



September 9, 2014

The Department of Corporate Services
The Bombay Stock Exchange Limited
P J Towers, Dalal Street,
Mumbai 400 001

Fax No. : 22723121/3719/2037

Dear Sirs,

This has reference to your emails sent to the undersigned towards the end of last week as well as your letter dated 4th September, 2014 received yesterday.

At the outset, we would like to inform you that the undersigned has been busy in meetings with the external legal advisors to the Company the whole of last week and right till yesterday in connection with various urgent legal matters involving the Company. Hence the delay in responding to your queries, for which I sincerely apologise.

United Bank of India ("UBI") issued a notice alleging willful default by the Company and four of its directors (past and present) alleging willful default in repayment of an amount of Rs.7.5 crores. The Company and the other addressees filed their replies. Thereafter UBI while granting the Company's request for a personal hearing which UBI was obliged to grant under the Master Circular for Willful Defaulters issued by the Reserve Bank of India, refused the request of the addressees to the notice to be represented by external legal counsel at the personal hearing. The Company filed Writ Petition No. 19247 (W) of 2014 against UBI in which the Learned Single Judge of the Hon'ble Calcutta High Court, vide order dated July 10, 2014, dismissed the Company's plea for representation through external legal counsel. The Company filed an appeal before the Division Bench of the Hon'ble Calcutta High Court being CAN No 8329 of 2014 which appeal was dismissed. On the very same day when the Hon'ble Calcutta High Court dismissed the appeal, the Hon'ble Delhi High Court in another writ petition being Writ Petition (C) 5532/2014 filed by the Company against Punjab National Bank, held that the Company should be allowed external legal representation at the personal hearing before Punjab National Bank.

The Company filed a Special Leave Petition ("SLP") before the Supreme Court of India from the said order of the Division Bench of the Hon'ble Calcutta High Court. Despite pendency of the SLP which was brought to the notice of UBI by the advocates to the Company with a request to defer the hearing till the SLP was heard and decided by the Hon'ble Supreme Court of India, UBI proceeded to convene a personal hearing on 1st September, 2014, and in spite of the absence of any representation on behalf of the Company and its directors, proceeded with the hearing and declared the Company and four of its directors (past and present) as wilful defaulters on the very same day. The SLP came up before the Hon'ble Supreme Court of India when the Hon'ble Supreme Court of India observed that the SLP had become infructuous because UBI had already declared, inter alia, the Company as wilful defaulter and that the Company may seek legal recourse in the appropriate court having jurisdiction at the first instance if it wishes to challenge the order of UBI.

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The Company is advised that none of the parameters constituting willful default governed by the Master Circular issued by the Reserve Bank of India, apply to the Company and the Company is in the process of seeking legal recourse against the action of UBI.

In case you require any clarifications, we shall be pleased to provide the same.

For Kingfisher Airlines Limited



Bharath Raghavan

Chief Legal Officer & Company Secretary