

MARKET WATCH		
	15-02-2018	% CHANGE
Sensex	34,297	0.41
US Dollar	63.91	0.28
Gold	31,650	1.11
Brent oil	63.70	2.37

NIFTY 50		
	PRICE	CHANGE
Adani Ports	411.70	-1.30
Ambuja Cements	253.40	-0.75
Asian Paints	1135.45	-3.70
Aurobindo Pharma	592.55	-9.55
Axis Bank	543.70	-0.20
Bajaj Auto	3143.50	33.75
Bajaj Finance	1677.05	7.10
Bharti Airtel	428.95	-5.85
Bosch	19502.45	-12.65
BPCL	475.05	14.95
Cipla	605.85	-10.30
Coal India	308.10	1.15
Dr Reddys Lab	2195.80	12.50
Eicher Motors	28340.45	312.85
GAIL (India)	475.90	9.00
HCL Tech	939.70	1.90
HDFC	1829.50	15.50
HDFC Bank	1881.90	-1.25
Hero MotoCorp	3527.25	-68.80
Hindalco	251.50	8.25
HPCL	390.90	8.25
Hind Unilever	1358.15	8.75
Indiabulls HFL	1312.30	-35.90
ICICI Bank	328.65	9.70
Indusind Bank	1686.15	-8.30
Bharti Infratel	331.05	3.65
Infosys	1114.45	16.70
Indian OilCorp	376.80	-0.55
ITC	268.10	1.60
Kotak Bank	1042.15	-0.30
L&T	1350.35	-10.85
Lupin	822.30	-5.30
M&M	749.35	2.40
Maurti Suzuki	9020.25	18.65
NTPC	163.20	0.25
ONGC	188.30	2.55
PowerGrid Corp	197.90	2.45
Reliance Ind	935.65	2.00
State Bank	278.70	2.50
Sun Pharma	575.75	0.95
Tata Motors	375.80	-1.05
Tata Steel	700.55	-7.45
TCS	2925.85	14.05
Tech Mahindra	605.65	-5.85
UltraTech Cement	4187.85	12.35
UPL	716.10	-5.80
Vedanta	324.40	8.65
Wipro	292.50	-0.95
YES Bank	319.80	-0.55
Zee Entertainment	570.90	-5.70

EXCHANGE RATES			
Indicative direct rates in rupees a unit except yen at 4 p.m. on February 15			
CURRENCY	TT BUY	TT SELL	
US Dollar	63.71	64.03	
Euro	79.47	79.87	
British Pound	89.50	89.95	
Japanese Yen (100)	59.75	60.05	
Chinese Yuan	10.04	10.09	
Swiss Franc	68.87	69.22	
Singapore Dollar	48.53	48.78	
Canadian Dollar	51.00	51.28	
Malaysian Ringgit	16.35	16.45	
Source:Indian Bank			

BULLION RATES CHENNAI		
February 15 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	41.8	(41.3)
22 ct gold (1 g)	2925	(2889)

## Axis Bank ‘sold down’ PNB LoUs

**PRESS TRUST OF INDIA NEW DELHI**  
Axis Bank on Thursday said it is an active participant in the secondary market for transactions against letters of undertaking (LoUs) and it “sold down” certain such dealings with the Punjab National Bank.  
On media reports about certain buyer’s credit transactions with PNB, which is at the centre of a ₹11,400-crore fraud case, it said that in the normal course of business, the bank undertakes such transactions against LoUs issued by other banks through its overseas branches.  
“Axis Bank is also an active participant in the secondary market for such transactions, and the bank has sold down all of the referred transactions,” Axis Bank said.

## British MPs criticise Tata Steel, U.K. govt. over ‘pensions mis-selling scandal’

‘British Steel Pension Scheme members exploited for cynical personal gain’

**VIDYA RAM LONDON**  
A panel of MPs in Britain have criticised Tata Steel, the U.K. Government, the financial services and pensions regulator and others over a pensions mis-selling scandal that led to members of the British Steel Pension Scheme being “exploited for cynical personal gain.”

