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### Logistics sector stocks in limelight as GST Bill gets Cabinet nod

Enactment likely to become a reality from April next year

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Channarayana, December 18

With the Union Cabinet giving its approval to the Constitutional Amendment Bill for Goods and Services Tax, stocks in the logistics sector were in limelight on Thursday.

#### Stiff valuation stress

Many of these companies are integrated service providers, including transportation and warehousing, and their stock prices witnessed a sharp uptick accompanied by strong trading volumes. However, with many of them trading at stiff valuations, the extent to which their stock prices could rise in the near term remains to be seen.

While a lot of formalities are



yet to be gone through before the GST is enforced, with general consensus reached on the subject it is expected that GST will become a reality from April 1, 2016.

Shares of Container Corporation of India (CCI) jumped ₹59.05 to close at ₹1,330, a gain of 4.65 per cent.

Snowman Logistics, which owns a string of temperature-controlled warehouses across the country, gained 7.54 per cent to end the day at ₹100.60. Gate-

way Distriparks (GDL) is its promoter and the largest stakeholder. GDL, which has three verticals — container freight stations, inland container depots and cold chain storage and logistics, **spurred 2.57 per cent to ₹337.20.**

Transport Corporation of India, vaulted 7.57 per cent to **₹262.80.** GATI, an integrated distribution and supply chain solutions provider, gained ₹13.80 to close at ₹263.

#### To benefit auto, FMCG too

Introduction of GST will also help sectors such as automobiles and FMCG, among others, which would gain from higher sales. However, a clear picture about the impact of GST on the economy would emerge only when the contours of the Bill become clear.

**Of the five stocks, only CCI and TCI appear to be trading at reasonable PEs.**