

MARKET WATCH

	26-02-2018	% CHANGE
Sensex	34,446	0.89
US Dollar	64.79	-0.09
Gold	31,660	0.25
Brent oil	66.91	0.01

NIFTY 50

	PRICE	CHANGE
Adani Ports	415.05	8.55
Ambuja Cements	262.95	2.75
Asian Paints	1104.80	3.00
Aurobindo Pharma	615.05	13.15
Avis Rent	552.30	15.55
Bajaj Auto	3008.70	22.50
Bajaj Finance	1674.95	41.55
Bharti Airtel	423.15	-2.40
Bosch	19119.15	198.55
BPLCL	433.00	3.10
Cipla	590.10	-5.55
Coal India	314.05	3.10
Dr Reddys Lab	2193.80	26.75
Eicher Motors	27185.95	461.55
GAIL (India)	463.20	4.80
HCL Tech	946.05	-9.55
HDFC	1843.25	19.05
HDFC Bank	1911.55	31.00
Hero MotoCorp	3537.85	43.15
Hindalco	246.20	-0.35
HPLCL	391.75	5.65
Hind Unilever	1333.30	10.15
Indiabulls HFL	1294.35	10.70
ICICI Bank	327.05	4.30
IndusInd Bank	1691.30	47.80
Bharti Infratel	344.45	4.05
Infosys	1138.60	-17.05
Indian OilCorp	376.70	8.30
ITC	266.55	-2.50
Kotak Bank	1105.15	24.30
L&T	1344.25	42.55
Lupin	821.30	13.80
M&M	735.40	16.75
Mauriti Suzuki	9005.35	306.55
NTPC	162.95	-0.60
ONGC	190.35	0.55
PowerGrid Corp	196.15	2.90
Reliance Ind	938.70	4.45
State Bank	274.45	-1.60
Sun Pharma	555.95	-13.70
Tata Motors	372.05	11.85
Tata Steel	680.20	2.45
TCS	3031.70	44.10
Tech Mahindra	612.45	-9.00
UltraTech Cement	4140.80	24.40
UPL	720.50	19.95
Vedanta	343.15	5.25
Wipro	291.60	-3.40
YES Bank	326.15	2.70
Zee Entertainment	585.45	15.50

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 26

CURRENCY	TT BUY	TT SELL
US Dollar	64.59	64.91
Euro	79.69	80.09
British Pound	90.75	91.20
Japanese Yen (100)	60.57	60.87
Chinese Yuan	10.24	10.29
Swiss Franc	69.14	69.49
Singapore Dollar	49.08	49.34
Canadian Dollar	51.12	51.37
Malaysian Ringgit	16.54	16.63

Source: Indian Bank

BULLION RATES CHENNAI

February 26 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.7	(41.6)
22 ct gold (1 g)	2927	(2912)

# ICAI favours existing audit mechanism

After PNB scam, CA regulator says it supports efforts to bolster system, but resists super regulator idea

SPECIAL CORRESPONDENT  
NEW DELHI

The Institute of Chartered Accountants of India (ICAI) has said that it supports efforts to strengthen its existing disciplinary and oversight mechanism through amendments to the CA Act.

This comes in the backdrop of allegations about the role of Chartered Accountants (CAs) in the Punjab National Bank (PNB) scam and Finance Minister Arun Jaitley pointing fingers at auditors and regulators for failing to detect such frauds.

However, ICAI has indirectly opposed the setting up of a super regulator National Financial Reporting Authority (NFRA) to regulate the CA profession. "ICAI supports every effort of strengthening the existing mechanism. But the model of oversight me-



No compromise: ICAI said it was committed to ensuring speedy inquiry into the Punjab National Bank scam. •REUTERS

chanism on the pattern of overseas regulations like Sarbanes Oxley Act 2002 (or SOX) has been found to be ineffective in so far in backdrop of banking sector mortgage scams in the U.S. [in] 2008-2009," the CA regulator said in a statement.

The SOX is a U.S. federal

legislation that had brought in new or expanded norms for American public accounting firms, public company boards as well as management. The ICAI also said a Parliamentary Standing Committee had recommended that, "Consistent with its position on strengthening

the oversight of corporate audit, the committee desires that the existing mechanism in this regard under the CA Act should be streamlined and strengthened without needlessly adding to regulatory levels. This may be undertaken in consultations with the ICAI, which is the designated elected self regulatory body for professional audit in the country."

