Kingfisher Airlines Limited

Registered Office : The UB Group, UB Tower, Level 12, UB City,
24 Vittal Mallya Road, Bangalore - 560 001, India.

Part I - Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2013

(Rs. in Lacs)

Particulars	Quarter ended December 31, 2013 (Unaudited)	Quarter ended September 30, 2013 (Unaudited)	Quarter ended December 31, 2012 (Unaudited)	Nine Months ended December 31, 2013 (Unaudited)	Nine Months ended December 31, 2012 (Unaudited)	Year Ended March 31, 2013 (Audited)
1. Income from Operations	-	-	-	-	**50,138.28**	**50,138.28**
2. Expenditure						
a. Employee Costs	4,550.29	5,098.15	6,764.81	15,592.85	27,554.42	34,915.71
b. Aircraft Lease Rental	2,134.99	3,803.76	18,209.07	16,294.59	57,542.87	71,008.05
c. Aircraft Fuel	-	-	227.16	-	40,151.25	40,216.61
d. Other Operating Expenses	899.19	2,608.03	13,941.12	11,105.33	50,181.48	74,403.24
e. Depreciation/ Amortisation	1,422.79	1,570.99	4,170.29	10,702.86	15,525.12	23,878.29
3. Profit/ (Loss) from Operations before Other Income, Finance Costs, Redelivery Costs, Exchange (Loss)/ Gain, Prior Period Item(1 - 2)	**(9,007.26)**	**(13,080.93)**	**(43,312.45)**	**(53,695.63)**	**(140,816.86)**	**(194,283.62)**
4. Other Income	86.00	193.32	357.94	325.20	11,111.99	18,207.85
5. Profit/ (Loss) from Operations before Finance Costs, Redelivery Costs, Exchange (Loss)/ Gain, Prior Period Item (3 + 4)	**(8,921.26)**	**(12,887.61)**	**(42,954.51)**	**(53,370.43)**	**(129,704.87)**	**(176,075.77)**
6. Finance Costs	35,099.96	34,555.65	40,126.33	102,004.07	118,939.34	143,615.48
7. Profit/ (Loss) afer Finance Costs but before Redelivery Costs, Exchange (Loss)/ Gain, Prior Period Item and Tax (5 - 6)	**(44,021.22)**	**(47,443.26)**	**(83,080.84)**	**(155,374.50)**	**(248,644.21)**	**(319,691.25)**
8a. Redelivery Costs	40,073.88	12,333.08	27,480.89	94,403.83	67,559.22	108,669.47
8b. Exchange Loss/ (Gain)	(1,852.85)	8,738.78	1,224.82	16,670.04	2,104.80	1,751.24
8c. Prior Period Item	-	3,040.83	-	3,040.83	1,359.51	-
9. Profit/ (Loss) from Ordinary Activities before Tax (7 - 8a - 8b - 8c)	**(82,242.25)**	**(71,555.95)**	**(111,786.55)**	**(269,489.20)**	**(319,667.74)**	**(430,111.96)**
10. Tax Expense						
- Current Tax	-	-	-	-	-	-
- Deferred Tax Asset	-	-	(36,269.15)	-	(103,716.21)	-
11. Profit/ (Loss) from Ordinary Activities after Tax (9 - 10)	**(82,242.25)**	**(71,555.95)**	**(75,517.40)**	**(269,489.20)**	**(215,951.53)**	**(430,111.96)**
12. Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	80,872.30	80,872.30	80,872.30	80,872.30	80,872.30	80,872.30
13. Reserves as per Balance Sheet of Previous Accounting Year (Excluding Revaluation Reserve)	N.A.	N.A.	N.A.	N.A.	N.A.	(1,428,164.15)
14. Earnings per Share (of Face value Rs. 10/- each) (not annualised) (Basic and Diluted)	(10.33)	(9.01)	(9.50)	(33.80)	(28.84)	(56.27)

Part II - Select Information for the Quarter and Nine Months ended December 31, 2013

