

13th ANNUAL REPORT – 2010-2011



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



BOARD OF DIRECTORS

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

Mr. Ravinder Kumar Rishi
(Non-Executive Director)

Mr. P. Raj Kumar Menon
(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

B S R & Co.
Chartered Accountants

BANKERS

The Royal Bank of Scotland N.V.

Axis Bank Limited

Standard Chartered Bank

HDFC Bank Limited

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

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NOTICE

The Thirteen ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Friday, 23rd day of September, 2011 at 1.30 p. m. at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 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. Gautam Sen, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. R.S.S.L.N. Bhaskarudu, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors & fix their Remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** in partial modification of the Resolution passed at the 10th Annual General Meeting held on 25th September, 2008, at the 11th Annual General Meeting held on 29th September, 2009 and at the 12th Annual General Meeting held on 16th September, 2010 and in accordance with the provision of the sections 198, 269, 309, 310 and read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force) in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. P. Raj Kumar Menon as a Whole-time Director of the Company, the remuneration, perquisites / benefits set out in the Agreement dated 1st September 2007 and 1st September 2009 be paid or granted to Mr. P. Raj Kumar Menon as the minimum remuneration and in case of payment of excess remuneration to Mr. P. Raj Kumar Menon be waived, the details of which is as under:-

For the period 01-09-2007 to 31-03-2008	Rs. 18,69,463
For the period 01-04-2008 to 31-03-2009	Rs. 21,07,986
For the period 01-04-2009 to 31-03-2010	Rs. 19,41,011
For the period 01-04-2010 to 31-03-2011	Rs. 11,63,798

notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting.”

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

“**RESOLVED THAT** in partial modification of the Resolution passed at the 10th Annual General Meeting held on 25th September, 2008, at the 11th Annual General Meeting held on 29th September, 2009 and at 12th Annual General Meeting held on 16th September, 2010 and in accordance with the provision of the sections 198, 269, 309, 310 and read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force) in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Captain Dharendra Kumar Chand as a Whole-time Director of the Company, the remuneration, perquisites / benefits set out in the Agreement dated 30th January 2008 be paid or granted to Captain Dharendra Kumar Chand as the minimum remuneration and in case of payment of excess remuneration to Captain Dharendra Kumar Chand be waived, the details of which is as under:-

For the period 30-01-2008 to 31-03-2008	Rs. 10,11,154
For the period 01-04-2008 to 31-03-2009	Rs. 35,95,368
For the period 01-04-2009 to 29-01-2010	Rs. 20,42,014

notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting.”

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place: - Mumbai
Date: - 26th May, 2011
Registered Office
A-54, Kailash Colony
New Delhi – 110 048

NOTES:

(a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

(b) The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, is given below and forms part of the Notice.

(c) M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, is the Registrar and Share Transfer Agent for physical shares of the Company. Intime is also the depository interface of the Company with the both NSDL and CDSL.

However, keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at Corporate Office of the Company at Hanger No. C-He / Hf, Airports Authority of India, Civil aerodrome, Juhu, Mumbai – 400054 (Maharashtra), Tel No. 91-22-6140 9200, Registered Office at A-54, Kailash Colony, New Delhi – 110 048, Tel No. 91-11-2923 5035 ; e-mail address: raakesh@gvhl.net.

(d) The Register of Members and Share Transfer Books of Company will remain closed from 22nd day, September, 2011 to 23rd day, September, 2011 (both days inclusive) in connection with the Annual General Meeting.

(e) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

By Order of the Board of Directors

RAAKESH D.SONI
Company Secretary

Place: - Mumbai
Date: - 26th May, 2011
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 members of the Company had approved the payment of remuneration to Mr. P. Raj Kumar Menon at the 10th Annual General Meeting held on 25th September, 2008 and waiver of excess remuneration paid to Mr. P. Raj Kumar Menon, Whole-time Director of the Company, at the 11th Annual General Meeting held on 29th September, 2009 due to loss / inadequacy of the profit and for re-appointment at the 12th Annual General Meeting held on 16th September, 2010. The remuneration paid was excess of limits specified in

Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force). As the tenure was not completed during the year, the Ministry of Corporate affairs want latest members resolution alongwith amount of excess remuneration paid. The approval of the members is now sought for waiver of the excess remuneration paid to Mr. P. Raj Kumar Menon, as mentioned in item no. 5 subject to approval of the Central Government.

The Board of Directors recommend the resolution for the approval of the members. Except Mr. P. Raj Kumar Menon, Whole-time Director of the Company, no other Directors of the Company are concerned or interested in the Resolution at Item No. 5 of the Notice.

ITEM NO. 6

The members of the Company had approved the payment of remuneration to Captain Dharendra Kumar Chand at the 10th Annual General Meeting held on 25th September, 2008 and waiver of excess remuneration paid to Captain Dharendra Kumar Chand, Whole-time Director of the Company, at the 11th Annual General Meeting held on 29th September, 2009 and at the 12th Annual General Meeting held on 16th September, 2010 due to loss / inadequacy of the profit. The remuneration paid was excess of limits specified in Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force). As the Ministry of Corporate affairs want latest members resolution alongwith amount of excess remuneration paid. The approval of the members is now sought for waiver of the excess remuneration paid to Captain Dharendra Kumar Chand, as mentioned in item no. 6 subject to approval of the Central Government.

The Board of Directors recommends the resolution for the approval of the members. Except Captain Dharendra Kumar Chand, Whole-time Director of the Company, during his tenure, no other Directors of the Company are concerned or interested in the Resolution at Item No. 6 of the Notice.

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

Dr. Gautam Sen

Dr. Gautam Sen aged about 57 years holds a B.Sc. (Econ.) International Relations, LSE University of London and Ph. D. degree jointly in the Departments of International Relations and Economics, LSE. He has had an extensive career in academics. He has been a principal lecturer since 1992 at the LSE summer school course on Development of the International Political Economy. He has been a lecturer at various universities throughout his career. He was an informal adviser to the Government of India (Prime Minister, Law Commission and Ministry of External Affairs) on issues of economic liberalisation and relations with Nepal.

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

1. Audit Committee
2. Remuneration Committee

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

He does not hold any shares of the Company.

Nature of expertise in specific functional area - Economist

R.S.S.L.N. Bhaskarudu

Mr. Bhaskarudu aged about 70 years holds a B.E.

(Electrical) degree from the college of Engineering, Kakinada, Andhra University. His prior work experience from 1961 to 2005 is in the area of electrical engineering and management in various companies. From 1961 to 1962 he worked as an executive engineer in the Andhra Pradesh State Electric Board. He has also obtained specialized training in technologies such as large size turbo generators, steam turbine manufacturing technology.

He is a Chairman of the Audit committee of the Board of Directors of the Company:

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

Sr. No.	Name of the Company	Director / Chairman	Committee – Chairmanship / Membership		
			AC	CG	CGC
1.	Haryana Aban Power Company Ltd.	D & C			
2.	GMR Infrastructure Ltd.	D	YES	YES	
3.	GMR Hyderabad International Airport Ltd.	D	YES-C		
4.	GMR Upper Karnali Hydro Project	D	YES		
5.	GMR Male International Airport Pvt. Ltd.	D	YES		
6.	Delhi International Airport Pvt. Ltd.	D	YES		
7.	Fatepipe Networks India Ltd.	D	YES-C		YES - C
8.	Murari Power Generation India Pvt. Ltd.	D			

C – Chairman, CG – Corporate Governance Committee, CGC – Corporate Grievances Committee,

D – Director, D & C – Director and Chairman, AC – Audit Committee,

He does not hold any shares of the Company.

Nature of expertise in specific functional area – Production, Project, Finance, Personnel and HR Management.

DIRECTORS' REPORT

The Directors take pleasure in presenting the Thirteen Annual Report of the Company and audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
		(Rupees' in Lacs)
Service Income	22862.81	24473.49
Other Operating Income	294.70	129.96
Other Income	317.99	1588.91
Gross Income from operations	23475.50	26192.37
Profit before interest, depreciation, amortisation of expenses, exceptional items and Tax	1278.00	7016.50
Less : Interest	2965.00	3847.03
Less : Depreciation (Net)	2750.11	3666.63
(Loss) for the year before extraordinary items and before Tax	-4437.11	-497.16
Add:- Extraordinary Item – Liabilities written back	0.00	1169.43
Profit/(Loss) for the year after extraordinary items and before Tax	-4437.11	672.27
Less : Provision for taxation	-0.63	-77.03
Profit / Loss after tax	-4437.74	749.30
Balance of Profit/(Loss) for earlier years	-4872.44	-5621.74
Amount available for appropriation	-9310.18	-4872.44
Balance carried forward to Balance Sheet	-9310.18	-4872.44

OPERATION REVIEW:

During the year under review, your Company achieved Service Income of Rs. 22862.81 Lacs as compared to Rs. 24473.49 Lacs of previous Financial Year. Total Income of Rs. 23475.50 Lacs as compared to Rs. 26192.37 Lacs of previous Financial Year.

After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Extra-ordinary items, the Company has Loss Before Tax of Rs. 4437.11 Lacs for the current year as against Profit of Rs. 672.27 Lacs in the previous year. After making provision for tax, the net Loss was Rs. 4437.74 Lacs for the current year as against Profit of Rs. 749.30 Lacs.

