

## 11th Annual Report 2008-2009



## BOARD OF DIRECTORS

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

Mr. Ravinder Kumar Rishi  
(Non-Executive Director)

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

Captain Dhirendra Kumar Chand  
(Whole-time Director)

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

Dr. Gautam Sen  
(Independent Director)

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

Dr. Chandrathil Gouri Krishnadas Nair  
(Independent Director)

### COMPANY SECRETARY

Mr. Raakesh D. Soni

### AUDITORS

B S R & Co.  
Chartered Accountants

### BANKERS

ABN Amro Bank 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.:-91-22-61409200  
Fax No.:-91-22-61409253

### REGISTRAR & TRANSFER AGENTS

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

## CONTENTS

Directors' Report	01
Management Discussion and Analysis Report	03
Report on Corporate Governance	07
Report of the Auditors	15
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Accounting Policies	22
Schedules Forming Parts of the Accounts	26
Balance Sheet Abstract and Company's General Business Profile	43
Notice	44

## DIRECTORS' REPORT

The Directors take pleasure in presenting the Eleventh Annual Report of the Company and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL PERFORMANCE

Particulars	Year ended 31 <sup>st</sup> March, 2009	(Rupees' in Lacs) Year ended 31 <sup>st</sup> March, 2008
Service Income	23335.45	17953.64
Other Income	405.34	1068.43
Gross Income from operations	23740.79	19022.07
Profit before interest, depreciation, amortisation of expenses, exceptional items and Tax	4199.00	5590.60
Less : Interest	5604.89	3676.62
Less : Revaluation loss on Helicopters	268.91	0.00
Less : Impairment loss on Helicopters	1759.04	0.00
Less : Depreciation ( Net )	2948.95	2343.51
Profit / Loss before tax	-6382.79	-429.53
Less : Provision for taxation	-761.04	85.98
Profit / Loss after tax	-5621.74	-515.51
Balance of Profit for earlier years	1439.06	1942.15
Add :- Effect of changes in exchange rates Accounting Standard 11 Effect of Transitional Provisions on implementation of Accounting Standard 15(revised)	-1439.06	0.00
- Gratuity	0.00	14.17
- Leave encashment	0.00	4.63
- Deferred tax on above	0.00	-6.39
Balance carried forward to Balance Sheet	-5621.74	1439.06

### OPERATION REVIEW:

During the year under review, your Company achieved Service Income of Rs. 23335.45 Lacs as compared to Rs. 17953.64 Lacs of previous Financial Year, a growth of 30 %. The growth was achieved mainly on account of increased flying hours. Total Income of the Financial Year 2008-09 ( including Operational and other Income) also increased to Rs. 23740.79 Lacs from Rs. 19022.08 Lacs ,an increase of 25 % over last Financial Year.

Profit Before Interest, Depreciation, Tax, Foreign Exchange (Loss) / Gain and Extra-ordinary items in 2008-09 was Rs. 5984.73 Lacs as compared to Rs.4828.60 Lacs of 2007-08, 24 % higher than last year.

The Company continued to maintain its operating margin inspite of all round increase in fuel, spares and other operating costs. Interest Cost went up from Rs. 3676.63 Lacs to Rs. 5604.89 Lacs mainly on account of application of paragraph 4 ( e ) of Accounting Standard 16 " Borrowing Costs" substantial increase in lending rates during financial year 2008-2009 by lenders. The Company added 5 new Helicopters during the year in it's fleets resulting into additional borrowing and consequential increase in interest cost.

Depreciation was higher at Rs. 2948.95 Lacs (Previous Year – Rs. 2343.51 Lacs) due to additional depreciation of 5 new Helicopters ,effect of depreciation on Revalued Asset Values and depreciation on new hanger facility at Juhu, Mumbai.

After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Extra-ordinary items, the Company incurred a Loss Before Tax of Rs. 6382.79 Lacs for the current year as against Loss of Rs.429.53 Lacs in the previous year.. After making provision for tax, the net Loss was Rs. 5621.74 Lacs, previous year Rs. 515.51 Lacs.

### DIVIDEND:

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

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Lt. Gen. (Retd.) SJS Saighal and Captain Dharendra Kumar Chand 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 Hanger Building, Plant and Machinery, Stocks etc., are properly insured.

#### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

#### FOREIGN EXCHANGE EARNING AND OUTGO

The Company earned Rs. 1,432,544,927/- (previous year Rs.1,454,014,709/-) in foreign exchange during the year. The foreign exchange outgoes amount to Rs. 820,164,965/- (previous year Rs. 735,221,992/-)

#### 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 to the financial statements, One of our customer has retained this amount as liquidated damages from our payments as per the contract for some delay in implementing AS-4 on our Helicopters. This is an issue affecting our industry because implementation of AS-4 was for the first time in India and we are the first to implement the same. Directorate General of Civil Aviation has also written to this customer showing concerns for retention of such money from our payments. We have already been discussing this matter with the customer and we believes that the same will be waived by the Customer and we are fairly sure to receive this amount. Our customer has assured us that they are taking all steps to resolve the issue in our favour .The matter is still under consideration with the customer.

Reference is drawn to Clause no.(g) of the Auditors' Report and schedule 30 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.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.(h) of the Auditors' Report and schedule 31 to the financial statements. In this regard, Board informs that since the company has made loss during the financial year the remuneration paid to the Whole-time Director and one Chief Executive Officer of the Company exceeds the limit specified under The Companies Act, 1956 and the company has already filed a application with Central Government and permission of the Central Government is awaited.

#### ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Lt. Gen. (Retd.) SJS Saighal  
Chairman

Mr. P. Rajkumar Menon  
Whole-Time Director

Place: Mumbai  
Date: 22 June, 2009

## ANNEXURE -A

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****OVERVIEW**

Global Vectra Helicorp Limited (GVHL) is the country's largest private offshore and onshore air-logistics helicopter company serving, as its main activity, the Oil and Gas (O&G) Exploration and Production (E&P) sector in India. Through its onshore activities under the name of "Birdie", it supplies helicopter services to other sectors than Oil and Gas such as Geotechnical Surveys, Tourism and Corporate air links.

The company's total fleet size per the 31<sup>st</sup> March 2009 was 26 aircraft consisting of 22 Bell 412 and 4 Eurocopter aircraft.

GVHL has a total staff of 312 including 87 pilots and 113 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 based in Mumbai where, in a new hangar (inaugurated in January 2009) of 6000 sqm, all maintenance work is carried out including 3000 hours check on its Bell412 fleet of aircraft.

As the company foresees an increasing requirement for maintenance operations to be carried out on the East Coast of India, we have started the construction of new hangar facilities of 3000 sqm in Rajahmundry which will become available later in 2009. The Eurocopter fleet for the onshore activities under the name of Birdie is maintained by a dedicated maintenance organisation in Greater Noida on a contractual basis.

We pride ourselves in having premium clients such as Geotech, Fugro in the onshore activities and major oil and gas companies in India such as ONGC, Reliance Industries, British Gas, Transocean and Gujarat State Petroleum Corporation.

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, Pondicherry, Vijayawada, Chennai, Rajahmundry, Vizag and Bhubaneswar.

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**

- GVHL's mission is to develop and administer policies, regulations and services for the best possible transportation system for offshore and onshore operations – one that is safe, efficient, affordable, integrated and environmentally friendly.
- We believe that all losses of process, property and people result from inadequate systems, standards and their compliance. These inadequacies are essentially loss of control that can be attributed to management failure.
- GVHL therefore fosters a Safety Management System (SMS) oriented culture that is understood, shared and practiced by employees as a part of everyday business.

The Indian Oil & Gas Sector

**Overview**

In the exploration and production (E&P) arena there are two critical drivers: discovering oil and gas reserves more quickly, and increasing the percentage recovery from the reservoir. The challenges facing the oil industry are immense both in terms of data management and technological complexity. The energy business operates in virtually every corner of the globe, in some of the harshest and most inhospitable environments – from the baking sands of the Sahara to the frozen lands of Siberia, from deep water in the South Atlantic to the shallower waters of the Caspian and everywhere else in between. Apart from the environmental challenges, there are different cultures, differing governments and regulatory regimes to contend with which impact the industry. The oil and gas industry faces a level of diversity unlike any other sector.

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. The petroleum and natural gas sector which includes transportation, refining and marketing of petroleum products and gas constitutes over 15 per cent of the GDP.

Petroleum exports have also emerged as the single largest foreign exchange earner, accounting for 17.24 per cent of the total exports in 2007-08. Growth continued in 2008-09 with the export of petroleum products touching US\$ 18.34 billion during April-September 2008.

In November 2008, the Cabinet Committee on Economic Affairs awarded 44 oil and gas exploration blocks under the seventh round of auction of the New Exploration Licensing Policy (NELPL-VII). The overall number of blocks brought under exploration now exceeds 200.

The allocation is likely to bring in investments worth US\$ 1.5 billion.

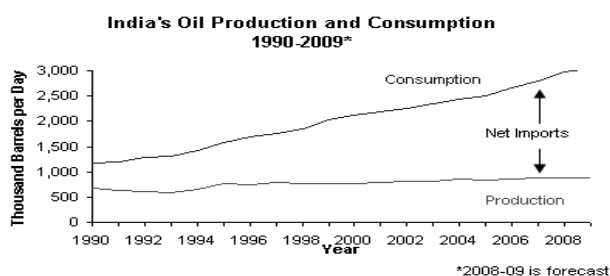
**Oil – The Indian Scenario**

Because of its ever rising domestic requirements, India is a growing net importer of oil, the Indian government has held several licensing rounds in an effort to promote exploration activities and boost domestic oil production. According to Oil & Gas Journal (OGJ), India had 5.6 billion barrels of proven oil reserves as of January 2009, the second-largest amount in the Asia-Pacific region after China. India's crude oil reserves

tend to be light and sweet, with specific gravity varying from 38° API in the offshore Mumbai High field to 32° API at other onshore basins.

India's oil consumption has continued to be robust in recent years. In 2007, India consumed approximately 2.8 million bbl/d, making it the fifth largest consumer of oil in the world. Demand grew to nearly 3 million bbl/d in 2008. EIA anticipates consumption growth rates flattening in 2009 largely due to slowing economic growth rates and the recent global financial crisis.

The combination of rising oil consumption and relatively flat production has left India increasingly dependent on imports to meet its petroleum demand. In 2006, India was the seventh largest net importer of oil in the world. With 2007 net imports of 1.8 million bbl/d, India is currently dependent on imports for 68 percent of its oil consumption. The EIA expects India to become the fourth largest net importer of oil in the world by 2025, behind the United States, China, and Japan.



Source: U.S. Energy Information Administration

### Sector Organization

India's oil sector is dominated by state-owned enterprises, although the government has taken steps in recent years to deregulate the hydrocarbons industry and encourage greater foreign involvement. India's state-owned Oil and Natural Gas Corporation (ONGC) is the largest oil company. ONGC is the dominant player in India's upstream sector, accounting for roughly 71 percent of the country's oil production in 2007, according to Indian government estimates. State-owned Oil India Limited (OIL) is the next largest oil producer, having accounted for approximately 28 percent of oil production during the same year. Other major state-run players include the Indian Oil Corporation (IOC) and the Gas Authority of Indian Limited (GAIL), although these companies are primarily involved in downstream activities such as petroleum refining and gas pipelines and distribution, respectively. In addition, the private Indian firm, Reliance Industries Limited, is also becoming a significant operator in the oil sector and is the largest private oil and gas company in the country. Cairn India, a branch of UK-based Cairn Energy, and BG Exploration are also important private sector operators in the industry.

As a net importer of oil, the Indian government has introduced policies aimed at increasing domestic exploration and production (E&P) activities. Economic reform and other efforts to open up the country have led to increased foreign investment in India. As part of an effort to attract oil majors with deepwater drilling experience and other technical expertise, the Ministry of Petroleum and Natural Gas created the New Exploration License Policy (NELP) in 2000, which for the first time permitted foreign companies to hold 100 percent equity ownership in oil and natural gas projects.

International oil and gas companies operate only a relatively small number of fields at this time, however.

### Exploration and Production

Most of India's crude oil reserves are located offshore, west of the country, and onshore in the northeast, although substantial newly-discovered reserves are located offshore in the Bay of Bengal and in Rajasthan state. India's largest oil field is the offshore Mumbai High field, located north-west of Mumbai and operated by ONGC. Although production has declined at Mumbai High, it still produces nearly 300,000 bbl/d. Another of India's large oil fields is the Krishna-Godavari basin, located in the Bay of Bengal. Block D6 in the Krishna-Godavari basin, operated by Reliance Industries, could account for as much as 40 percent of India's current domestic hydrocarbon output when production peaks. Oil production from this block began in September 2008. Onshore, GAIL is planning to invest \$18 million in exploratory drilling in Assam State, an important location for oil reserves. ONGC also plans to invest as much as \$2.4 billion in exploratory work in the northeast, particularly in Mizoram, Tripura, and Nagaland states.

In light of declining production at the majority of India's fields, companies are investing in enhanced oil recovery methods. ONGC plans to invest nearly \$1.5 billion in such projects, and a multitude of these schemes have been approved for many of the company's fields.

