

MARKET WATCH

	25-01-2018	% CHANGE
Sensex	36,050	-0.31
US Dollar	63.55	0.24
Gold	31,450	1.13
Brent oil	70.96	1.72

NIFTY 50

	PRICE	CHANGE
Adani Ports	436.50	-12.25
Ambuja Cements	263.00	2.85
Asian Paints	1150.45	-0.60
Aurobindo Pharma	639.70	-18.75
Axis Bank	616.10	8.15
Bajaj Auto	3311.70	-29.85
Bajaj Finance	1710.30	-28.85
Bharti Airtel	452.70	-6.80
Bosch	19642.50	-87.80
BPL	480.65	0.15
Cipla	621.40	3.10
Coal India	299.40	4.85
Dr Reddys Lab	2507.75	-51.65
Eicher Motors	26519.40	115.35
GAIL (India)	493.75	8.80
HCL Tech	1009.55	-8.90
HDFC	1908.30	-2.90
HDFC Bank	1974.95	17.30
Hero MotoCorp	3571.20	-74.30
Hindalco	258.95	0.25
HPCL	384.15	-5.00
Hind Unilever	1372.75	6.85
Indiabulls HFL	1394.00	32.00
ICICI Bank	360.80	8.05
IndusInd Bank	1730.20	12.90
Bharti Infratel	343.45	1.15
Infosys	1175.40	-10.40
Indian Oil Corp	392.30	2.00
ITC	281.25	-0.20
Kotak Bank	1092.35	12.25
L&T	1416.50	15.30
Lupin	949.65	-9.40
M&M	757.80	2.40
Maurti Suzuki	9278.20	-156.75
NTPC	171.95	-2.05
ONGC	208.50	-2.35
PowerGrid Corp	194.30	-1.65
Reliance Ind	965.90	-0.45
State Bank	313.15	-16.75
Sun Pharma	579.85	-6.70
Tata Motors	400.30	-3.30
Tata Steel	769.15	7.05
TCS	3121.05	-53.55
Tech Mahindra	598.45	-4.70
UltraTech Cement	4359.95	76.95
UPL	768.95	-55.30
Vedanta	345.60	5.60
Wipro	311.95	-2.00
YES Bank	361.60	-3.20
Zee Entertainment	595.85	-7.35

EXCHANGE RATES

Indicative direct rates in rupees a unit except Yen at 4 p.m. on January 25

CURRENCY	TT BUY	TT SELL
US Dollar	63.35	63.67
Euro	78.57	78.97
British Pound	90.28	90.75
Japanese Yen (100)	58.13	58.42
Chinese Yuan	10.02	10.07
Swiss Franc	67.24	67.58
Singapore Dollar	48.48	48.72
Canadian Dollar	51.40	51.66
Malaysian Ringgit	16.30	16.39

Source: Indian Bank

BULLION RATES CHENNAI

January 25 rates in rupees with previous rates in parentheses

Retail Silver (1g)	43.10	(42.20)
22 ct gold (1g)	2,926	(2,895)

GST mop up in Dec. rises to ₹86,703 crore; trend reverses

Rate cuts, easier compliance may have aided growth; taxpayer base hits 1 crore

SPECIAL CORRESPONDENT
NEW DELHI

Reversing two consecutive months of fall, the Goods and Services Tax (GST) collections for December rose to ₹86,703 crore. Meanwhile, the GST taxpayer base touched the one-crore mark. "Total revenue collections under GST for December 2017 (received in December 2017/January up to 24th January, 2018) has been ₹86,703 crore..." the Finance Ministry tweeted. In November 2017, the GST collections had fallen to ₹80,808 crore, from more than ₹83,000 crore in October, 2017. GST collections in September, 2017 were more than ₹92,150 crore.

"The increase... is a wel-



Turning tide: December collections could become tipping point in GST history, says M.S. Mani. • GETTY IMAGES/ISTOCK

come sign, given that it was the first full month after the rate cuts on several products," said M. S. Mani, senior director, Deloitte India, said in a statement.

"The December collections could become 'the much-needed tipping point

in the GST history" and appears they (GST collections) have started "entering the stabilisation phase," he said, adding, "With several other measures such as the e-way bill lined up, the collections would only increase in future, removing fears of an in-

crease in the fiscal deficit."

Mr. Mani said a combination of reasonable rates and easier compliance processes during December would have contributed to the improvement in collections.

'Average collection'

"Average monthly collection in past five months is about ₹74,000 crore," said Dinesh Agrawal, ED, Khaitan & Co. "Comparing with the average collection as well as past month collection, December collection is showing tax buoyancy of 7.5%. This is a good sign of the maturing GST as well as a growing economy," he said. However, in February, collections may dip on cut in tax rate from 28% to 18% on 178 items.

Duty drawback raised on 102 export items

Covers leather goods, tyres, seafood

SPECIAL CORRESPONDENT
NEW DELHI

In a bid to make the country's exports more competitive in the overseas markets, the Centre enhanced the industry rates of duty drawback for 102 tariff items.

The enhanced rates of drawback would be effective from January 25, 2018, the Finance Ministry said in a statement.

"As a step towards more efficient input tax neutralisation on the exports, after considering various representations from the trade and industry, the government has enhanced the All Industry Rates of duty drawback for 102 tariff items," the

Ministry said. The export items mainly include marine and seafood products, automobile tyres and bicycle tyres/tubes, leather and articles of leather, yarn and fabric of wool, glass handicrafts and bicycles, it said.