'Imprudent to judge'

The CA regulator said till the time disciplinary inquiry was concluded in the PNB matter and the role of all those who acted in fiduciary responsibility was established, it would not be prudent to draw any conclusion against the profession. The ICAI remained committed to ensure accelerated inquiry and conclusion of the disci-

plinary proceedings in the PNB matter, it said. An ICAI High Powered Group to look into the alleged PNB bank scam had held its first meeting on February 23 in Mumbai, the CA body said, adding that the GM (Western Zone), PNB, appeared and made his statement.

On strengthening its disciplinary and oversight mechanism, the ICAI said it had already submitted its comments for the recommendation of the Central Government-appointed High Level Committee (HLC), which had also already drafted amendments to the CA Act.

Even before formation of the internal group to review the disciplinary mechanism and submitted its suggestions to the Centre for suitable amendments in the CA Act.



Norms coming: Guidelines on interoperability of wallets with bank accounts and cards are expected shortly. •PAUL NORONHA

## 'KYC compliance needed only for reloading e-wallets'

Non-compliant users won't lose funds

SPECIAL CORRESPONDENT  
MUMBAI

The Reserve Bank of India (RBI) has said that customers can use their electronic wallets, which are not compliant with know your customer (KYC) guidelines, for payments to merchants after February 28, even as it clarified that reloading the wallet with more funds would need a fully KYC-compliant account.

In October, RBI had directed all mobile-wallet operators, to make all accounts fully KYC-compliant by December 31, 2017. The deadline was later extended to February 28. "Sufficient time has already been given to meet the prescribed guidelines," RBI deputy governor B.P. Kanungo said while addressing the media.

"In the event of PPI issuers not obtaining KYC related inputs from customers within the timeline, customers will not lose their money. They can continue to undertake transactions for purchase of goods and services as hitherto to the extent of available balance in the PPI," he said. Mr. Kanun-

go further said reloading of the PPI and remittances can resume after completing the KYC requirement.

**Licences to 55 wallets**  
RBI has issued licences to 55 non-bank mobile wallets while another 50 banks have their own wallets.

According to RBI, requirement of full KYC for PPIs is a step towards interoperability. "The (PPI) guidelines are designed to strengthen safety and security of transactions and customer protection... a necessary step to pave the way for interoperability between PPIs, bank accounts and cards in a phased manner," he said.

The regulator is expected to issue guidelines on interoperability shortly. In the first phase, wallets will be made interoperable; in the second, wallets and bank accounts would be interoperable; in the final stage, wallets and cards will become interoperable. Since many wallet accounts are not fully KYC compliant, banks often do not allow users to transfer funds from their accounts to wallets.

## ACC, Ambuja call off merger proposal

Agree on material sales, purchase

SPECIAL CORRESPONDENT  
MUMBAI

Cement majors ACC Ltd. and Ambuja Cements Ltd. have called off their proposed merger plan announced in May last year.

"There are certain constraints to implementing the merger at present," both firms said in separate filings to the exchanges.

"The company is therefore not proceeding with the merger at this juncture, though this remains the ultimate objective," ACC said in a statement.

"In the meantime, with the intention to maximise synergies between the companies and to unlock value for the shareholders, the

board has approved an arrangement with ACC for the sale and purchase of materials and services on mutually agreed terms," said a statement from Ambuja Cements.

**Shareholders' nod**  
ACC and Ambuja Cements will disclose the details of the arrangement to their shareholders when they seek a nod via postal ballot.

On May 5, 2017, the firms had set up a special committee of directors to study the merger proposal.

Both ACC and Ambuja Cements are owned by LafargeHolcim Ltd., one of the world's largest manufacturers of building materials.

## Liberty House may still be in race for Bhushan Power

NCLT asks BPSL creditors to explain why bid was rejected

PIYUSH PANDEY  
MUMBAI

Liberty House could well be in the race to buy Bhushan Power and Steel Limited as the National Company Law Tribunal (NCLT), after hearing its petition on Monday, asked the creditors to explain why the Liberty House bid for BPSL was rejected.

Tata Steel is learnt to have emerged the highest bidder for BPSL with a bid exceeding ₹17,000 crore, higher than Sajjan Jindal-led JSW's ₹11,000-crore bid. In an email reply to a query, a Liberty House spokesperson said, "The matter is sub judice. We are hopeful that our



bona fide will stand out." The NCLT on Monday asked the Committee of Creditors (CoC) to submit by Friday its reply to the petition. The petition followed the CoC's decision to reject Liberty's bid for BPSL.

