



KINGFISHER AIRLINES LIMITED
ANNUAL REPORT 2011 - 2012



Kingfisher Airlines Limited

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

NOTICE

NOTICE IS HEREBY GIVEN OF THE SEVENTEENTH ANNUAL GENERAL MEETING of the Company to be held at Good Shepherd Auditorium, Opposite St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025 on Wednesday, September 26, 2012 at 2.30 p.m. for the following purposes:

1. To receive and consider the accounts for the year ended March 31, 2012 and the reports of the Auditors and Directors thereon;
2. To elect a Director in the place of Mr. A. K. Ravi Nedungadi who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s. B. K. Ramadhyani & Co., are eligible for re-appointment;
4. **Appointment of Mr. Manmohan Singh Kapur as a Director:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Manmohan Singh Kapur, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board

Place : Mumbai
Date : August 10, 2012

Bharath Raghavan
Chief Legal Officer & Company Secretary

Notes :

1. Please refer to the explanatory statement given hereunder.
2. **A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for the holding of the Meeting.

3. The Register of Members and Share Transfer Books will remain closed from Friday, September 21, 2012 to Wednesday, September 26, 2012 (both days inclusive).

4. Members are required to intimate immediately to the Company's Registrars and Transfer Agents, M/s Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 (Telephone No: 040-44655000, Fax No: 040-23420814), in case of shares held in physical form and to their respective Depository Participants, in case of shares held in dematerialized/ electronic form:-
 - a) any change in their registered addresses along with PIN Code Number; and
 - b) details about their email addresses, if any, so that all notices and other statutory documents which are required to be sent to the Members, as per the provisions of the Companies Act, 1956, can be sent to their email addresses, as a measure of "Green Initiatives" introduced by the Ministry of Corporate Affairs (MCA).
5. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address stated in Note No. 4 above.
6. Members may please address all their documents/correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address stated in Note No.4 above.
7. Nomination facility for shares is available for Members. The prescribed format in this regard can be obtained from Company's Registrars and Transfer Agents, at the address stated in Note No. 4 above.
8. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members holding shares in physical form are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerializing their shareholdings in the Company.
9. All Unclaimed/Unpaid Dividend for the financial year 2003-04, required to be transferred to the Investor Education and Protection Fund (Fund) in terms of Section 205C of the Companies Act, 1956, have been transferred to the Fund.
10. Members may kindly note that once the Unclaimed/Unpaid Dividend is transferred to the Fund, no claim shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claim.
11. Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Members holding shares in dematerialised form, their DP & Client ID Numbers.
 - b. Members holding shares in physical form, their Folio Numbers.
 - c. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
 - d. The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The Company would accept Attendance Slip from a Member actually attending the Meeting; or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other Member/person.

The Meeting is for Members or their proxies only. Please avoid being accompanied by non-Members/children.

12. The Company has designated an exclusive email Id viz., investor.relations@flykingfisher.com to enable the investors to post their grievances and monitor its redressal.
13. Corporate members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act 1956, authorizing their representative to attend and vote at the Annual General Meeting.
14. The details required to be given in pursuance of Clause 49 of the Listing Agreement in case of directors being appointed/ re-appointed are given in the Corporate Governance Section of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4 – Appointment of Mr. Manmohan Singh Kapur as a Director:

Mr. Manmohan Singh Kapur was appointed as an Additional Director (category Independent and Non-Executive) of the Company with effect from April 24, 2012 after receipt of necessary security clearance from the Ministry of Civil Aviation in respect of the appointment and holds office as Director upto the date of this Annual General Meeting.

Mr. Manmohan Singh Kapur holds Degrees of B.Sc & M.A from Punjab University. He is a career banker with more than 39 years experience, mostly in the field of banking. He retired as Chairman & Managing Director of Vijaya Bank. He was also the former Executive Director and Officiating Chairman & Managing Director of Syndicate Bank, Punjab & Sind Bank. Prior to this he was Chief Vigilance Officer of Indian Overseas Bank as well as Union Bank of India.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying intention to propose the appointment of Mr. Manmohan Singh Kapur as a Director of the Company at this Annual General Meeting.

Mr. Manmohan Singh Kapur does not hold any shares in the Company.

Your Directors recommend the Ordinary Resolution for approval by the Members.

None of the Directors other than Mr. Manmohan Singh Kapur is interested or concerned in the Resolution.

Place : Mumbai
Date : August 10, 2012



By Order of the Board

Bharath Raghavan
Chief Legal Officer & Company Secretary



C O N T E N T S

Report of the Directors	2
Corporate Governance Report	10
Management Discussion & Analysis Report	20
Auditors' Report	26
Balance Sheet	30
Statement of Profit and Loss	31
Notes to Financial Statements	32
Cash Flow Statement	66
Accounts of the Subsidiary	68

BOARD OF DIRECTORS

Dr. Vijay Mallya, *Chairman & Managing Director*

Mr. Subhash R. Gupte, *Vice Chairman*

Mr. A. K. Ravi Nedungadi

Mr. Manmohan Singh Kapur

PRESIDENT & CFO - THE UB GROUP

Mr. A. K. Ravi Nedungadi

CHIEF EXECUTIVE OFFICER

Mr. Sanjay Aggarwal

CHIEF FINANCIAL OFFICER

Mr. A. Raghunathan

CHIEF LEGAL OFFICER & COMPANY SECRETARY

Mr. Bharath Raghavan

AUDITORS

M/s. B. K. Ramadhyan & Co.
Chartered Accountants
4B, 4th Floor, 68, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
Bangalore – 560 055

REGISTERED OFFICE

UB Tower, Level 12, UB City,
24, Vittal Mallya Road,
Bangalore – 560 001

To The Members,

Your Directors present the 17th Annual Report along with the Audited Accounts of your Company for the year ended March 31, 2012.

Operations

Your Company's operations during the year ended March 31, 2012 have resulted in:

(Rs. in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Gross Income	58,239.08	64,955.62
Earnings before financial charges, lease rentals, depreciation & amortization and taxes (EBITDAR)	1,222.08	11,084.37
Less:		
Depreciation & Amortization	3,418.66	2,410.38
Lease Rentals	8,684.52	9,839.96
Financial charges	12,763.35	13,129.40
Profit / (Loss) before taxes	(23,644.45)	(14,295.36)
Provision for taxes (including FBT)	11,180.85	4,933.85
Net Profit / (Loss) from ordinary activities after tax	(12,463.60)	(9,361.51)
Exceptional Item	10,816.48	912.47
Net Profit / (Loss) after tax	(23,280.08)	(10,273.98)

Scheduled Airline Operations

During the year under review, your Company recorded a domestic market share of 15.6% and carried more than 10.5 million passengers across both domestic and international sectors. Fleet size of aircraft used in scheduled operations stood at 55 aircraft at year end. Despite significant downsizing measures in the second half of the year, your Company operated over 110,000 flights in the year and maintained connectivity to key destinations in the country through the year, including under-serviced stations such as Dharamsala, Shimla, Kulu, Hubli and Kandla.

During the first half of the year, your Company had been able to recover the Airbus A320 family aircraft in your Company's fleet which were grounded in 2010-11 due to V2500 engine related issues. This reflected in strong operating performance for both the quarters of the first half of 2011-12. Your Company had also made public its intent to exit the low-cost model and to reconfigure aircraft along with a phased transition to the Full-Service model. Your Company has been able to partially progress on this plan.

However, given the pressure on the cost front due to unabated increase of fuel prices, Rupee de-valuation, rising interest rate and continued downward pressure on yields, your Company decided to downsize operations starting November, 2011. Despite the operational downsizing, the cash losses continued, leading to discontinuation of services from IATA's Billing and Settlement Plan (BSP). Despite the additional disadvantage created, your Company designed alternate means to sell and distribute inventory.

As a part of the overall downsizing of operations during the year under review, your Company also temporarily shut down operations on its international network to contain operational losses.

Your Company continues to maintain a "member-elect" status with the oneworld Alliance. The 15 to 18 month complex integration process was successfully near completion for the February 10, 2012 integration date. However, in light of priorities centered around your Company's recapitalization efforts, the oneworld management team agreed with your Company to defer the joining date - a move that would give your Company more time to address the challenges. They agreed to work with your Company during this phase with an aim of setting a new joining date.

Your Company continued to focus on major cost control initiatives during the year to reduce distribution costs, implement fuel optimization systems and processes, improve aircraft utilization, optimize headcount and re-negotiate general contracts in order to enforce cost competitiveness, which is reflected in an improvement in the non-fuel EBITDA cost index.

Your Company continued its focus on various marketing and commercial initiatives including tie-ups with corporate houses to get premium business and launch of the Business Mileage program targeted at Small Medium Enterprises (SME). During the year under review, your Company won the 'Best Indian Airline' Award from Business Traveller Magazine - London, 'Best Airline for Business Travel within India' and 'Best Airline for Leisure Travel within India' from Conde NAST READER Travel Awards and 'Best Loyalty Innovation' Award in the "Judge's Choice" category at Loyalty Awards 2012 hosted by Flight Global.

In view of operating losses incurred during the year, your Directors do not recommend payment of any dividend.

Subsidiary

The statement of your Company's interest in its only subsidiary, Vitae India Spirits Limited, as at March 31, 2012, prepared in accordance with the provisions of Section 212(3) of the Companies Act, 1956 is attached to the Balance Sheet.

Outlook

Your Company had successfully established itself as one of India's largest domestic carriers by passengers flown and cities served over the last decade. Your Company has long enjoyed market leadership with a wide network reach in India, an awarded frequent flyer program and wide distribution. Due to the current situation, your Company is operating as a "holding pattern" with limited operation, pending policy changes which are in the offing.

The Indian airline industry is currently exposed to one of the toughest operating environments and is expected to struggle with profitability pressures, with one of the highest prices for Jet Fuel across the world given tax structure, recent depreciation of the rupee, and the high cost of borrowing. The Government of India is in the process to usher in fiscal measures and reforms that will make the operating environment more conducive for profitable business, viz.

- Approved direct import of jet fuel by airlines.
- Allowed External Commercial Borrowings (ECB) to the extent of USD 1 billion to be used as working capital.
- Opened the international market to private carriers by taking away the right of first refusal from the national carrier.
- In the process of modifying the Foreign Direct Investment (FDI) policy that will allow foreign airlines to invest in Indian carriers.

Your Company will undertake a phased and pragmatic approach to re-induction of capacity as well as further market expansion. The focus will be on maximizing the nascent potential of the domestic Indian market and capitalizing on strategic international routes.

Your Company will continue to closely monitor key market trends as well as macro-economic environment in the Country from a global perspective linked to the recovery plan.

Optionally Convertible Debentures

Loans/Inter Corporate Deposits from certain business associates aggregating to Rs.7,093 million were converted into 70,931,985 8% Optionally Convertible Debentures of

Rs.100/- each ("OCDs") which were convertible into equity shares within a period of 18 months from their issue, after which they were redeemable.

During the year under review, your Company, on February 18, 2012, allotted 79,868,051 Equity Shares of Rs. 10/- each of your Company pursuant to the conversion of 19,975,000 OCDs of Rs 100/- each.

Subsequent upon the said allotment of equity shares as mentioned above, United Breweries (Holdings) Limited (UBHL) along with its subsidiaries holds 47.89% of the paid-up share capital of your Company and therefore your Company ceases to be a subsidiary of UBHL.

Subsequent to the year under review, your Company further allotted to the then holders of the OCDs pursuant to the exercise of the conversion option by them:

1. 35,642,361 Equity Shares of Rs. 10/- each of your Company, pursuant to the conversion of 8,422,290 OCDs of Rs 100/- each on April 10, 2012.
2. 62,160,364 Equity Shares of Rs. 10/- each of your Company, pursuant to the conversion of 14,427,421 OCDs of Rs 100/- each on April 24, 2012.
3. 133,272,991 Equity Shares of Rs. 10/- each of your Company, pursuant to the conversion of 28,107,274 OCDs of Rs 100/- each on June 23, 2012.

As on date, all the OCDs have been converted into equity shares.

Capital

During the year under review, your Company's Authorised Share Capital remained unchanged at Rs. 42,500,000,000/- comprising of 1,650,000,000 Equity Shares of Rs. 10/- each and 2,600,000,000 Preference Shares of Rs. 10/- each.

During the year under review, the Issued, Subscribed and Paid-up Share Capital of your Company has increased from Rs. 10,508,792,230/- divided into 497,779,223 Equity Shares of Rs. 10/- each and 553,100,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each to Rs. 11,307,472,740/- divided into 577,647,274 Equity Shares of Rs. 10/- each and 553,100,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each.

Subsequent to the year under review, the Issued, Subscribed and Paid-up Share Capital of your Company has increased to Rs. 13,618,229,900/- divided into 808,722,990 Equity Shares of Rs. 10/- each and 553,100,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each.

Depository System

The trading in the equity shares of your Company is under compulsory dematerialization mode. As of date, equity shares representing 99.91% of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of your Company's shares.

Auditors' Report

As regards observations in para 4 of Auditors' Report, the Statutory Auditors have qualified their report with a remark that the receipt of subsidy from aircraft manufacturers should be recognized as income on a systematic basis over the period necessary to match them with related costs which they are intended to compensate though the accounting treatment does not appear to be covered by the Accounting Standard (AS)-19 (Accounting for Leases) issued by the Institute of Chartered Accountants of India. In the opinion of the Directors:

- (1) The lessor of the Aircraft is a person other than the Aircraft manufacturer and the lease contract is independent of the contract with Aircraft manufacturer.
- (2) The termination, if any, of the lease contract does not in any event breach the conditions for the grant of subsidy by the Aircraft manufacturer.
- (3) The subsidy value, referred to in Para 4 of the Audit Report have been received by your Company during the 15 months period ended June 30, 2006. As per Section 28 (iv) of the Income Tax Act, 1961, and precedents available under Income Tax laws, including pronouncements of the Apex Court, the revenue arising out of support packages will be treated as income for taxation purposes and therefore, it would not be prudent for your Company to treat the said revenues differently in the books of Accounts and for taxation purposes.
- (4) In the event of non compliance of the contract with the Aircraft manufacturer, the resultant possibility of recovery of subsidy granted by the Aircraft manufacturer has been disclosed as contingent liability and this accounting treatment adopted by your Company is also based on the well established principle of differentiation of revenue receipt and capital receipt.

In view of the above, in the opinion of your Company, the accounting treatment of the support package received from the Aircraft manufacturer, as Income in the year of accrual and receipt is in order.

The fair market value of these Aircraft is not easily ascertainable due to the unique specifications of the Aircraft. Therefore, the management has obtained the valuation report for Aircraft of similar type from a leasing company to ascertain the fair market value which is higher than the sale price of these Aircraft. This is also supported by the fact that the insurance value to be covered as per respective Lease Agreements is much more than the sale value of the Aircraft.

As regards the observations in para 5 of the Auditors' Report, your 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. Your Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on Operating Lease.

As regards the observations in paras 8, 9 & 10 of the Auditors' Report, the note numbers 36(b), 39 & 52 to Notes to Financial Statements are self explanatory.

As regards the observations in the Annexure to the Auditors' Report, your Company has taken / is taking necessary steps to ensure improvement in certain procedures and also compliance with relevant laws.

Directors

Mr. A. K. Ravi Nedungadi, Director, retires by rotation and, being eligible, offers himself for re-appointment.

During the year under review, the following Directors resigned from the Board of Directors of your Company:

- | | |
|-------------------------------|--------------------------------------|
| 1. Diwan Arun Nanda | - with effect from September 5, 2011 |
| 2. Mr. Piyush Mankad | - with effect from January 9, 2012 |
| 3. Mr. Ghyanendra Nath Bajpai | - with effect from January 9, 2012 |
| 4. Mr. Vijay Amritraj | - with effect from March 14, 2012 |
| 5. Mr. Anil Kumar Ganguly | - with effect from March 17, 2012 |

Subsequent to the year under review, Mr. Manmohan Singh Kapur was appointed as an Additional Director with effect from April 24, 2012 and holds office up to the date of the ensuing Annual General Meeting of your Company. Notice

in writing has been received from a Member signifying intention to propose the appointment of Mr. Manmohan Singh Kapur as a Director of your Company at the ensuing Annual General Meeting.

Auditors

M/s. B. K. Ramadhyani & Co., your Company's Auditors have confirmed that they are eligible for re-appointment at the ensuing Annual General Meeting and it is proposed to re-appoint them and to fix their remuneration.

Listing of Shares of Your Company

All the equity shares of your Company are listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The listing fee for the year 2012-13 has been paid to these Stock Exchanges.

Corporate Governance

A report on Corporate Governance is annexed separately as part of this Report along with a certificate of compliance from a Company Secretary in practice. Necessary requirements of obtaining certifications/ declarations in terms of Clause 49 have been complied with.

Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report is annexed and forms an integral part of the Annual Report.

Human Resources

Employee relations remained cordial. The information as are required to be provided in terms of Section 217(2A) of the Companies Act, 1956 read with the amended Companies (Particulars of Employees) Rules, 1975, have been included as an annexure to this Report.

Employee Stock Option Plan (ESOP)

Your Company had approved ESOP 2011 at the last Annual General Meeting of your Company held on September 28, 2011. As on date, your Company has not granted any option under ESOP 2011.

Disclosures as required by Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999 are annexed to this Report.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 and the rules framed there under are not applicable to your Company.

The relevant information relating to Foreign Exchange Earning and Outgo appears in the Note No. 31(a) to (e) to the Financial Statements.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to the Financial Statements of your Company for the year ended March 31, 2012, the Board of Directors reports that:

- in the preparation of the Accounts for the year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2012 and of the Loss of your Company for the year ended March 31, 2012;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the accounts for the year ended March 31, 2012, have been prepared on a going concern basis.

Thank You

Your Directors place on record their sincere appreciation for the continued support from shareholders, customers, the Government of India especially the Ministry of Civil Aviation and the Directorate General of Civil Aviation, the various State Governments, Airports Authority of India, the Reserve Bank of India, lending banks and financial institutions, suppliers, other business associates and employees.

For and on Behalf of the Board of Directors

Mumbai
August 10, 2012

Dr. Vijay Mallya
Chairman & Managing Director

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A)
OF THE COMPANIES ACT, 1956 AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**
Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs. 60,00,000 per annum

SL. NO.	NAME	AGE	DESIGNATION / NATURE OF DUTIES	REMUNERATION (Rs.)	QUALIFICATION	EXPERIENCE IN YRS.	DATE OF COMMENCEMENT OF EMPLOYMENT	PARTICULARS OF PREVIOUS EMPLOYMENT
1	AADITIYA J. GARG	28	CHECK PILOT	7,357,157	10+2, ATPL	5	10.04.2007	Air Deccan
2	ABHISHEK SAHAY	33	CAPTAIN	6,140,319	10+2, ATPL	11	18.05.2005	Air Deccan
3	AJEET OKA	56	CAPTAIN	6,868,342	10+2, ATPL	37	19.06.2004	Air Deccan
4	ALANGIAM PAULRAJ KALAIHELVAN	54	CAPTAIN	6,885,176	M. Sc.	29	27.06.2005	Air Deccan
5	ALI MUKARRAM SURURY	47	CAPTAIN	6,577,118	Diploma AME	26	12.05.2008	Indian Airlines
6	AMAR BHATIA	38	CHECK PILOT	6,362,618	B. Com.	17	07.01.2008	Air Sahara
7	AMARDEEP SINGH SARAI	36	CAPTAIN	6,229,832	B.A (Arts)	8	28.02.2007	Air Sahara
8	AMIT AGARWAL	42	SR. VICE PRESIDENT - CORPORATE DEVELOPMENT & PLANNING	7,011,360	M. Tech.	19	09.02.2010	Delta
9	AMIT KAPOOR	34	CAPTAIN	6,033,335	10+2, ATPL	12	14.02.2007	IAF
10	AMRITA G PEREIRA	32	CHECK PILOT	6,081,744	10+2, ATPL	11	16.09.2003	Air Deccan
11	ANNU PRAVIN GAIKWAD	30	CAPTAIN	6,797,837	10+2, ATPL	11	16.07.2007	Air Deccan
12	ASHISH RANJAN	51	CHECK PILOT	6,433,192	10+2, ATPL	32	01.05.2004	Air Deccan
13	ASHOK VARDHAN SINGH DEO	44	INSTRUCTOR	6,719,875	B. A.	23	29.04.2006	Alliance Air
14	ATUL A. KUCHERIA	37	CHECK PILOT	6,856,444	B. Sc.	16	15.12.2005	Jet Airways
15	AVNI DOGRA	44	CHECK PILOT	6,417,589	HSC / CPL	23	23.10.2007	Air Sahara
16	B. N. KISHORE	49	CAPTAIN	6,848,115	ATPL	28	22.12.2008	IAF
17	BABU Y S	53	INSTRUCTOR	6,584,864	10+2, ATPL	33	02.05.2004	Air Deccan
18	BANKIM CHANDRA MEHTA	44	CAPTAIN	6,908,241	B.A.	23	15.12.2004	IAF
19	BAVICCA BHARATHI	22	CAPTAIN	6,600,378	CPL	5	30.07.2007	Fresher
20	BED PRAKASH UPRETI	48	CAPTAIN	6,952,035	M. A.	27	01.04.2005	NECON AIR
21	BEER SINGH YADAV	48	CAPTAIN	6,530,158	ATPL	27	22.10.2008	Air Sahara
22	BHAG CHAND	49	CHECK PILOT	6,360,265	B.A.	27	21.01.2005	IAF
23	BHANUMOHAN KAILA	44	VICE PRESIDENT - AGENCY SALES (WEST & SOUTH INDIA)	6,427,914	B.A., DHM, PGDBM	23	01.12.2006	United Spirits Ltd.
24	BIJESH LOBHAN SEN	50	CAPTAIN	6,252,719	H.S.C.	29	09.05.2005	IAF
25	C. KIRTHAN KUMAR	36	CHECK PILOT	6,216,100	B. A.	14	19.01.2005	Blue Dart Aviation Ltd
26	CARLOSE DEVANAND	39	CAPTAIN	6,713,563	CPL	18	07.06.2006	CFI
27	CHIRAG THAKKAR	27	CHECK PILOT	7,896,325	10+2, ATPL	8	13.06.2005	Air Deccan
28	DHANANJAY VINAYAK WANNERE	47	CAPTAIN	6,565,725	10+2, ATPL	28	02.09.2009	IAF
29	DHIRAJ BALIRAM KANASE	42	CHECK PILOT	6,514,454	B. A.	21	04.08.2005	Indian Air Force
30	DILAWER SINGH BASRAON	44	CAPTAIN	6,440,334	H.S.C.	23	10.01.2005	Ranbaxy Lab. Ltd.
31	DIMITRIOS SIPSAS	60	CAPTAIN	7,527,082	ATPL	11	27.01.2010	OLYMPIC AVIATION
32	DINESH KANT SHARMA	50	EXAMINER	7,442,394	B. Sc.	26	03.01.2005	IAF
33	DUMISANI MOYO	51	CAPTAIN	7,715,853	ATPL	29	01.06.2007	Oman Air
34	DURLAVA KUMAR MISHRA	58	CAPTAIN	6,494,685	H.S.C.	36	01.01.2005	Alliance Air
35	G. R. MOHAN	61	DGM - FLIGHT OPERATIONS BLR/HYD	7,180,875	M. Sc., MAeSL	39	03.01.2005	Blue Dart Aviation
36	G SUMI RAJAKUMAR	27	CAPTAIN	6,926,611	10 +2, CPL	7	04.08.2006	Air Deccan
37	GEORGIOS MAVROEIDIS	56	CAPTAIN	6,464,961	ATPL	12	01.09.2010	OLYMPIC AVIATION
38	HITESH PATEL	47	EXECUTIVE VICE PRESIDENT	32,577,406	MBA	28	18.01.2005	Jet Blue
39	INDIRA S. MITTRA	46	DGM - FLIGHT OPERATIONS MAA /CCU	7,985,555	ATPL	25	01.01.2009	Air Deccan
40	IOANNIS FRAGKOS	54	CAPTAIN	6,729,374	ATPL	16	01.09.2010	OLYMPIC AVIATION
41	IVAN JALALUDDIN	48	EXAMINER	7,251,424	HSC / ATPL	26	17.02.2008	Air India
42	JASBIR SINGH	56	CAPTAIN	6,864,327	MBA	27	17.09.2007	Reliance Group
43	KARL BAHADUR WYKES	43	INSTRUCTOR	7,747,063	H.S.C.	22	03.01.2005	Jet Airways
44	KARL J KATRAK	33	CHECK PILOT	6,260,389	10+2, ATPL	12	27.09.2003	Air Deccan
45	KOTHANDARAM KRISHNA REDDY	53	CAPTAIN	6,480,622	10+2, ATPL	33	03.08.2009	IAF
46	KRISHNAMURTHY SHANKAR	48	CHECK PILOT	7,597,760	H.S.C.	25	09.05.2005	IAF
47	KUMAR VEERAPPA HIREGOUDAR	47	CAPTAIN	6,566,110	10+2, ATPL	27	03.07.2009	IAF
48	MADHUKRISHNA R D	35	CAPTAIN	7,218,877	10+2, ATPL	14	21.04.2004	Air Deccan
49	MAHESH KUMAR SHARMA	43	CHECK PILOT	6,792,894	10+2, ATPL	21	09.06.2003	Air Deccan
50	MANOJ CHACKO	41	EVP - COMMERCIAL	8,409,360	MBA	19	21.12.2009	AMEX
51	MANOJ KUMAR AGARWAL	48	CAPTAIN	6,460,505	10+2, ATPL	29	14.05.2009	IAF
52	MANOJ VERMA	39	CHECK PILOT	6,194,725	Graduation	18	09.01.2008	Jet Lite (1) Ltd
53	MEETAK KUMAR BEHL	53	CAPTAIN	7,033,005	ATPL	32	01.08.2008	IAF
54	MOHNISH S. CHADDA	46	EXAMINER (SECONDED FLIGHT OPERATIONS INSPECTOR, DG)	7,836,233	H.S.C.	24	07.11.2005	Air Lanka
55	MUKESH SINGH SHAKTAWAT	31	CAPTAIN	6,095,365	10+2, CPL	11	01.12.2005	Air Deccan
56	MURALI RAMACHANDRAN	42	SR. VICE PRESIDENT - GROUND SERVICES	6,866,326	IHM	21	01.11.2008	Jet Airways
57	N N KASHIB	50	CAPTAIN	7,008,386	10+2, ATPL	31	15.06.2005	Air Deccan
58	N S KADIAN	56	CHECK PILOT	6,477,709	10+2, ATPL	37	16.05.2006	Air Deccan
59	NATASHA GUPTA	24	CAPTAIN	6,037,806	P.U.C.	2	24.05.2007	Fresher
60	NAVEEN CHAWLA	41	VICE PRESIDENT - INTERNATIONAL SALES	6,726,981	MBA	21	19.04.2010	Qatar Airways
61	NAVEEN RAHI	47	CAPTAIN	6,685,798	10+2, ATPL	28	01.04.2009	IAF
62	NAVINDRA NATH VERMA	54	CAPTAIN	6,905,410	H.S.C.	34	27.06.2005	Air Deccan

STATEMENT OF PARTICULARS OF EMPLOYEES (Contd.)



