July 09, 2019

IGAL/SECT/07-19/04

To
National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G
Bandra Kurla Complex
Bandra - (E)
Mumbai - 400 051

Symbol: INDIGO

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Scrip Code: 539448

Dear Sir,

Sub : Further disclosure pursuant to sub-regulation (1) of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our disclosure made pursuant to sub-regulation 1 of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, earlier today at 5.26 pm, we are attaching the letter sent to SEBI by Mr. Rakesh Gangwal.

We are also attaching letters dated June 12, 2019 and January 30, 2019 received from other co-promoter and Director of the Company, Mr. Rahul Bhatia, as per his request, such that a full picture is provided.

Thanking you
For **InterGlobe Aviation Limited**

INTERGLOBE AVIATION LIMITED (INDIGO)

Sanjay Gupta
Company Secretary and Chief Compliance Officer

Mr. Ajay Tyagi
Chairman
Securities and Exchange Board of India
Plot No C4-A
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051

July 8, 2019

Mr. G. Mahalingam
Whole Time Member, Investigations Department
Securities and Exchange Board of India
Plot No.C4-A,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051

Mr. Anand Baiwar
Executive Director, Investigations Department
Securities and Exchange Board of India
Plot No.C4-A,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051

Mr. V. S. Sundaresan
Head of Department, Investigations Department
Securities and Exchange Board of India
Plot No C4-A
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Dear Mr. Tyagi, Mr. Mahalingam, Mr. Baiwar and Mr. Sundaresan,

I am a co-founder and a director of InterGlobe Aviation Limited *(**Company** or **IndiGo**)*, a company listed on the Bombay Stock Exchange and National Stock Exchange and along with my affiliates hold approximately 37% shareholding in the Company. Mr. Rahul Bhatia, also a co-founder and a director of IndiGo, along with his affiliates (***IGE Group***) owns almost equal shareholding of approximately 38%. And, a little more than 25% shareholding of the Company is widely held by public shareholders which includes retail shareholders and some of the most well-regarded, marquee, global investors and funds.

IndiGo was founded with the objective of creating an airline to serve the people of India with a world class product and built on foundations of transparency, uncompromising values and principles. The hard work of the employees of IndiGo has paid off. Now, IndiGo is one of the most successful aviation companies in the world and not just in India. However, today, IndiGo is at a watershed moment. It has started veering off from the core principles and values of governance that made IndiGo what it is today.

Having spent more than 30 years working in and leading some of the most reputed airlines in the world, including United Airlines, Air France, and US Airways, I decided to join hands with Mr. Bhatia, a longtime

friend, to build a large air transportation network in India that would make the nation proud. Rooted from a deep trust built over a decade long friendship and with no desire on my part to have any meaningful control of the Company, I entered into a shareholders' agreement that allows Mr. Bhatia unusual controlling rights over IndiGo. Mr. Bhatia has the right (i) to appoint 3 out of 6 directors of IndiGo; (ii) that requires that "*The Chairman of the Board shall be appointed on the nomination of the IGE Group ...*"; (iii) to nominate and appoint the Managing Director, (iv) to nominate and appoint the CEO; and (v) to nominate and appoint the President. These controlling rights give IGE Group, a minority shareholder, significant influence over the decisions of IndiGo and there is nothing wrong in that by itself, provided such influence is used judiciously and with prudence and is in the best interest of the Company. I hadn't contemplated that over the years, Mr. Bhatia would start building an ecosystem of other companies that would enter into dozens of related party transactions with IndiGo. We are not against RPTs as long as proper checks and balances exist and such RPTs are in the best interest of the Company.

Beyond just questionable RPTs, various fundamental governance norms and laws are not being adhered to and this is inevitably going to lead to unfortunate outcomes, unless effective measures are taken today. Allow me to bring to your attention some of the events that demonstrate the collapsing corporate governance standards at IndiGo. These run the gamut of:

- Violations of various corporate governance regulations prescribed by SEBI and violations of the Company's Code of Conduct for Directors and Senior Management.
- In a split vote, the Board taking the decision to not allow an Extraordinary General Meeting of shareholders (EGM) upon being requisitioned by shareholders with approximately 37% of shareholding in the Company and also refusing to cooperate and provide the necessary information for the requisitionists to conduct the EGM themselves despite this right being available under law.
- Board decisions and resolutions on critical matters being implemented without basic governance protocols and laws being followed.
- Significantly diminishing and taking away the authority vested by SEBI to the Nomination and Remuneration Committee *(NRC)* for identifying persons who may be appointed in senior management. This was done by pushing through a Board resolution that now gives IGE Group the right to identify and screen the candidates for Managing Director, the Chief Executive Officer and the President of the Company. And, also the right to propose to the NRC the appointment, the job profile, qualifications and remuneration of such candidates and require the Company's HR organization to provide all necessary support to the IGE Group on these matters.
- IndiGo has since its inception had an "independent director" as its Chairman. However, the provision in the articles of association stating "*The Chairman of the Board shall be appointed on the nomination of the IGE Group ...*" has the real potential to take away the independence of the Chairman. It has been a common practice at IndiGo that IGE Group nominates or "recommends" a single person for appointment as IndiGo's Chairman and, from this candidate pool of only one person, that individual is then appointed and designated as an "**independent director**". While, we aren't questioning the independence of the current Chairman in his decision making, we are questioning the designation of such an individual as "independent". This process of appointing an "**independent Chairman**" at IndiGo is the classic "Hobson's choice" and a sophisticated way to circumvent SEBI rules and avoid the requirement of designating such a Chairman as non-independent which would then have required IndiGo to have a majority of Directors to be independent. It simply does not meet the requirements and spirit of the regulations prescribed by SEBI.

- Not having appointed an independent woman director, a requirement that SEBI gave time to the Company since May 2018 to comply.

The unusual rights available to the IGE Group in conjunction with the lack of diversity and paucity of independent directors in the Board may very well be at the root of why governance matters have taken such a back seat at IndiGo. I request SEBI to look into and, if thought fit, ask the Company to make necessary changes to the unusual controlling rights available to the IGE Group, a minority shareholder with about 38% shareholding. These unusual rights survive even after this coming November when most of the provisions of the current shareholders agreement expire, since, these rights remain embedded in the articles of association of IndiGo and will continue to survive unless the articles are amended by a vote of shareholders holding more than 75% shares. These rights are:

- right to appoint 3 out of 6 directors of IndiGo.
- *"The Chairman of the Board shall be appointed on the nomination of the IGE Group ..."*
- right to nominate and appoint the Managing Director.
- right to nominate and appoint the CEO.
- right to nominate and appoint the President.
- a voting arrangement that requires me and my affiliates to vote alongside the IGE Group on the appointment of Directors.

In the past, Mr. Bhatia has argued that these rights flow from the shareholders' agreement and were disclosed in the prospectus at the time of IndiGo's IPO in 2015. However, times, circumstances and behavior of promoters have changed since 2015. Also, now, SEBI has rightly taken certain positions on these matters and most of these rights are not in accordance with SEBI regulations. Such unusual rights for a minority shareholder needs a fresh look in light of the facts that IndiGo is now a critical national asset, serves almost 50% of the domestic air travelers, the aviation industry in India has regrettably experienced a checkered and difficult financial history and, especially, in the context that these unusual controlling rights seem to be the basis for the various violations of law and governance at IndiGo. The nation can ill afford IndiGo to ever falter.

Attached are letters that we intend to ultimately send to all our shareholders and hold an EGM and shed additional light on RPTs that the IGE Group has engaged in with the Company. These letters stand on their own merits and spell out in detail various governance failures. It is well known that quite a few prominent and important Indian companies have faltered due to, amongst other reasons, lax adherence to corporate governance and weak Board oversight. It is imperative that IndiGo has the confidence of the travelling public, its employees, the shareholders and the various government entities and officials by adhering to the highest level of corporate governance and transparency. We are big believers in the long-term potential of IndiGo and its business and operational model. However, we also firmly believe that IndiGo can only realise its true potential and be a world class company if it has both – a world class business and operational model as well as world class governance standards

Under a separate letter to yourselves, my counsel, Khaitan & Co, have highlighted numerous transgressions by Board members, the IGE Group and the Company that defy governance protocols and flout various SEBI Regulations. In that letter, Khaitan & Co are also providing you numerous troubling Company emails, reports and other material which by themselves establish the facts and list out the various violations of SEBI Regulations and corporate governance.

I have vigorously attempted for almost a year to persuade the Company to shore up its governance standards, and all my attempts have been thwarted by the IGE Group. The Company's and certain Board members constant platitudes that they are "working on these issues ... going forward we will be more mindful ... we have been addressing these issues" have become just words. I am now constrained to seek SEBI's intervention to direct the Company to amend its articles of association to comply with SEBI Regulations, to strictly follow the requirements prescribed by SEBI in letter and in spirit on Board matters and proceedings and to direct the Company to allow for the EGM resolution to be placed in front of all the shareholders of the Company.

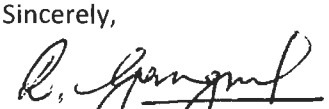
We are grateful to all the whistle blowers who had the courage and wisdom to send information that allowed for this pursuit of almost a year. Without that information it may not have been possible to uncover some of the specifics and facts that formed the basis for the EGM requisition.

Understandably, this issue will become a topic of widespread national discussion, misinformation, speculation or worse. In fact, some of this has started to manifest itself in various media reports and Company management being less than forthcoming in its statements by downplaying the underlying issues. To allay any concerns among various governmental authorities, our customers, our employees and our shareholders that the operations of IndiGo are not impacted or disrupted and, equally importantly, to keep such public and private discourse to the facts, we are sending copies of this letter and its attachments to various regulatory and other entities. However, recognizing the confidential and sensitive nature of the information, the letter being sent under separate cover by my counsel, including the attachments and information sources, is only being submitted to SEBI.

In closing, we recognize that there are influential and powerful people on the Company's Board who will use their position to influence the outcome of the campaign that the RG Group has embarked upon. Their biggest arguments to downplay the issues will be that these are minor "procedural irregularities" and the Company is addressing them. However, we take comfort in the fact that no one is above the law and India is changing for the better. Also, we would like to point out that other retail shareholders, promoters or institutional investors may also face similar issues with other errant, publicly listed companies. Either they do not have the means and resources or lack the internal knowledge and workings of the company to be able to take effective steps to correct the wrongs and, hence, resign themselves to such errant corporate behavior. We believe that our cause is in the larger national interest and not just because of the relevance of IndiGo to the nation. This is a landmark issue and SEBI has the ability to send a clear message to all errant companies to adhere to the spirit and intent of the regulations. Confidence and effective functioning of capital markets is anchored on such principles.

I remain available through my counsels, whose contact details are mentioned below, for any information needed by SEBI.

Sincerely,



RAKESH GANGWAL

Attachment: EGM notice to be sent to shareholders of IndiGo

Contact Details:

Haigreve Khaitan/ Anuj Shah
Khaitan & Co
One Indiabulls Centre
10th & 13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai - 400 013
Email: anuj.shah@khaitanco.com

Copy of this letter also sent to:

1. Shri Narendra Modi, Prime Minister of India, Prime Minister's Office, New Delhi
2. Smt. Nirmala Sitharaman, Minister, Ministry of Finance, New Delhi
3. Shri Piyush Goyal, Minister, Ministry of Commerce and Industry, New Delhi
4. Smt. Nirmala Sitharaman, Minister, Ministry of Corporate Affairs, New Delhi
5. Shri Hardeep Puri, Minister, Ministry of Civil Aviation, New Delhi
6. Shri Arun Kumar, Director General, Directorate General of Civil Aviation, New Delhi
7. Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs, New Delhi
8. BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai

(Dates in this letter and other details such as venue and timing of the EGM will be updated once RG Group receives necessary information from the Company to conduct the EGM on its own)

Dear Shareholders of IndiGo,

It is painful and embarrassing to come to you with a resolution that asks the Board of Directors ("**Board**") of InterGlobe Aviation Limited ("**Company**" or "**IndiGo**") to (i) ensure that the Company and the Board strictly adheres to and ensures adherence from its Directors and Senior Management, including from the nominee Directors of Mr. Rahul Bhatia to the requirements prescribed in paragraphs 3 and 5 of the Company's Code of Conduct for Directors and Senior Management ("**Code**") and to (ii) put in place certain reasonable procedures and safeguards ("**Protocols**") in entering into Related Party Transactions ("**RPTs**") with Mr. Rahul Bhatia and his affiliates (together referred to as, "**IGE Group**").

For almost a year, co-founder and Director, Mr. Rakesh Gangwal has been trying to persuade the Company, the Board and the IGE Group to put in place certain new Protocols for RPTs. These took the form of debates, discussions, proposed Board resolutions, prior EGM requisitions that were withdrawn, numerous legal opinions and so on. Through various technical and legal maneuverings, the IGE Group has continued to thwart all such attempts. In all of Mr. Gangwal's corporate experience and from serving on more than half a dozen quality Boards, he has never seen such disregard of very basic and minimum standards of corporate governance at a company of such relevance and importance as IndiGo. We are not activists and find ourselves thrust into an uncomfortable situation of sharing with all of you some of what we have uncovered so far.

Before we go into the EGM resolution itself (a copy of which is attached), here is some context on the following five issues:

1. Why is this extraordinary general meeting ("**EGM**") being called by the requisitionists and not the Company?

2. Why are we asking shareholders to only recommend instead of mandating the Company to adopt the new Protocols?

3. Questions regarding an Ernst & Young ("**EY**") study that was undertaken at the behest of the Chairman of the Audit Committee.