DIVIDEND:

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

ISSUE OF NON CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES

The Company entered into an agreement on 18 December 2009 with one of the group companies for conversion of outstanding lease rentals due on 30 September 2009 amounting to USD 13.725 million (equivalent of Rs 6,593.49 Lakhs at the exchange rate prevailing as on 30 September 2009) into Non Convertible Cumulative Redeemable Preference Shares. The agreement has been approved by the shareholders at the extraordinary general meeting ('EGM') held on 1 February 2010. The Company has obtained the statutory approvals necessary and in exercise of the powers conferred vide resolutions passed in the EGM, the Company during the current year has issued 6,593,490 5.46% Non Convertible Cumulative Redeemable Preference Shares of face value of Rs. 100 each. Pursuant to issue of preference share, the net worth of the company stands at Rs 3700.99 Lacs as at 31 March 2011.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Dr. Gautam Sen and Mr. R.S.S.L.N. Bhaskarudu retire by rotation in the forthcoming Annual General Meeting. Both of them, being eligible offer themselves for re-appointment.

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 profit of your Company for the year under review;
- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other

irregularities; and

- 4) the directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

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

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

FIXED DEPOSITS

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

INSURANCE

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNING AND OUTGO

The Company earned Rs. 1,287,985,717/- (previous year Rs. 1,373,328,412/-) in foreign exchange during the year. The foreign exchange outgoes amount to Rs. 809,545,568/- (previous year Rs. 789,945,764/-)

CORPORATE GOVERNANCE

Your Company has complied with the provisions of Clause 49 of the Listing Agreement. A Certificate from the Practising Company Secretary regarding compliance of Corporate

Governance as stipulated in Clause 49 of the Listing Agreement forms a part of this Annual Report.

REMARKS OF THE AUDITORS

Reference is drawn to Clause no.(f) of the Auditors' Report and schedule 29 of the financial statements, Company has received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs alongwith penalty aggregating Rs 262,195,030. No provision has been made by the Company for the same nor the interest due thereon as at 31st March, 2011. The Management believes that the Company is in compliance with the relevant customs and other regulatory guidelines in this respect and the matter is being contested by the Company with the appropriate authorities.

Reference is drawn to Clause no. (g) of the Auditors' Report and schedule 30 to the financial statements. In this regard, Board informs that Company has already filed a application with Central Government for approval and the waiver of the excess remuneration to Whole-time Directors of the Company and permission of the Central Government is awaited. Approval of the Central Government for excess remuneration of Chief Executive Officer is received.

Reference is drawn to Clause no.(h) of the Auditors' Report and schedule 34 to the financial statements, certain customers have disputed taxes levied by the Company aggregating Rs.93,949,478/- (previous year: Rs. 84,503,378). Consequently management have not paid the said taxes to the authorities. No provision has been made by the Company in respect of the outstanding. The Management believes that they have strong case to collect the outstanding amount.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

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

**Mr. P. Rajkumar Menon
Whole-Time Director**

Place: Mumbai

Date: 26th May, 2011

ANNEXURE - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT**OVERVIEW**

Global Vectra Helicorp Limited, India's largest private helicopter company has a fleet of 22 helicopters:

- **15 BELL 412's, (One more new Bell 412 expected in the second half of this year)**
- **1 EC 155,**
- **3 AS 350 B3, (three more booked)**
- **1 EC 135 P2+**
- **2 AW 139 (1 more AW 139 joining our fleet by end May 2011)**

The fleet deployed both offshore and onshore. With a **modern and technologically advanced fleet of helicopters**, Global Vectra Helicorp Limited provides a range of essential and innovative services to strategic sectors for various purposes. Through its onshore activities under the name of "Birdie", it supplies helicopter services to other sectors than Oil and Gas such as:

- **Geophysical Survey**
- **Corporate and VVIP flights**
- **Aerial Photography**
- **Tourism**
- **Underslung operations**

It has world class maintenance facilities and highly skilled and experienced pilots to ensure safe, secure and uninterrupted services to the nation.

We pride ourselves in having premium clients such as **Geotech, Fugro, Govt. of Arunachal Pradesh in the onshore activities and major oil and gas companies in India such as ONGC, Reliance Industries, British Gas, Transocean, GSPC.**

GVHL provides services to its clients under long-term contracts. These contracts range from one to five years with renewal options. Companies involved in offshore E&P activities have to use helicopter services extensively for transportation of crew, cargo and medevac.

GVHL will continue to focus primarily on the offshore oil segment. Offshore flying constitutes 47 per cent of the helicopter market in India. While charter business is adhoc by nature, offshore E&P support offers the benefits of assured business every month as well as long term security.

GVHL has a total staff of 260 including **74 pilots and 98 engineering staff**. For its customers in the Oil and Gas sector GVHL transport crew and cargo for their exploration and production activities utilizing a **young fleet of helicopters** operated by trained pilots and maintained by highly qualified maintenance personnel.

Our **major maintenance base for the offshore fleet is Mumbai** where all maintenance work is carried out including 3000 hours check on its Bell 412 fleet of aircraft in a 6000 sqm state-of-the-art hangar.

Our onshore activities take place in principle throughout the Indian subcontinent with operating nuclei in **Greater Noida/New Delhi and Bangalore** whereas our offshore division, with main base at **Juhu airport in Mumbai**,

services the oil and gas industry as well in Porbander, Diu, Trivandrum, Madurai, Vijayawada, Chennai, Rajahmundry, Vizag, Bhubaneswar and Itanagar.

GVHL is totally committed to maintaining the highest possible standards in everything we do, with an emphasis on our operations, maintenance and safety. GVHL is the only operator in India having introduced a full and formal **Safety Management System (SMS) as per international recommendations** and requirements of the Global Oil/Gas Industry and International Civil Aviation Organisation.

As part of our continuing effort to further enhance our management systems we have implemented an **ERP (Enterprise Resource Planning) System from IFS AB, a Swedish company and one of the world's leading providers of business software**. Through this system we have integrated the management data of Flight Operations, Maintenance Repair and Overhaul (MRO) processes, Quality Control, Logistics, Inventory Management, Human Resources/Payroll and Finance.

MISSION STATEMENT

To become one of the world's leading and preferred helicopter services providers. We strive to deliver superior returns to our shareholders by tirelessly pursuing new growth opportunities while continuously improving our profitability. Above all, we are committed to the safety of human life whether with our customers, our own company or the society we work in. In recognition of this commitment, we strive to deliver high quality, cost effective and safe helicopter services in the markets we serve. We are dedicated to creating a workplace that respects and values people from diverse backgrounds and enable all employees to do their work to the best of their capabilities.

The Oil and Gas Industry to-day**Introduction**

Oil accounts for 31 per cent of India's total energy consumption and there is unlikely to be any significant scaling down of dependence on these fuels in the next five to ten years.

Currently, of the six core industries identified in India, the oil and gas sector has propelled the growth of Indian economy most and the Government is looking for more investors in the sector. India is currently world's fifth biggest energy consumer and the need is continuously growing, according to KPMG's 'Oil and Natural Gas Overview 2010',

Currently, about 58 per cent of the prospective Indian sedimentary basins have been explored and till the ninth round of NELP, there were 34 oil and gas blocks on offer. India naturally has about 138 billion barrels of oil and oil equivalent gas and bulk of this has not been found yet.

India will account for 12.59 per cent of Asia Pacific's regional oil demand by 2014, according to the latest 'India Oil & Gas Report'.

Production

According to the provisional production data released by the Ministry of Petroleum and Natural Gas, dated January

2011

Crude Oil production from the period April-January 2011 was 31.411 million metric tonne (MMT), as compared to the 28.072 MMT in the past corresponding period.

Natural Gas production during April-January 2011 was 44030 million cubic metres, as compared to 38490.7 million cubic metres in the corresponding period in 2010.

From April-January 2011, 136.46 MMT of crude oil was refined, compared to 133.26 MMT in the corresponding period in 2010.

India will account for 12.59 per cent of Asia Pacific's regional oil demand by 2014, while providing 10.13 per cent of supply, according to the Business Monitor International's 'India Oil and Gas Report Q4 2010'. The regional oil production was estimated at 8.82mn barrels per day (b/d) in 2010 compared to 8.35mn b/d in 2001.

The projected production for crude oil in 2010-11 is 37.96 (MMT), which is about 12.67 per cent higher than the actual crude oil production of 33.69 MMT during 2009-10. The projected production for natural gas (including coal bed methane or CBM) for 2010-11 is 53.59 billion cubic metre (BCM), 12.8 per cent higher than the actual production of 47.51 BCM in 2009-2010.

Oil & Natural Gas Corporation (ONGC) produced maximum domestic oil in 2010, averaging to 830,000 b/d highlighted the 'India Oil and Gas Report Q4 2010'. The report predicts that with such effort, the production of oil in India will be as high as 950,000 b/d by 2012.

Consumption

India's current petroleum products consumption rate from April 2010 to February 2011 was 128.827 million tonnes (MT), as per the estimates of the Planning and Analysis Cell (PPAC).

