

IN BRIEF



'No IGST for exporters if bond is furnished'
NEW DELHI
Exporters can furnish a bond or letter of undertaking instead of paying Integrated GST at the time of exporting goods and services with effect from July 1. If IGST has been paid, exporters can seek a tax refund, according to a Customs circular on export procedure under GST. IGST is levied on supply of goods and services in the course of inter-state trade. PTI

R-Cap arm invests ₹7 cr. in start-up Billionloans
MUMBAI
Reliance Corporate Advisory Services Ltd., a wholly-owned subsidiary of Reliance Capital, has invested ₹7 crore in Billionloans Financial Services, a start-up that focuses on facilitating loans. V. Balakrishnan, former board member of Infosys, is currently the chairman of Billionloans. Billionloans would initially focus on facilitating loans for education and affordable housing and personal loans.

Nilekani, Aggarwal float \$100 mn project
BENGALURU
Technology billionaire Nandan Nilekani has partnered with Sanjeev Aggarwal, venture capitalist and founder of BPO company Daksh, to set up a fund with an initial corpus of \$100 million. Called 'The Fundamentum Partnership', it would lead investment rounds ranging from \$10 million to \$25 million in young ventures. Fundamentum would back local leaders in building durable technology companies. The fund would focus on consumer technology businesses.

NSE co-location case serious, says SEBI

Regulator says exchange may have to refile papers for IPO

PRESS TRUST OF INDIA
NEW DELHI
The National Stock Exchange (NSE) may have to refile papers for its ₹10,000-crore IPO after addressing issues related to alleged preferential access given to some brokers, watchdog SEBI's Chairman Ajay Tyagi said, terming the co-location case as "a serious matter".

The leading stock exchange had submitted to SEBI its draft prospectus for the public offer in December, but the approval has been hanging fire due to issues surrounding the ongoing probe into the NSE co-location case, where some brokers allegedly got preferential access to the exchange's systems.

To a query on whether the NSE will have to file revised financial statements and DRHP, Mr. Tyagi said, "That is for them to decide... It is a serious matter. If I was an issuer, I will see that these are addressed and then only go back to DRHP."

Asked whether it is a regulatory requirement to file a revised DRHP (Draft Red Herring Prospectus), the SEBI chief said, "I think they themselves will do it."

Mr. Tyagi was speaking to reporters on the sidelines of an event organised here by the Standing Conference of Public Enterprises (SCOPE).

In the case, SEBI wants its forensic audit to quantify unlawful gains made by some brokers, even as the exchange is trying to reach a settlement of the case through consent mechanism.

Rating agencies
Mr. Tyagi also said the regulator was "not happy" with the current state of affairs at credit rating agencies and would soon float a discussion paper for a new set of



Uphill task: A probe is underway to quantify any unlawful gains made by brokers in connivance with NSE officials.

norms for them. This comes within days of the watchdog tightening disclosure norms for the credit rating agencies (CRAs) amid concerns about delayed rating action regarding debt-ridden firms.

"We are bringing out a discussion paper within a month," Mr. Tyagi said in reply to a question on how SEBI would deal with the situation if the rating agencies failed to adhere to the new set of stricter norms.

Mr. Tyagi said SEBI would look at views from all stakeholders before taking a call.

"We are not happy with the current state of affairs at the credit rating agencies," he said.

Governance concerns
Emphasising the need for improved corporate governance practices at listed companies, Mr. Tyagi also today said 20% of public sector enterprises still do not have a single woman director.

He also said that in many cases, independent directors are appointed and removed at the whims and fancies of promoters of companies. "20% of public

sector companies still don't have a single woman director," Mr. Tyagi said here.

Regulations require listed firms to have at least one woman director on their boards. Mr. Tyagi said much needed to be improved on the functioning and appointment of independent directors and audit committees at listed companies.

'No preference for PSUs'
He also said having different norms for listed public and private companies might be "perceived wrongly".

Interacting with senior officials of public sector undertakings here, Mr. Tyagi said the regulator would have a dialogue with the government on compliance of these companies with certain regulations. The idea is to ensure that listed companies follow some discipline; and, between public and private sector (companies) they follow the same rules, he said. His remarks assume significance amid suggestions from certain quarters that PSUs should be given more time to comply with the minimum public shareholding requirement.

Two commodity exchanges merge

NMCE-ICEX union to create third-largest commodities exchange in the country

K.T. JAGANNATHAN
CHENNAI
National Multi Commodity Exchange (NMCE), India's first de-mutualised online national multi-commodities exchange, will merge with the Indian Commodity Exchange (ICEX).

