

MARKET WATCH

	23-02-2018	% CHANGE
Sensex	34,142	0.95
US Dollar	64.73	0.48
Gold	31,480	0.41
Brent oil	66.90	0.83

NIFTY 50

	PRICE	CHANGE
Adani Ports	406.50	2.50
Ambuja Cements	260.20	3.30
Asian Paints	1101.80	-16.30
Aurobindo Pharma	601.90	15.05
Axis Bank	536.65	6.40
Bajaj Auto	2986.40	12.10
Bajaj Finance	1633.40	33.05
Bharti Airtel	425.55	9.45
Bosch	18920.60	30.90
BPL	429.90	2.45
Cipla	595.65	6.00
Coal India	310.95	-0.60
Dr Reddys Lab	2167.05	43.60
Eicher Motors	26724.40	-144.10
GAIL (India)	458.40	-7.75
HCL Tech	955.60	14.60
HDFC	1824.20	4.95
HDFC Bank	1880.55	27.35
Hero MotoCorp	3494.70	13.50
Hindalco	246.55	6.65
HPL	386.10	2.00
Hind Unilever	1323.15	-3.30
Indiabulls HFL	1283.65	16.25
ICICI Bank	322.75	4.40
IndusInd Bank	1643.50	20.00
Bharti Infratel	340.40	6.55
Infosys	1155.65	-5.10
Indian Oil Corp	368.40	5.20
ITC	269.05	1.95
Kotak Bank	1080.85	8.35
L&T	1301.70	9.70
Lupin	807.50	7.45
M&M	718.65	-3.30
Maurit Suzuki	8698.80	64.75
NTPC	163.55	2.80
ONGC	189.80	3.70
PowerGrid Corp	193.25	3.00
Reliance Ind	934.25	9.90
State Bank	276.05	3.45
Sun Pharma	569.65	28.20
Tata Motors	360.20	1.70
Tata Steel	677.75	40.20
TCS	3075.80	25.60
Tech Mahindra	621.45	18.85
UltraTech Cement	4116.40	16.50
UPL	700.55	25.10
Vedanta	337.90	9.25
Wipro	295.00	2.35
YES Bank	323.45	7.35
Zee Entertainment	569.95	2.90

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 23

CURRENCY	TT BUY	TT SELL
US Dollar	64.53	64.85
Euro	79.39	79.78
British Pound	90.03	90.48
Japanese Yen (100)	60.40	60.70
Chinese Yuan	10.19	10.24
Swiss Franc	69.05	69.39
Singapore Dollar	48.77	49.08
Canadian Dollar	50.78	51.04
Malaysian Ringgit	16.46	16.57

Source: Indian Bank

BULLION RATES CHENNAI

February 23 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.6	(41.4)
22 ct gold (1 g)	2912	(2909)

# Centre resumes search for RBI Dy. Gov.

Post of deputy governor overseeing banking supervision vacant since S.S. Mundra's retirement in July

MANOJIT SAHA  
MUMBAI

The Centre has resumed the process of looking for a suitable candidate to appoint as the fourth deputy governor at the Reserve Bank of India (RBI) – a post which has been lying vacant for almost seven months now.

Deputy Governor S.S. Mundra, who was looking after banking supervision, retired on July 31. Though the Centre had initiated the search for a replacement in May last year, the process appeared to have stalled for unknown reasons.

**Fresh advertisement**  
On Friday, the Finance Ministry issued a fresh newspaper advertisement inviting applications for the central bank deputy governor's post. The latest move comes in the wake of the ₹11,500-crore fraud at Punjab National Bank, which has thrown the spotlight on internal oversight failures at



Searchlight on: The last date for submitting applications is March 14, 2018. ■ VIVEK BENDRE

the state-owned bank and drawn criticism about possible audit and regulatory lapses. The latest advertisement specifies the eligibility criteria for candidates – these in-

clude a minimum 15 years of experience in banking and financial sector with an understanding of supervision and compliance. A candidate's age should not exceed 60 years as on July 31, 2017, the ministry said, adding the criteria could, however, be relaxed for deserving candidates. The tenure of appointment would be three years and could be extended.

Similar to last time, the post is open to candidates from the private sector. Also, the criterion that a candidate must have served as a bank CEO has been dropped. and anyone with board experience is eligible to apply.

Out of the four Deputy Governors, two are promoted from within the RBI and one is an economist. The fourth is typically a commercial

banker. In the past, only the CEO of a public sector bank – like Mr. Mundra of Bank of Baroda or his predecessor K.C. Chakrabarty of Punjab National Bank – was selected as Deputy Governor.

Candidates who had applied in response to the earlier advertisement in May would not need to apply afresh. The last date for submitting applications is March 14, 2018. The Financial Sector Regulatory Appointments Search Committee (FSRASC) would shortlist and interview the candidates. However, the FSRASC can recommend a candidate's name even if he/she had not applied.