4. The overarching control that the IGE Group has on the Company and its potential implications on RPTs that it enters into with the Company.

5. Company's non-compliance of SEBI regulations in not bringing onboard an independent woman Director.

A. WHY IS THIS EGM BEING CALLED BY THE RG GROUP?

It is important to understand why, instead of the Company, this EGM is being brought to you by Mr. Rakesh Gangwal, Mrs. Shobha Gangwal and The Chinkerpoo Family Trust (together referred to as, "**RG Group**"), who collectively hold approximately 36% of the paid-up capital of the Company. In addition to the facts set forth in the background to the attached EGM notice, here are recent events leading up to this outcome:

1. On May 22, 2019, the RG Group submitted to the Board a requisition to convene an EGM, asking the shareholders to pass a resolution requiring the Directors and Senior Management of the Company to strictly adhere to the Code, and recommending certain new Protocols that will reinforce and underscore the Company's resolve towards good governance and transparency as well as protect the interests of all its shareholders and stakeholders.

2. As required under applicable laws, the Chairman of the Board called for a Board meeting to be held at 9:30 am on June 5, 2019 to discuss the EGM requisition. All the three Directors nominated by the IGE Group, being Mr. Rahul Bhatia, Mrs. Rohini Bhatia and Mr. Anil Parashar ("**IGE Nominee Directors**") decided to be no-shows for this previously scheduled Board meeting. Due to a lack of quorum, the Board meeting was adjourned. To the best of our knowledge, this has been the first time a Board meeting was adjourned due to lack of quorum. It may be noted that Independent Director, Dr. Anupam Khanna and Promoter Director, Mr. Gangwal made themselves available *via* video conference from different locations in the United States, where the local time was 12:00 am in the morning.

3. As per the Company's articles of association, a new Board meeting was reconvened for 9:30 am on June 12, 2019 which "coincidentally" happened to be the last statutory date by when the Board had to deliberate and make decisions regarding the EGM requisition.

4. On June 12, 2019, a mere six minutes before the scheduled start of the Board meeting, the Secretary of the Company sent an email to Dr. Khanna and Mr. Gangwal, with a "cc" to the Chairman. Attached to the email was a lengthy twenty-one-page, legal opinion obtained from a former Judge of the Supreme Court of India opining that "... *the Board need not call an extraordinary general meeting of the Querist ...*". Surprisingly, printed copies were available at the Board meeting.

5. Interestingly, the Company Secretary did not copy any of the IGE Nominee Directors on his email, which raises questions whether IGE Nominee Directors or any of their representatives or lawyers already had received copies of the legal opinion prior to the Board meeting or were aware of its contents.

6. This legal opinion was signed on June 7, 2019 and for inexplicable reasons it was withheld from some of the Directors until six minutes prior to the scheduled Board meeting on June 12, 2019. This denied sufficient due diligence time and opportunity for Board members to read, reflect upon, and understand the merits of the legal opinion on such a critical matter. As events unfolded subsequently, the merits of this legal opinion are indeed questionable. This action of sharing the legal opinion six minutes before the scheduled Board meeting, while all along the legal opinion was available days earlier, reeks of *mala fide* and disregard of basic corporate governance. It also violates legal requirements that each item of business requiring approval at a Board meeting shall be supported by relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal, and such relevant material facts **shall be given to the Directors at least seven days before the date of the meeting**. Also, the actions are contrary to SEBI regulations which categorically specify that "*In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant **and timely information***".

7. Dr. Khanna, one of the two Independent Directors on the Board, raised questions as to why he was told by the Company Secretary just the evening before the Board meeting that no new developments had taken place regarding the EGM requisition despite the Company Secretary being intimately aware of the legal opinion. Also, the full Board was never consulted or informed that the Company was in the process of obtaining a legal opinion.

8. Moreover, the Board did not even take a break to read the full legal opinion and, after various debates, in a split 4 to 2 decision, voted to not proceed with the EGM requisition.

9. At best, these events either seem to be a remarkable set of "coincidences" or, at worst, a well-orchestrated process of:

   a. no show by the IGE nominee Directors at the first Board meeting on June 5, 2019;

   b. the rescheduled Board meeting of June 12, 2019 "happening" to be the last day by when the Board needed to decide on the EGM requisition;

   c. the legal opinion was signed on June 7, 2019 and emailed only to two directors (with a "cc" to the Chairman of the Board) on June 12, 2019 and only six minutes before the scheduled Board meeting start time;

   d. the legal opinion not being emailed to the IGE Nominee Directors and printed copies being made available at the Board meeting;

   e. violating legal requirements and basic governance norms by not providing Board members timely material facts prior to a Board vote;

   f. the Company Secretary denying just the evening before the Board meeting that no new developments had taken place regarding the EGM requisition in spite of being well aware of the legal opinion that he had already procured;

   g. using the legal opinion and, in a split 4 to 2 decision, the Board deciding to not proceed with the EGM requisition; and

   h. the clock running out, with respect to the statutory timeline of twenty-one days within which a decision on the EGM requisition had to be taken by the Board.

We believe that this whole set of events goes far beyond just poor governance and even a "*paan ki dukaan*" would have handled these matters with more grace. We leave it to the shareholders to make their own assessment of these events.

10. Subsequently, the RG Group obtained a legal opinion on June 13, 2019 on the validity of the EGM requisition from a former Chief Justice of the Supreme Court of India and this legal opinion was shared with the full Board and the Company Secretary on that same day. The former Chief Justice of the Supreme Court of India affirmatively confirmed:

    "The requisition issued by RG Group satisfies the requirement of Indian law and is valid. The board has wrongly taken a stand that they are not obliged to call a meeting of the

shareholders and that, the requisition is invalid ... Even if the board considers the contents of the requisition invalid, which is not even so in the present case for the reasons set out in the opinion, the Board should have put the resolution to the shareholders for voting."

11. An epilogue to these events is capped off by a not very comforting response from the Company:

    a. On June 13, 2019, the requisitionists in an email to the Directors of the Company, asked as to why the legal opinion obtained by the Company was held back and if the IGE Nominee Directors or their representatives or lawyers already had a copy or knowledge of that legal opinion.

    b. Five days later, on June 18, 2019, the Company Secretary responded with the following statements *"The opinion had to be tabled at the Board meeting but since you and Dr. Anupam Khanna were attending the meeting by video-conferencing, the Chairman instructed me to email the opinion to you and Dr. Anupam Khanna just before the meeting for your convenience. The IGE Group Nominee Directors did not have access to the opinion in advance of the meeting, and they were handed out copies of the opinion only a the meeting."*

B. WHY ARE WE ASKING THE SHAREHOLDERS TO ONLY RECOMMEND INSTEAD OF MANDATING THE COMPANY TO ADOPT NEW PROTOCOLS ON RPTS?

1. Many months ago, we had proposed a different EGM resolution to be passed by the shareholders that would have **mandated** the Board to adopt new Protocols for RPTs. However, the IGE Group countered that such a resolution would represent a policy change and would need to be treated as a special resolution and require approval of more than 75% votes of the shareholders voting on the resolution. The IGE Group with more than 25% shareholding could easily defeat any such special resolution, if they choose to do so.

2. We concluded that the adjudication of the issue of whether our earlier EGM resolution would be a special resolution or an ordinary resolution would involve a lengthy litigation of appeals and counter appeals. Therefore, we chose not to go down this tortuous and disruptive path due to the significant, lengthy distraction that it would create for the Company's management and the rank and file employees as well as the cost and time implications for all stakeholders involved.

3. So, we decided to approach the issue with this new EGM requisition that would require strict adherence to the Code and make recommendations to the Board to adopt certain new Protocols for RPTs. Such recommendations require only an affirmative vote of a simple majority of the shareholders voting on the resolution.

4. Importantly, it should not be lost that the adoption of the new Protocols would **not deny** the ability of the IGE Group to enter into RPTs, if they wish to continue to do so. However, they could only do so if certain new Protocols are followed.

5. Given the overarching control that the IGE Group has over the Company, it is imperative that such new Protocols are enduring and can only be amended by a majority of the shareholders in a general meeting.

6. In looking at the facts from 30,000 feet, here are a few limited highlights:

   a. The IGE Group has violated the Code.

   b. Various RPTs with the IGE Group were executed without seeking audit committee approval.

   c. Various RPTs with the IGE Group were executed without seeking competitive bids from third parties.

   d. Various RPTs with the IGE Group have been signed with retrospective effect (back dated).

   e. There have been questionable maneuvers and violations of regulations leading up to the Board's decision to not proceed with this EGM.

   f. Without a meaningful review or discussion of the legal opinion procured by the Company, certain members of the Board used that questionable legal opinion as a shield and decided to not let the EGM proceed.

One could be generous and say that if only one or two of the above events took place, it could be overlooked as "procedural irregularities". Collectively, and along with the wide spectrum of other facts spelled out in the attached EGM notice, these are hardly "procedural irregularities" and shareholders rightly should expect better from the Board.

C. QUESTIONS REGARDING AN ERNST & YOUNG (EY) STUDY THAT WAS UNDERTAKEN AT THE BEHEST OF THE CHAIRMAN OF THE AUDIT COMMITTEE.

1. What were the scope, objectives and full nature of this confidential EY report?

2. Did EY actually read, review and verify the merits of the dozens of historical and current RPTs that the IGE Group has entered into with the Company?

3. Why did the EY report not flag the glaring violations of the Code by the IGE nominee Directors?

4. Why has the EY report not been shared with the full Audit Committee and the full Board to date?

5. In light of the fact that the Company itself was not being mindful of the Code and was itself a counter party in entering into RPTs with the IGE Group, did EY do any independent forensic work in reaching its conclusions? Or, did EY only rely on the Company's inputs and assertions in formulating its report?

6. Astonishingly, why did EY not reach out to Mr. Gangwal to understand his concerns regarding RPTs with IGE Group since it was Mr. Gangwal's intervention that led to this review? Was EY instructed to not reach out to Mr. Gangwal?

7. Was the scope and mandate of the EY study limited to only narrow issues as compared to a broader mandate of looking into the total integrity of RPTs with the IGE Group?

In spite of the inherent shortcomings of the EY report and along with all the other facts that have been uncovered since the EY report was submitted, the Company continues to use the

report and characterize the RPT issues as merely "procedural irregularities." In our view, it simply does not pass muster and it takes the observation of a child to say that *the emperor has no clothes*. Ironically, this EY report was also used by the Company as a basis for the legal opinion that they procured to question the merits of the EGM requisition.

As is well known, all too often errant companies, to suit their own agenda, provide selective disclosures, incomplete information and suppress material facts to well-known consulting firms and prominent legal minds to procure reports and legal opinions that do not address the real issues at hand. These errant firms then go on to justify their decisions by using such reports and opinions as a shield.

D. THE OVERARCHING CONTROL THAT THE IGE GROUP HAS ON THE COMPANY AND ITS POTENTIAL IMPLICATIONS ON RPTS THAT IT ENTERS INTO WITH THE COMPANY.

1. IGE Group has controlling rights including the right to (i) nominate 3 out of 6 Directors of the Company, (ii) nominate and appoint the Managing Director, (iii) nominate and appoint the Chief Executive Officer, and (iv) nominate and appoint the President of the Company. Also, there is a provision in the articles of association of the Company which says *"The Chairman of the Board shall be appointed on the nomination of the IGE Group ..."*

2. Over and above this, the IGE Group has nominated management executives in some of these key positions as well as Directors to the Board without classifying them as IGE Group nominees. In these instances, the IGE Group nominated only a single candidate for each key vacancy and in spite of various Board debates to seek the help of search firms and have more than a single candidate for consideration, the IGE Group has prevailed in such appointments by virtue of their Board voting numbers. And, technically such individuals are then classified as independent executives / Directors and not nominees of the IGE Group.

3. Either because each such candidate was qualified or because the RG Group didn't anticipate that the candidates may be sympathetic to the interests of the IGE Group over the interests of the Company or for harmony and peace, the RG Group has voted affirmatively for each of these nominations from the pool of one candidate for each such position. Of course, while such nominated, but non-nominee, individuals may function independently, there certainly is the clear possibility that such individuals have some allegiance to the IGE Group which then could create a conflict of interest in their decision making.

These controlling rights give IGE Group significant influence over the decisions of the Company and there is nothing wrong in that by itself, provided it is exercised judiciously and with prudence and is in the best interest of the Company. Our concern is that such overarching control over the Company by the IGE Group should not become a vehicle for them to enter into RPTs with the Company in the manner that may have taken place. Accordingly, it is important to put in place common sense procedures and safeguards in entering into RPTs with the IGE Group. To avoid airing more awkward issues than necessary, we point out an example of a relatively smaller, existing RPT with the IGE Group that may provide some insight on our concerns. IndiGo's primary office space, in Gurgaon, has over the years been rented from IGE Group entities. This year, the lease rental agreements were to expire and, possibly due to all the intense scrutiny on RPTs, the Company also entered into extensive negotiations with other third parties for office space. The final outcome of such negotiations was that the Company has now entered into a new, multi-year, lease agreement with the IGE Group entities.

However, instead of the lease rates logically increasing at renewal, the new lease rates going forward are now lower by more than 25% compared to what the Company was paying historically for years to the IGE Group entities. These facts speak for themselves. To the best of our knowledge such competitive bidding was not entered into when the original lease agreement was entered into with the IGE Group entities years ago.