Diesel consumption in the country grew at 4 per cent annual rate to 4.96 MT in October 2010 while petrol sales were up 7.3 per cent at 1.21 MT. Jet fuel consumption was up 10 per cent at 434,100 tonnes. Overall fuel sales in the country were up one per cent at 11.647 MT in October 2010 against 11.538 MT in the same month in the previous year.

Gas consumption is set to rise from an estimated 63 BCM in 2010 to 110 BCM, with domestic supply up from around 45 BCM in 2010 to at least 70 BCM by 2014.

Gas

The gas transmission domain was dominated by Gas Authority of India Ltd (GAIL) till, in April 2009, the first natural gas production started from Krishna Godavari (KG) basin deepwater block by Reliance Gas Transportation Infrastructure Ltd. Currently, the natural gas production from the KG D6 block is about 60 million standard cubic metres per day (MMSCMD). The natural gas production from the block is expected to be in the range of 80-89 MMSCMD till March 2012.

Gas production is expected to rise from an estimated 45BCM in 2010 to a possible 95 BCM by 2019.

Natural gas is expected to play a key role in India's energy mix by 2025. The proportion of natural gas in the total energy mix has increased to 10 per cent in 2009 from 4 per

cent in 1999. The same is expected to increase to 20 per cent in 2025.

For the FY 2011-12, the target for Gas Marketing is 85.5 MMSCMD and for production of 422 TMT of Polymers (HDPE & LLDPE) and 1,350 TMT of Liquid Hydrocarbons.

Natural gas production in India grows at an average annual rate of 4.0 per cent over the projection period, the fastest growth in non-OECD Asia. Most of the growth in India's natural gas production is expected in the near term, averaging 11.7 per cent per year as total production grows from 1.1 trillion cubic feet in 2007 to 2.7 trillion cubic feet in 2015.

In January 2011, ONGC created an exploration landmark when **gas flowed out from the Barren Measure shale** at a depth of around 1700 m, in its first research and development (R&D) well RNSG-1 near Durgapur at Iccchapur, West Bengal. This breakthrough is significant as India is the first Asian country where gas was discovered from shale outside U.S and Canada. The well RNSG-1 drilled down to a depth of 2000 m. The Barren Measure Shale, which is the main target, was encountered from 985 to 1843 m.

Investments

- Essar Oil has started pumping gas trapped in seams of coal in its Raniganj CBM (coal bed methane) acreage in West Bengal. The acreage is expected to produce gas for 15 years and Essar Oil is investing US\$ 300 million for CBM gas production. The company is producing 90,000-100,000 million cubic metres per day of gas and will touch a peak output of over three million cubic metres.
- Oil & Natural Gas Corporation (ONGC) plans to invest over US\$ 3.82 billion on onshore operations in Gujarat over the next five years. ONGC will also set up a 10 mega watt (MW) solar power project in the state with an investment of US\$ 33.73 million. Under the programme, the company has earmarked over US\$ 1.79 billion for revamping its 90 installations, including 200 km-long pipeline network and 65 tanks in the state. It is also commissioning 850 km of new pipelines at an investment of US\$ 150 million.
- Essar Energy has acquired Shell's Stanlow Refinery for US\$ 350 million in cash. Stanlow Refinery is the second-largest refinery in the UK and will provide Essar a direct access in that market. The complete acquisition is expected to be completed by end of 2011. It is expected that the acquisition will be completed during the second half of 2011.
- International Finance Corporation (IFC) would make an equity investment of US\$ 25 million in Bhagyanagar Gas Ltd (BGL), a company floated by HPCL and GAIL for setting up city gas distribution (CGD) projects in Andhra Pradesh. The proposed investment would support BGL's capital expenditure of US\$276 million to create gas distribution infrastructure in the major cities of the state.
- ONGC and GAIL have agreed for mutual business growth covering natural gas as well as petro-chemicals. This over-arching understanding was documented in the form of various agreements and exchange of letters, which were initialed in the office of GAIL.

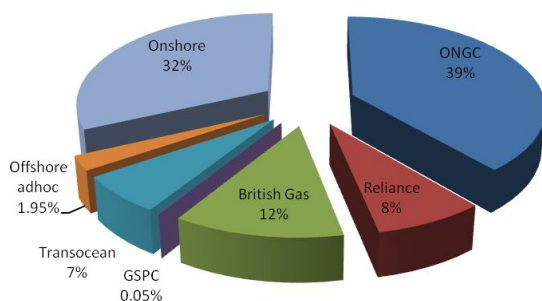
Government Initiatives

- The Government of India has implemented NELP, by which 100 Per cent FDI is permitted for small and medium sized oil fields through competitive bidding.
- The refining sector is open to public-private partnerships (PPP) as well as only private investments. In case of an Indian private company, FDI of 100 per cent is permitted.
- 100 per cent FDI is allowed for petroleum products and pipeline sector as well as natural gas/LNG pipeline, for infrastructure related to marketing of petroleum products, market study of formulation and investment financing.
- For trading and marketing, minimum 26 per cent equity is recovered over five years.

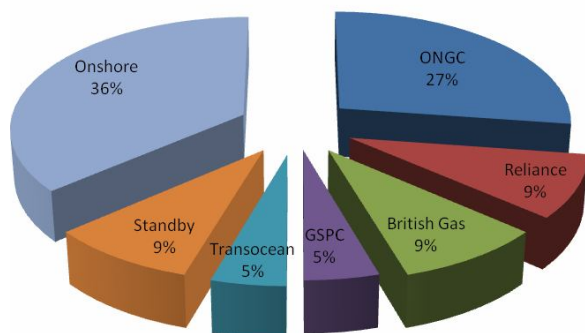
Onshore Activities

Our onshore activities are carried out on PAN India basis under the name of BIRDIE. The Company is operating in Greater Noida, New Delhi, Mumbai, Rajahmundry and Bangalore. Our onshore activities include corporate services, business promotion, political rallies, tourism, pilgrimage, geophysical survey, power-line cleaning and emergency services. The Company is using single or double engine Helicopters for the same. Some of our premium onshore clients include Fugro, Government of Arunachal Pradesh, Government of Punjab, Government of Haryana, Atomic Mineral Development etc.

GVHL - Client wise Revenue Contribution (2010-2011)



Average Fleet Deployed for FY 2010-2011 (22 Helicopters)



FINANCIAL PERFORMANCE

During the year under review, your Company achieved Service Income of Rs. 22862.81 Lacs as compared to Rs. 24473.49 Lacs of previous Financial Year. Total Income of Rs. 23475.50 Lacs as compared to Rs. 26192.37 Lacs of previous Financial Year.

Loss before Interest, Depreciation, Tax, Foreign Exchange (Loss) / Gain and Extra-ordinary items for the current year was Rs. 2171.81 Lacs compared to Rs. 715.86 Lacs in the previous year.

The Company continued to maintain its operating margin and during the year Company has renewed contracts for a period of 3 to 5 years with its major customers at revised rates.

After considering Interest, Depreciation, and Foreign Exchange (Loss) / Gain Extra-ordinary items, the Company has Loss before Tax of Rs. 4437.11 Lacs for the current year as against Profit of Rs. 672.27 Lacs in the previous year. After making provision for tax, the net Loss was Rs. 4437.74 Lacs for the current year as against Profit of Rs. 749.30 Lacs in the previous year.

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.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the requirement of the business.

As on March 31, 2011 the Company has a total workforce of 260 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, One - Whole Time Director, 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	None	None	None
Mr. P.Rajkumar Menon	WTD	4	No	None	None	None
Mr. Ravinder Kumar Rishi	NED	2	No	8	None	None
Mr. R.S.S.L.N. Bhaskarudu	ID	5	Yes	8	5	3
Dr. Chandrathil Gouri Krishnadas Nair	ID	2	Yes	10	3	None
Dr. Gautam Sen	ID	4	No	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	5	Yes	None	None	None

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

Five Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

27th April, 2010 27th May, 2010 11th August, 2010 3rd November, 2010 14th February, 2011

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

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

During the year the Audit Committee met four times and all the members were present in all the meeting except Mr. Ravinder Kumar Rishi who was not able attend the Audit Committee meeting held on 11th August, 2010 and 3rd November, 2010 and Dr. Gautam Sen who was not able attend the Audit Committee meeting held on 27th May, 2010.

The Chairman, Chief Executive Officer and Chief financial Officer of the Company was 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.

During the year there was no meeting of the members of the Remuneration Committee.

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/GEO's for the year 2010-2011

(Rupees)

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees
Lt. Gen. (Retd.)SJS Saighal	Executive Director	2,100,000	70,000	95,856	0
Mr. P. Rajkumar Menon	Executive Director	5,724,000	1,90,800	48,998	0
Mr. R.S.S.L.N. Bhaskarudu	Independent Director	0	0	0	180,000
Dr. Chandrathil Gouri Krishnadas Nair	Independent Director	0	0	0	80,000
Maj. Gen.(Retd.) Gurdial Singh Hundal	Independent Director	0	0	0	180,000
Dr. Gautam Sen	Independent Director	0	0	0	140,000
Mr. Eduard Van Dam	Chief Executive Officer	3,680,317	90,000	1,339,594	0

V. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

This Committee comprising two Directors viz. Dr. Chandrathil Gouri Krishnadas Nair (Chairman), and Lt. Gen. (Retd.) SJS Saighal. The Committee met four 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 3 Shareholders correspondence / Complaints during the financial year ended 31st March, 2011 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 held during the last three years:

General Meeting	Day, Date and Time	Venue	Special Resolutions passed thereat
Annual General Meeting	Thursday, 16 th September, 2010 at 2.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	3
Annual General Meeting	Tuesday, 29 th September, 2009 at 2.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	5
Annual General Meeting	Thursday, 25 th September, 2008 at 2.30 P.M.	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065	4

During the Financial year 2010-2011, 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, 2011.

