

18 ECONOMY

INDIGO ACKNOWLEDGES RIFT BETWEEN THE TWO PROMOTERS

No desire to control the company; stand by shareholder pact: Gangwal

PRANAV MUKUL
NEW DELHI, MAY 18

ACKNOWLEDGING A rift between the two promoters of Interglobe Aviation — parent company of India’s largest airline IndiGo — the company’s CEO Ronojoy Dutta issued a statement Saturday on behalf of one of the two promoters, Rakesh Gangwal, saying that there was no interest or desire on part his group to take control of the company.

“I am authorised by Mr Rakesh Gangwal to make the following statement on his behalf- ‘I am categorically and clearly stating that there is no interest or desire whatsoever on the part of the RG (Rakesh Gangwal) 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

FIRM CEO RONOJOY DUTTA ISSUES STATEMENT

■ IndiGo CEO Ronojoy Dutta issued a statement on Saturday in which he said, “In any strong and well-managed company there will always be differences. And, yes, there may be differences currently on certain matters but the company has a great track

record of resolving issues and coming out ahead.”

■ On the matter of management appointments at IndiGo, Dutta pointed out that “a little bit of turbulence during... transition phases is neither unusual nor unwelcome”.

Group stands by the current SHA which, in any case, expires this October’. I don’t think Mr Gangwal could have been more clear and explicit on his intentions and I thank him for authorising me to make this statement on his behalf,” Ronojoy Dutta, the airline’s CEO noted in a press statement. Friday, *The Indian Express* reported that the shareholders agreement between entities controlled by

Rahul Bhatia and Rakesh Gangwal — the two promoters of Interglobe Aviation — is set to expire in October this year, and an ongoing renegotiation of the same is learnt to be at the heart of the rift between the two.

The dispute is learnt to be primarily over the disproportionate distribution of board and management appointment rights between the two promoters.

As per the shareholding pattern declared by Interglobe Aviation, as of March 31, Bhatia, his family and his holding company Interglobe Enterprises held around 38 per cent stake, while Gangwal, his family and his entity held close to 37 per cent.

However, as per the agreement, upon listing of the company, Interglobe Enterprises Group (Rahul Bhatia’s entity) has the right to nominate three non-independent directors, while the Rahul Gangwal Group has the right only to nominate one non-independent director. Further, Bhatia’s group is entitled to nominate the chairman, the managing director, the chief executive officer and the president of the company. “We all know, that in any strong and well-managed company there will always be differences. And, yes, there may be differences currently on certain matters but the company has a great track record of resolving is-

sues and coming out ahead. If the current differences were to not get resolved, you shall certainly hear about it; however, it serves no purpose speculating about it,” Dutta wrote in the statement.

Further, on the matter of management appointments at IndiGo, Dutta pointed out that “a little bit of turbulence during... transition phases is neither unusual nor unwelcome”. “It is true that IndiGo has gone through a number of changes in a continuum that stretches from Aditya Ghosh, to Greg Taylor to a team of highly skilled expatriates to me. I can state unequivocally that every one of these senior leaders contributed a great deal to IndiGo and we are truly grateful for their contributions. But all great companies go through periods of transition as they evolve from one phase of their growth to another and a little bit of turbulence during these transition phases is neither unusual nor unwelcome,” Dutta said.

PRABHA RAGHAVAN
NEW DELHI, MAY 18

INDIA’S APEX drug regulator has issued an alert to healthcare providers, heart patients and medical device distributors on measures they have to take to prevent safety issues with three models of Medtronic’s pacemakers.

The Central Drugs Standard Control Organisation (CDSCO) alert on Saturday comes over a week after the US Food and Drug Administration (US FDA) flagged five such models of Medtronic’s pacemakers and cardiac resynchronisation therapy pacemakers (CRT-P) for issues related to their batteries. In one such case, the issue led to the death of a patient, according to the regulator.

However, no adverse events have been reported in India so far, according to the Indian arm of the US medical device giant.

A pacemaker or CRT-P is an essential device used by patients if their heartbeat is too slow or in the treatment of heart failure to help their heart beat normally.

CDSCO’s alert mentions three of the five models flagged by US FDA that are used in India — Astra, Serena CRT-P and Solara CRT-P.

“We are asking them (Medtronic) to communicate this alert to all patients who got implanted with this device,” a senior health ministry official told *The Indian Express* on condition of anonymity. As on date, around 1,550 of these three models have been sold in India, the official added. Like US FDA’s alert, CDSCO has told healthcare providers to help patients determine whether

value of a transaction,” it said.

The proposed push to increase PoS terminals has come at a time when the number of ATMs has come down from 222,247 in the previous year to 221,703 in March 2019.