E. THE COMPANY'S NON-COMPLIANCE OF SEBI REGULATIONS IN NOT APPOINTING AN INDEPENDENT WOMAN DIRECTOR

Recently, "unnamed sources" stated in the media that the RG Group is trying to take control of the Company or that it does not want to honour the current shareholders agreement. In response, on May 18, 2019, the Company issued a press release with statements from Mr. Gangwal and clarified that there is no such intent on the part of the RG Group. Let us shed some light on what has transpired since then.

First, as background, let us point out the following three issues - (i) currently, there are six directors in the Company – three IGE Group nominee directors, one RG Group nominee director and two Independent Directors; (ii) the Company is in violation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and does not have an independent woman Director; and (iii) currently, there exists a complex shareholders agreement between the two promoters which expires this November, 2019, except for a requirement that the RG Group will have to continue to vote in favour of certain nominees that may be proposed by the IGE Group in the future.

During Board meetings on May 27 and 28, the need to urgently appoint an independent women director and put in place new Protocols for RPTs again came up. In an attempt to resolve all these outstanding issues, the RG Group made a significant gesture along the following lines: (i) an independent woman Director would be brought onboard as soon as possible; (ii) the IGE Group would be allowed to increase its nominee director numbers from its current strength of 3 directors (50% representation) to four directors (57% representation); (iii) the RG Group would only retain the current one nominee director; (iv) new Protocols proposed by the RG Group for RPTs would be put in place; and (v) post November 2019, the requirement that the RG Group will have to continue to vote in favour of certain nominees that may be proposed by the IGE Group in the future would need to be dropped. Given the actions of the IGE Group on governance issues, the RG Group is extremely uncomfortable at being forced to vote alongside them and, especially, if it is not in the best interest of the Company. It should be noted that the IGE Group would still retain its rights to nominate and appoint 4 (under the new proposal) directors, the Managing Director, the CEO and the President since IGE Group has more than 25% shareholdings in the Company and would prevail in any special resolution attempting to change this provision in the articles of association.

We sincerely believed that the above comprehensive proposal was in the best interest of the Company to move forward and in no way could be construed that the RG Group had any plans to try and take control of the Company. However, this significant compromise by the RG Group has been twisted around and, in the interest of staying focused on the RPT issue, we have withdrawn that proposal.

Separately, we continue to support the induction of an independent woman Director. The lack of diversity and paucity of Independent Directors in the Board may very well be at the root of why governance matters have taken such a back seat at IndiGo. Also, we are in complete agreement with a recent letter, dated June 27, 2019, received by the Board, from a large institutional investor, referring to the lack of an independent woman Director and asking the

Board to consider adding additional high-quality Independent Directors without making the Board unwieldy.

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We are grateful to all the whistle blowers who had the courage and wisdom to send information that allowed the requisitioners to pursue this quest for almost a year. Without that information and their support, it may not have been possible to uncover some of the specifics and facts that allowed us to pursue this requisition. Unquestionably, we are big believers in the long-term potential of IndiGo and its business and operational model. However, we also firmly believe that IndiGo can only realise its true potential and be a world class organization if it has both – a world class business and operational model as well as world class governance standards.

As recently as June 24, 2019, in an interview with CNBC-TV18, the Company CEO discussed the issue of RPTs with IGE Group and made assertions such as *"It is an administrative issue. It is not airline related. We are following compliance to the law. It is going to be such a minutiae event."* It is startling to hear that RPTs between the Company and IGE Group are administrative issues and not an airline issue. Moreover, to also claim that there are no compliance issues and it is minutiae, in the face of all that has been uncovered, raises troubling credibility issues. We sincerely hope that the CEO, who was nominated by the IGE Group but not classified as a "nominee CEO of the IGE Group", is not in some way conflicted on this issue. We expect the IGE Group to not address the facts and contents of this EGM notice and instead question the RG Group's motivation for proposing this EGM and try to distract, raise conspiracy theories, raise hidden agendas, make ad hominem attacks, etc. For us, it is a small price to pay given what is at stake.

Sincerely,

(To be signed once RG Group receives necessary information from the Company to conduct the EGM on its own)

Rakesh Gangwal

22 May, 2019

The Board of Directors
InterGlobe Aviation Limited
Central Wing, Ground Floor
Thapar House
124 Janpath, New Delhi – 110 001

Copy:

Sanjay Gupta
Company Secretary
InterGlobe Aviation Limited
Central Wing, Ground Floor
Thapar House
124, Janpath, New Delhi - 110 001

Ronojoy Dutta
Chief Executive Officer
InterGlobe Aviation Limited
Central Wing, Ground Floor
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Priya Mehra
General Counsel
InterGlobe Aviation Limited
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124 Janpath, New Delhi - 110 001

Rohit Philip
Chief Financial Officer
InterGlobe Aviation Limited
Central Wing, Ground Floor
Thapar House
124 Janpath, New Delhi - 110 001

Dear Members of the Board,

Sub: Requisition to convene an Extraordinary General Meeting of the shareholders of InterGlobe Aviation Limited (IndiGo).

1. We are shareholders of InterGlobe Aviation Limited. As on the date of this letter, we collectively hold more than 36% of the paid-up share capital of InterGlobe Aviation Limited.

2. Under Section 100 of the Companies Act, 2013 and Rules framed thereunder, we submit this requisition to you to convene an extra-ordinary general meeting of the shareholders of

InterGlobe Aviation Limited in the manner prescribed under applicable law to pass the resolutions set out in the **Annexure** hereto.

Thanking You,

R. Gangwal

RAKESH GANGWAL

S. Gangwal

SHOBHA GANGWAL

Victoria Burk, Vice President

VICTORIA BURK FOR JP MORGAN TRUST COMPANY OF DELAWARE AS CO-TRUSTEE FOR THE CHINKERPOO FAMILY TRUST

Shobha Gangwal

SHOBHA GANGWAL AS CO-TRUSTEE FOR THE CHINKERPOO FAMILY TRUST

ANNEXURE

ADHERENCE TO THE COMPANY'S CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT AND TO RECOMMEND ADDITIONAL PROCEDURES AND SAFEGUARDS FOR RELATED PARTY TRANSACTIONS WITH IGE GROUP

The shareholders of InterGlobe Aviation Limited pass the below resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to: (a) Section 100 of the Companies Act, 2013, (b) Regulation 17 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, and (c) other provisions of applicable law, InterGlobe Aviation Limited (**"Company"**) and the Board of Directors of the Company shall strictly adhere to and ensure adherence from its Directors and Senior Management, including from the nominee Directors of IGE Group (**"IGE Group"** as defined in the Articles of Association of the Company), to the requirements prescribed in paragraphs 3 and 5 of the Company's Code of Conduct for Directors and Senior Management, as in place and effective as on 22 May, 2019 (**"Code"**). In accordance with paragraph 5 of the Code, along with the requirement from Directors and Senior Management to avoid any related party transaction (**"RPT"**) with the Company, any RPT with the Company's Directors and Senior Management or any company in which they are interested or play a significant role, shall be entered into only if such RPT is unavoidable and after proper and fullest disclosure of such RPT has been made to the Board of Directors of the Company. Excerpts of paragraph 3 and 5 of the Code are reproduced below:

Paragraph 3 of the Code states, *"The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices."*

Paragraph 5 of the Code states, *"They should avoid transacting company business with their relative or with a firm / company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board of the Company."*

RESOLVED FURTHER THAT the shareholders of the Company recommend to the Board of Directors and to the Audit Committee to implement the objectives and principles of the following additional procedures and safeguards for the Company to enter into, renew or amend any RPT with the IGE Group:

(a) An RPT should only be entered into if it is demonstrably and quantifiably in the best interest of the Company. Moreover, such RPTs should only be entered into after seeking competitive bids from qualified third-party vendors and the Company having engaged in good faith negotiations with such vendors.

(b) In seeking consent of the Audit Committee for any RPT with the IGE Group, the senior most official(s) of the Company involved in negotiating such RPT and the Chief Financial Officer of the Company should submit a "Management Report" documenting (i) detailed comparisons of commercial terms and conditions offered by the IGE Group and the other vendors; and (ii) reasons for recommending and concluding that the said RPT is unavoidable and is in the best interest of the Company.

(c) The Audit Committee should directly engage an independent and reputed firm knowledgeable in such services / products to opine whether the services / products contemplated under such RPT are not available from third parties under more favourable economic terms and conditions and to represent that such RPT is at arm's length. In case the Audit Committee

decides not to engage such a firm, it should record its reasons for not doing so.

(d) Upon being satisfied that the proposed RPT with the IGE Group is unavoidable and is in the best interest of the Company, the Audit Committee should provide to the Directors of the Company, details of such RPT along with the Management Report and, if available, the independent firm's findings to meet the requirement of the Code for proper and fullest disclosure.

(e) Any Director(s) of the Company, other than the IGE Group nominee Directors, may provide comments or recommendations within 7 business days after the date of receiving the information on such RPT, and the Audit Committee should consider those comments or recommendations before approving that RPT. If the Audit Committee takes a decision contrary to the comments or recommendations by any of the non-IGE nominee Director(s), the Audit Committee should record its reasons for such deviation.

(f) The Audit Committee should re-examine all existing RPTs with the IGE Group and take necessary actions as it may deem appropriate, including modification, termination or re-negotiation of such RPTs that meet the following criteria (i) where no competitive bids were solicited from third parties; or (ii) where no formal written contract exists; or (iii) where approval of the Audit Committee was not received.

(g) Except those conditions applicable pursuant to law, an RPT with the IGE Group could be exempt from these procedures, provided the payments involved in aggregate in a financial year is below INR 50,00,000 for that specific RPT.

(h) The Company should put in place necessary processes to allow for orderly and timely negotiations with third parties and avoid a "last minute" situation where it may become unavoidable to enter into an RPT with the IGE Group because of lack of time.

(i) The above recommended additional procedures and safeguards (or as reasonably modified) adopted by the Audit Committee and the Board should remain in force, unless amended by a majority of the shareholders in a general meeting.

For the benefit of the shareholders, the following background is provided:

1. In the Code of Conduct for its Directors and Senior Management (**"Code"**), the Company has thoughtfully and consciously adopted certain standards of corporate governance that are over and above the minimum requirements under the law to ensure transparency and integrity in its operations and business dealings. Shareholders view such a Code, including paragraphs 3 and 5 as stated above, favourably and expect that the Code is adhered to strictly and not used as a window dressing. Any future dilution of the stipulations under paragraphs 3 and 5 by the Board and / or the Audit Committee by amending the Code would be viewed dimly by Shareholders and raise significant issues regarding governance.

2. The IGE Group has entered into numerous RPTs with the Company. Most, if not all, are in contravention and disregard to the Code on account of (i) the nominee Directors of the IGE Group not adhering to the requirements of paragraph 5 of the Code, and / or (ii) lack of establishing and documenting the fact that such RPTs were unavoidable; and / or (iii) lack of proper and fullest disclosure to the Board. If the Directors and Senior Management do not adhere to the spirit and the letter of the Company's Code, it is unreasonable to expect that the general employee group of the Company would adhere to the Company's Code of Conduct for

its employees.

3. The IGE Group has argued that, *"RPTs are neither of any magnitude nor of any materiality for the Company.... monetary payment under RPT is less than 1% of the total consolidated turnover of the Company."* These are abhorrent arguments since we are a publicly listed Company and IGE Group should not use materiality thresholds as boundaries or a "*Lakshman Rekha*" to seek sanctuary as well as justify and potentially seek any unfair advantage for any amount whatsoever and at the expense of other shareholders.

4. IGE Group, as a minority shareholder of the Company, has unusual controlling rights including the right to (i) nominate 3 out of 6 Directors of the Company, (ii) nominate and appoint the Managing Director, (iii) nominate and appoint the Chief Executive Officer, and (iv) nominate and appoint the President of the Company. **While these controlling rights give IGE Group the ability to significantly influence the decisions of the Company, it should not become a vehicle to enter into RPTs that are in violation of the Code and/or not in the best interest of the Company.** We are concerned that the Company may not or is unable to apply the same level of rigour vis-à-vis its RPTs with the IGE Group as it otherwise applies with other third parties, such as extensive negotiations, entering into written contracts prior to availing services / products, obtaining competitive bids or enforcing its rights in case of service or performance shortfalls.

5. In response to a query from the then Chairman of the Board to point out concerns regarding RPTs with the IGE Group, on November 12, 2018, Rakesh Gangwal, responded with his concerns and copied all board members and the Company Secretary. Till the appointment of the current Chairman of the Board on January 24, 2019, neither Mr. Bhatia, during his tenure as the interim CEO, nor the Company responded to those queries or briefed the full Board regarding any plans or actions to address those issues. Some of the concerns and issues raised were:

   (a) How many contracts or arrangements has the Company entered in to with IGE Group entities without sending out a RFP to other providers of similar services?
   (b) How many contracts or arrangements has the Company entered into with IGE Group entities where the agreements were signed after the commencement of service by IGE Group and the agreements were made effective retroactively?
   (c) How many contracts or arrangements has the Company entered in to with IGE Group entities that do not exist in writing, ...?
   (d) How many contracts or arrangements has the Company entered into with IGE Group entities without the Audit Committee and/or Board approval?
   (e) How many contracts or arrangements has the Company entered into with IGE Group entities which have known service shortfalls or other known deficiencies that the Company is aware of and is not pursuing with the IGE Group entities?

