

KINGFISHER AIRLINES LIMITED

MINUTES OF THE PROCEEDINGS OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, SEPTEMBER 28, 2011 AT 11.30 A.M. AT GOOD SHEPHERD AUDITORIUM, OPP. ST JOSEPH'S PRE-UNIVERSITY COLLEGE, RESIDENCY ROAD, BANGALORE -560 025.

Present:

Dr. Vijay Mallya	Chairman & Managing Director and a Member
Mr. Subhash R. Gupte	Vice - Chairman
Mr. A. K. Ravi Nedungadi	Director
Mr. Anil Kumar Ganguly	Director & Chairman of the Audit Committee
Mr. Vijay Amritraj	Director
Mr. Ghyanendra Nath Bajpai	Director
Mr. Sanjay Aggarwal	Chief Executive Officer
Mr. A. Raghunathan	Chief Financial Officer
Mr. Bharath Raghavan	Chief Legal Officer & Company Secretary
United Breweries (Holdings) Limited	By its authorized representative Dr. Vijay Mallya
Kingfisher Finvest India Limited	By its authorized representative Dr. Vijay Mallya
UB Overseas Limited	By its authorized representative Dr. Vijay Mallya
IQ Bridge Limited	By its authorized representative Mr. A. K. Ravi Nedungadi
And	
176	Members present in Person and
15	Members through Proxy

In terms of Article 100 of the Articles of Association of the Company, Dr. Vijay Mallya took the Chair.

The requisite quorum being present, the Chairman called the Meeting to order.

The Chairman informed the Members that the statutory registers as prescribed and material documents were available for inspection.

NOTICE OF MEETING

With the consent of the Members present, the Notice dated August 25, 2011 convening the Meeting was taken as read.

AUDITORS' REPORT TO THE MEMBERS

The Chief Legal Officer & Company Secretary read out the Auditors' Report to the Members on the accounts for the year ended March 31, 2011.

The Directors' Report, the audited Balance Sheet as at March 31, 2011 and the audited Profit and Loss Account for the year ended on that date were taken as read.

CHAIRMAN'S ADDRESS

The Chairman welcomed the Members and drew their attention on the Chairman's communication dated September 28, 2011 to Shareholders circulated to the Members present at the Meeting. The Chairman apprised the Members regarding the performance of the Company during the financial year 2010-11, general trends in the aviation industry and the prospects for the aviation industry as well as the Company.

TO RECEIVE, CONSIDER AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011 AND THE REPORTS OF THE AUDITORS AND DIRECTORS THEREON

Before moving the resolution from the Chair, the Chairman brought to the attention of the Members that an error had inadvertently occurred in the printed Annual Report. The Chairman then read out the following correction at the Meeting:

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Schedule 19 - Notes to financial statements for the year ended March 31, 2011

Item No. 13 - Related Party Disclosure (Parties identified by the Management and relied upon by the auditors): (contd.)

As per Printed Balance Sheet			Should read as		
Transactions during the year		Holding Company	Transactions during the year		Holding Company
Guarantees given on behalf of the Company for loans taken & other liabilities	Mar-11	1,685,295.00	Guarantees given on behalf of the Company for loans taken & other liabilities	Mar-11	886,355.00

1. The Chairman, thereafter, moved from the Chair the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date and the Report of the Auditors and Directors thereon, be and are hereby received and adopted.”

Before putting the resolution to vote, the Chairman informed that if any Member had any queries / comments on the audited financial statements over and above what had already been addressed in the above-referred communication dated September 28, 2011, they could address these queries at this stage. The Chairman responded comprehensively to various queries raised by the following Members:

1. Dr. B. Ashok
2. Mr. Piyush Shah
3. Mr. Gopalakrishna N. Pai
4. Mr. Sreenath Palasamudram
5. Mr. Dhondiba H Chavan
6. Mr. Vishal Gogi

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

**RE-APPOINTMENT OF MR. GHYANENDRA NATH BAJPAI, DIRECTOR
RETIRING BY ROTATION**

2. The following Resolution was proposed as an **Ordinary Resolution** by Mr. Piyush Shah and seconded by Mr. S. Saravanan:

“RESOLVED THAT Mr. Ghyanendra Nath Bajpai, Director retiring by rotation, be and is hereby elected a Director of the Company.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