Mumbai
26th May, 2011

Lt. Gen.(Retd.) SJS Saighal
Chairman

VIII. CEO / CFO CERTIFICATE

Certificate from CEO and CFO for the financial year ended March 31, 2011 has been provided elsewhere in the Annual Report.

IX. DISCLOSURES**a) Related Party Transactions**

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

b) Compliances by the Company

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

c) Proceeds from public issues

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

d) The Company has complied with all the mandatory requirements and has adopted non-mandatory requirements as per details given below:**1. The Board**

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

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 hesitating in reporting a violation or raising a policy concern to the Code Compliance Cell or concerned superior. The Code provides that the Company shall support and protect employees for doing so. The Code has been rolled out across the Organisation. Further during the year 2010-2011, no employee was denied access to the Audit Committee of the Company.

X. MEANS OF COMMUNICAION

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. 13th Annual General Meeting**

Date	: -	23 rd September, 2011
Time	: -	1.30 p.m.
Venue	: -	ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065.

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

b. Financial Calendar

Adoption of Quarterly Results is proposed in the 5th / 6th week of the quarter ending

June 30, 2011	August, 2011
September 30, 2011	November, 2011
December 31, 2011	February, 2012
March 31, 2012	May, 2012

c. Date of Book Closure : 22nd September, 2011 to 23rd September, 2011

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 2010-2011.

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, 2010 to March, 2011

Month	NSE		BSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April, 2010	54.90	47.05	53.90	47.40
May, 2010	52.30	41.95	51.40	42.00
June, 2010	49.90	45.15	50.85	45.50
July, 2010	58.45	47.55	57.80	48.55
August, 2010	53.95	43.30	55.85	44.60
September, 2010	49.70	38.10	49.35	43.70
October, 2010	52.40	43.85	51.40	43.50
November, 2010	47.30	35.00	46.90	35.15
December, 2010	44.35	31.35	43.80	31.05
January, 2011	38.65	30.20	39.00	30.00
February, 2011	32.60	21.20	32.85	22.50
March, 2011	30.50	23.20	28.00	23.60

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

h. Share Transfer system

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

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

referred to the Investors' Grievance Committee.

i. Distribution of Shareholding as on March 31st 2011

	Category	No. of Equity shares of Face Value of Rs. 10/- each	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters		
	- Indian Individual	50	00.00
	- Indian Bodies Corporate	6719950	48.00
	- Foreign Bodies Corporate	3780000	27.00
2.	Persons acting in Concert	0	0.00
	Sub-Total (A)	10500000	75.00
B.	Non-Promoters Holding		
3.	Institutions Investors		
	a. Mutual Fund / UTI	216000	1.54
	b. Insurance Companies	238989	1.71
	c. FIs	0	0.00
	Sub-Total (B) (1)	454989	3.25
4.	Non-institutions Investors		
	a. Private Corporate Bodies	280205	2.00
	b. Indian Public	2642537	18.88
	c. NRIs / OCBs	89967	0.64
	d. Any other (Clearing Member)	32302	0.23
	Sub-Total(B)(2)	3045011	21.75
	Sub-Total (B) (1) + (B) (2)	3500000	25.00
	GRAND TOTAL	14000000	100.00
Note.	Preference Share Capital Company has allotted 65,93,490 (Sixty Five Lacs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-convertible Cumulative Redeemable Preference Shares of Rs. 100/-each -Vectra Limited during the year.		

Shareholding of Nominal Values	Shareholders		Amount	
	Number	% of Total	Rupees	% of Total
Rupees				
1 - 500	9670	91.8939	11139750	7.9570
501 - 1000	458	4.3524	3593800	2.5670
1001 - 2000	219	2.0812	3195800	2.2827
2001 - 3000	68	0.6462	1715640	1.2255
3001 - 4000	27	0.2566	961840	0.6870
4001 - 5000	27	0.2566	1265090	0.9036
5001 - 10000	27	0.2566	1813550	1.2954
10001 – Above	27	0.2566	116314530	83.0818
TOTAL	10523	100.0000	140000000	100.0000

j. Dematerialisation of shares

The shares of the Company are available for dematerialization and Agreements have been signed with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). 92.04 % 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)

I. Address of Correspondence

- | | |
|---|--|
| <p>1. To the Company – Corporate Office
Global Vectra Helicorp Limited
Hanger No. C – He / Hf,
Airports Authority of India, Civil Aerodrome,
Juhu, Mumbai – 400 054
Telephone No. – 91-22-61409200 / 201
Fax No. – 91-22-61409253
E-mail – raakesh@gvhl.net
Business Hours – 10.00 A.M to 6.00 P.M.</p> | <p>2. To Registrar and Share Transfer Agent
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078
Telephone No. – 91-22- 2594 6970 / 78
Fax No. – 91-22-2594 6969
E-mail – rnt.helpdesk@linkintime.co.in
Business Hours – 10.00 A.M. to 5.00 P.M.</p> |
|---|--|

For and on behalf of the Board

Lt. Gen. (Retd.) SJS Saighal
Chairman

Mr. P. Raj Kumar Menon
Whole-Time Director

Place: Mumbai

Date: 26th May, 2011

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 2010-2011

We have reviewed financial statements, read with the cash flow statement of Global Vectra Helicorp Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief, we certify that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated wherever applicable to the Auditors and the Audit committee :
- (i) significant changes in internal control over financial reporting, if any, during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) there were no instances of fraud of which we are aware, that involve the Management or other employee who have a significant role in the Company's internal control system.

Eduard Van Dam
Chief Executive Officer

Ashvin Bhatt
Chief Financial Officer

Place:- Mumbai
Date:- 26th May, 2011

Certificate on Corporate Governance

The Members of
GLOBAL VECTRA HELICORP LIMITED,
A-54, Kailash Colony
New Delhi – 110048

We have examined the compliance of the conditions of Corporate Governance by **GLOBAL VECTRA HELICORP LIMITED** ('the Company') for the year ended on March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

For and on behalf of

Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao
Proprietor
Membership No. 6221
COP no. : 5676

Mumbai
Dated: May 26, 2011

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 2011 and the related 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, *except as stated in paragraph (f) and (h) below*, 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 at 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 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 schedule 29 to the financial statements, the Company has received an order from the Office of the Commissioner of Customs (Preventive) confirming the demand for differential duty of customs along with penalty aggregating Rs 262,195,030. No provision has been made by the Company for the same nor the interest due thereon as at 31 March 2011, as the management believes that the demand will be set aside by a higher appellate authority. Had the Company made a provision for the demand as required by Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets, the fixed asset gross block have been higher and revaluation reserve would have been lower by Rs 86,597,066 (previous year: Rs 107,652,087), depreciation would have been higher by Rs 23,219,078 (previous year: Rs 16,886,601) and the loss after tax (previous year: profit after tax for the year would be converted to a loss after tax by Rs 104,202,170) and accumulated losses for the year would have been higher by Rs 177,762,021 (previous year: Rs 104,202,170)*
- g) *as more fully explained in schedule 30 to the financial statements, managerial remuneration paid/payable to two Whole Time Directors (previous year: two Whole Time Directors and a Chief Executive Officer) of the Company has exceeded the limits prescribed under Section 198 of the Act by Rs 12,242,128 (previous year: Rs 11,078,330) as at 31 March 2011. The Company has applied for approval and is yet to receive the same from the Central Government;*
- h) *as more fully explained in schedule 34 to the financial statements, certain customers have disputed taxes levied by the Company aggregating Rs 93,949,478 (previous year: Rs 84,503,378). Consequently management have not paid the said taxes to the authorities. No provision has been made by the Company in respect of such outstanding, as required by the accounting policies of the Company. However, as detailed in schedule 34, management believes that they have a strong case to collect the outstanding amount. Had the Company made the provision, loss after tax (previous year: profit after tax for the year would be converted to a loss after tax) and accumulated losses for the year would have been higher by Rs 93,949,478 (previous year: Rs 84,503,378);*
- 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 2011;
 - 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 B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

Vijay Mathur

Partner

Membership No: 046476

Mumbai
26 May 2011

Annexure to the Auditors' Report – 31 March 2011

(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 that no material discrepancies were noticed on such verification.
- (c) The Company has disposed three helicopters during the year on account of termination of finance lease obligations with the lessor. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption
- (ii) (a) The inventory of consumables, spares and stores, including stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
- (b) The Company has taken unsecured loans from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 52,500,000 and the year-end balance of such loans was Rs. 20,137,590.
- (c) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from the aforesaid company covered in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interests of the Company.
- (d) Loans taken from the company covered in the register maintained under Section 301 of the Act do not have stipulations with regard to the repayment of principal and interest amounts. Accordingly, we are unable to comment on the regularity of repayment of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of spares are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of spares and fixed assets and with regard to the sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (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 year 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. Refer Clause (iii) with respect to loan taken from a company covered the register maintained in the Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Employee State Insurance, Profession Tax, Wealth Tax, Cess, 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 and Service Tax have not been regularly deposited during the year by the Company with the appropriate authorities and there has been serious delay in several cases. As explained to us, the Company did not have any dues on account of Excise Duty, Investor Education and Protection Fund and Sales Tax.