6. At a Board meeting it was agreed and the then Chairman directed Company management to "*evaluate and examine the RPTs and then propose a robust procedure with strong control measures to deal with RPTs.*" However, at a later date, Mr. Bhatia interfered and objected to the independent director's decision and proposed his own process and scope for review of RPTs between the Company and the IGE Group. Mr. Bhatia in his then demand (i) wanted to limit the Board's choice on firms who could conduct a review of RPTs between the Company and IGE Group to firms from the Big 4 audit firms, (ii) on confirmation of the Chairman on the name of one of those firms, Mr. Bhatia himself, as the interim CEO of the Company, would appoint that firm to review RPTs with the IGE Group, and (iii) limit the scope of such reviews

to whether the RPTs were duly approved in accordance with applicable law and whether the RPTs were on arm's length basis. In our view, IGE Group's interference and involvement in the Board's independent review of the Company's RPTs with IGE Group is inappropriate and violates basic norms of corporate governance and checks and balances. It is a well-known fact that the aviation industry has unique industry specific contracts and to determine whether such contracts are appropriate and in the best interest of the Company, an audit firm (including the Big 4 firms) may or may not be the best firm for such a task. The decision on which type of firm's expertise is needed to review potentially questionable RPTs should be taken by "un-interested" Directors of the Company and without any interference from the IGE Group. Further, in our view, Mr. Bhatia's intervention and demand defeats the whole purpose of an independent review. And, it denies the Board the ability to investigate what may have transpired historically with respect to RPTs with the IGE Group and to prescribe robust procedures with strong control measures to deal with RPTs with the IGE Group.

7. Subsequently, and without the benefit of any Board deliberations, the then Chairman of the Board for reasons unknown sent an email agreeing with many of Mr. Bhatia's demands on how a review of RPTs with the IGE Group could be conducted on a more limited basis.

8. This January 30, 2019, Mr. Rahul Bhatia wrote to the Board stating *"It may be noted that all RPT till date, that the RG Group proposes to be re-examined and, if required, terminated or re-negotiated, were on arm's length basis, and in the ordinary course of business and duly and unanimously approved by the Audit Committee/ Board of the Company in compliance of law."* An assertion that is in contradiction with the findings of the Ernst & Young review that was conducted at the behest of the new Chairman of the Board at a later date.

9. A new Chairman of the Board was appointed with effect from January 24, 2019. At the request of the new Chairman, the Company had engaged Ernst & Young (EY) to conduct a review of the RPTs. Based on EY's report, the Chairman mentioned that while the report did not seem to point to any substantive irregularity regarding the transactions themselves, the following procedural irregularities were noticed:
   - Some agreements with related parties had been put in place without seeking the approval of the Audit Committee.
   - Some agreements were executed before the approval of the Audit Committee.
   - Some agreements were extended, without any changes in the terms and conditions, but without such extension having been approved by the Audit Committee.

   The requisitioners of this EGM find it difficult to internalise these findings as "procedural irregularities", especially if it means that the Audit Committee becomes marginalised when RPT agreements with the IGE Group are put in place without the Audit Committee's approval. To the knowledge of the requisitioners of this EGM, other than the Chairman, as of 22 May, 2019 no other Board member has had access to this confidential EY report or are aware of the specific objectives or the full nature of review performed by EY on this issue.

10. Also at the March 4, 2019 board meeting, the Board asked management to review certain types of RPTs and propose a process for dealing with existing and future RPTs and the CEO accepted the responsibility and stated that *"though the management cannot redress the past, it was committed to put in place a robust process for consideration and approval of the RPTs."*

11. Based on information received by the requisitioners of this EGM from unknown whistleblowers, and subsequent to the comments by the Chairman on the EY report, at a later date, the requisitioners of this EGM raised numerous questions and issues regarding RPTs with

the IGE Group. In response, the Company acknowledged that:

- Numerous RPTs entered with the IGE Group were done without seeking any competitive bids from third parties.
- *"The Company hired third parties to provide arms' length representations on RPTs ... primarily to meet Income tax requirements for transfer pricing. From April 01, 2016 onwards, third party representations were provided only for International transactions as the tax requirements changed and these representations are no longer required for domestic transactions".*
- *"We have quite a few transactions that have been signed with retrospective effect".*

At this time, it is not known to the requisitioners of this EGM as to why these serious and troubling issues related to RPTs with the IGE Group were not identified by EY in their confidential report to the Chairman.

12. In spite of his earlier commitment, the CEO, on April 18, 2019, stated that *"... while various proposals were made for making changes to our RPT process, we ultimately could not reach consensus on a changed RPT process."* It is remarkable that approval from the IGE Group is being sought to establish procedures and safeguards related to RPTs that the Company enters into with the IGE group itself.

13. And, as recently as May 18, 2019, in responding to whether differences exist between the promoters and in spite of all the acknowledged facts that have now come to light, the CEO, who was nominated by the IGE Group, wrote to Rakesh Gangwal saying *"I have to tell you I have looked high and low on RPTs and there is no smoking gun."*

14. The Company has taken a questionable legal position that IGE Group's nominee Directors are not "interested parties" and thus are entitled to vote on Board resolutions proposed by Rakesh Gangwal, Director, to prescribe procedures and safeguards for the Company to enter into any RPTs with the IGE Group. This questionable position on the part of the Company has now necessitated the need to call for an extraordinary general meeting of the Company's Shareholders to address this this issue.

15. The IGE Group's controlling rights to (i) nominate 3 out of 6 Directors of the Company, (ii) nominate and appoint the Managing Director, (iii) nominate and appoint the Chief Executive Officer, and (iv) nominate and appoint the President of the Company give IGE Group the ability to significantly influence the decisions of the Company and so far they have thwarted multiple attempts to introduce additional procedures and safeguards for the Company to enter into any RPTs with the IGE Group. The requisitioners of this EGM believe that the passage of this resolution should go a long way to fortify the resolve in the Board room to do what is in the best interest of the Company and for all its shareholders.

16. The Audit Committee has the right to reject the shareholders' recommendations to adopt the above-mentioned additional procedures and safeguards relating to RPTs. However, in light of the acknowledged facts that have surfaced so far, it would behoove the Audit Committee to do what is in the interest of all its shareholders and to not take on the onus of having to defend later why they missed this opportunity to put in place common sense RPT procedures that would strengthen the Company.

17. Under the assumption that this EGM requisition is passed by the Shareholders, and that the Audit Committee and the Board put in place a new RPT process for the Company, we urge the

Audit Committee and the Board (i) to not just make cosmetic or optical changes to the current RPT process and/or (ii) to not just meet bare minimum requirements of the law. In light of all the acknowledged facts regarding RPTs with the IGE Group, it is incumbent on the Audit Committee and the Board to go the extra steps and put in place "robust procedures with strong control measures" which can subsequently only be modified or diluted by a majority vote of all the Shareholders.

18. In an attempt to intimidate and muzzle the requisitioners of this EGM and in response to a proposed prior EGM resolution request on these types of issues, Rahul Bhatia and the IGE Group wrote to the Company stating, "*We further demand that the RG Group be held liable for any loss or other consequences to the Company and the Shareholders as a result of the RG Group's action, ...*". Such threats only fortify our resolve to speak up and do the right thing because there is a much more important issue involved here. If in our unique position as insiders of the Company we don't stand up, how can anyone else?

19. Of late, there has been wide spread media reports citing unnamed sources that the requisitioners of this EGM are seeking to take control of the company. We are categorically and unequivocally stating that there is no interest or desire whatsoever on our part to take control of the Company. However, we are highly motivated to shore up and avoid the potential collapse of corporate governance standards in the Company.

20. **The proposed procedures would still allow the IGE Group to engage in RPTs with the Company, provided, certain common sense protocols are followed and such RPTs are in the best interest of the Company**. So, it is troubling to see the IGE Group mount such a fierce effort to prevent common sense additional procedures and safeguards for the Company to enter into RPTs with the IGE Group.

21. The aviation industry in India has a checkered and difficult financial history. Also, it is commonly known that quite a few prominent and important Indian companies have faltered due to, amongst other reasons, lax adherence to corporate governance, not adhering to the Company's own code of conduct and weak Board oversight. Given that IndiGo is now viewed as an important national asset and serves almost fifty percent of the domestic air travelers, it is imperative that IndiGo has the confidence of the travelling public, its employees, the shareholders and the various government entities and officials by adhering to the highest level of corporate governance and transparency in its operations and financial transactions. The proposed resolution asks the Directors and Senior Management to adhere to the Company's Code of Conduct and recommends reasonable procedures and safeguards that will reinforce and underscore the Company's resolve towards good governance and transparency as well as protect the interests of all its shareholders and stakeholders.

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June 12, 2019

The Board of Directors
InterGlobe Aviation Limited
Central Wing, Ground Floor
Thapar House, 124 Janpath
New Delhi – 110 001

Copy to:

Mr. Sanjay Gupta
Company Secretary
InterGlobe Aviation Limited
Central Wing, Ground Floor
Thapar House, 124 Janpath
New Delhi – 110 001

Subject: Requisition of the RG Group dated May 22, 2019 to convene an Extraordinary General Meeting (the "Requisition") of the Shareholders of InterGlobe Aviation Limited ("Company")

Dear Members of the Board:

1. I, as a Director of the Company and as a representative of the IGE Group, object to the unlawful and misplaced Requisition.

2. For the sake of brevity, I do not intend to respond sentence by sentence to the Requisition and reserve my rights to do so if the need arises. While I will in the ensuing paragraphs counter the false, frivolous, and misleading stand of the RG Group concerning related party transactions (RPTs) entered into between the Company and the IGE Group, I would like to however emphasize that the RPTs' issue have an underlying context. And that is, the real motivation and intent of the RG Group. It has now more clearly emerged that the real agenda of the RG Group is to dilute and diminish the controlling rights of the IGE Group and to relieve itself from its obligations under the Shareholders' Agreement ("**SHA**") and the Articles of Association ("**AoA**") which ensure implementation and enforcement of the IGE Group's controlling rights. And in that campaign, the red herring issue of RPTs is nothing more than a publicity seeking device to attempt to tarnish the reputation of the IGE Group and to position the RG Group as a saviour of the Company against alleged pillaging by the IGE Group.

3. I have highlighted in previous correspondence that the genesis of Mr. Gangwal's angst lies elsewhere – the refusal of the IGE Group to succumb to his unreasonable demands to dilute the IGE Group's controlling rights; and the hurt ego of Mr. Gangwal on realizing that upon his refusal to lend his hand in the Company's ongoing negotiations with Original Equipment Manufacturers (OEMs), the Company had proceeded to make alternate arrangements for the

purpose. In hindsight however, the Company will remain eternally grateful to Mr. Gangwal for having attempted to hold the Company's business to ransom (by purposely delaying the ongoing negotiations with OEMs), as this paved the way for the Company to institutionalize an area of operations which Mr. Gangwal had kept as his exclusive preserve (to serve his far-sighted motive which has now become abundantly evident). After the flop show of his first similar requisition made in January 2019, Mr. Gangwal comes back with the second act of his theatrical production. The script of the play stands exposed even more starkly as Mr. Gangwal makes innocent fig leaf statements of standing by and honouring the SHA and being a crusader of corporate governance. Forget the volumes of earlier correspondence. Just look at the two emails, both dated May 29, 2019, of Mr. Gangwal addressed to each of the Board members and the senior management of the Company. He unabashedly and shamefully sets out his agenda "package". He makes it clear that his offer to expand the Board to eight members – necessitated by regulations requiring a Woman Independent Director – and one additional nominee of the IGE Group, will be subject to the RG Group being relieved of its obligations under the SHA (which he says will expire in October 2019 anyway) but also under the AoA by en masse deletion of Articles deemed inconvenient by him. And the policy on RPTs – which Mr. Gangwal pretends to be a precious principled issue for him – also finds a place in his "proposal package". The IGE Group nominee Directors were constructively engaged in discussing the policy and processes on RPTs without being influenced by any other considerations in the belief that such policy should be reviewed irrespective of any other matters. It was Mr. Gangwal who created the "package" of sweeping changes to the founding principles of the Company and other conditionalities around the RPTs' policy discussion (including a silly proposal for US Tax Filing Information Agreement), which led to the IGE Group nominee Directors to desist from further deliberations.

4. The irony is that in the Board Meeting of March 4, 2019 (the first meeting under the chairmanship of Mr. Damodaran, Independent Director appointed in January 2019), extensive discussions were held on the policy for RPTs, as recorded in the minutes of the meeting. This included a determination by the Board, in the context of award of RPTs, that "unavoidable" meant "being in the best interest of the Company". Next steps were identified which, even as of today, are under implementation. Four months' time was given to the Management to come up with detailed procedures for consideration of the Board. The newly constituted Audit Committee met on April 11, 2019 and the minutes of that meeting record detailed deliberations of the Committee on each of the RPTs brought before it including the arm's length nature of the transactions and Management's belief that these RPTs were in the best interest of the Company. The Audit Committee at its meeting unanimously approved all RPTs brought before it (except one item on Flight Training Services Agreement which was also subsequently approved on May 27, 2019). In the Board Meeting of May 27, 2019, the minutes of the Audit Committee were presented and noted with no comments or observations being made by Mr. Gangwal on either the credibility of the procedure followed by the Management and the Audit Committee or its decisions. And this in the scenario where five days earlier Mr. Gangwal had issued the Requisition. The Requisition is redundant in view of the steps already undertaken and the practices already adopted by the Company.

5. I would have liked to rest my case here. However, it is imperative that the Members of the Board appreciate the sequence of events that followed the withdrawal by Mr. Gangwal of his first notice of requisition to lift the veil and expose his machinations, motivation, and intent.

