director of the Company w.e.f. 31<sup>st</sup> July, 2007.

Mr. Dharendra Kumar Chand has been appointed as Whole-time Director of the Company w.e.f. 30<sup>th</sup> January, 2008

### DIRECTORS RESPONSIBILITY STATEMENT

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

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of your Company at the end of the financial year and of the loss of your Company for the year under review;
- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the directors have prepared the annual accounts on a going concern basis.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules,

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

### AUDITORS

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

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

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

### FIXED DEPOSITS

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

### INSURANCE

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

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

### FOREIGN EXCHANGE EARNING AND OUTGO

The Company earned Rs. 1,584,999,731/- (previous year Rs.375,401,445/-) in foreign exchange during the year. The foreign exchange outgoes amount to Rs. 735,221,992/- (previous year Rs. 580,583,267/-)

### CORPORATE GOVERNANCE

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

### REMARKS OF THE AUDITORS

Reference is drawn to Clause no.(f) of the Auditors' Report and Clause 16.6 of the Notes to the financial statements. One of our customer has retained this amount from our payments as per the contract for some delay in implementing AS-4 on our Helicopters. This is an issue affecting our industry

because implementation of AS-4 was for the first time in India and we are the first to implement the same. Directorate General of Civil Aviation has also written to this customer showing concerns for retention of such money from our payments. We have already been discussing this matter with the customer and we are fairly sure to receive this amount. Our customer has assured us that they are taking all steps to resolve the issue in our favour. The matter is still under consideration with the customer.

Reference is drawn to Clause no.(g) of the Auditors' Report and Clause 16.7 of the Notes to the financial statements. The Company has already filed a application with Central Government and the permission of the Central Government is awaited.

Reference is drawn to Clause no.(h) of the Auditors' Report and Clause 10.1 of the Notes to the financial statements. In this regard, Board informs that since the company has made loss during the financial year the remuneration paid to the Whole-time Director exceeds the limit specified under The Companies Act, 1956 and the company is in process of applying to Central Government for approval of the excess remuneration.

### ACKNOWLEDGEMENTS

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

<b>behalf of the Board</b>	<b>For and on</b>
<b>(Retd.) SJS Saighal Kumar Menon</b>	<b>Lt. Gen. P. Raj</b>
<b>Whole-Time Director</b>	<b>Chairman</b>

**Place: LONDON**

**Date: 26<sup>th</sup> June, 2008**

### SECTOR OVERVIEW

High commodity prices and robust demand for oil and gas resulted in the E&P industry experiencing a record year. IPE Brent prices averaged at \$82.8 /bbl during FY 2007-08 as against an average of \$ 64.2 /bbl in FY 2006-07. Henry Hub natural gas price averaged at \$7.4 /MMBTU for FY 2007-08. One of the major events in the industry was crude oil prices crossing an all time high of \$ 100/bbl. The energy demand was driven by secular global growth. Supply chain pressures also led to price escalations. In another significant development, spot Liquefied Natural Gas (LNG) prices

breached its oil price parity in the Asian LNG markets.

The International Energy Agency forecasts the global demand for oil to grow by 1.5% to 87.2 million BDP in 2008. The previous year 2007 saw an increase in the global oil demand to 86.0 million BDP, resulting in an increase of 1.3% over 2006.

High commodity prices and robust growth have ensured strong profitability and cash flows for E&P companies. They have encouraged significant investments across the global energy value chain, resulting in severe pressure in the supply chain. The cost of exploration and development has increased sharply with the cost of drilling rigs, seismic services, engineering, fabrication and installation costs contributing to the increase. This trend is likely to continue in the medium term.

#### **Rising challenges in the E&P sector**

The capital expenditure in the E&P industry is estimated to be upwards of \$ 300 billion per annum. Operators are increasingly looking at opportunities in the deep waters of the Gulf of Mexico, West Africa, Latin America and in the Asia Pacific Region.

Deep water exploration is a fast emerging frontier for oil and gas as the era of 'easy' oil seems to have come to an end. The overall cost inflation in upstream projects in deepwater areas has increased by more than 100% since 2002. Cost of steel has increased by 100% since 2002 while in sub-sea and EPC contracts price inflation is also around 100%. PIRA estimates that since 2002, finding & development costs have increased from \$ 8/ bbl to \$ 15/ bbl in 2006, an increase of 90%. CERA estimates that capex inflation has risen from a base of 100 to touch 198 in the third quarter of 2007.

Shortage of rigs is hampering exploration efforts worldwide. The high day rates of operating the rigs are driven by demand/ supply fundamentals and rise in the cost of manpower, services and raw materials. Demand for 6<sup>th</sup> generation drillships capable to drilling in harsher environments far exceeds the availability. Consequently, contracting rigs is a big challenge for operators and due to this shortage, rig utilisation rates are expected to remain high. Shipyards constructing deepwater rigs are fully booked and the lead time for a new build is between 3-4 years.

Recent oil and gas discoveries are in deep waters, oil sands, shales, arctic and unconventional geographies. These discoveries are in much harsher terrains and in new frontiers. In addition, availability of manpower, services and equipment is limited. Evacuation and transportation logistics of resources are also becoming more challenging. All these factors are resulting in project cost escalation and delays.

About 88% of world's proven oil reserves of 1,148 billion barrels are under the control of national oil companies (NOCs) with no equity participation by international oil companies (IOCs) in them. IOCs in the western part of the world now control less than 10% of the world's oil and gas resource base.

In spite of these challenges, profitability of E&P companies has been strong in recent times, driven largely by record oil prices. During the past five years, oil prices have increased from an average of \$ 25 /bbl in 2002 to \$ 72 /bbl in 2007, an

increase of 188%. More recently oil prices have moved to as high as \$ 120 /bbl. Henry Hub gas prices have also increased from \$ 3.34 /MMBTU in 2002 to the average price of \$ 7.4 / MMBTU in 2007.

#### **Development of a global natural gas market continues**

Gas accounts for 34% of the energy basket in the Former Soviet Union region and in Europe, 24% in USA, 15% in Japan and 14% in Korea. The world average is 24%. In India, gas accounts for just 8% of the energy basket constrained by limited availability of gas and nascent transmission and distribution infrastructure.

The share of gas in the global energy mix is set to increase primarily driven by the power sector, industrial sector, city gas distribution and gas-to-liquid opportunities. Gas is preferred because of its cost competitiveness and environmental advantages over other fossil fuels. Gas is also more convenient to use vis-à-vis other fossil fuels.

Accelerating global demand, increasing import dependency and the build-out of LNG infrastructure are supporting price discovery. Industry expectations suggest continued strength in global GDP over the long-term driven by developing economies of Asia and the Middle East and a 40% increase in LNG liquefaction capacity over the coming 3 years addressing 11% of global demand by 2010.

Powerful trends are supporting demand growth and prices in both the developed and developing nations. In 2007-08, Henry Hub Prices averaged \$ 7.4 / MMBTU. In Europe the NBP prices averaged 40 pence per term which is the equivalent of around 4.8 / MMBTU. The Asian LNG prices were \$ 9.5 / MMBTU based on average for prices in Japan and Korea. Long term contracts signed by China for LNG are at around \$ 10 / MMBTU (FOB). These contracts are for 2-3 MTPA and the first sale is expected to commence in the year 2013-14.

In the developed world, natural gas is the only near term generation option to bridge the energy gap. A similar trend is clear in Asia and Australia. In the developing world, rapid economic growth is fueling energy demand in all its forms. Natural gas has been a niche fuel, not easily available due to infrastructure constraints and domestic productive capacity. However the price of alternative fuels (particularly crude products) is supporting a re-valuation of energy source, which in many cases favours natural gas. While nuclear and renewable remain the long-term "green" solutions of choice, natural gas will remain the primary near- term alternative to meet the demand for growth in generation in developed and developing economies.

#### **Crude price movements and outlook**

Crude prices continued to rise and touched a new high, with the WTI peaking at \$ 120 / bbl in April 2008. Spurt in crude prices were due to a combination of geopolitical events and unplanned outages of some of the oil production fields. The prices continued to hover at historically high levels with Brent, WTI and Dubai crude prices still averaging at \$ 82.8, \$ 81.6 and \$ 76.5 / bbl for FY 2007-08. This reflected an increase of 29%, 26% and 25% respectively over the corresponding levels of FY 2006-07.

#### **Demand for petroleum products in India**

During the year, domestic demand for petroleum products

increased from 111.7 million tonnes to 118.8 million tonnes – a growth of 6.3%. Transportation of fuels grew faster at over 10%. The consumption of HSD (High Speed Diesel), which accounts for more than a third of the total consumption, grew at 11.1%. Growth in MS (Motor Spirit) was at 11.2% and that of ATF (Aviation Turbine Fuel) was at 14.1%. Demand for LPG (Liquefied Petroleum Gas) was up by 7.5% while sales of Naphtha and Kerosene declined by 14.8% and 0.6% respectively. Aggregate Indian refining capacity remained unchanged at 149 million tonnes.

**OVERVIEW**

Global Vectra Helicorp Ltd (GVHL) is the country’s largest offshore air-logistics company serving the Oil & Gas (O&G) Exploration and Production (E&P) sector in India. The company’s total fleet size was eighteen helicopters as on 31<sup>st</sup> March, 2007 and increased to twenty-two helicopters as on 31<sup>st</sup> March, 2008. There are a total of 258 highly motivated employees working for GVHL ensuring a smooth and professional functioning of the company’s operations. The company’s primary business as an airlogistics company is transportation of personnel and cargo to offshore locations across the east and west coastlines of the Indian sub-continent. The company’s main base is located at Juhu, Mumbai and the forward bases are located at Bhubaneshwar, Vishakhapatnam, Rajamundry, Porbander and Pondicherry. The company is in process of opening some more bases towards the south to cater for the expanding operations to its clients.

**The Helicopter Scenario**

There are more than 25,000 civil registered helicopters in the world. Of these, more than 10,000 are operating in the USA. Compared to these numbers, India’s share is quite small with only 185 (appx) civil registered helicopters in India, of which about 120 are working in the Non-Scheduled segment. In the Non-Scheduled segment, about 38 helicopters are working for the off-shore E&P industry, which accounts for 32% of the Non-Scheduled helicopter fleet in India. The helicopters are spread on the east and west coast as they are serving the E&P efforts on both sides of the Indian subcontinent. ONGC remains the largest offshore helicopter services user in India.

The charter-hired fleet breakup of some of the major E&P and allied companies in India is somewhat as follows:

Sr. no.	User	Helicopter Nos.
1	ONGC	23
2	RIL	03
3	British Gas	02
4	Cairn Energy	02
5	Transocean	02
6	GSPC	02
7	Dolphin Drilling	01
8	Hindustan Oil	01
9	GAIL	01
10	CGG	01
11	Western Geco	01

Of the total fleet of offshore helicopters in India, about 75% are operating in the west coast and the balance in the east

coast. This is because Mumbai High still remains the largest producing field in India. As on date, ONGC, British Gas, Cairn Energy and Reliance Industries are either exploring and/ or producing in the west coast. While in the east coast there is, ONGC, Gujarat State Petroleum Corporation, Reliance Industries Ltd, Cairn Energy, GAIL, HOEC, Dolphin Drilling, Transocean etc along with some other companies involved in the E&P and allied activity accounting for the balance 25% of the offshore helicopter population.