**RE-APPOINTMENT OF MR. SUBHASH R. GUPTA, DIRECTOR RETIRING
BY ROTATION**

3. The following Resolution was proposed as an **Ordinary Resolution** by Mr. Badraswamy Gupta and seconded by Mr. Gopalakrishna N. Pai:

“RESOLVED THAT Mr. Subhash R. Gupta, Director retiring by rotation, be and is hereby elected a Director of the Company.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

4. The following Resolution was proposed as an **Ordinary Resolution** by Mr. Piyush Shah and seconded by Mr. Ramanujam B. N.:

“RESOLVED THAT M/s. B. K. Ramadhyani & Co., Chartered Accountants, registered with the Institute of Chartered Accountants of India with Registration No. 002878S, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

SPECIAL BUSINESS

TO INTRODUCE AND IMPLEMENT THE EMPLOYEES STOCK OPTIONS PLAN 2011

5. The following Resolution was proposed as a **Special Resolution** by Mr. S. Saravanan and seconded by Mr. Ramanujam B. N.:

“RESOLVED THAT in accordance with

1. the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, as amended (the “Companies Act”) including any amendments or re-enactment thereof for the time being in force;
2. the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the SEBI ESOP Guidelines”) including any amendment(s) of the Guidelines for the time being in force;
3. the provisions of the Memorandum and Articles of Association of the Company;
4. the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed;
5. the provisions of Foreign Exchange Management Act, 1999, as amended and guidelines, rules and regulations framed thereunder,

and subject to

1. applicable statutes, guidelines, regulations, laws and subject to such approvals, consents, permissions or sanctions as may be applicable of the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India, the Foreign Investment Promotion Board and any other appropriate authorities, institutions or bodies (the “Approvals”); and
2. such conditions as may be prescribed by any of the concerned authorities while granting any such Approvals, which may be agreed to, in its sole discretion, by the board of directors of the Company (hereinafter called the “Board” which term shall be deemed to include the Remuneration & Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution),

the consent, authority and approval of the Company be and is hereby accorded to the Board to introduce and implement an Employees Stock Option Plan 2011 (hereinafter referred to as “ESOP 2011”), the salient features of which are detailed in the Explanatory Statement to this Notice, to create, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such person(s) who are in permanent employment of the Company whether working in India or overseas including Directors of the Company, whether whole-time or otherwise (hereinafter referred to as “Employee” or “Employees”), except employees who are Promoters or belong to the Promoter Group of the Company, under ESOP 2011, such number of equity shares and/or equity linked instruments (including options), and/or any other instruments or securities which could result in issue / allotment of equity shares (hereinafter collectively referred to as “Securities”) of the face value of Rs. 10/- each of the Company, not exceeding 25,000,000 equity shares of Rs. 10/- each and at such price and on such terms and conditions as may be determined by the Board in accordance with the terms of ESOP 2011.

RESOLVED FURTHER THAT the Securities may be allotted in accordance with ESOP 2011 directly to such Employees or through any appropriate mechanism including through an existing trust or a trust or any other entity which may be setup in any permissible manner and that ESOP 2011 may also contain provisions for providing any financial assistance to the Employees / the trust / entity to acquire, purchase or subscribe to the Securities.

RESOLVED FURTHER THAT the number of Securities specified above to be issued / allotted pursuant to this resolution and the price of acquisition payable by the Securities grantees shall be proportionately adjusted in the event of corporate actions such as stock splits / consolidations, rights issues, bonus issues, merger, amalgamation, demerger, sale of division(s) and all such other actions which may call for proportionate adjustment in the number of Securities, without affecting any other rights or obligations of the Securities grantees.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company upon exercise of Securities from time to time shall rank *pari passu* in all respects with the then existing equity shares of the Company including dividend to be declared if any, for the concerned financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all actions and necessary steps for listing of the Equity Shares to be allotted under ESOP 2011 on the Stock Exchanges where the Equity Shares of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchange(s) concerned, the SEBI ESOP Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT the existing Employees Stock Option Plan 2006 (ESOP 2006) be and is hereby discontinued effective September 28, 2011 and no further options shall be granted in terms of ESOP 2006, provided that those options already granted to Employees under ESOP 2006 which have not vested or are validly vested but not exercised under the terms and conditions of ESOP 2006, shall survive and be governed in accordance with the terms and conditions of ESOP 2006.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary to give effect to this resolution and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in this regard without requiring any further consent or approval of the Members of the Company.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