"Our bid is valid as it was submitted within the 270-day time frame stipulated by the Insolvency and Bankruptcy Code," a source in Liberty House told *The Hindu*.

'Delay in process'

The last date for submission of bids, according to the interim resolution professional, was February 8, while Liberty House submitted its bid on February 20.

The next hearing is scheduled for March 5, which may delay the final announcement of the winning bids as the CoC was scheduled to meet on March 6 to announce the winning bidder.

## Govt. names 9,500 'high risk' NBFCs

PRESS TRUST OF INDIA  
NEW DELHI

The government has categorised about 9,500 non-banking financial companies (NBFCs) in the country as "high risk" prone as they had not complied with a stipulated provision of the anti-money laundering law.

A list of 9,491 "high risk financial institutions" has been published by the Financial Intelligence Unit (FIU) that functions under the Union Finance Ministry. The FIU processed the data of these companies and found that they did not comply largely on one stipulated condition of appointing a principal officer who is responsible to check and report suspicious transactions and cash transactions of ₹10 lakh and above, sources said.

## Nestle India eyes double-digit growth; 'urban demand helps'

Marketing strategies for different regions to spur sales

YUTHIKA BHARGAVA  
NEW DELHI

Nestle India, which reported revenues in excess of ₹10,000 crore in 2017, is aiming for a 'double-digit' growth in the current year on the back of "optimism" on urban consumption trends.

The company is also looking at expanding footprint in the country and is developing product and marketing plans to address demand in different regions in the country.

Suresh Narayanan, MD, Nestle India, said, "The ambition I have for the company is double-digit growth. Clearly GST will have a different impact...so if [we] get a good mid to high single-digit growth, I will be happy."

The company, which follows the January-to-December



Suresh Narayanan

financial year, crossed sales of ₹10,000 crore in 2017, a growth of almost 8% from 2016.

Mr. Narayanan added the last couple of quarters had been 'fairly encouraging' for consumer goods. "There is a certain degree of optimism for urban consumption. Rural has related issues such as impact of monsoons...on the other hand, investments en-

visaged in the Budget should also start kicking in..."

'15 clusters'

The company has also formed about 15 clusters, each comprising 10-20 employees in particular geographies across the country. These would be responsible for giving inputs on specific products to be sold in a particular market, the choice of channels and marketing plans for those regions.

"The top 100 towns will still be the biggest contributor to our sales, but India's urban profile is changing. If we don't prepare to reach out to the next 300-400 towns, we will be missing a large opportunity."

The firm was also looking to introduce variants of products that are distinctly regional in their focus, he said.

## GDP grew 6.9% in Oct.-Dec. on increased spending, says poll

'Trend suggests impact caused by GST, note ban is fading'

REUTERS

India's economy grew at its fastest pace in a year in the October-December quarter as consumers, businesses and the government stepped up spending, a *Reuters* poll predicted.

This suggests that disruptions from a shock ban on high-value currency notes in November 2016 and the chaotic launch of a goods and services tax (GST) in July are fading.

Gross domestic product grew 6.9% in the October-December quarter from a year earlier, according to the poll of more than 35 economists, taken over the past week.

If the data, due at 1200 GMT on February 28, matches the consensus, the quar-



said Abhishek Upadhyay, economist at ICICI Securities PD.

"Recent buoyancy in indicators such as cement output also points to recovery in segments such as construction, and real estate that were hit most from demonetisation."

Past growth

Still, growth in the world's seventh-largest economy is far from the near-double-digit pace recorded during the years before the financial crisis.

What has also weighed on the economy is exports, which took a hit last year from an appreciating rupee. The rupee strengthened 6.5% against the dollar in 2017.

## Ranbaxy row: HC orders attachment

PRESS TRUST OF INDIA  
NEW DELHI

The Delhi High Court on Monday ordered the attachment of all unencumbered assets of the two holding companies of former promoters of India's Ranbaxy Laboratories Limited to execute the ₹3,500 crore arbitral award won by Japanese pharma major Daiichi Sankyo.

Justice Jayant Nath issued the warrants for attaching the unencumbered assets of RHC Holdings Private Limited and Oscar Investments Private Limited, and directed the former Ranbaxy promoters and brothers - Malvinder Singh and Shivinder Singh - and 10 others, to file within 10 days a list of their unencumbered assets.

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