In March 2008, the following major rig companies were working in India:

Sr. No.	Rig Owner	Jack-Ups	Drill Ships	Total
1	ONGC	20	2	22
2	Aban Loyd	5	1	6
3	GE Shipping	1	1	2
4	Jagson Intl.	1	-	1
5	Noble Drilling	2	-	2
6	ENSCO	2	-	2
7	Saipem	1	-	1
8	Pride Foramer	1	-	1
9	Transocean	7	5	12
10	Dolphin AS	-	1	1
	Total	40	10	50

(The actual numbers may vary a bit from the ones indicated above)

Apart from the above, many more rigs have been lined up by the E&P sector in the next 12 months to 36 months. Once these join their fleet, a strong growth in offshore helicopter numbers is expected.

**OUTLOOK ON OPPORTUNITIES**

1. Increasing Acreage Under Exploration:
 

85% of the energy reserves are in the offshore (Source: DGH, GOI) as a result of which there is a wealth of opportunity opening up for the offshore helicopter services in India. With only 18% of India’s acreage under exploration, there is a vast potential for the E&P industry to take off in India.
2. Additional Rigs:
 

With 38 odd rigs in operation, a total of 38 helicopters are in use in offshore. The oil companies have lined up a number of rigs to be mobilized in to the country over the next few months. This will surely add to the helicopter numbers. Emerging Market (Krishna-Godavari Basin): The east coast, specifically the KG Basin is a strong emerging market for helicopter operations due to the major gas finds by Reliance Industries Ltd. and Gujarat State Petroleum Corporation Ltd. with production slated to begin in 2008-09 for RIL and GSPC, the situation is well set for a leap in helicopter numbers in the east coast.
3. Entry of new International E&P players:
 

Round six of NELP attracted 162 bids for a total of 52 blocks. As many as 35 foreign firms participated in this round. All this interest from international firms, will attract new helicopter business thereby augmenting offshore helicopter numbers in India.



4. Small field development:  
With 'easy' oil becoming less and less probable, the E&P industry is looking at meeting the demand of energy by developing even marginal fields for any recovery these might hold.
5. EOR plan:  
Existing E&P players are investing heavily towards Enhanced Oil Recovery (EOR) plans. This will go in favour of more intensive helicopter utilization if not enhanced numbers.
6. GOI's vision of complete Exploration Coverage by 2025:  
The Govt. of India's sedimentary basis by 2025 will bring in its wake high helicopter numbers for offshore support. The NELP is the path chosen by the Govt. to attain the vision and the increasing helicopter numbers are obviously – upside of this exercise.

#### OUTLOOK ON THREATS, RISK AND CONCERNS –

1. Shortage of Equipment & Manpower:  
With the worldwide exploration activity peaking once again, there is shortage of rigs in the international market. This is mostly due to the fact that very few rigs were built in the past two decades when oil prices were low and also a result of the damage caused by hurricane Rita and Katrina damaged rigs operating in the Gulf of Mexico thereby worsening the situation.
2. Increasing Manpower Costs:  
Following the unprecedented boom in aviation, the availability of qualified and experienced pilots and engineers is becoming tight. This has led to an increase in salaries across the spectrum thereby adding to the manpower costs of all aviation companies. The tightness in supply is likely to continue in the same vein for the next few years.
3. Downturn in Exploration Activity and/or overcapacity:  
While there is no real danger of a downturn in exploration activity in India due to a fall in the international price of oil, a downturn in the demand for rigs (and thereby helicopters) could reduce the bargaining power of helicopter services in India as well.
4. E&P companies internalizing Airlogistics:  
Although, not many examples persist in the world, any move by any of the E&P players getting their own helicopters for offshore support could affect the growth prospects of the helicopter service providers.
5. Demand for the Newer Helicopters:  
As the rig day rates go up (due to shortages), the rig companies have a stronger cash flow to demand new and better support services including newer helicopters. Older machines may not find many takers in a buoyant market.
6. Poor/Stagnating Finds resulting in low helicopter utilization:  
Dry wells or failure of production enhancement projects could lead to an overall helicopter utilization as companies try to minimize losses/costs by focusing on the most prospective areas only.
7. Change in Govt. Policy:  
The existing Govt. policy prohibits the entry of international aviation players in the domestic aviation sector of India thus providing a fair amount of protection to the local market. However, the opening up of the market to foreign players could affect the rate of increase of market share of the existing players.
8. Infrastructure:  
The massive growth in aviation has also swallowed whatever infrastructure was available at the main airports in India. Now parking bays are hard to come by at almost every airport specially the non-metro, coastal airports like Vizag, Bhubaneshwar etc where offshore air logistics companies normally operate from. It will be a while before the airports ramp up capacity to cater for the enhanced traffic.

#### PRODUCT-WISE PERFORMANCE

GVHL serves the offshore market as its core business. In the offshore segment, GVHL has five primary customers i.e. ONGC, RIL, GSPC, BGEPIIL and TOIVL. The breakup of the performance for the various companies is as follows:

Clients	Chartered* Hours	Actual Hours Flown	% Deviation
ONGC	9,710.00	7,283.61	(24.99)
RIL	3,520.00	2,017.54	(42.68)
BGEPIIL	2,500.00	3,206.83	28.27
TOIVL	3,000.00	1,798.76	(40.04)
GSPC	1,200.00	805.69	(32.86)
OTHERS	-	341.50	100

\*Chartered hours defined @ -

ONGC: 90 Hrs per month

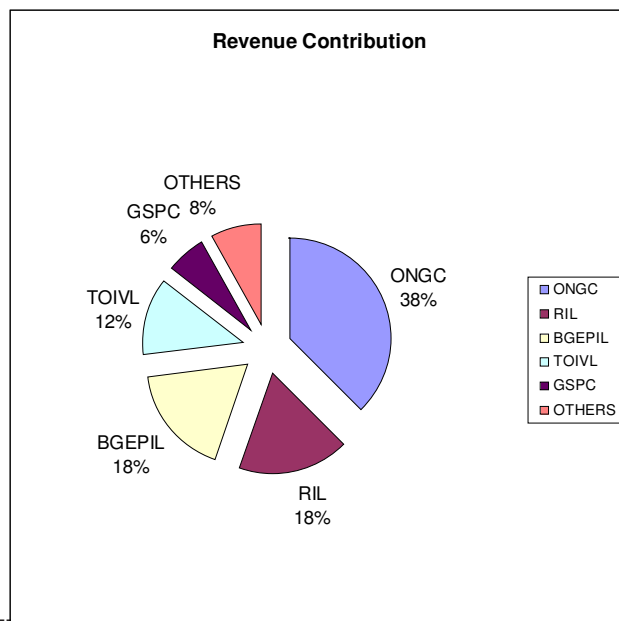
RIL: 80 Hrs per month

GSPC: 50 Hrs per month

BGEPIIL: 100 Hrs per month

TOIVL: 100 Hrs per month

Others: No average assumed



**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against and unauthorized use or disposition of the assets and those transactions are authorised, recorded and reported correctly.

The Company ensure adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Audit Committee of the Board of Directors appraised the adequacy of internal controls.

**FINANCIAL PERFORMANCE**

During the year under review, your Company achieved a total income aggregating to Rs. 19022.07 Lacs as compared to Rs. 14978.54 Lacs. After providing for Depreciation and Finance Charges, the company has registered a Loss before tax of Rs. 429.53 Lacs for the current year as against profit of Rs. 1887.18 Lacs for the previous year. After making provision for tax, the net loss of Rs. 515.50 Lacs for the current year as against a profit of Rs. 1249.69.

**HUMAN RESOURCES**

In Global Vectra Helicorp Limited people are our competitive advantage. Our professional team consists of high caliber employees who take calculated and precise techno-economic decisions.

Our fleet is operated by our very capable crew round-the-clock to maintain the crucial lifeline between offshore and shore base for our customer’s crew based on the high seas.

Regular training and upgrading of skills of our personnel ensure that safety practices conform to the highest industry standards.

We are the first aviation company to be ISO 9001-2000, 14001-2000 & OHSS 18001-1999 certified. This speaks of the quality of work by our capable, competent and committed employees. As of March 31, 2008, the Company has a total workforce of 258 employees.

**CAUTIONARY STATEMENT**

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

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

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

### II. BOARD OF DIRECTORS

The Board of Directors consists of the Chairman, Two - Whole Time Directors, One Non-Executive Director and Four Independent Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name of Director	Category	No. of Board Meeting attended	Last AGM Attended	No. of other Directorship and Committee Membership / Chairmanship		
				Other Directorship	Committee Memberships	Committee Chairmanship
Lt. Gen. (Retd.) SJS Saighal	C	5	Yes	1	None	None
Mr. Rajkumar Menon	WTD	4	No	None	None	None
Mr.Siddharth Om Prakash Verma *	WTD	3	Yes	None	None	None
Mr. Ravinder Kumar Rishi	NED	4	Yes	8	None	None
R.S.S.L.N. Bhaskarudu	ID	4	Yes	5	1	2
Dr. Chandrathil Gouri Krishnadas Nair	ID	3	Yes	7	2	None
Dr. Gautam Sen	ID	4	Yes	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	4	Yes	None	None	None
Captain Dharendra Kumar Chand**	WTD	1	No	None	None	None

C: Chairman, WTD: Whole-time Director, NED: Non-executive Director, ID: Independent Director

- \* Resigned as Director w.e.f. 31-07-2007
- \*\* Appointed as Whole-time Director w.e.f. 30-01-2008

Five Board Meetings were held during the year 2007-08 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

23rd May, 2007      27<sup>th</sup> June, 2007      25<sup>th</sup> July, 2007      30<sup>th</sup> October, 2007      30<sup>th</sup> January, 2008

The event with regards to Constitution of Board of Directors after 31<sup>st</sup> March, 2007, includes appointments of Captain Dharendra Kumar Chand as Additional Director and Whole-time Director with effect from 30<sup>th</sup> January, 2008 by Board of Directors in their meeting held on 30<sup>th</sup> January, 2008.

Mr. Siddharth Om Prakash Verma has resigned with effect from 31<sup>st</sup> July, 2007.

### III. AUDIT COMMITTEE

The Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time. The constitution of the Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

Composition, Name of Members and Chairperson

R.S.S.L.N. Bhaskarudu (Chairman), Mr. Ravinder Kumar Rishi, Dr. Gautam Sen & Maj. Gen. (Retd.) Gurdial Singh Hundal.

During the year the Audit Committee met four times and all the members were present in all the meeting except Mr. Ravinder Kumar Rishi who was not able to attend the Audit Committee meeting held on 30<sup>th</sup> January, 2008.

Maj. Gen. (Retd.) Gurdial Singh Hundal has been appointed as a member of audit committee on 26<sup>th</sup> June, 2008.

The Chief Executive Officer of the Company and Assistant Vice President – Finance and Accounts were invited to attend and participate at meeting of the Committee.

The Company Secretary acts as the Secretary of the Committee.

#### IV. REMUNERATION COMMITTEE

The Remuneration Committee comprised of three members. The Committee has authorised to determine the remuneration package for Executive Directors as well as the remuneration payable to the non-executive Directors from year to year and to distribute the same amongst all or some of the Directors in such proportion or manner as the Committee may decide.

Meetings and attendance during the year

The Remuneration Committee comprises of 3 Directors:

Dr. Gautam Sen (Chairman), Mr. Ravinder Kumar Rishi and Maj. Gen. (Retd.) Gurdial Singh Hundal.