To help meet growing oil demand and support the country's energy security, India has promoted various E&P projects in an effort to boost domestic oil production. However, new E&P projects are expected to be difficult due to their deepwater location or terrain type. In order to address these challenges, Indian companies are recruiting foreign firms with greater experience and more sophisticated technology. For example, ONGC recently assigned a participating interest to Rocksource ASA, a Norwegian company with technological expertise in deepwater drilling, and to Petrobras for the development of an eastern offshore deepwater block. The participation of private foreign firms over the last five years has helped develop previously unexploited deepwater areas and allow India to tap more of its domestic oil resources.

### Gas – The Indian Scenario

According to Oil and Gas Journal (OGJ), India had 38 trillion cubic feet (Tcf) of proven natural gas reserves as of January 2009. The EIA estimates that India produced approximately 1.1 Tcf of natural gas in 2007, up only slightly from 2006 production levels. The bulk of India's natural gas production comes from the western offshore regions, especially the Mumbai High complex. The onshore fields in Assam, Andhra Pradesh, and Gujarat states are also significant sources of natural gas. The Bay of Bengal has also become an important source of natural gas for the country.

In 2007, India consumed roughly 1.5 Tcf of natural gas, approximately 100 Bcf more than in 2006, according to EIA estimates. Natural gas demand is expected to grow considerably, largely driven by demand in the power sector. The power and fertilizer sectors account for nearly three-quarters of natural gas consumption in India. By 2030, EIA expects Asian demand for natural gas to more than double, and India is expected to be responsible for a sizeable part of that growth. Natural gas is expected to be an increasingly

important component of energy consumption as the country pursues energy resource diversification and overall energy security.

Although India's natural gas production has consistently increased, demand has already exceeded supply and the country has been a net importer of natural gas since 2004. India's net imports reached an estimated 353 Bcf in 2007. India imports natural gas via liquefied natural gas (LNG).

#### Sector Organization

As in the oil sector, India's state-owned companies account for the bulk of natural gas production. State-run companies ONGC and Oil India Ltd. (OIL) are the main producers of natural gas in the country. According to government statistics, ONGC accounted for 69 percent of natural gas production in the country in 2007. In addition, some foreign companies participate in upstream developments in joint-ventures and production sharing contracts (PSCs). Privately-owned Reliance Industries will also have a greater role in the natural gas sector in the coming years, as a result of a large natural gas find in 2002 in the Krishna-Godavari basin.

The Gas Authority of India Ltd. (GAIL) holds an effective monopoly on natural gas transmission and distribution activities. In December 2006, the Minister of Petroleum and Natural Gas issued a new policy that allows foreign investors, private domestic companies, and national oil companies to hold 100 percent equity stakes in pipeline projects. While GAIL's monopoly in natural gas transmission and distribution is not guaranteed by statute, it will continue to be the leading player in the sector because of its existing natural gas infrastructure. The country has a number of major domestic pipelines in its domestic transmission network with ambitious plans to extend them further. GAIL's current natural gas trunk pipeline network extends roughly 4,100 miles, according to the company and, according to PFC Energy, the Government of India plans to spend about \$9 billion to upgrade the transmission network and extend the system.

#### Exploration and Production

While India is not expected to be a significant contributor to the upstream oil sector, the outlook for the upstream natural gas sector is more positive, although the IEA forecasts that natural gas production in India will peak between 2020 and 2030. Most natural gas production in India comes from fields off the western coast, including the Mumbai High complex and the Tapti, Panna, and Mukti fields, while the major onshore fields are located in the northeast, in the areas of Assam, Andhra Pradesh, and Gujarat. The Bay of Bengal has also recently become an important area of reserves, in particular in the Krishna-Godavari basin. GAIL recently announced plans to invest \$35 million in exploration and production projects in northeastern areas of the country, particularly in Assam, which are likely to be difficult to develop due to the terrain and increasing violence from separatist rebels. In addition, ONGC formed plans to invest \$2.4 billion for E&P oil and gas projects in the same region.

There have been some large natural gas finds in India over the last several years, predominantly offshore in the Bay of Bengal. In December 2006, ONGC announced that it had found an estimated 21 to 22 Tcf of natural gas in place at the KG-DOWN-98/2 block off the coast of Andhra Pradesh in the

Krishna Godavari basin.

Another key find is Reliance Industries' D-6 block in the Krishna-Godavari basin, which holds estimated reserves of 11.5 Tcf. Natural gas production in this field began in late 2008. Reliance and its equity partner Niko Resources have reportedly invested \$8.7 billion in the deepwater project, which is expected to supply 2.8 Bcf/d of natural gas at its peak. In order to transport the gas throughout the country, GAIL has recently completed a pipeline linking the Krishna-Godavari basin with existing gas transport infrastructure. The finds in the Krishna-Godavari basin are expected to double the country's current natural gas output in coming years.

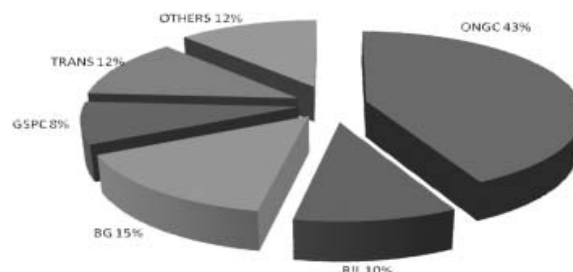
Companies are working to produce as much as possible domestically from current fields due to the widening supply and demand gap. ONGC has worked to maximize its recovery rate at the Mumbai High structure, which supplies the bulk of the country's natural gas at present, and is investing in facilities to develop its marginal fields. BG International and Reliance Industries are also jointly working to expand production at the Tapti, Panna, and Mukti fields in the Mumbai High basin. Despite these large finds, natural gas demand in India is expected to outstrip new supply in the years ahead.

#### PRODUCT-WISE PERFORMANCE 2008-09

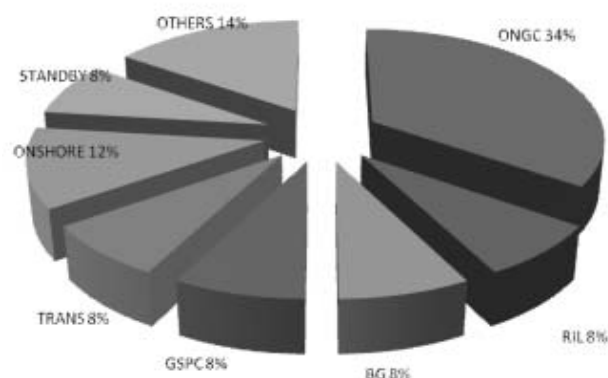
GVHL serves the offshore market as its core business, whereas the recently inaugurated operations in the onshore activities started to contribute to the overall result as well.

In the offshore segment, GVHL has five primary customers i.e. ONGC, RIL, GSPC, BGEPIL and TOIVL whereas the operations in the onshore sector included such contract customers as Geotech.

#### GVHL – Client Wise Revenue Contribution 2008-09



#### GVHL – FLEET DEPLOYMENT (26 Helicopters )



### FINANCIAL PERFORMANCE

During the year under review, your Company achieved Service Income of Rs. 23335.45 Lacs as compared to Rs. 17953.65 Lacs of previous Financial Year, a growth of 30 %. The growth was achieved mainly on account of increased flying hours .Total Income of the Financial Year 2008-09 (including Operational and other Income) also increased to Rs. 23740.79 Lacs from Rs. 19022.08 Lacs, an increase of 25 % over last Financial Year.

Profit before Interest, Depreciation, Tax, Foreign Exchange (Loss) / Gain and Extra-ordinary items in 2008-09 was Rs. 5984.73 Lacs as compared to Rs.4828.60 Lacs of 2007-08, 24 % higher than last year.

The Company continued to maintain its operating margin inspite of all round increase in fuel, spares and other operating costs. Interest Cost went up from Rs. 3676.63 Lacs to Rs. 5604.89 Lacs mainly on account of application of paragraph 4 ( e) of Accounting Standard 16 " Borrowing Costs" substantial increase in lending rates during financial year 2008-2009 by lenders. The Company added 5 new Helicopters during the year in its fleets resulting into additional borrowing and consequential increase in interest cost.

Depreciation was higher at Rs. 2948.95 Lacs (Previous Year – Rs. 2343.51 Lacs) due to additional depreciation of 5 new Helicopters, effect of depreciation on Revalued Asset Values and depreciation on new hanger facility at Juhu, Mumbai.

After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Extra-ordinary items, the Company incurred a Loss Before Tax of Rs. 6382.79 Lacs for the current year as against Loss of Rs.429.53 Lacs in the previous year.. After making provision for tax, the net Loss was Rs. 5621.74 Lacs, previous year Rs. 515.51 Lacs.

### 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

For more than a decade, our services have provided air logistics solutions to clients in various industries, especially the Oil & Gas industry, both offshore and onshore. Behind those solutions are dedicated teams of professional men and women who are committed to providing the best-in-class quality services where safety always comes first.

We value our employees as individuals and offer developmental opportunities that challenge, reward and encourage their professional and personal growth.

Global Vectra Helicorp Limited is an Equal Opportunity Employer which not only values its diverse workforce wherever it operates but also respects and values the worth of all people, cultures, viewpoints, and backgrounds.

As of March 31, 2009 the Company has a total workforce of 312 employees.

### CAUTIONARY STATEMENT

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

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



## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

### II. BOARD OF DIRECTORS

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

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

Name of Director	Category	No. of Board Meeting attended	Last AGM Attended	No. of other Directorship and Committee Membership / Chairmanship		
				Other Directorship	Committee Memberships	Committee Chairmanship
Lt. Gen. (Retd.) SJS Saigal	C	5	Yes	None	None	None
Mr. P. Rajkumar Menon	WTD	5	Yes	None	None	None
Mr. Ravinder Kumar Rishi	NED	4	No	8	None	None
Mr. R.S.S.L.N. Bhaskarudu	ID	5	Yes	7	3	5
Dr. Chandrathil Gouri Krishnadas Nair	ID	3	Yes	10	2	None
Dr. Gautam Sen	ID	4	Yes	None	None	None
Maj. Gen. (Retd.) Gurdial Singh Hundal	ID	5	No	None	None	None
Captain Dharendra Kumar Chand	WTD	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 2008-09 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:-

26<sup>th</sup> April, 2008      26<sup>th</sup> June, 2008      30<sup>th</sup> July, 2008      25<sup>th</sup> October, 2008      28<sup>th</sup> January, 2009

### 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 five 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 30<sup>th</sup> July 2008 and 30<sup>th</sup> August, 2008 and Dr. Gautam Sen who was not able attend the Audit Committee meeting held on 30<sup>th</sup> July 2008 and 30<sup>th</sup> August, 2008.

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.

The committee met on 26<sup>th</sup> April, 2008 to approve the remuneration of Mr. David Vaughan Hayler. All members were present in the meeting. The committee also met on 28<sup>th</sup> January, 2009 to approve the remuneration of Mr. Eduard Van Dam. The committee confirmed that the remuneration is in accordance with the provisions of Part III of the Schedule XIII of The Companies Act, 1956 and recommended the same to the board.

Remuneration Policy

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

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

Details of remuneration paid to Directors/CEO's for the year 2008-2009

Amount in Rupees

Name of Director(s)	Category	Salary	Ex-gratia	Perquisites	Sitting Fees	Remuneration
Lt.Gen. (Retd.)SJS Saighal	Executive Director	2,100,000	69,972	127,142	0	0
Mr. P. Rajkumar Menon	Executive Director	6,441,226	415,834	50,926	0	0
Captain Dharendra Kumar Chand	Executive Director	8,152,476	224,892	18,000	0	0
Mr.R.S.S.L.N. Bhaskarudu	Independent Director	0	0	0	50,000	1,25,000
Dr.Chandrathil Gouri Krishnadas Nair	Independent Director	0	0	0	30,000	1,25,000
Maj.Gen.(Retd.) Gurdial Singh Hundal	Independent Director	0	0	0	50,000	1,25,000
Dr. Gautam Sen	Independent Director	0	0	0	40,000	0
Mr. Allan Brown	Chief Executive Officer	266,892	0	11,523	0	0
Mr. David Hayler	Chief Executive Officer	1,883,996	0	60,380	0	0
Mr. Eduard Van Dam	Chief Executive Officer	1,336,888	224,892	180,150	0	0

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

This Committee comprising three Directors viz. Dr. Chandrathil Gouri Krishnadas Nair (Chairman), Lt. Gen. (Retd.) SJS Saighal and Mr. R.S.S.L.N. Bhaskarudu. The Committee met 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 31<sup>st</sup> March, 2009 which was replied to the satisfaction of the concerned shareholders.

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

**VI. GENERAL BODY MEETINGS**

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

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

During the Financial year 2008-2009, 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, 2009.

Lt. Gen.(Retd.) SJS Saighal  
Chairman

Mumbai

22<sup>nd</sup> June, 2009

**VIII. CEO/CFO CERTIFICATE**

Certificate from CEO and CFO for the financial year ended March 31, 2009 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 Sr. No. X herein below and also displayed on the website of the Company. The results are not separately circulated to the shareholders.