6. In the Board meeting held on March 4, 2019, the Chairman informed the Board that he had sometime back requested the Management to engage one of the Big Four Firms to conduct an independent review of RPTs. Ernst & Young (EY) were appointed to review the RPTs in force for the past five years. The Chairman noted from the EY report that there are no substantive irregularities regarding the transactions themselves, but only certain procedural irregularities were noticed. Had EY's review disclosed that any RPTs were not at arm's length or not in the ordinary course of business, that would have been highlighted. From the IGE Group's perspective, it is imperative that no contracting entity from its Group should take undue advantage and the pricing and other terms and conditions must be completely on an 'arm's length basis. The fact is that the Company has received the most favored treatment in each RPT. As to procedural matters, the Company should comply with requisite procedures - and that is an internal matter for the Secretarial and Finance functions of the Company. The IGE Group does not have a role to play in those.

7. Nonetheless, the Chairman proposed a methodology for the review of such transactions which included constitution of an internal committee comprising the CEO, the CFO, the Company Secretary and the General Counsel to examine RPTs and make its recommendations to the Audit Committee within a period of four months. The Board further accepted a shorter time frame suggested by Mr. Gangwal and advised the Management to place a draft of the process for dealing with current and future RPTs before the Board around April 15, 2019.

8. On March 4, 2019, immediately after the Board meeting, Mr. Gangwal circulated a proposed process flow chart as a recommendation to the management committee for the approval process of RPTs.

9. On April 4, 2019, the Management submitted to the Board its version of the process flow for review by the Board. Mr. Gangwal, in his email of April 10, 2019 addressed to the Chairman of the Board, to provide his suggestions, acknowledged that the Board and the Audit Committee are working towards putting in place robust procedures for RPTs. It must be noted that the proposed process flow chart covered all the points mentioned in clauses (a) to (i) of Mr. Gangwal's current version of the Requisition (showing that the Board members and the Management were giving due consideration to the suggestions made by Mr. Gangwal). Three directors, Mr. Gangwal, Dr. Anupam Khanna and Mr. Anil Parashar provided their comments to the process flow.

   I also separately provided my comments expressing concerns that (a) the appointment of independent firms should be the Audit Committee's option; and (b) that it is not correct to have a unanimous vote to amend the RPT Policy because that gives veto rights to a Director, thereby usurping the basic right of the Board of Directors to act independently.

10. As the Board is aware, on May 15, 2019 and May 16, 2019, various press reports appeared in newspapers and news channel regarding potential disagreement between the two promoters. The CEO, in order to dispel these speculations, released a press statement on May 18, 2019. It was in this press release that the CEO with the authority of Mr. Gangwal made the following statement on his behalf:

    "I am categorically and clearly stating that there is in no interest or desire whatsoever on the part of the RG Group to take control of the company. Also, to put to rest the messaging on the fact that the RG Group is attempting to renegotiate the Shareholders' Agreement. I am placing on record that the RG Group stands by the current SHA which, in any case, expires this October." (sic)

11. Therefore, Mr. Gangwal clearly stated his position to stand by the current SHA. Although Mr. Gangwal said that the SHA expires in October 2019, he is well aware that certain residual provisions of the SHA, as embedded in the AoA, continue to bind the RG Group even after the expiry of the SHA.

    Mr. Gangwal made an emphatic public assertion that he does not want to take control of the Company. This public assertion was a clever strategy to create a false impression that his only agenda was to have "robust procedures" for RPTs. It should though be remembered that at no stage has Mr. Gangwal cited a single instance where any undue advantage has been shown to have been taken by any IGE Group entity in any RPT. Not a whisper. EY's review did not reveal any such instance. The CEO, in his email of May 18, 2019 to Mr. Gangwal had also pointed out "*I have to tell you I have looked high and low on RPTs and there is no smoking gun*". That Mr. Gangwal's only purported concern was RPTs, was emphasised by him in response to an e-mail of the CEO, where he said *"Again, we are all well aware of the issues around the RPTs that the Company enters into with the IGE Group."*

12. When the CEO sought an Executive Session to seek guidance of the Board so that he is well equipped to handle any possible questions, surrounding the controversy between the promoters, from the investors in the earnings call (scheduled for May 27, 2019), Mr. Gangwal's advice (in his email of May 21, 2019) was:

    > "One option for your and all our consideration could be that in your scripted remarks of the call, you could say something to the effect:
    >
    > *"As we are all well aware, there has been a lot of speculation in the press about differences between the promoters. We have issued an extensive press release on this issue and are not planning to address any questions on this issue in this investor call."*
    >
    > Wanted to put this thought out there for us to think about prior to our meeting."

13. Subsequent events demonstrate that it was Mr. Gangwal's attempt that other than only his version, no other version on the issue of RPTs should get conveyed. His advice was aimed to dissuade the CEO from disclosing any information about the Company's stand on RPTs which could be contrary to Mr. Gangwal's contorted version of facts that he intended to make in the Requisition which, unbeknownst to the CEO, was to follow the very next day. The Chairman and the CEO disagreed with Mr. Gangwal's advice.

14. As is evident from the facts and events, it is the Board and the Management of the Company that have been constructively engaged in improving the procedures for RPTs. However, as said before, Mr. Gangwal has derailed that process by coming out with his hidden agenda. In the Board meeting on May 28, 2019, upon the suggestion that Mr. Gangwal and I meet to resolve issues relating to RPTs, SHA and AoA, Mr. Gangwal stated that all the issues were inter-related and should be resolved together. He further said that Article 16.16 (which contains the voting rights agreement between the promoters) should be removed or suitably amended as there should be no binding obligation on each group to exercise their voting rights and each group should be free to exercise their voting rights. Later that day, Mr. Gangwal met with me and the IGE Group's lawyers. In that meeting, Mr. Gangwal was clear in his statements – that in retrospect he had made a mistake in agreeing to support the IGE Group through voting rights agreement embedded

in the SHA and the AoA, and his desire was to have all those provisions deleted (he mentioned not only Article 16.16 but added Article 17.3 as well); that he should not be obliged to vote with the IGE Group; and if the "package" was accepted and changes made in the AoA, he would vote for the IGE nominees at least in the upcoming General Meeting (and he grandly offered to give a letter of support to that effect); he raised an inane demand for some sort of tax filing support to be provided to him by the Company, free of cost, for all times to come. These demands are stated in his e-mails of May 29, 2019. He has made a "package" proposal, which means he is now not willing to discuss the RPT issue in isolation. His "package" includes him walking away from critical obligations embedded in the AoA including:

a. Article 17.3 which specifically says that each Group shall ensure that its nominee Directors cause the appointment of Directors and the alternate Directors to be made in accordance with the provisions of the Articles and that each Group and its nominee Directors(s) shall vote at the General Meeting and the Board meetings, as the case may be, to ensure such appointments.

b. Article 16.16 which provides that each Group shall at all times exercise their voting rights at the meetings of the Shareholders, and shall cause their nominees on the Board to vote, in order to ensure the implementation of the terms of these Articles – which would include the rights of the IGE Group to nominate the senior management listed in Article 17.4.

15. So, here is a man who: (i) took full advantage of the situation and the opportunity offered to him 14 years ago, when he was generously allotted 50% equity; (ii) did not mind that the IGE Group was taking the entire economic risk, which at peak exposure (between redeemable preference shares, unsecured loans, and personal guarantees) was in excess of INR 1100 crores (almost six folds the IGE Group's contractual obligation of INR 200 crores in the understanding with Mr. Gangwal); (iii) happily agreed to the fundamental proposition that the IGE Group will have control; (iv) obliged himself to support the IGE Group in maintaining control through a voting rights agreement embedded in the SHA and in the AoA of the Company; (v) with great delight (since he was going to make a ton of money) he actively participated in the IPO – at which stage he once again agreed that the IGE Group would retain control – a disclosure made in the prospectus; (vi) did not raise for 13 years a whisper against any RPTs; (vii) year after year, signed and approved annual accounts without raising any objections; (vii) now at his conveniences dismisses as "unusual" the controlling rights of the IGE Group which are part of the fundamental architecture on which the Company was founded; (viii) shied away from taking a position on the Board of a start-up being scared of liability in a highly regulated sector; (ix) now claims to be a guardian of corporate governance. Alternate facts are easy to construct. Truth hurts.

16. Mr. Gangwal states *"we are a publicly listed Company and the IGE Group should not use materiality thresholds as boundaries or a "Lakshman Rekha" to seek sanctuary as well as justify and potentially seek any unfair advantage for any amount whatsoever and at the expense of the other shareholders"*. Materiality matters in more ways than one. And by no means is the IGE Group suggesting that stealing in small bits is okay! I repeat that at no stage has Mr. Gangwal cited a single instance where a RPT was not at arm's length or where any undue advantage has been shown to have been taken by any IGE Group entity in any RPT. Had EY's review revealed any such instance, that would have been highlighted. Neither the Companies Act nor the SEBI Regulations ban RPTs. They prescribe a process and set limits within which the Audit Committee and the Board

can operate and set thresholds where the Shareholders (the audience that is now preferred by Mr. Gangwal) must participate. The relatively miniscule numbers – RPTs account for less than 0.7% (and continuing to decline) of the turnover of the Company - are relevant to negate Mr. Gangwal's story line that RPTs are commonplace and a daily affair and thereby the unsaid piece that these are a big source of leakage.

17. Not only is the RG Group's Requisition *mala fide* that must be rejected outright, but it also suffers from illegality. This Requisition is beyond the scope of powers of the Shareholders. Section 179 of the Companies Act provides that the power to decide on polices of a company vests with the Board and not its Shareholders. Further, Regulation 23 of the SEBI Regulations provides that it is the Board that formulates the policy and not the Shareholders. It is apparent that the RG Group is seeking to wrongly and abusively invoke Section 100 for a matter which falls only within the domain of the Board.

18. Moreover, the resolution proposed by the RG Group relates to the RPT policy, and it is not a resolution with respect to *any particular related party contract / arrangement to be approved* by the Shareholders of the Company under relevant provisions of the Companies Act. Admittedly, there is no contract or arrangement with any related party requiring Shareholders' approval that has been brought under this Requisition.

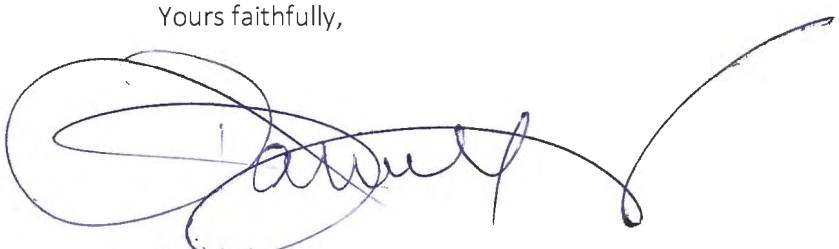
19. The IGE Group is not in the business of holding out threats. It should be understood by Mr. Gangwal that he and his group will bear responsibility for their actions and for losses caused to the Company and its Shareholders. In that regard, the IGE Group and the Company will be entitled to take action against the RG Group and its members.

20. The real objective of the RG Group is neither to investigate RPTs nor to seriously think about developing "robust procedures". It is to dilute the control of the IGE Group and to absolve the RG Group of its obligations under the AoA, and indeed to malign the image and reputation of the IGE Group.

21. I urge the Board to not fall into this trap of the RG Group, which is nothing but an attempt to cause damage to the Company and the IGE Group. The RG Group attempts to hold the Company and its Shareholders to ransom by placing its personal agenda of diluting control of the IGE Group under the guise of RPTs. The Board must advise the RG Group to withdraw its ill-advised, unlawful, and oppressive Requisition.

22. However, if Mr. Gangwal were to proceed with the Requisition, the IGE Group will be left with no option but to publish this letter and its earlier letter to the Board dated January 30, 2019 (with its attachments) so that the public at large, and, in particular, the Shareholders of the Company are made aware of the facts.

Yours faithfully,



Rahul Bhatia

January 30, 2019

The Board of Directors
InterGlobe Aviation Limited,
Central Wing, Ground Floor,
Thapar House, 124 Janpath,
New Delhi – 110001

Copy to:

Mr. Sanjay Gupta
Company Secretary
InterGlobe Aviation Limited,
Central Wing, Ground Floor,
Thapar House, 124 Janpath,
New Delhi – 110001

Subject: Requisition of the RG Group dated January 24, 2019 to convene an Extraordinary General Meeting (the "Requisition") of the Shareholders of InterGlobe Aviation Limited ("Company")

Dear Members of the Board,

We object to the proposed resolutions and the background to the Shareholders in the Requisition. The contents of the Requisition are illegal, incorrect, false, scandalous, frivolous, defamatory and seek to tarnish the reputation and goodwill of the IGE Group apart from the fact that such requisition and the proposed Agenda is beyond the scope of authority of shareholders and has the disastrous potential of injuring the interests of the Company as well as of its shareholders.

2. Before we respond to the Requisition, we deem it appropriate to set out the contextual background. Over a period starting from early 2018, Mr. Rakesh Gangwal has asked Mr. Rahul Bhatia on several occasions for the expansion of the Board of Directors of the Company ("**Board**"). Mr. Bhatia agreed to an expansion so long as the IGE Group's representation on the Board is maintained at the proportion mentioned in the Shareholders' Agreement ("**SHA**") and the Articles of Association of the Company ("**AoA**"). Mr. Gangwal, being unhappy with the IGE Group's position on the expansion of the Board, reacted by abruptly withdrawing from participating in the aircraft and related acquisition activities of the Company, which, to begin with, had been the principal reason for Mr. Bhatia to induct Mr. Gangwal into the Company. Mr. Bhatia, serving as the then interim CEO, made alternative arrangements for those activities in order to protect the interests of the Company. Mr. Gangwal's retaliation to this new appointment was to raise the issue of related party transactions ("**RPT**") between the Company and the IGE Group.

