



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 Dharendra Kumar Chand
(Whole-time Director)

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

Dr. Gautam Sen
(Independent Director)

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

Dr. Chandrathil Gouri Krishnadas Nair
(Independent Director)

COMPANY SECRETARY

Mr. Raakesh D. Soni

AUDITORS

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 31st March, 2009.

FINANCIAL PERFORMANCE

Particulars	Year ended 31 st March, 2009	(Rupees' in Lacs) Year ended 31 st 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	-1439.06	0.00
Effect of Transitional Provisions on implementation of Accounting Standard 15(revised)		
- 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 Dhirendra 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 31st 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

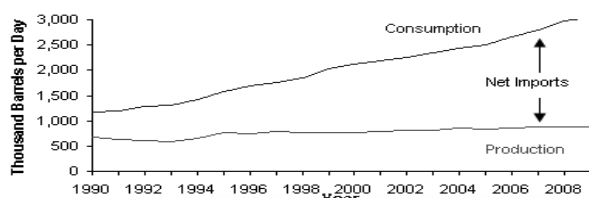
Because of its ever rising domestic requirements, India is a growing net importer of oil, the Indian government has held several licensing rounds in an effort to promote exploration activities and boost domestic oil production. According to Oil & Gas Journal (OGJ), India had 5.6 billion barrels of proven 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.

India's Oil Production and Consumption
1990-2009*



Source: U.S. Energy Information Administration

*2008-09 is forecast

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 India 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.

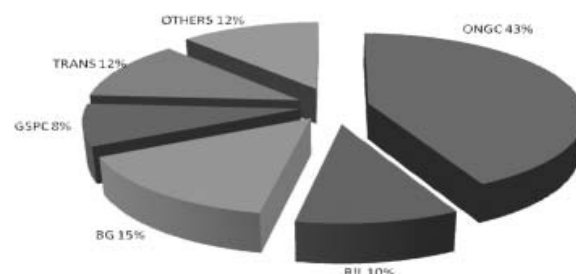
Companies are working to produce as much as possible domestically from current fields due to the widening supply and demand gap. ONGC has worked to maximize its recovery rate at the Mumbai High structure, which supplies the bulk of the country's natural gas at present, and is investing in facilities 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

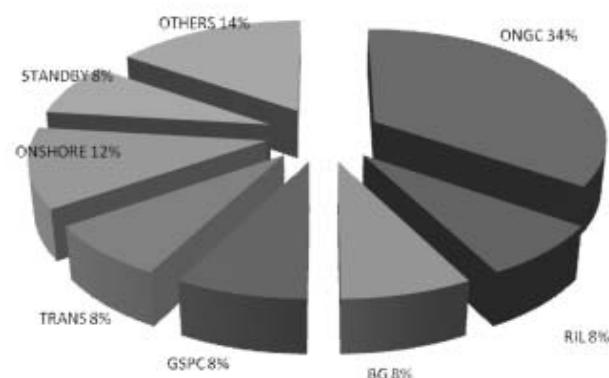
GVHL serves the offshore market as its core business, whereas the recently inaugurated operations in the onshore activities started to contribute to the overall result as well.

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:-

26th April, 2008 26th June, 2008 30th July, 2008 25th October, 2008 28th 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 30th July 2008 and 30th August, 2008 and Dr. Gautam Sen who was not able attend the Audit Committee meeting held on 30th July 2008 and 30th 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 26th April, 2008 to approve the remuneration of Mr. David Vaughan Hayler. All members were present in the meeting. The committee also met on 28th 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 Saigal	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 Saigal 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 31st March, 2009 which was replied to the satisfaction of the concerned shareholders.

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