The boards of the two exchanges have approved the merger move, said a joint press release. The proposed merger will create the country's third-largest commodities exchange.

Swap ratio
As per the agreed swap ratio, ICEX shareholders will hold 62.8% stake and NMCE shareholders 37.2% stake in ICEX, post merger, which is subject to required regulatory approvals. The merger is



Swap deal: ICEX shareholders will hold 62.8% stake and NMCE shareholders the rest, post merger.

expected to be completed by December 2017.

The merged entity will have prominent shareholders from both exchanges, including MMTC, Indian Potash, Krishak Bharti Cooperative (Kribhco), IDFC Bank, Indiabulls Housing Finance, Reliance Capital,

Bajaj Holdings, Central Warehousing Corporation, Punjab National Bank and Gujarat Agro Industries.

"The merger will help ICEX to further strengthen its position in the commodity derivatives market in India," said Sanjit Prasad, MD and CEO of ICEX. "The large

base of warehousing facilities of CWC with storage capacity of 9.89 million tonnes will become available to the combined entity pan India, which will help generate more liquidity due to wider participation of the larger base of active members of the combined entity," said Anil Mishra, MD & CEO, NMCE.

ICEX is a deemed recognised stock exchange providing a nationwide online trading platform in commodity derivatives. It has put in place assaying and warehousing facilities in order to facilitate deliveries. Reliance Capital is its largest investor.

NMCE is the first de-mutualised, online multi-commodity exchange in India, set up in October 2002.

GST effect: 2-wheeler makers slash prices

TVS, Honda & Suzuki announce cuts

K.T. JAGANNATHAN
CHENNAI

Major two-wheeler makers have cut prices of their vehicles across models following the introduction of GST (Goods and Services Tax) from the midnight of June 30. TVS Motor Company, Honda Motorcycles & Scooters India Pvt. Ltd., and Suzuki Motorcycle India Private Limited (SMIPL) have all announced a reduction in prices.

2% decrease
"Under GST, consumer and premium segment vehicles would witness a 2% decrease in taxes, and Suzuki is very pleased to pass this benefit onto its customers in the form of reduced prices. Suzuki vehicles, which fall under the 28% tax slab, will see a reduction in price," it said in a release.

The price reduction announced by TVS Motor ranges between ₹350 and ₹1,500 in the commuter segment. In the premium segment products, prices have been reduced up to ₹4,150 depending on each State.

"Dealers will be given suitable assistance on the opening stock as on July 1, 2017 purchased by them at pre-GST price," said a state-

ment from TVS Motor.

Suzuki Motorcycle India Private Limited (SMIPL) said a unified Indian market would be beneficial to the automobile sector as it would have a levelling impact.

Yamaha had already announced a revision in its prices. Honda said its customers could get "significant savings up to ₹5,500 depending on the model and the State of purchase."

Carmakers Honda, Ford too reduce prices

They are between ₹10,000 & ₹3 lakh

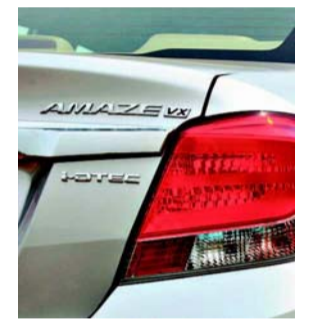
SPECIAL CORRESPONDENT
CHENNAI

Ford India and Honda Cars have cut prices across models, following the introduction of the Goods and Services Tax (GST).

Honda Cars India reduced the prices of its premium SUV CR-V by up to ₹1,31,663, BR-V prices by up to ₹30,387 and mid-sized sedan City in the range of ₹16,510 to ₹28,005.

Honda's compact sedan Amaze prices have dropped by up to ₹14,825, hatchback Brio by up to ₹12,279, Jazz by ₹10,031 and that of WR-V by ₹10,064. All these prices are ex-showroom New Delhi.

Ford India has reduced its vehicle prices by up to 4.5%. The highest cut will be in Mumbai with the Ford's flagship SUV Endeavour becoming cheaper by up to ₹3



lakh. The company spokesperson said the company would pass on the benefits in the range of up to 4.5% across the range.

Korean carmaker Hyundai spokesperson said the company was working on the post-GST prices. "The new rates will be announced in a day or two."

Recently, Mercedes Benz, BMW, Maruti and Toyota also reduced prices to pass on benefits to customers.



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