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, Employees' State Insurance, Profession Tax, Wealth Tax, Cess, Custom Duty, Service Tax and other material statutory dues were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable. The following undisputed dues of Income Tax and Service tax have not been deposited by the Company and were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Due dates
Income tax Act 1961	Income tax	5,556,420	Various	Various
Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Due date
Finance Act 1994	Service tax	257,535,936	Various	Various

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Custom Duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	*212,195,030	2007-2008	Commissioner (Appeals)
	Penalty	50,000,000	2007-2008	Commissioner (Appeals)

* includes amount aggregating Rs 53,826,044 paid as duty under protest during the year ended 31 March 2010

- (x) The accumulated losses of the Company are more than fifty percent of its networth at the end of the financial year. The Company has incurred cash losses in the current financial year, however there were no cash losses in the immediately preceding financial year. The accumulated losses and networth have been arrived at after considering the effect of the qualifications stated in paragraphs (f), (g), and (h) 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) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) No term loans have been obtained during the year, hence clause 4 (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that short term working capital amounting to Rs 771,687,460 (previous year: Rs. 976,455,465) has partly financed the additions to fixed assets during the year and the accumulated losses.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

Mumbai
26 May 2011

Vijay Mathur
Partner
Membership No: 046476

Balance Sheet as at 31 March 2011

(Currency : Indian Rupees)

Particulars	Schedule	31 March 2011	31 March 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	2	799,349,000	140,000,000
Reserves and surplus	3	927,849,562	1,202,065,092
		<u>1,727,198,562</u>	<u>1,342,065,092</u>
Loan funds			
Secured loans	4	2,403,925,287	4,061,426,893
Unsecured loans	5	132,556,932	263,220,936
		<u>4,263,680,781</u>	<u>5,666,712,921</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	6	4,733,745,637	6,548,872,623
Less : Accumulated depreciation and amortisation		(1,056,980,012)	(1,270,968,434)
Net block		3,676,765,625	5,277,904,189
Capital work in progress (includes capital advances)		-	3,844,868
		<u>3,676,765,625</u>	<u>5,281,749,057</u>
Deferred tax asset (net)	7	-	-
Current assets, loans and advances			
Inventories	8	121,290,706	122,540,614
Sundry debtors	9	761,274,103	520,605,652
Cash and bank balances	10	13,546,958	16,708,735
Loans and advances	11	548,204,211	540,938,053
		<u>1,444,315,978</u>	<u>1,200,793,054</u>
Current liabilities and provisions			
Current liabilities	12	1,760,772,407	1,281,947,685
Provisions	13	27,646,762	21,126,021
		<u>1,788,419,169</u>	<u>1,303,073,706</u>
Net current (liabilities)		<u>(344,103,191)</u>	<u>(102,280,652)</u>
Profit and loss account		<u>931,018,347</u>	<u>487,244,516</u>
		<u>4,263,680,781</u>	<u>5,666,712,921</u>

Significant accounting policies

1

Schedules to the financial statements

2 - 37

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

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

For and on behalf of the Board of Directors**Lt. Gen.(Retd.) SJS Saighal**
(Chairman)**P. Rajkumar Menon**
(Executive Director)**Ashvin Bhatt**
(Chief Financial Officer)**Raakesh D. Soni**
(Company Secretary)

Place : Mumbai

Date : 26 May 2011

Place : Mumbai

Date : 26 May 2011

Profit and Loss Account for the year ended 31 March 2011

(Currency : Indian Rupees)

Particulars	Schedule	31 March 2011	31 March 2010
INCOME			
Service income (net)		2,286,281,453	2,447,349,018
Other operating income	14	29,470,410	12,996,474
Other income	15	31,798,598	158,891,498
		<u>2,347,550,461</u>	<u>2,619,236,990</u>
EXPENDITURE			
Service costs	16	1,272,091,910	931,043,997
Personnel costs	17	505,915,927	548,456,154
General and administrative expenses	18	441,742,964	438,085,313
Finance cost	19	296,499,836	384,703,912
Depreciation	6	275,010,606	366,663,908
		<u>2,791,261,243</u>	<u>2,668,953,284</u>
(Loss) for the year before extraordinary items and taxation		(443,710,782)	(49,716,294)
Add: Extraordinary Item			
Liabilities written back	35	-	116,943,670
(Loss) / Profit for the year after extraordinary items and before taxation		(443,710,782)	67,227,376
Less: Provision for tax			
Current tax		63,049	23,100
Deferred tax (credit)		-	(7,725,445)
(Loss) / Profit for the year after taxation		(443,773,831)	74,929,721
Accumulated balance brought forward		<u>(487,244,516)</u>	<u>(562,174,237)</u>
Amount available for appropriation		(931,018,347)	(487,244,516)
Balance carried to balance sheet		(931,018,347)	(487,244,516)
Basic and diluted earnings per share (face value per share Rs 10 each)	28	(31.70)	5.35
Significant accounting policies	1		
Schedules to the financial statements	2 - 37		

The schedules referred to above form an integral part of the profit and loss account.

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 26 May 2011

For and on behalf of the Board of Directors

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

P. Rajkumar Menon
(Executive Director)

Ashvin Bhatt
(Chief Financial Officer)

Raakesh D. Soni
(Company Secretary)

Place : Mumbai

Date : 26 May 2011

Cash Flow statement for the year ended 31 March 2011

(Currency : Indian Rupees)

PARTICULARS	Schedule	31 March 2011	31 March 2010
Cash flow from operating activities			
(Loss) / Profit before taxation		(443,710,782)	67,227,376
Adjustments:			
Depreciation and amortisation		275,010,606	366,663,908
Interest income		(11,309,779)	(7,342,035)
Sundry balances written back		-	(117,248,313)
Provision for bad debts written back		(2,633,271)	(17,300,000)
Finance lease cost		97,265,762	204,742,590
Interest expenses		154,762,053	149,374,290
Provision for gratuity		5,204,813	927,220
Provision for leave encashment		1,315,928	(3,020,255)
Provision for doubtful debts and advances		-	5,552,504
Loss on conversion / sale of fixed assets		138,046,513	4,439,351
Bad debts written off		6,327,447	157,458,932
Unrealised exchange loss / (gain) (net)		34,809,717	(30,662,978)
		698,799,789	713,585,214
Operating cash flow before working capital changes		255,089,007	780,812,590
(Increase) in sundry debtors		(251,964,111)	(8,550,484)
(Increase) in inventories		1,249,907	(25,164,599)
Decrease / (Increase) in other current assets		(15,814,313)	(75,582,764)
Increase in sundry creditors		258,116,797	89,979,434
Increase in provision		244,185,272	96,571,103
Cash (used in) / generated from operations		235,773,552	77,252,690
Taxes refund / (paid)		8,537,863	(22,048,925)

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 26 May 2011

For and on behalf of the Board of Directors**Lt. Gen.(Retd.) SJS Saighal**

(Chairman)

P. Rajkumar Menon

(Executive Director)

Ashvin Bhatt

(Chief Financial Officer)

Raakesh D. Soni

(Company Secretary)

Place : Mumbai

Date : 26 May 2011

Cash Flow statement for the year ended 31 March 2011(Contd....)

(Currency : Indian Rupees)

PARTICULARS	Schedule	31 March 2011	31 March 2010
Net cash generated from operating activities	(A)	499,400,422	836,016,355
Cash flows from investing activities			
Purchase of fixed assets		(70,895,757)	(477,015,781)
Proceeds from sale of fixed assets		599,180,261	270,000
Proceeds from fixed deposit		-	6,027,091
Additions to fixed deposit		(3,451,250)	-
Interest received (net of tax deducted at source)		11,257,022	8,786,666
Net cash generated / (used in) investing activities	(B)	536,090,276	(461,932,024)
Cash flows from financing activities			
Increase / (Decrease) in overdraft facility		22,481,831	(40,015,732)
Proceeds from long - term borrowings		-	296,229,058
Repayment of short - term borrowings		-	(4,000,000)
Repayment of long - term borrowings		(460,760,899)	(249,035,874)
Proceeds from / (Repayment) under finance lease		141,510,790	(183,567,516)
Payment of finance lease cost		(434,712,238)	(157,065,924)
Payment of interest		(179,699,722)	(153,079,733)
(Repayment) / Borrowings from group companies (net)		(130,664,003)	130,201,360
Repayments of vehicle loan		(259,483)	(737,270)
Net cash (used in) / generated from financing activities	(C)	(1,042,103,724)	(361,071,631)
Net increase in cash and cash equivalents	(A+B+C)	(6,613,026)	13,012,700
Cash & cash equivalents at beginning of the year		15,874,419	2,861,721
Cash & cash equivalents at end of the year		9,261,393	15,874,419

Notes:

- Cash and cash equivalents includes cash in hand, current accounts with banks and exchange earners foreign currency accounts aggregating Rs 1,824,544 , Rs 1,095,032 and Rs 6,341,816 (Previous year: Rs 1,553,975, Rs 918,425 and Rs 13,402,019) respectively
- Lease liability aggregating Rs 659,349,000 converted into 5.46% 6,593,490 Preference Shares of Rs 100/- each totaling to Rs 659,349,000 has not been considered in the above Statement (refer schedule 2).