Particulars	Quarter ended December 31, 2013 (Unaudited)	Quarter ended September 30, 2013 (Unaudited)	Quarter ended December 31, 2012 (Unaudited)	Nine Months ended December 31, 2013 (Unaudited)	Nine Months ended December 31, 2012 (Unaudited)	Year Ended March 31, 2013 (Audited)
A. Particulars of Shareholding						
1. Public Shareholding						
- Number of Shares	564,950,557	548,930,557	518,930,364	564,950,557	518,930,364	548,930,557
- Percentage of Shareholding	69.85%	67.88%	64.16%	69.85%	64.16%	67.88%
2. Promoter and Promoter Group Shareholding						
a) Pledged/ Encumbered						
- Number of Shares	174,689,701	174,689,701	261,112,125	174,689,701	261,112,125	231,111,932
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	71.66%	67.24%	90.10%	71.66%	90.10%	88.96%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	21.60%	21.60%	32.29%	21.60%	32.29%	28.57%
b) Non Encumbered						
- Number of Shares	69,082,732	85,102,732	28,680,501	69,082,732	28,680,501	28,680,501
- Percentage of Shares (As a Percentage of the total promoter and promoter group shareholding)	28.34%	32.76%	9.90%	28.34%	9.90%	11.04%
- Percentage of Shares (As a Percentage of the total Share Capital of the Company)	8.54%	10.52%	3.55%	8.54%	3.55%	3.55%

Particulars	Quarter ended December 31, 2013
B. Investor Complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	Nil

Notes:

1 The above financial results which have been subjected to limited review by the Statutory Auditors of the Company, have been approved by the Board of Directors at its meeting held on February 11, 2014.

2 The Company did not have any operations during the period under review in view of the expiry of its Scheduled Air Operator's Permit ('Permit').

3 The Company has accumulated losses of Rs.1,602,346.91 lacs as at March 31, 2013 and its net worth as at that date is minus Rs.1,291,981.85 lacs.The Permit issued by the DGCA has lapsed and is awaiting renewal. The consortium banks who had lent monies to the Company have recalled their debts in April 2013. The Company has detailed plans for renewal of its operations. It has filed the necessary application to the DGCA to renew the Permit and has been exploring various options to recapitalize and resume operations. The Company will also request the banks at an appropriate time for debt restructuring. Based on the detailed evaluation of the current situation, plans formulated and active discussions underway with prospective investors, management is confident of raising adequate finance, obtaining renewal of the Permit, rescheduling debt and receiving continued support from the group. Therefore, the management holds the view that the Company will realize its assets and discharge liabilities in the normal course of business. Accordingly, the financial results have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

4 a) The consortium of bankers to the Company demanded from the Company their dues and have moved the Debt Recovery Tribunal at Bangalore (DRT) for recovery of these dues by way of O.A. No. 766 of 2013. The interim application filed by the Company before the DRT seeking to reject the said O.A. on the ground of jurisdiction has been dismissed by the Tribunal vide its order dated 12th November 2013. The Company filed a Writ Petition against this order of the DRT and the same was disposed of by the Honourable High Court of Karnataka on 4th February, 2014, with liberty to move the Debts Recovery Appellate Tribunal for suitable reliefs. The Company is taking further steps as per the advice of its lawyers to defend itself against this order as well as in the proceedings before the DRT. The consortium of banks had filed Writ Petitions before the Karnataka High Court being Writ Petition Nos 38870/2013 & 39048-39052 & 39053/2013 seeking directions of the Court that DRT disposes off the applications filed by the banks expeditiously. In the said writ petitions, the High Court of Karnataka passed interim order dated 3rd September, 2013, injuncting, inter alia, the Company from transferring, alienating, disposing or creating third party rights in respect of movable as well as immovable properties belonging to them until further orders in the said petitions. Thereafter by order dated 13th November, 2013, the Hon'ble High Court of Karnataka while disposing of the writ petitions, confirmed the interim order dated 3rd September, 2013 till the applications before the DRT are considered and disposed off.
b) Further, 3 lenders who have extended pre delivery payment (PDP) loans to the Company, for purchase of aircraft from M/s Airbus S.A.S., have recently filed proceedings before the DRT for recovery of alleged total dues amounting to Rs. 192.51 crores. By an ex-parte order dated February 4, 2014 in I.A. No. 543/2014, the Hon. Tribunal has allowed the said application of the banks and have passed an interim order attaching pre-delivery payments made by the Company to M/s Airbus S.A.S. up to Rs. 192.51 crores till the next date of hearing. The Company is in the process of taking legal advice in the matter.

