



Kingfisher Airlines Limited

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



Audited Financial Results for the year ended March 31, 2011

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
	(Audited)	(Audited)
1. Income from Operations		
a. Income from Services	623,337.90	506,791.82
b. Other Operating Income	12,626.17	2,195.62
2. Expenditure		
a. Employee Costs	67,600.85	68,875.49
b. Aircraft Lease Rental	98,399.56	109,381.52
c. Aircraft Fuel	227,402.58	180,298.76
d. Other Operating Expenses	242,126.40	238,173.06
e. Depreciation/ Amortisation	24,103.76	21,728.75
3. Profit/ (Loss) from Operations before Interest and Exceptional Item (1 - 2)	(23,669.08)	(109,470.14)
4. Other Income	13,592.16	18,116.67
5. Profit/ (Loss) before Interest and Exceptional Item (4 - 3)	(10,076.92)	(91,353.47)
6. Interest and Financial Charges	131,294.00	109,650.52
7. Profit/ (Loss) after Interest but before Exceptional Item and Tax (5 - 6)	(141,370.92)	(201,003.99)
8a. Exceptional Item	9,124.65	35,765.47
8b. Foreign Exchange Translation Difference	1,582.72	5,022.09
9. Profit/ (Loss) from Ordinary Activities before Tax (7 - 8a - 8b)	(152,078.29)	(241,791.55)
10. Tax Expense		
- Current Tax	-	-
- Deferred Tax Asset	(49,341.80)	(76,463.31)
- Fringe Benefit Tax (Net of Provision for FBT written back)	3.31	(606.18)
11. Profit/ (Loss) from Ordinary Activities after Tax (9 - 10)	(102,739.80)	(164,722.06)
12. Paid-up Equity Share Capital (face value of Rs. 10/- each)	49,777.92	26,590.89
13. Reserves	(400,207.18)	(423,337.27)
14. Earnings per Share - Basic and Diluted		
- Before exceptional item	(36.23)	(52.96)
- After exceptional item	(38.55)	(61.95)
15. Public Shareholding		
- Number of Shares	206,021,597	89,690,958
- Percentage of Shareholding	41.39%	33.73%
16. Promoter and Promoter Group Shareholding		
a) Pledged/ Encumbered		
- Number of Shares	147,537,424	120,674,272
- Percentage of Total promoter and Promoter Group Shareholding (%)	50.57%	68.48%
- Percentage of Total Share Capital of the Company (%)	29.64%	45.38%
b) Non Encumbered		
- Number of Shares	144,220,202	55,543,653
- Percentage of Total promoter and Promoter Group Shareholding (%)	49.43%	31.52%
- Percentage of Total Share Capital of the Company (%)	28.97%	20.89%

Audited Financial Results for the year ended March 31, 2011 (Contd.)

Segmentwise Revenue, Results for the year ended March 31, 2011

The Company, considering its present internal financial reporting based on Geographic segment, has identified Geographic segment

The Geographic segment consists of :

- a) Domestic air transportation within India.
- b) International air transportation outside India.

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
	(Audited)	(Audited)
Segment Revenue (Passenger, Cargo, etc)		
Domestic	477,314.68	452,204.66
International	146,023.22	54,587.16
Total	623,337.90	506,791.82
Segment Result:		
Domestic	77,600.05	33,548.94
International	(7,810.91)	(34,008.45)
Total Segment Result	69,789.14	(459.51)
Interest and Finance Charges	(131,294.00)	(109,650.52)
Depreciation & Amortisation	(24,103.76)	(21,728.75)
Other Unallocable expenditure	(81,980.62)	(89,477.50)
Other Unallocable Revenue	26,218.33	15,290.20
Exceptional Item and Foreign Exchange Translation Difference	(10,707.37)	(35,765.47)
Profit/ (Loss) before Tax Expense	(152,078.28)	(241,791.55)
Tax	49,338.49	77,069.49
Net Profit/ (Loss) after Tax	(102,739.79)	(164,722.06)

Notes:

1. The Assets and Liabilities of the company is not identifiable to the reportable segments. Hence no disclosure relating to total segment Assets and Liabilities (capital employed) are made.