AMENDMENT OF ARTICLE 16(1)(b) OF THE EXISTING ARTICLES OF ASSOCIATION OF THE COMPANY

6. The following Resolution was proposed as **Special Resolution** by Mr. Badraswamy Gupta and seconded by Mr. Venkateswaran Parameshwaran:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 16 (1) (b) of Articles of Association of the Company be and is hereby substituted with the following Article:

“Such offer shall be open for subscription for a minimum period of fifteen days and for a maximum period of thirty days.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

ISSUE AND ALLOT EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH OF THE COMPANY, FULLY PAID UP ON RIGHTS BASIS FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 20,000,000,000/- INCLUSIVE OF PREMIUM

7. The following Resolution was proposed as an **Ordinary Resolution** by Mr. S. Saravanan and seconded by Mr. Sreenath Palasamudram G.:

“RESOLVED THAT, subject to:

- (i) the relevant provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as the **“SEBI Regulations”**),
- (ii) all other applicable laws, rules, regulations and guidelines of the Securities and Exchange Board of India (hereinafter referred to as the **“SEBI”**), Foreign Exchange Management Act, 1999 along with the rules and regulations framed thereunder, as amended from time to time and any other applicable laws, rules, regulations, guidelines, notifications and circulars in force, and applicable provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the stock exchanges where the equity shares of the Company (hereinafter referred to as the **“Equity Shares”**) are currently listed (hereinafter referred to as the **“Stock Exchanges”**),
- (iii) requisite approvals, consents, permissions and/or sanctions of, *inter alia*, the SEBI, the Stock Exchanges, the Reserve Bank of India (**“RBI”**), the Foreign Investment Promotion Board, as may be required, and all other authorities, entities and parties as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction,

the consent, authority and approval of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any committee or committees constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) to create, issue, offer, allot and list on the Stock Exchanges, Equity Shares of face value of Rs. 10/- each, fully paid up on rights basis in such ratio and in one or more tranches, for an aggregate amount not exceeding Rs. 20,000,000,000/- (Rupees Twenty Thousand Million only) inclusive of such premium as decided by the Board (**“Rights Issue”**) to the equity shareholders of the Company whose names appear on the Register of Members or on the list of depositories as beneficial owners, as at the end of the business hours on such date as may hereafter be fixed for the purpose by the Board (hereinafter referred to as the **“Record Date”**) or to such person or persons who may or may not be shareholders of the Company in whose favour (in full or in part), the rights may be renounced by respective shareholders on such terms and conditions, as the Board may in its absolute discretion think fit, in consultation with

the Lead Manager(s) to the Rights Issue and /or such other persons as it may think fit and subject to the terms and conditions as may be mentioned in the Letter of Offer, Abridged Letter of Offer and Composite Application Form (collectively referred to as “Issue Documents”).

RESOLVED FURTHER THAT the details of all monies utilized out of the Rights Issue, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised and the form in which such unutilized monies have been invested.

RESOLVED FURTHER THAT the said new equity shares proposed to be issued pursuant to the proposed Rights Issue shall rank *pari passu* in all respects with the then existing fully paid-up Equity Shares in the capital of the Company including dividend to be declared if any, for the concerned financial year.

RESOLVED FURTHER THAT notwithstanding the above the Board shall be entitled to increase or decrease the size of the Rights Issue, the kind of security to be issued, and vary, modify and alter the ratio of Equity Shares to be issued pursuant to the Rights Issue to the existing Equity Shares and other terms and conditions, as it may deem fit and expedient in the interest of the Company including to extend the time for acceptance of the offer made pursuant to the Rights Issue from time to time, either generally or in respect of any particular applicants or dispose of the same in its absolute discretion to such person(s), whether or not members of the Company and in such manner as the Board may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all decisions relating to the Rights Issue including but not limited to timing for the Rights Issue, final pricing, fixing the Record Date, the size of the Rights Issue, appointment and ratification of appointment of various intermediaries and other advisors for the Rights Issue such as, *inter alia*, lead managers and legal advisers to the Rights Issue, bankers to the Rights Issue, monitoring agency, registrar and printers, decide on the fees and other terms and conditions of appointment of such intermediaries and advisors, to prepare and finalize, along with the legal advisor and the Lead Managers, the draft letter of offer and the Issue Documents, do all requisite filings with SEBI, the Stock Exchanges, and any other concerned authority, to execute all documents and contracts for the Rights Issue, including the Issue Agreement with the Lead Managers, memorandum of understanding with the registrar to the Rights Issue, and underwriting agreement, if any, to determine and finalize the Rights Issue price, approve and confirm the allotment of the Equity Shares pursuant to the Rights Issue and do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, proper, necessary or expedient for, and incidental and ancillary to, the Rights Issue and in the best interest of the Company, without requiring any further approval of the Equity Shareholders.