5 The Company has adopted the Exposure Draft on Accounting Standard - 10 (Revised) 'Tangible Fixed Assets' which allows costs on major repairs and maintenance incurred to be amortized over the incremental life of the asset. The Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on operating lease. Had the Company not adopted this method of accounting, the loss after tax for the nine months ended December 31, 2013 would have been lower by Rs. 5,878.33 lacs. There would have been no change in the loss after tax for the quarter ended December 31, 2013. This revised accounting policy has been confirmed by an independent expert and in the opinion of the management, this accounting treatment has resulted in a fair depiction of the working results and the state of the affairs of the Company. The auditors have qualified their report that this treatment is not in conformance with generally accepted accounting principles in India.

6 In terms of agreements entered into in respect of assets taken on lease from an engine manufacturer, claims by the said lessor/engine manufacturer are under challenge by the promoter company of the Company viz. United Breweries (Holdings) Limited which has filed a suit in the Bangalore City Civil Court against the said engine manufacturer for supply of defective engines including lease engines to the Company for its fleet of Airbus A320 type aircraft, as well as its joint venture partners claiming damages of approx Rs.1,319.30 crores (at the then prevailing exchange rate of INR to USD) at the first instance. The Company is a party defendant to the said suit. Since the suit is pending, no other provision is considered necessary.

7 In respect of certain agreements entered into for lease of aircrafts prior to March 31, 2007, the Company's applications for exemption under section 10(15A) of the Income Tax Act, 1961, has been rejected by the Central Board of Direct Taxes and the High Court of Delhi ('Court').The Company's Special Leave Petition (SLP) to the Supreme Court of India from the order of the High Court has been admitted. The management believes, based on internal assessment, that an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the resultant tax liability is considered necessary (estimated at Rs.13,883.07 lacs not taking into account any demands that may be raised for other agreements, based on the order of the Court).

8 The Company has terminated certain agreements entered into with parties as a cost rationalisation measure. Certain parties have also terminated the agreements entered into with the Company in view of defaults by it. The Company is in discussion with the relevant parties to finalise the amount of compensation and other costs, if any payable by it,as well as to persuade the parties to desist from such cancellations. The same will be accounted on final determination of the matter. In the opinion of the management, this amount is not likely to be material.

9 The consortium bankers purportedly pursuant to Reserve Bank of India's directives directed the Company not to make payment of commission in respect of guarantees and reverse all entries relating to commission to the guarantors with effect from January 1, 2011. The validity and enforceability of the said guarantees have been challenged by the relevant guarantors viz. United Breweries (Holdings) Limited ("UBHL") and Dr. Vijay Mallya (VJM) respectively, who have together with Kingfisher Finvest (India) Limited ("KFIL") filed a suit in the Honorable Bombay High Court, being Suit No 311 of 2013 against the consortium of bankers with the Company also as one of the defendants in the said suit, inter alia, seeking the following reliefs:
a) For a declaration that the corporate guarantee given by UBHL, the personal guarantee given by VJM and the pledge agreement all dated December 21, 2010 are void ab-initio and non-est.
b) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance or in any manner giving effect to the impugned Notices dated March 16, 2013, or from taking any other or further steps to act upon or in furtherance of the pledge agreement dated December 21, 2010, save and except in accordance with the procedure set out in clause 8.1 of the Master Debt Recast Agreement (MDRA), including issuing a notice there under.
c) For an order and declaration that the transfer of 26,46,155 and 1,00,00,000 equity shares in United Spirits Limited and Mangalore Chemicals and Fertilizers Limited respectively held by UBHL, from its DP Account to the DP Account of SBI Capital Trustees Limited done pursuant to the impugned Notices is without the authority of law and void.
d) That consortium of bankers be ordered and directed by a mandatory order of the honorable court to restore status quo ante for all acts, deeds and things done pursuant to the said impugned notices.
e) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon or in furtherance of the corporate guarantee given by UBHL, the personal guarantee given by VJM and the pledge agreement, all dated December 21, 2010 and