The committee met on 30<sup>th</sup> October, 2007 to approve the remuneration of Lt. Gen. (Retd.) SJS Saighal and Mr. P. Rajkumar Menon. All members were present in the meeting. The committee also met on 30<sup>th</sup> January, 2008 to approve the remuneration of Captain Dharendra Kumar Chand. All members except Mr. Ravinder Kumar Rishi were present in the meeting. The committee confirmed that the remuneration is in accordance with the provisions of Part III of the Schedule XIII of The Companies Act, 1956 and recommended the same to the board.

Remuneration Policy

The Remuneration Policy of the Company for the managerial personnel is primarily based on the following criteria:-

1. Performance of the Company
2. Track record, potential and performance of individual managers and
3. External competitive environment.

Details of remuneration paid to Directors for the year 2007-2008

(Amt. in Rupees)

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees	Remuneration
Lt.Gen. (Retd.)SJS Saighal	Executive Director	1,500,000	125,000	133,130	0	0
Mr. Allan Brown	Chief Executive Officer	4,296,704	321,425	143,797	0	0
Mr. Raj Menon	Executive Director	6,015,000	605,000	49,463	0	0
Mr. Siddharth Verma	Executive Director	900,000	0	11,670	0	0
Mr.R.S.S.L.N. Bhaskarudu	Non-Executive Director	0	0	0	24,485	163,439
Dr.Chandrathil Gouri Krishnadas Nair	Non-Executive Director	0	0	0	24,485	132,189
Maj.Gen.(Retd.) Gurdial Singh Hundal	Non-Executive Director	0	0	0	24,485	134,689
Dr. Gautam Sen	Non-Executive Director	0	0	0	39,485	0
Captain Dharendra Kumar Chand	Executive Director	1,835,678	0	3,097	0	0

#### V. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

This Committee comprising three Directors viz. Dr. Chandrathil Gouri Krishnadas Nair (Chairman), Lt. Gen. (Retd.) SJS Saighal and Mr. R.S.S.L.N. Bhaskarudu. The Committee met three times during the year. The Committee approves and monitors transfer, transmissions, and consolidations etc. of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders.

The Company received 26 Shareholders correspondence / Complaints during the financial year ended 31<sup>st</sup> March, 2008 which was replied to the satisfaction of the concerned shareholders.

Mr. Raakesh Soni, Company Secretary is the Compliance Officer of the Company.

**VI. GENERAL BODY MEETINGS**

Particulars of Annual General Meeting and Extraordinary General Meeting held during the last three years:

General Meeting	Day, Date and Time	Venue	Special Resolutions passed thereat
Annual General Meeting	Wednesday, 25 <sup>th</sup> July, 2007 at 4.00 P.M.	Regency Hall, Lower Lobby Level, Inter Continental The Grand New Delhi, Barakhamba Avenue, Cannaught Place, New Delhi – 110 001	1
Extra Ordinary General Meeting	Thursday, 28 <sup>th</sup> June, 2007 at 2.00 P.M.	A- 54, Kailash Colony, New Delhi – 110 048	2
Extra Ordinary General Meeting	Monday, 16 <sup>th</sup> October, 2006, at 5.00 P.M.	A- 54, Kailash Colony, New Delhi – 110 048	2
Annual General Meeting	Saturday, 30 <sup>th</sup> September, 2006, at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	–
Extra Ordinary General Meeting	Monday, 31 <sup>st</sup> July, 2006 at 5.00 P.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Extra Ordinary General Meeting	Friday, 12 <sup>th</sup> May, 2006 At 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Extra Ordinary General Meeting	Saturday, 20 <sup>th</sup> February, 2006 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Extra Ordinary General Meeting	Thursday, 18 <sup>th</sup> February, 2006 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Extra Ordinary General Meeting	Saturday, 22 <sup>nd</sup> October, 2005 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Annual General Meeting	Friday, 30 <sup>th</sup> September, 2005 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	-
Extra Ordinary General Meeting	Thursday, 18 <sup>th</sup> August, 2005 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1
Extra Ordinary General Meeting	Monday, 20 <sup>th</sup> June, 2005 at 11.00 A.M.	A- 54, Kailash Colony, New Delhi – 110 048	1

During the Financial year 2007-2008, the Company has not passed any Resolution through postal ballot.

**VII. CODE OF CONDUCT**

The Code of Conduct for the Directors and Employees of the Company is posted on the Website of the Company.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Global Vectra Helicorp Limited Code of Conduct for the financial year ended March 31, 2008.

Lt.Gen.(Retd.) SJS Saighal  
Chairman

Place : London

Date : 26<sup>th</sup> June, 2008

**VIII. CEO / CFO CERTIFICATE**

Certificate from CEO and CFO for the financial year ended March 31, 2008 has been provided elsewhere in the Annual Report.

**IX. DISCLOSURES**

## a) Related Party Transactions

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

## b) Compliances by the Company

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

## c) Proceeds from public issues

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

## d) The Company has complied with all the mandatory requirements and has adopted non-mandatory requirements as

per details given below:

**1. The Board**

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

There is no fixed tenure for Independent Directors.

**2. Remuneration Committee**

The Company has constituted Remuneration Committee as detailed in IV to the report. The Committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges.

**3. Shareholders' Right**

The quarterly financial results are published in the news papers as mentioned under the heading "Means of Communication" at Sl. No. X herein below and also displayed on the website of the Company. The results are not separately circulated to the shareholders.

**4. Audit qualification**

There are audit qualifications in the Company's financial statements for the year under reference and the same has been explained by the Board in Directors' Report.

**5. Training of Board Members**

No specific training programme was arranged for Board Members. However, at the Board / Committee meetings detailed presentation are made by Professional, Senior Executives of the Company on the business related matters, risk assessment, strategy, effect of the regulatory changes, etc.

**6. Mechanism for evaluation of non-executive Board Members**

The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Directors.

**7. Whistle Blower Policy**

The Company has laid down a Code of Conduct for all its employees across the organisation. The Code of Conduct of the Company lays down that the employees shall promptly report any concern or breach and suggests not to hesitate in reporting a violation or raising a policy concern to the Code Compliance Cell or concerned superior. The Code provides that the Company shall support and protect employees for doing so. The Code has been rolled out across the Organisation. Further during the year 2007-2008, no employee was denied access to the Audit Committee of the Company.

**X. MEANS OF COMMUNICATION**

Quarterly results are normally published in Financial Express ( in English ) and Jan Satta ( in Hindi ) and also display on the website of the Company. The audited results for the year are published in the above newspapers.

Management Discussion and Analysis Report forms part of the Director's Report.

**XI. GENERAL SHAREHOLDER INFORMATION**

**a. 10<sup>th</sup> Annual General Meeting**

Date :- 25<sup>th</sup> September, 2008

Time :- 2.30 p.m.

Venue :- ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110065

No Special Resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

**b. Financial Calendar**

Adoption of Quarterly Results is proposed in the 3<sup>rd</sup>/ 4<sup>th</sup> week of the quarter ending

June 30, 2008 July, 2008

September 30, 2008 October, 2008

December 31, 2008 January, 2009

March, 2009 June, 2009

**c. Date of Book Closure** : 24<sup>th</sup> September, 2008 to 25<sup>th</sup> September, 2008

**d. Listing on Stock Exchanges**

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

The Company confirms that it has paid annual listing fees due to the Stock Exchanges for the year 2008-2009.

**e. Stock code**

1. The National Stock Exchange of India Ltd. GLOBALVECT

2. Bombay Stock Exchange Limited 532773

**f. Market Price Data**

Share prices of the Company for the Financial Year from April'2007 to March, 2008

Month	NSE		BSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April, 2007	259.65	224.05	259.95	224.00
May, 2007	282.50	229.80	282.55	228.40
June, 2007	302.80	235.25	301.00	234.00
July, 2007	244.90	198.10	245.00	198.00
August, 2007	212.50	163.15	213.50	155.25
September, 2007	208.00	172.55	203.00	175.10
October, 2007	185.80	150.90	186.00	150.00
November, 2007	163.00	131.40	163.00	132.00
December, 2007	191.85	134.00	193.00	133.00
January, 2008	190.75	109.00	191.00	114.20
February, 2008	125.00	99.10	127.00	99.00
March, 2008	102.50	58.00	104.00	57.25

**g. Registrar and Transfer Agents** : Intime Spectrum Registry Limited  
C-13 Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W)  
Mumbai 400 078

**h. Share Transfer system**

Shares lodged for transfer at the Registrars' address are normally processed within 21 days from the date of lodgement, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days from the date of lodgement, if the documents are clear in all respects.

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

**Distribution of Shareholding as on March 31st, 2008**

Category	No. of shares Held	Percentage of shareholding
<b>A. Promoter's holding</b>		
1. Promoters		
- Indian Promoters	6720000	48.00
- Foreign Promoters	3780000	27.00
2. Persons acting in Concert	Nil	Nil
<b>Sub-Total</b>	<b>10500000</b>	<b>75.00</b>
<b>B. Non-Promoters Holding</b>		
3. Institutions Investors		
a. Mutual Fund and UTI	341363	2.44
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	3000	0.02
c. FIs	192075	1.37
<b>Sub-Total</b>	<b>536438</b>	<b>3.83</b>
4. Non-institutions Investors		
a. Private Corporate Bodies	664827	4.75
b. Indian Public	2151741	15.37
c. NRIs / OCBs	73903	0.53
d. Any other (Clearing Member)	73091	0.52
<b>Sub-Total</b>	<b>2963562</b>	<b>21.17</b>
<b>GRAND TOTAL</b>	<b>14000000</b>	<b>100.00</b>

Shareholding of Nominal Values Rupees	Shareholders		Amount	
	Number	% of Total	Rupees	% of Total
1 - 5000	11954	94.341	12586650	8.990
5001 - 10000	397	3.133	3146550	2.248
10001 - 20000	188	1.484	2788020	1.991
20001 - 30000	39	0.308	983330	0.702
30001 - 40000	21	0.166	756290	0.540
40001 - 50000	25	0.197	1177630	0.841
50001 - 100000	22	0.174	1485580	1.061
1000001 – Above	25	0.197	117075950	83.626
<b>TOTAL</b>	<b>12671</b>	<b>100.000</b>	<b>140000000</b>	<b>100.000</b>

**j. Dematerialisation of shares**

The shares of the Company are available for dematerialization and Agreements have been signed with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). 92.03 % of the Company's shares are held in dematerialized mode. Trading in dematerialized form is compulsory for all investors. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL

**k. International Securities Identification Number**

INE792H01019 (with NSDL and CDSL)

**l. Address of Correspondence**

1. To the Company – Corporate Office  
Global Vectra Helicorp Limited  
B-314, 3<sup>rd</sup> Floor, Sunder Villa,  
19, S.V. Road, Santacruz ( West )  
Mumbai – 400 054  
Telephone No. – 91-22-26611293  
Fax No. - 91-22-26611282  
E-mail – raakesh@gvhl.net  
Business Hours – 9.30 A.M to 6.00 P.M.

2. To Registrar and Share Transfer Agent  
Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup ( West )  
Mumbai – 400 078  
Telephone No.- 91-22- 2596 0320  
Fax No. – 91-22-2596 0329  
E-mail –isrl@intimespectrum.com  
Business Hours -10.00 A.M. to 5.00 P.M.