SL. NO.	NAME	AGE	DESIGNATION / NATURE OF DUTIES	REMUNERATION (Rs.)	QUALIFICATION	EXPERIENCE IN YRS.	DATE OF COMMENCEMENT OF EMPLOYMENT	PARTICULARS OF PREVIOUS EMPLOYMENT
63	NIELS PEDER TERNVING	63	CAPTAIN	8,074,425	ATPL	28	25.07.2008	Scandinavian
64	NIKET DEEP KALRA	43	CHECK PILOT	6,664,135	MBA	21	03.01.2005	IAF
65	NIRBHAY SINGH	32	CAPTAIN	6,442,718	10+2, ATPL	11	01.04.2003	Air Deccan
66	NITIN ANAND	40	HEAD - FLIGHT SAFETY	8,193,683	H.S.C.	19	23.11.2006	Air Deccan
67	P. ABHIJIT BHUSHAN	48	INSTRUCTOR	7,541,809	H.S.C.	27	03.01.2005	Jet Airways
68	PRADEEP KUMAR SHARAN	55	CAPTAIN	6,738,049	ATPL	33	01.08.2008	IAF
69	PRAFULL JAGDEV THAKUR	53	CHECK PILOT	6,481,446	B. Com.	26	27.03.2006	Alliance Air
70	PRAMOD SHARMA	50	EXAMINER	7,111,945	H.S.C.	27	07.03.2006	Indian Airlines
71	PRAVEEN SHARMA	51	CHECK PILOT	6,701,578	M. Sc.	30	01.10.2005	Tata Steel
72	PRAVIN VIJAY GAIKWAD	35	CAPTAIN	6,709,850	10+2, ATPL	14	16.07.2007	Air Deccan
73	PRITHVI MALHOTRA	34	CHECK PILOT	6,804,377	B. Sc.	12	09.11.2007	Air Sahara
74	PRITPAL SINGH ARORA	50	EXAMINER	7,386,727	B. Sc.	28	05.02.2008	Srilankan Airlines
75	PRIYA PAUL	39	CHECK PILOT	7,286,083	10+2, ATPL	18	24.09.2007	Fresher
76	PUNEET GROVER	43	CHECK PILOT	6,242,810	ATPL	22	14.07.2007	Air Sahara
77	RAJESH MALIK	43	EXAMINER	7,104,649	H.S.C.	21	24.06.2005	Singapore Airlines
78	RAJESH VERMA	53	EXECUTIVE VICE PRESIDENT	13,135,174	B. A., PGDBM	27	20.06.2006	Jet Airways
79	RAJIB BHATTACHARYYA	44	INSTRUCTOR	6,384,181	H.S.C.	23	28.04.2006	Alliance Air
80	RAJIV KOTHIYAL	53	EXAMINER	7,444,377	10+2, ATPL	28	01.01.2009	Air Deccan
81	RAJNISH VERMA	47	CAPTAIN	6,031,461	H.S.C.	25	01.09.2005	R.S.F.A. Govt. of Rajasthan
82	RAJU RAJBANSHI	49	CAPTAIN	6,147,010	ATPL	6	16.06.2005	ROYAL NEPAL AIRLINES
83	RAKESH KAPOOR	46	EXAMINER	6,741,360	10+2, ATPL	25	15.04.2008	IAF
84	RANBIR MOHAN	62	EXAMINER	7,430,567	10+2, ATPL	42	18.09.2009	Indian Airlines
85	RANJAN SAIKIA	42	CAPTAIN	6,399,574	10+2, ATPL	20	27.09.2007	Fresher
86	RAVI KUDARI	48	CAPTAIN	6,957,834	10+2, ATPL	29	01.07.2009	IAF
87	RAVI NATHAN	51	CAPTAIN	6,874,093	10+2, ATPL	32	08.06.2003	Air Deccan
88	REHAL H S	54	CHECK PILOT	6,636,752	10+2, ATPL	35	21.04.2004	Air Deccan
89	RICARDO JARAMILLO	41	CAPTAIN	7,989,674	ATPL	19	01.05.2007	Serca Aeropurto El Dorado Bogota
90	RISHI RAJ CHATTERJEE	38	EXAMINER	6,838,075	H.S.C.	16	02.11.2006	Air Deccan
91	RONALD NAGAR	62	SR. VP - OPERATIONS & TRAINING	11,937,720	ISC	37	19.02.2008	Indian Airlines
92	SACHIN SURYAKANT PAWAR	36	CAPTAIN	6,029,953	H.S.C.	14	08.05.2006	Gold Star Aviation
93	SAMARJEET SINGH CHEEMA	35	DGM - FLIGHT OPERATIONS DEL	7,471,275	10+2, ATPL	14	30.05.2005	Air Deccan
94	SAMIR SHEOPORI	60	INSTRUCTOR	8,154,320	H.S.C.	30	03.01.2005	Alliance Air
95	SANDEEP DHAWAN	46	CAPTAIN	6,840,118	10+2, ATPL	26	07.04.2009	IAF
96	SANDEEP KAKKAR	45	INSTRUCTOR	6,511,039	B. A.	23	01.10.2006	Air Sahara
97	SANJAY AGGARWAL	43	CEO	33,989,112	MS	17	27.09.2010	Spice Jet
98	SANJAY N. MANDAVIA	39	CHECK PILOT	7,248,324	H.S.C.	17	03.01.2005	Jet Airways
99	SANJEEV KUMAR AHUJA	29	CAPTAIN	6,085,973	ATPL	6	09.10.2008	JetLite
100	SANJEEV MARWAH	44	AVP - FLIGHT OPERATIONS TRAINING	8,974,258	H.S.C.	22	07.03.2006	Indian Airlines
101	SATISH CHANDRA PANDEY	55	CAPTAIN	7,319,468	M. A.	34	06.04.2006	Jaypee Associates Ltd.
102	SERGIO CARRASCO	42	CAPTAIN	7,314,103	ATPL	21	21.02.2006	AIR ACES
103	SHAILENDU RANJAN	37	CAPTAIN	6,047,937	B. Sc.	16	01.09.2005	Academy Of Carver Aviation Pvt Ltd
104	SHITAL PATEL	37	CAPTAIN	6,489,191	ATPL	16	26.07.2008	Aer Arrann
105	SHYAM KALRA	46	CAPTAIN	6,137,793	ATPL	24	09.10.2008	JetLite
106	SIKANDAR SHARMA	33	MANAGER - FOQA (A320)	6,979,082	H.S.C.	11	15.01.2005	Jet Airways
107	SOURAV SINHA	45	SR. VP & CHIEF INFORMATION OFFICER	8,197,220	M. Tech.	20	27.06.2008	Qatar Airways
108	SRINIVAS RAO	44	EXAMINER	8,488,411	B. Sc.	23	03.10.2006	Sri Lankan Airways
109	SUBRATA BOSE	53	CAPTAIN	6,010,734	M. Sc.	29	04.01.2007	IAF
110	SUMANT MISRA	45	GENERAL MANAGER - FLIGHT OPERATIONS	8,001,675	H.S.C.	24	15.06.2005	Singapore Airlines
111	SYRUS S. MAZDA	55	CAPTAIN	7,089,669	H.S.C.	31	01.09.2005	Blue Dart Aviation
112	TALMAT AMAR FERMAT	63	CAPTAIN	7,279,094	ATPL	41	02.05.2008	AIR ALGERIA
113	URMEZ PHIROZ MUGASETH	44	CAPTAIN	6,128,313	H.S.C.	22	16.08.2005	Air Sahara
114	V SATISH KUMAR	39	CAPTAIN	6,987,871	10+2, ATPL	18	17.02.2006	Air Deccan
115	VARINDAR NATH SHARMA	58	SENIOR EXECUTIVE PILOT	6,069,360	10+2, CHPL	38	21.09.2009	Global Vectra Helicorptor / IAF
116	VIJAY K. ARORA	58	EXECUTIVE DIRECTOR - GLOBAL SALES	8,716,803	B. A.	35	01.12.2006	United Spirits Ltd.
117	VIJAY KUMAR REDDY	55	CAPTAIN	6,458,553	H.S.C.	30	01.04.2005	Jet Airways
118	VIKRAM KAPOOR	43	INSTRUCTOR	6,610,794	B. Com.	22	03.10.2006	Sahara Airlines
119	VIMAL ROY	40	GENERAL MANAGER - FLIGHT OPERATIONS TRAINING	8,298,010	H.S.C.	18	03.01.2005	Jet Airways
120	VINOD ARORA	43	CHECK PILOT	6,042,999	Graduation	22	09.01.2008	Jet Lite (I) Ltd
121	VISHOK MANSINGH	47	AVP - ENGINEERING LOGISTICS & SYSTEMS	7,259,055	B. E.	26	05.08.2008	Blue Dart Aviation Ltd
122	VISHWAS GANESH DATAR	55	CAPTAIN	6,595,980	ATPL	33	17.11.2008	IAF
123	XERXES HOMI BUHARIWALA	39	CAPTAIN	6,131,885	ATPL	17	13.10.2008	Jet Airways
124	YATEEN ANANT PANDIT	38	CAPTAIN	6,051,584	B. com.	17	11.06.2005	Buddha Air Pvt Ltd
125	ZORAN RAKIC	51	CAPTAIN	7,753,206	ATPL	29	01.06.2007	Jet Airways
126	ZUBIN K GEORGE	36	CAPTAIN	6,133,509	10+2, ATPL	15	21.01.2005	Air Deccan

STATEMENT OF PARTICULARS OF EMPLOYEES (Contd.)

Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 5,00,000 per month

SL. NO.	NAME	AGE	DESIGNATION / NATURE OF DUTIES	REMUNERATION (Rs.)	QUALIFICATION	EXPERIENCE IN YRS.	DATE OF COMMENCEMENT OF EMPLOYMENT	PARTICULARS OF PREVIOUS EMPLOYMENT
1	A.S. PEDNEKAR	51	CHECK PILOT	3,981,433	B. A.	30	09.05.2005	Air Deccan
2	ABHINAV DEV SHARMA	29	INSTRUCTOR	5,165,797	B. Sc.	6	06.08.2005	Jet Airways
3	AJAY KANNAN	30	CAPTAIN	2,766,009	CPL	8	01.11.2006	Air Deccan
4	AJAY KUKREJA	50	EXAMINER	5,186,803	10+2, ATPL	30	14.05.2004	Air Deccan
5	AKSHAY RENAIVIKAR	44	INSTRUCTOR	6,537,139	H.S.C.	21	03.01.2005	Jet Airways
6	AMIT BAJAJ	45	EXAMINER	6,241,694	H.S.C.	22	01.02.2005	Air Sahara
7	ANGEL ARMANDO BARCEN	46	CAPTAIN	6,113,835	ATPL	24	31.03.2006	AIR ACES
8	ANIRVAN CHAKRAVARTY	33	CAPTAIN	4,726,600	B. Sc.	3	08.05.2006	Tatanagar Aviation P Ltd
9	ANSHU SAGAR KALRA	49	EXAMINER	5,514,630	B. Sc.	25	09.05.2005	IAF
10	ASHAN TISSA DILHAN D	43	CAPTAIN	721,155	ATPL	18	01.01.2011	Srilankan Airlines
11	AZZEDDINE BENZIANI	60	CAPTAIN	6,848,278	ATPL	33	05.01.2011	Onur Air
12	BIKRANT DAS PRADHAN	37	CAPTAIN	5,003,117	ATPL	15	21.02.2008	BUDDHA AIR
13	BINISH THOMAS GEORGE	33	CAPTAIN	2,574,185	CPL	12	13.03.2006	CFI
14	C V S RAVI	54	EXAMINER	6,715,968	H.S.C.	29	21.01.2005	Air Sahara
15	CANO JORGE ISAAC GOM	57	CAPTAIN	5,161,917	ATPL	36	02.01.2006	AIR ACES
16	CHITSIME ARTHUR WALE	46	CAPTAIN	1,215,321	B. Sc.(Chemistry), ATPL	25	23.04.2007	Precision
17	DINESH DHAWAN	55	CAPTAIN	4,321,348	ATPL	33	18.08.2008	IAF
18	DULEEPKUMAR DAVID JO	59	CAPTAIN	7,608,245	ATPL	35	18.04.2008	Sri Lankan Airways
19	ERWIN HAROLDO PEREZ	46	CAPTAIN	5,793,077	ATPL	24	24.05.2006	Air Aces
20	G SHIV KUMAR	49	EXAMINER	5,609,764	M. Sc., LLB	26	01.09.2005	IAF
21	GAURAV BEHAL	37	CHECK PILOT	4,593,794	10+2, ATPL	15	02.11.2004	Air Deccan
22	GAURAV SHEKHAR BANG	28	CAPTAIN	5,113,325	CPL	0	07.06.2006	1st Employment
23	GEOFFREY JESUDASON	65	Chief Examiner A320	2,831,085	H.S.C.	40	13.09.2004	Indian Airlines
24	HERMES DE AZEVEDO	55	CAPTAIN	4,800,155	ATP (A320)	33	12.09.2007	TAM (BRAZIL)
25	HIMANSHI SINGH	28	CAPTAIN	4,600,763	10+2, ATPL	8	28.01.2006	Air Deccan
26	HOLGER GALLO MANRIQU	51	CAPTAIN	5,135,706	ATPL	30	20.09.2005	AIR ACES
27	JOSE MARTIN UZCATEGU	62	CAPTAIN	5,427,560	ATPL	40	16.02.2007	SANTA BARBARA AIRLINES
28	JUGASHREE CHOWDHURY	52	CAPTAIN	5,730,174	M. Sc.	31	21.11.2006	IAF
29	KADATHANAD RAGHAVAN	48	CHECK PILOT	5,245,078	10+2, ATPL	29	15.01.2005	Air Deccan
30	KAMALRAJ SINGH	65	Captain	1,297,030	Graduate from IAF	43	10.03.2006	Air India
31	KOROSHI IMANI TEHRANI	41	CAPTAIN	5,436,738	ATPL	20	01.08.2007	Air Deccan
32	LAWRENCE FREDRICK HICKS J R	32	CAPTAIN	6,300,396	ATPL	11	02.08.2010	Religare Airlines
33	LUIS CRISANTO GARME	51	CAPTAIN	4,584,925	ATPL	33	10.05.2010	LTA Linea Turistica Aerotuy
34	MAHESH KULKARNI	42	CHECK PILOT	6,029,517	10+2, ATPL	22	01.07.2005	Air Deccan
35	MAURO OLIVIER DE CAS	53	CAPTAIN	5,798,299	ATPL	32	14.06.2005	TOTAL AIRLINES
36	MEENA PANDEY	47	CAPTAIN	4,048,465	B. Sc.	25	10.08.2005	NEPC Airlines Ltd
37	MUKUL GUPTA	45	CHECK PILOT	6,030,927	B.Com.	24	22.04.2006	Alliance Air
38	NARINDER SINGH	51	CHECK PILOT	3,100,272	M.Sc.	25	06.02.2006	Indian Navy
39	OMPRAKASH CHOUDHARY	40	CAPTAIN	4,260,784	B.A.	19	14.11.2007	Jet Lite (I) Ltd
40	PARAG GAONKAR	32	CHECK PILOT	4,502,346	ATPL	10	10.01.2008	Air Sahara
41	PATRICK RONALD TOBIN	48	CAPTAIN	3,536,219	10+2, ATPL	29	16.05.2005	Air Deccan
42	PAUL HENRY MOULINIER	47	CAPTAIN	2,576,188	ATPL	25	25.04.2007	SANTA BARBARA AIRLINES
43	PAYAL PASRICHA	38	CAPTAIN	3,647,994	B.Sc.	16	22.05.2006	Alliance Air
44	POPESCU SORIN COSTEL	55	CAPTAIN	1,053,507	ATPL	27	20.10.2009	Air Tarom
45	R. SATISH	35	CAPTAIN	5,026,311	CPL	13	19.04.2007	Fresher
46	RAJESH BHAT	47	EXAMINER	6,494,634	M. Sc.	25	01.10.2005	IAF
47	RAJIV BATTISH	52	CHECK PILOT	4,571,619	10+2, ATPL	33	01.05.2004	Air Deccan
48	RAJKUMAR	50	INSTRUCTOR	5,165,893	10+2, ATPL	30	03.04.2004	Air Deccan
49	RAMESH KUMAR DEWAN	65	CAPTAIN	1,612,464	10+2, ATPL	46	19.09.2005	Air Deccan
50	ROHIT SHARMA	27	CAPTAIN	5,232,182	CPL	6	24.07.2006	Fresher
51	SAMEER MEHRA	47	INSTRUCTOR	4,777,999	Graduate of National Defence Academy	26	04.08.2005	Indian Navy
52	SAMIR SHAH	54	EXAMINER	5,473,125	H.S.C.	33	03.01.2005	IAF
53	SANJEEV SHARMA	39	INSTRUCTOR	6,036,879	ATPL	17	01.10.2008	Indigo
54	SERGIO ESTUARDO VALD	50	CAPTAIN	5,281,922	ATPL	29	16.02.2007	TACA AIRLINES
55	SHAILENDRA	34	CAPTAIN	5,201,862	CPL	13	22.06.2006	Fresher
56	SHAILESH KUMAR GAUTA	30	CAPTAIN	4,122,426	10 +2, CPL	10	17.08.2006	Air Deccan
57	SHIVRAJ SINGH HADA	50	CHECK PILOT	4,591,751	10+2, ATPL	30	02.11.2004	Air Deccan
58	SIDDHARTHA KAUSHAL	37	INSTRUCTOR	5,133,130	H.S.C.	16	28.05.2006	Silk Air Pvt. Limited
59	SRINIVAS CHILLARA	48	CHECK PILOT	4,144,065	M.Phil, M.Sc.	26	01.03.2007	Indian Air Force
60	STEVEN HADDADWAY	54	CAPTAIN	1,906,085	CA	33	01.06.2007	United Airlines
61	SUNDARESAN NAGARAJAN	54	HEAD - CORPORATE FINANCE	3,461,400	CA	30	01.11.2011	United Spirits Limited
62	SURINDER KUMAR BHAT	53	CHECK PILOT	4,661,198	M.Sc.	31	01.07.2005	Indian Air Force
63	SYED MOHAMMED NASR A	33	CAPTAIN	4,872,129	10 +2, CPL	11	06.05.2006	Air Deccan
64	TEJVR SINGH TOMAR	54	CHECK PILOT	6,183,867	H.S.C.	28	06.08.2005	IAF
65	UDAY MANOHAR KOLHATKAR	53	CHECK PILOT	7,093,639	H.S.C.	28	03.01.2005	Air Deccan
66	VERNON SALDANHA	44	INSTRUCTOR	6,557,721	Diploma In Hotel Management	23	14.02.2008	Srilankan Airlines
67	VIJAY KUMAR AGARWAL	49	CHECK PILOT	3,564,804	ATPL	27	01.10.2008	Indigo
68	VIJAY SEKHAR PODA	57	CAPTAIN	5,479,497	ATPL	35	01.08.2008	IAF
69	VIKRAM SINGH BAL	39	CAPTAIN	4,857,594	10+2 Maths, Physics & Chemistry	17	01.09.2005	Patiala Aviation Club
70	VINAY YADAV	28	CAPTAIN	5,304,316	CPL	0	12.10.2006	1st Employment
71	VIVEK SONDI	49	CAPTAIN	3,200,451	H.S.C.	27	09.05.2005	IAF
72	YVES JEAN DUMONT	38	CAPTAIN	5,689,860	ATPL	17	16.11.2007	DHL

Notes :

1. Remuneration as shown above includes Salary, House Rent Allowance, Company's contribution to Provident Fund, value of Residential Accommodation and monetary value of perquisites as per Income Tax Rules.
2. No Employee is on Contract Employment. Other Terms and Conditions are as per Service Rules of the Company from time to time.

For and on Behalf of the Board of Directors

Mumbai
August 10, 2012

Dr. Vijay Mallya
Chairman & Managing Director

STOCK OPTIONS GRANTED DURING THE YEAR UNDER THE ESOP 2005 & 2006

Disclosures as required by Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999.

Sl.No	Particulars	(ESOP 2006)	(ESOP 2005)
(a)	Options granted	Nil	Nil
(b)	The Pricing formula	Rs. 65/-	Rs. 65/-
(c)	Options vested	Nil	Nil
(d)	Options exercised	Nil	Nil
(e)	The total number of shares arising as a result of exercise of options	Nil	Nil
(f)	Options lapsed	Nil	Nil
(g)	Variation of terms of options	Nil	Nil
(h)	Money realized by exercise of options	Nil	Nil
(i)	Total no. of options in force	Nil	Nil
(j)	Employee wise details of options granted:		
(i)	Senior managerial personnel	Nil	Nil
(ii)	Any other employee who received a grant in any one year of option amounting to 5% or more of option granted during the year.	Nil	Nil
(iii)	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	Nil	Nil
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard AS-20	N.A.	N.A.
(l)	Method of accounting followed for value of charge on stock options (as per the Guidance Note on Stock Based compensation by ICAI)	Intrinsic Value	Intrinsic Value
(m)	Difference of amount of ESOP charge calculated as per the Intrinsic Value Method and the fair value of the options (Black Scholes Method)	Rs. (76,22,330)	
(n)	Proforma Earning Per Share if the Charge have been accounted in accordance with fair value method (Black Scholes Method)	Rs. (46.90)	
(o)	(i) weighted-averaged exercise prices	Rs.65.00	Rs.65.00
	and		
	(ii) weighted-average fair values of options	Rs. 137.93	Rs. 78.54
	for options whose exercise price either equals or exceeds or is less than the market price of the stock		
(p)	A description of the method and significant assumptions used during the year to estimate the fair values of options :		
(i)	risk-free interest rate (%)	N.A.	N.A.
(ii)	expected life (years)	N.A.	N.A.
(iii)	expected volatility (%)	N.A.	N.A.
(iv)	expected dividends (%)	Nil	Nil
(v)	the price underlying share in market at the time of option grant	N.A.	N.A.

1. Company's Philosophy on Corporate Governance

Your Company is committed to excellence in corporate governance practices and recognizes that good corporate governance is a continuous exercise. Your Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations and in all interaction with its stakeholders. Your Company believes that all its operations and actions must result in enhancement of overall shareholder value over a sustained period of time without compromising in any way compliance with laws and regulations.

2. Board of Directors

During the financial year under review, until September 5, 2011, your Company's Board of Directors comprised 8 Directors (1 Executive Director and 7 Non-Executive Directors). Consequent upon the resignation of Diwan Arun Nanda effective September 5, 2011, Mr. Piyush Mankad and Mr. Ghyanendra Nath Bajpai effective January 9, 2012, Mr. Vijay Amritraj effective March 14,

2012 and Mr. Anil Kumar Ganguly effective March 17, 2012, your Company's Board of Directors comprised 3 Directors (1 Executive Director and 2 Non-Executive Directors). Subsequent to the year under review, consequent upon the appointment of Mr. Manmohan Singh Kapur on April 24, 2012, your Company's Board of Directors comprise 4 Directors (1 Executive Director and 3 Non-Executive Directors).

The constitution of the Board of Directors of your Company effective April 24, 2012, is as follows:

• Dr. Vijay Mallya	- Chairman & Managing Director
• Mr. Subhash R. Gupte	- Vice Chairman & Non - Executive Director
• Mr. A. K. Ravi Nedungadi	- Non - Executive Director
• Mr. Manmohan Singh Kapur	- Non - Executive Independent Director

During the year under review, Five Board Meetings were held i.e. on May 23, 2011, August 10, 2011, August 25, 2011, November 14, 2011 and February 14 / 15, 2012.