**4. Audit qualification**

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

**5. Training of Board Members**

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

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

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

**7. Whistle Blower Policy**

The Company has laid down a Code of Conduct for all its employees across the organisation. The Code of Conduct of the Company lays down that the employees shall promptly report any concern or breach and suggests not to hesitate in reporting a violation or raising a policy concern to the Code Compliance Cell or concerned superior. The Code provides that the Company shall support and protect employees for doing so. The Code has been rolled out across the Organisation. Further during the year 2008-2009, 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. 11<sup>th</sup> Annual General Meeting**

Date	:-	29 <sup>th</sup> September, 2009
Time	:-	2.30 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 3<sup>rd</sup>/ 4<sup>th</sup> week of the quarter ending

June 30, 2009	July, 2009
September 30, 2009	October, 2009
December 31, 2009	January, 2010
March, 2010	June, 2010

**c. Date of Book Closure** : 28<sup>th</sup> September, 2009 to 29<sup>th</sup> September, 2009

**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 2009-2010.

**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'2008 to March, 2009

Month	NSE		BSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April, 2008	107.90	62.00	107.90	62.20
May, 2008	103.50	74.80	104.25	74.50
June, 2008	77.60	56.10	77.75	55.20
July, 2008	64.95	50.10	64.90	49.50
August, 2008	85.95	58.10	83.95	59.00
September, 2008	65.70	44.75	66.00	44.50
October, 2008	47.50	27.75	46.75	26.80
November, 2008	30.80	22.50	30.75	22.45
December, 2008	34.50	21.65	35.50	21.95
January, 2009	33.90	24.30	33.20	24.70
February, 2009	31.00	25.35	31.35	25.00
March, 2009	29.90	22.05	29.40	23.45

**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 31<sup>st</sup> 2009**

	Category	No. of shares Held	Percentage of shareholding
<b>A.</b>	<b>Promoter's holding</b>		
1.	Promoters		
	- Indian Promoters	6720000	48.00
	- Foreign Promoters	3780000	27.00
2.	Persons acting in Concert	0	0
	<b>Sub-Total</b>	<b>10500000</b>	<b>75.00</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
3.	Institutions Investors		
	a. Mutual Fund and UTI	216000	1.54
	b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	0	0.00
	c. FIIs	0	0.00
	<b>Sub-Total</b>	<b>216000</b>	<b>1.54</b>
4.	Non-institutions Investors		
	a. Private Corporate Bodies	671919	4.80
	b. Indian Public	2467867	17.63
	c. NRIs / OCBs	87589	0.63
	d. Any other (Clearing Member)	56625	0.40
	<b>Sub-Total</b>	<b>3284000</b>	<b>23.46</b>
	<b>GRAND TOTAL</b>	<b>14000000</b>	<b>100.00</b>

Shareholding of Nominal Values	Shareholders		Amount		
	Rupees	Number	% of Total	Rupees	% of Total
1 - 5000		12091	93.9545	13259220	9.4709
5001 - 10000		452	3.5123	3546450	2.5332
10001 - 20000		180	1.3987	2688680	1.9205
20001 - 30000		54	0.4196	1360590	0.9719
30001 - 40000		25	0.1943	879920	0.6285
40001 - 50000		19	0.1476	887890	0.6342
50001 - 100000		24	0.1865	1666980	1.1907
1000001 – Above		23	0.1865	115710270	82.6502
TOTAL		12868	100.000	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). 92.03 % of the Company's shares are held in dematerialized mode. Trading in dematerialized form is compulsory for all investors. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL

**k. International Securities Identification Number**

INE792H01019 (with NSDL and CDSL)

**l. Address of Correspondence**

- |   |  |
|---|--|
| 1. To the Company – Corporate Office<br>Global Vectra Helicorp Limited<br>Hanger No. C – He / Hf,<br>Airports Authority of India, Civil Aerodrome,<br>Juhu, Mumbai – 400 054<br>Telephone No. – 91-22-61409200 / 201<br>Fax No. - 91-22-61409253<br>E-mail – raakesh@gvhl.net<br>Business Hours – 9.30 A.M to 6.00 P.M. | 2. To Registrar and Share Transfer Agent<br>Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound<br>LBS Marg, Bhandup ( West )<br>Mumbai – 400 078<br>Telephone No.- 91-22- 2594 6970 / 78<br>Fax No. – 91-22-2594 6969<br>E-mail –rnt.helpdesk@linkintime.co.in<br>Business Hours -10.00 A.M. to 5.00 P.M. |
|---|--|

**For and on behalf of the Board**

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

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

**Place: Mumbai**

**Date: 22 June 2009**

## 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 2008-2009

We have reviewed financial statements, read with the cash flow statement of Global Vectra Helicorp Limited for the year ended 31<sup>st</sup> March, 2009 and that to the best of their knowledge and belief, we state 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 to the auditors and the Audit committee that:
- (i) no, significant changes in internal control over financial reporting during the year;
- (ii) no, significant changes in accounting policies made during the year except
- 1) the Company had taken a decision to early adopt Account Standard (AS) 30 – Financial Instruments. Recognition and Measurement and had accounted for mark-to-market gain of Rs. 525.74 Lacs on derivative contracts for the nine months ended 31<sup>st</sup> December, 2008. Subsequent to the introduction of paragraph 46 of AS 11 vide GSR notification no. 225 E dated 31<sup>st</sup> March 2009 issued by the Ministry of Company Affairs, the Company has decided to reverse its earlier decision to early adopt AS 30. Accordingly, the mark-to-market gain recognised by the Company for the period ended 31<sup>st</sup> December 2008 has been reversed and the results for the year ended 31<sup>st</sup> March, 2009 do not contain any adjustments in respect of AS 30,
  - 2) as per the option available under paragraph 46 of AS 11 "The effect of changes in exchanges rates" inserted pursuant to notification GSR 225 (E) issued by the Ministry of Corporate Affairs dated 31<sup>st</sup> 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 monetary assets or liability to the historical costs of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the assets.  
  
The company has adjusted the exchange differences arising of such long term foreign currency items (assets and liabilities) to the historical cost of the depreciable assets for all accounting periods commencing on or after 7<sup>th</sup> December 2006. As a consequence, an amount of exchange difference (loss) on restatement of long term monetary liabilities at 31<sup>st</sup> March, 2009 aggregating to Rs. 4,189.71 Lacs (net of tax) has been capitalized by adjusting the historical cost of the specifically identifiable additional depreciation change aggregating to Rs. 46.04 Lacs. The depreciation charge has been computed on the basis of the remaining useful life of the assets as at 31<sup>st</sup> March 2009. The exchange fluctuation during the year is presumed to occur evenly throughout the reporting period.
  - 3) during the year, the Company has, in order to reflect the current reinstatement cost/market value of its assets, revalued all of its helicopters acquired under finance lease arrangement and owned helicopters. The revaluation for the helicopters has been carried out by international helicopters/aircraft valuers considering the total time of air frame (TTAF) (Cumulative time in Service). Accordingly, the resultant accretion to the value of the helicopters aggregating Rs. 924,538,721 has been adjusted (added) to the historical cost of the assets and a corresponding amount has been credited to the Revaluation Reserve. Additional depreciation of the accretion to the historical cost of the asset on account of the revaluation aggregating Rs. 5,567,874 has been passed through the profit and loss account with an equivalent withdrawal from the revaluation reserve to the profit and loss account. The additional depreciation has been computed on the basis of the remaining useful life of the assets.  
  
Further on account of the above exercise of revaluation of asset, an adjustment (reduction) aggregating Rs. 27,083,716 has been made to the carrying value of two helicopters. The reduction in the carrying value of the assets has been charged to the profit and loss account.
- (iii) no, instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mr. Eduard Van Dam  
Chief Executive Officer

Mr. Ashvin Bhatt  
Chief Financial Officer

Place:- Mumbai

Date:- 22<sup>nd</sup> June, 2009

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

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

We have examined the compliance of conditions of Corporate Governance by GLOBAL VECTRA HELICORP LIMITED ('the Company') for the year ended on March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

For and on behalf of

Martinho Ferrao & Associates  
Company Secretaries

Martinho Ferrao  
Proprietor  
Membership No. 11011

COP No. 5676

Mumbai  
Dated: - June 22, 2009



## 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 2009 and the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, *except as stated in paragraph (g) 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 of 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2009 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, in earlier years a customer has retained liquidated damages of Rs 201,398,111 (previous year: Rs 178,195,590) in accordance with the terms of agreement with the Company. No provision has been made for the liquidated damages as at 31 March 2009 as required by the accounting policies adopted by the Company. However, as detailed in schedule 29, management believes that the same will be waived by the customer. Had the Company made the provision in earlier years, sundry debtors as at 31 March 2009 would be lower by Rs 201,398,111 and the debit balance in the profit and loss account as at 31 March 2009 would be higher by Rs 201,398,111;*
- g) *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 as required by Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets with regard to such demand. As more fully explained in schedule 30 to the financial statements, 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, the revaluation reserve would have been lower by Rs 107,652,087, depreciation and accumulated depreciation would have been higher by Rs 10,554,126 and the loss after tax for the year would be higher by Rs 165,097,069;*
- h) *as more fully explained in schedule 31 to the financial statements, the Company has paid/payable managerial remuneration to two Whole Time Directors and a Chief Executive Officer in excess of the limits prescribed under Section 198 of the Act aggregating Rs 7,095,524 (previous year: Rs 1,869,463) for the year ended 31 March 2009. The Company has applied for approval and is yet to receive the same from the Central Government; and*
- i) In our opinion, and to the best of our information and according to the explanations given to us, *subject to adjustments, if any, which may arise from the matters referred to in (f), (g) and (h) above*, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2009;
  - 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

**Akeel Master**  
Partner

Place : Mumbai

Dated : - 22 June 2009

Membership No: 046768

## Annexure to the Auditors' Report – 31 March 2009

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the year.
- (ii) (a) The inventory of consumables, spares and shop supplies, 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. For stocks lying with third parties at the year- end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of accounts.
- (iii) (a) The Company has 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 56,187,251 and the year-end balance of such loans was Rs 26,618,286.
- (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 interest 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.
- (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 have been serious delays in a large number of cases. As explained to us, the Company did not have any dues on account of Excise Duty, Investor Education and Protection Fund, Sales Tax and Wealth Tax.

There were no dues on account of Cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Profession Tax, Wealth Tax, Cess, Custom Duty, Service Tax and other material statutory dues were in arrears as at 31 March 2009 for a period of more than six months from the date they became payable. The following undisputed dues of Income Tax have not been deposited by the Company and were in arrears as at 31 March 2009 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 date
Income Tax Act, 1961	Tax deducted at source (194J)	12,720	May 2008	7 June 2008
	Tax deducted at source (194I)	12,256	May 2008	7 June 2008

(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)

- (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 but has not incurred 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) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that short term working capital amounting to Rs 766,408,233 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

**Akeel Master**  
Partner  
Membership No: 046768

Place : Mumbai  
Dated: - 22 June 2009

**Balance Sheet as at 31 March 2009**

Amount in Rupees

Particulars	Schedule	31 March 2009	31 March 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	2	140,000,000	140,000,000
Reserves and surplus	3	1,360,209,250	585,132,459
		<u>1,500,209,250</u>	<u>725,132,459</u>
<b>Loan funds</b>			
Secured loans	4	4,667,354,130	2,680,103,591
Unsecured loans	5	143,040,433	104,395,091
<b>Deferred tax liabilities (net)</b>	6	<u>7,725,445</u>	<u>110,350,258</u>
		<u>6,318,329,258</u>	<u>3,619,981,399</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	7	6,692,905,640	4,050,288,854
Less : Accumulated depreciation, amortisation and impairment losses		(998,563,198)	(522,195,355)
Net block		<u>5,694,342,442</u>	<u>3,528,093,499</u>
Capital work in progress (includes capital advances)		<u>7,201,221</u>	<u>339,313,598</u>
		<u>5,701,543,663</u>	<u>3,867,407,097</u>
<b>Investments</b>	8	<u>490,637</u>	<u>500,000</u>
<b>Current assets, loans and advances</b>			
Inventories	9	97,376,015	94,350,785
Sundry debtors	10	664,153,395	368,107,032
Cash and bank balances	11	9,232,491	7,681,271
Loans and advances	12	453,695,420	797,911,884
		<u>1,224,457,321</u>	<u>1,268,050,972</u>
<b>Current liabilities and provisions</b>			
Current liabilities	13	1,142,053,127	1,496,979,623
Provisions	14	28,283,473	18,997,047
		<u>1,170,336,600</u>	<u>1,515,976,670</u>
<b>Net current assets / (liabilities)</b>		<u>54,120,721</u>	<u>(247,925,698)</u>
<b>Profit and loss account</b>		<u>562,174,237</u>	<u>-</u>
		<u>6,318,329,258</u>	<u>3,619,981,399</u>
<b>Significant accounting policies</b>	1		
<b>Schedules to the financial statements</b>	2 - 38		

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

As per our report attached

**For B S R & Co.****Chartered Accountants****Akeel Master**

Partner

Membership No. 046768

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

Place : Mumbai

Date : 22 June 2009

Place : Mumbai

Date : 22 June 2009

## Profit and Loss Account for the year ended 31 March 2009

Amount in Rupees

Particulars	Schedule	31 March 2009	31 March 2008
<b>INCOME</b>			
Service income (net)		2,333,545,143	1,795,364,838
Other income	15	40,534,453	106,843,136
		<u>2,374,079,596</u>	<u>1,902,207,974</u>
<b>EXPENDITURE</b>			
Service costs	16	963,261,237	719,968,028
Personnel costs	17	593,016,661	418,718,893
General and administrative expenses	18	397,900,390	204,459,107
Finance costs	19	560,489,032	367,662,838
Revaluation loss on helicopters	7, 35	26,891,368	-
Impairment loss on helicopters	7	175,904,573	-
Depreciation / amortisation	7	294,895,074	234,351,548
		<u>3,012,358,335</u>	<u>1,945,160,414</u>
		<u>(638,278,739)</u>	<u>(42,952,440)</u>
<b>(Loss) for the year before taxation</b>			
<b>Provision for taxes</b>			
Current tax			
- current year		-	-
- earlier years		-	837,375
Minimum alternate tax (MAT) credit reversed		21,174,206	-
Deferred tax (credit) / charge		(102,624,813)	2,891,127
Fringe benefits tax		5,346,105	4,870,000
		<u>(562,174,237)</u>	<u>(51,550,942)</u>
<b>Loss for the year after taxation</b>			
Balance in profit and loss account brought forward		143,906,123	194,215,948
Effect of transitional provisions on implementation of:			
- Accounting Standard 11 - The effect of changes in exchange rates (refer schedule 34)		(143,906,123)	-
- Accounting Standard 15 - Employee benefits (refer schedule 23)			
- Gratuity (credit)		-	1,416,811
- Leave encashment (credit)		-	463,387
- Deferred tax on above		-	(639,081)
		<u>(562,174,237)</u>	<u>143,906,123</u>
<b>Amount available for appropriation</b>			
Balance in profit and loss account carried forward		<u>(562,174,237)</u>	<u>143,906,123</u>
<b>Basic and diluted earnings per share (Rs)</b>			
(Face value per share - Rs 10 each)	28	<u>(40.16)</u>	<u>(3.68)</u>
<b>Significant accounting policies</b>	1		
<b>Schedules to the financial statements</b>	2 - 38		
The schedules referred to above form an integral part of the profit and loss account.			