**For and on behalf of the Board**

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

**P. Raj Kumar Menon**  
**Whole-Time Director**

**Place: London**

**Date: 26<sup>th</sup> June, 2008**



## CERTIFICATION BY CEO/CFO

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

### RE: - CERTIFICATION BY CEO / CFO FOR THE FINANCIAL YEAR 2007-2008

We Mr. David Hayler, Chief Executive Officer and Mr. Rajesh Maheshwari, Assistant Vice President Finance and Accounts of Global Vectra Helicorp Limited to the best of our knowledge and belief, certify that:

- a We have reviewed the Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit and Loss Account, Cash Flow Statement and the Directors' Report for the financial year 2007-2008 and based upon our knowledge and information confirm that
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c We accept responsibility for establishing and maintaining internal controls for financial reporting for the company and we have
- (i) evaluated the effectiveness of internal control systems of the company
  - (ii) disclosed to the auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which they are aware and
  - (iii) necessary steps taken or propose to take to rectify these deficiencies.
- d We have indicated to the auditors and the audit committee of the Board that there have been
- (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year, except the change due to the Accounting Standard 11 on effect of changes in foreign exchange rates which had become part of the Companies (Accounting Standard) Rules, 2006 vide notification dated 7<sup>th</sup> December, 2006 issued by Ministry of Company affairs and made applicable with effect from 1<sup>st</sup> April, 2007. Accordingly, exchange gain is higher and loss before tax is lower by Rs 54,805,856 (previous year Nil) which hitherto was adjusted against the value of fixed assets;
  - (iii) no instances of significant fraud of which we have become aware and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system.

(Mr. David Hayler)  
Chief Executive Officer

(Mr. Rajesh Maheshwari)  
Assistant V.P. – Finance and Accounts

Place:- London  
Date:- 26<sup>th</sup> June, 2008

Mumbai  
26<sup>th</sup> June, 2008

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of  
GLOBAL VECTRA HELICORP LIMITED  
A-54, Kailash Colony,  
New Delhi – 110 048

We have examined the compliance of conditions of Corporate Governance by GLOBAL VECTRA HELICORP LIMITED ('the Company') for the year ended on March 31, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibilities of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the company, we certify that the Company has complied with the conditions of Corporate Governance as Clause 49 stipulated in the above mentioned Listing Agreement.

We state that as per the records maintained by the Registrar and Share Transfer Agents of the Company and presented by the Shareholders / Investors Grievance Committee, no investors grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs the Company.

For and on behalf of

Martinho Ferrao & Associates  
Company Secretaries

Martinho Ferrao  
Proprietor  
Membership No. 11011

COP No. 5676

Place : Mumbai  
Dated: - June 26, 2008

## Auditors' Report

To the Members of  
Global Vectra Helicorp Limited

We have audited the attached balance sheet of Global Vectra Helicorp Limited ('the Company') as at 31 March 2008 and the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e) on the basis of written representations received from directors of the Company as of 31 March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- f) as more fully explained in note 16.6 to the financial statements, a customer has retained liquidated damages of Rs 178,195,590 (previous year: Rs 167,046,623) in accordance with the terms of agreement with the Company. No provision has been made for the liquidated damages as at 31 March 2008, as the management believes that the same will be waived by the customer;
- g) as more fully explained in note 16.7 to the financial statements, the Company has provided helicopter charter services aggregating Rs 67,059,667 (previous year: Nil) to a private limited company covered under Section 297 of the Act. The Company is awaiting Central Government approval in respect of such services rendered; and
- h) as more fully explained in Note 10.1 of Schedule 16, at 31 March 2008 the Company has paid managerial remuneration to a Whole Time Director in excess of the limits prescribed under Section 198 of the Act aggregating Rs 1,869,463. The Company is in the process of applying to the Central Government for approval of the excess remuneration; and
- i) in our opinion, and to the best of our information and according to the explanations given to us, subject to adjustments, if any, which may arise from the matters referred to in (f), (g) and (h) above, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2008;
  - ii) in the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
  - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

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

**Akeel Master**  
Partner  
Membership No: 046768

Place : Mumbai  
Dated: - June 26, 2008

## Annexure to the Auditors' Report – 31 March 2008

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were substantial, however, it does not affect the going concern assumption.
- (ii) (a) The inventory of stores, spares and consumables except for stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year- end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of accounts.
- (iii) (a) The Company has granted loan to one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 4,400,000 and the year-end balance of such loan was Rs Nil.
- (b) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the aforesaid company listed in the register maintained under Section 301 of the Act is not, prima facie, prejudicial to the interests of the Company.
- (c) Loan granted to the company covered in the register maintained under Section 301 of the Act does not have stipulations with regard to the repayment of principal and repayment amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.
- (d) There is no overdue amount of more than Rupees one lakh in respect of loans granted to the company listed in the register maintained under Section 301 of the Act.
- (e) The Company has taken unsecured loans from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 15,500,000 and the year-end balance of such loans was Rs 10,500,000.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from the aforesaid company covered in the register maintained under Section 301 of the Act are not, prima facie prejudicial to the interest of the Company.
- (g) Loans taken from the company covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and repayment amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of spares are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of spares and fixed assets and with regard to the sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh, with any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchases of certain items of spares and for obtaining information technology services, which are of specialised nature that are required by the Company and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any public deposits from the public.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Employee State Insurance, Profession Tax, Custom Duty and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Income Tax have generally been regularly deposited during the period by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Excise Duty, Investor Education and Protection Fund, Sales-tax, Service tax and Wealth tax.
- There were no dues on account of cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Employees' State Insurance, Profession Tax, Cess, Custom duty and other material statutory dues were in arrears as at 31 March 2008 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Excise Duty, Investor Education and Protection Fund, Sales-tax, Service tax and Wealth tax.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Sales-tax, Service tax and Excise duty.
- (x) The accumulated losses of the Company are not more than fifty percent of its networth at the end of the financial year and it has not incurred cash losses in the financial year and in the immediately preceding financial year. The accumulated losses and networth has been arrived at after considering the effect of the qualification stated in paragraph (f) of the Auditors' Report.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- (xii) Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that acceptances have financed part of the fixed assets purchased pending regulatory approvals for obtaining external commercial borrowings. Subsequent to the year-end, the Company has initiated the process of converting the aforesaid acceptances into external commercial borrowings.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For BSR & Co.**  
Chartered Accountants

**Akeel Master**  
Partner

Membership No: 046768

Place : Mumbai

Dated : - June 26, 2008

**Balance Sheet as at 31 March 2008**

Particulars	Schedule	Amount in Rupees	
		31 March 2008	31 March 2007
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	2	140,000,000	140,000,000
Reserves and surplus	3	<u>585,132,459</u>	<u>635,442,284</u>
		<b>725,132,459</b>	<b>775,442,284</b>
<b>Loan funds</b>			
Secured loans	4	2,680,103,591	2,511,867,900
Unsecured loans	5	104,185,676	69,760,192
<b>Deferred tax liability (net)</b>	6	<u>110,350,258</u>	<u>106,819,684</u>
		<b>3,619,771,984</b>	<b>3,463,890,060</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	7	4,050,288,854	3,240,334,090
Accumulated depreciation		<u>(522,195,355)</u>	<u>(303,434,840)</u>
Net block		<b>3,528,093,499</b>	<b>2,936,899,250</b>
Capital work in progress (includes capital advances)		<u>339,313,598</u>	<u>167,705,416</u>
		<b>3,867,407,097</b>	<b>3,104,604,666</b>
<b>Current assets, loans and advances</b>			
Inventories	8	94,350,785	64,280,224
Sundry debtors		368,107,032	342,011,670
Cash and bank balances		7,681,271	12,871,961
Loans and advances		<u>798,411,884</u>	<u>300,798,804</u>
		<b>1,268,550,972</b>	<b>719,962,659</b>
<b>Current liabilities and provisions</b>			
Current liabilities	9	1,497,189,038	348,923,371
Provisions	10	<u>18,997,047</u>	<u>11,753,894</u>
		<b>1,516,186,085</b>	<b>360,677,265</b>
<b>Net current (liabilities) / assets</b>		<u>(247,635,113)</u>	<u>359,285,394</u>
		<b>3,619,771,984</b>	<b>3,463,890,060</b>
Significant Accounting Policies	1		
Notes to Accounts	16		

The schedules referred to above form an integral part of the balance sheet.

As per our report attached

**For BSR & Co.**

**Chartered Accountants**

**For and on behalf of the board**

**Akeel Master**  
Partner  
Membership No. 046768

**Raakesh D. Soni**  
(Company Secretary)

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

**P. Rajkumar Menon**  
(Whole Time Director)

Place : Mumbai  
Date : 26 June 2008

Place : Mumbai  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

## Profit and Loss Account for the year ended on 31 March 2008

Amount in Rupees

Particulars	Schedule	31 March 2008	31 March 2007
<b>INCOME</b>			
Service income		1,795,364,838	1,493,691,392
Other income	11	106,843,136	4,162,329
		<u>1,902,207,974</u>	<u>1,497,853,721</u>
<b>EXPENDITURE</b>			
Service costs	12	719,968,028	534,914,179
Personnel costs	13	418,718,893	219,988,909
General and administrative expenses	14	204,459,107	72,237,273
Financial costs	15	367,662,838	324,908,721
Depreciation	7	234,351,548	157,086,229
		<u>1,945,160,414</u>	<u>1,309,135,311</u>
<b>(LOSS) / PROFIT FOR THE YEAR BEFORE TAXATION</b>		<b>(42,952,440)</b>	<b>188,718,410</b>
<b>PROVISION FOR TAXES</b>			
Current tax			
- current year		-	21,174,206
- earlier years		837,375	-
MAT credit		-	(21,174,206)
Deferred tax charge		2,891,127	60,833,832
Fringe benefit tax		4,870,000	2,915,195
<b>(LOSS) / PROFIT FOR THE YEAR AFTER TAXATION</b>		<b>(51,550,942)</b>	<b>124,969,383</b>
Balance in profit and loss account brought forward		194,215,948	69,246,565
Effect of transitional provisions on implementation of Accounting Standard 15 (revised) (refer note 16.9)			
- Gratuity (credit)		1,416,811	-
- Leave encashment (credit)		463,387	-
- Deferred tax on above		(639,081)	-
<b>Amount available for appropriation</b>		<b>143,906,123</b>	<b>194,215,948</b>
<b>Balance in profit and loss account carried forward</b>		<b>143,906,123</b>	<b>194,215,948</b>
<b>Earnings per share</b>			
Basic and diluted (refer note 16.3 - Notes to Accounts) (Rs)		(3.68)	10.03
Face value per share - Rs 10			
Significant Accounting Policies	1		
Notes to Accounts	16		
The schedules referred to above form an integral part of the profit and loss account.			

As per our report attached

For BSR &amp; Co.