Attendance of each Director at the Board Meetings during the year under review and at the last Annual General Meeting and details of number of outside Directorships and Committee position(s) held by each of your Directors as on date are given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on September 28, 2011	# No. of Other Companies in which Director	No. of Committees (other than your Company) in which Chairman/ Member
1.	Dr. Vijay Mallya	Chairman & Managing Director	5	Yes	19	Nil
2.	Mr. Subhash R. Gupte	Vice Chairman & Non-Executive Non-Independent Director	5	Yes	9	4 (Chairman of 2)
3.	Mr. A. K. Ravi Nedungadi	Non-Executive Non-Independent Director	5	Yes	9	4 (Chairman of 1)
4.	Diwan Arun Nanda	Non-Executive Independent Director ¹	3	No	N.A.	N.A.
5.	Mr. Piyush Mankad	Non-Executive Independent Director ²	2	No	N.A.	N.A.
6.	Mr. Ghyanendra Nath Bajpai	Non-Executive Independent Director ³	3	Yes	N.A.	N.A.
7.	Mr. Vijay Amritraj	Non-Executive Independent Director ⁴	1	Yes	N.A.	N.A.
8.	Mr. Anil Kumar Ganguly	Non-Executive Independent Director ⁵	4	Yes	N.A.	N.A.
9.	Mr. Manmohan Singh Kapur	Non-Executive Independent Director ⁶	N.A.	N.A.	11	7 (Chairman of 3)

NOTE:

- # The above details are in respect of their Directorship only in Indian Companies.
 - a. Out of 19 other companies in which Dr. Vijay Mallya is a Director, 6 are Private Limited companies and 2 are companies incorporated under Section 25 of the Companies Act, 1956.
 - b. Out of 9 other companies in which Mr. Subhash R. Gupte is a Director, 2 are Private Limited companies and 2 are companies incorporated under Section 25 of the Companies Act, 1956.
 - c. Out of 9 other companies in which Mr. A. K. Ravi Nedungadi is a Director, 3 are Private Limited companies and 1 is a company incorporated under Section 25 of the Companies Act, 1956.
 - d. Out of 11 other companies in which Mr. Manmohan Singh Kapur is a Director, 2 are Private Limited companies.
- ¹ Ceased to be Director w.e.f. September 5, 2011.
 - ² Ceased to be Director w.e.f. January 9, 2012.
 - ³ Ceased to be Director w.e.f. January 9, 2012.
 - ⁴ Ceased to be Director w.e.f. March 14, 2012.
 - ⁵ Ceased to be Director w.e.f. March 17, 2012.
 - ⁶ Appointed as an Additional Director w.e.f. April 24, 2012.

Subsequent to the above resignations, the composition of the Board fell below the minimum requirement specified in Clause 49 of the Listing Agreement, wherein at least half of the Board should comprise of Independent Directors. Your Company took proactive steps to achieve compliance with the listing requirements by obtaining the consent of Mr. Manmohan Singh Kapur, Mr. Shrikant Ruparel and Mr. Lalit Bhasin to act as Independent Directors on the Board of your Company. Further, Mr. Subramaniam Santhanakrishnan is proposed to be appointed as Nominee Director on the Board of your Company, on behalf of the Consortium Banks. However, in case of airline companies, your Company is further required to comply with the Civil Aviation Requirement ("CAR") prescribed by the Director General of Civil Aviation, more specifically CAR Section 3 - Air Transport Series 'C' Part II dated March 1, 1994, pursuant to which Directors shall be appointed only after their security clearance. Your Company has obtained security clearance in respect of Mr. Manmohan Singh Kapur and has appointed him as a Director (Category – Independent / Non-Executive) with effect from April 24, 2012. Your Company has already applied for security clearances in respect of Mr. Shrikant Ruparel, Mr. Lalit Bhasin and Mr. Subramaniam Santhanakrishnan and clearances are still awaited. Upon receipt of these security clearances, your Company shall

forthwith induct these Independent Directors into the Board thereby ensuring due compliance with the requirements of the Listing Agreement.

DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Director retiring by rotation and seeking re-appointment

A trained Chartered Accountant, Mr. A. K. Ravi Nedungadi (Mr. Nedungadi) set early academic records by qualifying in the final of the Chartered Accountancy Exam at age 20. Early position at Macneill & Magor Ltd., a diversified conglomerate and Pentagon Fasteners Ltd., Delhi set the stage for an outstanding track record with current employer.

Mr. Nedungadi joined the UB Group in 1990 as the Corporate Treasurer. Within two years, he was transferred to London as Group Finance Director of the Group's international business managing the businesses of UB International, which included the paint giant Berger Jenson and Nicholson, spanning 27 countries. He was instrumental in listing the Berger group companies on London and Singapore bourses.

Since his appointment as the President and Group CFO in 1998, the youngest to have been elevated to such a position in the Group, Mr. Nedungadi led his way to sharpening the focus of the Group, which had a conglomerate approach, on areas of core competence and global reach. This saw the group focus on three verticals – Brewing, Distilling & Aviation, each area presenting clear leadership within India and global significance too. He was also responsible for opening up the beverage alcohol sector to Global Best Practices and Transparency, enabling the entry of institutional investors and rerating of the industry itself.

Under his leadership the market capitalization of the 3 principal Group Companies has crossed US\$ 7 billion, which bears testimony to the successful accomplishment of business restructuring, consolidation and enhanced shareholders value. As the principle leadership resources of UB Group, Mr. Nedungadi was key to concluding the acquisition of Shaw Wallace & Co. India, Bouvet Ladubay, France, Whyte & Mackay, Scotland, Air Deccan in India etc., each of which has contributed to the value creation for all stakeholders.

Mr. Nedungadi is the recipient of many awards of excellence including the Udyog Rattan Award; CNBC TV 18's – CFO of the year – M&A (2006), the CNBC Award for India's best CFO in the FMCG & Retail Sector (2007), the IMA Award for CFO of the year (2007), etc. Memberships in esteemed organizations like WHO's Who of Professionals only reinforce the above testimonials. Further, he is on the Board of Directors of several companies, both in India and overseas.

His interest in social work and the arts engage his free time. He is an active Rotarian and is a Trustee of Indian Foundation for Arts, a leading Grant making Art Philanthropy.

The details of his Directorships in other Indian Companies are as under:

Other Directorships	Position held
Sanofi India Limited (formerly Aventis Pharma Limited)	Director
Bayer CropScience Limited	Director
Shaw Wallace Breweries Limited	Director
SWEW Benefit Company (Section 25 Company)	Director
United Breweries Limited	Director
Millenea Vision Advertising (P) Limited	Director
Beta Edutech Limited (formerly Pie Education Limited)	Director
Idea Streamz Consultants Private Limited	Director

He holds the following other Committee positions:

Name of the Committee	Position held
Audit Committee	
Sanofi India Limited (formerly Aventis Pharma Limited)	Member
Bayer CropScience Limited	Member
Shareholders/Investors Grievance Committee	
Sanofi India Limited (formerly Aventis Pharma Limited)	Member
Bayer CropScience Limited	Chairman

Mr. A. K. Ravi Nedungadi does not hold any shares in your Company.

New Director

Mr. Manmohan Singh Kapur holds Degrees of B.Sc & M.A from Punjab University. He is a career banker with more than 39 years experience, mostly in the field of banking. He retired as Chairman & Managing Director of Vijaya Bank. He was also the former Executive Director and Officiating Chairman & Managing Director of Syndicate Bank, Punjab & Sind Bank. Prior to this he was Chief Vigilance Officer of Indian Overseas Bank as well as Union Bank of India.

The details of his Directorships in other Indian Companies are as under:

Other Directorships	Position held
United Breweries (Holdings) Limited	Director
Emco Energies Limited (GMR)	Director
Corporate Ispat Alloys Limited	Director
Shakti Bhog Foods Limited	Director

Other Directorships	Position held
Sri Adhikari Brothers Television Network Limited (SAB)	Director
Precision Pipes & Profiles Co. Limited	Director
Broad Cast Initiatives Limited (LIVE INDIA TV)	Director
CHD Developers Limited	Director
GB Tools & Forgings Limited	Director
ISID Private Limited	Director
The Lake (Shore) Palace Hotel Private Limited	Director

He holds the following other Committee positions:

Name of the Committee	Position held
Audit Committee	
Corporate Ispat Alloys Limited	Chairman
Broad Cast Initiatives Limited (LIVE INDIA TV)	Chairman
Shakti Bhog Foods Limited	Member
Sri Adhikari Brothers Television Network Limited (SAB)	Member
Emco Energies Limited (GMR)	Member
GB Tools & Forgings Limited	Chairman
Shareholders/Investors Grievance Committee	
Precision Pipes & Profiles Co. Limited	Member

Mr. Manmohan Singh Kapur does not hold any shares in your Company.

3. AUDIT COMMITTEE

The Audit Committee was constituted on December 21, 2005 to meet the requirements under both the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, meetings of the Committee were held on May 23, 2011, August 10, 2011 and November 14, 2011. The details of attendance by members of the Committee are as below:

Members	Category	No. of Meetings Attended
Mr. Anil Kumar Ganguly*	Non-Executive/Independent	3
Mr. A. K. Ravi Nedungadi	Non-Executive/Non-Independent	3
Diwan Arun Nanda**	Non-Executive/Independent	2
Mr. Subhash R. Gupte***	Non-Executive/Non-Independent	2
Mr. Ghyanendra Nath Bajpai****	Non-Executive/Independent	3

- * Ceased to be Director / Member of the Committee with effect from March 17, 2012.
- ** Ceased to be Director / Member of the Committee with effect from September 5, 2011.
- *** Ceased to be a Member of the Committee with effect from November 1, 2011.
- **** Ceased to be Director / Member of the Committee with effect from January 9, 2012.

Consequent to the resignations of the Independent Directors viz., Diwan Arun Nanda, Mr. Anil Kumar Ganguly and Mr. Ghyanendra Nath Bajpai from the Board, who were also Members of the Audit Committee, your Company was unable to meet the requirement of the Listing Agreement that atleast two third of the members of Audit Committee shall be Independent Directors as already set out hereinabove under item no. 2 (Board of Directors), your Company is in the process of inducting Independent Directors into the Board, upon which the Audit Committee will be constituted to ensure compliance with the listing agreement.

The current composition of the Committee is as given below :

- Mr. A. K. Ravi Nedungadi
- Mr. Manmohan Singh Kapur

The terms of reference to the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, (besides some other functions as are referred to it by the Board of Directors) which are as follows :

- Regular review of accounts, accounting policies, disclosures, etc.
- Review of the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Qualifications in the draft audit report.
- Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The Committee shall have post audit discussions with the independent auditors to ascertain any area of concern.
- Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.

- To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders and creditors.
- To look into the matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and Accounting Policies.
- Compliance with Stock Exchange legal requirements concerning financial statements to the extent applicable.
- The Committee shall look into any related party transactions i.e., transactions of the Company of a material nature, with promoters or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- Appointment and remuneration of statutory and internal auditors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

4. SHARE ALLOTMENT, TRANSFERS AND INVESTOR GRIEVANCE COMMITTEE

The Share Allotment, Transfers and Investor Grievance Committee was constituted on December 21, 2005 to operate in terms of the provisions related thereto in the Listing Agreements with the Stock Exchanges and/or the provisions as prescribed or may be prescribed in this regard by the Companies Act, 1956.

During the year under review, the said Committee comprised of the following Directors:

- Mr. Anil Kumar Ganguly – Chairman *
- Mr. Subhash R. Gupte
- Mr. A. K. Ravi Nedungadi

* Ceased to be Director/Member of the Committee with effect from March 17, 2012.

Mr. Bharath Raghavan, Chief Legal Officer & Company Secretary, is the Compliance Officer of the Company.

During the year under review, no meetings of the Committee were held.

The Company/ Company's Registrars received 16 complaints during the financial year, all of which were resolved to the satisfaction of shareholders/ investors.

There are no complaints or Transfer of Shares pending as on March 31, 2012.

5. REMUNERATION & COMPENSATION COMMITTEE

The Remuneration Committee originally constituted on March 16, 2005 was reconstituted as the Remuneration & Compensation Committee on October 15, 2008. The Committee is authorized, inter alia, to deal with matters relating to framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of top executives, remuneration of Directors, strategies for attracting and retaining employees, employee development programmes and other key issues referred by the Board of Directors of your Company.

During the year under review, the Committee comprised of the following Directors:

- Diwan Arun Nanda - Chairman*
- Mr. Anil Kumar Ganguly**
- Mr. A. K. Ravi Nedungadi

* Ceased to be Director/Member of the Committee with effect from September 5, 2011.

** Ceased to be Director/Member of the Committee with effect from March 17, 2012.

Mr. Bharath Raghavan, Chief Legal Officer & Company Secretary, is the Secretary to the Committee.

During the year under review, one meeting of the Committee was held on August 10, 2011.

a) Sitting fees of Non-Executive Directors :

Name of the Director	Fees paid for attending Board/Committee Meetings (Rs.)
Mr. Subhash R. Gupte	1,30,000
Mr. A. K. Ravi Nedungadi	1,60,000
Mr. Vijay Amritraj	20,000
Mr. Piyush Mankad	40,000
Mr. Anil Kumar Ganguly	1,30,000
Diwan Arun Nanda	90,000
Mr. Ghyanendra Nath Bajpai	90,000

None of the Non-Executive Directors of your Company have any pecuniary relationship or transaction with your Company.

b) Shareholding of Non Executive Directors during the year under review:

None of the Non-Executive Directors owned any shares on beneficial basis during the year under review.

6. GENERAL BODY MEETINGS

The details in respect of the last three Annual General Meetings are furnished as under:

Financial Year	Date	Time	Venue
2008-2009	September 29, 2009	02.45 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025.
2009-2010	September 30, 2010	12.45 p.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025.
2010-2011	September 28, 2011	11.30 a.m.	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore – 560 025.

All the resolutions set out in the Notices, including Special Resolutions were passed by the Shareholders.

Postal Ballot

Your Company has not passed any resolution at the above Annual General Meetings which was required to be passed through Postal Ballot as per the provisions of the Companies Act, 1956 ("the Act") and the rules framed thereunder.

Your Company has not conducted any Postal Ballot exercise for passing any resolution during the year under review.

At this meeting also, there is no special resolution requiring passing by way of Postal Ballot.

No special resolution is proposed to be passed through Postal Ballot at present.

7. DISCLOSURES

During the year under review, there were no materially significant related party transactions with your Company's promoters, the Directors or the management

their subsidiaries or relatives that may have potential conflict with the interests of your Company at large. Details of related party transactions form part of Notes to Accounts.

Your Company has complied with all the statutory requirements comprised in the Listing Agreement/ Regulations / Guidelines / Rules of the Stock Exchanges / SEBI / other statutory authorities except for the following:

- a) The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited had issued letters dated May 17, 2012 and May 24, 2012, respectively, regarding non compliance of Clause 49(IA), 49(IIA) & (IIB) of the Listing Agreement pertaining to Composition of Board, Qualified & Independent Audit Committee and Meeting of the Audit Committee, for the quarter ended March 31, 2012. Your Company has replied to the said letters, outlining the action taken/ proposed to be taken to ensure compliance with the relevant clauses of the Listing agreement.
- b) The National Stock Exchange of India Limited had issued letters dated February 24, 2012 and June 18, 2012 alleging non-compliance with Clause 41 of the listing agreement in respect of Unaudited Financial Results for the quarter ended December 31, 2011 and Audited Financial Results for the year ended March 31, 2012 respectively. Your Company has replied to the said letters.

There were no other instances of non-compliance by your Company nor have any penalties, strictures have been imposed by stock exchanges or SEBI or any statutory authorities, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

The unaudited quarterly, half-yearly results are sent to all the Stock Exchanges where the shares of your Company are listed. The results are normally published in Business Standard and Vijaya Karnataka.

The results and presentation to analysts/ investors are displayed on your Company's website www.flykingfisher.com.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion & Analysis Report forms part of this Annual Report.

10. GENERAL SHAREHOLDERS' INFORMATION

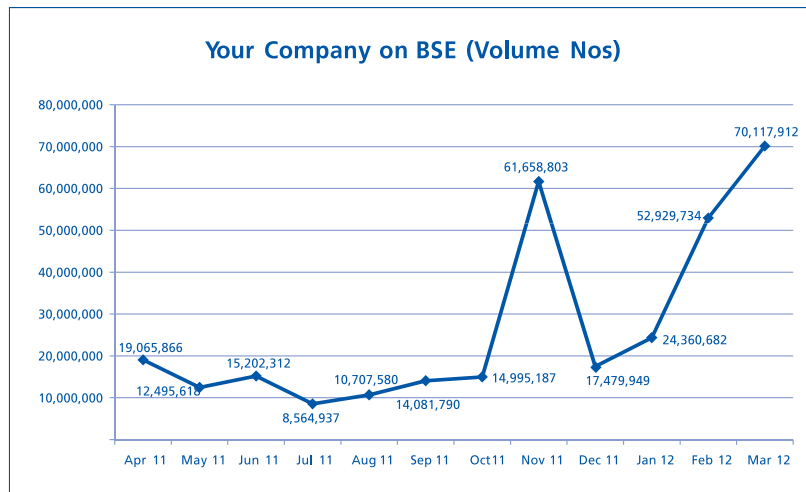
a)	Annual General Meeting	
	Date	September 26, 2012
	Time	2.30 p.m.
	Venue	Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore - 560 025.
b)	Financial Year	April 1, 2011 to March 31, 2012
c)	Dates of Book Closure	September 21, 2012 to September 26, 2012 (both days inclusive).
d)	Dividend Payment Date	Your Company has not declared any dividend for the period April 1, 2011 to March 31, 2012.
e)	Listing Fees	The listing fees for the year 2012-13 have been paid to both the Stock Exchanges where your Company's equity shares are listed.
f)	Registered Office	UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore 560 001.
g)	Listing on Stock Exchanges in India	Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Mumbai - 400 001.
		National Stock Exchange of India Limited, Exchange Plaza, C/1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
h)	Stock Code	BSE- 532747 NSE- SYMBOL - KFA
i)	ISIN No.	INE438H01019
j)	Financial Calendar for the period April 1, 2012 to March 31, 2013 is as given below:	
	First Quarterly Results	By August 14, 2012
	Second Quarterly Results	By November 14, 2012
	Third Quarterly Results	By February 14, 2013
	Audited Financial Results for the year 2012 - 13	By May 30, 2013
k)	Market Price Data	
	The shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The table below sets out the monthly high and low quotations of the shares traded during the year under review. Your Company's Management cautions the readers that the share price performance shown in the table below should not be considered to be indicative of the share price in the future.	

I) Share Price of your Company

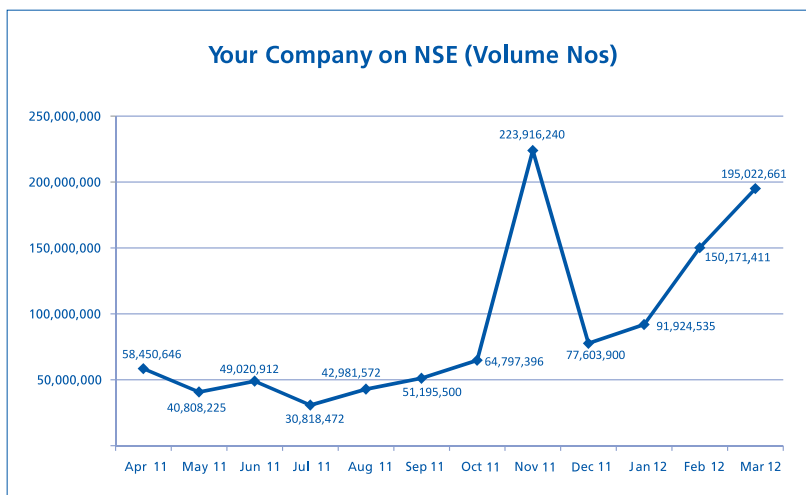
Month	ON BSE				ON NSE			
	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April 2011	49.25	40.00	43.60	19065866	49.00	40.05	43.65	58450646
May 2011	45.40	39.40	42.50	12495618	45.50	39.30	42.55	40808225
June 2011	44.30	35.10	40.10	15202312	44.25	35.00	40.10	49020912
July 2011	41.30	34.15	34.60	8564937	41.35	34.20	34.60	30818472
August 2011	35.25	23.20	25.55	10707580	35.30	23.35	25.55	42981572
September 2011	28.40	18.85	20.00	14081790	28.35	18.85	20.05	51195500
October 2011	25.20	18.85	24.40	14995187	24.65	18.90	24.40	64797396
November 2011	27.75	17.55	24.15	61658803	27.70	17.70	24.10	223916240
December 2011	26.20	19.90	21.05	17479949	26.45	19.85	21.05	77603900
January 2012	27.70	18.00	24.70	24360682	27.70	18.15	24.65	91924535
February 2012	30.90	21.40	24.65	52929734	30.75	21.35	24.60	150171411
March 2012	25.30	16.15	16.55	70117912	25.40	16.20	16.50	195022661

The Company's performance for the period from April 1, 2011 to March 31, 2012 vis-à-vis BSE Sensex & NSE NIFTY.

Your Company vis-à-vis BSE



Your Company vis-à-vis NSE



m) Registrar and Share Transfer Agents

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel. No. : 91 - 040 - 44655000
Fax No. : 91 - 040 - 23420814
Email : einward.ris@karvy.com

n) Share Transfer System

The power to consider and approve share transfers/ transmission/ transposition/ consolidation/ subdivision etc. has been delegated to a Committee of Directors as indicated under the heading "Share Allotment, Transfers and Investor Grievance Committee". The Committee meets when necessary. The requirements under the Listing Agreement/ Statutory regulations in this regard are being followed.

o) Distribution of Shareholding as on March 31, 2012

Shareholding of nominal value (Rs.)	Shareholders		Share Amount	
	Number	% to total	In Rs.	% to total
upto - 5,000	115,038	82.37	172,717,970	2.99
5,001 - 10,000	12,615	9.03	108,481,470	1.88
10,001 - 20,000	5,843	4.18	93,402,850	1.62
20,001 - 30,000	1,894	1.36	49,604,990	0.86
30,001 - 40,000	894	0.64	32,765,080	0.57
40,001 - 50,000	964	0.69	46,611,510	0.81
50,001 - 100,000	1,241	0.89	97,565,730	1.69
100,001 and above	1,170	0.84	5,175,323,140	89.59
Total	139,659	100.00	5,776,472,740	100.00

p) Shareholding Pattern as on March 31, 2012

Sl. No.	Name of Shareholder	No. of shares	% of holding
1.	Promoter and Promoter Group	289,992,626	50.20
2.	Financial Institutions / Banks	106,567,038	18.45
3.	Insurance Companies	1,136,595	0.20
4.	Bodies Corporate	78,031,399	13.51
5.	Individuals	79,529,277	13.77
6.	Trusts	542,059	0.09
7.	Clearing Members	14,724,777	2.55
8.	Foreign Institutional Investors	4,095,570	0.71
9.	Non Resident Indians	2,322,033	0.40
10.	Foreign Nationals	705,900	0.12
	Total	577,647,274	100.00

q) Percentage of Shares held in Physical & Electronic Form as on March 31, 2012

Sl. No.	Category	Holders	Total Shares	% To Equity
1.	Physical	32	5,368,770	0.93
2.	NSDL	93,274	437,900,370	75.81
3.	CDSL	46,353	134,378,134	23.26
	Total	139,659	577,647,274	100.00

Your Company has not issued GDRs/ADRs/Warrants.

During the year under review, 19,975,000 8% Optionally Convertible Debentures of Rs.100/- each ("OCDs") were converted into 79,868,051 equity shares of Rs. 10/- each at a conversion price determined as per applicable SEBI regulations with reference to the date of conversion, out of the 70,931,985 OCDs.

Subsequent to the year under review, 50,956,985 OCDs were converted into 231,075,716 equity shares of Rs. 10/- each.

r) Dematerialisation of Shares

99.07% of the paid-up capital was held in dematerialized form as on March 31, 2012 and 99.91% as on date.

s) Code of Conduct

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has adopted a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel, a copy of which is available at the Company's website, www.flykingfisher.com. All members of the Board and senior management personnel affirmed compliance with the Code for the year ended March 31, 2012 and a declaration to this effect signed by the CEO forms part of this report.

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". This Code is applicable to all the Directors and designated employees of the Company.

t) Address for Correspondence

Shareholder correspondence should be addressed to your Company's Registrar and Share Transfer Agents:

Karvy Computershare Pvt. Ltd.
 Plot No. 17-24, Vittal Rao Nagar,
 Madhapur, Hyderabad - 500 081
 Tel. No. : 91-040-44655000
 Fax No. : 91-040-23420814
 Email ID : einward.ris@karvy.com

Investors may also write to or contact Mr. Bharath Raghavan, Chief Legal Officer & Company Secretary at:

Kingfisher Airlines Limited
 Kingfisher House, Western Express Highway,
 Vile Parle (East), Mumbai – 400 099.
 Tel No. : 91-022-26262392
 Fax No. : 91-022-26262317

In compliance with the provisions of Clause 47(f) of the Listing Agreement with the Stock Exchanges, an exclusive email Id, viz investor.relations@flykingfisher.com has been designated for registering complaints by investors, which has been displayed on the website of your Company www.flykingfisher.com.