As per our report attached

**For B S R & Co.****Chartered Accountants****Akeel Master**

Partner

Membership No. 046768

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

Place : Mumbai

Date : 22 June 2009

Place : Mumbai

Date : 22 June 2009

## Cash Flow statement for the year ended 31 March 2009

PARTICULARS	Schedule	Amount in Rupees	
		31 March 2009	31 March 2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) before taxation		<b>(638,278,739)</b>	(42,952,440)
Adjustments:			
Depreciation / amortisation	7	<b>294,895,074</b>	234,351,548
Revaluation loss on helicopters	7, 35	<b>26,891,368</b>	-
Impairment loss on helicopters	7	<b>175,904,573</b>	-
Interest income	15	<b>(5,671,506)</b>	(8,293,860)
Sundry balances written back	15	<b>(4,032,141)</b>	(515,009)
Insurance claim		-	(13,221,775)
Finance lease cost	19	<b>360,487,799</b>	270,454,846
Interest expenses	19	<b>200,001,233</b>	92,595,524
Provision for gratuity		<b>2,117,600</b>	4,977,358
Provision for leave encashment		<b>6,692,721</b>	2,191,185
Provision for doubtful debts and advances	18	<b>49,070,595</b>	53,974,017
Profit on sale of fixed assets (net)		-	(84,751,390)
Diminution in value of investments		<b>9,363</b>	-
Unrealised exchange loss (net)		<b>74,506,005</b>	66,826,005
		<b>1,180,872,684</b>	618,588,449
Operating cash flow before working capital changes		<b>542,593,945</b>	575,636,009
(Increase) in sundry debtors		<b>(294,256,993)</b>	(80,355,287)
(Increase) in inventories		<b>(3,025,230)</b>	(30,070,561)
Decrease in other current assets		<b>363,183,308</b>	6,242,622
Increase in creditors in sundry creditors		<b>39,781,496</b>	262,134,244
(Decrease) / increase in other current liabilities		<b>(472,650,233)</b>	78,390,916
Increase / (decrease) in provisions		<b>952,210</b>	(845,198)
Cash (used in) / generated from operations		<b>(366,015,442)</b>	235,496,736
Income taxes paid (net)		<b>(27,167,831)</b>	(61,784,466)
<b>Net cash generated from operating activities</b>	<b>B</b>	<b>149,410,672</b>	749,348,278

**Cash Flow statement for the year ended 31 March 2009 (contd...)**

Amount in Rupees

<b>PARTICULARS</b>	<b>Schedule</b>	<b>31 March 2009</b>	<b>31 March 2008</b>
Cash flows from investing activities			
Purchase of fixed assets		(1,155,893,275)	(446,219,909)
Proceeds from sale of fixed assets		-	40,485,000
Interest received		<u>7,777,655</u>	<u>6,186,559</u>
<b>Net cash (used in) investing activities</b>		<b><u>(1,148,115,620)</u></b>	<b><u>(399,548,350)</u></b>
<b>Cash flows from financing activities</b>			
(Decrease) / increase in overdraft facility		(16,145,318)	56,747,181
Proceeds from short - term borrowings		4,000,000	25,000,000
Proceeds from long - term borrowings		1,411,425,027	83,000,000
Repayment of long - term borrowings		(190,674,088)	(93,038,576)
Principal repayment under finance lease		(93,596,469)	(217,909,455)
Finance lease cost paid		(40,142,581)	(153,373,062)
Interest paid		(148,513,476)	(65,016,199)
Borrowings from group companies		99,413,961	26,200,000
Repayments to group companies		(24,714,000)	(15,700,000)
(Repayments) in vehicle loan		<u>(917,658)</u>	<u>(900,507)</u>
<b>Net cash generated from / (used in) financing activities</b>		<b><u>1,000,135,398</u></b>	<b><u>(354,990,618)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,430,450</b>	<b>(5,190,690)</b>
Cash & cash equivalents at beginning of the year (refer note)	11	1,431,271	6,621,961
Cash & cash equivalents at end of the year (refer note)	11	<b>2,861,721</b>	1,431,271

Note: Cash and cash equivalents consists of cash in hand and bank balance in current account aggregating Rs 507,387 and Rs 2,354,334 (previous year: Rs 425,099 and Rs 1,006,072) respectively at the end of the year

As per our report attached  
**For B S R & Co.**  
**Chartered Accountants**

**Akeel Master**  
*Partner*  
 Membership No. 046768

Place : Mumbai  
 Date : 22 June 2009

**For and on behalf of the board**

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

**Ashvin Bhatt**  
*(Chief Financial Officer)*

Place : Mumbai  
 Date : 22 June 2009

**P. Rajkumar Menon**  
*(Executive Director)*

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

## Schedules to the financial statements for the year ended 31 March 2009

(Currency : Indian Rupees)

### Background

Global Vectra Helicorp Limited ('the Company') was incorporated in 1998 as a private limited company and is currently a public listed company. The Company is listed on 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 certain fixed assets, 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'), 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 2009. 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) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 1.4 Fixed assets and depreciation / amortisation

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.

Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV of the Act, except for leasehold improvements in the nature of hangar and administrative building which are amortised over the primary lease period.

Major component parts of a helicopter which require replacement at regular intervals are identified and depreciated separately over their respective estimated remaining useful life. Accordingly, rotor heads are segregated from the helicopters 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 accretion to assets on revaluation is provided over the remaining useful life of the asset. The additional depreciation on the revalued amount is transferred from the revaluation reserve to the profit and loss account.

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



### 1.5 Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. 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 depreciable historical cost.

### 1.6 Investments:

Long term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each investment. Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Profit or loss on sale of investments is determined on the basis of weighted carrying amount of investment disposed of.

### 1.7 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.

### 1.8 Inventories

Inventories comprise of consumables, spare and shop supplies, are valued at lower of cost and net realizable value. Cost is determined on the basis of specific identification 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.

### 1.9 Revenue recognition

Revenue from services 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.

### 1.10 Employee benefits

#### (a) Short term employee benefits

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

#### (b) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation 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.

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

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

**(c) Long term employment benefits:**

The Company's net obligation in respect of long-term employment benefits, other than gratuity, 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.

### 1.11 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.

### 1.12 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.

### 1.13 Taxation

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

Current taxes

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

#### Deferred taxes

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that they will be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

#### Fringe benefits tax

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

#### 1.14 Minimum Alternate Tax ('MAT')

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of MAT under the Income Tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent that there is convincing evidence that the Company will be liable to pay normal income tax during the specified period. MAT credit is reviewed at each balance sheet date and is written down to the extent there is no longer any convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### 1.15 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. Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired on or after 1 April 2001 are capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. 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.

#### 1.16 Earnings per share ('EPS')

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

#### 1.17 Provisions and contingencies

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

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

#### 1.18 Structural fees

Structural fees are amortized over the tenure of the debt on a straight line basis.

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>2 Share Capital</b>		
<b>Authorised</b>		
25,000,000 (previous year : 25,000,000) Equity shares of Rs 10 each	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, subscribed and paid up</b>		
14,000,000 (previous year : 14,000,000) Equity shares of Rs 10 each, fully paid-up	<u>140,000,000</u>	<u>140,000,000</u>
	<u>140,000,000</u>	<u>140,000,000</u>
<b>Of the above :</b>		
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.		
<b>3 Reserves and surplus</b>		
<b>Securities premium account</b>	<b>441,226,336</b>	441,226,336
<b>Revaluation reserve</b>		
At the commencement of the year	-	-
Add : Revaluation of helicopters during the year (refer schedule 35)	<b>924,551,110</b>	-
Less: Additional depreciation on account of revaluation of helicopters during the year	<b>(5,568,196)</b>	-
	<u><b>918,982,914</b></u>	-
<b>Profit and loss account</b>		
At the commencement of the year	<b>143,906,123</b>	194,215,948
Effect of transitional provisions on		
- availing the option to capitalise exchange fluctuation as provided under para 46 of AS 11 - The effect of changes in foreign exchange rates (refer schedule 34)	<b>(143,906,123)</b>	-
- Accounting Standard 15 (revised) (refer schedule 23)		
- Gratuity (credit)	-	1,416,811
- Leave encashment (credit)	-	463,387
- Deferred tax on above	-	(639,081)
(Loss) for the year after taxation	-	(51,550,942)
	<u>-</u>	<u>143,906,123</u>
	<u><b>1,360,209,250</b></u>	<u>585,132,459</u>

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>4 Secured loans</b>		
<b>From banks</b>		
Term loan (refer note 1)	18,750,000	54,950,000
(Term loan is repayable over a period of four years commencing from October 2005. Amount repayable within one year Rs 18,750,000 (previous year : Rs 37,500,000))		
External commercial borrowings ('ECB') (refer note 1)	591,397,323	167,659,649
(ECB of JPY 557,750,000 (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 : Nil) is repayable in twenty seven quarterly installments commencing from 19 March 2009. Amount repayable within one year Rs 118,756,879 (previous year : Rs 53,338,576))		
Cash credit and overdraft facilities (refer note 1)	276,109,074	292,254,392
Vehicle finance loans (refer note 2)		
(Amount repayable within one year Rs 714,072 (previous year : Rs 937,356))	996,753	1,914,411
<b>From financial institutions</b>		
Export Development Canada (refer note 3)	759,962,175	-
(ECB of USD 15,298,300 is repayable in forty quarterly installments commencing from 16 January 2009) Amount repayable within one year Rs 77,944,839 (previous year : Rs Nil)		
SREI Infrastructure Finance Limited (refer note 4)	349,220,744	83,000,000
(Repayable in five years for 70% of principal amount and balloon repayment of balance 30% at the end of five years. Amount repayable within one year Rs 54,830,300 (previous year : Rs.8,128,814))		
Interest accrued and due on the above	1,691,055	-
<b>Other loans</b>		
Finance lease obligations (refer schedule 30)	2,276,773,422	1,910,927,120
Interest accrued and due on finance lease obligations	392,453,584	169,398,019
	<b>4,667,354,130</b>	<b>2,680,103,591</b>

### Notes :

- 1) Secured by a pari-passu charge of the following:
  - a) Exclusive charge over three (previous year : three) bell helicopters, one (previous year : one) eurocopter
  - b) Exclusive charge over Nil (previous year : fourth and fifth) helicopter to be charged as and when they are procured.
  - c) Specific assignment of books debts relating to four (previous year : four ) helicopters being charged.
  - d) Security margin equivalent to a fixed deposit of Rs 6,250,000 (previous year: Rs 6,250,000).
  - e) Hypothecation of stock / inventory and book debts.
- 2) Secured by hypothecation of vehicles acquired under the respective loans.
- 3) Secured by exclusive charge over two helicopters (previous year : Nil)
- 4) Secured by specific assignment of book debts and exclusive charge over two helicopters (previous year : one).