Chartered Accountants

For and on behalf of the board

**Akeel Master**  
Partner  
Membership No. 046768

**Raakesh D. Soni**  
(Company Secretary)

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

**P. Rajkumar Menon**  
(Whole Time Director)

Place : Mumbai  
Date : 26 June 2008

Place : Mumbai  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

## Cash Flow statement for the year ended 31 March 2008

(Currency : Amount in Rupees)

PARTICULARS	31 March 2008	31 March 2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(42,952,440)	188,718,410
Adjustments:		
Depreciation	234,351,548	157,086,229
Interest income	(8,293,860)	(2,774,000)
Sundry balances written back	(515,009)	-
Insurance claim	(13,221,775)	-
Finance lease cost	270,454,846	263,605,812
Interest expenses	92,595,524	58,032,102
Provision for gratuity	4,977,358	5,034,860
Provision for leave encashment	2,191,185	859,510
Provision for doubtful debts and advances	53,974,017	-
Profit on sale of fixed assets (net)	(84,751,390)	-
Unrealised exchange loss (net)	66,826,005	7,178,485
	<u>618,588,449</u>	<u>489,022,998</u>
Operating cash flow before working capital changes	575,636,009	677,741,408
(Increase) in sundry debtors	(80,355,287)	(189,859,918)
(Increase) / decrease in inventories	(30,070,561)	5,353,583
Decrease / (increase) in other current assets	6,242,622	(113,041,708)
Increase in sundry creditors	262,134,244	117,460,172
Increase in other current liabilities	78,390,916	6,743,986
Decrease in provisions	(845,198)	-
Cash generated from/ (used in) operations	235,496,736	(173,343,885)
Income taxes paid (net)	(61,784,466)	(33,552,731)
<b>Net cash generated from operating activities</b>	<u>749,348,278</u>	<u>470,844,792</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(446,219,909)	(365,206,436)
Proceeds from sale of fixed assets	40,485,000	-



## Cash Flow statement for the year ended 31 March 2008(contd..)

PARTICULARS	31 March 2008	31 March 2007
Interest received	6,186,559	1,477,843
<b>Net cash (used in) investing activities</b>	<b>(399,548,350)</b>	<b>(363,728,593)</b>
<b>Cash flows from financing activities</b>		
Increase in share capital	-	518,000,000
Expenses on issue of share capital adjusted against share premium	-	(46,356,823)
Increase in overdraft facility	56,747,181	165,900,104
Proceeds from short - term borrowings	25,000,000	-
Proceeds from long - term borrowings	83,000,000	80,162,866
Repayment of long - term borrowings	(93,038,576)	(137,500,000)
Principal repayment under finance lease	(217,909,455)	(228,360,307)
Finance lease cost paid	(153,373,062)	(236,416,837)
Interest paid	(65,016,199)	(56,051,027)
Borrowings from/ (repayments to) group companies	10,500,000	(185,294,712)
(Repayments) / increase in vehicle loan	(900,507)	718,969
<b>Net cash (used in) financing activities</b>	<b>(354,990,618)</b>	<b>(125,197,767)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(5,190,690)</b>	<b>(18,081,568)</b>
<b>Cash &amp; cash equivalents at beginning of period (refer note)</b>	<b>6,621,961</b>	<b>24,703,529</b>
<b>Cash &amp; cash equivalents at end of period (refer note)</b>	<b>1,431,271</b>	<b>6,621,961</b>
	<b>5,190,690</b>	<b>18,081,568</b>

**Note:**

Cash and cash equivalents consists of cash on hand, bank balances in current account and in deposit account amounting to Rs 425,099, Rs 1,006,172 and Nil (previous year Rs 351,222, Rs 2,720,365 and Rs 3,550,374 respectively) at the end of the period respectively.

As per our report attached

**For BSR & Co.****Chartered Accountants****For and on behalf of the board**

**Akeel Master**  
Partner  
Membership No. 046768

**Raakesh D. Soni**  
(Company Secretary)

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

**P. Rajkumar Menon**  
(Whole Time Director)

Place : Mumbai  
Date : 26 June 2008

Place : Mumbai  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

Place : London  
Date : 26 June 2008

## **Schedules to financial statements for the year ended 31 March 2008**

(Currency : Indian Rupees)

### **Background**

Global Vectra Helicorp Limited ('the Company') was incorporated in 1998 as a private limited company and is currently a public listed company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. The Company is mainly engaged in helicopter charter services for offshore transportation servicing the oil and gas exploration and production sector in India.

## **1 Significant accounting policies**

### **1.1 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 the accounting principles generally accepted in India and comply with the Accounting Standards (AS) prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The financial statements are presented in Indian rupees.

### **1.2 Use of estimates**

The preparation of 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.

### **1.3 Fixed assets and depreciation**

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any other attributable costs such as freight, duties and taxes (to the extent not recoverable from tax authorities), borrowing costs and expenses incidental to acquisition, installation of the asset up to the time the assets are ready for their intended use.

Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV of the Act except for leasehold improvements which are depreciated over the primary lease period.

Major component parts of a helicopter which require replacement at regular intervals are identified and depreciated separately over their respective estimated remaining useful life. Accordingly, rotor heads are segregated from the helicopters and depreciated over 5,000 hours, being their estimated useful life.

Assets costing up to Rs 5,000 are depreciated fully in the year of their purchase.

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

Advance paid/ expenditure incurred on acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under capital work in progress.

### **1.4 Impairment of assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### **1.5 Structural fees**

Structural fees are amortized over the tenure of the debt.

**1.6 Maintenance 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.

**1.7 Inventories**

Inventories comprise of spares and are valued at lower of cost and net realizable value. Cost is determined on the basis of specific identification method.

**1.8 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.

**1.9 Employee benefits****(a) Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

**(b) Post employment benefits**

Defined contribution plans:

The Company makes specified monthly contributions towards employee provident fund and employees' state insurance corporation ('ESIC'). The interest rate payable is being notified by the Government. The Company's contribution paid / payable under the scheme is recognised as an expense in the profit and loss account during the period in which the employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit and loss account.

Long term employment benefits:

The Company's net obligation in respect of long-term employment benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

**1.10 Foreign currency transactions**

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

The premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract.

### **1.11 Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.12 Taxes**

Taxes comprises current tax, deferred tax and fringe benefits tax.

Current taxes

Current tax provision is made annually based on the tax liability computed in accordance with provisions of the Income tax Act, 1961.

Deferred taxes

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that they will be realized in future; however, where there is unabsorbed depreciation or carry 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.

Fringe benefits tax

Provision for Fringe Benefits Tax ('FBT') is made on the basis of applicable FBT on the taxable value of specified expenses of the Company as prescribed under the Income Tax Act, 1961.

### **1.13 Leases**

Lease rentals in respect of assets acquired under operating lease are charged off to the profit and 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. Lease assets are amortised over the period of the lease.

### **1.14 Earnings per share ('EPS')**

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti dilutive.

### **1.15 Provisions and contingencies**

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized/ disclosed in the financial statements.

## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>SCHEDULE 2 : SHARE CAPITAL</b>		
<b>Authorised capital:</b>		
25,000,000 (previous year : 25,000,000) Equity shares of Rs 10 each	<b>250,000,000</b>	250,000,000
<b>Issued, subscribed and paid up:</b>		
14,000,000 (previous year : 14,000,000) Equity shares of Rs 10 each fully paid up	<b>140,000,000</b>	140,000,000
	<b>140,000,000</b>	140,000,000
Of the above :		
- 3,200,000 (previous year : 3,200,000) Equity shares of Rs 10 each were allotted as fully paid up bonus shares by utilisation of reserves and surplus Rs 32,000,000 (previous year: Rs 32,000,000).		
- 2,800,000 (previous year : 2,800,000) Equity shares of Rs 10 each were allotted as fully paid up pursuant to the Initial Public Offer.		
- 6,719,950 (previous year: 6,719,950) Equity shares of Rs 10 each, fully paid up, are held by Vectra Investments Private Limited and 3,780,000 (previous year : 3,780,000) Equity shares of Rs 10 each, fully paid up, are held by Azal Azerbaijan Aviation Limited, Promoter Companies.		
<b>Schedule 3 : Reserves and surplus</b>		
<b>Profit and loss account</b>		
At the commencement of the year	<b>194,215,948</b>	69,246,565
Effect of transitional provisions on implementation of Accounting Standard 15 (revised) (refer note 16.9)		
- Gratuity (credit)	<b>1,416,811</b>	-
- Leave encashment (credit)	<b>463,387</b>	-
- Deferred tax on above	<b>(639,081)</b>	-
(Loss) / profit for the year after taxation	<b>(51,550,942)</b>	124,969,383
	<b>143,906,123</b>	194,215,948
<b>Securities premium account</b>		
At the commencement of the year	<b>441,226,336</b>	-
Premium on shares issued during the year	-	490,000,000
	<b>441,226,336</b>	490,000,000
Less: Expenses incurred for issue of share capital	-	(48,773,664)
	<b>441,226,336</b>	441,226,336
	<b>585,132,459</b>	635,442,284

## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>Schedule 4 : Secured loans</b>		
<b>Loans and advances from a bank</b>		
Term loan*	54,950,000	93,750,000
(Term loan is repayable over a period of four years commencing from October 2005) Amount repayable within one year Rs 37,500,000 (previous year Rs : 37,500,000)		
External Commercial Borrowings ('ECB')*	167,659,649	213,354,304
('ECB's of JPY 441,750,000 and JPY 116,000,000 are repayable in sixteen quarterly installments commencing at the end of fifteen months from 28th May, 2007) Amount repayable within one year Rs 53,338,576 (previous year : Rs 53,338,576)		
Cash credit and overdraft facilities*	292,254,392	235,507,211
<b>Term loan from a financial institution**</b>		
SREI Infrastructure Finance Limited	83,000,000	-
(repayable in five years for 70% of principal amount and bullet repayment of balance 30% at the end of five years. Amount repayable within one year Rs 8,128,814 (previous year : Nil)		
<b>Other loans and advances</b>		
Finance lease obligations (refer note 16.14)	1,910,927,120	1,914,327,750
Interest accrued and due on finance lease obligations	169,398,019	52,113,717
Vehicle finance loans***	1,914,411	2,814,918
( Amount repayable within one year Rs 937,356 (previous year : Rs 889,384))		
	<b>2,680,103,591</b>	<b>2,511,867,900</b>

\*Secured by a pari-passu charge of the followings:

- Exclusive charge over the three (previous year : three) bell helicopters, one Eurocopter (previous year : Nil).
- Exclusive charge over Nil (previous year : fourth & fifth) helicopter to be charged as and when they are procured.
- Specific assignment of book debts relating to four (previous year : three) helicopters being charged. Receivable from Nil (previous year : fourth & fifth) helicopters to be charged to bank as and when it is procured.
- Security margin equivalent to a fixed deposit of Rs 6,250,000 (previous year: Rs 6,250,000).
- Hypothecation of stock / inventory and book debts.

\*\*Secured by specific assignment of book debts and exclusive charge over one helicopter (previous year : Nil).

\*\*\*Secured by hypothecation of vehicles acquired under the respective loans.

## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>Schedule 5 : Unsecured loans</b>		
Short term loan from a bank *	25,000,000	-
<b>Other loans and advances</b>		
Loan from other companies		
- repayable within one year Rs 40,450,000 (previous year : Rs 41,350,000) **	40,450,000	41,350,000
- repayable within one year Rs 22,587,826 (previous year : Rs 11,293,913)	22,587,826	22,587,826
Loan from group companies		
- repayable within one year Rs 5,647,850 (previous year : Rs 5,822,366) ***	5,647,850	5,822,366
- repayable within one year Rs 10,500,000 (previous year: Nil)	10,500,000	-
	<u>104,185,676</u>	<u>69,760,192</u>

\* The short term loan from a bank is backed by first and exclusive lien on fixed deposit of Rs 30,600,000 (previous year : Nil) of a director.

\*\* The Loan from a company is backed by stand by letter of credit issued by Vectra Limited, Promoter Company.

\*\*\* The Company had incurred various expenses pertaining to spare parts purchase and helicopter maintenance, some of which were paid by the group companies directly to the third parties. The said amounts have been converted into loans and will be governed by Reserve Bank of India Circular No. RBI/2004/154/AP(Direct Services) Circular No. 87 dated 17/04/2004.