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm's Registration No : 101248W

Vijay Mathur

Partner

Membership No : 046476

For and on behalf of the Board of Directors**Lt. Gen.(Retd.) SJS Saighal**
(Chairman)**P. Rajkumar Menon**
(Executive Director)**Ashvin Bhatt**
(Chief Financial Officer)**Raakesh D. Soni**
(Company Secretary)

Place : Mumbai

Date : 26 May 2011

Place : Mumbai

Date : 26 May 2011

Schedules to the financial statements for the year ended 31 March 2011

(Currency : Indian Rupees)

Background

Global Vectra Helicorp Limited ('the Company') was incorporated in 1998 as a private limited company and was subsequently listed on the stock exchange on 27 October 2006. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The Company is mainly engaged in helicopter charter services for offshore transportation, servicing the oil and gas exploration and production sector in India.

1 Significant accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared and presented under the historical cost convention, except for certain fixed assets which were revalued (at fair value) during the year ended 31 March 2009, on the accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards (AS) prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') to the extent applicable. The financial statements are presented in Indian rupees.

1.2 Going concern

The Company's net worth (excluding revaluation reserve) stands partially eroded as at 31 March 2011. However, the financial statements have been prepared on a going-concern basis based on a letter of support from its major shareholders stating that they will continue to provide such financial support to the Company as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its debts and liabilities, both present as well as in the future, as and when they fall due for payment in the normal course of business, and the business plans reviewed by the management.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

1.3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.4 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition or revalued amounts, as the case may be, less accumulated depreciation/amortisation and impairment losses, if any. 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.

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.

Depreciation on fixed assets except leasehold improvements is provided on straight line basis at the rates prescribed under Schedule XIV of the Act which in management's opinion, reflects the estimated useful economic lives of fixed assets. Leasehold improvements in the nature of hangar and administrative building are amortised over the primary lease period or the useful life of the assets, whichever is shorter.

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

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

Where depreciable assets are revalued, the additional depreciation on the revalued amount is transferred from the revaluation reserve to the profit and loss account.

1.5 Impairment of assets:

Where there is an indication of impairment of the Company's assets, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to the present values based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable

amount. The reduction is treated as an impairment loss and is recognized in the 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 depreciated historical cost.

1.6 Maintenance expenditure

Helicopter maintenance checks including overhaul and repairs and maintenance that are required to be performed at regular intervals as enforced by the Director General of Civil Aviation (DGCA) and in accordance with the maintenance programme laid down by the manufacturers are debited to the profit and loss account as and when incurred.

1.7 Inventories

Inventories comprising of consumables, spare and shop supplies, are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average method. Cost of inventory comprises of all cost of purchase and other incidental cost incurred in bringing the inventories to their present location and condition.

1.8 Revenue recognition

Service income, including income from operation and maintenance contracts and reimbursement of expenses is recognized as and when services are rendered in accordance with the terms of the specific contracts, net of all contractual deductions. Revenue is recognised net of all taxes and levies.

Interest income is recognised on time proportion basis.

1.9 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 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 at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

(c) 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, except for exchange fluctuations arising on settlement of long term foreign currency monetary assets or liabilities.

Exchange differences arising on settlement of long term foreign currency monetary assets or liabilities are adjusted to the cost of the specifically identifiable assets as per the option available under paragraph 46 of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31 March 2009.

Restatement at reporting date

a) Short term foreign currency monetary assets and liabilities

Short term foreign currency monetary assets and liabilities denominated in foreign currency are translated at the year

end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. A monetary asset or liability denominated in foreign currency is designated as a short term monetary asset or liability if the original term at the time of origination of the asset or liability is less than 12 months.

b) Long term monetary assets and liabilities

As per the option available under paragraph 46 of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31 March 2009 in so far as they relate to recognition of losses or gains arising on restatement of long term monetary items, the Company has availed the option of adjusting the exchange differences on restatement of long term foreign currency monetary assets or liabilities to the historical cost of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the asset. All long term monetary assets or liabilities denominated in foreign currency are specifically identifiable with depreciable assets and hence no accumulation of exchange differences is made in the foreign currency monetary item translation difference account.

A monetary asset or liability denominated in foreign currency is designed as a long term monetary asset or liability if the original term at the time of origination of the asset or liability is more than 12 months.

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. Exchange fluctuations to the extent covered under paragraph 4 (e) of AS 16 – 'Borrowing cost' are classified as borrowing cost and disclosed accordingly.

1.12 Taxation

Income tax comprises of current tax and deferred 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 and is made annually based on the tax liability after taking credit for tax allowance and exemptions.

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 reassessed for the appropriateness of their respective carrying values as at each balance sheet date.

1.13 Leases

Lease rentals in respect of assets acquired under operating lease are charged off to the profit and loss account on a straight line basis with reference to the lease term and other contractual consideration as incurred. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired on or after 1 April 2001 are capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. A corresponding amount is recorded as a lease liability. The principal amount in the lease rentals paid is adjusted against the lease liability and the balance charged to the profit and loss account as finance cost.

1.14 Earnings per share ('EPS')

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the result would be anti dilutive.

1.15 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.

1.16 Derivatives

In compliance with the announcement dated 29th March, 2008 by ICAI regarding Accounting for Derivatives, the loss arising out of marking each class of derivative contracts to market price is recognised in the Profit and Loss Account. Income, if any, arising out of marking each class of derivative contracts to market price is not recognised in the Profit and Loss Account.

Schedules to the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
2 Share capital		
Authorised		
25,000,000 (previous year : 25,000,000) equity shares of Rs 10 each	250,000,000	250,000,000
7,000,000 (previous year : 7,000,000) Non convertible cumulative redeemable preference shares of Rs 100 each	700,000,000	700,000,000
Issued, subscribed and paid up		
Equity Share Capital		
14,000,000 (previous year : 14,000,000) equity shares of Rs 10 each, fully paid up	140,000,000	140,000,000
Preference Share Capital		
6,593,490 (previous year : NIL) 5.46% Non convertible cumulative redeemable preference shares of Rs 100 each	659,349,000	-
	799,349,000	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 of 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		
- 6,593,490 (previous year : NIL) 5.46% Non convertible cumulative redeemable preference shares of Rs 100 each held by Vectra Limited are redeemable at par on 27 December 2016		
The Company entered into an agreement on 18 December 2009 with one of the Group Companies for conversion of outstanding lease rentals due on 30 September 2009 amounting to USD 13,725,000 (equivalent of Rs 659,349,000 at the exchange rate prevailing as on 30 September 2009) into non-convertible cumulative redeemable preference shares. The agreement has been approved by the shareholders at the extraordinary general meeting ('EGM') held on 1 February 2010. The Company has obtained the statutory approvals necessary and in exercise of the powers conferred vide resolutions passed in the EGM, the Company during the current year has issued 6,593,490 5.46% non - convertible cumulative redeemable preference shares of face value of Rs 100 each		
3 Reserves and surplus		
Securities premium account	441,226,336	441,226,336
Revaluation reserve		
At the commencement of the year	760,838,756	918,982,914
Depreciation for the year on account of revaluation of helicopters	(39,507,034)	(66,818,352)
Loss on sale of fixed asset	(234,708,496)	-
Transferred to general reserve	(60,542,455)	-
Accelerated depreciation on assets (refer notes 2 and 3 to schedule 6)	-	(91,325,806)
	426,080,771	760,838,756
General reserve		
Transfer from revaluation reserve on sale of fixed asset	60,542,455	-
	60,542,455	-
	927,849,562	1,202,065,092

Schedules to the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
4 Secured loans		
Loans and advances from banks		
External commercial borrowings ('ECB') (refer note 1)	322,104,694	420,561,471
(ECB of JPY NIL (previous year : JPY 557,750,000) is repayable in sixteen quarterly installments commencing at the end of fifteen months from 28 May 2007 and ECB of JPY 894,404,000 (previous year: JPY 894,404,000) is repayable in twenty seven quarterly installments commencing from 19 March 2009. Amount repayable within one year Rs 71,578,822 (previous year : Rs 131,728,607))		
Cash credit and overdraft facilities (refer note 1) (Repayable on demand)	258,575,173	236,093,342
Vehicle finance loans (refer note 2) (Amount repayable within one year Rs. NIL (previous year: Rs 259,483))	-	259,483
Loans and advances from financial institutions		
Export Development Canada (refer note 3)	529,378,549	604,244,604
(ECB of USD 15,298,300 (previous year : USD 15,298,300) is repayable in forty quarterly installments commencing from 16 January 2009). Amount repayable within one year Rs 68,306,910 (previous year : Rs 69,056,226)		
Other loans and advances		
SREI Infrastructure Finance Limited (refer note 4)	251,016,983	304,249,806
(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 69,686,848 (previous year :Rs 67,007,806)		
Interest accrued and due on above	9,990,395	10,115,340
Term Loan (previous year: loan cum letter of credit) (refer note 5)	86,650,859	296,229,058
(Loan from SREI Infrastructure Finance Limited repayable in 48 monthly installments. Amount repayable within one year Rs 32,608,510/- (previous year : Rs 67,885,826/-))		
Interest accrued and due on Rupee Loan Facility	4,716,333	1,881,077
Finance lease obligations (refer schedule 27)	925,956,773	1,824,928,292
Interest accrued and due on finance lease obligations	15,535,528	362,864,420
	<u>2,403,925,287</u>	<u>4,061,426,893</u>

Notes :

- 1) Secured by a pari-passu charge of the following:
 - a) Exclusive charge over two (previous year : three) bell helicopters and one (previous year : one) eurocopter helicopter.
 - b) Specific assignment of book debts relating to four (previous year : four) helicopters being charged.
 - c) Hypothecation of stock / inventory and book debts.
- 2) Secured by hypothecation of vehicle acquired under the loan which has been fully repaid during the current year.
- 3) Secured by exclusive charge over two (previous year : two) helicopters.
- 4) Secured by specific assignment of book debts and exclusive charge over two (previous year : two) helicopters.
- 5) Exclusive charge over one (previous year: two) helicopters.