The FSRASC "is free to identify and recommend any other person also, based on merit," the ministry said.

## Ombudsman scheme for NBFC clients

SPECIAL CORRESPONDENT  
MUMBAI

The Reserve Bank of India (RBI) has announced an ombudsman scheme for customers of non-banking finance companies to redress complaints against deficiency in services concerning deposits and loans among others.

"To begin with, the scheme will be operationalised for all deposit-accepting NBFCs and based on the experience gained, the scheme would be extended to include the remaining identified categories of NBFCs," the RBI said in a notification.

Certain NBFCs like infrastructure finance companies are excluded from the ambit of the ombudsman scheme.

## Urgently need to revisit surveillance: ex-PNB chief

'Absence of SWIFT-CBS link could have led to the fraud'

PRESS TRUST OF INDIA  
MUMBAI

Admitting that the failure to link SWIFT to core banking system (CBS) could have led to the about ₹11,400-crore fraud at Punjab National Bank, the former head of the scam-hit lender said there was an urgent need for banks to revisit their surveillance system and plug loopholes.

Usha Ananthasubramanian, who is now managing director and CEO of Allahabad Bank, said that at her bank too SWIFT (Society for Worldwide Interbank Financial Telecommunication) was not linked to CBS and the process of linking both systems was currently on.



Usha Ananthasubramanian

"I want to tell you that there could be always [loopholes] because technology advances so fast that what is today could get obsolete tomorrow and you might not have upgraded. Now, it is time for all of us [banks] to very closely revisit [the surveillance system] and then

take all steps that can create maximum security," Ms. Ananthasubramanian told reporters here on Friday.

The fraud allegedly started in 2011 at PNB. Before moving to Allahabad Bank, Ms. Ananthasubramanian was managing director and CEO of PNB between August 2015 and May 2017. She was also the executive director of PNB from July 2011 to November 2013.

**'An outer limit'**  
She said that the Reserve Bank had asked banks that had not linked SWIFT to CBS, to complete the process by April 30, 2018. "That could be a deadline, but it is an outer limit," she said.

## HDFC Bank must probe leak: SEBI

PRESS TRUST OF INDIA  
NEW DELHI

SEBI asked HDFC Bank to identify individuals, including bank officials, responsible for leakage of its financial results, as the regulator found inadequate controls at the lender as 'prima facie' the reason for the leak.

In the high-profile case, where sensitive financial details of various firms, including those of the bank, got leaked on WhatsApp, SEBI virtually censured and asked the bank to strengthen the systems and controls. The Securities and Exchange Board of India (SEBI) said it can prima facie be inferred that the unpublished price sensitive information relating to HDFC Bank was leaked.

## ICAI seeks details of PSB borrowers

Writes to RBI; to check audit violations

SPECIAL CORRESPONDENT  
NEW DELHI

In the wake of the alleged irregularities in state-owned Punjab National Bank (PNB), the CA regulator – Institute of Chartered Accountants of India (ICAI) – has written to the Reserve Bank of India (RBI) for a list of corporate borrowers of all Public Sector Banks having outstanding loan amount of ₹2000 crore and above.

This, the ICAI said in a statement, was to have such a list "examined by Financial Reporting Review Board (FRRB) of ICAI for any possible violation of applicable standards of accounting as well as auditing."

According to the ICAI's website, the FRRB reviews "the general purpose financial statements of certain enterprises and auditor's report thereon relating to which serious accounting irregularities in the general purpose financial statements have been highlighted by the media reports."

The ICAI is a statutory body established under the Chartered Accountants Act, 1949 for regulating the CA profession in India and comes under the Ministry of Corporate Affairs.

**'High-powered group'**  
The CA regulator said it had already set up a high-powered group to study the systemic issues in the PNB matter and suggest remedial measures and improvement in the banking system as well as any other incidental matter. The group is slated to hold its first meeting on February 23.

While various agencies have initiated their investigations in the matter, the Disciplinary Directorate of ICAI suo motu has also started its investigation as per



the CA Act, 1949 and rules framed thereunder, the ICAI said. The Disciplinary Directorate had written on February 15 to the Security and Exchange Board of India, the Central Bureau of Investigation (CBI), the Enforcement Directorate (ED) and PNB, asking for details, reports or findings in respect of the alleged fraud, including the copies of specific findings regarding involvement of any CA or CA firm.

**Wants list of CAs**  
The ICAI has also written to the Corporate Affairs Ministry requesting it "to prevail upon the SEBI, the CBI, the ED and PNB to share their findings with the ICAI to... accelerate action against any CA who has played any role in this fraud."

The Disciplinary Directorate has also issued show-cause notices to all Central Statutory Auditors of PNB. Similarly, Central Statutory Auditors who carried out quarterly reviews of PNB as well as the auditor of Gitanjali Gems Ltd. – allegedly involved in the matter – have also been issued show-cause notices, the ICAI said.