3. We detail in this letter the hollowness of the contentions of the RG Group. The Requisition is nothing but a proxy and subterfuge for forcing a change in the governing structure of the Company, which has been in place since the very formation of the Company, as per the SHA, between the IGE Group and the RG Group. This agreement was signed on March 31, 2006 and amended and restated by an agreement dated April 23, 2015 and further amended on September 17, 2015. The terms of the SHA are duly incorporated in the AoA. That governing structure under the SHA has been reiterated and endorsed by the RG Group in 2015, when the Company floated its initial public offer ("**IPO**").

4. The Company, under the same governing structure since its inception, has become one of the most profitable and admired airlines in Indian aviation. It is now recognized as one of the leading low-cost airlines globally. It is this enormous success, reputation, and profitability of the Company that appears to prompt the RG Group to ambitiously wrest more visibility and control over the affairs of the Company, in violation of the SHA. It is sheer greed to hijack the Company and grab rights, which the RG Group currently does not enjoy, that is motivating this action. The RG Group's involvement in the Company was primarily with the objective of gaining economic upside. It did not participate in the Company to control its management. Since inception, the IGE Group has always had the management rights and the SHA captures this understanding unequivocally. The RG Group has already earned unprecedent returns and it now appears that it has designs to acquire control of the Company and the introduction of this frivolous Requisition is part of that overall scheme.

5. Ever since the Company was listed, its Board has had six directors. The Board includes two independent Directors, as is required under the Companies Act, 2013 ("**Companies Act**") and the applicable SEBI regulations. Further, the Chairman of the Board is an independent Director. The Company's Board structure meets the highest standards of Corporate Governance norms. The unsubstantiated and false allegations made by the RG Group will diminish, undermine, and cast aspersions on the credibility, role, authority, and reputation of the Board and its Audit Committee, which have performed stellarly in the best interests of the Company and its stakeholders (as demonstrated by the spectacular growth of the Company).

6. RPT is a non-issue and nothing but a red herring. It was brought to the Board by the RG Group in retaliation to the IGE Group for not conceding to the outrageous demands of the RG Group to dilute the management rights and control of the IGE Group. The Board duly deliberated and considered required steps, if any. As explained later in this document, the Board looked at this objectively and a review of RPT, as offered by the IGE Group, had already been proposed. But as events unfold, including this frivolous Requisition, the real objectives of the RG Group have emerged. The Requisition to raise this issue at the Shareholders' level is yet another attempt in that direction.

7. We have been advised that the Requisition is beyond the scope of Section 179 of the Companies Act. This is because the power to decide on polices of any company vests with the Board of Directors of the Company. The matter proposed by the RG Group for the Shareholders is relating to the day to day functions and business / management affairs of the Company. Shareholders can provide guidance to the Board of Directors, in cases when the Board of Directors has either not provided for such necessary policies, or the existing policies do not have sufficient checks and balances, or where there is any deadlock in the Board, or the Board becomes defunct / non-functional. However, Shareholders cannot take the powers vested with the Board in their

own hands. In this case, the Board is fully functional and the Company is fully compliant with all the applicable provisions of the Companies Act and the SEBI regulations, pertaining to RPT.

8. Therefore, the proposed resolution is beyond the scope of a Shareholders' meeting under Section 179 of the Companies Act. In terms of the well settled position in law and as also provided in the AoA, the proposal suggested by the RG Group is bad both under the Companies Act and the AoA. In this regard, it is important to note Article 21.1 of the AoA which is reproduced below:

> *"General power of the Company vested in the Directors*
>
> *21.1 Subject to the provisions of the Companies Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in the general meeting but subject nevertheless to provisions of any law and of these presents, from time to time, made by the Company in general meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made."*

Therefore, both in law and in the AoA, the powers of management are vested in the Board and cannot be usurped by the Shareholders.

9. Moreover, the resolution proposed by the RG Group relates to RPT policy, and it is not a resolution with respect to *any particular related party contract / arrangement to be approved* by the Shareholders of the Company under relevant provisions of the Companies Act. Admittedly, there is no contract or arrangement with any related party requiring Shareholders' approval that has been brought under this Requisition. Therefore, the resolution proposed by the RG Group is beyond the scope of the powers of the Shareholders.

10. Further, the RG Group's proposal in the resolution that the Audit Committee re-examines all the existing RPT with the IGE Group and takes necessary actions as it may deem appropriate including termination or re-negotiation of such RPT is not only completely beyond the scope of Section 179 but is also contrary to Article 21.1 of the AoA. Neither this section nor Article 21.1 allows the general meeting of Shareholders to invalidate any prior act of the Board which is validly done. Therefore, the proposed resolution is invalid for this reason as well. It is apparent that the RG Group is abusing its power by wrongly invoking Section 100 and Section 179 for a matter which falls only within the domain of the Board.

11. It may be noted that all RPT till date, that the RG Group proposes to be re-examined and, if required, terminated or re-negotiated, were on an arm's length basis, and in the ordinary course of business and duly and unanimously approved by the Audit Committee/Board of the Company in compliance of law.

12. Mr. Rakesh Gangwal, as a nominee Director of the RG Group, has never since the execution of these RPT raised any question at any meeting of the Board on any specific RPT. Quarter after quarter, year after year, he approved the financial statements in the Board meetings. Many of those RPT expired or terminated, but he raised no questions during the term of these RPT. And for that matter, neither did the RG Group, as a significant shareholder, ever raise any questions

or objections whilst adopting the financial statements at every annual general meeting of the Company for the last 13 years. Therefore, the RG Group has no basis to raise and agitate these questions on transactions already approved.

13. We would now like to place on record our objections to the "Background" provided by the RG Group to the Shareholders for the proposed resolution:

(a) The RG Group is misleading the Shareholders by putting out false allegations and incomplete and incorrect facts.

(b) We have in our letter dated October 25, 2018 (**Annexure A**) to the Board explained in detail the facts about RPT with the IGE Group. We had challenged the notion trotted out by the RG Group that RPT's were a daily occurrence. We also pointed out that RPT's are neither of any magnitude nor of any materiality for the Company. As mentioned in the October 25, 2018 letter, for the year 2017-18, the total level of monetary payment under RPT is less than 1% of the total consolidated turnover of the Company; and that over the years, this percentage is steadily declining.

(c) Therefore, to create an impression and alarm amongst the Shareholders, the RG Group is making false allegations as if the Corporate Governance norms are compromised or breached. This is completely untrue and unacceptable. The facts are as under:

(i) RPT which were entered in to before the IPO were on an arm's length basis and fully disclosed in the Prospectus;

(ii) the Audit Committee has adopted robust procedures and best practices in approving RPT, including seeking external expert advice where deemed necessary;

(iii) there is not a whisper of any lack of probity or business judgement of the Audit Committee;

(iv) no allegation that the Audit Committee's independence has been compromised;

(v) no allegation of any wrong doing or favours to the IGE Group; and

(vi) no adverse remarks or comments have ever been made by the auditors, BSR & Co. LLP, or any Regulator on the working of the Audit Committee and, in particular, concerning any RPT.

(d) The RG Group has *never ever* cited, despite being asked to do so, even a *single* instance to prove or substantiate their allegations. The RG Group has always alleged hypothetical / speculative situations, without revealing any instance or facts of any wrong doing. Even in the Requisition, they are expecting the Shareholders to pass a resolution to effect change in- RPT policy without citing even one instance of wrong doing. Having first failed to reveal to the Board any relevant facts or to quantify any loss suffered by the Company as a result of any RPT with the IGE Group, the RG Group now seeks to serve falsehood to the Shareholders. The fact is, that it is the Company (and not the IGE Group companies) which has hugely benefitted from these RPT – and,

quite ironically, the RG Group is well aware of this.

(e) The IGE Group in its letter dated October 30, 2018 and November 5, 2018 (**Annexure B** and **C** respectively) addressed to the Board had, on its own, suggested an independent review of all RPT with the IGE Group. It was the IGE Group that volunteered an independent review to call the bluff of the RG Group, which was seeking to create an impression as if something is fundamentally wrong with RPT. In this regard, the IGE Group had suggested any of the Big Four firms to conduct this independent review, for no other reason but to ensure that a large, experienced and a world-class professional firm conducts such a review.

(f) The RG Group is making an innocent grievance that the IGE Group has certain rights including the right to nominate three out of six Directors of the Company; and the right to nominate and appoint the Managing Director, Chief Executive Officer, and the President. But these rights are enshrined in the SHA and the AoA – two documents with which the RG Group is a party and therefore certainly familiar.

Since the RG Group's collective memory seems to have failed, it would be relevant to refresh their memory with the following facts.

(i) The Prospectus of the Company's IPO clearly stated that the Company will be a promoter managed and controlled company. For immediate reference we attach as **Annexure D** the text of Para 7 of the Prospectus under the heading "Risks Relating to Our Company".

(ii) That Para 7 not only stated that the Company will be controlled by the Promoters and Promoter Group but also clearly disclosed that the IGE Group and the RG Group have entered into a SHA, the terms of which are incorporated in the AoA. Para 7 also further states:

> *"the IGE Group has the right to nominate and appoint the Managing Director, the Chief Executive Officer, and the President of our Company, subject to compliance with Indian law that requires that any such appointment be approved by the shareholders at a shareholders' meeting in the case of the Managing Director, and by the Board in the case of the Chief Executive Officer and the President."*

(iii) As between the promoters – the rights of participation in the management are laid down in the SHA. These have been incorporated in the AoA, approved both by SEBI and the Shareholders, and disclosed in the Prospectus. The RG Group may recall that they signed the SHA and Mr. Gangwal may recall that he signed the Prospectus as a Director. Clearly, they are fully aware about all these facts.

(iv) Being mindful of the contents of the Prospectus and the AoA, the public Shareholders invested in the Company and continue to do so. All the Shareholders are therefore aware of what is stated in the Prospectus and in the AoA.

(v) The RG Group has not cited one instance, in the period before and after the listing of the shares of the Company, where the IGE Group or any Director nominated by it, has abused any rights or there has been any favouritism, siphoning of funds, grant of

any benefits or any wrong doing. Not a whisper of an allegation or production of any facts that the IGE Group and its nominee Directors have acted against the interests of the Company or other Shareholders.

(vi) To repeat, the RG Group signed up and agreed that the IGE Group has certain rights in the management and control of the Company. The RG Group deviously makes the false assertion that the IGE Group, is attempting to significantly influence the decisions of the Company. Suffice it to say that the bald allegations of the RG Group are devoid of facts. The unprecedented growth of the Company has possibly motivated the RG Group to attempt and seek more rights in the Company, by raising baseless and false allegations against the IGE Group. The RG Group conveniently ignores that such rights are available only to the IGE Group, duly enshrined in the SHA and the AoA.

The RG Group should be stopped from making these damaging allegations against the IGE Group, since the IGE Group is exercising its rights only pursuant to the agreed SHA between them.

(vii) The RG Group's allegations that the Company may not be or is unable to apply the same level of rigor *vis-à-vis* RPT with the IGE Group as it otherwise applies when it enters into transactions with third parties, is contrary to facts well known to the RG Group. The fact is that the Company gets most favourable terms from the IGE Group, as compared to the contracts entered by the IGE Group with other third parties. This is true for all the six areas in which RPT have been undertaken by the Company with the IGE Group, namely, real estate rentals; call centre services; simulator training facilities; GSAs (originally for domestic passenger & cargo, and for foreign markets); shared services; and crew accommodation at Accor Hotels. For instance, the real estate lease contracts that the Company has executed with the IGE Group are far more favourable than real estate lease contracts with other third parties. This has resulted in huge financial gains to the Company at the cost of the IGE Group companies.

(viii) The alleged attempts to introduce so claimed procedures and safeguards through mutual discussions and Board discussions have not failed, as asserted by the RG Group. The fact is that the Board has considered the suggestion made by the RG Group but the Board also considered the IGE Group suggestion that before examining any meaningful amendment to the RPT policy, first and foremost, it was imperative that any doubt cast on the propriety of RPT between the Company and the IGE Group be dispelled. As the allegations of the RG Group meant that it was questioning the past decisions of the Audit Committee on RPT, it was important that firstly, the cloud of doubt had to be removed or affirmed. Therefore, the IGE Group suggested that before reviewing or amending the RPT policy, an independent audit of RPT be conducted. The then Chairman of the Board found this suggestion to be fair and suggested that a way forward was to first examine the findings by an independent audit firm and use that as a reference point, and then focus on any gaps and lacunae in the processes that the review would reveal. The RG Group did not like this suggestion. It seems they have an allergy to rediscovering the truth. Therefore, the RG Group must first cite their objections for an independent review before seeking to move, in an oppressive fashion, a resolution for the Shareholders directions for establishing a new RPT policy targeted at just one group.

(ix) We understand that the Company had obtained legal opinions from reputed law

firms and Counsel on the rights of Directors to vote on matters which relate to the Company's policy, rather than to specific RPT contract or arrangement that may be proposed. The law firms and Counsel had opined that every Director of the Company has a right to vote on the Company's policy.

14. It is certain that all RPT are undertaken on an arm's length basis and in due compliance of law. However, as a measure of our *bona fide* and at the cost of repetition, we remain willing to have a complete and thorough audit of RPT's between the Company and the IGE Group by an independent firm which may be appointed by the Chairman of the Board.