Schedules to the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
5 Unsecured loans		
From banks		
Short term loan from a bank (refer note 1)	25,000,000	25,000,000
Other loans		
Loan from other companies		
- repayable within one year Rs. 207,716 (previous year : Rs 207,716) (refer note 2)	207,716	207,716
Loan from group companies		
- (Repayable on demand) (Refer Note 3)	107,211,626	238,013,220
- Interest accrued and due on above	137,590	-
	132,556,932	263,220,936
	132,556,932	263,220,936

Note :

- 1) The short term loan from a bank is guaranteed by a non-executive promoter director of the Company.
- 2) The Loan from a company is backed by stand by letter of credit issued by Vectra Limited.
- 3) 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.

Schedules to the Financial Statements as at 31 March 2011

6. Fixed Assets

(Currency : Indian Rupees)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 April 2010	Additions during	Deductions during	As at 31 March 2011	As at 1 April 2010	During the year	Deletion/ Adjustment	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Building	7,954,063	-	-	7,954,063	7,954,063	-	-	7,954,063	-	-
Hanger and Administrative Building	85,811,170	-	-	85,811,170	8,530,011	7,459,447	-	15,989,458	69,821,712	77,281,159
Plant and Machinery	23,896,304	755,203	-	24,651,507	2,431,263	1,158,669	-	3,589,932	21,061,575	21,465,041
Furniture and Fixtures	27,818,397	324,871	-	28,143,268	5,064,846	1,725,506	-	6,790,352	21,352,916	22,753,551
Helicopters										
Owned	3,204,452,134	68,371,228	651,880,144	2,620,943,218	446,168,200	158,249,205	151,777,957	452,639,448	2,168,303,770	2,758,283,934
Leased	3,183,105,456	-	1,234,142,599	1,948,962,857	795,051,313	143,872,593	376,728,105	562,195,801	1,386,767,056	2,388,054,143
Computers	10,803,816	1,444,455	-	12,248,271	3,917,584	1,577,500	-	5,495,084	6,753,187	6,886,232
Vehicles	5,031,283	-	-	5,031,283	1,851,154	474,720	-	2,325,874	2,705,409	3,180,129
Total	6,548,872,623	70,895,757	1,886,022,743	4,733,745,637	1,270,968,434	314,517,640	528,506,062	1,056,980,012	3,676,765,625	5,277,904,189
Previous Year	6,692,905,640	480,372,134	624,405,151	6,548,872,623	998,563,198	524,808,066	252,402,830	1,270,968,434	5,277,904,189	
Capital Work in Progress, including capital advances										3,844,868

Notes:

- Helicopters leased assets includes helicopters obtained under a finance lease and does not include helicopters obtained under operating lease.
- Helicopter leased assets includes one helicopter (WDV as at 31 March 2010 aggregates Rs. 89,955,166) earmarked by management for return to the lessor pursuant to managements intent to do so and advanced negotiations with the lessor for foreclosure of the said lease. Accordingly management has revalued the estimated useful life of the said asset and charged accelerated depreciation aggregating Rs. 104,541,945 to the profit and loss account as accelerated depreciation and reversed the revaluation reserve arising out of upward revaluation in the previous years aggregating Rs. 72,762,368/-.
- Helicopter leased assets include one helicopter (WDV as at 31 March 2010 aggregates Rs 79,202,939) for which the company has entered into an agreement to sell subject to all conditions and titles being transferred to the company. Accordingly management has reassessed the estimated useful life of the said asset and charged accelerated depreciation aggregating Rs 32,527,585 to the profit and loss account and reversed revaluation reserve arising out of upward revaluation in the previous years aggregating Rs.25,710,281.
- Deductions during the year include:
 - Adjustment to the historical cost of helicopters (owned and leased) financed by long term foreign currency monetary liabilities aggregating to Rs 14,132,813 (previous year Rs 343,445,115) is recorded under deletions during the year (previous year: recorded under deletions). This adjustment is made pursuant to the option availed by the company available under paragraph 46 of AS11 Effects of changes in foreign exchange rates inserted vide notification no. GSR(E) 225 dated 31st March 2009 (Refer Schedule 1.10 and Schedule 3 to the financial statements)
 - During the year ended 31 March 2009, pursuant to the Company's decision to revalue helicopters (owned and leased) an amount aggregating Rs 924,551,109 has been added on revaluation and Rs 26,891,368 has been reduced on revaluation from the fixed asset. The revalued amount substituted for the historical cost as on 31 March 2009 aggregated Rs 5,279,439,000.

5) Depreciation charge has been disclosed as under:	31 March 2011	31 March 2010
Depreciation Charge for the year	314,517,640	376,728,105
Amount withdrawn from revaluation reserve	39,507,034	158,144,158
	<u>275,010,606</u>	<u>218,583,947</u>
As per the profit and loss account		

Schedules annexed to and forming part of the Financial Statements as at 31 March 2011

(Currency Indian Rupees)

Particulars	31 March 2011	31 March 2010
7 Deferred tax asset (net)		
Deferred tax liabilities		
Arising on account of timing difference in:		
- Lease rentals on assets acquired on finance lease	161,421,273	169,368,637
- Depreciation	544,444,842	279,838,381
	<u>705,866,115</u>	<u>449,207,018</u>
Deferred tax assets (refer note 1)		
Arising on account of timing differences in:		
- Unabsorbed depreciation	626,469,184	392,087,717
- Carry forward business loss	33,381,989	31,212,896
- Provision for doubtful debts and advances	16,675,218	14,762,207
- Others (disallowances under section 43B of the Income Tax Act, 1961)	29,339,723	11,144,198
	<u>705,866,115</u>	<u>449,207,018</u>
Net deferred tax assets	<u>-</u>	<u>-</u>
Note		
1) Due to carry forward losses and consequent absence of virtual certainty of realisation of deferred tax assets, deferred tax asset is recognised to the extent of the deferred tax liability since the same is considered to be virtually certain of realisation.		
8 Inventories		
Consumables, spares and stores	121,290,706	122,540,614
	<u>121,290,706</u>	<u>122,540,614</u>
9 Sundry debtors		
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months		
- Considered good	323,651,181	168,982,974
- Considered doubtful	44,879,055	43,431,030
	<u>368,530,236</u>	<u>212,414,004</u>
Other debts		
- Considered good	437,622,922	351,622,678
- Considered doubtful	-	-
	<u>437,622,922</u>	<u>351,622,678</u>
Less: Provision for doubtful debts	44,879,055	43,431,030
	<u>392,743,867</u>	<u>308,191,648</u>
	<u>761,274,103</u>	<u>520,605,652</u>
Debtors include amounts recoverable from companies under the same management as defined under Section 370 (1B) of the Act		
Vectra Limited, UK	16,650,935	47,861,588
Indicopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	35,955	35,955
Maximum amount outstanding at any time during the year		
Vectra Limited, UK	47,861,588	47,861,588
Indicopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	35,955	35,955