'Addressing concern'

"The revised rates of duty drawback will help address the concerns of these export sectors and make India's exports more competitive in global economy," the Ministry added. "The revision of drawback is a welcome relief to the exporters and their cash flow should improve," said Bipin Sapra, tax partner, EY India

Maruti Suzuki net rises 3%

Higher taxes, lower non-operating income cut profit growth

SPECIAL CORRESPONDENT
NEW DELHI

Maruti Suzuki on Thursday posted 3% increase in net profit to ₹1,799 crore for the quarter ended December 31.

"While the operating profit increased by 26.7%, the net profit increased by 3% due to increase in effective tax rates and lower non-operating income due to market impact on the invested surplus, compared to last year," the firm said in a statement. Maruti had posted a profit of ₹1,747.2 crore in October-December 2016 quarter and ₹2,484.3 crore in the July-September 2017.

During the quarter under review, Maruti's total income was ₹19,528.1 crore, a decline of 1.3% from



Maruti Suzuki's operating profit, however, increased by 26.7%.

₹19,793.3 crore in the year-earlier period. Sequentially, the total income declined 12.3% from ₹22,291.1 crore in July-September 2017 quarter. Maruti sold more than 4.31 lakh vehicles, a growth

Royalty revision

The company said its board on Thursday approved a revision in the method of calculating royalty which would result in lower payments for new model agreements starting with the Ignis. This would be implemented after approval by the board of Suzuki Motor Corporation.

Setting up firms may get easier

SPECIAL CORRESPONDENT
NEW DELHI

The Corporate Affairs Ministry on Thursday said it will be introducing certain initiatives to simplify and expedite company incorporation process.

"On the occasion of the 69th Republic Day tomorrow, the Ministry ... is launching the Government Process Re-engineering (GPR) initiatives for making the incorporation process speedy, smooth, simple, and reducing the number of procedures involved for starting a business," the Ministry said in a statement.

It would unveil "RUN" or "Reserve Unique Name" web service for name reservation on January 26. The initiatives would significantly enhance the "ease of doing business," it said.

World Bank's Romer quits after Chile affair

Economist had cast doubt on rankings

REUTERS
WASHINGTON

Paul Romer stepped down as the World Bank's chief economist on Wednesday after he came under fire for saying that Chile's rankings in a closely watched "Doing Business" report may have been deliberately skewed under socialist President Michelle Bachelet.

Mr. Romer's resignation was announced in an internal note that was posted by World Bank President Jim Yong Kim. "Paul Romer has informed me that he is stepping down from his position as chief economist, effective immediately," Mr. Kim said in the announcement.

In an interview with The Wall Street Journal, Mr. Romer apologized to Chile for changes to the report's

methodology that he said "conveyed the wrong impression" about the business environment under Ms. Bachelet.

Controversial report

The annual report has long been controversial because it ranks countries based on indicators that grade them on how their government bureaucracies affect, and often limit, their business environments.

Chile currently ranks at 55 out of 190 countries on the list, down from 34 in 2014, the year Ms. Bachelet took office.

Mr. Romer told the newspaper that the decline resulted from methodological changes, rather than a deterioration of Chile's business environment.

Dollar slump drives gold to new peak

REUTERS
LONDON

Gold prices climbed on Thursday to touch their highest since August 2016 as a weakening dollar helped it to extend gains of 10% since mid-December.

The dollar plunged to a three-year low against major currencies after the U.S. treasury secretary said he welcomed a weaker greenback, making gold cheaper for non-U.S. investors. The lower dollar may also drive prices higher in the U.S. and increase demand for gold as a hedge against inflation. "Gold is benefiting tremendously from weaker dollar," said ETF Securities analyst Nitesh Shah. Spot gold was up 0.1% at \$1,359.92 an ounce, having hit \$1,366.07, its highest since August 3, 2016.

A buyback offer too good to be true!

NBFC Saraswati Commercial offers ₹978 for a share worth ₹14.71

ASHISH RUKHAIYAR
MUMBAI

Saraswati Commercial (India) Ltd., a little-known firm listed on the BSE, has created a record of sorts. The company, whose market capitalisation is a mere ₹1.52 crore with shares last traded at ₹14.71 apiece, has announced a buyback offer worth almost ₹6 crore at ₹978 per share.

Never before in the history of Indian equity markets has a company offered to buy back shares at such a premium to its market price. The Mumbai-based non-banking finance company (NBFC) is paying close to 67 times the market price.

The buyback is being done as the company said it believed the current market price does not reflect the fair value of the stock, said a senior official of the company whose main business activity is "investment, trading in



shares and securities and lending activities". The firm's annual report said it held shares worth nearly ₹60 crore in various listed entities along with ₹35 crore worth of shares in unlisted entities. "The company was merged with another listed group entity named Aroni Commercial in FY17. But the current market price of Saraswati does not reflect the intrinsic value of the merged entity and hence the buy-

back route was decided... so that shareholders can get an exit option at a fair value," said an official on conditions of anonymity. The shares of Saraswati Commercial were traded last on December 29. "The company wanted to give... [an] exit option to investors at the intrinsic value," said G.S. Ganesh, founder, Inga Capital, the merchant banker managing the buyback offer. "The buyback offer price is a fair pro-

position by the company for the minority shareholders." While promoters hold 73.35% stake in the NBFC, the balance 26.65% is held by the public. The firm will buy back up to 60,000 equity shares. The promoter and promoter group intend to tender 40,842 equity shares - 68% of the maximum buyback size - in the offer.

'Little benefit for public'

Corporate governance experts said though the firm had high intrinsic value due to its assets, shareholding pattern showed it was closely-held with public getting no benefits of listing. "This is more a case of getting tax benefits by tendering shares on a stock exchange platform as the firm has no reason to be listed since it is so closely-held," said J.N. Gupta, MD, Stakeholders Empowerment Services, a proxy advisory firm.

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