However, the value of transactions executed through ATMs increased to Rs 33,10,789 crore from Rs 28,98,761 crore in the previous year. The RBI has proposed further decrease in the share of paper-based clearing as a percentage of retail payments, particularly in terms of number of paper instruments processed.

Given the current trend in cheque usage and the thrust to shift to digitised transactions it is expected that the volume of cheque-based payments would be less than 2.0 per cent of the retail electronic transactions by 2021, the RBI’s vision document says.

Payment systems like UPI / IMPS are likely to register average annualised growth of over 100 per cent and NEFT at 40 per cent over the vision period.

The number of digital transactions is expected to increase more than four times from 2069 crore in December 2018 to 8707 crore in December 2021.

Baring PE Asia acquires 30% stake in NIIT Technologies

PRESS TRUST OF INDIA
NEW DELHI, MAY 18

BARING PRIVATE Equity Asia (BPEA) has acquired 30.50 per cent stake in mid-sized software services firm NIIT Technologies Ltd for about Rs 2,627 crore, a regulatory filing said Saturday.

Last month, funds affiliated with BPEA had signed definitive agreements to purchase 30.5 per cent stake in NIIT Technologies from NIIT Ltd and other promoter entities at Rs 1,394 per share.

In a filing to BSE Saturday, NIIT Technologies said Hulst B.V. acquired 18,848,118 equity shares of the company with face value of Rs 10 each on May 17.

closed or something was done in error or was not complete,” said Dennis Tajer, a spokesman for the American Airlines pilots union and a 737 pilot. The training procedures have been a source of contention. Boeing has maintained that simulator training is not necessary for 737 MAX and regulators do not require it, but many airlines bought the multimillion-dollar machines to give their pilots more practice. Some pilots want continuing simulator training.

The flight simulators, on-the-ground versions of cockpits that mimic the flying experience, are not made by Boeing. But Boeing provides the underlying information on which they are designed and built. “Boeing has made cor-

rections to the 737 MAX simulator software and has provided additional information to device operators to ensure that the simulator experience is representative across different flight conditions,” said Gordon Johndroe, a Boeing spokesman. “Boeing is working closely with the device manufacturers and regulators on these changes and improvements, and to ensure that customer training is not disrupted.” In recent weeks, Boeing has been developing a fix to the system, known as MCAS. As part of that work, IT tried to test on a simulator how the updated system would perform, including by replicating the problems with the doomed Ethiopian Airlines flight. **NYT**

AUTO WATCH

HMSI STARTS INDIA-MADE CBR650R DELIVERIES

Mumbai: Honda Motorcycle and Scooter India (HMSI) said it has commenced deliveries of its latest made-in-India middle-weight bike CBR650R from Honda BigWing in Gurugram. BigWing is the premium bike business vertical of HMSI in India. **PTI**

After US FDA, CDSCO issues device alert on 3 Medtronic pacemakers

“Medtronic India has not yet received any communication about an alert from Central Drugs Standard Control Organisation.”

SPOKESPERSON,
MEDTRONIC INDIA

replacement of the device is “appropriate” for their needs and to consider whether elective device replacement is warranted for any of their pacemaker-dependent patients.

It has also reiterated US FDA’s recommendation that healthcare providers “be aware” of sudden battery level drops during follow-up visits and remote transmissions. It has further asked patients to seek “immediate medical care” in the event they feel lightheaded or dizzy or if they experience chest pain or severe shortness of breath.

“Medtronic India has not yet received any communication about an alert from Central Drugs Standard Control Organisation,” a spokesperson for the company told *The Indian Express*.

“We are in proactive discussion with CDSCO on this matter,” the spokesperson added.

According to a performance note on the five pacemakers and CRT-Ps, only three complaints were received out of over 2.60 lakh devices distributed worldwide since February 2017, the spokesperson stated.

“The projected rate of occurrence for this issue is 0.0028 per cent, with the most susceptible period being the first 12 months after a device is implanted... There

have been no patient issues reported in India related to this performance note,” the person said.

“In consultation with our Independent Physician Quality Panel, we do not recommend device replacement, and advise physicians to continue normal patient follow-up in accordance with standard practice and, where possible, to continue with remote monitoring. While the devices continue to perform well within reliability projections, Medtronic has implemented additional process and component enhancements that have been reviewed and approved by FDA,” Medtronic’s spokesperson added.

On May 7, the US FDA released an alert stating that it was aware of three medical device reports in which a Medtronic implantable pacemaker or CRT-P battery had “fully drained” because of a crack in the device’s capacitor, without “any warning” to the patient or healthcare provider. A crack in the capacitor can create an electric short that drains the battery, which makes it ineffective for patients using them and dangerous for patients who heavily rely on pacemakers.