### Schedule 6 : Deferred tax liability (Net)

The components of deferred tax balances are as follows:

Deferred tax liabilities :		
Excess of lease rentals allowable under the Income tax Act, 1961 over book depreciation and interest charged on the leased assets	43,860,654	23,028,818
Difference between book depreciation and depreciation as per the Income tax Act, 1961.	186,530,578	84,395,393
Total deferred tax liabilities	<u>230,391,232</u>	<u>107,424,211</u>
Deferred tax assets :		
Provision for doubtful debts and advances	18,345,768	-
Unabsorbed depreciation	98,165,828	-
Carry forward business loss	2,036,879	-
Others	1,492,499	604,527
Total deferred tax assets	<u>120,040,974</u>	<u>604,527</u>
	<u>110,350,258</u>	<u>106,819,684</u>

## Schedules annexed to and forming part of the Financial Statements

### SCHEDULE 7 : FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2007	Additions During the Year	Deductions During the Year	As at March 31, 2008	As at April 1, 2007	For the Year	Disposals during the year	As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Building - temporary	6,223,418	-	-	6,223,418	6,223,418	-	-	6,223,418	-	-
Plant and machinery	3,153,945	6,608,660	-	9,762,605	576,850	304,293	-	881,143	8,881,462	2,577,095
Furniture and fixtures	2,384,700	6,101,205	-	8,485,905	548,017	471,327	-	1,019,344	7,466,561	1,836,683
Helicopters - Owned	709,311,743	870,024,789	408,680,143	1,170,656,389	109,643,402	70,494,956	15,225,342	164,913,016	1,005,743,373	599,668,341
Helicopters - Leased assets	2,509,981,049	335,486,470	-	2,845,467,519	184,607,205	161,892,771	-	346,499,976	2,498,967,543	2,325,373,844
Computers	3,054,922	964,283	-	4,019,205	1,051,403	601,644	-	1,653,047	2,366,158	2,003,519
Vehicles	6,224,313	-	550,500	5,673,813	784,545	586,557	365,691	1,005,411	4,668,402	5,439,768
	<b>3,240,334,090</b>	<b>1,219,185,407</b>	<b>409,230,643</b>	<b>4,050,288,854</b>	<b>303,434,840</b>	<b>234,351,548</b>	<b>15,591,033</b>	<b>522,195,355</b>	<b>3,528,093,499</b>	<b>2,936,899,250</b>
(Previous year figures)	1,791,051,475	1,449,282,615	-	3,240,334,090	146,348,611	157,086,229	-	303,434,840	2,936,899,250	
<b>Capital work in progress, including capital advances</b>									<b>339,313,598</b>	<b>167,705,416</b>
(refer note 2 below)										

#### Notes:

- 1) An amount of Nil (previous year: Rs 40,528,304) representing the exchange gain attributable to fixed assets has been adjusted in the carrying amount of the respective fixed assets during the year.
- 2) Capital work in progress includes capital advances amounting to Rs 189,270,000 (previous year: Rs 163,670,848)



## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>Schedule 8 : Current assets, loans and advances</b>		
<b>Inventories</b>		
Consumables, spares and shop supplies	94,350,785	64,280,224
	<u>94,350,785</u>	<u>64,280,224</u>
<b>Sundry debtors (unsecured) *</b>		
Debts outstanding for a period exceeding six months		
- Considered good	168,819,358	3,639,500
- Considered doubtful	32,278,176	-
	<u>201,097,534</u>	<u>3,639,500</u>
Other debts		
- Considered good	199,287,674	338,372,170
- Considered doubtful	17,378,659	-
	<u>216,666,333</u>	<u>338,372,170</u>
Less: Provision for doubtful debts	49,656,835	-
	<u>368,107,032</u>	<u>342,011,670</u>
<b>Cash and bank balances</b>		
Cash in hand	425,099	351,222
Balance with scheduled banks		
- in current accounts	895,917	354,828
- in exchange earners' foreign currency account	110,255	2,365,537
- in deposit accounts **	6,250,000	9,800,374
	<u>7,681,271</u>	<u>12,871,961</u>
<b>Loans and advances (unsecured)</b>		
Advances recoverable in cash or in kind or for value to be received ***	440,825,184	31,132,362
Advances to Suppliers		
- Considered good	22,590,939	22,233,739
- Considered doubtful	4,317,182	-
	<u>26,908,121</u>	<u>22,233,739</u>
Tax deducted at source (net of provision for tax of Rs 32,510,033 (previous year : Rs 32,510,033))	93,127,405	34,258,134
MAT credit entitlement	21,174,206	21,174,206
Insurance claim receivable	13,221,775	-
Interest receivable	3,550,780	1,443,479
Prepaid expenses	18,238,828	27,591,271
Sundry deposits ****	119,032,547	96,315,393
Inter corporate deposit	66,650,220	66,650,220
	<u>802,729,066</u>	<u>300,798,804</u>
Less: Provision for doubtful advances	4,317,182	-
	<u>798,411,884</u>	<u>300,798,804</u>
	<u>1,268,550,972</u>	<u>719,962,659</u>

\* Sundry debtors includes amount receivable from Vectra Limited, UK, Rs 4,422,922 (previous year: Rs 13,953,600) and from Vectra Aviation Private Limited Rs 11,728 (previous year: Nil) being body corporates under the same management as defined under Section 370 (1B) of the Companies Act, 1956.

## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

### Particulars

31 March 2008 31 March 2007

#### Schedule 8 : Current assets, loans and advances(Contd..)

(Maximum amount outstanding during the year from Vectra Limited, UK, Rs 19,753,500 (previous year: Rs 19,143,300) and from Vectra Aviation Private Limited Rs 37,822,422 (previous year: Nil ).

\*\* The fixed deposit of Rs 6,250,000 (previous year: Rs 6,250,000) is pledged as a security against credit facilities from bank and Nil (previous year: Rs 3,550,374) as balance of unutilised money out of the public issue of equity shares in October 2006.

\*\*\* Advances recoverable in cash or in kind or for value to be received includes amount receivable from Vectra Limited, Hongkong, Rs 433,974,275 (previous year: Nil), Vectra Limited, UK, Nil (previous year: Rs 22,572,659) and from Vectra Advanced Engineering Private Limited Nil (previous year: Rs 4,396,710) being body corporates under the same management as defined under Section 370 (1B) of the Companies Act, 1956. (Maximum amount outstanding during the year from Vectra Limited, Hongkong Rs 477,257,000 (previous year: Nil), Vectra Limited, UK, Rs 22,572,659 (previous year: Rs 22,572,659) and from Vectra Advanced Engineering Private Limited Rs 4,396,710 (previous year: Rs 17,350,692)).

\*\*\*\* Sundry deposits includes amount receivable from Vectra Limited, UK, Rs 40,769,400 (previous year: Rs 44,166,000) being a body corporate under the same management as defined under Section 370 (1B) of the Companies Act, 1956. (Maximum amount outstanding during the year Rs 44,166,000 (previous year: Rs 45,971,400).

#### Schedule 9 : Current liabilities

Acceptances	750,771,000	-
(Secured by a pari-passu charge on one (previous year: Nil) helicopter)		
Sundry creditors		
- Dues to small scale industrial undertakings	-	-
- Dues to Micro, Small and Medium enterprises*	-	-
- Others	542,209,491	253,814,573
Advances from customers	1,148,702	476,757
Interest accrued but not due	4,797,519	3,915,936
Securities deposits	71,181,922	52,133,200
Other current liabilities	127,052,954	38,526,805
Share application money payable	27,450	56,100
	<u>1,497,189,038</u>	<u>348,923,371</u>

\* Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:

Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-

## Schedules annexed to and forming part of the Financial Statements

### Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>Schedule 9 : Current liabilities (Contd..)</b>		
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
<b>Schedule 10 : Provisions</b>		
Fringe benefit tax	4,870,000	2,915,195
Gratuity	11,539,736	7,979,189
Leave encashment	2,587,311	859,510
	<u>18,997,047</u>	<u>11,753,894</u>
<b>Schedule 11 : Other income</b>		
Interest income (tax deducted at source Rs 1,615,811 (previous year: Rs 319,687))		
- banks	58,753	348,032
- others	5,917,787	2,425,968
- income-tax refund	2,317,320	-
Profit on sale of assets (net)	84,751,390	-
Exchange gain (net)	9,187,988	-
Sundry balances written back	515,009	-
Miscellaneous income	4,094,889	1,388,329
	<u>106,843,136</u>	<u>4,162,329</u>
<b>Schedule 12 : Service costs</b>		
Aviation fuel for helicopters	183,634,263	218,818,799
Helicopter spares consumption and maintenance* (net of insurance claim received/receivable of Rs 24,341,927 (previous year : Nil)) (refer note 16.15)	272,566,296	170,919,454
Lease rentals	156,740,368	87,259,102
Insurance charges (refer note 16.15)	71,455,228	32,388,013
Parking, landing and PSF charges	20,630,735	11,540,200
Hanger maintenance charges	12,525,880	6,400,000
Helicopter flying charges	2,415,258	394,747
Freight and clearing charges - helicopter	-	7,193,864
	<u>719,968,028</u>	<u>534,914,179</u>
* Includes Rs 203,136,122 (Previous year: Rs 115,661,593) pertaining to helicopter maintenance.		

## Schedules annexed to and forming part of the Financial Statements

Amount in Rupees

Particulars	31 March 2008	31 March 2007
<b>Schedule 13 : Personnel costs</b>		
Salaries, wages and bonus (including contractual employees' costs)	389,381,201	205,060,176
Contribution to provident and other funds	1,399,617	1,308,058
Gratuity	5,327,358	5,034,860
Leave encashment	3,579,668	859,510
Staff welfare expenses	19,031,049	7,726,305
	<u>418,718,893</u>	<u>219,988,909</u>
<b>Schedule 14 : General and administrative expenses</b>		
Traveling and conveyance	68,660,997	38,475,962
Legal and professional fees (refer note 16.15)	18,271,584	10,166,197
Training expenses (refer note 16.15)	15,808,805	4,492,577
Rent	11,130,223	2,837,190
ERP implementation expenses	6,694,556	-
Car rentals	4,604,446	1,979,866
Telephone expenses	4,445,454	2,008,338
Repairs and maintenance		
- buildings	2,234,931	-
- others	3,283,310	905,099
Electricity expenses	2,833,938	1,305,081
Printing and stationery	2,488,901	1,634,928
Advertisement	2,175,202	537,087
Rates and taxes	1,642,528	553,617
Auditors' remuneration (inclusive of service tax)		
- Audit fees	1,179,780	954,040
- Limited review	784,782	112,240
- Other services	449,440	-
- Out of pocket expenses	97,388	-
Business promotion expenses	688,910	821,324
Office expenses	574,704	425,667
Insurance charges	516,293	996,912
Postage, telegraph and courier	377,636	384,406
Books and periodicals	126,041	115,420
Exchange loss (net)	-	1,609,013
Provision for doubtful debts and advances	53,974,017	-
Miscellaneous expenses	1,415,241	1,922,309
	<u>204,459,107</u>	<u>72,237,273</u>
<b>Schedule 15 : Financial costs</b>		
Interest		
Term loans	24,295,972	18,126,866
ECB loans	16,174,821	17,899,020
Cash credit and overdraft facility	16,952,644	8,409,756
Others	33,687,387	11,509,947
Finance lease cost	270,454,846	263,605,812
Bank charges and commission	4,612,468	3,270,807
Facility advisory fees	1,484,700	2,086,513
	<u>367,662,838</u>	<u>324,908,721</u>

## Notes to financial statements (continued) as at 31 March 2008

(Currency : Indian Rupees)

### 16. NOTES TO ACCOUNTS

- 1) Estimated amount of contracts remaining to be executed on capital account net of advances is Rs 1,945,813,737 (previous year: Rs 1,111,482,490).
- 2) Claim against the Company not acknowledged as debts Rs 882,660 (previous year : Rs 726,000)

#### 3) Earnings per share

The computation of earnings per share is set out below:

	<i>Amount in Rupees</i>	
	<b>31 March 2008</b>	<b>31 March 2007</b>
<b>(Loss) / profit after tax as reported</b>	(51,550,942)	124,969,383
Shares :		
Weighted average number of equity shares outstanding during the year	14,000,000	12,458,082
<b>Earnings per share (in rupees) per share of face value Rs 10</b>	(3.68)	10.03
No. of Shares    No. of Shares		
At the beginning of the year at 1 April	14,000,000	11,200,000
Equity shares of face value of Rs 10 issued during the year Nil (previous year on 19 October 2006)	-	2,800,000
Weighted average number of equity shares during the year	14,000,000	12,458,082

#### 4) Related parties

As per Accounting Standard 18 on "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, the disclosure of transactions with the related parties as defined in Accounting Standard are given below:

##### a. Related parties where control exists

Vectra Investment Private Limited – Parent Company up to 19 October 2006 and a Promoter company holding 48 %.

