



## Media Statement by **AirAsia** Group Berhad

**SEPANG, 19 June 2018** – Media reports in India have widely reported that its Central Bureau of Investigation (CBI) has registered an FIR (a First Information Report) against amongst others AirAsia Berhad, AirAsia India Pte Ltd, its Group CEO Tan Sri Tony Fernandes and Deputy Group CEO Bo Lingam based on information from an **unnamed “reliable source.”**

**The Board of Directors of AirAsia Group Berhad (AAGB) refutes strongly ALL the allegations made in the FIR as baseless, unsupported and unjustified and will vigorously challenge these allegations. We question the motives of the unnamed person, persons or organisation that lodged this FIR but we will co-operate fully with the Indian authorities in accordance with due process provided in law.**

The allegations in the FIR against AAGB, AirAsia India Pte Ltd ( AirAsia India), Tan Sri Tony Fernandes and Mr Bo Lingam, are as follows:

- That AirAsia India, a joint venture between Tata Sons Ltd and Air Asia Investment Ltd, was indirectly controlled and operated by AirAsia Berhad via the Brand Licensing Agreement (BLA) between the parties thus violating the Foreign Investment Promotion Board norms which require substantial ownership and effective control to be in the hands of Indian nationals;  
*(This has been refuted by no less than the Director General of India’s Directorate General of Civil Aviation who extensively reviewed the Brand Licensing Agreement (BLA) and in a report dated 8 February 2017 filed in the High Court of Delhi stated that he did not find that the terms and conditions laid down in BLA “dilute the substantial ownership and effective control of AirAsia India being vested with Indian nationals.”)*
- Unknown public servants have engaged in a criminal conspiracy involving AirAsia Berhad, AirAsia India, Tan Sri Tony Fernandes, Bo Lingam, 4 other named parties and unknown public servants and unknown private persons to expedite the approval process and change in aviation policies to suit AirAsia India by lobbying with stakeholders in the Government of India through non transparent means;

*(AAGB would like to point out that it entered into a joint venture with Tata Sons Ltd to set up a low cost carrier in India carrying the AirAsia brand primarily because of the sterling reputation and integrity of Tata Sons Ltd in India. AirAsia Investments Ltd holds 49% equity in AirAsia India whilst the controlling shareholding of 51% is held by Indian entities, namely Tata Sons Ltd (49%) and 2 individuals on the Board (2%) who are Indian nationals. All required approvals were obtained through normal channels and it took more than a year to get these approvals. Given Tata’s more than 100 years track record and that of AirAsia’s reputation, we refute any inference of impropriety in obtaining these approvals. AirAsia India as with others in the aviation industry lobbied The Government of India to remove the 5/20 rule that inhibits competition and the development of a healthy aviation sector that enures for the benefit of the Indian consumer but this was done in compliance with the law and certainly without any unlawful payments. Further, AAGB has had an internal review and concluded that there has been no wrongdoing by either Tan Sri Tony Fernandes or Mr Bo Lingam.)*

## Press Statement



- sham contracts were entered into with Travel and Total Food Services, HNR Trading Pte Ltd and DTA Consulting which was utilised for paying bribes to unknown public servants.

*(Apart from the contract with HNR Trading Pte Ltd, the contracts referred to in the FIR were entered in the ordinary course of business for services rendered on normal commercial terms. All contracts entered into by AirAsia India at the relevant time were under the watch of the then CEO, Mittu Chandiliya. AirAsia India has lodged an FIR against Mr Mittu Chandiliya in 2017 over the contract with HNR Trading Pte Ltd which was unauthorised by the company. AirAsia India has also submitted a forensic audit report by a leading accounting firm in India to show that funds were illegally siphoned out of the company through that unauthorised contract. We believe that the Bangalore police are still investigating although much time has lapsed.)*

AAGB would like to reiterate in no uncertain terms that therefore, all the allegations in the FIR are unfounded and are without any rational basis and are wholly inconceivable in the context of corporate governance norms in Malaysia. Accordingly AAGB denies all allegations of wrongdoing and will pursue all legal remedies available to address these allegations.

*\*(An FIR is a written document prepared by police organizations in India when they receive information about the commission of a cognisable offence. It must be noted that ANYONE can make such a report either orally or in writing to the police and investigations by police begin after an FIR is recorded. Once an FIR is registered, police are duty-bound to investigate the case, record statements of all witnesses, and file a final report. If the police eventually conclude that there is no basis for the complaint or no evidence available to prosecute the case, further action is dropped.)*

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