15. It seems the real objective of the RG Group is not to investigate RPT but to malign the image of the IGE Group, and to destabilize the management, and cause enough confusion and obfuscation in order to grab management rights of the Company. All this in direct contravention of the SHA and the AoA. It seeks to do so by firing a first shot of this frivolous and defamatory Requisition with an attempt to mislead the Shareholders.

16. Given our objections as stated above, we urge the Board to discuss and understand that the Board members owe their fiduciary duty towards all the stakeholders of the Company, which includes the IGE Group. The attempts made by the RG Group:

    (a) will mislead the Shareholders about the management and operations of the Company and consequently, create a false image of the Company's management with potentially disastrous devaluation of the market price of its shares. This would erode the investment value of innocent Shareholders, who may have invested their life's savings;

    (b) will make the nominee Director of the RG Group, a large Shareholder, in breach of the fiduciary duties under Section 166 of the Companies Act, which requires Directors to act in good faith for the benefit of its members as a whole, and best interests of the Company and its Shareholders, and should not get involved in any situation in which he may have an interest which conflicts with the interests of the Company;

    (c) will tarnish the image and the hard-earned reputation and goodwill of the IGE Group and consequently severely affect the Shareholders since the Company, as a promoter driven company, has significantly benefitted from the valuable contributions of the IGE Group towards the success of the Company over several years. The IGE Group has played its role as a responsible promoter, in a positive and nurturing way. Any independent review will demonstrate that the IGE Group has added value and contributed to the success of the Company.

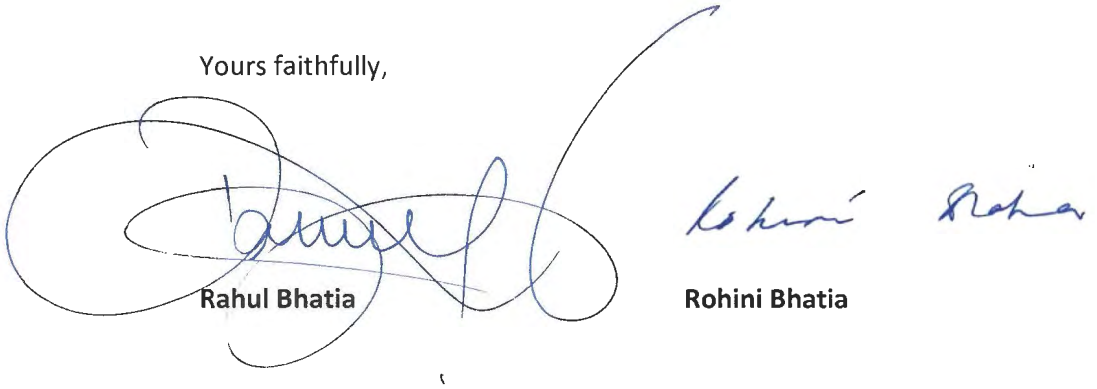
17. Therefore, to avoid disastrous consequences and irreparable damage to the Company's goodwill and reputation, we urge the Board to advise the RG Group to withdraw its ill-advised, unlawful, and oppressive Requisition. We request the Board to consider our objections and decline to refer the Requisition to the EGM, as the matters sought under the Requisition are not within the review domain of the Shareholders.

18. Should, in the unlikely event, the Board still decide to convene the EGM, then we ask the Board that this objection letter and its attachments be circulated to the Shareholders simultaneously

with the Requisition. Further, the resolution proposed in the Requisition, in effect, requires an amendment in the AoA. Therefore, it would be a special resolution and not an ordinary resolution and that means an explanatory statement is required in terms of the Companies Act.

19. We further demand that the RG Group be held liable for any loss or other consequences to the Company and its Shareholders as a result of the RG Group's action, including any liability and punishment prescribed for fraud under the Companies Act and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. The IGE Group will of course take steps to protect its reputation, goodwill, standing, and last but not the least, its rights under the SHA, the AoA, and the law.

Yours faithfully,



Rahul Bhatia **Rohini Bhatia**

ANNEXURE-A

October 25, 2018

To,
The Board of Directors
InterGlobe Aviation Limited
Central Wing, Ground Floor, Thapar House
124, Janpath,
New Delhi – 110 001

Subject: Two separate resolutions proposed by Mr. Rakesh Gangwal by two separate letters (i) first, dated October 15, 2018 addressed to Chairman of the Board with a copy to Company Secretary; and (ii) second, dated October 17, 2018 addressed to the Chairman of the Board, Company Secretary and General Counsel.

Mr. Rakesh Gangwal in his letter dated October 15, 2018 requested the Chairman of the Board for inclusion of an additional agenda in the upcoming meeting of the board of directors on October 24, 2018. The additional agenda item sought to have discussions on and passing of a board resolution pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter "**Act**") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (hereinafter "**Rules**") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "**LODR Regulations**") to amend the existing policy of the Company on related party transactions (hereinafter "**RPT Policy**") with respect to entering into, renewal or amendment to any related party transactions (hereinafter "**RPT**") with the IGE Group as defined in the said proposed resolution (hereinafter "**First Resolution**"). The Chairman of the Board had kindly agreed to include the said agenda item for discussions at the board meeting on October 24, 2018.

Without any regard to the confirmation by the Chairman for inclusion of the additional agenda item in the October 24, 2018 meeting, Mr. Gangwal sent another letter dated October 17, 2018, this time proposing to convene a "separate" meeting of the board of directors on October 25, 2018 to discuss and pass a board resolution pursuant to the same provisions of the Act, Rules and the LODR Regulations as were cited in the first letter of October 15, 2018 except that the proposed resolution also included the provision of Section 184 (2) of the Act (hereinafter "**Second Resolution**"). The Second Resolution proposed adoption of certain procedures "notwithstanding" the RPT Policy for evaluation of RPTs (including any contract or arrangement) to be entered into or renewal or amendment of any existing RPT with the IGE Group as defined in the Second Resolution.

In this letter, the First Resolution and the Second Resolution are collectively referred to as "**Resolutions**".

While the Resolutions pretend, not so subtly, to be different but the same subject matter is at the core. The First Resolution proposes amendment to the RPT Policy for transactions between the Company and the IGE Group. Unlike the First Resolution, where it was specifically sought to amend the RPT Policy, the Second Resolution instead proposes a board resolution to override the RPT Policy for RPTs with the IGE Group and to adopt a completely new set of procedures for evaluation of RPTs (including any contract or arrangement) to be entered into or renewal or amendment of any existing RPTs with the IGE Group.

Although they are proposed separately but both Resolutions seek to achieve the same objective of obtaining board's approval to follow certain procedures for RPTs between the Company and the IGE Group and to direct the audit committee to follow those procedures.

We object to these Resolutions on the following grounds and request that our letter be taken on record and included in the minutes of the board meeting.

1. The approach is based on wrong understanding of the facts and law.

(a) The First Resolution seeks change in the RPT Policy on a discriminatory basis. Mr. Gangwal has assumed that "interested" directors will have to recuse from participation given what he thought was the constitution of the Board.

(b) Though the Chairman confirmed that the additional item will be included in the agenda, Mr. Gangwal still proceeded to send out a notice *vide* his letter of October 17, 2018 calling for a "separate" meeting of the Board on October 25, 2018 for considering a resolution not for change in RPT Policy but laying down a certain specifically targeted procedure for RPTs with the IGE Group. In this new avatar of his proposal, he has inserted words "contract and arrangement". He has done so under the false and erroneous belief that by insertion of these words (and other imaginary definitions of "arrangement", which we have dealt with later in this letter) somehow the concept of "interested directors" will be triggered. It seems, he was seeking to improve his position.

(c) However, the Resolutions and his assumptions on who is "eligible" to vote are rooted in error.

2. The Resolutions are based on incorrect facts.

(a) Mr. Gangwal proceeds on the basis that RPTs with the IGE Group are a daily occurrence and are of some magnitude and materiality for the Company. Thus, he proposes new sets of robust procedures for detailed evaluation of RPTs with the IGE Group. Here are some facts which the Board must consider as it looks at these proposals:

(i) There are essentially six areas in which RPTs have been undertaken with the IGE Group. (a) Real Estate rentals; (ii) Call Centre Services; (iii) Simulator Training Facilities; (iv) GSAs (originally for domestic passenger & cargo, and for foreign markets); (v) Shared Services; and vi) Crew Accommodation at Accor Hotels. RPTs in existence at the time of the IPO were disclosed in the prospectus.

(ii) Post the IPO, some of the surviving RPTs were renewed by following the prescribed procedures.

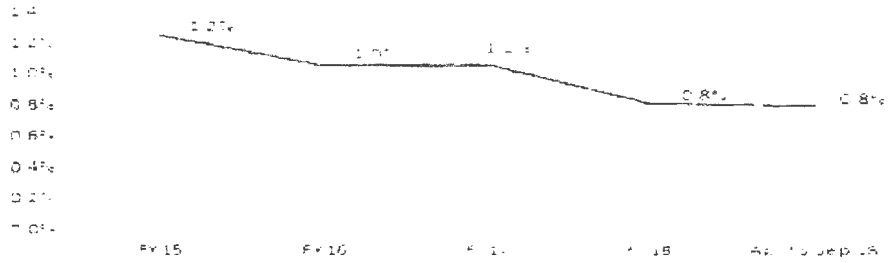
(iii) Domestic cargo GSA was unlawfully terminated in March 2015, and the Domestic passenger GSA expired in 2016. Management in its own wisdom (under directions from a shareholder) chose to take these decisions. The adverse impact of not having a GSA (be it with IGE Group or indeed any other party) on the revenues of the Company is obvious, and perhaps this Board could spend some time deliberating over the loss of revenue, and the cost benefit analysis of not having a GSA. Additionally, most of the Shared Services agreements have either been terminated already, or are in the process of being terminated.

(iv) In case of crew accommodation, there are specific instances where the Company called for RFPs and the contracts were awarded to third parties and not to Accor Hotels. IGE Group had made no protest or raised any objections. Similarly, in case of office

premises rentals, the Company has rented premises from third parties and the IGE Group was not even invited to participate in the process, even though it had comparable real estate available at the location. The IGE Group did not protest

(v) For the year 2017-18, the total level of monetary payment under the RPTs is less than 1% of the total consolidated turnover of the Company. It also needs to be noted that over the years this percentage is steadily declining as is evident from the chart below.

Related Party Transaction with IGE Group-% of Gross Turnover



(vi) There are no immediate RPTs under consideration. There are a few rental agreements which have expired, but the Company is continuing to use the premises. I would also like to mention that unlike the general market practice where lock-in periods are always applicable, a principal portion of the rental agreements with the IGE Group do not have any lock in period, and the Company has unfettered flexibility to either stay on or to move to alternate premises without there being any severance cost. The Call Centre agreement will be coming up for renewal in March, 2019, and the Company can decide at that time whether or not to renew the agreement. The hurry and scurry in seeking immediate action by the Board (including urgent special "separate" meeting of the Board in raising RPTs with the IGE Group at this stage is therefore not driven by any emergency or imminence of some sort of a disaster situation which has material impact on the fortunes of the Company.

(b) The Resolutions completely disregard and undermine the work that the audit committee has done for the RPTs. In this regard the following may be noted:

(i) the audit committee has adopted robust procedures and best practices in approving the RPTs including seeking external expert advice where deemed necessary;

(ii) there is not a whisper of any lack of probity or business judgement of the audit committee;

(iii) no allegation that the audit committee's independence has been compromised;

(iv) no allegation of any wrong doing or favours to the IGE Group; and

(v) no adverse remarks or comments have ever been made by the auditors or any regulator on the working of the audit committee and in particular concerning any RPT.

(c) While a nice tutorial on corporate governance is set out in the opening paragraph of the proposals, but it may be useful to recognize that:

(i) Boards deal with facts and real issues;

(ii) Boards intervene to fix things which are broken;

(iii) Boards are not there to deal with ill-conceived perceptions and speculative situations.

3. Undermining the role and integrity of the audit committee.

The Resolutions seek to direct the audit committee to follow a prescribed procedure for approving RPTs with the IGE Group. They also direct it to mandatorily seek a written opinion of an independent and reputed firm of financial consultant(s). The Resolutions completely disregard the role and procedures of the audit committee clearly and comprehensively laid out in the Act and the LODR Regulations. In this regard, we would like to mention some of these provisions where the audit committee is empowered in law to approve RPTs including the manner in which it approves them.

(a) Regulation 18(2)(c) of the LODR Regulations provides:

"The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary."

(b) Other provisions of the LODR Regulations provide as under:

(i) that the audit committee will review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, *with particular reference to disclosure of any related party transactions.*

(ii) the audit committee has to give approval to or any subsequent modification of transactions of the listed entity with related parties. Similar provision exists in the Act in Section 177 (4)(iv).

(iii) the audit committee has to mandatorily review the statement of significant related party transactions (as defined by the audit committee), submitted by the management.

(c) Regulation 23(2) of the LODR Regulations specifically provides that all related party transactions will require approval of the audit committee. Similar provision exists in Rule 6A of the Rules.

Therefore, in view of the above provisions, it is the audit committee that has the power and obligation to approve RPTs. It has full authority to determine whether or not the transaction with a related party is at arm's length or not; it can at its discretion undertake steps for establishing competitive terms and price discovery - including inviting RFP bids or other acceptable tendering processes; it can also engage any external subject matter expert (and not only a financial consultant as proposed in the Resolutions) such as a real estate expert, a legal consultant, a business processing outsourcing specialist etc.

