



Kingfisher Airlines Limited
(Formerly known as Deccan Aviation 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, 2009

Particulars	(Rs. In Lacs)	
	Year ended March 31, 2009	Nine months ended March 31, 2008
	(Audited)	(Audited)
1. Income from Operations	526,917.07	144,139.49
2. Expenditure		
a. Employee Costs	82,385.23	25,469.39
b. Aircraft Lease Rental	118,513.22	35,473.25
c. Aircraft Fuel	260,262.08	88,929.63
d. Other Operating Expenses	258,493.07	68,511.45
e. Depreciation	13,320.04	1,828.07
f. Maintenance Rent reversed (Refer Note 6)	(53,082.44)	-
3. Loss from Operations before Interest and Exceptional Item (2-1)	152,974.13	76,072.30
4. Other Income	30,830.25	10,404.83
5. Loss before Interest and Exceptional Item (3 - 4)	122,143.88	65,667.47
6. Interest Expense	69,623.19	5,037.50
7. Loss after Interest but before Exceptional Item (5 + 6)	191,767.07	70,704.97
8. Exceptional Item	23,753.54	(2,445.99)
9. Loss from Ordinary Activities before Tax (7 + 8)	215,520.61	68,258.98
10. Tax Expense		
- Current Tax	-	-
- Deferred Tax Asset	(55,887.62)	(49,800.27)
- Fringe Benefit Tax	1,250.00	354.90
11. Loss from Ordinary Activities after Tax (10 + 11)	160,882.99	18,813.61
12. Paid-up Equity Share Capital (face value of Rs. 10/- each)	26,590.89	13,579.85
13. Reserves	(248,825.44)	6,307.38
14. Earnings per Share - Basic and Diluted		
- Before exceptional item	(65.28)	(14.85)
- After exceptional item	(72.33)	(13.87)
15. Public Shareholding		
- Number of Shares	104,808,279	44,884,110
- Percentage of Shareholding	33.73%	33.05%
16. Promoter and Promoter Group Shareholding		
a) Pledged/ Encumbered		
- Number of Shares	116,472,231	N.A.
- Percentage of Shareholding (as a % of the total shareholding of the promoter and promoter group)	66.10%	N.A.
- Percentage of Shareholding (as a % of the total share capital of the company)	43.80%	N.A.
b) Non Encumbered		
- Number of Shares	59,745,694	N.A.
- Percentage of Shareholding (as a % of the total shareholding of the promoter and promoter group)	33.90%	N.A.
- Percentage of Shareholding (as a % of the total share capital of the company)	22.47%	N.A.

Notes:

- The above audited financial results have been approved by the Board of Directors at their meeting held on July 28, 2009.
- 31 investor complaints from investors received and disposed off during the year ended March 31, 2009. There were no investor complaints outstanding at the beginning or at the end of the year.

- 3) The honorable High Court of Karnataka approved a scheme of arrangement vide its order dated June 16, 2008 ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 of India, which inter-alia resulted in the demerger of the scheduled airline business of KTASL ('Kingfisher Training Aviation and Services Limited') with it, effective April 1, 2008 ('Appointed date'). Previous period's figures are for nine months ended March 31, 2008 while those of current year are for the year ended March 31, 2009. Current year's figures also include the combined operations of the Company and the commercial airline division of KTASL taken over pursuant to Scheme. Hence the same are not comparable. Previous period figures have been reclassified to confirm current year presentation, wherever applicable.
- 4) The Board of Directors of the Company are yet to finalize the Employees Stock Option Plan in respect of the employees of the scheduled airline division undertaking of KTASL demerged with it, pursuant to paragraph 11.1 of the Scheme.
- 5) The company has started its international operations in September 2008. However the aggregate turnover of these operations does not exceed 10% of the total turnover of the company and hence no disclosure of geographical segment information is made.
- 6) On re-examination of the accounting treatment given to maintenance rent payable to lessors in respect of aircrafts taken on operating lease and based on expert opinion, such amounts which were hitherto charged off to revenue as and when they fell for payment in terms of relevant agreements have been treated during the period as recoverable deposits, to be adjusted as and when relevant expenditure reimbursable from the relevant lessors are incurred and/or the agreements are terminated. The Company's revised accounting treatment is further fortified by the fact that certain lessors have accepted stand by letters of credit issued by the Company's bankers in lieu of payment of maintenance rent and have also agreed to refund/ adjust the amounts already paid. Consequently, amounts paid to lessors up to March 31, 2008 (net of expenses reimbursed wherever applicable) have been debited to deposits refundable. But for the said change in accounting treatment, the loss for the year ended March 31, 2009 before and after tax expense would have been higher by Rs. 10,218 million and Rs. 9,855.17 million respectively.
- 7) In line with the practice followed by the scheduled airline business of KTASL taken over pursuant to the Scheme, the Company has changed its method of accounting initial borrowing costs on pre-delivery payments for acquisition of aircrafts taken on lease till the novation / assignment of the right to acquire the same in favor of lessors (aircrafts taken on lease on or after April 1, 2008) by deferring and amortizing the same over the period of the lease. But for the said change, the loss for the year before and after tax expense would have been higher by an estimated amount of Rs. 486.32 million and Rs. 321.02 million respectively.
- 8) The scheduled airline business of KTASL taken over by the Company pursuant to the Scheme considered capital advances made in foreign currency and outstanding on the balance sheet date as a non monetary asset, thereby recording them at historical cost and not restating them at closing rates. On re-examination of the matter and in line with the practice followed by the Company, such advances outstanding as at March 31, 2009 have been restated at closing rates in line with AS 11 and the resultant difference (to the extent they relate to the period after March 31, 2007) has been adjusted in the Profit and Loss Account. But for the said change, the loss for the year before and after tax expense would have been higher by an estimated amount of Rs. 1,903.51 million and Rs. 1,256.51 million respectively.
- 9) Deferred Tax Asset recognized on account of unabsorbed depreciation and business losses for the periods ended March 31, 2009 (12 Months) and March 31, 2008 (9 months) amount to Rs. 5,588,761,517 and Rs. 4,984,997,384. Further, the Company has taken over deferred tax asset of Rs. 6,123,561,344 from KTASL pursuant to the Scheme. The management is of the opinion that there is a virtual certainty supported by convincing evidence against which such deferred tax asset will be realized.
- 10) The Statutory Auditors of the Company have qualified their audit report on the financial statements for the period ended March 31, 2008 regarding the treatment of certain subsidies provided to the Company by one of its suppliers in conjunction with lease of aircrafts on operating lease basis taken during the 15 months ended June 30, 2006. As a result, the loss for the current year is overstated by Rs. 476 lakhs.
- 11) The unutilised IPO proceeds of Rs. 1,465 lacs as at September 30, 2008 have been utilised during the year for Market Development Initiatives.
- 12) The Company has not prepared consolidated financial statements (CFS) as required by the AS 21, since the transactions of subsidiaries during the year were not material.

By Authority of the Board

Mumbai
July 28, 2009

Sd/-
Dr. Vijay Mallya
Chairman & CEO