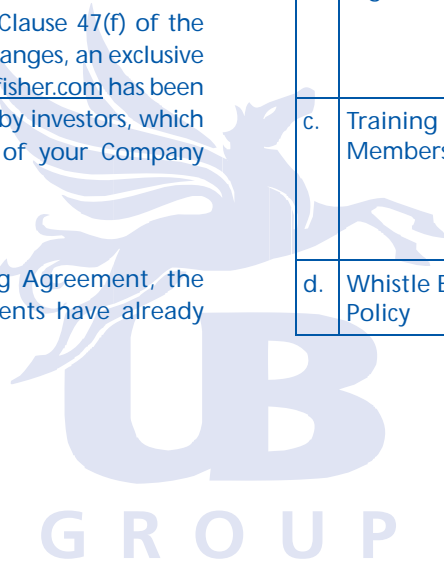
u) Clause 5A of the Listing Agreement

Pursuant to Clause 5A of the Listing Agreement, the Company's Registrars & Transfer Agents have already

sent three reminders to all the shareholders whose share certificates were returned undelivered and remained unclaimed. Necessary action is being taken to transfer the unclaimed shares, in respect of the shareholders who have not yet responded, to a folio in the name of "Unclaimed Suspense Account". The voting rights on such shares shall remain frozen till rightful owners claim the shares.

NON MANDATORY REQUIREMENTS

a.	Remuneration Committee	Your Company has constituted a "Remuneration & Compensation" Committee.
b.	Shareholders Rights	Your Company's half-yearly results are published in English and Kannada newspapers. Hence the same are not sent to the shareholders.
c.	Training of Board Members	The Board of Directors comprises of well experienced and accomplished members and their formal training is considered not necessary.
d.	Whistle Blower Policy	Your Company has a Whistle Blower Policy in place.



CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Kingfisher Airlines Limited

We have examined the compliance of conditions of Corporate Governance by Kingfisher Airlines Limited for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except to the extent as already mentioned in the Corporate Governance Report.

We state that in respect of investor grievances received during the year ended March 31, 2012, no grievances are pending against the Company as per records maintained by the Company.

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

Bangalore
August 10, 2012

M. R. GOPINATH
Company Secretary (in practice)
FCS 3812 CP 1030

CEO / CFO CERTIFICATE

In terms of the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the certificates from CEO / CFO have been obtained.

On behalf of the Board of Directors

Mumbai
August 10, 2012

Dr. Vijay Mallya
Chairman & Managing Director

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics of the Company for the financial year ended March 31, 2012.

Mumbai
August 10, 2012

Sanjay Aggarwal
Chief Executive Officer

1. Industry structure and development

- a. After a period of recovery for the global economy in 2011, recently signs of stress have appeared with the emergence of financial crises in Europe and sharp increases in prices of commodities. This has reduced the outlook for global economic growth to about 2% in 2012. When compared to the recent past, India's economic growth has slowed with the real Gross Domestic Product (GDP) growth for 2011-12 at 6.5% and a target of 6.5% also indicated for 2012-13.
- b. The global airline industry in 2011-12 recorded moderate growth and profitability of all major airlines across the world was significantly reduced due to sustained high level of fuel prices.
- c. The International Air Transport Association (IATA), that represents 240 airlines comprising about 84% of total air traffic, has forecast global airline traffic growth at nearly 4%, primarily driven by above average demand growth in Middle-East, Latin America and Asia Pacific. Also, domestic passenger traffic trends observed in 2012 vs. 2011 in India is a cause for concern.
- d. Jet fuel continues to remain a significant element of cost with IATA forecasts pegging this cost element at 36% of operating costs in 2012, up from 30% in 2011 with an average crude oil price (Brent) outlook of US\$ 135 per barrel.

2. Industry Operating Environment

- a. As per IATA forecast for March 2012, the global airline industry is expected to post a net loss of US\$ 5.3 billion in 2012 with an estimated average crude oil price of US\$ 135 per barrel. This is in stark contrast to IATA's original outlook for 2012 at the beginning of the year which had forecast a net profit for the industry at US\$ 3 billion.
- b. The Indian airline industry which is exposed to one of the toughest operating environments globally is also expected to struggle with such profitability pressures, more so with one of the highest prices for Jet Fuel across the world given the tax structure, recent depreciation of the rupee, and the high cost of borrowing.
- c. For the year under review, the increase in passenger traffic was relatively lower than that achieved in

previous years, estimated at 13% compared to 20% in the previous year ended March 31, 2011. However, capacity in the industry grew by 17% for the same period and this consequently led to a marginal decrease in the industry load factor by approximately 1 percentage point compared to the previous year.

- d. Yields have been under pressure through large periods of the year. This was a result of irrational pricing policies adopted by some competitors and above average addition of capacity by low-cost carriers. Coupled with this situation, the rise in fuel prices through the year has significantly constrained the profitability of the industry.

3. Internal control systems and their adequacy

- a. Your Company has a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conduct and corporate policies are duly complied with.
- b. The Internal Audit department reviews the adequacy and efficacy of the key internal controls, guided by the Audit Committee of the Board.
- c. One of the objectives of the Company's Audit Committee is to review the reports submitted by the Internal Audit department and to monitor follow-up and corrective actions by Management.
- d. Your Company has a compliance procedure to ensure that all laws, rules and regulations applicable to it are complied with.
- e. The Company Secretary is the designated Compliance Officer to ensure compliance with Securities and Exchange Board of India regulations and with the Listing Agreement with The National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- f. Your Company has a process of both external and internal safety audits for each area of operation. Your Company is in full compliance with all laws, rules and regulations relating to airworthiness, air safety and other statutory operational requirements.
- g. Your Company, as part of its Risk Management strategy, reviews, on a continuous basis, its

strategies, processes, procedures and guidelines to effectively identify and mitigate risks. Further, the Management has developed a procedure to ensure adequate disclosures of key risks and mitigation initiatives to the Audit Committee of the Board.

4. Analysis of operational performance for the period ended March 31, 2012

The current financial period is for the twelve month period from April 1, 2011 to March 31, 2012 (FY12).

Financial Results of Operations:

	FY12 (Rs. million)	FY11 (Rs. million)	(% difference)
Income			
Passenger	49,102	56,210	(13%)
Cargo	4,356	4,519	(4%)
Excess Baggage	327	306	7%
Rebooking charges/ cancellation	1,150	1,299	(11%)
Other Income	3,305	2,622	26%
Total Income	58,240	64,956	(10%)
Expenditure			
Employees' costs	6,695	6,760	1%
Aircraft/ engine lease rentals	8,685	9,840	12%
Aircraft fuel expenses	29,459	22,740	(30%)
Operating and other expenses	20,863	24,371	14%
Depreciation/ Amortisation	3,419	2,410	(42%)
Interest & Finance charges	12,763	13,129	3%
Exceptional Item	10,816	913	(1,086%)
Total expenditure (inc. exceptional item)	92,700	80,163	(16%)

Income

Your Company's total income stood at Rs. 58,240 million during the twelve month period from April 1, 2011 to March 31, 2012.

- a. Income from services formed 94% of total income at Rs. 54,935 million. Domestic revenues recorded for the period under review was Rs. 41,126 million as against Rs. 47,731 million in the previous year ended March 31, 2011. Revenue generation has been significantly impacted in Q4, 2011-12 due

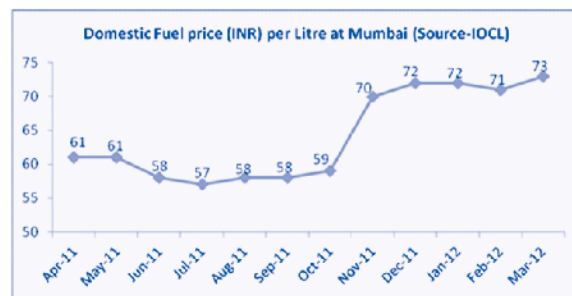
to operational downsizing and rationalization of capacity forced by tough operating environment.

- b. During the twelve month period ended March 31, 2012, your Company's International revenues stood at Rs. 13,809 million as against Rs. 14,602 million in the previous year ended March 31, 2011.
- c. Other Operating Income stood at Nil during the twelve month period ended March 31, 2012 as compared to Rs. 1,263 million in the previous year ended March 31, 2011, since the benefit of Duty Free Credit Entitlement Scheme was stopped for the aviation sector during the previous year ended March 31, 2011.
- d. Other income stood at Rs. 3,305 million during the twelve month period from April 1, 2011 to March 31, 2012, an increase of 26% when compared to the previous year ended March 31, 2011. Other Income comprised mainly of liabilities no longer applicable and written back of Rs. 1,487 million.

Expenditure

Total expenditure including exceptional items stood at Rs. 92,700 million during the twelve month period from April 1, 2011 to March 31, 2012, an increase of 16% when compared to the previous year ended March 31, 2011.

- a. **Aircraft fuel expenses:** Expenditure on fuel stood at Rs. 29,459 million during the twelve month period from April 1, 2011 to March 31, 2012 accounting to 32% of the total costs. Prices have steadily risen through the year and ended 22% higher than prices at beginning of the year. Domestic ATF price movement in INR is given below:



Your Company has attempted to contain overall fuel costs by a combination of route rationalization which saw cut on capacity on unprofitable routes and fuel consumption saving programs.

- b. **Aircraft Engine/Lease Rentals:** Aircraft/engine lease rentals stood at Rs. 8,685 million during the twelve month period from April 1, 2011 to March 31, 2012. Your Company operated 67 aircraft (scheduled and non scheduled) up to November 2011, 13 of which were owned through finance leases and 54 are held under operating leases. Since November 2011, till the end of the financial year your Company returned 16 aircraft and the fleet as on March 31, 2012 was 55 aircraft.
- c. **Employee Remuneration and Benefits (Personnel Costs):** Employee remuneration and benefits stood at Rs. 6,695 million during the twelve month period from April 1, 2011 to March 31, 2012. Your Company saw a reduction of 1% costs on employee remuneration. The number of employees of your Company for the period ended March 31, 2012 was 5,696 from 7,317 employees in the previous year ended March 31, 2011.
- d. **Other Operating Expenses:** Other operating expenses stood at Rs. 20,863 million during the twelve month period from April 1, 2011 to March 31, 2012. The reduction in cost was mainly due to reduction in operations in the second half of the fiscal year.
- e. **Interest and Finance Charges:** Interest and Finance Charges amounted to Rs. 12,763 million during the twelve month period from April 1, 2011 to March 31, 2012. Loan funds increased to Rs. 91,336 million as against Rs. 70,571 million. Your Company incurred interests of Rs. 12,052 million on fixed and other loans as against Rs. 11,189 million incurred in FY11. Bank charges and guarantee commission stood at Rs. 711 million for the year under review as compared to Rs. 1,941 million in the previous year ended March 31, 2011.
- f. **Depreciation and Amortization:** Depreciation charges were Rs. 3,010 million during the year ended March 31, 2012 as compared to Rs. 2,030 million in the previous year ended March 31, 2011. Amortization charges stood at Rs. 409 million during the year ended March 31, 2012 versus Rs. 380 million for the year ended March 31, 2011.
5. **Material developments in Human Resources / Industrial Relations front, including number of people employed**
- a. The number of employees in the year under review was 5,696.
- b. There were no material developments as regards human resources / industrial relations front during the period under review.
6. **Your Company's major initiatives undertaken in FY11 and planned initiatives for FY12**
- 6.1 **Initiatives undertaken in the year under review to enhance your Company's cost competitiveness:**
- Focus on high aircraft utilization for all network scenarios.
 - Implementation of significant Fuel Optimization measures such as rigorous implementation of the Cost Index, re-evaluation of flight dispatch plans to optimize sector fuel assumptions.
 - Re-negotiated select aircraft leases to reduce lease rentals.
 - Complete removal of expats from the A320 and ATR fleet and optimization of headcount of cockpit and cabin crew to fleet count.
 - Optimization of meals uplifted on board to control catering cost.
 - Re-negotiation of select agreements pertaining to Engineering & Maintenance, Ground Handling and with Distribution agencies.
 - Re-configuration of aircraft to add more seats per aircraft.
- 6.2 **Initiatives undertaken in the year under review to enhance your Company's revenue productivity:**
- Improvement in maximizing network traffic flows by introducing network pricing and advanced revenue management techniques.
 - Increased focus on higher customer retention by focusing on return traffic.
 - Improvement in cargo revenues through revenue management opportunities.
 - Continued focus on high yielding Corporate traffic.
- However, from November 2011, revenue generation has been significantly impacted by the decision for operational downsizing, continued adverse media publicity and subsequent distribution issues caused by suspension from the IATA Billing and Settlement Plan (BSP).

6.3 Catering, Airport and Cargo Services related initiatives undertaken in the year under review to enhance your Company's revenue productivity and cut further costs:

- **Catering:**
 - o Your Company introduced measures to tightly control on-board meal wastage.
 - o Re-designed, cost effective menu options were introduced to suit the diverse tastes of the discerning Indian consumer.
 - o Buy-on-Board concept of your Company is now limited to ATR flights.

- **Airport & Cargo Services:**

Revenue / Cost Related Initiatives

- o Despite operational downsizing, Cargo revenue achieved was at 98% of 2010-11 actuals. "Door-To-Door" cargo service in particular grew by 44.33%.
- o Excess Baggage "Revenue per guest" increased by 25%.
- o Re-negotiating ground handling, cargo contracts and lounge rates, downsizing resources taken from third party agents and airport premise space reduction has resulted in significant operational cost savings for the year under review.
- o Ground services personnel has been tightly monitored and sized to reduced scale of operations since November 2011.

Operations Excellence

- o Promoted the active use of "Web Check-In" facility to reduce congestion and optimize staffing at airport counters.
- o Only Indian Carrier to promote use of Kiosk check-in facility at 4 Metros. Also liaised with airport authorities to introduce facility to print out tickets with a common kiosk outside airport.

6.4 Marketing and Commercial Initiatives undertaken during the year under review to enhance your Company's consumer connect:

- To aggressively drive choice for Kingfisher First, your Company's business class product to corporate flyers.
- To win market share in key markets through innovative offers for consumers.

- To leverage associations with Sahara Force India and Royal Challengers Bangalore (Indian Premier League cricket team) and offer unique experiences to our guests.
- To further strengthen your Company's relationship with travel agents.
- Increase penetration in the corporate segment.
- Increased rigor in driving sales from global markets.

Marketing initiatives 2011-12

Domestic:

- Your Company launched "Business Mileage" privilege program for the Small & Medium Enterprise (SME) segment, with the objective of driving loyalty amongst the SME segment. The program offers a host of benefits including a complementary Gold tier and upgrade vouchers.
- During the year under review, your Company developed and successfully executed consumer and trade promotions which contributed towards incremental revenue for FY 2011-12, as well as built consumer and guest engagement through interactive contests across the social media network.
- Your Company leveraged association with Sahara Force India and created special promotions and packages for KFA guests during the lead-up to the Indian Grand Prix, offering them an opportunity to witness the race live.

International:

- Your Company launched a thematic campaign, "India is Kingfisher Country" in Dubai promoting Kingfisher Airlines as the preferred choice of Airline in India owing to its connectivity.

6.5 Marketing Initiatives and launches proposed to further improve consumer connect:

- Thematic campaign to win back Consumer confidence.
- Reinforce brand imagery through a new thematic campaign.
- Continue to leverage properties such as Sahara Force India and Royal Challengers Bangalore to provide unique experiences to guests and trade.

- Drive seat factors through campaigns based on analytics.

6.6 Key Marketing Initiatives from King Club:

King Club ensured a steady link to loyal customers was maintained by your Company under trying circumstances. Over the year, King Club innovated on its program designs to better engage the base of its loyal customers.

Between August – October 2011, King Club ran “Feel the Force” campaign, an innovative Fantasy Formula1 contest leveraging the Sahara Force India association and targeted at the inaugural Indian Grand Prix. The campaign was chosen as the Best Loyalty Innovation within the Judge’s Choice category at the Loyalty Awards 2012 organized by Flight Global.

King Club also maintained key co-brand relationships through the year under review with American Express, ICICI and other key banks. From the overall oneworld perspective, King Club also successfully entered and maintained bilateral frequent flyer partnerships with British Airways, Finnair, American Airlines, Cathay Pacific Airways allowing King Club members to earn and redeem King Miles by flying on these airlines anywhere in the world.

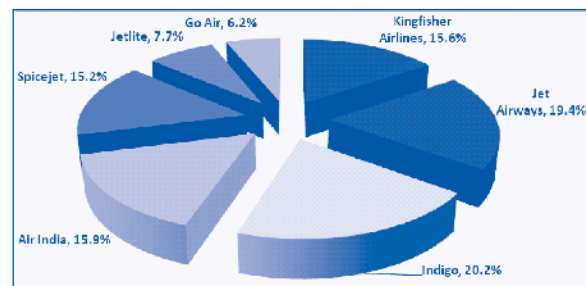
7. Your Company and oneworld Alliance

Your Company continues to maintain a “member-elect” status with the oneworld Alliance. The 15 to 18 month complex integration process was successfully near completion for the February 10, 2012 integration date. However, in light of priorities centered around your Company’s recapitalization efforts, the oneworld management team agreed with your Company to defer the joining date - a move that would give your Company more time to address the challenges. They agreed to work with your Company during this phase with an aim of setting a new joining date.

8. Your Company’s Outlook

a. Your Company which commenced scheduled airline operations in August 2003 endured significant operational challenges through the year – despite a series of steps to contain operational losses through capacity rationalization, your Company managed to retain its position within the top half of the Indian airline industry. Due to the tough operating environment, your Company is currently operating

as a “holding pattern” with limited operation, pending policy changes which are in the offing. This will have an impact on the market share till the anticipated changes are in effect.



- The Indian economy will be slower in 2012-13 with GDP growth estimated to be around 6.5% for 2012-13 and this will potentially reflect in lower growth for the aviation industry.
- Domestic capacity expansion will be in line with demand; resulting in potential stagnation and/or muted growth of industry load factors in 2012-13.
- Yields are expected to remain stable given the fierce competition in the domestic industry. Your Company’s phased transition out of the low cost branding should help in capturing potential yield premium from the discerning Indian consumer who pegs price to the quality of service being offered.
- Fuel price has shown continued sustenance through 2011-12, industry experts believe jet fuel price will correspond to an average crude oil price of over US\$ 120 per barrel. This will continue to constrain airline profitability.
- In 2012-13, your Company plans to focus on recapitalization, phased recovery of grounded aircraft, regaining premium market yields alongside driving a focused cost reduction plan to set in the foundation for a profitable airline of the future.
- Your Company will also continuously evaluate and potentially re-initiate limited international operations, which were substantially curtailed by the end of 2011-12.

9. Opportunities and Threats, Risks and Concerns

- Your Company’s focus in 2012-13 will be to recover its position in the domestic market aided by anticipated policy changes. Your Company plans to undertake a phased and pragmatic approach to re-induction of capacity as well as further market

- expansion. The focus will be on maximizing the nascent potential of the domestic Indian market and capitalizing on strategic international routes.
- b. Your Company will continue to closely monitor key market trends as well as macro-economic environment in the Country from a global perspective linked to the recovery plan.
- c. Your Company will proactively review and undertake measures to maximize profits and reduce losses, including:
- Planning for phased capacity re-induction.
 - Transitioning to a single brand offering.
 - Strengthening route structures and reconfiguring aircraft for productivity.
 - Reviving sales and distribution reach.
 - Improving aircraft utilization and scheduling efficiency.
 - Focusing on driving revenue premium through yield management.
 - Optimizing human resources utilization.
 - Comprehensively reviewing costs across all key functions.
- d. Your Company continues to actively manage fuel consumption in a bid to conserve this precious natural resource and contain the adverse impact of steep increases in jet fuel prices.
- e. Sales tax on jet fuel in India continues to be significantly higher compared to global markets. Sales Tax is currently a State subject and follows an *Ad Valorem* methodology. Your Company has made several representations to both the Central and State governments seeking reduction in Sales Tax rate on jet fuel as well as proposing a rationalization of the tax structure to a fixed rate that eliminates direct exposure to Sales Tax because of fluctuations in crude oil price. A change in the fuel tax regime on these lines would provide a significant upside to your Company's operations as fuel now constitutes over 40-45% of the airline's operating cost.
- f. Your Company will also explore the opportunity presented for direct import of jet fuel vide the recent permission granted by the Director General of Foreign Trade (DGFT) to reduce the incidence of fuel costs.
- g. The current FDI policy of the Government of India still does not allow foreign airlines to invest in domestic scheduled airlines. However, a 49% investment is allowed to foreign institutional investors. The Government has been actively considering relaxing this to include foreign airlines based on several representations made by your Company and other domestic carriers. This change in policy could provide your Company with widened access to equity capital and potential to induct strategic partners.
- h. The Government of India has been making significant progress with respect to aviation infrastructure development in the Country and thereby addressing air traffic congestion at key airports. The results are already showing with the opening of the modern, world-class Terminal-3 at Delhi Airport. Expediting these initiatives in other key metros such as Mumbai and Kolkata coupled with focus on some of the fast-growing Tier-2 and Tier-3 airports will benefit your Company by providing for more efficient facilities and better guest experience.

10. Awards & Accolades

During the year under review, your Company has received the following awards and accolades:

- 1) 'Best Indian Airline' Award from Business Traveller Magazine – London.
- 2) 'Flight Global Award for Best Loyalty Innovation' from Flight Global.
- 3) 'Best Airline for Business Travel within India' and 'Best Airline for Leisure Travel within India' from Conde NAST READER Travel Awards.
- 4) 'Best Loyalty Innovation' Award in the "Judge's Choice" category at Loyalty Awards 2012 hosted by Flight Global.

Cautionary Statement

Statements in the management discussion and analysis describing your Company's objectives, projections, estimate, expectations may be "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions in the domestic markets and overseas markets in which your Company operates, changes in the Government Regulations, tax laws and other statutes and incidental factors.

TO

THE MEMBERS OF KINGFISHER AIRLINES LIMITED

1. We have audited the attached Balance Sheet of Kingfisher Airlines Limited (formerly known as Deccan Aviation Limited) ("the Company") as at March 31, 2012, the Statement of Profit and Loss 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (herein after collectively referred to as the "Order") we enclose in the annexure a statement on matters specified in paragraphs 4 and 5 of the Order.
4. *Other Income for the fifteen months ended June 30, 2006 included a sum of Rs. 2,672.20 Lacs towards certain subsidy provided to the Company by one of its suppliers in conjunction with lease of aircrafts on operating lease basis. The previous auditors had reported that they were of the opinion that such accounting treatment was not in accordance with Accounting Standard 19 on "Leases" and the subsidy should be recorded on a straight-line basis over the period of the lease. Their audit report on the financial statements for the fifteen months ended June 30, 2006 was modified in this matter. We concur with the views of the said auditors in principle that such subsidy should be recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate although the matter does not appear to be covered explicitly by the said AS 19.*
5. Attention is invited to note 48 of the Notes forming part of the Financial Statements ('Notes') regarding method of accounting of costs incurred on major repairs and maintenance of engines of aircrafts taken on operating lease during the year aggregating to Rs. 28,480.24 Lacs (year ended March 31, 2011 Rs. 12,256.85 Lacs) (aggregate amount as at March 31, 2012 Rs. 36,978.84 Lacs), which have been included under fixed assets and amortized over the estimated useful life of the repairs. In our opinion, this accounting treatment is not in accordance with current accounting standards.
6. As reported in paragraph 6 of our report dated July 28, 2009, the Company novated its rights in certain aircrafts purchase agreements during the year ended March 31, 2009 in favor of certain lessors and took such aircrafts back on operating lease from the same persons. The Company incurred a loss of Rs. 8,110.36 Lacs on such novation (including interest on loans borrowed for making pre-delivery payments to aircraft manufacturers of Rs. 2,706.77 Lacs) (after eliminating loss in respect of redelivered aircrafts). As already reported in the said report, in the absence of an independent valuation report, we had relied on the representations of the management that the novation was not established at fair value, the fair value of the aircrafts is at least equal to or more than the cost of acquisition and the preconditions specified in AS 19 for deferring the said loss are satisfied. We do not express any independent opinion in the matter
7. Attention is invited to note 49 of the Notes regarding use fees/hourly and cyclic utilization charges payable by the Company in respect of certain assets taken on operating lease aggregating to Rs. 6,033.53 Lacs (year ended March 31, 2011 Rs. 5,576.45 Lacs) (aggregate amount till March 31, 2012 Rs. 12,418.61 Lacs), as maintenance reserves, in accordance with its understanding. Pending formalization of understanding with the relevant lessor, we do not express any independent opinion in the matter.
8. Attention of the members is invited to note 52 of the Notes regarding write back of withholding tax earlier accrued and non provision for withholding tax for the year, on amounts paid/provided as payable to certain non residents/interest thereon, based on professional advice. This is 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.
9. Attention of the members is invited to note 36(b) of the Notes regarding write back/non provision for guarantee and security commission to guarantors, which we understand was done at the behest of the consortium bankers (aggregate amount Rs.13,772.30 Lacs). We understand that consent of the concerned guarantors has not been received. We cannot express any opinion in the matter.