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>5 Unsecured loans</b>		
<b>From banks</b>		
Short term loan from a bank (refer note 1)	29,000,000	25,000,000
<b>Other loans</b>		
Loan from other companies	4,214,185	63,037,826
- repayable within one year Rs 4,214,185 (previous year : Rs 63,037,826) (refer note 2)		
Interest accrued and due on above	2,014,388	209,415
Loan from group companies		
- repayable within one year Rs 107,811,858 (previous year : Rs 16,147,850) (refer note 3)		
	<b>107,811,860</b>	<b>16,147,850</b>
	<b>143,040,433</b>	<b>104,395,091</b>
<b>Note :</b>		
1) The short term loan from a bank is backed by a personal guarantee of 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, UK		
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.		
<b>6 Deferred tax liabilities, (net)</b>		
<b>Deferred tax liabilities</b>		
Arising on account of timing differences in:		
- Excess of lease rentals allowable under the Income Tax Act, 1961 over book depreciation and interest charged on the leased assets	190,346,937	43,860,654
- Difference between book depreciation and depreciation as per the Income Tax Act, 1961	219,022,198	186,530,578
	<b>409,369,135</b>	<b>230,391,232</b>
<b>Deferred tax assets</b>		
Arising on account of timing differences in:		
- Unabsorbed depreciation	287,490,725	98,165,828
- Carry forward business loss	2,036,879	2,036,879
- Provision for doubtful debts and advances	35,024,863	18,345,768
- Provision for impairment losses and downward revaluation of assets	68,930,340	-
- Others	8,160,883	1,492,499
	<b>401,643,690</b>	<b>120,040,974</b>
<b>Deferred tax liabilities (net)</b>	<b>7,725,445</b>	<b>110,350,258</b>

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

## Schedule 7 : Fixed Assets

PARTICULARS	GROSS BLOCK						ACCUMULATED DEPRECIATION						Amount in Rupees	
	As at 1 April 2008	Additions during the year	Revaluation (upward)	Deductions during the year	Revaluation (downward)	As at 31 March 2009	As at 1 April 2008	For the year	Impairment Losses	Disposals during the year	As at 31 March 2009	As at 31 March 2008	As at 31 March 2009	As at 31 March 2008
Buildings - temporary	6,223,418	1,730,645	-	-	-	7,954,063	6,223,418	1,730,645	-	-	7,954,063	-	-	-
Hangar and administrative buildings (leasehold)	-	79,911,279	-	-	-	79,911,279	-	906,552	-	-	906,552	-	79,004,727	-
Plant and machinery	9,762,605	6,612,598	-	-	-	16,375,203	881,143	555,331	-	-	1,436,474	-	14,938,729	8,881,462
Furniture and fixtures	8,485,905	18,950,641	-	-	-	27,436,546	1,019,344	2,361,225	-	-	3,380,569	-	24,055,977	7,466,561
Helicopters - Owned	1,170,656,389	1,438,948,923	351,287,264	-	26,891,368	2,934,001,288	164,913,016	120,522,012	-	-	285,435,028	-	2,648,566,180	1,005,743,373
Helicopters - Leased assets	2,845,467,519	196,190,428	573,263,845	-	-	3,614,921,792	346,499,976	173,009,122	175,904,573	-	695,413,671	-	2,919,508,121	2,498,967,543
Computers	4,019,205	2,612,531	-	-	-	6,631,736	1,653,047	839,355	-	-	2,492,402	-	4,139,334	2,366,158
Vehicles	5,673,813	-	-	-	-	5,673,813	1,005,411	539,028	-	-	1,544,439	-	4,129,374	4,668,402
(Previous year)	3,240,334,090	1,219,185,407	-	409,230,643	-	4,050,288,854	303,434,840	234,351,548	-	15,591,033	522,195,355	-	3,528,093,499	3,528,093,499
Capital work in progress, including capital advances	4,050,288,854	1,744,957,045	924,551,109	-	26,891,368	6,692,905,640	522,195,355	300,463,270	175,904,573	-	998,563,198	-	5,694,342,442	3,528,093,499
	3,240,334,090	1,219,185,407	-	409,230,643	-	4,050,288,854	303,434,840	234,351,548	-	15,591,033	522,195,355	-	3,528,093,499	3,528,093,499
													7,201,221	339,313,598

## Notes:

- 1) Helicopters - leased assets include helicopters obtained under finance lease arrangements and does not include helicopters obtained under operating lease arrangements.
- 2) Addition during the year include:
  - a) Pursuant to the option available by the Company available under paragraph 46 of AS11 - 'The effects of changes in foreign exchange rates' inserted vide notification no. GSR(E) 225 dated 31 March 2009, an adjustment aggregating Rs 272,831,393 (previous year : Nil) and Rs 4,604,965 (previous year: Nil) has been made to the historical cost of helicopters (owned and leased, financed by long term foreign currency monetary liabilities) and accumulated depreciation respectively. (Refer Schedule 1.11 and Schedule 34 to the financial statements)
  - 3) Pursuant to the adjustment to the historical cost in note 2(a) to Schedule 7 above and the Company's decision to revalue helicopters (owned and leased) an amount aggregating Rs 924,551,109 (previous year : Nil) has been added on revaluation and Rs 26,891,368 (previous year: Nil) has been reduced on revaluation during the year. The revalued amount substituted for the historical cost as on 31 March 2009 aggregated Rs 5,279,439,000.
  - 4) Depreciation charge has been disclosed as under:
 

Depreciation charge for the year	31 March 2009	31 March 2008
	300,463,270	234,351,548
Amount withdrawn from revaluation reserve	5,568,196	-
As per the profit and loss account	294,895,074	234,351,548

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>8 Investments</b>		
<b>Current investments, at cost or fair value whichever is lower</b>		
In mutual funds (quoted)		
22,746.5679 (previous year : 22,746.5679) units of Kotak Mutual Fund- Balance Fund	490,637	500,000
	<u>490,637</u>	<u>500,000</u>
Book value of quoted investments	500,000	500,000
Market value of quoted investments	490,637	604,251
Nil (previous year : Nil ) units purchased during the year	-	-
Nil (previous year : Nil ) Units sold during the year	-	-
<b>9 Inventories (at cost)</b>		
Consumables, spares and shop supplies	<u>97,376,015</u>	<u>94,350,785</u>
<b>10 Sundry debtors</b> (unsecured)		
Debts outstanding for a period exceeding six months		
- Considered good	283,212,087	168,819,358
- Considered doubtful	<u>96,432,249</u>	<u>32,278,176</u>
	379,644,336	201,097,534
Other debts		
- Considered good	380,941,308	199,287,674
- Considered doubtful	-	17,378,659
	<u>380,941,308</u>	<u>216,666,333</u>
Less: Provision for doubtful debts	<u>96,432,249</u>	<u>49,656,835</u>
	<u>664,153,395</u>	<u>368,107,032</u>
<b>Included in debtors are debts due from companies under the same management</b>		
Vectra Limited, UK	29,046,873	4,422,922
Vectra Aviation Private Limited	35,955	11,728
<b>Maximum amount outstanding at any time during the year</b>		
Vectra Limited, UK	29,046,873	19,753,500
Vectra Aviation Private Limited	35,955	37,822,422
<b>11 Cash and bank balances</b>		
Cash in hand	507,387	425,099
Balance with scheduled banks		
- in current accounts	488,901	895,917
- in exchange earners' foreign currency account	1,865,433	110,255
- in deposit accounts	<u>6,370,770</u>	<u>6,250,000</u>
	<u>9,232,491</u>	<u>7,681,271</u>

Amounts with scheduled banks in deposit accounts have been pledged with banks as security for credit facilities obtained.



## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>12 Loans and advances (unsecured)</b>		
Advances recoverable in cash or in kind or for value to be received	<b>88,081,622</b>	440,325,184
Advances to suppliers		
- considered good	<b>39,361,149</b>	22,590,939
- considered doubtful	<b>6,612,363</b>	4,317,182
	<b>45,973,512</b>	26,908,121
Tax deducted at source (net of provision for tax of Rs 32,510,033 (previous year : Rs 32,510,033))	<b>115,425,236</b>	93,127,405
MAT credit entitlement	-	21,174,206
Insurance claim receivable	-	13,221,775
Interest receivable	<b>1,444,631</b>	3,550,780
Prepaid expenses	<b>57,485,164</b>	18,238,828
Sundry deposits	<b>85,247,398</b>	119,032,547
Inter-corporate deposit	<b>66,650,220</b>	66,650,220
	<b>460,307,783</b>	802,229,066
Less: Provision for doubtful advances	<b>6,612,363</b>	4,317,182
	<b>453,695,420</b>	797,911,884
<b>Included in</b>		
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	<b>58,367,057</b>	36,528,185
- Vectra Limited, Hongkong	<b>9,150,837</b>	433,974,275
Maximum amount outstanding at any time during the year		
- Vectra Limited, UK	<b>58,367,057</b>	36,528,185
- Vectra Limited, Hongkong	<b>433,974,275</b>	477,257,000
- Vectra Advanced Engineering Private Limited	-	4,396,710
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	<b>51,969,000</b>	40,769,400
Maximum amount outstanding at any time during the year		
Vectra Limited, UK	<b>53,101,200</b>	44,166,000

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>13 Current liabilities</b>		
Acceptances (Secured by a pari-passu charge on Nil (previous year : one) helicopter)	-	750,771,000
Sundry creditors		
- Dues to Micro, Small and Medium enterprises (refer note 1)	-	-
- Others	638,005,652	542,209,491
Advances from customers	96,036,065	1,148,702
Interest accrued but not due	14,651,521	4,797,519
Securities deposits	61,278,217	71,181,922
Other current liabilities	332,054,672	126,843,539
Share application money payable	27,000	27,450
	<b>1,142,053,127</b>	<b>1,496,979,623</b>
<b>Note</b>		
1) Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:		
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
<b>14 Provisions</b>		
Fringe benefits tax (net of advance tax Rs 4,870,000 (previous year : Rs 2,915,195))	5,346,105	4,870,000
Gratuity (refer schedule 23)	13,657,336	11,539,736
Long term compensated absences (refer schedule 23)	4,352,542	2,587,311
Short term compensated absences	4,927,490	-
	<b>28,283,473</b>	<b>18,997,047</b>
<b>15 Other income</b>		
Interest income (tax deducted at source Rs 1,615,811 (previous year: Rs 319,687))		
- banks	4,435	58,753
- income-tax refund	-	2,317,320
- others	5,667,071	5,917,787
Profit on sale of assets (net)	-	84,751,390
Forfeiture of deposit received for sale of helicopters	16,413,001	-
Exchange gain (net)	-	9,187,988
Sundry balances written back	4,032,141	515,009
Reimbursement of expenses	7,924,648	1,912,653
Miscellaneous income	6,493,157	2,182,236
	<b>40,534,453</b>	<b>106,843,136</b>

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>16 Service costs</b>		
Aviation fuel for helicopters	257,012,228	183,634,263
Helicopter spares consumption and maintenance	118,729,989	69,430,174
Maintenance, repairs and overhaul charges (refer note 1)	245,593,211	203,136,122
Lease rentals (operating leases - helicopters)	214,742,254	156,740,368
Insurance charges	82,996,727	71,455,228
Parking, landing and passenger service fees	21,705,824	20,630,735
Other service costs	22,481,004	14,941,138
	<u>963,261,237</u>	<u>719,968,028</u>
<b>Note</b>		
1) Net of insurance claim received /receivable Nil (previous year : Rs 24,341,927)		
<b>17 Personnel costs</b>		
Salaries, wages and bonus (including contractual employees' costs)	563,284,843	389,381,201
Contribution to provident and other funds	2,437,268	1,399,617
Gratuity	2,117,600	5,327,358
Leave encashment (includes short term compensated absences Rs 4,927,490 (previous year: Nil))	7,181,281	3,579,668
Staff welfare expenses	17,995,669	19,031,049
	<u>593,016,661</u>	<u>418,718,893</u>
<b>18 General and administrative expenses</b>		
Traveling and conveyance	85,836,229	68,660,997
Legal and professional fees	35,148,035	20,516,123
Directors sitting fees	170,000	266,851
Training expenses	9,228,420	15,808,805
Rent	18,107,416	11,130,223
Computer software and hardware maintenance	4,873,969	6,694,556
Car rentals	7,389,256	4,604,446
Telephone expenses	5,023,085	4,445,454
Repairs and maintenance		
- buildings	2,034,327	2,234,931
- plant and machinery	212,023	-
- others	6,944,884	3,283,310
Electricity expenses	8,111,127	2,833,938
Printing and stationery	2,991,323	2,488,901
Advertisement	216,150	2,175,202
Rates and taxes	1,382,178	1,642,528
Office expenses	3,284,867	2,283,584
Provision for doubtful debts and advances	49,070,595	53,974,017
Exchange loss (net) (refer note 1)	156,371,653	-
Miscellaneous expenses	1,504,853	1,415,241
	<u>397,900,390</u>	<u>204,459,107</u>
<b>Note</b>		
1) Exchange loss includes an amount aggregating Rs 2,234,123 (previous year : Nil) on account of transitional provisions under paragraph 46 of AS 11.		

## Schedules annexed to and forming part of the Financial Statements as at 31 March 2009

Particulars	Amount in Rupees	
	31 March 2009	31 March 2008
<b>19 Finance costs</b>		
Interest		
- term loan	49,992,959	24,295,972
- external commercial borrowings (refer schedule 36)	65,672,460	16,174,821
- cash credit and overdraft facility	35,819,058	16,952,644
- others	34,077,379	33,687,387
Finance lease costs (refer schedule 36)	360,487,799	270,454,846
Bank charges and commission	10,545,248	4,612,468
Facility advisory fees	3,894,129	1,484,700
	<u>560,489,032</u>	<u>367,662,838</u>
<b>20 Commitments and contingent liabilities</b>		
<b>(a) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account net of advances	540,204,150	1,945,813,737
On account of contractual commitment with lessors	16,367,392	67,807,885
	<u>556,571,542</u>	<u>2,013,621,622</u>
<b>(b) Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
Employee related	1,157,924	882,660
Demands in respect of which appeals are in the process of being filed		
- Customs duty related	262,195,030	-
	<u>263,352,954</u>	<u>882,660</u>
<b>21 Supplementary statutory information</b>		
<b>(a) Particulars of managerial remuneration</b>		
Salaries	20,181,478	14,547,382
Ex-gratia	710,698	1,051,425
Perquisites	2,709,810	341,157
Directors' sitting fees	170,000	112,940
Remuneration to Directors' (non executive)	375,000	430,317
	<u>24,146,986</u>	<u>16,483,221</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.