Medtronic had been unable to communicate with the devices due to the battery depletion. These incidents had occurred a year after the patients had received the pacemakers, despite the battery life of the pacemakers expected to be 7.5-15 years and the CRT-P-6-10 years, according to the US FDA notification.

“One of the reported events resulted in the death of a pacemaker-dependent patient,” stated the US FDA.

BRIEFLY

Exxon’s foreign staff evacuated from Iraqi oilfield

Basra/Dubai: Exxon Mobil has evacuated all of its foreign staff, around 60 people, from Iraq’s West Qurna 1 oilfield and is flying them out to Dubai, a senior Iraqi official and three other sources told Reuters on Saturday. The evacuation came just days after the United States withdrew non-essential staff from its embassy in Baghdad, citing a threat from neighbouring Iran, which has close ties to Iraqi Shi’ite militia. Production at the oilfield was not affected by the evacuation and work is continuing normally, overseen by Iraqi engineers, said chief of Iraq’s state-owned South Oil Company which owns the oil field, Ihsan Abdul Jabbar.

Falih: See no oil shortage; OPEC to act if needed

Jeddah: Saudi Arabia’s Energy Minister Khalid al-Falih said on Saturday that he saw no oil supply shortage as global oil inventories are still rising, particularly from the United States, but OPEC will be responsive to the oil market’s needs. Speaking in Jeddah ahead of a ministerial panel gathering on Sunday of top OPEC and non-OPEC producers, including Saudi Arabia and Russia, Falih told Reuters OPEC will not decide on output until late June when the group is due to meet next. “I am not sure there is a supply shortage, but we will look at the (market) analysis. We will definitely be responsive and the market will be supplied,” Falih said, when asked whether an increase in output was on the table due to oil shortage concerns. “But all indications are that inventories are still rising. We saw the data from the US week after week, and they are massive increases, so there is obviously supply abundance.” **REUTERS**

‘Forex reserves up by \$1.36 bn to \$420.05 bn’

India’s foreign exchange reserves rose by \$1.368 billion to reach \$420.055 billion in week to May 10 on account of a rise in foreign currency assets, as per RBI data

\$171.9 MILLION

In the previous week, the reserves had increased by \$171.9 million to \$418.687 billion

\$4.368 BILLION: In the week to April 26, the reserves had swelled by \$4.368 billion to \$418.515 billion, helped by the second dollar-rupee swap auction held on April 23

SWAP AUCTION: In the swap auction conducted on April 23, the Reserve Bank had received bids worth \$18.65 billion against \$5 billion on offer. It accepted just five bids worth \$5 billion

\$414.886 BILLION

Foreign exchange reserves increased by \$1.105 billion to touch \$414.886 billion in the week to April 12

\$392.227 BILLION: In the reporting week, foreign currency assets, which are a major component of the overall reserves, swelled by \$1.358 billion to \$392.227 billion

FOREIGN CURRENCY ASSETS: Expressed in dollar terms, foreign currency assets include the effect of appreciation/ depreciation of non-US units like the euro, pound and yen held in reserves

\$23.021 BILLION: Gold reserves remained unchanged at \$23.021 billion, according to the data.

\$1.454 BILLION: The special drawing rights with the International Monetary Fund rose by \$3 million to \$1.454 billion

\$3.351 BILLION: The country’s reserve position with the Fund also increased by \$7 million to \$3.351 billion, the according to the RBI data

LIFE-TIME HIGH: The forex kitty had touched a life-time high of \$426.028 billion in the week to April 13, 2018



737 MAX simulators in high demand. They are flawed.

NATALIE KITROEFF
WASHINGTON, MAY 18

SINCE THE two fatal crashes of the Boeing 737 Max, airlines around the world have moved to buy flight simulators to train their pilots. They don’t always work.

Boeing recently discovered that the simulators could not accurately replicate the difficult conditions created by a malfunctioning anti-stall system, which played a role in both disasters. The simulators did not reflect the immense force that it would take for pilots to regain control of the aircraft once the system activated on a plane traveling at a high speed. The mistake is likely to inten-



A number of grounded Southwest Airlines Boeing 737 MAX 8 aircraft parked at Victorville Airport in Victorville, California, US. Reuters file photo

sify concerns about Boeing, as it tries to regain credibility following the crashes of Lion Air and Ethiopian Airlines flights. In the months since the disasters, Boeing has faced criticism for serious oversights in the Max’s design.

The anti-stall system was designed with a single point of failure. A warning light that Boeing thought was standard turned out to be part of a premium add-on.

“Every day, there is new news about something not being dis-