10. Attention of the members is invited to note 39 of the Notes regarding recognition of deferred tax credit on account of unabsorbed losses and allowances during the year aggregating to Rs.111,808.46 Lacs (year ended March 31, 2011 Rs. 49,341.80 Lacs) (Total amount recognized up to March 31, 2012 Rs. 404,586.77 Lacs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in Accounting Standard 22.
11. We further report that, except for the effect, if any, of the matters stated in paragraphs 6 to 9 above, paragraph 1(b) of the annexure to this report and notes 34(a), 44, 46 and 53 of the Notes, whose effect are not ascertainable, had the observations made in paragraphs 4, 5 and 10 above been considered, the loss after tax for the year ended March 31, 2012 would have been Rs. 344,402.41 Lacs (March 31, 2011 - Rs. 155,349.03 Lacs) as against the reported loss of Rs. 232,800.75 Lacs (March 31, 2011 - Rs. 102,739.80 Lacs), earnings per share would have been Rs.(68.92) (March 31, 2011 - Rs.(59.90)) as against the reported figure of Rs. (46.92) (March 31, 2011 - Rs. (40.16)), debit balance in statement of profit and loss as at March 31, 2012 vide note 4 of the Notes would have been Rs.1,192,423.76 Lacs (March 31, 2011 - Rs. 848,021.34 Lacs) as against the reported figure of Rs.767,648.18 Lacs (March 31, 2011 - Rs. 534,847.43 Lacs), Other current liabilities would have been Rs. 321,876.74 Lacs (March 31, 2011 - Rs. 202,878.92 Lacs) as against the reported figure of Rs. 321,864.34 Lacs (March 31, 2011 - Rs. 202,600.40 Lacs), fixed assets would have been Rs.124,126.34 Lacs (March 31, 2011 - Rs. 137,071.61 Lacs) as against the reported figure of Rs.144,302.75 Lacs (March 31, 2011 - Rs. 157,188.69 Lacs), deferred tax asset (net) as at March 31, 2012 would have been Nil (March 31, 2011 - Nil) as against the reported figure of Rs. 404,586.77 Lacs (March 31, 2011 - Rs.292,778.31 Lacs). Data for the year ended March 31, 2011 recast from that stated in our previous year's report taking into account deferred tax credit to be derecognized.
12. Attention of the members is invited to note 45 of the Notes regarding the financial statements of the Company having been prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded. The appropriateness of the said basis is interalia dependent on the Company's ability to infuse requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.
- Further to our comments in the annexure referred to above, we report that:
13. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
14. In our opinion, the Company has kept proper books of account as required by Law so far as appears from our examination of those books.
15. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
16. In our opinion, subject to the effect of the matters stated in paragraphs 4 to 6 and 10 above, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply in all material respects, with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
17. On the basis of written representations received from Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company, are disqualified as on that date from being appointed as a director, under clause (g) of sub-section (1) of section 274 of the Act.
18. In our opinion and to the best of our knowledge and according to the information and explanations given to us, the said accounts subject to note 43 of the Notes and read with other notes, give the information required by the Act in the manner so required and subject to the effect of the matters stated in paragraphs 4 to 11 above, foot note to note 38(a) regarding carve out of certain costs from their natural heads based on estimates made by management and presentation of the same as 'Restructuring/Idle costs' and note 46 of the Notes regarding the basis of computation of unearned revenue (including refunds due on account of cancelled tickets/flights) as at March 31, 2012 (Data of number of unflown tickets and their aggregate average value, based on which management has estimated the amount of unearned revenue, not being drawn from accounting records, have not been verified by us) (Effect thereof on revenue not ascertainable) give a true and fair view in conformity with the accounting principles generally accepted in India.
- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012,
 - In the case of Statement of Profit and Loss, of the loss for the year ended on that date and
 - In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **B. K. RAMADHYANI & CO.**
Chartered Accountants
Firm registration number: 002878S

Place : Mumbai
Date : May 30, 2012

(Shyam Ramadhyani)
Partner
Membership No. 019522

B. K. Ramadhyani & Co.
Chartered Accountants
4B, Chitrapur Bhavan
No. 68, 8th Main, 15th Cross
Malleswaram
Bangalore – 560 055

(AS REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KINGFISHER AIRLINES LIMITED)

1. a. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. *However, comprehensive description of assets and current location are to be incorporated in the asset records after completion of reconciliation referred to in paragraph 1(b) below.*
 - b. *Fixed assets were physically verified by the management during the year 2010-11. Pending completion of reconciliation which is reportedly under progress, discrepancies, if any, cannot be ascertained (refer note 51 of the Notes).*
 - c. There was no substantial disposal of fixed assets during the year.
2. a. Management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of 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. No material discrepancies were noticed on physical verification.
3. a. As informed, 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 Act.
 - b. As informed, the Company has taken loans from three companies covered in the register maintained under section 301 of the Act. The total loan amount outstanding as at year end was Rs.15,109.77 Lacs and the maximum amount outstanding at any time during the year were Rs.15,363.91 Lacs. The rate of interest and terms and conditions on which the said loans are taken is not prima-facie prejudicial to the interests of the Company. No stipulations for repayment have been prescribed and as such no comments regarding regularity of payments are being made.
4. In our opinion and according to the information and explanation given to us, and taking into consideration management's representation that a large number of items purchased are of a special nature for which alternative quotations cannot be obtained, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory. *Internal controls in respect of sale of services and purchase of fixed assets to be strengthened. Subject to our observations in paragraph 1(b) above and notes 46 of the Notes, during the course of our audit, no continuing failure to correct major weakness in internal controls has been noticed.*
5. a. According to the information and explanations given to us, we are of the opinion that transactions
 - b. that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. Further, contracts or arrangements referred to in section 301 of the Act and aggregating to Rs. 5.00 Lacs or more per party have been entered into at prices which are reasonable as compared to similar services rendered to / by other parties except in respect of advertisement & sales promotional expenses of Rs. 394.98 Lacs and miscellaneous income of Rs. 707.76 Lacs where we are unable to make any comments on reasonability of rates since there were no similar transactions with third parties at the relevant time
6. The Company has not accepted any deposits from the public.
7. *The Company's internal audit system needs to be strengthened to make the same commensurate with the size and nature of its business.*
8. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Act for the products of the Company.
9. a. *Undisputed statutory dues in respect of service tax, withholding taxes and fringe benefit tax dues have not been regularly deposited with the appropriate authorities.* Undisputed statutory dues in respect of provident fund, employees' state insurance, investor education and protection fund, wealth tax, customs, excise duty, cess as applicable, have generally been regularly deposited with the appropriate authorities barring few months.
 - b. According to the information and explanations given to us:-
 - (i) No amounts were outstanding as at year end on account of undisputed amounts payable in respect of investor education and protection fund, sales tax, customs duty, excise duty and cess for a period of more than six months from the date they became payable.
 - (ii) *Undisputed amounts payable in respect of tax deducted at source of Rs. 53,938.17 Lacs, service tax of Rs. 1,984.41 Lacs, professional tax of Rs. 8.61 Lacs (pertaining to regions for which registration is not obtained) (In all cases relating to the years 2007-08 to 2011-12), fringe benefit tax of Rs. 55.87 Lacs (balance of tax for the financial year 2008-09) and gratuity to resigned employees of Rs. 25.39 Lacs relating the year 2011-2012 were outstanding for a period of more than six months from the date they became payable (excluding applicable interest in all cases except in respect of fringe benefits tax) (to the extent identified pending review and reconciliation of the relevant accounts). The due dates for these amounts are as per respective statutes. The tax deducted at source liability indicated in this paragraph is without considering tax on certain*

payments to non-residents (liability withdrawn/not provided for based on professional advice) as referred to in note 52 of the Notes and tax on guarantee and security commission payable to certain guarantors (liability withdrawn at the behest of consortium bankers) as referred to in note 36(b) of the Notes.

- c. According to the information and explanations given to us, the following dues have not been deposited with the concerned authorities on account of dispute.

Year	Estimated amount (Rs. in Lacs)	Pending before
Tax deducted at source		
Liability arising out of rejection of approvals under section 10(15A) of the Income Tax Act, 1961.	9,730.67	Delhi High Court. In certain cases, writs proposed by the Company are yet to be filed.
Service Tax		
2004-05 to 2007-08	475.02	Customs, Excise and Service Tax Appellate Tribunal
January 2005 to September 2007	18,333.78	Customs, Excise and Service Tax Appellate Tribunal.
June 2008 to April 2010	687.82	Customs, Excise and Service Tax Appellate Tribunal.

10. *The Company's accumulated losses at the end of the financial year were more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.*
11. Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of loans and interest to banks and financial institutions. Delays were noticed in payment of interest & principal on several occasions during the year. *Estimated unpaid overdues to banks and institutions as at March 31, 2012 aggregated to Rs. 79,774.60 Lacs including devolved guarantees/letters of credit unfunded as at March 31, 2012. The over dues relate to the financial year 2011- 2012. Interest aggregating to Rs. 5,107.10 Lacs for the calendar year 2011 were due to debenture holders as at March 31, 2012 (net of tax).*
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of the clause 4(xii) of the Order are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi, mutual benefit fund / society. Accordingly, the provisions of the clause 4(xiii) of the Order are not applicable to the Company.

14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given guarantees during the year for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. Based on information and explanations given to us by the management, term loans taken during the year have been applied for the purpose for which they were obtained, wherever specified by the bank in the relevant sanction letters.
17. *According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis to an aggregate extent of Rs. 630,444.28 Lacs have been used for long term investment as at March 31, 2012.*
18. Based on information and explanations given to us by the management, the Company has made not any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xvii) of the Order are not applicable to the Company.
19. Debentures outstanding during the year ended March 31, 2012 are unsecured. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
21. As per the information and explanations furnished to us by the management, no material frauds on or by the Company and causing material misstatements to financial statements have been noticed or reported during the course of our audit, except for charge backs received by the Company from credit card service providers due to misutilisation of credit cards by third parties of Rs. 92.18 Lacs.

For B. K. RAMADHYANI & CO.
Chartered Accountants
Firm registration number: 002878S

Place : Mumbai
Date : May 30, 2012

(Shyam Ramadhyani)
Partner
Membership No. 019522

B. K. Ramadhyani & Co.
Chartered Accountants
4B, Chitrapur Bhavan
No. 68, 8th Main, 15th Cross
Malleswaram
Bangalore – 560 055

Particulars	Note No.	As at March 31, 2012		As at March 31, 2011	
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	113,074.73		105,087.92	
(b) Reserves and Surplus	4	<u>(621,314.83)</u>		<u>(400,207.18)</u>	
			(508,240.10)		(295,119.26)
(2) Non - current liabilities					
(a) Long term borrowings	5	569,540.18		630,583.89	
(b) Other long term liabilities	7	1,150.13		724.66	
(c) Long term provisions	8	<u>1,958.57</u>		<u>2,593.88</u>	
			572,648.88		633,902.43
(3) Current Liabilities					
(a) Short term borrowings	9	233,459.66		60,413.60	
(b) Trade payables	10	281,651.86		219,906.36	
(c) Other current liabilities	11	321,864.34		202,600.40	
(d) Short term provisions	12	<u>6,618.22</u>		<u>3,616.90</u>	
			843,594.08		486,537.26
TOTAL			<u>908,002.86</u>		<u>825,320.43</u>
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	13	143,155.26		155,175.64	
(ii) Intangible assets	13	<u>1,147.49</u>		<u>2,013.05</u>	
		144,302.75		157,188.69	
(b) Non - current investments	14	2.56		5.00	
(c) Deferred tax assets (Net)	6	404,586.77		292,778.31	
(d) Long term loans and advances	15	192,205.56		189,810.56	
(e) Other non-current assets	16	<u>5,021.69</u>		<u>10,327.89</u>	
			746,119.33		650,110.45
(2) Current Assets					
(a) Inventories	17	20,478.51		18,764.55	
(b) Trade receivables	18	18,759.37		44,052.70	
(c) Cash and cash equivalents	19	18,226.73		25,236.25	
(d) Short term loans and advances	20	103,209.77		84,900.40	
(e) Other current assets	21	<u>1,209.15</u>		<u>2,256.08</u>	
			161,883.53		175,209.98
TOTAL			<u>908,002.86</u>		<u>825,320.43</u>

Accounting policies and other notes 1, 2, 22, 30, 31 & 33 - 58

The notes attached form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

For B. K. Ramadhyani & Co.
Chartered Accountants

Dr. Vijay Mallya
Chairman & Managing Director

A. K. Ravi Nedungadi
Director

Shyam Ramadhyani
Partner
Membership No. 019522

A. Raghunathan
Chief Financial Officer

Bharath Raghavan
Company Secretary

Place : Mumbai
Date : May 30, 2012

Place: Mumbai
Date: May 30, 2012

Statement of Profit and Loss for the year ended March 31, 2012



Particulars	Note No.	Year Ended March 31, 2012		Year Ended March 31, 2011	
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Income					
I a	Revenue from Operations	23	549,340.90		623,337.90
I b	Duty free credit entitlement		-		12,626.17
II	Other income	24	33,049.90		13,592.16
III	Total income (I + II)		582,390.80		649,556.23
IV Expenses					
	Employee benefits expense	25	66,950.65		67,600.85
	Aircraft / Engine Lease Rentals	Foot note to 38(a)	86,845.15		98,399.56
	Aircraft Fuel Expenses		294,588.58		227,402.58
	Finance costs	26	127,633.52		131,294.00
	Depreciation and amortization expense	27	34,186.59		24,103.76
	Operating and Other Expenses	28	208,630.80		243,709.12
	Redelivery and other costs arising on settlement of disputes	29	74,344.72		9,124.65
	Restructuring/idle costs	Foot note to 38(a)	33,820.00		-
	Total Expenses		927,000.01		801,634.52
V	Loss before tax (III-IV)		(344,609.21)		(152,078.29)
VI	Tax expense:				
	(1) Deferred tax		(111,808.46)	(49,341.80)	
	(2) Fringe benefit tax		-	3.31	
			(111,808.46)		(49,338.49)
VII	Loss for the period from continuing operations (V-VI)		(232,800.75)		102,739.80)
VIII	Earning per equity share:	32	(46.92)		(40.16)
	Accounting policies and other notes	1, 2, 22, 30, 31 & 33 - 58			

The notes attached form an integral part of the Statement of Profit and Loss

As per our report of even date

For and on behalf of the Board of Directors

For B. K. Ramadhyani & Co.
Chartered Accountants

Dr. Vijay Mallya
Chairman & Managing Director

A. K. Ravi Nedungadi
Director

Shyam Ramadhyani
Partner
Membership No. 019522

A. Raghunathan
Chief Financial Officer

Bharath Raghavan
Company Secretary

Place : Mumbai
Date : May 30, 2012

Place: Mumbai
Date: May 30, 2012

1 Corporate Information

(a) Background

Kingfisher Airlines Limited (formerly known as Deccan Aviation Limited) ("the Company") is engaged in rendering scheduled and unscheduled aircraft passenger and cargo services, including charter services. The Company was incorporated on June 15, 1995 as a private limited company and converted itself into a public limited company on January 31, 2005. Consequently, the Company changed its name from Deccan Aviation Private Limited to Deccan Aviation Limited. On June 12, 2006, the Company's shares were listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited, pursuant to the Company's initial public offer of shares. The scheduled airline business of Kingfisher Training and Aviation Services Limited ("KTASL") (previously known as Kingfisher Airlines Limited) demerged on a going concern basis with the Company, with effect from April 1, 2008 as the demerger appointed date, vide scheme of arrangement approved by the honourable High Court of Karnataka vide its order dated June 16, 2008 under sections 391 to 394 of the Companies Act, 1956 ("Scheme"). The helicopter charter division of the Company was also hived off pursuant to the Scheme. The Company changed its name from Deccan Aviation Limited to Kingfisher Airlines Limited, with effect from September 5, 2008.

(b) Demerger of the commercial airline division of KTASL

- (i) Order of the Karnataka high court in form 42 of the Companies (Court) Rules, 1949 in respect of the Scheme is yet to be passed.
- (ii) Documentation in respect of transfer of certain assets and liabilities taken over pursuant to Scheme, to the name of the Company are pending. The Company is in the process of transfer of charges created by KTASL to its name in respect of securities granted for loans so taken over by the Company, in consultation with the Registrar of Companies.

2 Statement of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further, the financial statements are presented in the general format specified in schedule VI to the Companies Act, 1956 ('the Act').

(b) Use of estimates

In preparation of the financial statements in conformity with generally accepted accounting principles, estimates and assumptions, where necessary, have been made based on management's best knowledge and experience. Accordingly, actual results may differ from such estimates.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue from charter services is recognized based on services provided and billed as per the terms of the contracts with the customers provided that the collection is reasonably certain. Revenue from sale of tickets of the airline and cargo operations is recognized in the period, in which the service is provided, i.e. on flown / carried basis. Such revenue is net of statutory fees to be collected from customers as per government regulations. Unearned revenue represents consideration on sale of passenger tickets and cargo against which the Company has to provide services in future periods and is included under Advances received / Forward sales. The same is released to the Statement of Profit and Loss as the services are rendered.

Fees for passenger initiated changes and cancellations of tickets are recognized as revenue in the period in which such changes / cancellations are effected.

Interest income is recognized on a time proportionate method when the right to receive income is established and that collection is reasonably certain. Income from sale of advertisement space is recognized on accrual basis over the period the advertisements are displayed.

The Company enters into barter arrangements with other parties for providing services in exchange for the Company's advertising in the other party's media or in exchange for other services or goods. Such transactions are recorded at the fair value of the services / goods received from the other party, or at the fair value of the services provided by the Company if it is not feasible to determine the fair value of the services / goods received.

(d) Fixed assets and Intangible assets

Fixed assets and intangible assets are stated at cost of acquisition less accumulated depreciation / amortization and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and also includes cost of modification and improvements to leased assets.

Borrowing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Cost of fixed assets not ready for intended use as of the balance sheet date are disclosed under capital work-in-progress. Advance paid towards acquisition of fixed assets are included in long term loans and advances.

(e) Depreciation

Depreciation on fixed assets, except non-compete fees, trademarks, design – aircraft interiors, software, leasehold improvements, is provided on a straight line basis at the rates prescribed under schedule XIV to the Companies Act, 1956 which are estimated to be the useful life of fixed assets by the management. Additions are depreciated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

- 1) Non Compete fees are amortized over the period of agreement (i.e. five years).
- 2) Trademarks are amortized over the period of four years.
- 3) Design – Aircraft Interiors are amortized over the period of seven years.
- 4) Software is depreciated over a period of 1 - 4 years, based on estimated useful life as ascertained by the management.
- 5) Leasehold improvements on operating leases are depreciated over the shorter of the period of the lease and their estimated useful lives.
- 6) Cost of major maintenance and overhaul of the engines are amortized over the period of estimated useful life of the repairs (3 years).
- 7) Movable cabins and mobile phones are depreciated over the period of five and two years, respectively, on a straightline method.

(f) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of the assets. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include amortization of ancillary costs incurred in connection with the arrangement of borrowings. The unamortized portion of ancillary costs incurred in connection with the arrangement of borrowings is included under 'Loans and Advances'.

(g) Leases – Where the Company is a lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessors effectively retain substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease payments including expenses incurred for bringing the leased asset to its working condition for intended use are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Profit or loss on sale and leaseback arrangements resulting in operating leases are recognized immediately in case the transaction is established at a fair value, else the excess over the fair value is deferred and amortised over the period for which the asset is expected to be used. If the sale price is below the fair value and the loss is compensated by future lease payments at below market price, the same is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the fair value at the time of sale and lease back transaction is less than the carrying amount of the asset, a loss equal to the amount of difference between the carrying amount and fair value is recognised immediately. In case of sale and leaseback arrangement resulting in a finance lease, any excess or deficiency of sales proceeds over the carrying value is deferred and amortised over the lease term in proportion to the depreciation of the leased asset.

(h) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(i) Maintenance costs

In respect of aircraft, aircraft engines and helicopters, the Company has entered into maintenance arrangements. Payments made to lessors for major maintenance expenditure as per the related maintenance agreements, comprising fixed period-based amounts and variable activity-based amounts are initially considered as maintenance deposits and expensed as and when maintenance expenditure is incurred/termination of agreements.

(j) Inventory

Inventories are valued at lower of cost or net realizable value. Cost of engineering inventories is determined on first in first out basis except at one of the divisions where the weighted average basis was followed till December 31, 2008. In respect of reusable items such as rotables, special tools etc, provision for amortization / obsolescence is made based on the estimated useful life of the aircraft as derived from schedule XIV to the Companies Act, 1956. In-flight inventory is valued on weighted average basis, while inventory of fuel is valued on the basis of last fuel uplifted rates in respective aircrafts.

(k) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(l) Employee Benefits
(i) Defined Contribution Plan

The Company contributes on a defined contribution basis to employees' provident fund and pension scheme towards post employment benefits, all of which are administered by the respective government authorities. The Company also contributes to social security schemes in respect of its employees at certain overseas offices. It has no further obligation beyond making its contribution which is expected in the year in which it pertains.

(ii) Defined Benefit Plan

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year-end, which is calculated using Projected Unit Credit Method. Actuarial gains and losses are adjusted in the Statement of Profit and Loss.

(iii) Other long-term employee benefits

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year-end and charged to the Statement of Profit and Loss. Actuarial gains and losses are adjusted in the Statement of Profit and Loss.

(m) Income taxes

Tax expense comprises current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflects the impact of current period timing differences between taxable and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(n) Foreign currency transactions
(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting and foreign currencies at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported at rate prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise except that the Company had availed the option provided by notification (No. G.S.R. 225(E), dated March 31, 2009) issued by the Ministry of Corporate Affairs read with accounting standard 11 in respect of foreign exchange differences in respect of long term monetary assets and liabilities. The Company has not availed the option of the relevant notification after March 31, 2010.

(iv) **Forward exchange contracts**

The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates. The Company does not use the forward exchange contracts for trading or speculation purposes. In respect of foreign currency monetary assets or liabilities in respect of which forward exchange contract is taken, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period. Pursuant to The Institute of Chartered Accountants of India's announcement 'Accounting for Derivatives', the Company marks-to-market all such outstanding derivative contracts at the end of the period and the resulting mark-to-market losses, if any, are recognized in the Statement of Profit and Loss.

(o) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and relevant taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(q) **Stock option compensation expense**

The Company accounts for stock option compensation expense based on the intrinsic value of the options granted which is the difference between the fair value of the share underlying the option and the exercise price of the option determined at the grant date. Compensation expense is amortized over the period of vesting on a straight-line basis. The accounting value of the options net of deferred compensation expense is reflected as Employee stock option outstanding.

(r) **Initial costs on leased aircrafts**

Expenses directly attributable and incurred in relation to aircrafts acquired on operating lease arrangement are deferred and amortized over the period of lease of aircrafts. Such expenses interalia include initial borrowing costs incurred on pre delivery payments for aircrafts till the Company novates / assigns the right to acquire the aircrafts in favor of the lessors.

(s) **Incentives from aircraft manufacturers**

Incentives from aircraft manufacturers are credited to statement of Profit and Loss in the year when such incentives are made available to the Company as per the terms of aircraft purchase agreements. This includes incentives granted for the purpose of meeting certain revenue expenses.

(t) **Commission**

Commission to travel agents is recognized when the corresponding revenues are recognized as income on flown / carried basis.

3 Share Capital

	As at March 31, 2012		As at March 31, 2011	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Authorized:				
Preference Shares of Rs. 10/- each	2,600,000,000	260,000.00	2,600,000,000	260,000.00
Equity shares of Rs. 10/- each	1,650,000,000	165,000.00	1,650,000,000	165,000.00
	<u>4,250,000,000</u>	<u>425,000.00</u>	<u>4,250,000,000</u>	<u>425,000.00</u>
Issued, subscribed and fully paid up:				
<i>6% Redeemable Preference shares of Rs. 100/- each</i>				
At the beginning of the reporting period	-	-	9,700,000	9,700.00
Amended during the reporting period to result in 6% CCPS	-	-	9,700,000	9,700.00
At the close of the reporting period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>8% Cumulative Redeemable Preference shares of Rs. 10/- each</i>				
At the beginning of the reporting period	553,100,000	55,310.00	-	-
Issued during the reporting period	-	-	553,100,000	55,310.00
At the close of the reporting period	<u>553,100,000</u>	<u>55,310.00</u>	<u>553,100,000</u>	<u>55,310.00</u>
<i>7.5% Compulsorily Convertible Preference shares (CCPS) of Rs. 10/- each</i>				
Issued during the reporting period	-	-	139,810,000	139,810.00
Converted into equity shares	-	-	139,810,000	139,810.00
At the close of the reporting period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>6% Compulsorily Convertible Preference shares of Rs. 10/- each</i>				
Issued during the reporting period	-	-	97,000,000	9,700.00
Converted into equity shares	-	-	97,000,000	9,700.00
At the close of the reporting period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Equity shares of Rs. 10/- each</i>				
At the beginning of the reporting period	497,779,223	49,777.92	265,908,883	26,590.89
Issued during the reporting period	79,868,051	7,986.81	231,870,340	23,187.03
At the close of the reporting period	<u>577,647,274</u>	<u>57,764.73</u>	<u>497,779,223</u>	<u>49,777.92</u>
		<u>113,074.73</u>		<u>105,087.92</u>

	As at March 31, 2012		As at March 31, 2011	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Other Information:				
1 Preference shares:				
a. 8% cumulative redeemable preference shares of Rs 10/- each were issued in conversion of loans and interest due to banks in terms of the MDRA. The preference shareholders do not have voting rights. The preference shares carry a 8% cumulative dividend rate. They are redeemable at par not later than 12 years from the date of the allotment.				
b. 9,700,000 6% redeemable preference shares of Rs.100/- each were allotted during the year 2008-09 pursuant to a contract without consideration being received in cash pursuant to the Scheme of Arrangement under sections 391 to 394 of the Companies Act 1956 approved by the honourable High Court of Karnataka dated June 16, 2008 which resulted in demerger of the scheduled airline business of Kingfisher Training and Aviation Services Limited.				
c. 7.5% CCPS of Rs.10/- each were issued in conversion of loans and interest due to banks and certain promoter companies in terms of the Master Debt Recast Agreement dated December 21, 2010 (MDRA)				
2 Equity shares:				
a. The Company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.				
b. Equity shares include shares allotted pursuant to a contract without consideration being received in cash. Equity shares were allotted during the year 2008 - 2009 pursuant to the Scheme of Arrangement under sections 391 to 394 of the Companies Act 1956 approved by the honourable High Court of Karnataka dated June 16, 2008 which resulted in demerger of the scheduled airline business of Kingfisher Training and Aviation Services Limited.	130,033,350		130,033,350	
c. Shares allotted by way of bonus shares Equity shares of Rs. 10/- each were allotted as fully paid up bonus shares by capitalisation of securities premium and balance in Profit & Loss Account.	27,284,390		27,284,390	
d. Shares held by the holding company/ultimate holding company/subsidiaries or associates of the holding company/ultimate holding company, in aggregate.	Nil		276,640,305	

	As at March 31, 2012		As at March 31, 2011	
	Number	Rs. In Lacs	Number	Rs. In Lacs

3 Securities convertible into equity

Details of securities

50,956,985 (as at March 31, 2011 70,931,985) 8% Optionally Convertible Debentures of Rs.100/- each (OCDs)

Earliest date of conversion:

The OCD shall be optionally converted into Equity shares of the Company of the face value of Rs. 10/- each, at the option of the holder, at such time as may be determined by the Board which shall not be later than 18 months from the date of allotment of the OCD.