During the year, the remuneration paid to two Whole Time Director's and the Chief Executive Officer has exceeded the limits prescribed under the Act by Rs 7,095,524 (previous year: Rs 1,869,463). The Company has applied to the Central Government for approval of the excess remuneration.

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

The Company had appointed a Chief Executive Officer who is not a resident in India, in its board meeting held on 28 January 2009 for a period of three years with

effect from 12 November 2008. The Company had made application to the Central Government for approval of appointment on 12 March 2009 within prescribed time limit; approval for which, from the Central Government, has been subsequently obtained.

**(b) Auditors' remuneration (inclusive of service tax)**

	31 March 2009	31 March 2008
Audit fees	1,599,350	1,179,780
Other services	1,103,000	1,234,222
Out of pocket expenses	348,840	97,388
	<u>3,051,190</u>	<u>2,511,390</u>

**(c) Expenditure, earnings in foreign currency****(i) Expenditure in foreign currency (on accrual basis)**

- Lease rentals	160,538,629	107,411,853
- Helicopter spares consumption and maintenance	215,722,131	278,164,605
- Training expenses	11,067,967	12,479,582
- Interest – finance lease	267,807,590	263,419,626
- Interest	34,136,643	28,011,816
- Expat salaries	111,818,343	34,414,578
- Legal and professional fees	4,858,963	4,327,915
- Insurance charges	7,382,990	3,130,647
- Travelling and conveyance	182,535	812,853
- Miscellaneous expenses	17,068	441,620
- Bank charges	188,343	30,374
- Helicopter flying charges	-	2,415,258
- Repairs and maintenance	-	161,265
- Technical and engineering services	6,443,763	-

**(ii) Earnings in foreign currency (on accrual basis)**

- Sale of fixed assets	-	478,266,000
- Foreiture of deposit received for sale of helicopters	16,413,001	-
- Contractual receipts	1,416,131,926	975,748,709

**(d) Details of imported and indigenous spare parts and components consumed**

	31 March 2009		31 March 2008	
	Value	% of total consumption	Value	% of total consumption
Imported	110,418,890	93	65,958,665	95
Indigenous	8,311,099	7	3,471,509	5
	<u>118,729,989</u>	<u>100</u>	<u>69,430,174</u>	<u>100</u>

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

	31 March 2009	31 March 2008
Spare parts and components	101,748,590	79,430,113
Capital spares	34,198,692	65,196,066
Capital goods (helicopters)	1,322,239,819	814,378,245
	<u>1,458,187,101</u>	<u>959,004,424</u>

**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 Effective 1 April 2007, the Company adopted Accounting Standard 15 (revised 2005) on "Employee Benefits" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. In accordance with the transitional provision in the Accounting Standard, Rs 1,416,811 for gratuity and Rs 463,387 for leave encashment has been credited to the reserves and surplus as at 31 March 2008. Deferred tax charge of Rs 639,081 on the above has been debited to the reserves and surplus as at 31 March 2008.

#### ii Contribution to provident fund and ESIC

Amount of Rs 2,437,268 (previous year: Rs 1,399,617) 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)

Eligible employees can carry forward leave with a maximum accumulation of thirty (30) days. All leave balances in excess of thirty (30) days at the end of the calendar year are compulsorily encashed on the basis of basic salary last drawn. Leave wages are also payable to all eligible employees at the rate of daily basic salary on accumulated leave at the time of death / resignation / retirement or on attaining superannuation age.

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

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

##### b Amounts for the current period are as follows

	Gratuity		Leave encashment (inclusive of sick leave)	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
i Change in the present value of the defined benefit obligation:				
Defined benefit obligation at the beginning of year	13,076,976	7,979,189	2,587,311	396,126
Interest cost	1,046,158	638,335	185,130	24,898
Current service cost	4,397,419	3,101,232	972,526	1,705,979
Benefit paid	-	(350,000)	(488,560)	(1,388,483)
Actuarial (gain)/loss on obligation	(3,195,312)	1,708,220	1,096,135	1,848,791
Defined benefit obligation at the end of year	15,325,241	13,076,976	4,352,542	2,587,311
ii Change in fair value of plan assets:				
Fair value of plan assets at the beginning of year	1,537,240	1,416,811	-	-
Expected return on plan assets	122,979	113,345	-	-
Contribution by employer	-	350,000	488,560	1,388,483
Benefit paid	-	(350,000)	(488,560)	(1,388,483)
Actuarial gain on plan assets	7,686	7,084	-	-
Fair value of plan assets at the end of year	1,667,905	1,537,240	-	-
iii Actual return on plan assets				
Expected return on plan assets	122,979	113,345	-	-
Actuarial gain on plan assets	7,686	7,084	-	-
Actual return on plan assets	130,665	120,429	-	-

## iv Amount recognised in balance sheet

Liability at the end of year	15,325,241	13,076,976	4,352,542	2,587,311
Fair value of plan assets at the end of the year	(1,667,905)	(1,537,240)	-	-
Difference	13,657,336	11,539,736	4,352,542	2,587,311
Amount recognised in the balance sheet	13,657,336	11,539,736	4,352,542	2,587,311

## v Expense recognised in profit and loss account

Current service cost	4,397,419	3,101,232	972,526	1,705,979
Interest cost on benefit obligation	1,046,158	638,335	185,130	24,898
Expected return on plan assets	(122,979)	(113,345)	-	-
Net actuarial (gain)/ loss in the year	(3,202,998)	1,701,136	1,096,135	1,848,791
Expenses recognized in profit and loss account	2,117,600	5,327,358	2,253,791	3,579,668

## vi Balance sheet reconciliation

Opening net liability	11,539,736	6,562,378	2,587,311	396,126
Expenses as above	2,117,600	5,327,358	2,253,791	3,579,668
Employer's contribution	-	(350,000)	(488,560)	(1,388,483)
Benefit paid	-	-	-	-
Amount recognized in balance sheet	13,657,336	11,539,736	4,352,542	2,587,311

## vii Actuarial assumptions

Discount rate	7.75%	8.00%	7.75%	8.00%
Rate of return on plan assets	7.75%	8.00%	7.75%	8.00%
Salary escalation	5.00%	7.50%	5.00%	7.50%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

**24 Related parties**

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

**(a) Related parties where control exists**

Vectra Investment Private Limited	Parent Company up to 19 October 2006 and a Promoter Company holding 48 %.
Azal Azerbaijan Aviation Limited	Promoter Company.
Ravinder Kumar Rishi	Individual having control at any time during the year.

**(b) Other related parties with whom transactions have taken place during the year.**

Enterprises having significant influence	
Vectra Investments Private Limited	India
Azal Azerbaijan Aviation Limited	Ireland
Enterprises in which promoter has significant influence	
Vectra Limited	UK
Vectra Limited	Hongkong
Vectra Advanced Engineering Private Limited	India
Vectra Aviation Private Limited	India
Vectra I.T. Solutions Private Limited	India
Global Vectra Helicorp Ireland Limited	Ireland
Vectra Glosec Private Limited	India

## (c) Key managerial personnel ('KMP')

Lt. Gen. (Retd.) S J S Saighal	Chairman
Allan Brown	Chief Executive Officer (till 26 April 2008)
David Hayler	Chief Executive Officer (with effect from 01 April 2008 till 16 September 2008)
Eduard Van Dam	Chief Executive Officer (with effect from 12 November 2008)
P. Rajkumar Menon	Whole-time director
Capt. D.K. Chand	Whole-time director
R.S.S.L.N. Bhaskurudu	Non-executive director
Dr. C.G.K. Nair	Non-executive director
Maj. Gen. (Retd.) Gurdial Singh Hundal	Non-executive director

Nature of the transaction	Parties where control exists	31 March 2009		KMP	31 March 2008		KMP
		Enterprises exercising significant influence			Enterprises exercising significant influence		
<b>Charter flying income</b>							
Vectra Limited, UK	-	23,516,992	-	-	21,377,722	-	-
Vectra Limited, Hongkong	-	526,138	-	-	-	-	-
Vectra Aviation Private Limited	-	-	-	-	73,666,567	-	-
<b>Helicopter insurance recovery</b>							
Vectra Limited, UK	-	10,960,043	-	-	15,691,347	-	-
<b>Interest income on loan</b>							
Vectra Advanced Engineering Private Limited	-	-	-	-	105,400	-	-
<b>Sale of helicopter</b>							
Vectra Limited, Hongkong	-	-	-	-	478,266,000	-	-
<b>Services obtained</b>							
Vectra Aviation Private Limited	-	15,037,717	-	-	-	-	-
Vectra I.T. Solutions Private Limited	-	5,022,032	-	-	6,353,958	-	-
<b>Purchase of goods</b>							
Vectra Aviation Private Limited	-	8,712,692	-	-	-	-	-
<b>Purchase of capital goods</b>							
Vectra Aviation Private Limited	-	2,675,867	-	-	-	-	-
Vectra Glosec Private Limited	-	3,350,984	-	-	-	-	-
<b>Operating lease for helicopter</b>							
Global Vectra Helicorp Ireland Limited	-	13,303,200	-	-	-	-	-
<b>Interest on finance lease</b>							
Vectra Limited, UK	-	129,276,136	-	-	136,471,540	-	-
<b>Interest expense on borrowings</b>							
Vectra Limited, UK	-	6,500,964	-	-	122,685	-	-
Vectra Investment Private Limited	2,544,978	-	-	-	436,063	-	-
Azal Azerbaijan Aviation Limited	86,849	-	-	-	150,569	-	-
<b>Reimbursement of expenses</b>							
Vectra Limited, UK	-	14,329	-	-	12,147,126	-	-
Vectra Limited, Hongkong	-	1,575,512	-	-	297,781	-	-
Vectra Aviation Private Limited	-	-	-	-	429,854	-	-
<b>Loans received (net of repayment)</b>							
Vectra Limited, Hongkong	-	-	-	-	22,663,839	-	-
Vectra Investment Private Limited	14,150,000	-	-	-	10,837,251	-	-
<b>Finance lease liability - repayment</b>							
Vectra Limited, UK	-	135,485,637	-	-	95,562,100	-	-
<b>Buyer's Credit - repayment</b>							
Vectra Limited, UK	-	24,714,000	-	-	-	-	-
<b>Repayments of borrowings</b>							
Vectra Advanced Engineering Private Limited	-	-	-	-	4,396,710	-	-
<b>Outstanding amount (Due from)</b>							
Security deposit helicopters							
Vectra Limited, UK	-	51,969,000	-	-	40,769,400	-	-



Sundry debtors					
Vectra Limited, UK	-	29,046,873	-	-	4,422,922
Vectra Aviation Private Limited	-	35,955	-	-	11,728
Advance receivable in cash or kind					
Vectra Limited, UK	-	58,367,057	-	-	36,528,185
Vectra Limited, Hongkong	-	9,150,837	-	-	433,974,275
<b>Outstanding amount (Due to)</b>					
Interest payable					
Vectra Investment Private Limited	1,968,286	-	-	337,251	-
Loan outstanding					
Vectra Investment Private Limited	24,650,000	-	-	10,500,000	-
Buyers credit					
Azal Azerbaijan Aviation Limited	4,044,976	-	-	3,111,942	-
Vectra Limited, UK	-	79,116,882	-	-	2,535,908
Security deposit helicopters					
Vectra Limited, UK	-	51,969,000	-	-	40,769,400
Finance lease EMI payable					
Vectra Limited, UK	-	582,777,604	-	-	212,571,216
Finance lease loan liability					
Vectra Limited, UK	-	459,093,028	-	-	492,722,979
Operating lease payable					
Global Vectra Helicorp Ireland Limited	-	13,303,200	-	-	-
Sundry creditors					
Vectra Limited, UK	-	188,685,995	-	-	126,776,581
Vectra Limited, Hongkong	-	239,553,783	-	-	22,844,889
Vectra Investment Private Limited	603,261	-	-	-	-
Vectra Aviation Private Limited	-	9,428,141	-	-	429,854
Vectra I.T. Solutions Private Limited	-	2,219,057	-	-	5,634,055
Azal Azerbaijan Aviation Limited	46,835,525	-	-	36,742,221	-
Vectra Glosec Private Limited	-	1,940,399	-	-	-
<b>Managerial remuneration</b>					
Ltd. Gen. (Retd.) S J S Saighal	-	-	2,297,114	-	1,758,130
Allan Brown	-	-	358,415	-	4,761,926
P. Rajkumar Menon	-	-	6,907,986	-	6,669,463
Capt. D. K. Chand	-	-	8,395,368	-	1,838,775
Others	-	-	6,188,103	-	1,454,927
Managerial remuneration (payable)					
Ltd. Gen. (Retd.) S J S Saighal	-	-	126,612	-	163,858
Allan Brown	-	-	-	-	249,598
P. Rajkumar Menon	-	-	371,885	-	187,084
Capt. D. K. Chand	-	-	511,560	-	632,741
Others	-	-	211,796	-	-
<b>Others</b>					
Personal guarantee on behalf of the Company					
Ravinder Kumar Rishi	29,000,000	-	-	25,000,000	-
Letter of credit on behalf of the Company					
Vectra Limited, UK	-	4,214,185	-	-	63,037,826

25 The Company uses forward exchange contracts to hedge its exposure to foreign currency receivables and payables (other than foreign currency borrowings). The information on forward contracts is as follows:

(A) Forward contracts outstanding as at 31 March 2009

Details	USD Exposure		EURO Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO
<b>Payables</b>				
<b>31 March 2009</b>	-	-	-	-
31 March 2008	-	-	157,725,000	2,500,000

The forward contracts in the previous year were taken for retirement of acceptance for purchase of helicopter.