Azal Azerbaijan Aviation Limited – Promoter Company.

Ravinder Kumar Rishi – Person having control at any time during the year.

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

Enterprises having significant influence

Vectra Investments Private Limited

Azal Azerbaijan Aviation Limited

Enterprises in which promoter has significant influence

Vectra Limited, UK

Vectra Limited, Hongkong

Vectra Advanced Engineering Private Limited

Vectra Aviation Private Limited

Vectra I.T. Solutions Private Limited

##### c. Key managerial personnel

Lt. Gen. (Retd.) S J S Saighal – Chairman

Allan Brown – Chief Executive Officer

P. Rajkumar Menon – Whole-time director

Siddharth Omprakash Verma (till 31 July 2007) – Whole-time director

Capt. D.K. Chand (with effect from 30 January 2008) – Whole-time director

Note:

Details of remuneration paid/ payable to key managerial personnel is disclosed in Schedule 16.10 to the financial statements.

**4) Related Party Transaction**

31 March 2008

Nature of Transaction	Vectra Limited UK	Vectra Limited Hongkong	Vectra Investment Private Limited	Vectra Aviation Private Limited	Vectra I.T. Solution Private Limited	Azal Azerbaijan Aviation Limited	Vectra Advanced Engineering Private Limited
Charter flying income	21,377,722	-	-	73,666,567	-	-	-
	<i>20,887,500</i>	-	-	-	-	-	-
Helicopter insurance recovery	15,691,347	-	-	-	-	-	-
	<i>22,572,659</i>	-	-	-	-	-	-
Interest income on loan	-	-	-	-	-	-	105,400
	-	-	-	-	-	-	<i>982,489</i>
Sale of helicopter	-	478,266,000	-	-	-	-	-
	-	-	-	-	-	-	-
Services obtained	-	-	-	-	6,353,958	-	-
	-	-	-	-	-	-	-
Interest on finance lease	136,471,540	-	-	-	-	-	-
	<i>174,888,674</i>	-	-	-	-	-	-
Interest expense on borrowings	122,685	-	436,063	-	-	150,569	-
	<i>3,867,740</i>	-	-	-	-	<i>2,577,065</i>	-
Reimbursement of expenses	12,147,126	297,781	-	429,854	-	-	-
	<i>8,210,329</i>	-	-	-	-	-	-
Loans received (net of repayment)	-	22,663,839	10,837,251	-	-	-	-
	-	-	-	-	-	-	-
Reimbursement of liabilities	-	-	-	-	-	-	-
for deposit	137,242,877	-	-	-	-	-	-
Finance lease liability - repayment	95,562,100	-	-	-	-	-	-
	<i>240,539,001</i>	-	-	-	-	-	-
Repayments of borrowings	-	-	-	-	-	-	4,396,710
	<i>120,211,665</i>	-	-	-	-	<i>72,850,907</i>	<i>12,953,982</i>
<b>Outstanding amount (due to)</b>	<b>838,847,899</b>	<b>22,844,889</b>	<b>10,837,251</b>	<b>429,854</b>	<b>5,634,055</b>	<b>39,854,163</b>	-
	<i>931,246,375</i>	-	-	-	-	<i>41,687,879</i>	-
<b>Outstanding amount (due from)</b>	<b>45,192,322</b>	<b>433,974,275</b>	-	-	-	-	-
	<i>80,692,259</i>	-	-	-	-	-	<i>4,396,710</i>

 (Amount in *Italics* represents prior year comparatives)

## 5) Segment information

The Company is engaged in providing helicopter services in India, which is considered as one business segment. The segment reporting based on geographical risk factor which may be present in different countries is also not applicable, as the Company provides helicopter services only in the domestic market. Hence there are no separate reportable segments, as required by the Accounting Standard 17 on "Segment Reporting" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

- 6) During the period October 2006 to June 2007, a customer has retained Rs 178,195,590 (Previous year (October-2006 to March-2007): Rs 167,046,623) as liquidated damages pertaining to delay in implementing Aviation Standard 4. This matter has been discussed with the customer as it impacts the overall industry. Meanwhile, the Director General of Civil Aviation ('DGCA') has also expressed its views directly to the customer. Management believes this amount retained by the customer will be recovered by the Company.
- 7) The Company has provided helicopter charter services aggregating to Rs 67,059,667 (previous year: Nil) to a private limited company covered under Section 297 of the Companies Act, 1956. The approval from Central Government is awaited.
- 8) The Company has deployed the IPO proceeds for Fleet expansion, Building hanger at Juhu Aerodrome, Mumbai, Retirement of debt, IPO expenses, Conversion to AS-4, general corporate purpose and other expenses. The Company has fully utilized the IPO proceeds as at 31 March 2008.

## 9) Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

- i) Effective 1 April 2007, the Company adopted Accounting Standard 15 (revised 2005) on "Employee Benefits" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. In accordance with the transitional provision in the Accounting Standard, Rs 1,416,811 for gratuity and Rs 463,387 for leave encashment has been credited to the reserves and surplus. Deferred tax charge of Rs 639,081 on the above has been debited to the reserves and surplus (refer schedule 3 to the financial statements).

- ii) Contribution to provident fund and ESIC

Amount of Rs 1,399,617 (previous year: 1,308,058) is recognized as an expense and included in "Personnel cost" (refer schedule 13 to the financial statements).

- iii) Defined benefit plan and long term employment benefit

- a) General description

### **Gratuity (Defined benefit plan)**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of services.

### **Leave wages (Long term employment benefit)**

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

### **Sick leave (Long term employment benefit)**

The sick leave is not encashable and can be accumulated for any number of days for employees other than pilots, whose leave balance will lapse at the end of the year.

	31 March 2008 Gratuity	31 March 2007 (Leave wages inclusive of sick leave)
b) Change in the present value of the defined benefit obligation:		
Defined benefit obligation at the beginning of year	7,979,189	396,126
Interest cost	638,335	24,898
Current service cost	3,101,232	1,705,979
Benefit paid	(350,000)	(1,388,483)
Actuarial loss on obligation	1,708,220	1,848,791
Defined benefit obligation at the end of year	13,076,976	2,587,311
c) Change in fair value of plan assets		
Fair value of plan assets at the beginning of year	1,416,811	-
Expected return on plan assets	113,345	-
Contribution by employer	350,000	1,388,483
Benefit paid	(350,000)	(1,388,483)
Actuarial gain on plan assets	7,084	-
Fair value of plan assets at the end of year	1,537,240	-
d) Actual return on plan assets		
Expected return on plan assets	113,345	-
Actuarial gain on plan assets	7,084	-
Actual return on plan assets	120,429	-
e) Amount recognised in balance sheet		
Liability at the end of year	13,076,976	2,587,311
Fair value of plan assets at the end of the year	(1,537,240)	-
Difference	11,539,736	2,587,311
Amount recognised in the balance sheet	11,539,736	2,587,311
f) Expense recognised in profit and loss account		
Current service cost	3,101,232	1,705,979
Interest cost on benefit obligation	638,335	24,898
Expected return on plan assets	(113,345)	-
Net actuarial loss in the year	1,701,136	1,848,791
Expenses recognized in profit and loss account	5,327,358	3,579,668
g) Balance sheet reconciliation		
Opening net liability	6,562,378	396,126
Expenses as above	5,327,358	3,579,668
Employer's contribution	(350,000)	(1,388,483)
Amount recognized in balance sheet	11,539,736	2,587,311
h) Actuarial assumptions		
Discount rate	8.00%	8.00%
Rate of return on plan assets	8.00%	8.00%
Salary escalation	7.50%	7.50%
Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		



- i) The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

The current year being the first year of adoption of AS-15 (revised), previous year figures have not been disclosed.

#### 10) Supplementary statutory information

##### 10.1 Particulars of managerial remuneration

	<b>31 March 2008</b>	31 March 2007
Salaries	<b>14,547,382</b>	8,879,802
Ex-gratia	<b>1,051,425</b>	718,625
Perquisites	<b>341,157</b>	187,833
Directors' sitting fees	<b>112,940</b>	35,000
Remuneration to Directors' (non executive)	<b>430,317</b>	247,500
	<b>16,483,221</b>	10,068,760

##### Notes:

Managerial remuneration excludes provisions for/ contribution to gratuity and leave encashment, which are based on actuarial valuation determined for all employees, including Directors, as a whole.

During the year, the remuneration paid/payable to a Whole Time Director has exceeded the limits prescribed under the Act by Rs 1,869,463. The Company is in the process of applying to the Central Government for approval of the excess remuneration.

Computation of net profit in accordance with Section 349 of Companies Act, 1956 has not been given, as commission by way of percentage of profits is not payable for the year to the directors.

The Company had appointed a Chief Executive Officer who is not a resident in India, in its board meeting held on 24 January 2007 for a period of two years with effect from 21 January 2007. The Company had made application to Central Government for approval of appointment on 23 April, 2007 within prescribed time limit; approval for which, from Central Government, has been subsequently obtained.

Key managerial personnel drawing remuneration in excess of 10% of total remuneration are Lt. Gen. (Retd.) S J S Saighal Rs 1,758,130 (previous year: Rs 1,006,107), Mr. Rajkumar Menon Rs 6,669,463 (previous year: Rs 4,500,950), Mr. Allan Brown Rs 4,761,926 (previous year: Rs 797,130), Capt. D.K. Chand Rs 1,838,775 (previous year: Nil) and Mr. Siddharth Omprakash Verma Rs 911,670 (previous year: Rs 3,482,073).

