

MARKET WATCH

	20-02-2018	% CHANGE
Sensex	33,704	-0.21
US Dollar	64.79	-0.90
Gold	31,700	-0.31
Brent oil	65.16	-0.07

NIFTY 50

	PRICE	CHANGE
Adani Ports	394.90	1.05
Ambuja Cements	263.70	6.15
Asian Paints	1126.40	6.05
Aurobindo Pharma	574.80	-8.15
Axis Bank	531.70	-8.85
Bajaj Auto	3049.85	19.25
Bajaj Finance	1638.75	-3.95
Bharti Airtel	418.10	3.75
Bosch	19398.05	-29.40
BPCL	453.05	-3.80
Cipla	603.45	3.05
Coal India	310.40	5.00
Dr Reddys Lab	2163.65	11.65
Eicher Motors	26916.40	-173.10
GAIL (India)	465.15	1.35
HCL Tech	907.45	-6.75
HDFC	1811.75	-2.30
HDFC Bank	1863.20	-15.00
Hero MotoCorp	3477.45	11.75
Hindalco	248.80	1.25
HPCL	380.85	1.05
Hind Unilever	1331.80	-4.10
Indiabulls FHL	1237.45	-13.60
ICICI Bank	317.25	-2.50
IndusInd Bank	1622.70	-7.75
Infocys	334.00	4.15
Infosys	1136.95	5.20
Indian OilCorp	366.60	-3.05
ITC	263.25	-0.85
Kotak Bank	1045.80	-10.40
L&T	1290.60	-4.90
Lupin	815.80	1.40
M&M	709.00	-15.65
Maurti Suzuki	8722.65	-2.20
NTPC	164.20	1.70
ONGC	187.00	1.30
PowerGrid Corp	195.00	0.85
Reliance Ind	921.10	-5.90
State Bank	269.65	1.15
Sun Pharma	559.50	-1.90
Tata Motors	369.30	0.55
Tata Steel	651.30	2.45
TCS	2944.75	21.15
Tech Mahindra	574.20	1.75
UltraTech Cement	4140.60	24.00
UPL	695.35	-5.95
Vedanta	328.70	8.35
Wipro	291.45	1.50
YES Bank	308.70	-3.35
Zee Entertainment	570.75	2.80

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 20

CURRENCY	TT BUY	TT SELL
US Dollar	64.59	64.91
Euro	79.69	80.09
British Pound	90.27	90.72
Japanese Yen (100)	60.27	60.57
Chinese Yuan	10.18	10.23
Swiss Franc	69.06	69.41
Singapore Dollar	48.94	49.24
Canadian Dollar	51.28	51.54
Malaysian Ringgit	16.54	16.65

Source: Indian Bank

BULLION RATES CHENNAI

February 20 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.4	(41.6)
22 ct gold (1 g)	2927	(2936)

PNB: Jaitley blames bankers, auditors

'Incumbent on the state to chase and bring to book unethical people attempting to cheat the country'

SPECIAL CORRESPONDENT
NEW DELHI

Breaking his silence on the ₹11,500-crore fraud at Punjab National Bank (PNB), Finance Minister Arun Jaitley on Tuesday squarely laid the blame on the country's bankers and auditors, observing that they had both abdicated their responsibilities.

"The Prime Minister himself had announced that we want you [public sector banks] to be autonomous," Mr. Jaitley said, addressing a meeting of the Association of Development Financing Institutions in Asia and the Pacific. "None of us is going to call you up and therefore [you] take your own decisions. When authority is given to the managements, you are expected to use that authority effectively and in the right manner."



Autonomy abused: Bankers were found lacking in being able to check delinquents, says the Finance Minister. •KAMAL NARANG

"Therefore a question for the management is, were they found lacking? And on the face of it the answer seems 'yes' they were," Mr. Jaitley added. "They were also found lacking in being able to check who among them were the delinquents."

The Finance Minister also took financial auditors to task, suggesting that the regulatory body for chartered accountants should introspect on what possible action could be taken in the wake of the fraud.

"What are our auditors

doing? Both internal and external auditors have either looked the other way or failed to detect," Mr. Jaitley said. "I am sure the profession of chartered accountants and those who control the discipline of the profession will start introspecting and see what are the legitimate actions which are to be taken."

The Institute of Chartered Accountants of India last week said it would review the fraud to probe whether there were lapses on the part of auditors and has sought information from investigation agencies as well as from the markets regulator SEBI.