**‘Concerns on advice’**  
The report relates to concerns around the financial advice provided to members of the pension scheme by pensions advisory firms. Last year an agreement was struck with U.K. pension authorities, following much negotiation and the payment of half-a-billion pounds and an equity stake, which will

# PNB fraud may wipe out profit

Affected amount is more than 10 times lender’s 9-month net income of ₹1,134 cr.

**SPECIAL CORRESPONDENT MUMBAI**  
The ₹11,500-crore fraud at state-owned Punjab National Bank (PNB) could have a significant impact on its profitability, which is already under pressure due to an increase in bad loans.  
Not too long back, in the January-March quarter of 2016 (FY2015-16), the lender had reported a record quarterly loss of ₹5,370 crore due to a jump in bad loans. As part of its plan to bolster capital at state-run banks, the government had recently decided to infuse into PNB ₹5,473 crore, which is less than half the amount involved in the fraud.  
The country’s second-largest lender had reported a net profit of ₹1,134 crore for the first nine months of the current financial year – a



**Burden of credit:** PNB may have to bear liability for issuing LoUs in favour of 3 firms run by Nirav Modi. • SHASHI ASHIWAL

growth of only 6.7% over the same period of the previous year. The bank reported gross non-performing assets of ₹57,519 crore as of end December, which was 12.1% of its total advances.  
Since PNB had issued Letters of Undertaking (LoUs) in favour of three companies run by Nirav Modi – Solar

Exports, Stellar Diamonds and Diamond R Us – for availing buyers’ credit, PNB may have to bear the liability and pay the other banks such as Allahabad Bank and Axis Bank.  
“We are already in discussion with all the lenders,” Sunil Mehta, MD & CEO of PNB, said at a news conference. “If

the entire onus is on us, we are not going to back away from it. We don’t have any funded exposure as of now, but whatever is our liability that will be worked out under the investigation... we will take action,” he said.  
Banking sources said PNB had already made some payments to other banks.

**‘Weak systems’**  
“The amount involved is substantial,” Edelweiss wrote in a note to its clients. “But more worrying is the stark process lax and repeated instance of similar frauds. “PSU banks continue to grapple with weak systems, raising questions on why the processes are not centralised, unlike most private banks where bypassing CBS [core banking solution] is not easy,” Edelweiss said.

# Profit at Modi’s ANM surged 543 times in FY16

While ANM had ₹24.7 cr. net, controversial tycoon’s flagship firm Firestar Diamond posted ₹28,788 loss

**PIYUSH PANDEY MUMBAI**  
Nirav Modi’s holding company ANM Enterprises saw profit soar more than 543 times to ₹24.79 crore in FY16, from ₹4.56 lakhs in the year earlier period. In stark contrast, the controversial tycoon’s flagship firm Firestar Diamond Pvt. Ltd. reported a loss of ₹28,788 in FY16, widening slightly from FY15’s loss of ₹27,811.

Firestar Diamond is Mr. Modi’s front company with operations across the U.S., Europe, the Middle East, the Far East and India, according to its website. Nirav Modi and Hemant Bhatt are directors of the firm that employs 1,200 people.  
Firestar International Pvt. Ltd., which was the holding company of Firestar Dia-



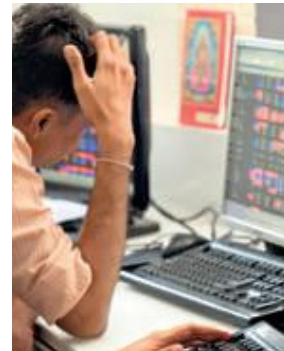
**Glossy year:** ANM had a shining FY16, with the total income increasing by 674 times to ₹32.79 crore. • PRASHANT WAYDANDE

mond until March 19, 2016, transferred all the shares to ANM Enterprises and ceased to be the holding company, according to a filing with the Registrar of Companies (RoC). Firestar International had reported a net profit of ₹61.06 crore on revenue of