- (B) Exchange loss in respect of forward exchange contract to be recognized in subsequent accounting periods – Nil (previous year: Rs 625,000)
- (C) Unhedged foreign exchange currency exposure as at 31 March 2009:

Details	USD Exposure		EURO Exposure		Great Britain Pound (GBP) Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO	Indian Rupees	GBP
<b>Receivables</b>						
<b>31 March 2009</b>	<b>450,264,424</b>	<b>8,837,378</b>	<b>29,440,977</b>	<b>436,292</b>	-	-
31 March 2008	185,995,226	4,653,371	3,785,400	60,000	-	-
<b>Payables</b>						
<b>31 March 2009</b>	<b>3,812,002,225</b>	<b>74,818,493</b>	<b>221,778,013</b>	<b>3,286,574</b>	<b>116,282</b>	<b>1,596</b>
31 March 2008	2,236,093,667	55,944,300	952,266,012	15,093,771	608,237	7,648
<b>Advances</b>						
<b>31 March 2009</b>	<b>76,309,453</b>	<b>1,497,732</b>	<b>1,364,985</b>	<b>20,228</b>	<b>663,972</b>	<b>9,113</b>
31 March 2008	514,360,786	12,868,671	190,546,185	3,020,228	2,470,041	31,058

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

	Number of contracts	Buy Amount (JPY)	INR equivalent
<b>Foreign currency swaps</b>			
<b>31 March 2009</b>	<b>6</b>	<b>1,140,152,926</b>	<b>591,397,323</b>
31 March 2008	2	418,312,500	167,659,649

As at 31 March 2009, the Company has not accounted for the fair value gain of Rs 23,855,106 (previous year: Rs 1,832,185) on the aforementioned currency swaps, being a contingent gain.

## 27 Leases

31 March 2009    31 March 2008

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

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

Finance leases

**2,276,773,422**    1,910,927,120

(Finance leases are secured by underlying assets)

The total minimum lease liability for assets obtained on finance lease basis is Rs 3,433,818,221 (previous year: Rs 2,904,309,576), which includes interest of Rs 1,157,044,799 (previous year: Rs 993,382,456). The maturity profile of finance leases is as follows:

### Minimum lease payments

Payable within 1 year

**1,304,382,377**    789,075,766

Payable between 1-5 years

**1,532,781,572**    1,682,742,634

Payable beyond 5 years

**596,654,272**    432,491,176

### Present value

Payable within 1 year

**659,489,195**    381,947,023

Payable between 1-5 years

**1,086,431,064**    1,145,483,722

Payable beyond 5 years

**530,853,163**    383,496,375

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

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

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

Not later than one year

**288,313,000**    103,471,604

Later than one year and not later than five years	<b>945,464,400</b>	304,247,256
Later than five years	<b>393,134,450</b>	258,436,318
Total	<b>1,626,911,850</b>	666,155,178
Operating lease rentals debited to the profit and loss account	<b>242,559,230</b>	180,396,471
<b>28 Earnings per share</b>		
The computation for earnings per share is set out below:		
(Loss) after tax as reported	<b>(562,174,237)</b>	(51,550,942)
Shares:		
Weighted average number of equity shares outstanding during the year	<b>14,000,000</b>	14,000,000
Earnings per share (in rupees) per share of face value of Rs 10 each	<b>(40.16)</b>	(3.68)
	No of shares	No of shares
At the beginning of the year	14,000,000	14,000,000
Equity shares of face value of Rs 10 issued during the year	-	-
Weighted average number of equity shares during the year	14,000,000	14,000,000

**29 Liquidated damages levied for delay in mobilisation of helicopters**

During the period October 2006 to June 2007, a customer has retained Rs 201,398,111 (Previous year (October-2006 to June-2007): Rs 178,195,590) as liquidated damages pertaining to delay in implementing Aviation Standard 4. This matter has been discussed with the customer as it impacts the overall industry. Meanwhile, the Director General of Civil Aviation ('DGCA') has also expressed its views directly to the customer. Management believes this amount retained by the customer will be recovered by the Company.

**30 Demand notice issued by the Customs authorities**

During the year ended 31 March 2009, the Office of the Commissioner of Customs (Preventive) has seized four helicopters for alleged non compliance of the duty waivers given to non-scheduled operators (passenger). The Company has received a Show Cause Cum Demand Notice (SCN) citing an amount of Rs 237,924,458 towards custom duty under Section 28 of the Customs Act, 1962 and applicable interest and penalty thereon. Pursuant to the receipt of the said SCN, the Commissioner of Customs (Preventive) has confirmed a demand of Rs 262,195,030 towards differential duty of customs and penalty there on for 2 helicopters. 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.

**31 Remuneration paid in excess of the limits specified by the Act**

The remuneration paid/payable to two whole time directors and one chief executive officer has exceeded the limits prescribed under the Act by Rs 7,095,524 (previous year: Rs 1,869,463) . The Company is yet to receive Central Government approval in respect of the same.

**32 Transactions with parties covered under section 297 of the Act**

The Company has provided helicopter charter services aggregating to Nil (previous year: Rs 67,059,667) to a private limited company covered under Section 297 of the Act. The approval from Central Government has been obtained during the year.

**33 Prior period expenses**

The revenue for the year ended 31 March 2008 is net of contractual deductions of Rs 4,798,000 which pertains to earlier year. In the previous year ended 31 March 2008, the helicopter spares consumption and maintenance include Rs 30,020,597, insurance charges include Rs 7,819,771, legal and professional fees include Rs 1,322,908 and training expenses include Rs 2,732,865 which pertain to earlier year. There are no prior period items for the year ended 31 March 2009.

**34 Treatment of exchange fluctuation**

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 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. The Company has adjusted the exchange differences arising of such long term foreign currency items (assets and liabilities) to the historical cost of the depreciable assets for all accounting periods commencing on or after 7 December 2006.

As a consequence, an amount of exchange differences (loss) on restatement of long term monetary liabilities at 31 March 2009 aggregating to Rs 418,971,639 (net of tax) has been capitalised by adjusting the historical cost of the specifically identifiable asset. The above adjustment (increase) to the historical cost of the specifically identifiable assets has resulted in additional depreciation charge aggregating to Rs 4,604,956. The depreciation charge has been computed on the basis of the remaining useful life of the assets as at 31 March 2009. The exchange fluctuation during the year is presumed to occur evenly throughout the reporting period.

Further in line with the transitional provisions laid down by the notification, exchange fluctuation (gain) on restatement of long term monetary liabilities as at 31 March 2008 aggregating Rs 151,134,593 (net of tax) has been adjusted to historical cost of the specifically identifiable depreciable asset. The adjustment (reduction) to the historical cost of the asset has resulted in a reduction in the depreciation charge aggregating Rs 4,994,347, which is reduced from accumulated depreciation as at 31 March 2009. The net adjustment aggregating Rs.146,140,246 has been made by adjusting the opening balance of reserves and surplus at 1 April 2008 by Rs 146,906,123 and the balance aggregating Rs 2,234,123 has been passed through the profit and loss account.

### 35 Revaluation of assets

During the year, the Company has, in order to reflect the current reinstatement cost/market value of its assets, revalued all of its leased helicopters and owned helicopters. The revaluation for the helicopters has been carried out by international helicopters/aircraft valuers considering the total time of air frame (TTAF) (Cumulative time in Service). Accordingly, the resultant accretion to the value of the helicopters aggregating Rs 924,551,109 has been adjusted (added) to the historical cost of the asset and a corresponding amount has been credited to Revaluation Reserve. Additional depreciation of the accretion to the historical cost of the asset on account of the revaluation aggregating Rs 5,568,196 has been passed through the profit and loss account with an equivalent withdrawal from the revaluation reserve to the profit and loss account. The additional depreciation has been computed on the basis of the remaining useful life of the assets.

Further on account of the above exercise of revaluation of asset, an adjustment (reduction) aggregating Rs 26,819,368 has been made to the carrying value of two helicopters. The reduction in the carrying value of the assets has been charged to the profit and loss account.

### 36 Reclassification of exchange fluctuation as borrowing cost

During the year ended 31 March 2009, applicability of paragraph 4(e) of Accounting Standard 16' Borrowing Cost has resulted in exchange differences on restatement of foreign currency monetary liabilities aggregating to Rs. 124,882,132 to be reclassified as finance cost. Consequently the interest on term loan and finance lease cost is higher by Rs 42,711,510 and Rs 82,170,621 respectively and loss on exchange fluctuation is lower by Rs 124,882,132.

### 37 Transfer pricing

The Company's international transactions with related parties are at arms length as per the independent accountants report for the year ended 31 March 2008. Management believes that the Company's international transactions with related parties post 31 March 2008 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

### 38 Prior year figures

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

**For and on behalf of the board of directors**

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

**P. Rajkumar Menon**  
Whole-time Director

**Ashvin Bhatt**  
Chief Financial Officer

**Raakesh D. Soni**  
Company Secretary

**Mumbai**  
**22 June 2009**

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

**1. REGISTRATION DETAILS**

Registration No. 93225 State Code 55  
 Balance Sheet Date 3 1 0 3 2 0 0 9  
 Date Month Year

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

Public Issue	<span style="border: 1px solid black; padding: 2px;">NIL</span>	Rights Issue	<span style="border: 1px solid black; padding: 2px;">NIL</span>
Bonus Issue	<span style="border: 1px solid black; padding: 2px;">NIL</span>	Private Placement	<span style="border: 1px solid black; padding: 2px;">NIL</span>

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

Total Liabilities	<span style="border: 1px solid black; padding: 2px;">7,488,666</span>	Total Assets	<span style="border: 1px solid black; padding: 2px;">7,488,666</span>
-------------------	---	--------------	---

**SOURCES OF FUNDS**

Paid up Capital	<span style="border: 1px solid black; padding: 2px;">140,000</span>	Reserves and Surplus	<span style="border: 1px solid black; padding: 2px;">1,360,209</span>
-----------------	---	----------------------	---

**SHARE APPLICATION MONEY**

Secured Loans	<span style="border: 1px solid black; padding: 2px;">4,667,354</span>	Unsecured Loans	<span style="border: 1px solid black; padding: 2px;">143,040</span>
---------------	---	-----------------	---

Deferred Tax Liability (net)	<span style="border: 1px solid black; padding: 2px;">7,725</span>	Net Current Assets	<span style="border: 1px solid black; padding: 2px;">54,121</span>
------------------------------	---	--------------------	--

**APPLICATION OF FUNDS**

Net Fixed Assets	<span style="border: 1px solid black; padding: 2px;">5,701,544</span>	Investments	<span style="border: 1px solid black; padding: 2px;">NIL</span>
Misc. Expenditure	<span style="border: 1px solid black; padding: 2px;">NIL</span>	Accumulated Losses	<span style="border: 1px solid black; padding: 2px;">NIL</span>

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

Turnover	<span style="border: 1px solid black; padding: 2px;">2,374,080</span>	Total Expenditure	<span style="border: 1px solid black; padding: 2px;">3,012,358</span>
----------	---	-------------------	---

<input type="checkbox"/> + <input checked="" type="checkbox"/> -	Loss Before Tax	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	Loss After Tax
	<span style="border: 1px solid black; padding: 2px;">638,279</span>		<span style="border: 1px solid black; padding: 2px;">562,174</span>

(Please tick appropriate box + for Profit - for Loss)

Earning per share in Rs (Basic and diluted)	<span style="border: 1px solid black; padding: 2px;">(40.16)</span>	Dividend	<span style="border: 1px solid black; padding: 2px;">NIL</span>
--	---	----------	---

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

Item Code No. (ITC Code)	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Product Description	<span style="border: 1px solid black; padding: 2px; text-align: center;">CHARTER HIRE OF HELICOPTERS</span>
Item Code No. (ITC Code)	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Product Description	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>
Item code No. (ITC Code)	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Product Description	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>

For and on behalf of the board of directors

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

**P. Rajkumar Menon**  
Whole-time Director

**Ashvin Bhatt**  
Chief Financial Officer

**Raakesh D. Soni**  
Company Secretary

**Mumbai**  
**22 June 2009**

**NOTICE**

The Eleventh ANNUAL GENERAL MEETING of the Global Vectra Helicorp Limited will be held on the Tuesday, 29<sup>th</sup> day of September, 2009 at 2.30 p. m. at ISKON Temple, Complex Hare Krishna Hill, Sant Nagar Main Road, East of Kailash, New Delhi – 110 065, India, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 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 Lt. Gen. (Retd.) SJS Saighal, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Captain Dharendra Kumar Chand, 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** pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act”), subject to approval of members in General Meeting and subject to such approvals, if any, as may be necessary, consent of the Board be and is hereby accorded to the appointment of Mr. Eduard Van Dam, as a Chief Executive Officer of the Company for a period of three years commencing from 12<sup>th</sup> November, 2008 up to and inclusive of 11<sup>th</sup> November, 2011 on such terms and conditions as agreed to between Mr. Eduard Van Dam and the Company as set out in the contract of employment attached, be and is hereby approved, with the liberty to the Board of Directors or the Remuneration Committee to alter and vary the terms and conditions and the remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Eduard Van Dam ”

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

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

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

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

**“RESOLVED THAT** in partial modification of the Resolution passed at the 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008 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 1<sup>st</sup> September 2007 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 , 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.”