f) That an order and decree of damages of the sum of Rs. 3,199.68 crores as set out in the Particulars of Claim hereto be awarded to the Plaintiffs.
The Plaintiffs in the aforesaid suit no. 311 of 2013 ("the Suit") moved an application in the Suit seeking ad-interim relief and pressed for a temporary order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance or in any manner giving effect to the impugned Notices dated March 16, 2013, or from taking any other or further steps to act upon or in furtherance of the pledge agreement , save and except in accordance with the procedure set out in clause 8.1 of the MDRA, including issuing of a notice there under. By an order dated April 2, 2013 the Honorable Bombay High Court declined the ad-interim relief to the extent pressed for by the Plaintiffs at the aforesaid hearing. The Consortium banks have sold the shares pledged but the said sale of shares is still under challenge as the order passed by the Hon'ble Judge was at an ad-interim stage and therefore still sub-judice. The Suit is pending before the Hon'ble Bombay High Court. Therefore although the sale proceeds of Rs. 544.47 crores arising out of the sale of pledged shares have been appropriated by the Consortium Banks against alleged dues of the Company, credit has not been given in the books of the Company for such sale proceeds, and a provision for interest has been made on the gross amount, without prejudice to the rights and contentions of the Company, UBHL, VJM and KFIL in various pending legal proceedings.
Further, no provision for the period from January 1, 2011 to December 31, 2013 to the extent indicated earlier has been made in the books of account of the Company for commission in respect of the guarantees, which are sought to be declared void ab-initio and non-est in the Suit. Commission for the period from January 1, 2011 to December 31, 2013 would have aggregated to Rs. 30,073.51 lacs, for the quarter ended December 31, 2013 would have aggregated to Rs. 2,536.20 lacs and for the nine months ended December 31, 2013 would have aggregated to Rs. 7,589.82 lacs respectively.

10 The Company has continued to amortize certain borrowing costs over the repayment period as per MDRA. Unamortized borrowings costs as at December 31, 2013 is Rs. 2,475.36 lacs. The accounting treatment undertaken by the Company in respect of the purported loan recall and enforcement actions by the banks are subject to and where applicable without prejudice to the various rights and contentions that the Company has against the banks and other concerned parties.

11 Deferred tax credit recognized during the quarter as well as nine months ended December 31, 2013 is Rs. Nil (quarter ended December 31, 2012 Rs. 36,269.15 lacs and nine months ended December 31, 2012 Rs. 103,716.21 Lacs). However deferred tax credit earlier recognized up to March 31, 2012 aggregating to Rs. 404,586.77 lacs had been derecognized during the year ended March 31, 2013 by debit to surplus account (reserves and surplus). Further deferred tax credit recognized during the period from April 1, 2012 to December 31, 2012 of Rs. 103,716.21 lacs has been derecognized through the Statement of Profit and Loss during the quarter ended March 31, 2013.

12 The Company is contesting 27 winding up petitions under Section 433 and 434 of the Companies Act 1956 of India before the Honourable High Court of Karnataka and this includes a petition filed by the Consortium of Bankers (Secured Creditors) and certain unsecured creditors. Subsequent to the quarter under review, the Company has received orders from the Karnataka High Court admitting the petition filed by the Consortium of bankers as also a petition filed by one of the unsecured creditors. The Company is in the process of filing appeals against the aforesaid orders. The Company also filed an application in the winding up proceedings before the Karnataka High Court to restrain the consortium of banks from taking possession of "Kingfisher House" owned by the Company and the said Court has dismissed the said application. The Company filed an appeal from the said order of dismissal before the Division Bench of the Karnataka High Court which has dismissed the said appeal. The Company is planning to file a Special Leave Petition from the order of the Division Bench of the High Court of Karnataka dismissing the Company's appeal once the order is received.

