

INDIGO GETS NOD TO LIFT CURBS ON PROMOTER SHARE TRANSFER

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NEW DELHI : Shareholders of InterGlobe Aviation Ltd voted to remove curbs on promoter share transfer on Thursday, signalling the end of a protracted feud at India's largest domestic airline IndiGo.

The amendment to InterGlobe's Articles of Association (AoA) is expected to lead to the exit of co-founder Rakesh Gangwal, who has been locked in a battle with co-founder Rahul Bhatia.

"The resolution as set out in the notice of EGM as per the details above stand passed with the requisite majority," the airline said in a stock exchange notification on Thursday after the conclusion of its extraordinary general meeting (EGM).

Earlier this month, InterGlobe Aviation said that it will conduct an EGM on 30 December, after a joint requisition from its promoters — Rahul Bhatia-controlled IGE Group and Rakesh Gangwal-led RG Group—to seek permission to amend the company's AoA "by deleting Articles 1.6 to 1.15 (transfer of equity shares), 1.16 to 1.20 (acquisition of shares) and 2A (other provisions on equity shares)."

On Thursday, the company's promoter and promoter groups, shareholders comprising public institutions and retail shareholders voted overwhelmingly in favour of the resolution to amend the articles.

Until the amendment, the AoA's clauses entitled either Gangwal or Bhatia the first right to purchase the other's shares when one decided to exit the company.

The amendment allows either of them to sell their shares to any third party.

As of 30 September, Bhatia's IGE Group held a 37.83% stake in the airline, while RGE Group, which comprises Rakesh Gangwal, Sobha Gangwal, and Chinkerpoo Family Trust, held 36.61%.

The two promoter groups together held a 74.44% stake.

The promoter feud surfaced in July 2019 when Gangwal wrote to the Securities and Exchange Board of India (Sebi) seeking intervention in what he called corporate governance issues at IndiGo.

Gangwal had then pointed to third-party transactions, non-independence of the chairman, and the company's refusal to hold EGMs. He had also proposed to amend the company's AoA to end the Bhatia-led group's right of first refusal to buy Gangwal's stake if the latter decided to sell his shares. This proposal was, however, rejected by shareholders in January 2020.

In October, Gangwal approached the Delhi high court to enforce an arbitration order of the London Court of International Arbitration.

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