7. 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 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008 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 30<sup>th</sup> 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 , 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.”

8. 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 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008 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. David Vaughan Hayler as a Chief Executive Officer of the Company, the remuneration, perquisites / benefits set out in the Agreement dated 1<sup>st</sup> April 2008 be paid or granted to Mr. David Vaughan Hayler, former Chief Executive Officer as the minimum remuneration and in case of payment of excess remuneration to Mr. David Vaughan Hayler, former Chief Executive Officer of the Company be waived , notwithstanding the fact that such remuneration is in excess of the statutory ceiling specified in this regard as in force and amended from time to time and necessary approval of the Central Government will be obtained as may be required, to make up the shortfalls if any, without any further reference to / approval of the General Meeting.”

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

“RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956 and all other enabling provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company to borrow for and on behalf of the Company from time to time as they may consider fit, any sum or sums of money in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency from any bank or banks or any financial institutions, other person or persons, and whether the same be unsecured or secured, and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on over or in respect of all or any of the Company's assets and effects and properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or in transit) notwithstanding that the monies, if any, already borrowed by the Company (apart from temporary loans and credits obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. reserves not set apart for any specific purpose, provided that, the total amount so borrowed by the Directors and outstanding at any time shall not exceed Rs. 1000 Crores (Rupees One Thousand Crores Only ) over and above the aggregate of the paid up capital of the Company and its free reserves.”

“RESOLVED FURTHER THAT pursuant to Section 293 (1)(a) and all other applicable provisions, if any of the Companies Act, 1956 ( including any statutory modification or re-enactment thereof, for the time being in force ) , consent of the Company be and is hereby accorded to the Board of Directors of the Company to create a further mortgage and/or charge on such terms and conditions and at such time(s) and in such form and manner and with such ranking as to priority as the Board in its absolute discretion think fit, on the whole or substantially the whole of the Company's any one or more of the undertakings or all the undertakings, including the present and/or future properties, whether movable or immovable comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of the Lenders, including any

Trustees(appointed/to be appointed by the Board) and/or such other parties, as may be required, to secure borrowing upto an aggregate amount not exceeding Rs. 1000 Crores ( Rupees One Thousand Crores only ) i.e. within the overall ceiling approved by the members of the company, in terms of Section 293 ( 1 ) ( d ) of the Companies Act, 1956 for various financial assists from the company's Bankers / Financial Institutions / Agencies by way of Term Loan / working Capital / External Commercial Borrowing and/or Private Placement of Secured / Unsecured Redeemable Convertible / Bonds / Notes, if any together with interest, additional interest, liquidating damages, commitment charges, redemption costs/premium, charges, expenses, and all other monies in respect of all such borrowings.”

For and on behalf of the board

RAAKESH D.SONI  
Company Secretary

Place:- Mumbai  
Date:- 30 July 2009

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. Link 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 – 400 054 (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 Monday, 28<sup>th</sup> September, 2009 to Tuesday, 29<sup>th</sup> September, 2009 (both days inclusive) in connection with the Annual General Meeting.
- (e) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

For and on behalf of the board

RAAKESH D.SONI  
Company Secretary

Place:- Mumbai  
Date:- 30 July 2009

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

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

The Board of Directors, upon the recommendations of the Remuneration Committee, at their meeting held on 28<sup>th</sup> January, 2009, has in accordance with the provisions of Articles of Association of the Company and subject to the approval of the members in the General Meeting, appointed Eduard Van Dam as Chief Executive Officer for a period of three years commencing from 12<sup>th</sup> November, 2008 up to and inclusive of 11<sup>th</sup> November, 2011. The remuneration and perquisites payable to Chief Executive Officer is in accordance within the limits specified in Section II of Part II of Schedule - XIII to the Companies Act, 1956. The important terms of the appointment are as under :-

**Remuneration:**

- |     |  |   |
|-----|--|---|
| I.  | Basic Salary   | Rs.2,39,000/- per month ( Net of Tax ) Gross Salary –<br>Rs.3, 41,000/- |
| II. | Perquisites:   |   |
| 1.  | Value of Accommodation   | Rs.1,00,000/- per month   |
| 2.  | The Company will provide a driver to Chief Executive Officer.  |   |
| 3.  | The Company shall pay bills of Mobile Phone of Mr. Eduard Van Dam..  |   |
| 4.  | The Chief Executive Officer shall be entitled to avail leave in accordance with the Company's rules applicable from time to time |   |

The remuneration has been approved by a resolution passed by the Remuneration Committee and Board Meeting in their meeting held on 28<sup>th</sup> January, 2009.

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

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

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

Sr. No.	Particulars	Information																				
I.	GENERAL INFORMATION																					
1.	Nature of industry :	Offshore Transportation Services																				
2.	Date or expected date of commencement of commercial production:	The Company was incorporated on 13 <sup>th</sup> April, 1998, as Azal India Private Limited and the name was changed to Global Helicorp Private Limited on 23 <sup>rd</sup> May, 2003, subsequently changed to Global Vectra Helicorp Private Limited on 26 <sup>th</sup> August, 2004 and subsequently to Global Vectra Helicorp Limited on 10 <sup>th</sup> October, 2005.																				
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable																				
4.	Financial performance based on given indicators: (Based on Audited Balance Sheet & Profit & Loss Account for the year ended 31.03.08 and 31.03.07)	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;">a.</td> <td style="width: 70%;">As On Profit before Financial costs, Depreciation and Tax to Service Income</td> <td style="width: 10%; text-align: right;">31.3.08</td> <td style="width: 15%; text-align: right;">31.3.07</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">31.14%</td> <td style="text-align: right;">44.90%</td> </tr> <tr> <td>b.</td> <td>Profit before Depreciation &amp; Tax to Service Income</td> <td style="text-align: right;">10.66%</td> <td style="text-align: right;">23.15%</td> </tr> <tr> <td>c.</td> <td>Current Ratio</td> <td style="text-align: right;">0.84</td> <td style="text-align: right;">1.50</td> </tr> <tr> <td>d.</td> <td>Debt Equity Ratio</td> <td style="text-align: right;">3.84</td> <td style="text-align: right;">3.19</td> </tr> </table>	a.	As On Profit before Financial costs, Depreciation and Tax to Service Income	31.3.08	31.3.07			31.14%	44.90%	b.	Profit before Depreciation & Tax to Service Income	10.66%	23.15%	c.	Current Ratio	0.84	1.50	d.	Debt Equity Ratio	3.84	3.19
a.	As On Profit before Financial costs, Depreciation and Tax to Service Income	31.3.08	31.3.07																			
		31.14%	44.90%																			
b.	Profit before Depreciation & Tax to Service Income	10.66%	23.15%																			
c.	Current Ratio	0.84	1.50																			
d.	Debt Equity Ratio	3.84	3.19																			
5.	Export performance and net foreign exchange collaborations:	NIL																				
6.	Foreign investments or collaborators, if any:	NIL																				
II.	INFORMATION ABOUT THE APPOINTEE																					



- |  |  |
|--|--|
| 1. Background details:   | Degree of Candidate Doctorate (Drs) in Economy and specialized in transportation, with numerous professional courses and training.   |
| 2. Past remuneration:  | Appointed as Chief Executive Officer first time.   |
| 3. Recognition or awards:  | Mr. Eduard Van Dam has extensive background in the aviation business. He carries with him more than three decades of international experience in aviation industry.  |
| 4. Job profile and his suitability:  | As Chief Executive Officer of the Company, he is responsible for the overall management of the company including the preparation of plans, budgets and delivering the planned performance in terms of operations and financial result. He has a rich, varied and international background in the filed of aviation industry. |
| 5. Remuneration proposed:  | As mentioned above   |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin): | The proposed remuneration of Mr. Eduard Van Dam, Netherland Citizen in line with the contemporary trend in the corporate sector for managerial remuneration. The Basic Salary, allowances and perquisites represent the various components of remuneration as part of the overall package.                                   |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:  | No pecuniary interest other than by way of remuneration  |
| <b>III. OTHER INFORMATION</b>  |  |
| 1. Reasons of inadequate profits:  | Due to increase in fuel, spares and other operating costs.   |
| 2. Steps taken or proposed to be taken for improvement:  | Steps are being taken to reduce fixed cost. Also the Company is making efforts to increase revenue by effective utilization of fleet and improve margin on contract.   |
| 3. Expected increase in productivity and profits in measurable terms:  | At present though economy is in recession, company is expected to increase its margin by 10 to 15 % in next year.  |

**ITEM 6**

The members of the Company had approved the payment of remuneration to Mr. P. Raj Kumar Menon at the 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008. Due to loss / inadequacy of the profit the remuneration approved 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). The approval of the members is now sought for waiver of the excess remuneration paid to Mr. P. Raj Kumar Menon, 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. 6 of the Notice.

**ITEM 7**

The members of the Company had approved the payment of remuneration to Captain Dhirendra Kumar Chand at the 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008. Due to loss / inadequacy of the profit the remuneration approved 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 ). The approval of the members is now sought for waiver of the excess remuneration paid to Captain Dhirendra Kumar Chand, subject to approval of the Central Government.

The Board of Directors recommend the resolution for the approval of the members. Except Captain Dhirendra Kumar Chand, Whole-time Director of the Company, no other Directors of the Company are concerned or interested in the Resolution at Item No. 7 of the Notice.

**ITEM 8**

The members of the Company had approved the payment of remuneration to Mr. David Vaughan Hayler, former Chief Executive Officer of the Company at the 10<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2008. Due to loss / inadequacy of the profit the remuneration approved 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 ). The approval of the members is now sought for waiver of the excess remuneration paid to Mr. David Vaughan Hayler, former Chief Executive Officer of the Company, subject to approval of the Central Government.

The Board of Directors recommends the resolution for the approval of the members. No other Directors of the Company are concerned or interested in the Resolution at Item No. 8 of the Notice.

**ITEM 9**

Under section 293 (1)(d) & 293 ( 1 ) ( a ) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, and create mortgage / charge on the property of the Company to cover such Borrowings. The Company has already borrowed money from Banks and others for the business of the which is within the limit of section 293(1)(d). The members in the Annual General Meeting of the Company held on 25<sup>th</sup> September, 2008 empower the Board to borrow money from Banks, Financial Institutions etc upto Rs.600 Crores and to create mortgage / charge on the property

of the Company to cover such Borrowings.

However in future the Company may need to borrow more money from Banks, Financial Institutions, firms or person(s) and bodies corporate(s) for its projects in the form of Term Loan (which are not temporary loans obtained in the ordinary course of business) which may exceeds Rs.600 Crores and for which Company may give mortgage of all the movable and immovable properties of the Company present and future. Hence it is deemed desirable, as a matter of abundant caution also, to provide a sufficient margin for such loans to be covered by the borrowing powers of the Board.

In the circumstances, sanction of the shareholders is being taken to enable the Directors to borrow money to the extent of Rs. 1000 Crores and to create mortgage / charge on the property to cover such Borrowings. Hence special resolutions at Item nos. 6 is recommended for your approval. None of the Directors is interested in the said resolutions.

By Order of the Board of Directors

RAAKESH D.SONI  
Company Secretary

Place:- Mumbai

Date:- 30 July 2009

Registered Office

A-54, Kailash Colony  
New Delhi – 110 048

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

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

Lt. Gen. (Retd.) SJS Saighal PVSM, VM, VSM took over as Chairman of the Company in August 2004. He holds a Masters degree from Madras University. General Saighal retired after more than forty years of service in the army. In his last assignment as Master General of Ordnance (Chief of Technology & Logistics), he was responsible of upkeep, induction and development of equipment and controlled an annual budget of Rs. 100,000 million under this charge. General Saighal was the Chief of the Army Aviation between 1999 and 2001.

The General has closely worked with the industry and the CII for their integration and business development in the defence field. He was on the board of directors of Hindustan Aeronautics Limited and Ordnance Factory Board and was chairman of a number of high level boards/committees on investments, maintenance and logistics.

General Saighal is a veteran of the 1965 and 1971 wars and was head of the Army Aviation during the Kargil operations. In recognition of his dedicated services, the Government has conferred the awards of Param Vashisht Seva Medal (PVSM) and Vishisht Seva Medal (VM). He was also awarded Vayu Sena Medal (VSM) during 1971.

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

Shareholders' / Investors Grievance Committee – Member

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

He does not hold any shares of the Company.

Nature of expertise in specific functional area – Aviation Industry

##### **Captain Dharendra Kumar Chand**

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

He was a commissioned officer in the army for 29 years and has had experience in army aviation for 25 years including 21 years as a Qualified Instructor. He has been a recipient of the Gallantry Award, has held the highest flying, instrument and instructor rating and has exceeded the Aviation Officers Advance Course Standards at Aviation School, Fort Rucker, Alabama, USA. In the civil aviation sector he has work experience as a Training Manager and as an Examiner. He has also worked as a Deputy Chief Pilot. He was a member of the DGCA Committee on Helicopter Licensing, Training and Operations in 2004-2005. He is HUET, Dangerous Goods, First Aid and CRM qualified. He is working with company since 1<sup>st</sup> September, 1998.

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

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

He does not hold any shares of the company.

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



# BOOK - POST

*If undelivered, please return to :*

**GLOBAL VECTRA HELICORP LIMITED**

Hanger No. C – He / Hf,  
Airports Authority of India,  
Civil Aerodrome, Juhu,  
Mumbai – 400 054