RESOLVED FURTHER THAT the Board or any official of the Company authorized in writing by the Board shall have all powers and authority to prepare, file, finalize, modify, reapply, redo, make necessary changes and do all such acts, deeds, matters and things that are necessary in respect of the draft letter of offer and the Issue Documents, all approvals thereunder and as required under applicable law, and to approach SEBI, the Stock Exchanges and/or any other statutory authority to submit/resubmit any such documentation in this regard.

RESOLVED FURTHER THAT the Board or any official of the Company authorized in writing by the Board, be and are hereby severally authorized to sign and

execute all documents on behalf of the Company and to do all such further acts, deeds, matters or things as may be required to give effect to above resolutions.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

TO AMEND THE TERMS AND CONDITIONS OF 70,931,985 8% OPTIONALLY CONVERTIBLE DEBENTURES OF RS. 100/- EACH

8. The following Resolution was proposed as a **Special Resolution** by Mr. Bhadrswamy Gupta and seconded by Mr. Piyush Shah:

“**RESOLVED THAT**, subject to:

- (i) the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force,
- (ii) the regulations/guidelines, if any, issued/prescribed by the Government of India, the Securities and Exchange Board of India (“**SEBI**”) (including the provisions of Chapter VII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”)) and the Reserve Bank of India, and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the respective stock exchanges where the equity shares of the Company are listed, and all other concerned and relevant authorities from time to time, to the extent applicable and subject to such approvals of relevant statutory/governmental authorities and subject to such other approvals as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed by any of the above while granting such approvals,

the consent, authority and approval of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to include any committee or committees constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) to amend the terms and conditions of the following 70,931,985 8% Optionally Convertible Debentures of face value of Rs. 100/- (Rupees One Hundred only) each (“**OCDs**”):

Allottee	Number of OCDs held	Distinctive Nos.	
		From	To
Star Investments Private Limited	19,977,570	1	19,977,570
Margosa Consultancy Private Limited	24,970,264	19,977,571	44,947,834
Redect Consultancy Private Limited	25,984,151	44,947,835	70,931,985
Total	70,931,985		

such that, in the event the Company undertakes a rights issue which is to occur prior to 18 months from the date of allotment of the OCDs i.e. prior to 2nd July, 2012, the OCDs shall become redeemable, prior to the expiry of 18 months from the date of allotment of the OCDs, in part or in full and in one or more tranches, at the option of the Board, and in such quantity as may be mutually decided by the Board along with

the holders of the OCDs, provided that the amounts due to the holders of the OCDs upon such early redemption along with interest accrued till the date of redemption shall be appropriated towards subscription to equity shares in the rights issue of the Company by the OCD holders and/or persons acting in concert with the OCD holders, and such amounts shall not be repaid to the holders of the OCDs prior to the expiry of 18 months from the date of allotment of the OCDs, subject to not triggering an open offer under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

RESOLVED FURTHER THAT in the event a rights issue has not opened for subscription or after opening for subscription has not successfully closed during the period of 18 months from the date of allotment of the OCDs as set out hereinabove, the OCDs shall be governed by their original terms of issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized, for the purpose of giving effect to the redemption of the OCDs, to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or appropriate for such purpose, without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any official authorized in writing by the Board (as it may consider appropriate) to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company before any governmental authority(ies)/Depositories/Stock Exchanges or any other regulatory body and to appoint any professional advisers/consultants/legal advisors in that regard.”

The Chairman then put the Resolution to vote on a show of hands and it was declared:

Carried Unanimously.

There being no other business, the Meeting concluded with a vote of thanks to the Chair.

Sd/-

CHAIRMAN