Schedules annexed to and forming part of the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
10 Cash and bank balances		
Cash in hand	1,824,544	1,553,975
Balance with scheduled banks		
- in current accounts	1,095,032	918,425
- in exchange earners' foreign currency account	6,341,816	13,402,019
- in deposit accounts	4,285,566	834,316
	<u>13,546,958</u>	<u>16,708,735</u>
Amounts with scheduled banks in deposit accounts have been pledge with banks as security for credit facilities obtained		
11 Current assets, loans and advances		
Loans and advances		
<i>Unsecured</i>		
Advances recoverable in cash or in kind or for value to be received		
Other than suppliers		
- Considered good	171,853,057	132,597,273
- Considered doubtful	5,321,045	2,789,978
	<u>177,174,102</u>	<u>135,387,251</u>
Advances to Suppliers		
- Considered good	77,219,604	47,554,279
- Considered doubtful	-	6,612,363
	<u>77,219,604</u>	<u>54,166,642</u>
	254,393,706	189,553,893
Less: Provision for doubtful advances	5,321,045	9,402,341
	<u>249,072,661</u>	<u>180,151,552</u>
<i>Unsecured, considered good</i>		
Tax deducted at source (net of provision for tax of Rs. 13,309,352 (previous year: Rs. 21,174,204))	123,785,739	132,386,651
Interest receivable	52,757	-
Prepaid expenses	56,817,731	63,141,048
Sundry deposits	51,825,103	98,608,582
Inter corporate deposit	66,650,220	66,650,220
	<u>548,204,211</u>	<u>540,938,053</u>
Included in		
a) Amounts recoverable in cash or kind for value to be received include amounts recoverable from companies under the same management as defined under Section 370 (1B) of the Act		
Vectra Limited, UK	45,756,398	58,504,153
Vectra Limited- Hongkong	3,110,241	8,036,236
Vectra Glosec Private Limited	12,408	-
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	5,364,943	-
Maximum amount outstanding at any time during the year		
Vectra Limited, UK	58,504,153	58,504,153
Vectra Limited- Hongkong	8,036,236	9,150,837
Vectra Glosec Private Limited	12,408	-
Indocopters Private Limited (Earlier known as Vectra Aviation Pvt. Ltd.)	5,364,943	-
b) Sundry deposits include security deposits placed for helicopters with companies under the same management as defined under section 370 (1B) of the Act:		
Vectra Limited, UK	-	46,042,800
Maximum amount outstanding at any time during the year		
Vectra Limited, UK	46,042,800	51,969,000

Schedules annexed to and forming part of the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
12 Current liabilities		
Sundry creditors (refer note 1)		
- Due to Micro and Small Enterprise	-	-
- Others	865,231,874	602,988,559
Advances from customers	150,131,948	80,609,254
Interest accrued but not due	1,177,924	3,370,007
Securities deposits	-	77,334,222
Other current liabilities	744,203,661	499,763,095
Share application money payable	27,000	27,000
Derivative liabilities	-	17,855,548
	<u>1,760,772,407</u>	<u>1,281,947,685</u>
Note		
1) 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.		
2) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
13 Provisions		
Fringe benefit tax (net of advance tax of Rs. Nil (previous year: Rs. Nil)	281,688	281,688
Gratuity (refer schedule 23)	19,789,369	14,584,556
Long term compensated absences (refer schedule 23)	2,697,491	2,271,055
Short term compensated absences	4,878,214	3,988,722
	<u>27,646,762</u>	<u>21,126,021</u>
14 Other operating income		
Reimbursement of expenses	29,470,410	12,996,474
	<u>29,470,410</u>	<u>12,996,474</u>
15 Other income		
Interest income		
- banks (tax deducted at source Rs 5,277 (previous year: Rs 6,915))	52,757	73,590
- others (tax deducted at source Rs 566,528 (previous year: Rs 749,270))	4,034,930	7,268,445
- Income Tax refund	7,222,092	-
Provision for bad debts written back	2,633,271	17,300,000
Foreign exchange gain	-	134,249,463
Reversal of MTM loss	17,855,548	-
	<u>31,798,598</u>	<u>158,891,498</u>
16 Service cost		
Helicopter spares consumption and maintenance	133,858,860	112,361,835
Maintenance, repairs and overhaul charges	260,003,481	266,046,810
Aviation fuel for helicopters	152,535,131	178,522,223
Lease rentals (operating leases - helicopters)	482,335,120	221,283,124
Insurance charges	90,258,565	91,805,850
Parking, landing and passenger service fees	29,949,276	31,298,336
Other service costs	123,151,477	29,725,819
	<u>1,272,091,910</u>	<u>931,043,997</u>

Schedules annexed to and forming part of the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
17 Personnel cost		
Salaries, wages and bonus (including contracted employees' costs)	475,327,065	524,397,965
Contribution to provident and other funds	13,103,346	5,384,232
Staff welfare expenses	17,485,516	18,673,957
	<u>505,915,927</u>	<u>548,456,154</u>
18 General and administrative expenses		
Travelling and conveyance	103,983,577	99,678,508
Legal and professional fees	19,169,805	19,422,961
Auditors' remuneration (refer schedule 21 (b))	2,416,694	2,741,542
Directors sitting fees	580,000	470,000
Training expenses	23,228,580	31,435,631
Lease rent	18,391,293	13,720,354
Telephone and other communication expenses	4,901,161	3,924,635
Car rentals	12,252,227	9,927,113
Repairs and maintenance		
- buildings	990,864	-
- plant and machinery	61,550	203,556
- others	9,920,973	12,201,439
Electricity expenses	7,204,040	8,706,984
Insurance	710,899	94,647
Printing and stationery	3,690,474	3,718,066
Advertisement	396,539	898,116
Rates and taxes	13,431,148	17,848,733
Other expenses	7,323,059	5,006,809
Provision for doubtful debts and advances	-	5,552,504
Bad debts written off	6,327,447	157,458,932
Loss on conversion / sale of fixed assets	138,046,543	4,439,351
Mark to market loss on derivative contracts	-	17,855,548
Miscellaneous expenses	3,281,132	22,779,884
Foreign exchange loss	65,434,959	-
	<u>441,742,964</u>	<u>438,085,313</u>
19 Finance cost		
Interest		
- term loan (refer schedule 4)	65,459,339	53,859,775
- external commercial borrowings	38,632,535	30,441,821
- cash credit and overdraft facility	34,081,793	27,893,264
- others	42,579,034	37,179,430
Finance lease cost (refer schedule 4)	97,265,762	204,742,590
Bank charges and commission	12,301,532	15,162,283
Facility advisory fees	6,179,841	15,424,749
	<u>296,499,836</u>	<u>384,703,912</u>

Schedules annexed to and forming part of the Financial Statements as at 31 March 2011

(Currency : Indian Rupees)

Particulars	31 March 2011	31 March 2010
20 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account net of advances	17,244,194	-
Preference dividend on 6,593,490 (previous year: Nil) 5.46% Non-convertible cummulative redeemable preference shares	9,369,981	-
Dividend tax on Preference dividend	1,556,354	-
	<u>28,170,529</u>	<u>-</u>
(b) Contingent liabilities		
Claims against the Company not acknowledged as debts		
Employee related	2,490,882	1,552,354
Demands in respect of which appeals are in the process of being filed		
- Customs duty related (refer note 1)	262,195,030	262,195,030
	<u>264,685,912</u>	<u>263,747,384</u>
Note		
1 Includes duty paid under protest aggregating Rs 53,826,044 (previous year : Rs 53,826,044)		
21 Supplementary statutory information		
(a) Particulars of managerial remuneration		
Salaries	11,504,317	18,578,528
Ex-gratia	350,800	283,667
Perquisites	1,484,448	1,523,357
Directors' sitting fees	580,000	470,000
Remuneration to Directors' (non executive)	-	93,750
	<u>13,919,565</u>	<u>20,949,302</u>
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.		
Computation of net profit in accordance with Section 349 of the Act has not been given, as commission by way of percentage of profits is not payable for the year to the directors.		
Also refer Schedule 30 for remuneration paid in excess of the prescribed limits specified by the Companies Act, 1956		
(b) Auditors' remuneration (inclusive of service tax)		
Audit fees	1,599,350	1,599,350
Other services	666,585	905,047
Out of pocket expenses	150,759	237,145
	<u>2,416,694</u>	<u>2,741,542</u>

21 Supplementary statutory information (Continued)**(c) Expenditure, earnings in foreign currency****(i) Expenditure in foreign currency (on accrual basis)**

- Lease rentals	436,184,859	194,617,530
- Helicopter overhaul and maintenance	164,816,758	230,745,033
- Training expenses	11,425,727	30,530,017
- Interest – finance lease	84,832,945	197,710,044
- Interest	38,632,535	31,005,316
- Salaries	66,553,480	90,214,246
- Legal and professional fees	4,950,094	4,089,793
- Insurance charges	1,662,925	10,541,787
- Travelling and conveyance	161,789	457,642
- Miscellaneous expenses	322,377	11,868
- Bank charges	2,079	22,488

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

- Revenue	1,287,985,717	1,373,328,412
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(d) Details of imported and indigenous spare parts and components consumed

	31 March 2011		31 March 2010	
	Value	% of total consumption	Value	% of total consumption
Imported	93,877,995	70	102,249,270	91
Indigenous	39,980,865	30	10,112,565	9
	133,858,860	100	112,361,835	100

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

	31 March 2011	31 March 2010
Spare parts and components	84,672,347	95,602,631
Capital spares	64,605,650	53,071,314
Capital goods (Plant & Machinery / helicopters)	1,428,574	409,325,897
	150,706,571	557,999,842

22 Segment reporting

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.

23 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**i Contribution to provident fund and ESIC**

Amount of Rs 2,724,477 (previous year: Rs 2,922,189) is recognized as an expense and included in "Personnel cost" (refer schedule 17 to the financial statements).

ii Leave Wages

Amount of Rs 1,509,097 (previous year: Rs 365,372) is recognized as an expense and included in "Personnel cost" (refer schedule 17 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 service.

Leave wages (Long term employment benefit)



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 THIRTEEN 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 Friday, 23rd day of September, 2011 at 1.30 p. m.

DP ID	
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No. of Shares	
----------------------	--

Client ID	
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Regd. Folio No.	
------------------------	--

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 THIRTEEN 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 Friday, 23rd day of September, 2011 at 1.30 p. m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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

Signature

Tear here

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