13 Previous period/ year figures have been reclassified to confirm with current period/ year presentation, wherever applicable.

	For B K Ramadhyani & Co Chartered Accountants	By Authority of the Board
	Sd/-	Sd/-
Place : Bangalore **Date : February 11, 2014**	**(Shyam Ramadhyani)** **Partner** **Membership number 019522**	**Dr. Vijay Mallya** **Chairman & Managing Director**

LIMITED REVIEW REPORT

To,
The Board of Directors
Kingfisher Airlines Limited
UB Towers, Vittal Mallya Road,
Bangalore- 560 001

1. We have reviewed the accompanying statement of unaudited financial results of Kingfisher Airlines Limited ("the Company") for the quarter ended December 31, 2013, duly initialed for the purpose of identification except data relating to public/promoter/promoter group shareholdings/ investor complaints, which have been traced from data furnished by management. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of interim financial information performed by an independent auditor of the entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. *Attention is invited to foot note 5 to the unaudited financial results for the quarter ended December 31, 2013 regarding method of accounting of costs incurred on major repairs and maintenance of aircrafts taken on operating lease of Rs. 664.22 lacs for the nine months ended December 31, 2012 (year ended March 31, 2013 Rs. 664.22 lacs) which have been capitalized and amortized over the estimated useful life of the repairs. In our opinion, this treatment is not in accordance with generally accepted accounting standards prevalent in India and ought to have been recognized in the Statement of Profit and Loss as and when incurred.*

4. *The Company had recognized deferred tax credit aggregating to Rs.*

36,269.15 lacs for the quarter ended December 31, 2012 (nine months ended December 31, 2012 Rs. 103,716.21 lacs). In our opinion, the virtual certainty test for recognition of deferred tax credit as laid down in AS 22 was not satisfied. Further, the derecognition of deferred tax credit recognized up to March 31, 2012 of Rs. 404,586.77 lacs during the year ended March 31, 2013 should have been done through the Statement of Profit and Loss and not directly in the Surplus account (debit) (refer foot note 11)

5 *Management has informed us that the 'recoverable amount' of assets within the meaning of accounting standard 28 is more than their carrying value and as such no amount needs to be recognized in the financial results for impairment loss. We have not been able to validate this assertion in the absence of bids from prospective buyers/ valuation report of an independent agency and the uncertainty of resumption of future operations/ results of operations thereafter.*

6. *We further report that, except for the effect, if any, of matters stated in paragraphs 5 above and 8 below and foot note 8 to the unaudited financial results, which are not ascertainable, had the observations made in paragraphs 3 and 4 above been considered,*

   a. *The unaudited working results for the quarter ended December 31, 2012 would have been a loss of Rs. 109,034.44 lacs (nine months ended December 31, 2013 Rs. 263,610.87 lacs) (nine months ended December 31, 2012 Rs. 306,344.72 lacs) (year ended March 31, 2013 Rs.415,801.51 lacs) as against the reported unaudited loss for the quarter ended December 31, 2012 Rs. 75,517.40 lacs (nine months ended December 31, 2013 Rs. 269,489.20 lacs) (nine months ended December 31, 2012 Rs. 215,951.53 lacs) (year ended March 31, 2013 Rs.430,111.96 lacs)*

   b. *The unaudited earnings (loss) per share for the quarter ended December 31, 2012 Rs.(13.64) [nine months ended December 31, 2013 Rs. (33.08)] [nine months ended December 31, 2012 Rs. (40.70)] [year ended March 31, 2013 Rs. (54.42)] as against the reported unaudited earnings(loss) per share for the quarter ended December 31, 2012 Rs. (9.50) [nine months ended December 31, 2013 Rs. (33.80)] [nine months ended December 31, 2012 Rs. (28.84)] [year ended March 31, 2013 Rs. (56.27)].*

   c. *The reserves as at March 31, 2013 would have been debit of Rs.1,434,042.48 lacs as against the reported figure of debit of Rs. 1,428,164.15 lacs.*

d. *The restated amounts for the nine months ended December 31, 2012 and year ended March 31, 2013 indicated in paragraphs 6(a) to (c) above includes the effect of subsidy received in a prior year and recognized as income of that year but to be amortized over a period as referred in the paragraph 4 of our report dated May 30, 2012 to the members of the Company. This observation had no effect on the working results of the Company for the quarter ended December 31, 2013.*