# PNB, diamond stocks slump

Bank has lost 20.6% in two consecutive trading sessions

**SPECIAL CORRESPONDENT MUMBAI**  
Shares of Punjab National Bank (PNB), Gitanjali Gems and most other companies dealing in diamonds fell for the second consecutive day on Thursday as central agencies intensified their probe into the matter that saw the public-sector lender report fraudulent transactions worth about \$1.77 billion on Wednesday.  
Shares of PNB lost almost 12% to close at ₹128.35 after touching a 52-week low of ₹125.55 intra-day. On Wednesday, the shares fell almost 10%.  
PNB lost ₹8,077 crore in market capitalisation in two trading sessions.  
Ironically, trading interest in the stock increased as a total of 1.72 crore shares changed hands on the BSE, significantly higher than the



two-week average volume of 17.65 lakh shares.  
Sameet Chavan of Angel Broking said the PNB issue was affecting trading environment and having a rub-off effect on its peers as well. Banking majors like HDFC Bank, Kotak Mahindra Bank, Axis Bank and Indusind Bank also lost ground on Thursday.  
Meanwhile, the shares of Gitanjali Gems, one of In-

dia’s largest branded jewellery retailers, fell 20% to close at 52-week low of ₹46.90. Mehul Choksi, managing director of the company, had also been named in the first information report filed by the Central Bureau of Investigation (CBI).  
**Ripple effect**  
The investigation against Nirav Modi and Mr. Choksi had ripple effect, affecting most of the other listed companies that dealt with diamonds and jewellery.  
Rajesh Exports lost more than 2% or ₹16.55 to close at ₹803.20.  
PC Jeweller was also down 5.31% or ₹20 to settle the day at ₹356.40. Tribhovandas Bhimji Zaveri, Thangamayil Jewellery, Lypsa Gems and Jewellery, Radhika Jeweltch and Vaibhav Global all lost in the range of 2-5% each.

## Fujitsu mulls AC unit in India

‘The \$200 million plant will be a global factory’



**SPECIAL CORRESPONDENT HYDERABAD**  
Japan’s air conditioner maker Fujitsu General would set up its next manufacturing facility in India.  
The firm, which had plants in Thailand and China, would invest about 20% of its proposed \$1 billion global spend on various business growth measures, on the facility, said an official.  
**Cutting cost**  
Stating India was being evaluated for the plant in which the firm proposed to invest \$200 million, Fujitsu General president Etsuro Saito highlighted how local manufacturing would help reduce production cost and make the product affordable to more customers.  
The plant would also help develop India-specific models, said M. Ejazuddin, CEO and director, EGPL, the In-



The proposed plant would develop India-specific models. • REUTERS

dian arm of Fujitsu General. Expecting a final decision on the India plant to be taken in two years, he said while the location had not been identified, the preference was for South India.  
Proximity to a metropolitan city, to help attract talent, as well as to a port – with 70% of the components by value imported – would be the key factors in influencing the decision.

On Thursday, the firm unveiled 26 models of air conditioners. Of these, 14 were designed to work optimally in the tropics and five suited to work in abnormal voltages – from 155 volts to 265 volts.  
The products were priced from ₹25,200 to ₹1,52,250. Fujitsu General ACs were expensive as they were of better quality, said Mr. Ejazuddin said, adding the turnover from the country in 2016-17 was ₹1,500 crore and estimated to grow 20-25% in current fiscal.  
The firm currently enjoyed a 4% share in the 60-lakh-unit a year market and was eyeing to clock 5% in the next couple of years.  
To queries on the proposed plant, senior executives said it would be a global factory and benefit from the free trade agreement between India and Thailand.



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