"And, of course, there is also an important challenge where the supervisory agencies have now to introspect what are the additional mechanisms they have to put in

place to make sure that stray cases don't become a pattern and it is nipped in the bud," he added.

Cost to country

Mr. Jaitley said that these kinds of developments have a cost to the country and to the tax payers. "It has a direct cost and it has an indirect cost, which impinges upon the bank's capacity as a lending institution, and therefore it obviously impinges upon development finance," he said.

On perpetrators, Mr. Jaitley asserted: "With regard to lack of ethics that a faction of Indian business follows, it is incumbent on us as a state, till the last legitimate capacity of the state, to chase these people to the last possible conclusion to make sure that the country is not cheated."

Malegam to head RBI panel to avert frauds

Cautioning banks since 2016, says RBI

SPECIAL CORRESPONDENT
MUMBAI

The ₹11,500-crore fraud at the Punjab National Bank has prompted the Reserve Bank of India (RBI) to set up a committee under former board member Y.H. Malegam to look into the reasons and suggest steps to prevent such occurrences.

NPA divergences

The committee will also look into the issue of huge non-performing asset divergences – between what banks classify and what is detected in RBI inspection – and recommend steps to address the issue. The other members of the committee are Bharat Doshi, S. Raman

and Nandkumar Saravade. A.K. Misra, Executive Director, RBI, will be the Member-Secretary.

The banking regulator said it had warned banks on three occasions since August 2016 and advised them to implement safeguards from risks arising from SWIFT infrastructure. "Banks have, however, been at varying levels in implementation of such measures," RBI said.

RBI had reiterated its confidential instructions and mandated banks to implement, within the stipulated deadlines, the prescribed measures for strengthening the SWIFT operating environment in banks.

Moody's to review PNB rating

Fitch also warns of a possible downgrade following fraud

SPECIAL CORRESPONDENT
MUMBAI

Moody's Investors Service on Tuesday placed Punjab National Bank's credit rating under review for downgrade in the wake of the ₹11,500-crore fraud at PNB.

"The primary driver for today's rating action is the risk of weakening of the bank's standalone credit profile, as a result of the discovery of a number of fraudulent transactions," Moody's said.

Last week, PNB disclosed unauthorised transactions, involving fraudulent letters of undertaking (LoU) issued from a branch in Mumbai for availing overseas credit.

Moody's expects that Punjab National Bank will need to provide for at least a



substantial portion of the exposure. The amount involved in the fraud is 23.5% of PNB's net worth at the end of the third quarter.

Pressure on profitability

"As a result, the bank's profitability will likely come under pressure, although the actual impact will depend on the timing and quantum of provisions that need to be

made, as well as any prospects for recovery," the ratings agency added.

PNB, which fell as much as 31% in four trading sessions since the fraud was reported on February 14, rose 0.1% on the BSE on Tuesday.

Separately, Fitch Ratings placed PNB's Viability Rating of 'bb' on Rating Watch Negative (RWN).

"The RWN reflects the possibility of a downgrade of PNB's Viability Rating following the detection of a large fraud in one of the bank's branches amounting to \$1.8 billion," Fitch said.

"While the exact financial impact from this event is still being ascertained, it has raised questions on both internal and external risk controls," Fitch added.

Another Gitanjali official quits

K.T. JAGANNATHAN
CHENNAI

The resignation spree at Gitanjali Gems Ltd., a company founded by Mehul Choksi, continues.

Mr. Choksi is a relative of Nirav Modi, who is allegedly involved in the Punjab National Bank (PNB) fraud. Gitanjali Gems is allegedly linked to the PNB fraud.

The latest to step down from Gitanjali Gems is S. Krishnan, an independent director. Mr. Krishnan has also resigned from the audit committee. Mr. Krishnan had said there "is no one to organise a board meeting in the company or give clarifications."

The company has already seen two top executives – CFO Chandrakant Kar, and Pankhuri Warage, vice-president and company secretary – quit.

Bids by ArcelorMittal, Numetal may face axe

Firms are only bidders for Essar Steel

PRESS TRUST OF INDIA
NEW DELHI

Bids by ArcelorMittal and a consortium led by Russia's VTB Group for acquiring debt-laden Essar Steel are said to have been recommended for rejection by the adviser evaluating the offers, sources privy to the development said.