##### 10.2 Details of imported and indigenous spare parts and components consumed

Particulars	31 March 2008		31 March 2007	
	Value	% of total consumption	Value	% of total consumption
Imported	<b>66,958,665</b>	<b>95</b>	51,733,886	94
Indigenous	<b>3,471,509</b>	<b>5</b>	3,523,975	6
Consumption	<b>69,430,174</b>	<b>100</b>	55,257,861	100

##### 10.3 Value of Imports on C.I.F. basis (excluding leased assets)

	<b>31 March 2008</b>	31 March 2007
Spare parts and components	<b>79,430,113</b>	48,972,005
Capital spares	<b>65,196,066</b>	116,774,423
Capital goods (helicopter)	<b>814,378,245</b>	-
	<b>959,004,424</b>	165,746,428

## 10.4 Expenditure, earnings in foreign currency

## (A) Expenditure in foreign currency (on accrual basis)

Lease rentals	107,411,853	75,442,018
Helicopter spares consumption and maintenance	278,164,605	227,455,930
Training expenses	12,479,582	4,492,577
Interest – finance lease	263,419,626	257,231,230
Interest	28,011,816	7,674,444
Expat salaries	34,414,578	-
Legal and professional fees	4,327,915	2,250,577
Insurance charges	3,130,647	2,120,199
Travelling and conveyance	812,853	3,796,142
Miscellaneous expenses	441,620	120,150
Bank charges	30,374	-
Helicopter flying charges	2,415,258	-
Repairs and maintenance	161,265	-

## (B) Earnings in foreign currency (on accrual basis)

Sale of fixed assets	478,266,000	-
Contractual receipts	975,748,709	375,401,445

## 11) Change in accounting policy

The Accounting Standard 11 on effect of changes in foreign exchange rates had become part of the Companies (Accounting Standard) Rules, 2006 vide notification dated 7 December 2006 issued by Ministry of Company affairs and made applicable w.e.f. 1 April 2007. Accordingly, exchange gain is higher and loss before tax is lower by Rs 54,805,856 (previous year: Nil) (which hitherto was adjusted against the value of fixed assets).

## 12) The Company uses forward exchange contracts to hedge its exposure in Foreign Currency. The information on forward contracts is as follows:

## (A) Forward contracts outstanding as at 31 March 2008

Details	USD Exposure		EURO Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO
Payables	-	-	157,725,000	2,500,000
	(43,828,000)	(1,000,000)	-	-

The above forward contract has been taken for retirement of acceptance for purchase of helicopter.

## (B) Exchange loss in respect of forward exchange contract to be recognized in subsequent accounting periods – Rs 625,000 (previous year: Rs 528,000)

## (C) Foreign exchange currency exposure not covered by Forward Contracts as at 31 March 2008:

Details	USD Exposure		EURO Exposure		Great Britain Pound ('GBP') Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO	Indian Rupees	GBP
<b>Receivables</b>	<b>185,995,226</b>	<b>4,653,371</b>	<b>3,785,400</b>	<b>60,000</b>	-	-
	114,754,066	2,650,209	13,953,600	240,000	-	-
<b>Payables</b>	<b>2,236,093,667</b>	<b>55,944,300</b>	<b>952,266,012</b>	<b>15,093,771</b>	<b>608,237</b>	<b>7,648</b>
	2,026,999,665	46,806,967	107,935,557	1,856,477	868,933	10,159
<b>Advances</b>	<b>514,360,786</b>	<b>12,868,671</b>	<b>190,546,185</b>	<b>3,020,228</b>	<b>2,470,041</b>	<b>31,058</b>
	11,721,125	270,696	83,266,480	1,432,172	889,227	10,397

Amounts in Italics represent prior year comparatives

## 13) The Company has used currency swap to hedge its risk associated with foreign currency borrowings. The details of currency swaps outstanding at the year end are as follows:

	Number of contracts	Buy Amount (JPY)	INR equivalent
External Commercial Borrowing	2 (2)	418,312,500 (557,750,000)	167,659,649 (213,354,304)

Amounts in Italics represent prior year comparatives

As at 31 March 2008, the Company has fair valued the above mentioned currency swaps and has not accounted for the fair value gain of Rs 1,832,185, being a contingent gain.

- 14) (A) The Company has taken helicopters on finance lease. As per Accounting Standard 19 as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, it is recognized as a Finance Lease Transaction. Disclosures as required by Accounting Standard 19 are as set out below:

The future minimum lease payment on account of these leases are as follows:

	31 March 2008	31 March 2007
Finance lease	1,910,927,120	1,914,327,750

Finance lease is secured by underlying assets.

The total minimum lease liability for assets obtained on finance lease basis is Rs **2,904,309,576** (previous year: Rs 2,960,114,305), which includes interest of Rs **993,382,456** (previous year: Rs 1,045,786,555). The maturity profile of finance lease is as follows:

#### Minimum lease payments

Payable within 1 year	789,075,766	524,359,633
Payable between 1-5 years	1,682,742,634	1,914,383,814
Payable beyond 5 years	432,491,176	521,370,858

#### Present value

Payable within 1 year	381,947,023	254,965,875
Payable between 1-5 years	1,145,483,722	1,208,888,325
Payable beyond 5 years	383,496,375	450,473,550

Some of the lease agreements provide for incremental lease clause on account of any increase in taxes and any other related and consequential charges levied on these transactions. The lease agreement does not impose any restrictions in respect of payment of dividends, additional debt and further leasing.

- (B) The Company has taken certain helicopters and office/residential premises on non-cancellable operating lease. The tenure of such agreements ranges from 11 months to 120 months.

The future minimum lease payment on account of these leases are as follows:

	31 March 2008	31 March 2007
Not later than one year	103,471,604	150,573,154
Later than one year and not later than five years	304,247,256	223,340,640
Later than five years	258,436,318	282,066,288
Total	666,155,178	655,980,082
Operating lease rentals debited to the Profit and loss account	180,396,471	96,496,292

- 15) The revenue for the year ended 31 March 2008 is net of contractual deduction of Rs 4,798,000 (previous year: Nil) which pertains to the previous year. The helicopter spares consumption and maintenance include Rs 30,020,597 (previous year: Nil), insurance charges include Rs 7,819,771 (previous year: Nil), legal and professional fees include Rs 1,322,908 (previous year: Nil) and training expenses include Rs 2,732,865 (previous year: Nil) which pertain to the previous year.

- 16) As per contractual arrangement with lessors, the Company is committed to incur expenditure of Rs 67,807,885 (previous year: Rs 36,617,592) in the future for maintenance of the leased helicopters.

17) Transfer Pricing

The Company's international transactions with related parties are at arms length as per the independent accountants report for the year ended 31 March 2007. Management believes that the Company's international transactions with related parties post 31 March 2007 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

18) Prior year figures

Prior year's figures have been regrouped / rearranged wherever necessary to conform to current year's presentation.

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**For and on behalf of the board**

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

Place : London  
Date : 26 June 2008

**P. Rajkumar Menon  
(Whole Time Director)**

Place : London  
Date : 26 June 2008

**Raakesh D. Soni  
(Company Secretary)**

Place : Mumbai  
Date : 26 June 2008

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER  
AMENDMENT IN SCHEDULE VI TO THE COMPANIES ACT, 1956 [F.NO. 3/24/94-CL V(a)]  
DATED 15th MAY 1995, MINISTRY OF LAW**

**1. REGISTRATION DETAILS**

Registration No. 

9	3	2	2	5
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 State Code 

55
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 Balance Sheet Date 

3	1	0	3	2	0	0	8
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Date Month Year

**2 CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousand)**

Public Issue	Rights Issue		
<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL	<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL
NIL			
NIL			
Bonus Issue	Private Placement		
<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL	<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL
NIL			
NIL			

**3 POSITION OF MOBILIZATION AND DEVELOPMENT OF FUNDS (Amount in Rs Thousand)**

Total Liabilities	Total Assets		
<table border="1" style="width: 100%;"><tr><td> </td></tr></table>		<table border="1" style="width: 100%;"><tr><td> </td></tr></table>	

**SOURCES OF FUNDS**

Paid up Capital	Reserves and Surplus		
<table border="1" style="width: 100%;"><tr><td align="center">140,000</td></tr></table>	140,000	<table border="1" style="width: 100%;"><tr><td align="center">585,133</td></tr></table>	585,133
140,000			
585,133			

**APPLICATION OF FUNDS**

Secured Loans	Unsecured Loans		
<table border="1" style="width: 100%;"><tr><td> </td></tr></table>		<table border="1" style="width: 100%;"><tr><td align="center">104,185</td></tr></table>	104,185
104,185			
Deferred Tax Liability (net)	Current Liabilities		
<table border="1" style="width: 100%;"><tr><td align="center">110,350</td></tr></table>	110,350	<table border="1" style="width: 100%;"><tr><td align="center">1,516,186</td></tr></table>	1,516,186
110,350			
1,516,186			
Net Fixed Assets	Investments		
<table border="1" style="width: 100%;"><tr><td align="center">3,867,407</td></tr></table>	3,867,407	<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL
3,867,407			
NIL			
Current Assets	Misc. Expenditure		
<table border="1" style="width: 100%;"><tr><td align="center">1,268,551</td></tr></table>	1,268,551	<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL
1,268,551			
NIL			
Accumulated Losses			
<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL		
NIL			

**4 PERFORMANCE OF COMPANY (Amount in Rs Thousand)**

Turnover	Total Expenditure		
<table border="1" style="width: 100%;"><tr><td align="center">1,902,208</td></tr></table>	1,902,208	<table border="1" style="width: 100%;"><tr><td align="center">1,945,160</td></tr></table>	1,945,160
1,902,208			
1,945,160			

+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax		
<input type="checkbox"/> + <input checked="" type="checkbox"/> - <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td align="center">42,952</td></tr></table>	42,952	<input type="checkbox"/> + <input checked="" type="checkbox"/> - <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td align="center">51,551</td></tr></table>	51,551
42,952			
51,551			
Earning per share in Rs (Basic and diluted)	Dividend		
<table border="1" style="width: 100%;"><tr><td align="center">3.68</td></tr></table>	3.68	<table border="1" style="width: 100%;"><tr><td align="center">NIL</td></tr></table>	NIL
3.68			
NIL			

**5 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY AS PER MONETARY TERMS**

Item Code No. (ITC Code)	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																				
Product Description	<table border="1" style="width: 100%;"><tr><td align="center">CHARTER HIRE OF HELICOPTERS</td></tr></table>	CHARTER HIRE OF HELICOPTERS																			
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Item Code No. (ITC Code)	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																				
Product Description	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																				
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Product Description	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																				

For and on behalf of the board

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

Siddharth Om Prakash Verma  
(Whole Time Director)

Place : Mumbai  
Date : 27 June 2007

Raakesh D. Soni  
(Company Secretary)

# NOTES

Lined area for taking notes.



Regd. Office: A-54, Kailash Colony, New Delhi – 110 048.  
Tel. : 91-11-2923 5035

**ATTENDANCE SLIP**

**To be handed over at the entrance of the meeting hall**

Full Name of the member attending. \_\_\_\_\_

Full Name of the First Joint-holder \_\_\_\_\_

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the TENTH ANNUAL GENERAL MEETING of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, on Thursday, 25<sup>th</sup> day of September, 2008 at 2.30 p. m.

<b>DP ID</b>	_____
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<b>No. of Shares</b>	_____
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<b>Client ID</b>	_____
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<b>Regd. Folio No.</b>	_____
------------------------	-------

Member's / Proxy's Signature \_\_\_\_\_

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



Regd. Office : A-54, Kailash Colony, New Delhi – 110 048.  
Tel. : 91-11-2923 5035

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ being member(s) of the above named Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

as my / our proxy to vote for me / us on my / our behalf at the TENTH ANNUAL GENERAL MEETING of the Company at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, on Thursday, 25<sup>th</sup> day of September, 2008 at 2.30 p. m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

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

No. of Shares held : \_\_\_\_\_

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

Please affix Revenue Stamp
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Signature

Tear here

# BOOK - POST

*If undelivered, please return to :*

**GLOBAL VECTRA HELICORP LIMITED**

B-314, 3<sup>rd</sup> Floor, Sunder Villa,  
19-S.V.Road, Santacruz (West),  
Mumbai – 400 054