**4 Particulars of equity share holders holding more than 5% of the total number of equity share capital:
Equity Share Capital**

Sr. No.	Name of the holder	As at March 31, 2012		As at March 31, 2011	
		No. of Shares held	% to total paid up capital	No. of Shares held	% to total paid up capital
a.	United Breweries (Holdings) Limited	197,833,555	34.25	199,598,555	40.10
b.	Kingfisher Finvest India Limited	63,478,570	10.99	63,478,570	12.75
c.	State Bank of India	Below 5 %		28,264,578	5.68
d.	ICICI Bank Limited	Below 5 %		26,364,764	5.30

**5 Particulars of preference share holders holding more than 5% of the total number of preference share capital.
8% Cumulative Redeemable Preference Shares of Rs. 10/- each (CRPS)**

Sr. No.	Name of the holder	As at March 31, 2012		As at March 31, 2011	
		No. of CRPS held	% to total paid up capital	No. of CRPS held	% to total paid up capital
a.	State Bank of India	182,250,000	32.95	182,250,000	32.95
b.	IDBI Bank Limited	112,500,000	20.34	112,500,000	20.34
c.	Bank of India	56,250,000	10.17	56,250,000	10.17
d.	UCO Bank	45,000,000	8.14	45,000,000	8.14
e.	Punjab National Bank	36,740,000	6.64	36,740,000	6.64
f.	United Bank of India	30,000,000	5.42	30,000,000	5.42
g.	Bank of Baroda	29,960,000	5.42	29,960,000	5.42

4 Reserves and Surplus

Particulars	As at	As at
	March 31, 2012	March 31, 2011
	Rs. In Lacs	Rs. In Lacs
Securities Premium		
As at Beginning of the year	134,345.16	8,022.19
Additions during the year	11,988.19	126,322.97
As at the end of the year	<u>146,333.35</u>	<u>134,345.16</u>
Share option outstanding account		
As at Beginning of the year	295.09	748.17
Transferred to Statement of Profit & Loss	(295.09)	(453.08)
As at the end of the year	<u>-</u>	<u>295.09</u>
Surplus i.e. balance in Statement of Profit & Loss		
As at Beginning of the year	(534,847.43)	(432,107.63)
Loss for the year	(232,800.75)	(102,739.80)
As at the end of the year	<u>(767,648.18)</u>	<u>(534,847.43)</u>
TOTAL	<u>(621,314.83)</u>	<u>(400,207.18)</u>

5 Long term Borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
1) Secured Loans:				
a. Term Loans				
- from Banks	414,616.59		419,849.69	
Less: Current maturities of long term debt	<u>(23,259.77)</u>	391,356.82	<u>-</u>	419,849.69
- from Others	4,202.08		5,170.48	
Less: Current maturities of long term debt	<u>(1,200.00)</u>	3,002.08	<u>(2,497.99)</u>	2,672.49
Finance lease obligations (Refer Note 37(b))	63,534.31		61,040.75	
Less: Current maturities of finance lease obligations	<u>(13,778.15)</u>	49,756.16	<u>(9,126.57)</u>	51,914.18
		<u>444,115.06</u>		<u>474,436.35</u>
2) Unsecured Loans:				
a. Bonds & Debentures	50,956.99		70,931.99	
Less: Current maturities of long term debt	<u>(28,107.27)</u>	22,849.72	<u>-</u>	70,931.99
b. Term Loans				
- from Banks	49,892.93		49,905.96	
Less: Current maturities of long term debt	<u>(2,557.80)</u>	47,335.13	<u>-</u>	49,905.96
- from Others		55,240.27		35,309.58
		<u>125,425.12</u>		<u>156,147.53</u>
3) Total long term borrowings (1+2)		<u>569,540.18</u>		<u>630,583.89</u>

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Additional Information:				
a Details of security for secured loans from Banks				
(i) Assignment of right under purchase agreement entered with aircraft manufacturer for purchase of the aircrafts	16,569.74		16,927.26	
(ii) Hypothecation of certain aircrafts	586.92		6,363.04	
(iii) Secured by hypothecation of all movables assets of the Company (both fixed and current) other than fixed assets acquired on hire purchase/lease basis and aircrafts but including Helicopters, all trade marks and Goodwill of the Company, all credit card receivables, IATA collections and other receivables of the Company and mortgage of Kingfisher House. The loans have been classified as secured on the basis of their market value as estimated by the management. No current valuation reports have been obtained. The Company has also furnished non disposal undertakings in respect of aircrafts taken on finance lease/hire purchase aircraft. The securities referred to above shall rank pari passu interest amongst the lenders	397,459.93		396,559.39	
Total	414,616.59		419,849.69	
b Details of security for secured loans from others				
(i) Hypothecation of Aircraft and assignment of documents of title to such assets	4,202.08		5,161.80	
(ii) Hypothecation of ground handling equipments	-		8.68	
Total	4,202.08		5,170.48	
c Details of security for assets taken on finance lease				
(i) Secured by the hypothecation of the respective assets	63,534.31		61,040.75	
	63,534.31		61,040.75	
d Loans guaranteed by directors and others				
Secured Term Loans				
- from Banks	414,616.59		419,849.69	
e Loans guaranteed by directors and others				
Unsecured Term Loans				
- from Banks	49,306.01		43,542.92	
- from Others	500.00		10,000.00	

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
f Loans guaranteed by others				
(i) Secured term loans				
- from Banks	586.92		6,363.04	
- from Others	58,832.80		57,350.08	
(ii) Unsecured term loans				
- from Others	-		2,500.00	
g Rate of interest on debentures				
Optionally Convertible Debentures of Rs 100/-	8.00%		8.00%	

h Particulars of redemption or conversion of bonds and debentures

Particulars	Date of redemption/ conversion	Date of redemption/ conversion
Optionally Convertible Debentures of Rs 100/- (Optionally convertible into equity shares of the Company of the face value of Rs. 10/- each, at the option of the holder, at such time as may be determined by the Board which shall be not later than 18 months from the date of allotment.)	Within expiry of 18 months of allotment.	Within expiry of 18 months of allotment.

i Terms of repayment of term loans and others**(i) Secured Loans:****Term loan from Banks**

Represents the working capital term, rupee term, funded interest term and additional rupee loans funding granted by the banks as per the MDRA entered by the Company with the constortuim of banks led by SBI and repayable w.e.f October 2012 after a moratorium period of two years as per the laid down repayment schedule. Interest payable at certain % mark up above the Base rate and to be reset every 2 years.

In case of PDP loans, interest payable at certain % mark up above the Base rate and to be reset every 2 years and repayable over a period of six years with effect from September 2010.

Assets taken on Finance Leases

Loans taken for aircrafts purchased on finance leases are repayable over a period ranging between 9-12 years as per the relevant agreements entered into with the lessors and carries fixed interest rate ranging between 5.37% to 7.61% in some cases and variable interest rate @ LIBOR+margins for the others.

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Other term loans from others				
Loans taken against hypothecation of the corresponding assets taken on hire purchase repayable over a period of 7.5 years carrying an interest rate of 15.25%				
(ii) Unsecured Loans:				
Term loan from Banks				
Represents working capital term, rupee term, funded interest term and additional rupee loans funding granted by certain banks as per the MDRA entered by the Company with the constortuim of banks led by SBI and repayable w.e.f October 2012 after a moratorium period of two years as per the laid down repayment schedule. Interest payable at certain % mark up above the Base rate and to be reset every 2 years.				
Term loan from Others				
Loan represents working capital funding by Corporate entities and group companies carrying interest rate ranging between 7% to 15% and repayable over a period of 2 to 3 years based on individual agreements entered with the parties. In certain cases there are no stipulation fixed for repayment.				
j Period and amount of continuing default as on the balance sheet date in respect of loans and interest	Amount	Period	Amount	Period
Interest on Optionally Convertible Debentures	5,107.10	Calendar year 2011	-	-
Interest on term loans from banks	31,114.64	September 2011 to March 2012	2,044.93	December 2010 to March 2011
Overdue installments of finance lease obligations	5,238.78	2011-12	499.13	2010-11

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
6 Deferred Tax (Refer note 39)				
i) Deferred tax liability:				
a) On account of depreciation on fixed assets		21,213.66		31,829.22
b) On account of timing differences in recognition of expenditure		2,021.60		4,082.87
		<u>23,235.26</u>		<u>35,912.09</u>
ii) Deferred tax asset:				
a) On account of timing differences in recognition of expenditure		843.13		936.99
b) On account disallowance under section 40 (ia)		79,171.30		66,115.48
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961		347,807.59		261,637.93
		<u>427,822.02</u>		<u>328,690.40</u>
Net Deferred tax asset		<u>404,586.77</u>		<u>292,778.31</u>
7 Other Long term liabilities				
Gain on sale and lease back transaction	532.56		573.98	
Less: Income for the year	<u>41.42</u>		<u>41.42</u>	
	491.14		532.56	
Less: Current Maturities	<u>41.42</u>		<u>41.42</u>	
	449.72			491.14
Employee Security deposits	<u>700.41</u>			<u>233.52</u>
	<u>1,150.13</u>			<u>724.66</u>
8 Long term Provisions (Refer notes 40(b) and 42)				
Provisions for employee benefits				
(i) Gratuity		1,246.12		1,387.20
(ii) Compensated Absences		712.45		1,206.68
		<u>1,958.57</u>		<u>2,593.88</u>

9 Short term Borrowings

Particulars	As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs
1) Secured Loans:		
- from banks	91,463.27	28,256.44
- from others	1,298.00	1,298.00
	92,761.27	29,554.44
2) Unsecured Loans:		
- from banks	769.62	5,754.44
- from others	139,928.77	25,104.72
	140,698.39	30,859.16
Total	233,459.66	60,413.60

Additional Information:
a Details of security for secured loans

(i) Secured by hypothecation of all movable assets of the Company (both fixed and current) other than fixed assets acquired on hire purchase/lease basis and aircrafts but including Helicopters, all trade marks and Goodwill of the Company, all credit card receivables, IATA collections and other receivables of the Company and mortgage of Kingfisher House. The loans have been classified as secured on the basis of their market value as estimated by the management. No current valuation reports have been obtained. The Company has also furnished non disposal undertakings in respect of aircrafts taken on finance lease/ hire purchase aircraft. The securities referred to above shall rank pari passu interest amongst the lenders	90,463.27	28,256.44
(ii) Charge on current assets of the Company both present and future pari passu with other borrowings from consortium banks.	1,000.00	-
(iii) Second priority on mortgage of aircraft	1,298.00	1,298.00

b Loans guaranteed by directors and others

Loans repayable to banks	90,463.27	28,256.44
Loans repayable to others	500.00	10,000.00

Particulars	As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs		
c Loans guaranteed by others				
Loans repayable to banks	1,000.00	-		
Loans repayable to others	10,000.00	-		
d Terms of repayment of term loans and others				
(i) Secured Loans from Banks				
Cash credit facilities from banks repayable on demand, devolved letters of credit/guarantees and short term loan facility repayable in 6 months from the date of availment, which carry an interest rate of certain % mark up above the base rate at monthly rests.				
(ii) Secured Loans from others				
Second priority on mortgage of aircraft repayable on demand and carries an interest rate of 13%.				
(iii) Unsecured Loans from Banks				
Carries an interest rate of 11% and repayable on demand.				
(iv) Unsecured Loans from others				
Loan represents working capital funding by Corporate entities and group companies carrying interest rate ranging between 11% to 18% and repayable over a period of 2 to 3 years based on individual agreements entered with the parties.				
e Period and amount of default as on the balance sheet date in respect of loans and interest	Amount	Period	Amount	Period
Interest on loans and devolved letter of credits and bank guarantees	48,659.96	September 2011 to March 2012	3,771.21	December 2010 to March 2011

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
10 Trade Payables (Refer Note 43)		<u>281,651.86</u>		<u>219,906.36</u>
		<u>281,651.86</u>		<u>219,906.36</u>
11 Other current liabilities:				
a) Current maturities of long term debt		55,124.84		2,497.99
b) Current maturities of finance lease obligations		13,778.15		9,126.57
c) Interest accrued but not due on borrowings		27,594.03		11,901.57
d) Interest accrued and due on borrowings		41,453.60		3,085.48
e) Advances from customers / Forward Sales (Refer note 46)		36,152.15		61,354.40
f) Employee Security deposits		1,858.07		1,977.91
g) Unclaimed dividends		-		2.76
h) Overdrawn bank balances (book overdraft)		1,191.62		3.35
i) Current maturities of Gain on sale and lease back transaction		41.42		41.42
j) Accrued expenses and other liabilities		<u>144,670.46</u>		<u>112,608.95</u>
		<u>321,864.34</u>		<u>202,600.40</u>
12 Short term provisions:				
a) Provision for employee benefits (Refer notes 40(b) and 42(a))				
- Gratuity		79.97		88.95
- Compensated Absences		560.12		205.10
b) Provision for Wealth Tax		1.40		6.40
c) Fringe Benefit Tax		55.87		450.70
d) Frequent Flyer Scheme (Refer note 40(a))		3,447.52		2,165.75
e) Provision for Contingencies (Refer note 51)		700.00		700.00
f) Provision for Redelivery Cost		1,773.34		-
		<u>6,618.22</u>		<u>3,616.90</u>

Note:
Provision for redelivery costs on returned/repossessed aircrafts has been done provisionally pending receipt of claims, if any.

Notes to Financial Statements (Contd.)



Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at April 1, 2011	Additions for the year	Deductions during the year	As at March 31, 2012	For the year	Deductions	As at March 31, 2012	As at March 31, 2011
					year			
Tangible Assets								
Owned assets								
Land & Buildings (Refer note 1 below)	3,010.87	-	-	3,010.87	49.08	-	169.56	2,890.39
Building on Rented Land	903.89	-	-	903.89	14.73	-	93.49	825.13
Ground Support and Other Equipment	13,117.37	238.68	504.01	12,852.04	602.08	162.21	3,399.69	10,157.55
Computers	5,555.33	107.69	73.48	5,589.54	814.72	71.03	4,055.65	2,243.37
Office equipment	1,724.13	127.65	219.42	1,632.36	89.79	78.32	396.46	1,339.14
Furniture & Fixtures	4,749.19	215.75	330.22	4,634.72	337.94	172.52	1,579.20	3,335.41
Vehicles	3,029.83	255.47	8.89	3,276.41	296.23	7.14	1,342.02	1,976.90
Aircraft & Helicopter	23,155.78	-	-	23,155.78	1,296.72	-	4,653.03	19,799.47
Improvements to leasehold Buildings	3,574.55	69.51	534.95	3,109.11	749.99	365.04	2,405.46	1,554.04
Improvements to leasehold Aircrafts (Refer note 2 below)	41,698.02	28,480.24	29,519.83	40,658.43	18,154.95	17,911.54	19,187.32	22,754.11
Assets taken on finance lease								
Aircraft & Helicopter (Refer note 53)	119,395.32	-	-	119,395.32	6,686.14	-	37,781.33	88,300.13
	219,914.28	29,494.99	31,190.80	218,218.47	29,092.37	18,767.80	75,063.21	155,175.64
Intangible assets								
Computer Software	2,165.18	141.74	-	2,306.92	372.09	-	1,716.51	820.76
Trademarks (Refer note 3 below)	100.00	-	-	100.00	-	-	100.00	-
Design - Aircraft Interiors	246.46	-	-	246.46	35.21	-	187.74	93.93
Non Compete Fees	3,000.00	-	-	3,000.00	600.00	-	2,501.64	1,098.36
	5,511.64	141.74	-	5,653.38	1,007.30	-	4,505.89	2,013.05
TOTAL	225,425.92	29,636.73	31,190.80	223,871.85	30,099.67	18,767.80	79,569.10	157,188.69
Previous Year	204,813.71	22,094.47	1,482.26	225,425.92	20,302.45	1,427.51	68,237.23	

13 Fixed Assets:

Rs. in Lacs

Note :

- 1) Land and Buildings were purchased for a consolidated amount. Value of Land and Buildings have not been segregated. Depreciation has been provided on the entire amount.
- 2) Additions to leasehold improvements - aircrafts includes Rs. 28,480.24 Lacs (March 31, 2011 - Rs. 12,256.85 Lacs) representing cost of major engine repairs to aircrafts taken on operating lease (Refer note 48).
- 3) Certain Trademarks are pending registration.

14 Non Current Investments:

Details of Investments/Name of the Company	No of Shares	Face Value Rs.	As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs
Investments in Equity Instruments:				
Subsidiary: (Trade)				
Fully paid up				
Equity shares in Vitae India Spirits Limited fully paid up	50,000	10.00	5.00	5.00
Less:				
Provision for diminution in value of investments			2.44	-
Total			<u>2.56</u>	<u>5.00</u>
Aggregate value of unquoted investments:				
Cost			5.00	5.00

Particulars	As at March 31, 2012		As at March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
15 Long term loans and advances: (Unsecured and considered good)				
i) Capital advances (Refer note 34)		77,024.60		67,334.63
ii) Deposits with lessor towards Aircrafts		29,689.63		12,137.79
iii) Aircraft major maintenance reserve		73,178.68		96,617.37
iv) Security deposits		8,314.86		7,076.76
v) Prepaid Expenses		3,997.79		6,644.01
		<u>192,205.56</u>		<u>189,810.56</u>
16 Other non current assets				
i) Initial Cost on Leased Aircrafts				
Per last Balance sheet		599.65		860.26
Less: Amortised/written off during the year		<u>536.43</u>		<u>260.61</u>
		63.22		599.65
Less: Current maturities		<u>63.22</u>		<u>536.43</u>
				63.22
ii) Loss on novation / assignment of rights & interest on loans taken for financing pre delivery payments		11,984.32		13,703.97
Less: Amortised/written off during the year		<u>5,816.70</u>		<u>1,719.65</u>
		6,167.62		11,984.32
Less: Current maturities		<u>1,145.93</u>		<u>1,719.65</u>
		5,021.69		10,264.67
		<u>5,021.69</u>		<u>10,327.89</u>

Particulars	As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs
17 Inventories:		
i) Rotables, Tools and Engineering Consumables	18,957.52	16,573.68
Less: Provision for Obsolescence	643.71	543.71
	<u>18,313.81</u>	<u>16,029.97</u>
ii) Inflight Stores and Consumables	2,102.41	2,585.65
iii) Fuel	62.29	148.93
	<u>20,478.51</u>	<u>18,764.55</u>
18 Trade receivables:		
i) Trade receivables exceeding six months	2,360.71	2,249.03
ii) Others	17,578.00	41,883.67
	<u>19,938.71</u>	<u>44,132.70</u>
Less: Allowance for doubtful debts	1,179.34	80.00
	<u>18,759.37</u>	<u>44,052.70</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	18,759.37	44,052.70
iii) Doubtful	1,179.34	80.00
Total	<u>19,938.71</u>	<u>44,132.70</u>
Less:		
Allowance for doubtful debts	1,179.34	80.00
	<u>18,759.37</u>	<u>44,052.70</u>
19 Cash and cash equivalents:		
i) Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	13,318.93	16,418.00
- in Current Accounts	4,863.88	8,698.06
ii) Cash on hand*	43.92	120.19
	<u>18,226.73</u>	<u>25,236.25</u>

Additional information:

In respect of following amounts there are repatriation restrictions:

* Includes Cash of Rs.2.87 Lacs (March 31, 2011 - Rs. 2.87 Lacs) on which restriction is placed by the High Court Of Karnataka.

Particulars	As at March	As at March
	31, 2012	31, 2011
	Rs. In Lacs	Rs. In Lacs
20 Short term loans and advances:		
i) Loans and advances to related parties	-	76.69
ii) Balances with Government and statutory authorities (Refer note 54)	21,094.95	26,942.06
iii) Prepaid Expenses	8,933.99	17,834.83
iv) Aircraft major maintenance reserve	39,596.25	16,913.84
v) Interest accrued on term deposits	295.89	223.93
vi) Deposits with Lessors towards Aircrafts	685.17	301.02
vii) Rental Security Deposits	478.43	1,383.42
viii) Others	32,652.30	21,751.82
	<u>103,736.98</u>	<u>85,427.61</u>
Less: Allowance for doubtful advances	527.21	527.21
	<u>103,209.77</u>	<u>84,900.40</u>
 Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	103,209.77	84,900.40
iii) Doubtful	527.21	527.21
Total	<u>103,736.98</u>	<u>85,427.61</u>
Less: Allowance for doubtful advances	527.21	527.21
	<u>103,209.77</u>	<u>84,900.40</u>
 21 Other Current Assets		
Current maturities of Initial Cost on Leased Aircrafts	63.22	536.43
Current maturities of Loss on novation / assignment of rights & interest on loans taken for financing pre delivery payments	1,145.93	1,719.65
	<u>1,209.15</u>	<u>2,256.08</u>

Particulars	As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs	Remarks
22 Contingent liabilities and Commitments: (to the extent not provided for)			
a) Contingent Liabilities:			
i) Claims against the Company not acknowledged as debts	22,514.09	21,923.74	Pertains to litigations filed against the Company which are pending with various authorities / arbitration, including National Consumer Disputes Redressal Commission, Consumers' Disputes Forums, Courts, Civil Court and invoices / claims of suppliers and service providers not accepted by the Company.
ii) Guarantees/ Letters of credit given by banks on behalf of the Company	65,952.82	128,636.99	Pertains to guarantees and letters of credit given / issued by banks to Airport Authorities, lessors, suppliers of spares, stores & components and others.
iii) Demands raised by Income Tax authorities under appeal	1,393.42	1,399.71	An aggregate sum of Rs. 270.95 lacs paid has been included under 'Loans and Advances'.
iv) Demands and show cause notices raised by service tax authorities	36,905.61	23,392.50	The Company has preferred /furnished appeals/objections /is in the process of replying. Amount indicated does not include any demands that may be raised for other years, based on the stand taken by tax authorities in orders passed/show cause notices issued.
v) Show cause notices raised by entry tax authorities	-	14.37	The Company has furnished objections.
vi) Lease rentals payable in respect of assets taken on operating lease in the event of the Company not meeting certain contractual obligations	27,765.96	16,521.15*	The Company has taken certain assets from a lessor on operating lease. The lessor has undertaken to waive the lease rentals in the event the Company meets certain contractual obligations. The Company has requested for extension of time to meet certain obligations. The Company is confident that its request for extension of time will be accepted and that it will meet the obligations within the extended time.
vii) Redelivery and other costs in respect of assets taken on operating lease at the end of the lease period	Not ascertainable	Not ascertainable	In respect of operating leases, the Company is required to return the aircrafts as per prescribed terms. However, the lease periods are extendable for a longer period and considering on going maintenance of aircrafts, a reliable estimate cannot be made of the redelivery costs.

Particulars		As at March 31, 2012 Rs. In Lacs	As at March 31, 2011 Rs. In Lacs	Remarks
viii)	Amounts payable, if any for breach of contractual obligations	Not ascertainable	Not ascertainable	In particular; (a) Financial claims, if any, in respect of certain lease agreements terminated have not been received. Liability in this respect, if any, is not ascertainable. (b) Certain creditors have claimed interest for late payment of dues. The Company is negotiating with these parties to waive such interest. The Company is confident that its request will be accepted and accordingly no provision is made for the same.
ix)	Liability for deduction of tax at source on lease payments in respect of aircrafts and engines, where agreements were entered into with lessors on or before March 31, 2007 (excluding interest)	35,401.55	21,178.55*	a) The Company has filed applications under section 10(15A) of the Income Tax Act, 1961 with the Central Board of Direct Taxes (CBDT) seeking exemption from deduction of tax, which are pending. These are being followed up by the Company. b) In respect of agreements involving tax of Rs.9,730.67 Lacs up to March 31, 2011, applications made by the Company have been rejected. In respect of certain agreements, the Company has filed writs before the Delhi High Court. In respect of others, the Company will do so shortly.
* Recast				
<p>The Company has entered into agreements for purchase of aircrafts / engines under which the Company has commitments to purchase aircrafts / engines over a period stipulated in the agreements. Such agreements involve complex pricing arrangements wherein the Company receives discounts / credits on such purchases, which are based on the commitments to purchase, which the Company is confident to fulfil currently. Accordingly, amount of contingent liability, if any, as at the balance sheet date is not ascertainable.</p> <p>In addition to the above, there are certain arbitration proceedings with customers / suppliers / contractors, in respect of which claims are currently not ascertainable.</p> <p>The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.</p>				
b)	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,550,709.70	2,227,287.48	Pertains to acquisition of aircrafts & other capital assets in future.
c)	Arrears of fixed cumulative dividends on preference shares (including tax thereon)	9,448.50	4,305.89	

Notes to Financial Statements (Contd.)



Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
23 Revenue from operations:				
i) Passenger*		491,018.54		562,098.26
ii) Cargo		43,554.97		45,194.52
iii) Excess Baggage		3,271.12		3,052.79
iv) Rebooking Charges / Cancellation		11,496.27		12,992.33
		<u>549,340.90</u>		<u>623,337.90</u>
* Net of credit card chargeback amount of Rs.92.18 lakhs (previous year Rs.107.76 lakhs)				
24 Other Income:				
i) Interest on deposits with banks		1,361.15		873.42
ii) Income on sale and lease back transaction		41.42		41.42
iii) Provision no longer required withdrawn		14,866.68		7,298.59
iv) Other non operating income		5,882.15		5,378.73
v) Exchange Gain (net)		10,898.50		-
		<u>33,049.90</u>		<u>13,592.16</u>
25 Employee Benefit Expenses: (Refer foot note to note 38(a))				
i) Salaries and wages		64,786.28		65,059.86
ii) Contribution to provident and other funds (Refer note 42(b))		881.74		893.97
iii) Gratuity (Refer note 42(a))		154.36		489.19
iv) Leave encashment / Compensated absences (Refer note 40(b))		65.89		277.69
v) Expenses on the employee stock option scheme		(295.09)		(453.08)
vi) Staff welfare expenses		1,357.47		1,333.22
		<u>66,950.65</u>		<u>67,600.85</u>
26 Finance Costs:				
i) Interest expense		120,520.57		111,892.92
ii) Bank charges and guarantee commission		7,107.96		19,151.08
iii) Others		4.99		250.00
		<u>127,633.52</u>		<u>131,294.00</u>
27 Depreciation and amortization:				
i) Depreciation		30,099.67		20,302.45
ii) Initial Costs amortised on Leased Aircrafts		1,980.26		1,980.26
iii) Amortisation of slot charges		2,106.66		1,821.05
		<u>34,186.59</u>		<u>24,103.76</u>

Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
28 Operating and other expenses: (Refer foot note to note 38(a))				
i) Landing, Parking, Housing and Navigation Charges		40,060.59		43,336.91
ii) Ground Handling		23,170.89		22,353.61
iii) Aircraft Maintenance:				
- Maintenance and Component Support Services	15,235.20		28,562.91	
- Stores and Spares Consumed *	5,963.32		5,668.88	
- Others	4,048.33		3,065.88	
		25,246.85		37,297.67
iv) Inflight and Other Amenities		17,868.67		21,960.76
v) Rent		5,973.08		4,854.44
vi) Repairs to buildings		35.33		67.70
vii) Repairs others		1,573.14		2,183.17
viii) Insurance:				
- Aircraft	6,285.19		7,276.45	
- Others	82.68		371.95	
		6,367.87		7,648.40
ix) Rates and Taxes		351.29		691.63
x) Rates and Taxes - Service Tax		885.68		3,803.05
xi) Selling and Distribution		24,599.43		27,846.86
xii) Commission to selling agents		17,041.74		19,497.40
xiii) Discounts other than trade discounts		1,594.52		4,025.46
xiv) Advertising and Sales Promotion		17,386.28		14,537.25
xv) Payment to the auditors				
- as auditor	60.00		60.00	
- for other services	55.00		56.25	
- for reimbursement of expenses	2.12		3.21	
		117.12		119.46
xvi) Communication		2,688.37		2,592.66
xvii) Electricity		760.75		664.78
xviii) Printing and Stationery		441.44		509.34
xix) Legal and professional charges		4,965.12		9,335.15
xx) Travelling, Conveyance & Boarding expenses		5,840.21		6,558.53
xxi) Directors sitting fees		6.60		9.30
xxii) Hire Charges		3,620.94		4,338.09
xxiii) Training		1,397.75		1,815.20
xxiv) Recruitment		153.83		149.75
xxv) Loss on sale of Fixed Assets (net)		1,239.20		54.75
xxvi) Provision for Contingencies		-		700.00
xxvii) Bad Debts written off		919.84		1,136.02
xxviii) Allowance for Doubtful Debts/ Advances		1,464.00		607.21
xxix) Provision for Diminution in value of investments		2.44		-
xxx) Software Expenses		1,092.82		1,048.96
xxxi) Miscellaneous expenses		1,765.01		2,382.89
xxxii) Foreign Exchange loss (net)		-		1,582.72
		<u>208,630.80</u>		<u>243,709.12</u>

* Includes Rs 100 lacs on account of provision for obsolescence

Notes to Financial Statements (Contd.)



Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011		
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	
29 Details of redelivery/other costs:					
Costs incurred on account of premature termination of lease/ purchase contracts		74,344.72		3,965.52	
Amount paid/ provided as payable to a service provider on settlement of disputes		-		5,159.13	
		<u>74,344.72</u>		<u>9,124.65</u>	
30 Prior period items: (to the extent identified)					
i) Income		45.55		-	
ii) Expenses					
- Maintenance and component support service		736.39		500.60	
- Landing, parking, housing and navigation charges		46.15		570.60	
- Others		517.17		1,844.04	
		<u>1,299.71</u>		<u>2,915.24</u>	
31 Additional Information:					
a) Value of Imports calculated on CIF basis:					
i) Stores, Spares and Components		10,076.62		7,088.72	
ii) Capital goods		0.73		7,336.71	
b) Expenditure in foreign currency:					
i) Salaries		5,172.91		9,039.73	
ii) Traveling & Conveyance		1,895.36		1,977.47	
iii) Professional & Consultancy expenses		1,453.57		2,520.88	
iv) Training expenses		869.58		986.81	
v) Aircraft and other maintenance expenses		61,426.27		34,025.74	
vi) Lease rentals		105,845.44		98,399.56	
vii) Ticket distribution and reservation system		26,157.10		27,113.68	
viii) Interest		3,209.87		3,080.62	
ix) Fuel Purchase		47,870.24		39,841.23	
x) Airport Charges		13,309.68		13,192.60	
xi) Ground Handling		6,704.22		6,024.96	
xii) Redelivery costs		59,187.19		2,061.63	
xiii) Slot charges		2,106.66		1,821.05	
xiv) Others		7,532.98		9,905.43	
c) Value of Components and Spare parts consumed					
	Particulars	Amount	%	Amount	%
		Rs. In Lacs	to total	Rs. In Lacs	to total
i)	Value of imported raw materials, spare parts and components consumed	4,651.39	78.00	1,463.38	26.00
ii)	Value of indigenous raw materials, spare parts and components consumed	1,311.93	22.00	4,205.50	74.00
		<u>5,963.32</u>	<u>100.00</u>	<u>5,668.88</u>	<u>100.00</u>
d) Details of non-resident shareholdings					
i)	Number of non-resident share holders as at the end of the year		1,461		1,073
ii)	Number of shares held by non-resident shareholders as at the end of the year		7,123,503		44,286,393
iii)	Amount remitted during the year in foreign currency on account of dividends		Nil		Nil
e) Earnings in foreign exchange: (As certified by management)					
i)	Passenger / cargo revenue (Rs. In Lacs)		136,323.39		83,248.76

32 Earnings per share:

Particulars	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. In Lacs	Rs. In Lacs
Loss for the year after tax expense	232,800.75	102,739.80
Preference dividend payable including dividend tax	5,142.61	4,305.89
	<u>237,943.36</u>	<u>107,045.69</u>
Weighted average number of equity shares*	507,162,628	266,544,144
Earning per share (Basic and Diluted) In Rs.	(46.92)	(40.16)

* The options vested in certain debenture holders to convert their outstanding to equity, on weighted average number of shares for diluted EPS is not considered since their effect is anti-dilutive.

- 33 (a) Buildings constructed at a cost of Rs. 88.74 Lacs are on land rented from the State Government, for which lease has been transferred to Deccan Charters Limited (DCL). Such rental agreement is renewable on an annual basis. The Company has in turn entered into a rental arrangement with DCL.
- (b) Buildings constructed at a cost of Rs. 865.86 Lacs are on land belonging to the Airport Authority of India. Such rental agreements are renewable on a periodical basis.
- 34 (a) Capital advances includes capitalised interest on borrowings for purchase of fixed assets. The movement in the account is given below:

Particulars	2011-2012	2010-2011
Opening balance	16,568.66	12,328.29
Add: Interest capitalised during the year	2,265.59	4,682.14
Less: Deletions on account of delivery and cancellation of orders of aircrafts	-	441.77
Closing balance	18,834.25	16,568.66

An aircraft wise schedule of interest capitalized is under preparation and review. The Company is in the process of renegotiating the delivery terms of aircrafts with the relevant manufacturers. Any amounts to be decapitalized consequent to temporary suspension of work will be accounted after such renegotiation.

- (b) Capital advances includes Rs. 2,402.51 lacs paid for purchase of a flight simulator. The Company is to pay the balance consideration and take delivery of the asset. The Company is exploring various options to fund the balance consideration payable. Management is confident that it will be in a position to fund the balance consideration & take delivery of the flight simulator. Accordingly, the said amount is considered good of recovery.

35 Employee Stock Option Plan [ESOP]

On March 16, 2005, the shareholders of the Company approved an employee stock option plan [ESOP 2005]. Further on December 21, 2005, the Board of Directors approved the ESOP 2006 scheme, which will govern issuance of options on or after January 1, 2006. Options issued under ESOP 2005 would continue to be governed under ESOP 2005. The shareholders have approved the issuance of 8,181,779 options in aggregate subject to a maximum of 10% of the aggregate number of issued and outstanding equity shares (calculated on an as converted basis), under both the options put together.

During the year ended March 31, 2012, no options under ESOP 2006 scheme have been issued. Details of number and weighted-average exercise prices of options are given below:

Particulars	2011-2012		2010-2011	
	Number of options	Weighted average exercise price (per share)	Number of options	Weighted average exercise price (per share)
		(In Rupees)		(In Rupees)
Outstanding at the beginning of the year	470,600	65	822,310	65
Forfeited during the year	470,600	65	351,710	65
Outstanding at the end of the year	Nil	65	470,600	65
Exercisable at the end of the year	Nil	65	426,380	65

The Company has determined intrinsic values, based on the fair value of the shares on the date of grant, as follows:

Month & year of grant	Intrinsic value determined (In Rupees)
Jun-05	62.97
Dec-05	62.97
Apr-07	49.9
Sep-07	83.8
Feb-08	91.95

The Company has written back deferred compensation expense of Rs. 295.08 Lacs (Previous year - Rs. 453.08 Lacs) during the year, on account of forfeiture of options issued.

The following table illustrates the effect on net loss per share if the Company had applied the fair value method under Black-Scholes model to measure stock-based compensation.

Particulars	2011-2012	2010-2011
Net loss after tax as reported (Rs. in Lacs)	232,800.75	102,739.80
Add: Compensation expense as recognized (Rs. in Lacs)	295.09	453.08
Add: Arrears of fixed cumulative preference dividends including tax thereon (Rs. in Lacs)	5,142.61	4,305.89
Total	238,238.45	107,498.77
Less: Compensation expense under the fair value method (Black Scholes Method) (Rs. in Lacs)	371.31	662.17
Net Loss after tax, proforma used for computation of loss per share (after extra ordinary items) (Rs. in Lacs)	237,867.14	106,836.60
Loss per share, as reported, basic and diluted (Rs. 10 par value) in Rupees	46.92	40.16
Loss per share, pro forma, basic and diluted (Rs. 10 par value) in Rupees	46.90	40.08

The Company has not issued any options during the year. Accordingly, the assumptions used in determination of the fair value of the Company's stock options for pro forma net loss per share disclosures using the Black-Scholes option-pricing model have not been furnished.

The Board of Directors of the Company are yet to formulate the stock option plan to the employees of the commercial airline division of KTASL taken over by the Company, pursuant to clause 11.1 of the Scheme.

**36 a Related Party Disclosures
(Parties identified by the Management and relied upon by the auditors):**
Names of related parties

Holding company - till February 17, 2012 Associate - from February 18, 2012	United Breweries (Holdings) Limited
Fellow subsidiaries - till February 17, 2012	Kingfisher Finvest India Limited (KFIL) (formerly known as Kingfisher Radio Limited and subsequently renamed as Kingfisher Finvest India Limited)
Enterprises over which KMP has significant influence - From February 18, 2012	UB Infrastructure Projects Limited (UBIPL)
	Kingfisher Training and Aviation Services Limited (KTASL)
	Bangalore Beverages Limited
	UBSN Limited
Subsidiary of the Company	Vitae India Spirits Limited
Key Management Personnel (KMPs)	Dr. Vijay Mallya
	Mr. Sanjay Aggarwal (from September 27, 2010)

(Rs. in Lacs)

Transactions during the year		Holding Company/ Associate	Fellow subsidiaries/ Enterprises over which KMP has significant influence	Subsidiary	KMPs
Remuneration to Mr. Sanjay Aggarwal	Mar-12				401.02 [^]
	Mar-11				212.22 [^]
Guarantee and security commission (expense)	Mar-12	Nil	Nil		Nil
	Mar-11	5,800.95&	40.33#		5,086.90\$\$
Write back of guarantee and security commission (income) (Refer note 36(b))	Mar-12	1,256.28	18.44#		1,403.79\$\$
	Mar-11	Nil	Nil		Nil
License fees (expense)	Mar-12	568.26			
	Mar-11	617.68			
Interest expense	Mar-12	447.33	284.62**		
			Nil		
	Mar-11	6,324.80	1,512.91**	5,618.80%	
			133.79#	Nil	
Reimbursement of expenses	Mar-12	0.07			
	Mar-11	0.14			
Purchase of goods/Services	Mar-12		Nil		
	Mar-11		0.64##		
Loans borrowed	Mar-12	7,809.77	5,762.12**		
	Mar-11 (\$)	57,511.59	5,000.00**	88,264.97%	
			Nil	Nil	
Loans repaid	Mar-12	Nil	4,700.00**		
	Mar-11		Nil		
		25,500.00	24,500.00**		
Purchase of fixed assets	Mar-12		197.87@		
	Mar-11		Nil		

Transactions during the year		Holding Company/ Associate	Fellow subsidiaries/ Enterprises over which KMP has significant influence	Subsidiary	KMPs
Outstanding payable (net of receivables)	Mar-12	19,897.48	4,030.28**		
			454.39#		
			Nil		
			19.28@		
			93,322.78%		
	Mar-11	12,303.56	2,712.01**		
			470.99#		
			0.62##		
			Nil		
			Nil		
Outstanding receivables (net of payable)	Mar-12		Nil		
	Mar-11		76.69@		
Loans due by the Company converted into 7.5% CCPS	Mar-12	Nil	Nil		
	Mar-11	63,300.00	1500.00#		
Conversion of 6% redeemable non- cumulative preference shares of Rs. 100 each to 6% CCPS of Rs. 10 each	Mar-12	Nil			
	Mar-11	9,700.00			
Equity shares allotted by the Company pursuant to conversion of CCPS (face value)	Mar-12	Nil	Nil		
	Mar-11	11,321.34	232.63#		
Guarantees given on behalf of the Company for loans taken & other liabilities	Mar-12	892,586.12			590,414.00\$\$
	Mar-11	886,355.00			617,563.12\$\$
Investments held by the Company in Vitae India Spirits Limited	Mar-12			5.00	
	Mar-11			5.00	

** UBIPL

KFIL

@ KTASL

UBSN Limited

% Bangalore Beverages Limited

\$ conversion of interest & other dues payable as loan of Rs. 9,239.00 Lacs and Rs. 2,370.00 Lacs respectively.

\$\$ Dr. Vijay Mallya

& Excludes amortization of amounts paid in prior years of Rs. 221.69 Lacs

^ Entitled to free use of Company car & telephone. Excludes accrued leave encashment and gratuity since the same have been recognized for the Company as a whole and cannot be determined at an employee level.

NA: Not applicable

In addition the Company has derived revenue from certain related parties from sale of tickets / cargo space in the normal course of business. These have not been quantified & shown separately.

- b Rs. 2,678.50 lacs representing commission for the period from January 1, 2011 to March 31, 2011 earlier accrued as payable in the books of account to the guarantors for issuing guarantees at the request of the Company to its banker's / others has been withdrawn pursuant to directives of the consortium bankers pursuant to the Reserve Bank of India's Guidelines. Further, for the same reason, no provision has been made in the books of account for commission payable in respect of guarantees issued by the guarantors to the Company's bankers / others for the year, estimated at Rs.11,093.80 lacs. The Company has communicated the matter to the concerned guarantors and their response is awaited.

37 Leases and Hire Purchase

The Company has entered into operating and finance lease agreements. Disclosures required under AS 19 on "Leases" is as given below:

(a) Operating leases

Operating lease arrangements comprise of leases of aircraft, helicopters, spare engines and office premises. The salient features of such lease agreements are as follows:

- 1) Lease periods range up to twelve years and are in certain cases non-cancellable.
- 2) Lease rentals are usually fixed over the term of the lease while some arrangements are subject to adjustments linked to the Libor rates movements.
- 3) The Company also has agreements for maintenance and lease of stores and spares for such aircrafts for which fixed and variable rentals are paid. Variable rentals are paid on a pre determined rate payable on the basis of actual flying hours / cycles. Such variable rentals are subject to annual escalations as stipulated in the agreements. However, the Company is eligible to claim reimbursement of maintenance costs to the extent eligible under the agreements.
- 4) The Company does not have an option to buy the aircraft or helicopters and spare engines or to renew the leases.
- 5) In case of default by the Company, in addition to repossession of the aircraft, penalties are stipulated in the agreements.
- 6) The Company is required to deposit a commitment fee and a security deposit with the lessor or provide a letter of credit for such amounts.
- 7) Office premises are subject to further renewal after the expiry of original non cancellable period as per the original agreement.

Particulars	2011-2012	2010-2011
Lease contributions for the year (excluding maintenance reserves)	107,718.49	98,399.56
Minimum lease payments contributions		
- Not later than one year	71,544.49	93,616.34
- Later than one year but not later than five years	199,740.93	264,319.46
- Later than five years	48,116.96	103,822.35

In addition to the above, the Company has entered into agreements to lease aircrafts / engines in respect of which the aircrafts / engines are pending delivery / the lease was yet to commence as at March 31, 2012. The above table of minimum lease payments does not include amounts that may become payable in respect of leases yet to commence as at March 31, 2012.

(b) Finance leases

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
Total minimum lease payments at the balance sheet date in case of balance fixed non cancellable lease term	77,865.59	76,630.00
Less: Amount representing finance charges	14,331.28	15,589.25
Present value of minimum lease payments	63,534.31	61,040.75
Lease payments for the year	7,741.56	9,985.54
Minimum Lease Payments:		
Not later than one year [Present value as at March 31, 2012 Rs.13,778.15 Lacs (As at March 31, 2011 Rs.9,126.57 Lacs)]	18,610.99	13,133.68
Later than one year but not later than five years [Present value as at March 31, 2012 Rs.37,113.70 Lacs (As at March 31, 2011 Rs.37,687.80 Lacs)]	45,479.91	47,258.46
Later than five years [Present value as at March 31, 2012 Rs.12,642.46 Lacs (As at March 31, 2011 Rs. 14,226.38 Lacs)]	13,774.69	16,237.86

Salient features of Finance Lease Agreement (Aircraft):

- 1) Monthly aircraft lease rentals are paid in the form of fixed rentals.
- 2) The Company is responsible for keeping the aircraft airworthy in all respects and in good condition and insuring the same throughout the lease period.
- 3) The Company has an option to purchase the aircraft either during the term of the lease on payment of the outstanding principal amount or at the end of the lease term on payment of a nominal option price.
- 4) In the event of default, the Lessee is responsible for payment of all costs of the Owner including financing costs, and other associated costs. Further, a right of repossession is available to the Owner / Lessor.

In addition, the Company has entered into cancellable leasing arrangements for office and residential premises which are renewable at mutual consent. Lease rentals of Rs.4,100.03 lacs (Previous year - Rs.4,854.44 Lacs) have been included under the head "Operating and Other Expenses - Rent" in the Statement of Profit and Loss.

38 Segment disclosures

(a) Geographical segments

Considering the internal reporting framework, the Company has considered geographical segments as the primary segments. Such segments consist of domestic air transportation within India and international air transportation outside India.

(Rs. in Lacs)

Particulars	Domestic Sectors	International sectors	Total
Revenue			
2011-12	411,255.78	138,085.11	549,340.89
2010-11	477,314.68	146,023.22	623,337.90
Segment results - gain / (loss) before tax and interest			
2011-12	(8,343.94)	(33,001.78)	(41,345.72)
2010-11	77,600.05	(7,810.91)	69,789.14
Less:			
Interest and finance charges			
2011-12			(127,633.52)
2010-11			(131,294.00)

(Rs. in Lacs)

Particulars	Domestic Sectors	International sectors	Total
Depreciation and other amortizations			
2011-12			(34,186.59)
2010-11			(24,103.76)
Other unallocable expenditure			
2011-12			(66,328.56)
2010-11			(81,980.63)
Restructuring/idle costs *			
2011-12			(33,820.00)
2010-11			-
Redelivery and other cost and Foreign exchange translation differences			
2011-12			(63,446.22)
2010-11			(10,707.37)
Add: Unallocable income			
2011-12			22,151.40
2010-11			26,218.33
Total loss before tax expense			
2011-12			(344,609.21)
2010-11			(152,078.29)

Foot Note:

* Represents fixed cost associated with curtailment of operations during the year relating to aircrafts on ground. The details of such costs shown separately from their natural head is disclosed as under:

Natural head of account	Total Expense (Rs. In lacs)	Amount shown under restructuring/ idle costs (Rs. In lacs)	Net amount shown under natural heads (Rs. In lacs)
Employee costs	67,351.38	400.73	66,950.65
Aircraft lease rentals	105,845.44	19,000.29	86,845.15
Other operating expenses	223,049.78	14,418.98	208,630.80
Total	396,246.60	33,820.00	362,426.60

The value of assets and liabilities, capital expenditure incurred during the year and depreciation on fixed assets segment wise cannot be segregated and identified to any reportable segment.

Note: All data in note 38(a) is as certified by management, since part of the data is drawn from non-financial records.

(b) Business segments

The Company operates in a single business segment, i.e. of providing scheduled and unscheduled air transportation services. Accordingly, no separate segment disclosures for business segments are required to be given.

- 39 Deferred tax asset on unabsorbed depreciation and business losses has been recognized on the basis of business plan prepared by the management, which takes into account certain future receivables arising out of contractual obligations. The management is of the opinion that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the deferred tax asset can be realized.

40 Provisions

In accordance with Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets', following is the movement in provision towards cost for frequent flyer program.

(a) Frequent Flyer Program:

The Company has a Frequent Flyer Program (King Club), wherein passengers who fly frequently are entitled to accumulate miles to their credit. Passengers are eligible to redeem such miles in the form of tickets, either on the Company or its partners' airlines. The cost of allowing free travel to members is accounted considering the members' accumulated mileage on an incremental basis. However, in the light of inadequate historical data, the Company has not factored costs that would be incurred by it while estimating provisions required, in case eligible passengers redeem such miles for services/tickets of partners. The movement in the provision towards cost for frequent flyer program during the year is as under:

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance	2,165.75	1,730.34
Add: Provision during the year	1,967.34	1,445.24
Less: Amounts utilized during the year	685.57	1,009.83
Closing Balance	3,447.52	2,165.75

The outflow with regard to above would depend upon utilization of accumulated mileage by the members and hence, the Company is not able to reasonably ascertain the timing of outflow.

(b) Leave encashment / compensated absences

The movement in the provision towards cost of leave encashment/compensated absences during the year is as under:

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance	1,411.78	1,239.62
Add: Provision during the year	65.89	277.68
Less: Amounts utilized during the year	205.11	105.52
Closing Balance	1,272.57	1,411.78

- 41 There were no forward or derivative contracts outstanding as at March 31, 2012 and March 31, 2011. Foreign currency exposures as at March 31, 2012 and March 31, 2011 that had not been hedged by any derivative instrument or otherwise are estimated as follows:

Particulars	As at March 31, 2012	As at March 31, 2011
Capital Advances	57,764.84	50,301.17
Prepaid Maintenance Reserve	112,774.93	113,531.21
Other Assets (Receivables)	55,820.82	39,990.49*
Finance Lease for aircrafts and other term loan from financial institution	63,534.31	61,040.75*
Other Liabilities (Payables)	123,227.89	54,018.29

* Recast

42 Employee Benefits:

(a) Contribution to defined benefit plans-gratuity plan (unfunded) (as certified by the management)

Particulars		2011-2012	2010-2011
I)	Change in benefit obligation:		
	Defined benefit obligation (DBO), at the beginning of the year	1,476.15	1,056.35
	Service Cost	375.78	337.09
	Interest Cost	121.78	108.70
	Past service cost- vested benefit	-	8.50
	Actuarial loss / (gain)	(343.20)	34.90
	Benefits paid	(304.42)	(69.39)
	Defined benefit obligation at the end of the year	1,326.09	1,476.15
II)	Components of cost for the year:		
	Service cost	375.78	337.09
	Interest on defined benefit obligation	121.78	108.70
	Past service cost- vested benefit	-	8.50
	Net actuarial gain recognized in the year	(343.20)	34.90
	Net gratuity recognized in the Statement of Profit and Loss	154.36	489.19
III)	Actuarial assumptions:		
	Discount rate (p.a)	8.50%	8.00%
	Salary Escalation Rate (p.a)	5.00%	5.00%
	Retirement Age	58 years	58 years
	Mortality	Rates of LIC (1994-1996) mortality table	Rates of LIC (1994-1996) mortality table
	Withdrawal rate	2.00%	2.00%

(b) Contribution to defined contribution plans

Contribution to provident fund Rs.673.66 Lacs (Previous year – Rs. 641.76* Lacs).