They said legal and financial consultants, advising the interim resolution professional (IRP) overseeing sale of Essar Steel, have recommended rejection of ArcelorMittal's bid on the grounds that it held stake in Uttam Galva Steel Ltd. – a delinquent borrower.

The bid by VTB-led special purpose investment vehicle, Numetal, has been proposed to be considered ineligible due to it being 25% owned by Rewant Ruia, the



son of Essar Steel founder Ravi Ruia.

The IRP is yet to take a call on the disqualification of the two firms, which were the only entities to have put in bids last week.

While neither the IRP nor the advisers could be immediately reached for comments, a Numetal spokesperson said: "We have not received any such information from the resolution professional or his legal advisers."

'Rotomac loan fully provided for'

SPECIAL CORRESPONDENT
MUMBAI

State-run lenders Bank of Baroda and Bank of India have said that their exposure to fraud-hit Rotomac Global has been fully provided for.

"The bank has exposure of ₹456.7 crore on Rotomac Global Pvt. Ltd. under consortium arrangement with six lenders. The account was declared as NPA and has been 100% provided for," Bank of Baroda (BoB) said in an exchange filing.

Bank of India (BoI), which has an exposure of ₹754.77 crore to Rotomac, also said its exposure had fully been provided for. BoB said necessary recovery measures had been initiated and proceedings had been filed with the Debt Recovery Tribunal on October 25, 2016.

China outbids India for stake in DSE

Dhaka Stock Exchange to sell 25% to Chinese consortium; rejects NSE, others

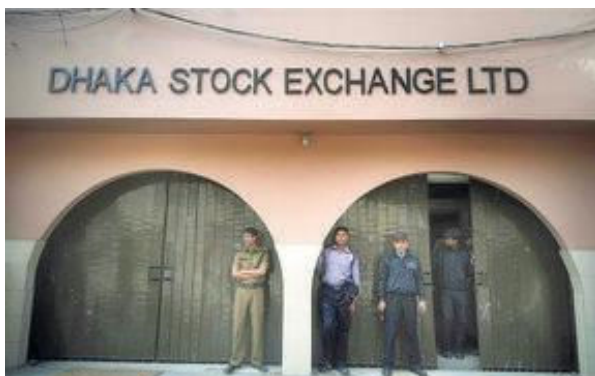
AGENCE FRANCE-PRESSE
DHAKA

Bangladesh has agreed to sell a large stake in its stock exchange to a Chinese consortium, an official said on Tuesday, rebuffing a rival bid from India that raised political sensitivities.

The Dhaka Stock Exchange on February 10 had approved the Chinese offer to buy a quarter of the bourse's 1.8 billion shares, but Bangladesh's financial regulator asked it to "further scrutinise" the decision.

"The board has recommended its decision about approving the Chinese consortium's bid as it is higher than its nearest competitor's," said stock exchange spokesman Shaheer Rahman after the meeting on Monday.

India's NSE had offered 15 taka (\$0.18) per share during the tender process this month. China's Shanghai



Either, or: In recent times, Bangladesh has juggled growing interest from China against historical ties with India. •AFP

and Shenzhen stock exchanges made a joint higher bid of 22 taka per share, or \$122 million, and offered additional technical support worth nearly \$37 million.

Allegations of meddling

The intervention by the Bangladesh Securities and Exchange Commission in the sale sparked allegations in

local media that it was trying to favour India. The Bangladesh office of Transparency International, the Berlin-based corruption watchdog, issued a statement "strongly condemning" what it called unethical and illegal meddling. The regulator – which, at the time, defended its final authority to override decisions made by the stock

exchange – was not immediately available for comment. The competing bids have exposed tensions in Bangladesh as it juggles growing interest from China against long-standing ties with its huge neighbour India.

New Delhi threw its weight behind the 2014 elections that returned Prime Minister Sheikh Hasina to power, despite boycotts by the opposition who feared the vote would be rigged.

Prime Minister Narendra Modi's government has made big investments in Bangladesh and Indian companies have won multi-billion contracts in key sectors in recent years.

But increasingly it must court China, which has also courted India's arch-rival Pakistan and strategic Indian Ocean nations including Sri Lanka and the Maldives.