4. On principles of Corporate Governance: Role and procedures of the audit committee.

(a) The Resolutions cause significant concerns with regard to institutional mechanisms for governance. For one, as explained above, it undermines the authority and integrity of the audit committee and its members.

(b) The Resolutions suggest that the audit committee does not have the competence of exercising independent and good business judgment and that its recommendations would be suspect unless mandatorily validated by an external agency.

(c) The Resolutions proceed on the underlying assumption that the members of the audit committee, who are bound by fiduciary obligations, would not do a good job unless their decision making is tempered with "independent" externally hired consultants who owe no similar fiduciary duties to the Company and its shareholders.

(d) The Resolutions go on to say that any director can require the external consultants to make a presentation to the Board. In the architecture presented by Mr. Gangwal, the underlying threat to the audit committee is that it better follow the external consultant's view or face the risk of defending itself before the Board in a contest with an external consultant.

(e) And in the ultimate analysis, it is the authority, the power, and the duties of the Board that will be diminished and undermined.

(f) Under no provision of law there is discriminatory practice of providing different criteria for RPT procedures for one or more named parties.

5. Sections 184 and 188 of the Act and Regulation 23 of the LODR Regulations do not apply.

(a) The Resolutions are proposed under various provisions as respectively mentioned in the Resolutions. For the reasons given below, the Resolutions themselves do not comply with the provisions cited therein.

(i) Section 184(2) of the Act requires that there should be a "contract or arrangement" or a "proposed contract or arrangement" entered into or to be entered into in order to attract the said section. The Resolutions do not detail or describe any such contract or arrangement or a proposed contract or arrangement that the Company is going to enter into with any named "body corporate" of the IGE Group.

(ii) There are judicial precedents which have held that the contract or arrangement in contemplation must be a specific contract or arrangement which the company proposes to enter into and not merely contracts or arrangements which are merely at the stage of ideation.

(iii) Rule 15 (1) of the Rules requires the following disclosures with respect to the contract or arrangement proposed to be entered:

- name of the related party and the nature of relationship;
- the nature, duration of the contract and the particulars of the contract or arrangement;
- the material terms of the contract or arrangement, if any;
- any advance paid or received for the contract or arrangement, if any;
- the manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
- whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

- any other information relevant or important for the Board to take a decision on the proposed transaction.

(iv) The agenda or the Resolutions do not contain any reference to a specific contract or arrangement as required to be furnished to the Board under Rule 15 (1) as a pre-requisite for consideration of a resolution under Section 188. The Resolutions are not a "contract" or "arrangement" that can be considered even remotely as a RTP.

(v) Further, Section 188 (2) of the Act requires every contract or arrangement with related party to be referred to in the board of directors' report along with justification for entering into contract or arrangement. Here too, details of specific contracts are required and not hypothetical contracts.

(vi) Section 189 of the Act requires maintenance of Register of Contracts which provides for actual details of the contract as required under Rule 16 of the Rules. The statutory format of this register requires, among other things, specific details of the contract or arrangement with specific date and principal terms and conditions of the contract or arrangement.

(vii) The Second Resolution provides for a definition of the term "arrangement". There is neither any definition of "arrangement" in the Act nor in the LODR Regulations. Mr. Gangwal has provided a rather delightfully self serving and arbitrary definition which has no basis or rationale.

6. Wrong understanding of the concept of directors "eligible" to vote.

(a) The letters of October 15, 2018, October 17, 2018 and the ultimate view conveyed in the email of October 22, 2018 from Mr. Gangwal contain the profound proposition that directors nominated by the IGE Group cannot vote on these Resolutions. This is a proposition which is not supported by the very law he cites.

(b) As stated above, both Section 184(2) and Section 188 of the Act apply only for contracts or arrangements which are the subject matter of a resolution and not any hypothetical contracts or directions about how future RPTs are to be assessed and reviewed by the audit committee or otherwise. There has to be first a contract or arrangement or a proposed contract or arrangement that the company proposes to enter that must be placed before the Board. Therefore, since the Resolutions do not have any specific contract or arrangement that is being placed or referred to, the question of Section 184 (2) applying to this situation does not arise. The Resolutions are not the same thing as a "contract" or "arrangement" that can be considered even remotely as a RTP.

(c) There are judicial precedents which have held that in case the meeting discusses the matter generally without there being any specific contract or arrangement in existence or in contemplation, there is no bar against any director from participating in the discussion or from voting in the resolution.

Further, Mr. Gangwal pursuant to his e-mail of October 22, 2018 addressed to the company secretary and the general counsel with a copy to all the board members has again raised the same issue that the directors nominated by the IGE Group being conflicted on the matter are not eligible to vote on the Resolutions. It is surprising to see that Mr. Gangwal is raising the same issue again and again and every time he is trying to improve his position by citing some or

the other provisions of law which do not apply to this situation. This time also he has mentioned some general provisions of law when (for example Section 166 of the Act) when as detailed above, the specific provisions dealing with this issue do not apply to this situation.

We request the Board to take on record our above objections and include these in the minutes of the meetings where the Resolutions are placed or discussed.

Yours faithfully,

Rahul Bhatia
Director
DIN 00090860

Rohini Bhatia
Director
DIN 01583219

ANNEXURE - B

October 30, 2018

To the Board of Directors
InterGlobe Aviation Limited
Ground Floor, Central Wing
Thapar House, 124 Janpath
New Delhi–110 001

Dear Members of the Board:

Subject: Independent Review of Related Party Transactions between InterGlobe Aviation Limited and the IGE Group

We refer to the meeting of the Board of Directors held on October 25, 2018. Over the last few weeks and particularly in the said meeting, there have been various contentions raised by Mr. Rakesh Gangwal relating to the related party transactions ("RPTs") between InterGlobe Aviation Limited ("the Company") and IGE Group entities.

Mr. Gangwal's motivation in his own words is "to simply stop related party transactions that are not in the interest of the Company". Imbedded in this loaded statement and the content of his proposed resolutions is the allegation that the contracts currently in force between the Company and IGE Group entities are tainted with some sort of wrongdoing. Of course, he has not cited even a single (or specific) detail which could demonstrate that there has been any lack of probity in RPTs with IGE Group entities. Based on his completely unsubstantiated allegation, he goes on to propose a discriminatory procedure targeted specifically at RPTs between the Company and IGE Group entities. The premise on which Mr. Gangwal proceeds, in effect, casts serious aspersions on the conduct and integrity of not only the Audit Committee of the Company, but of the Board itself.

Based on the above, in the Board meeting of October 25, the Chairman has asked the Company Secretary to put together a proposal for procedures to be followed to deal with RPTs in the future. In our submission, given the serious nature of the allegations made by Mr. Gangwal, it is imperative that before any further steps are taken, at the very first instance, relevant "facts" need to be established. The notion of wrongdoing in relation to

RPTs currently in force between the Company and IGE Group entities is an extremely unacceptable situation. Without proper understanding of the context and real facts, this initiative of the Chairman could itself be misconstrued and misinterpreted to further malign the IGE Group and the Audit Committee of the Company. It is in the interest of the Company that the relevant facts are established, and this matter is put to rest at the earliest.

RPTs between the Company and the IGE Group, existing at the time of the IPO, were duly disclosed in the prospectus. RPTs between the Company and the IGE Group, after the completion of the IPO, were duly approved by the Audit Committee. It is a matter of record that all such contracts were approved only by the Independent Directors at the relevant meetings of the Audit Committee, and the nominee of the IGE Group on the Audit Committee did not participate in the proceedings. Mr. Gangwal's proposal(s) suggest lack of faith and confidence in the Audit Committee of the Company, whether in its past conduct or on go-forward basis.

It is of utmost importance that faith and confidence in the integrity and competence of the Audit Committee of the Company be restored immediately. For that to happen, the notion of wrongdoing in relation to RPTs that are currently in force between the Company and the IGE Group must be dispelled immediately.

In the fitness of things, we are of the firm view that there should not be any nagging doubts about RPTs with the IGE Group. We therefore suggest that, at the first instance, even before any further internal work is done on establishing procedures for the future, an urgent review be undertaken by an external independent agency (one of the Big-4 audit firms), of all RPTs between the Company and IGE Group entities. This review should be from the year 2005 till date, with the following terms of reference:

(i) whether or not each RPT between the Company and IGE Group entities was duly approved in accordance with applicable law and the Company's extant RPT Policy;

(ii) whether or not each such RPT was on an arm's length basis at the relevant time.

The review should be completed at the very earliest, and the report of the external agency be placed before the Board immediately thereafter.

Our suggestion is that the external agency be a firm other than the Company's statutory auditors, as they have already reviewed these contracts as part of audit procedures and have not raised any concern. It would be best that one of the other Big-4 firm conducts the review so that the review exercise is itself not questioned subsequently.

We would be grateful for your prompt and positive response.

For the **IGE Group**

InterGlobe Enterprises Private Limited



Yug Samrat
Company Secretary

Kapil Bhatia

Rahul Bhatia

Rohini Bhatia

ANNEXURE-C

November 5, 2018

To,
The Board of Directors,
InterGlobe Aviation Limited,
Central Wing, Ground Floor,
Thapar House, 124 Janpath,
New Delhi – 110001

Copy to:

Mr. Sanjay Gupta
Company Secretary
InterGlobe Aviation Limited
Central Wing, Ground Floor, Thapar House,
124, Janpath,
New Delhi – 110 001

Dear Board members,

Re: Independent Review of Related Party Transactions between the Company and the IGE Group

We refer to the e-mail of Mr. Rakesh Gangwal dated November 3, 2018 addressed to the Company Secretary which is clearly pressurizing him to act only in the manner desired by Mr. Gangwal to achieve a contrived result.

We also refer to our letter dated October 30, 2018 ("October 30th Letter") wherein we had ourselves offered that all the related party transactions ("RPTs") between the Company and the IGE Group be subjected to an independent review by an external independent agency.

As we had indicated in our October 30th Letter, that even the initiative taken by the Chairman at the last Board meeting, is being misused only to further malign the IGE Group. Again, an impression is sought to be created as if something is fundamentally wrong with the current contracts between the Company and the IGE Group. This is simply unacceptable. We must insist that a review of the current contracts between the Company and the IGE Group, along the lines indicated in our October 30th Letter, be undertaken immediately to determine the correctness of the very premise on which Mr. Gangwal's proposals are based.

We propose appointment of any of the following: Deloitte, PWC or EY for this exercise. We request the Chairman to please confirm the name of any of these audit firms for this purpose. Other Board members may immediately give their suggestions for any of these firms to the Chairman, if they so desire. On receiving the Chairman's confirmation of the name of the audit firm, the interim CEO will proceed to appoint the selected firm for the review exercise.

We reiterate that for any meaningful review of the RPT Policy, first and foremost, it is imperative that any doubt cast on the propriety of the current contracts between the Company and the IGE Group be dispelled. All past decisions of the Audit Committee on RPTs have been questioned and that cloud of doubt must be removed. We request and demand that before any further steps are taken to review the RPT Policy, immediate action must be taken on the request made in our October 30th Letter.

We again request the Chairman to please take the initiative for the selection of the audit firm to commence this review exercise. Until such review is completed, the Company Secretary should not be undertaking any further steps to review the RPT Policy as it will serve no useful purpose.

Yours faithfully,

For IGE Group

InterGlobe Enterprises Private Limited

Yug Samrat, Company Secretary

Kapil Bhatia

Rahul Bhatia

Rohini Bhatia

Annexure D

Para 7 from the Prospectus under the heading of - Risks Relating to Our Company

Risks Relating to Our Company

7. Following the Issue, we will continue to be controlled by our Promoters and Promoter Group who will at completion of the Issue collectively control, directly or indirectly, approximately 77.91% of our outstanding Equity Shares (assuming full subscription to the Issue).

*Pursuant to our Articles of Association and the shareholders' agreement dated April 23, 2015, as amended vide the agreement dated September 17, 2015 ("**SHA**"), that we entered into with IGE, Acquire Services, Mr. Kapil Bhatia, Mr. Rahul Bhatia and Ms. Rohini Bhatia, (together the "**IGE Group**") and Caelum Investment LLC (subsequently amalgamated into our Company), Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) (together the "**RG Group**"), without regard to minimum shareholding: (i) the IGE Group has the right to nominate three non -independent Directors and the RG Group has the right to nominate one non-independent Director; one of the Directors nominated by the IGE Group and the one Director nominated by the RG Group are non-retiring Directors, which means that these directors once appointed would not need to stand for election at future shareholder meetings, (ii) the Chairman of the Board is required to be nominated by the IGE Group, and (iii) the IGE Group has the right to nominate and appoint the Managing Director, the Chief Executive Officer, and the President of our Company, subject to compliance with Indian law that requires that any such appointment be approved by the shareholders at a shareholders' meeting in the case of the Managing Director, and by the Board in the case of the Chief Executive Officer and the President.*

Our Articles of Association and the SHA also grant the IGE Group and the RG Group rights of first refusal to any of our Equity Shares proposed to be transferred by the other group to any third party, including through transfers of our Equity Shares other than through a Stock Exchange. Such rights are exercisable by IGE Group and RG Group until November 9, 2019, four years from our initial public offering. Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately 77.91% of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of Directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. Their ability to exercise control of our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders.

Their interests as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders. To the extent that the interests of our Promoters and Promoter Group differ from your interests, you may be disadvantaged by any action that our Promoters and Promoter Group may seek to pursue.