The body has also summoned PNB's Deputy General Manager who was allegedly involved in the scam.

## 'U.S. visa changes only add to burden of paperwork'

Decision at odds with U.S. bid to cut red tape: Nasscom

SPECIAL CORRESPONDENT  
BENGALURU/NEW DELHI

A decision by the U.S. government to curb H-1B visas to protect the interests of American workers is at odds with the administration's bid to cut regulation and red tape, according to Nasscom, India's top software body.

"Nasscom is assessing the potential impact and will have more to say as we gather more information. However, initial perusal suggests that it applies to all third-party placements and not just those involving Indian or dependent companies," according to a Nasscom statement.

"This will be an unnecessary and expensive paperwork burden that will not make much difference."

"Nasscom member companies are in the business of providing solutions to client companies and have demonstrated time and time again in routine audits that as sponsoring employers, they clearly maintain control over and relationship with their visa holders, and that the person remains a specialty occupation worker as is routinely demonstrated by the fact that extensions are granted," Nasscom said in the statement.

"Ultimately, this action seems to be at odds with the administration's effort to reduce regulation and red tape."

Indian firms such as Infosys, Wipro and Cognizant rely on H-1B visas to get third-party work done at on-shore sites. As per the new policy, companies will have to prove that their H-1B employee at a third-party site has specific and non-qualifying speculative assignments in a specialty occupation.

Now on, H-1B visas would be valid only for the period for which the employee has work at a third-party site.



Strings attached: Firms will now have to provide information on specialised duties the employee will perform. ■ M. SRINATH

Earlier, it was valid for three years at a time and this move comes ahead of H-1B visa filing, which starts on April 2.

Companies would have to submit evidence of actual work assignments, technical documentation, marketing analysis, funding documents, and cost-benefit analysis. Information on specialised duties which the employee will perform, the employees' qualifications, and who their supervisor is also needs to be filed, according to a statement on the United States Citizenship and Immigration Services (USCIS) website.

"While an H-1B petition may be approved for up to three years, USCIS will, in its discretion, generally limit the approval period to the length of time demonstrated that the beneficiary will be placed in non-speculative work, and during which the petitioner will maintain the requisite employer-employee relationship."

It added the new guidance "aligns with President Trump's Buy American and Hire American Executive Order and the directive to protect the interests of U.S. workers."

Infosys spokeswoman did not reply to an e-mail seeking comment. Phone calls to a Wipro spokesperson went

unanswered. Mindtree, Cognizant and Tech Mahindra declined to comment.

Apurva Prasad, analyst at HDFC Securities, who tracks IT stocks, said many onsite workers who apply for H-1B visa "were task- and project-specific."

"I do not think it will have a significant impact. Also, the bench strength in the U.S. is not high. The overall H-1B count has come down by about 50-60% over the last three years," he said.

**'Lobbying needed'**  
Vivek Tandon, founder and CEO, EB5 BRICS, said the new norms would directly impact business models of Indian IT services firms.

Without a trade pact between India and the U.S., he said the best option for Indian firms was to "strongly lobby U.S. lawmakers to influence USCIS so that their policies are more business- and trade-friendly while at the same time promote the... agenda of 'Buy American and Hire American'."

Rogelio Caceres, co-founder and chief commercial officer, LCR Capital Partners, said, "Indian IT firms could rely on the L-1A and L-1B visas. Given the Trump administration's focus on American jobs, even the L-visa program is under scrutiny."

## Mahindra arm, Viking Air ally for UDAN plan

SPECIAL CORRESPONDENT  
MUMBAI

Mahindra Aerospace Private Limited has signed a memorandum of understanding (MoU) with Canada's Viking Air Ltd. to form a strategic alliance to take advantage of India's growing regional air connectivity opportunities.

Under the MoU, Mahindra Aerospace and Viking would support each other's non-competing aircraft business to boost market expansion in identified territories and provide potential customers with options based on specific operational requirements.

"We value our alliance with Viking and are confident that the Viking Twin Otter Series 400 aircraft and our 8 and 10-seat Mahindra Airvan will offer a unique product portfolio to customers across various geographies," said S.P. Shukla, group president - aerospace, defence and steel, Mahindra Group and chairman, Mahindra Aerospace.

"In India, this portfolio can address the much needed requirements of regional connectivity, where this range of aircraft offers a very suitable solution and desired boost to the UDAN scheme introduced by the Government of India." The MoU was signed during the ongoing visit of Canadian Prime Minister Justin Trudeau to India.

**'Enormous market'**  
"Viking sees enormous market potential for the Series 400 Twin Otter in India with particular emphasis on the seaplane variant as it provides unmatched transportation solution for servicing India's thousands of kilometres of coastline and river systems," said David Curtis, president and CEO, Viking Air Ltd.

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