7. *Attention is invited to foot note 3 to the unaudited financial results for the quarter under review regarding the financial results being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is completely eroded, the scheduled air operator's permit issued by the Director General of Civil Aviation, Government of India (Permit) has lapsed, the honorable Karnataka High Court having admitted petitions by the consortium of bankers (secured creditors) and one unsecured creditor for winding up of the Company and several other winding up petitions pending before the court (refer foot notes 4 and 12). These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is interalia dependent on the Company's ability to obtain renewal of the Permit, infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), withdrawal of winding up petitions/admissions, rescheduling of debt/ other liabilities and resuming normal operations.*

8. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which it is to be disclosed or that it contains any material misstatement, *subject to our remarks in paragraphs 3 to 6 above, paragraph 1 of the annexure to our report to the members of the Company on the audit of the financial statements for the year ended March 31, 2013, dated May 30, 2013 (impact of discrepancies, if any pending reconciliation of physical inventory of fixed assets taken during the year 2010-11 with book records), note 44 (certain accounts detailed in the said note being under review and reconciliation), note 46 (basis of computation of unearned revenue as at period end/ refunds due on account of cancelled tickets/flights. Such estimates of number of unflown tickets and their*

average value, based on which management has reportedly estimated the amount of unearned revenue, not being drawn from accounting records, could not be reviewed by us) and note 52 (write back of withholding tax accrued till March 31, 2011 and non-provision for withholding tax thereafter, on amounts paid/ provided as payable to certain non-residents/interest thereon, based on professional advice, which are subject to receipt of certain documentation from the relevant payees, the Company complying with the requisite formalities under the relevant tax laws and validation of the position stated in the books of account), note 56 (regarding compensation and other costs payable by the Company consequent to termination of certain agreements not being determined and accordingly not provided for) and foot note to note 17 regarding non assessment on a comprehensive basis of unserviceable/damaged engineering and in-flight inventories, pending detailed review and assessment (aggregate provision as at December 31, 2013 Rs.2,851.24 lacs), all relating to the financial statements for the year ended March 31, 2013 and foot note 10 to the unaudited financial results regarding non derecognition of certain borrowing costs of Rs. 2,475.36 lacs in spite of the consortium banks having recalled their dues and proceeding with recovery for the reasons stated in the said foot note (effect on revenue in all cases is not ascertainable).

For B K Ramadhyani & Co
Chartered Accountants
Firm registration number 002878S

4B, Chitrapur Bhavan
68, 8th Main, Malleswaram,
Bangalore- 560 055

- Sd -

(Shyam Ramadhyani)
Partner
Membership number 019522

Date: February 11, 2014

KINGFISHER
AIRLINES

February 11, 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 Sir,

Re: Limited Review Report for the quarter ended December 31, 2013

In terms of Clause 41 of the Listing Agreement, please find enclosed the Limited Review Report of the Statutory Auditors for the quarter ended December 31, 2013.

In respect of the observations in the Limited Review Report, we clarify as follows:

Para 3

As stated in the Note 5 of the Unaudited Financial Results for the quarter ended December 31, 2013, the Company has adopted the Exposure Draft on Accounting Standard – 10 (Revised) 'Tangible Fixed Assets' which allows such costs on major repairs and maintenance incurred to be amortized over the incremental life of the asset. The Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on Operating Lease.

Thanking you,

Yours faithfully,
For **Kingfisher Airlines Limited**

A. Raghunathan
Chief Financial Officer

UB GROUP

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