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प्रत्यक्ष साक्षात्कार / WALK IN INTERVIEW

केंद्रीय विद्यालय चेन्नई संकुल में सत्र 2017-2018 के लिए संविद्यालयक आधारित संस्कृत शिक्षक आमंत्रित कर रहे हैं। आवेदन पत्र, शैक्षिक योग्यता एवं अन्य विवरण डाउनलोड करने के लिए www.kvdgqachennai.tn.nic.in वेबसाइट पर जाएं। योग्य उम्मीदवार प्रत्यक्ष साक्षात्कार हेतु मूल प्रमाण-पत्र एवं मूल प्रमाण-पत्र की स्व-प्रमाणित प्रतिलिपि के साथ निर्धारित स्थल और दिनांक पर उपस्थित रहें। साक्षात्कार के दौरान कोई यात्रा-भत्ता देय नहीं होगा। अधिक जानकारी के लिए निर्धारित के.वि. पर संपर्क करें।
Kendriya Vidyalayas of Chennai city cluster wanted Sanskrit teachers purely on contractual basis for the session 2018-19. Visit website www.kvdgqachennai.tn.nic.in for downloading application, details regarding Qualification & Payment. Eligible candidates can appear for walk-in-interview with original and self-attested copies of certificates on the venue and date mentioned below. NO TA/DA is admissible for attending the Interview. For further details contact Venue KV.

दिनांक & स्थल / Date & Venue	पद हेतु साक्षात्कार / Interview for the post of	योग्यता / Qualification
27.02.2018 -मंगलवार (9.00 am to 1.00pm)	स्नातकोत्तर शिक्षक (संस्कृत) PGT Sanskrit	50% अंको के साथ स्नातकोत्तर उपाधि & बी.एड। Master Degree with at least 50% and B. Ed.
27.02.2018 - Tuesday (9.00 am to 1.00pm) के.वि. डी.जी.क्यू.ए. KV DGQA	प्रशिक्षित स्नातक शिक्षक (संस्कृत) TGT Sanskrit	50% अंको के साथ स्नातक उपाधि & बी.एड। Bachelor's Degree with at least 50% marks and B. Ed.

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT**

**OFFICE OF THE TAX RECOVERY OFFICER
CENTRAL-2, CHENNAI, ROOM No. 322, 3RD FLOOR,
No. 46, INCOME TAX INVESTIGATION WING,
M.G. SALAI, NUNGAMBAKKAM, CHENNAI-34. Ph No. 28271913**

AUCTION SALE OF IMMOVABLE PROPERTY SITUATED AT CHENNAI

Notice is hereby given that the office of the undersigned has proposed to conduct an auction as per the provisions laid down in 2nd Schedule of Income Tax Act, 1961 and sale of immovable property, which belongs to Smt. Srividya (Late) represented by her executor, Shri. K.B. Ganesh Kumar residing at Flat No. 21, AI, Artech Rohini Flats, Vattiyoor kavu P.O., Thiruvananthapuram- 695013, being income tax defaulters for the purpose of recovery of income tax arrears.

Name and Address of the property	Description of the property	Approximate market value in Rs.	E.M.D. in Rupees
SWATHY APARTMENT Flat No. 9, Old No. 31, New No. 41, Subramaniam Street, Abhiramapuram, Chennai-600018	Survey No. 3663/10, and 3664. Document No. 1486/1990 in built up area of 1250 sq.ft. UDS of 379/5206 sq.ft which is equal to 846.80 sq.ft.	Rs. 1,14,10,000	Rs. 1,00,000/-

Date and Time of Auction: 12-03-2018 @ 11.30 a.m. (12th March 2018)
Venue of Auction: No. 121, Incometax Office Auditorium, Aaykar Bhavan, M.G. Road, Chennai-34.

CONDITIONS:

- The intending bidders are requested to deposit Rs. 1,00,000/- (Rupees One Lakh only), as Earnest Money Deposit by means of Demand Draft in favour of "Tax Recovery Officer, Central-2, Chennai" drawn on any Scheduled Bank payable at Chennai before the beginning of actual auction proceedings, which is refundable.
- The Property will be auctioned on "as is where is and what is there is basis".
- The details of the property and the copy of the Encumbrance Certificate can be perused at the office of the undersigned on any working day prior to auction, after fixing a prior appointment with the undersigned during office hours.
- Detailed terms and conditions of the auction sale may be obtained from the office of the undersigned.

(R. BALAJI)
Tax Recovery Officer, Central -2, Chennai
(Mobile No. 9445954350)

Place: Chennai
Date : 19.02.2018