Statement of Assets and Liabilities as at March 31, 2011

Particulars	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
	(Audited)	(Audited)
SHAREHOLDERS' FUNDS:		
(a) Capital	105,087.92	36,290.89
(b) Reserves and Surplus	134,640.25	8,770.36
LOAN FUNDS	705,707.53	792,259.67
TOTAL	945,435.70	837,320.92
FIXED ASSETS	224,523.32	253,511.92
INVESTMENTS	5.00	5.00
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	-	2,798.27
DEFERRED TAX ASSET	292,778.31	243,436.51
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	18,764.55	16,487.74
(b) Sundry Debtors	44,052.70	32,248.53
(c) Cash and Bank balances	25,236.25	20,646.70
(d) Other current assets	223.93	238.83
(e) Loans and Advances	209,105.16	176,088.58
LESS: CURRENT LIABILITIES AND PROVISIONS		
(a) Liabilities	410,474.14	350,136.49
(b) Provisions	6,210.78	4,676.53
INITIAL COST ON LEASED AIRCRAFTS	12,583.97	14,564.23
PROFIT AND LOSS ACCOUNT	534,847.43	432,107.63
TOTAL	945,435.70	837,320.92

Audited Financial Results for the year ended March 31, 2011 (Contd.)

Notes:

- 1) The above financial results which have been audited by the Statutory Auditors of the Company, have been reviewed by the Audit Committee. The Board of Directors has approved the said financial results at its meeting held on May 23, 2011.
- 2) 10 investor complaints were received and disposed off during the year ended March 31, 2011. There were no investor complaints outstanding at the beginning or at the end of the year.
- 3) The Board of Directors of the Company are yet to finalize the Employees Stock Option Plan in respect of the employees transferred to the Company pursuant to the demerger and transfer of the Commercial Airline Division Undertaking of the erstwhile Kingfisher Airlines Limited into the Company.
- 4) Deferred Tax Asset is recognized on account of unabsorbed depreciation and business losses for the year ended March 31, 2011 aggregating to Rs. 49,341.80 Lacs. The management is of the opinion that there is a virtual certainty supported by convincing evidence against which such deferred tax will be realized.
- 5) The Company has adopted the Exposure Draft on Accounting Standard - 10 (Revised) 'Tangible Fixed Assets' which allows costs on major repairs and maintenance incurred to be amortized over the incremental life of the asset. The Company has extended the same treatment to costs incurred on major repairs and maintenance for engines pertaining to aircrafts acquired on operating lease. Had the Company not adopted this method of accounting, the loss before tax for the year and the loss after tax for the year would have been higher by Rs. 3,726.83 Lacs and Rs. 2,517.66 Lacs respectively. This revised accounting policy has been confirmed by an independent expert and in the opinion of the management, this accounting treatment has resulted in a fair depiction of the working results and the state of the affairs of the Company.
- 6) (i) During the period under review, the Company consequent to the execution of the Debt Recast Package with its consortium bankers, issued and allotted the following convertible securities to lending banks and certain promoter group companies, on January 3, 2011, by way of preferential issue:
 - a. 553,100,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each.
 - b. 1,398,100,000 7.5% Compulsorily Convertible Preference Shares of Rs. 10/- each (7.5% CCPS).
 - c. 97,000,000 6% Compulsorily Convertible Preference Shares of Rs. 10/- each (by way of variation in terms of 9,700,000 6% Redeemable Non Cumulative Preference Shares of Rs.100/- each) (6% CCPS).

The 7.5 % CCPS and 6% CCPS allotted to the lending banks and promoter companies as mentioned above were converted into 231,870,340 equity shares of Rs. 10/- each in accordance with the pricing formula prescribed under SEBI Regulations on March 31, 2011. Consequent to this conversion, the Company's paid-up equity capital stood increased from Rs. 2,659,088,830 to Rs. 4,977,792,230 on March 31, 2011.

(ii) The Company also allotted 70,931,985 8% Optionally Convertible Debentures of Rs. 100/- each to certain business associates, on preferential basis on January 3, 2011.
- 7) In terms of agreements entered into with a certain party in respect of assets taken on lease, the Company is to pay lease rentals only in the event of breach of certain contractual obligations in future. No provision is considered necessary as the Company is confident of meeting the relevant obligations. Additionally, the use fees paid in respect of these leased assets are, in accordance with the Company's understanding, treated as maintenance reserves. The Company is taking steps to formalize this understanding with the relevant lessors. In terms of the Company's accounting policy, these use fees are initially included under loans and advances and are expensed out to the profit and loss account of the time of incurrence of major maintenance expenditure / termination of agreements.
- 8) The Company has incurred substantial losses and its networth has been eroded. However, having regard to improvement in the economic sentiment, rationalization measures adopted by the Company, fleet recovery and the implementation of the debt recast package with the lenders and promoters including conversion of debt into share capital, these interim 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.
- 9) Previous year figures have been reclassified to confirm with current year presentation, wherever applicable.

By Authority of the Board

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**Place: Bangalore
Date: May 23, 2011**

**Dr. Vijay Mallya
Chairman & Managing Director**