Contribution to social security schemes Rs.214.71 Lacs (Previous year - Rs. 200.01 Lacs).

* Recast

- 43 The Company is not aware of the registration status of its suppliers registration under the MSME Act, 2006 ("Micro Small and Medium Enterprises Development Act 2006"). Accordingly, information relating to outstanding balances due have not been disclosed as it is not determinable. Similarly, interest payable if any, has not been computed and provided for.
- 44 Accounts of certain creditors, debtors, IATA, loans & advances, advances on capital account, bank accounts, passenger service fees and charges payable to airport operators, service tax payable (including under reverse mechanism), input service tax credit recognized are subject to review / reconciliation / confirmation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations/identification of doubtful and bad debts/advances.
- 45 The Company has incurred substantial losses and its net worth has been eroded. The Company has initiated several cost savings schemes/ route rationalization programs and has prematurely terminated certain contracts etc. The Company has also drawn up plans for capital raising and will request banks at an appropriate time for debt restructuring. These plans are material to it continuing as a going concern. Since the Company is confident of raising capital and rescheduling its debt and in the light of continued group support, the financial statements 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.
- 46 The Company's centralized ticket reservation system (CRS) does not support capture of unearned revenue. Accordingly, such unearned revenue has been estimated by management by multiplying the estimated aggregate number of unflown tickets as on the reporting date by an overall average estimated ticket value. Management is taking continuing steps to streamline the process of determination of unearned revenue.

- 47 The Company's Cargo Revenue Management (CRM) system is yet to stabilize. Mistakes noticed in revenue recognized, sundry debtors and other relevant accounts have been corrected to the extent identified. The Company is of the view that any unadjusted differences will not be material. Management is taking steps to further streamline the processes and stabilize the system.
- 48 **Accounting of costs on major repairs and maintenance of its engines:**
During the current and immediately preceding previous two years, 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 and maintenance on engines pertaining to aircrafts acquired on operating lease. Such expenditure has been included in 'Lease hold improvements- Aircrafts' vide schedule of fixed assets. This accounting policy has been confirmed by an independent expert and in the opinion of the management, has resulted in a fair depiction of the working results and the state of affairs of the Company. But for such accounting practice, the loss before & after tax for the year would have been higher by Rs. 59.33 Lacs and Rs. 40.08 Lacs respectively.
- 49 Use fees payable by the Company in respect of certain assets taken on operating lease aggregating to Rs. 6,033.53 Lacs (previous year Rs 5,576.45 lacs) have, in accordance with the Company's understanding, been treated as maintenance reserves. In terms of the Company's accounting policy, these fees are initially included under Loans and Advances and are expensed out to the Statement of Profit and Loss at the time of incurrence of major expenditure /termination of agreements. The Company is taking steps to formalize this understanding with the relevant lessor.
- 50 The Company has not prepared consolidated financial statements (CFS) as required by the AS 21, since the transactions of subsidiary during the year/its assets and liabilities were not material.
- 51 Fixed assets were physically verified by the management during the previous year. Pending completion of reconciliation, discrepancies, if any, have not been finalized and adjusted. As a matter of abundant caution, provision of Rs. 500 lacs has been made for the possible effect of any discrepancies.
- 52 Rs. 10,858 lacs representing withholding tax earlier accrued as payable in the books of account on amounts paid/ provided as payable to certain non residents/interest thereon has been withdrawn based on professional advice. Consequently, no provision is considered necessary for withholding tax for the year 2011-12 on amounts paid/ provided as payable to certain non residents/interest thereon. The Company is in the process of completing a part of the pending documentation and complying with the requisite formalities under the Income Tax Act, 1961.
- 53 In respect of certain aircrafts taken on finance lease (book value as at March 31, 2012 Rs.24,626.96 lacs) (finance lease obligation outstanding as at March 31, 2012 Rs.21,706.41 lacs), the concerned lessors have terminated the relevant lease agreements in the light of events of default by the Company and the aircrafts stand deregistered from its name in April 2012. The Company is in the process of negotiation with the concerned lessors to purchase the aircrafts. Pending finalization, no adjustments have been made in the financial statements.
- 54 Claims for duty free credits (amount recognized as at March 31, 2012 and included under 'Other current assets' Rs.12,740.56 lacs) are yet to be lodged with the relevant authorities. The Company will take necessary action in the matter.
- 55 Segregation between current and non current liabilities /assets as at end of current and previous reporting periods have been done on an estimated basis in certain cases due to non availability of precise data.
- 56 The Company has terminated certain agreements entered into with parties as a cost rationalisation measure. The Company is in discussion with the relevant parties to finalise the amount of compensation and other costs, if any payable by it. 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.
- 57 Loans and advances include Rs 2,064.14 lacs (Previous year 1,489.87 lacs) representing sums recovered by certain creditors on account of Company's delay in payment of tax deducted at source. The Company is in discussion with the relevant parties, to resolve the matter. In the opinion of the management, no adjustment are required to the financial statements on this account.
- 58 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

Statement pursuant to Section 212 of the Companies Act, 1956, related to the Subsidiary Company

Particulars	Vitae India Spirits Limited
1. Financial year of the Subsidiary ended on	March 31, 2012
2. Shares of the Subsidiary held by the Company on the above date:	
(a) Number & face value	50000 Equity Shares of Rs.10/- each
(b) Extent of holding	100%
3. Net aggregate amount of profits/(losses) of the Subsidiary so far as they concern members of Kingfisher Airlines Limited:	
(a) For the financial year of the Subsidiary	
(i) Dealt within the accounts of the Company for the year ended March 31, 2012 (Rs. Lacs)	NIL
(ii) Not Dealt with the accounts of the Company for the year ended March 31, 2012 (Rs. Lacs)	(2.44)
(b) For the previous financial year of the subsidiary since it became a subsidiary	
(i) Dealt within the accounts of the Company for the previous financial year ended March 31, 2011 (Rs. Lacs)	NIL
(ii) Not Dealt with the accounts of the Company for the previous financial year ended March 31, 2011 (Rs. Lacs)	(2.43)

For and on behalf of the Board of Directors

Dr. Vijay Mallya
Chairman & Managing Director

A. K. Ravi Nedungadi
Director

A. Raghunathan
Chief Financial Officer

Bharath Raghavan
Company Secretary

Place : Mumbai

Date : May 30, 2012

Cash Flow Statement For The Year Ended March 31, 2012

Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Cash flows from operating activities				
Loss before taxation		(344,609.21)		(152,078.29)
Adjustments for:				
Depreciation / Amortisation on fixed assets	30,099.67		20,302.45	
Amortisation of slot charges	2,106.66		1,821.05	
Initial Costs amortised on Leased Aircrafts	1,980.26		1,980.26	
Initial Costs amortised on Leased Aircrafts - Redelivery Costs	4,372.87		-	
Provision for Gratuity	(150.06)		419.80	
Provision for Leave Encashment / Compensated Absences	(139.22)		172.16	
Provision for Frequent Flyer Scheme	1,281.77		435.41	
Provision for Redelivery Costs	1,773.34		-	
Employee Compensation (Income) / Expense	(295.09)		(453.08)	
Baddebts written off	919.84		1,136.02	
Provision for Doubtful Debts/ Advances	1,464.00		607.21	
Provision for Contingencies	-		700.00	
Provision for Obsolescence	100.00		-	
Provision for Diminution in Value of Investments	2.44		-	
Loss on sale of assets	1,239.20		54.75	
Loss on redelivery of aircrafts	11,179.16		-	
Foreign exchange loss/(gain)	(7,791.38)		2,798.26	
Income on sale and lease back transaction	(41.42)		(41.42)	
Interest received	(1,361.15)		(873.42)	
Interest expenses	120,520.57		111,892.92	
		<u>167,261.46</u>		<u>140,952.37</u>
		(177,347.75)		(11,125.92)
(Increase)/ decrease in trade and other receivables	22,909.49		(13,020.20)	
(Increase)/ decrease in inventories	(1,813.96)		(2,276.82)	
(Increase)/ decrease in trade advances	4,290.27		(32,518.84)	
Increase/ (decrease) in trade payables	63,807.19		60,185.97	
		<u>89,192.98</u>		<u>12,370.11</u>
		(88,154.76)		1,244.19
Income taxes paid		399.83		1,021.63
Net cash from operating activities		<u>(88,554.59)</u>		<u>222.56</u>
Cash flows from investing activities				
Movement in fixed assets (including changes in Capital work-in-progress and capital advances)	(32,014.19)		8,631.40	
Sale of fixed assets	4.64		-	
Slot charges incurred during the year	(2,106.66)		(1,827.67)	
Repayment of Finance Lease obligation during the year (principal portion)	(5,930.16)		(11,496.91)	
Interest received	1,289.19		888.33	
Net cash from/(used) in investing activities		<u>(38,757.16)</u>		<u>(3,804.85)</u>

Cash Flow Statement For The Year Ended March 31, 2012 (Contd.)



Particulars	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Cash flows from financing activities				
Proceeds from Loans from Banks and Others	204,580.50		233,467.78	
Repayment of Loans to Banks and Others	(17,818.28)		(141,153.17)	
Interest paid	(66,459.98)		(84,142.77)	
Net cash from financing activities		120,302.23		8,171.84
Net increase/(decrease) in cash and cash equivalents		(7,009.52)		4,589.55
Cash and cash equivalents at beginning of reporting period		25,236.25		20,646.70
Cash and cash equivalents at end of reporting period		18,226.73		25,236.25

Note:

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3.

As per our report of even date

For and on behalf of the Board of Directors

For B. K. Ramadhyani & Co.
Chartered Accountants

Dr. Vijay Mallya
Chairman & Managing Director

A. K. Ravi Nedungadi
Director

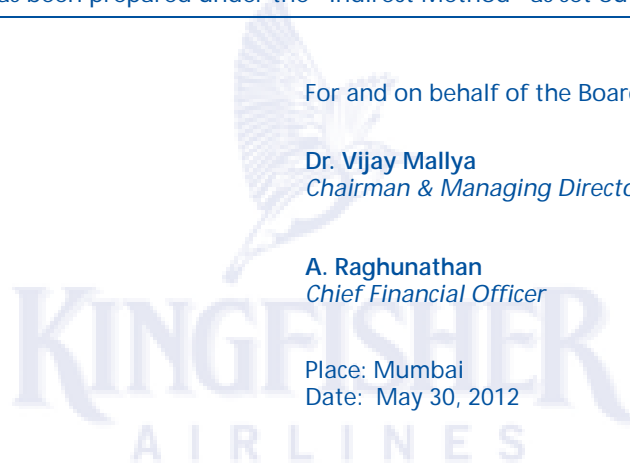
Shyam Ramadhyani
Partner
Membership No. 019522

A. Raghunathan
Chief Financial Officer

Bharath Raghavan
Company Secretary

Place : Mumbai
Date : May 30, 2012

Place: Mumbai
Date: May 30, 2012



Directors' Report

To The Members,

Your Directors present the 4th Annual Report along with the Audited Accounts of your Company for the financial year ended March 31, 2012.

Operations

Your Company has not carried on any business during the year under review. For the financial year ended March 31, 2012, your Company has incurred a loss of Rs. 454/- comprising of bank charges.

Share Capital

The Authorised, Issued, Subscribed and Paid up Equity Share Capital of your Company remains unchanged at Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each.

Your Company continues to remain a wholly owned subsidiary of Kingfisher Airlines Limited.

Directors

Mr. Bharath Raghavan, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Auditors

M/s Vishnu Ram & Co., your Company's Auditors have confirmed that they are eligible for re-appointment at the ensuing Annual General Meeting and it is proposed to re-appoint them and to fix their remuneration.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 and the rules framed there under are not applicable to your Company.

Foreign Exchange Earnings and Outgo

There is no earning or outgoing of Foreign Exchange during the year under review.

Directors' Responsibility Statement

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors of your Company hereby confirm that:

- in the preparation of the Accounts for the year ended March 31, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at March 31, 2012 and of the loss of your Company for the year ended March 31, 2012;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the accounts for the year ended March 31, 2012 have been prepared on a going concern basis.

Particulars of Employees' Remuneration

Your Company has no employees on its payroll and accordingly, the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable.

For and on Behalf of the Board of Directors

Bangalore
May 10, 2012

A. Raghunathan
Director

T. R. Venkatadri
Director

Auditors' Report

To

The Members of

VITAE INDIA SPIRITS LIMITED

1. We have audited the attached Balance Sheet of **VITAE INDIA SPIRITS LIMITED**, as at 31st March 2012, the Profit and Loss Account and also 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.
 2. We conducted our audit in accordance with the 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.
 3. Further to our comments in the annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) 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;
 - iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 (1 of 1956) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31-03-2012;
 - (b) in the case of the Profit and Loss account of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Vishnu Ram & Co.**
Chartered Accountants

(**S. Vishnumurthy**)
Proprietor

Bangalore
May 10, 2012

Membership No. 22715
Firm Registration No. 0047425

Re: VITAE INDIA SPIRITS LIMITED

Referred to in paragraph 3 of our report of even date

- (a) There were no fixed assets. Therefore, the provisions of clause 4(i)(a) to 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) There were no stocks of goods. Therefore, the provisions of clause 4(ii)(a) to 4(ii)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (c) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(a) to 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (d) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(e) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (e) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (f) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v)(a) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (g) In our opinion and according to the information and explanation given to us, there have not been any transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (h) The Company has not accepted any deposits from the public in contravention of the provisions of sections 58A, 58AA and any other relevant provisions of the Act and the Companies (Acceptance of deposits) Rules, 1975. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (i) The paid up capital of the Company does not exceed Rs. 50 lakhs. There has not been any turnover during the year. Therefore, the provisions with regard to internal audit of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (j) Provisions with regard to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to this Company.
- (k) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other material statutory dues applicable to it.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (l) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were in arrears, as at 31-3-2012 for a period of more than six months from the date they became payable.
- (m) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax and excise duty which have not been deposited on account of any dispute.
- (n) The Company has been registered for a period of less than five years. Therefore, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (o) The Company has not taken any loans from banks or financial institutions nor issued any debentures. Therefore, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (p) The Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (q) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (r) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (s) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (t) The Company has not raised any term loans during the year. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (u) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (v) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (w) According to the information and explanations given to us, the Company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (x) During the year, the Company has not raised any money by public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (y) 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 Vishnu Ram & Co.
Chartered Accountants

(S. Vishnumurthy)
Proprietor

Membership No. 22715
Firm Registration No. 004742S

Bangalore
May 10, 2012

Balance Sheet as at March 31, 2012



	Note No	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
I. Equity and liabilities			
1. Shareholders' funds			
a. Share capital	2.1	500,000	500,000
b. Reserves and surplus	2.2	(243,838)	(243,384)
2. Current liabilities			
a. Other current liabilities	2.3	58,987	86,562
		315,150	343,178
II. Assets			
a. Current assets			
a. Cash and cash equivalents	2.4	315,150	343,178
		315,150	343,178

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS 1 & 2

For and on behalf of the Board of Directors of
Vitae India Spirits Limited

Per our report of even date
For Vishnu Ram & Co.
Chartered Accountants

Bangalore
May 10, 2012

A. Raghunathan
Director

T. R. Venkatadri
Director

(S. Vishnumurthy)
Proprietor
Membership No. 22715
Firm Registration No. 004742S

Statement of Profit and Loss for the year ended March 31, 2012

	Note No	For the year ended 31-03-2012 Rupees	For the year ended 31-03-2011 Rupees
I. Revenue		-	-
II. Expenses			
a. Other expenses	2.5	454	38,833
		454	38,833
III. Loss before taxation		(454)	(38,833)
a. Tax expense:			
i. Current tax		-	-
ii. Deferred tax charge / (credit)		-	-
IV. Loss for the year		(454)	(38,833)
V. Earning per share			
i. Basic (Face value of Rs.10 each)		(0.01)	(0.78)
ii. Diluted (Face value of Rs.10 each)		(0.01)	(0.78)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS	1 & 2		

For and on behalf of the Board of Directors of
Vitae India Spirits Limited

Per our report of even date
For **Vishnu Ram & Co.**
Chartered Accountants

Bangalore
May 10, 2012

A. Raghunathan
Director

T. R. Venkatadri
Director

(S. Vishnumurthy)
Proprietor
Membership No. 22715
Firm Registration No. 004742S

1. Significant Accounting Policies

i. Basis for preparation of financial statements:

The financial Statements are prepared under the historical cost convention, having due regard to the fundamental accounting assumptions of going concern, consistency, accrual and in compliance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.

ii. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii. Tax expense:

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

iv. Revenue recognition:

All revenues are generally recognized on accrual basis except where there is an uncertainty of ultimate realization.

v. Provision and contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

vi. Earning per Share:

The basic earning / loss per share are computed by dividing the net profit / loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the period.

vii. Related party transaction:

Transactions between the related parties are disclosed as per Accounting Standard 18 - Related Party Disclosure specified by the Companies (Accounting Standards) Rules, 2006. Accordingly, disclosures regarding names of the transacting related party, description of the relationship between the parties, nature of transactions and the amount outstanding as at end of the accounting year, are made.

	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
2.1 Share Capital		
Authorised		
50,000 equity shares of Rs.10 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up		
50,000 equity shares of Rs.10 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

Reconciliation of equity shares outstanding

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year				
Outstanding at the end of the year	50,000	500,000	50,000	500,000

Terms/rights attached to the equity shares

The Company has only one class of shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding Company

Out of equity shares issued by the Company, shares held by its holding Company is as follows:

Particulars	As at March 31, 2012	As at March 31, 2011
	Number of shares	Number of shares
Holding Company - Kingfisher Airlines Limited	50,000	50,000

Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10 each fully paid Kingfisher Airlines Limited	50,000	100%	50,000	100%

2.2 Reserves and Surplus

Debit balance in profit and loss account

As per last balance sheet	(243,384)	(38,833)
Add: loss for the year	(454)	(204,551)
	(243,838)	(243,384)

2.3 Other current liabilities

Vishnu Ram & Co.	46,920	74,495
G. Krishna	6,067	6,067
Kingfisher Airlines Limited	6,000	6,000
	58,987	86,562

2.4 Cash and cash equivalents

Cash in hand	600	600
In current accounts	314,550	342,578
	315,150	343,178

2.5 Other expenses

Bank charges	454	228
Professional Charges	-	38,605
	454	38,833

2.6 In the opinion of the Board of Directors, the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated.

2.7 Retirement benefits:

Since there are no employees on the rolls of the Company, no provision for gratuity or leave salary is made in the financial statements.

2.8 Figures in the Balance Sheet, Profit and Loss account and schedules have been rounded off to the nearest rupee.

2.9 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil.

Notes to the financial statements for the year ended March 31, 2012



2.10 Based on the available information with the management, there are no outstanding dues to small scale industrial undertakings and to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act 2006.

2.11 Related Party Disclosures:

(i) List of related parties:

Sl. No.	Name of the related party	Nature of relationship
1.	United Breweries (Holdings) Limited	Ultimate Holding Company
2.	Kingfisher Airlines Limited	Holding Company
3.	Kingfisher Finvest India Limited	Fellow Subsidiary
4.	Kingfisher Training and Aviation Services Limited	Fellow Subsidiary
5.	Bangalore Beverages Limited	Fellow Subsidiary
6.	UB Electronic Instruments Limited	Fellow Subsidiary
7.	UB Infrastructure Projects Limited	Fellow Subsidiary
8.	UB International Trading Limited	Fellow Subsidiary
9.	City Properties Maintenance Company Bangalore Limited	Fellow Subsidiary
10.	Kingfisher Aviation Training Limited	Fellow Subsidiary
11.	Rigby International Corp.	Fellow Subsidiary
12.	United Breweries of America Inc., Delaware	Fellow Subsidiary
13.	Inversiones Mirabel, S A	Fellow Subsidiary
14.	Mendocino Brewing Company Inc., USA	Fellow Subsidiary
15.	Rubic Technologies Inc.	Fellow Subsidiary
16.	Releta Breweing Company, LLC	Fellow Subsidiary
17.	UBSN Limited	Fellow Subsidiary
18.	United Breweries International (U.K.) Limited	Fellow Subsidiary
19.	UB Overseas Limited	Fellow Subsidiary
20.	UBHL (BVI)	Fellow Subsidiary

(ii) Related Party Transactions:

Sl. No.	Nature of Transactions:	Holding Company	
1	Kingfisher Airlines Limited	2011-12	2010-11
	Share capital	Rs. 500,000	Rs. 500,000
	Advance received towards expenses	Rs. 6,000	Rs. 6,000

2.12 The Company has adopted Accounting Standard - 20 on "Earning Per Share" specified in the Companies (Accounting Standards) Rules, 2006 for calculation of EPS, and the disclosures in this regard are as given below:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rupees	Rupees
Net loss after tax	(454)	(38,833)
Weighted average number of equity shares of Rs. 10/- each outstanding during the year (No. of shares)	50,000	50,000
Basic / diluted earnings per share (Rs) (not annualised)	(0.01)	(0.78)

2.13 Segment information is not furnished since there is no reportable segment.

For and on behalf of the Board of Directors of
Vitae India Spirits Limited

Bangalore
May 10, 2012

A. Raghunathan
Director

T. R. Venkatadri
Director

Per our report of even date
For Vishnu Ram & Co.
Chartered Accountants

(S. Vishnumurthy)
Proprietor
Membership No. 22715
Firm Registration No. 004742S

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31-03-2012 Rupees	Year ended 31-03-2011 Rupees
I. Cash Flow from operating activities		
Loss before tax	(454)	(38,833)
Operating loss before working capital changes	(454)	(38,833)
Adjustment for :		
Increase/(decrease) in current liabilities	(27,575)	38,605
Net cash used in operating activities	(28,029)	(228)
II. Cash flows from investing activities		
	-	-
III. Cash flow from financing activities		
	-	-
Net decrease in cash & cash equivalents	(28,029)	(228)
Cash and cash equivalents at the beginning of the year	343,178	343,406
Cash and cash equivalents at the end of the period	315,150	343,178
Cash and cash equivalents comprises of:		
Cash on hand	600	600
Balance at Bank	314,550	342,578
	315,150	343,178

For and on behalf of the Board of Directors of
Vitae India Spirits Limited

Per our report of even date
For Vishnu Ram & Co.
Chartered Accountants

Bangalore
May 10, 2012

A. Raghunathan
Director

T. R. Venkatadri
Director

(S. Vishnumurthy)
Proprietor
Membership No. 22715
Firm Registration No. 004742S



Kingfisher Airlines Limited

Regd. Office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560 001

ATTENDANCE SLIP

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company being held on Wednesday, September 26, 2012 at 2.30 p.m. at Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore 560 025.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Folio No. :

DP & Client ID No. :

No. of Shares :

NOTE:

1. The Meeting is for Members of the Company only. Members are requested not to bring non-members or children.
2. The Company will accept only the Attendance slip of a person personally attending the Meeting as a Member or a valid Proxy duly registered in time with the Company. The Company will not accept Attendance Slip from any other person even if signed by a Member.
3. Member/Proxy holder attending the Meeting should bring his/her copy of the Annual Report for reference at the Meeting.
4. To facilitate Members, registration of attendance will commence at 1.45 p.m. on September 26, 2012.



Kingfisher Airlines Limited

Regd. Office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore - 560 001

PROXY FORM

I/We _____ of _____ being a Member / Members of KINGFISHER AIRLINES LIMITED do hereby appoint _____ of _____ or failing him/her _____ of _____ as my /our proxy to vote for me/ us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Wednesday, September 26, 2012 at 2.30 p.m. and at any adjournment or adjournments thereof.

Signed this _____ day of September, 2012.

Signature (across the stamp) _____

Name _____

Registered Folio No. _____

DP & Client ID No. _____

AFFIX
RS. 1/-
REVENUE
STAMP

NOTE :

The Proxy Form duly completed must reach the Registered Office of the Company not later than 48 hours before the time for holding the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

Members are advised that no gifts will be distributed at the Annual General Meeting

Board of Directors



Dr. Vijay Mallya



S. R. Gupte



Ravi Nedungadi



M. S. Kapur

The Team



Sanjay Aggarwal
Chief Executive Officer



Hitesh Patel
Executive
Vice President



Rajesh Verma
Executive
Vice President



Manoj Chacko
Executive
Vice President



A. Raghunathan
Chief
Financial Officer



Bharath Raghavan
Chief Legal Officer
& Company Secretary



KINGFISHER AIRLINES LIMITED

UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore - 560 001.

www.flykingfisher.com