India intends to introduce law to ban crypto trading

BIZ KEYNOTES
16 September

India plans to introduce a new law banning trade in cryptocurrencies, placing it out of step with other Asian economies that have chosen to regulate the fledgling market.

The Bill is expected to be discussed shortly by the Cabinet before it is sent to parliament, according to people familiar with the development who we asked not to be identified, citing rules on speaking with the media.

The government will encourage blockchain, the technology underlying digital currencies, but is not keen on cryptocurrency trading, according to two people. A finance ministry spokesman didn't respond to call and a message seeking comments.

The central bank had, in 2018, banned crypto transactions after a string of frauds in the months following Prime Minister Narendra Modi's decision to ban 80 per cent of the nation's currency. Cryptocurrency exchanges responded with a lawsuit in the Supreme Court in September and won respite in March 2020.

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The win in court prompted an almost 450 per cent surge in trading in just two months since March, according to TechSci Research, reviving concerns as more Indians risk their savings amid job losses and an economic slowdown caused by the coronavirus pandemic. Bitcoin marketplace Paxful reported 883 per cent growth between January to May 2020 from a year earlier, to trade at $22.1 million. WazirX, a Mumbai-based crypto exchanger, grew 400 per cent in March 2020 and 250 per cent in April 2020 on month-on-month basis, according to TechSci.

Regulating trades

India's decision would be crucial as more Asian nation countries weigh pros and cons of virtual currencies. Rival China, which banned initial coin offerings and cryptocurrency trades in 2017, recently allowed Bitcoin trading as virtual property, not as fiat money. It is also planning its own central bank digital currency. Both Singapore and South Korea regulate crypto trades.

NITI Aayog, is exploring possible uses of blockchain — structures that publicly store transactional records in blocks in several networked data bases — in managing land records, pharmaceutical drugs supply chain or records of educational certificates. And while it is planning a virtual currency, the government is averse to the idea of the crypto-currency trades.

A renewed trading ban would hurt more than 1.7 million Indians trading in digital assets and a rising number of companies setting up platforms for trades, data shows.

It will also affect companies like Singapore-based Coinbase, which added 200,000 users after starting trades operations in June and was reporting volumes of about $200-300 million, according to chief executive officer Adrian Hopkins. About half the users of the Nasdaq-backed company's local arm are from outside Rather are less than 25-years old.

Abolish LTCG on start-up investments: Panel

BIZ KOM SETH
New Delhi, 15 September

A Parliamentary panel has "strongly recommended" abolishing long-term capital gain (LTCG) tax for investment in start-ups, besides other incentives, to drive a sharp post-pandemic revival. This would apply to investments made through collective investment vehicles such as angel funds, alternate investment funds and Investment LLPs, it said.

The Parliamentary Standing Committee on Finance, headed by former minister of state for finance Jayant Sinha, said a strong start-up ecosystem can propel investment, jobs, and demand creation, and for that, substantial growth capital is required. It also pitched for a sharp increase in capital funding and a cut in corporate dependence on funding from Chinese and US.

The committee also suggested that companies and LLPs should be allowed to invest in start-ups without being taxed as non-banking financial companies by the Reserve Bank of India (RBI) or regard capital sources for start-ups.

"The Committee would like to strongly recommend that tax on LTCG be abolished for all investments in start-up firms (as designated by DPIIT) which are made through collective investment vehicles (CIV) such as angel funds, AIFs, Venture Capital Funds, Investment LLPs," said the report titled 'Financing the startup ecosystem.' This was submitted to the Lok Sabha Speaker last week.

At a minimum, this should be done for at least the next two years to encourage investments during the pandemic period. After this two-year period, the Securities Transaction Tax (STT) may be applied to CIVs to maintain revenue neutrality. Since, investments by CIVs are transparent and do not market value, it is easy to calculate STT associated with these investments. Thus, it can be done in lieu of imposing LTCG on these CIVs, it noted.

It also recommended that the exemption for income on investments made before March 31, 2024, be extended to the investment being held for a minimum of 36 months as incentivised in the Finance Act, 2020. This would be provided to long-term capital invested across all sectors.

The committee also suggested that companies and LLPs should be allowed to invest in start-ups without being classified as NBFCs by the Reserve Bank of India or capital sources for start-ups

FROM PAGE 1

Suitors opting...

"There are no taken for real estate in metros and it will take a couple of years for customers to invest in a new hill city which has now turned into a ghost city," said a source close to the development.

Originally set up by IKC in 2000, Lavasa was developed as a premeditated hill station near Pune in Maharashtra. It defaulted on bank loans after the environment ministry issued a stop-work order to the project in 2010. Since the outbreak of Covid-19, even the weekend traffic in the township has dropped to zero.

Several people awaiting possession of their house have joined the NCLT proceedings and received a seat on the committee of creditors. Many others, who had received keys to their houses, have moved out. When the parties had first sought bids for Lavasa, several companies had put in bids, including a surprise bid by food maker Haldiram's Snacks. A few others like Oberoi Realty and LIV ABC India submitted their bids.

The banks later decided to seek bids for Lavasa as a complete standalone entity. The debt resolution was further delayed when, in June this year, State Bank of India sought a fresh forensic audit after it noticed several inter-connected transactions among Lavasa's related parties, and said individual bids might not be able to provide a comprehensive view of the company's financials. These entities were providing captive water to Lavasa, apart from running basic transport, maintenance services, the fire prevention centre, and running retail operations on the premises of Lavasa Corporation. A separate company was operating a luxury hotel.

Certain transactions, SBI said, were so complicated that it would be difficult for the CoC to interpret the inter-linkages based on individual audit reports for each entity. SBI said a fresh audit would be able to capture such interlinkages through a consolidated forensic report for all entities. "The current transaction between the parties and we decided to stay away," said a bidder.

Another bidder said it planned to invite other companies to make a joint bid for the entire consolidated entity.

FB India head...

It recently invested $5.7 billion in Reliance Industries' Jio Platforms and also backed fintech company Unacademy. Last year, it had invested in social commerce startup Meesho.

"We have the opportunity to fuel innovative models that are cosing out of India, (which) inevitably could go global," said Mohan. "The investment in Jio Ai is a sign of our commitment to India, and the role this digital will play in transforming the economy."

Facebook-owned WhatsApp has partnered with Reliance e-commerce venture Jiomart to bring local kirana stores online. Mohan said for a lot of small businesses the digital transaction starts at a WhatsApp number. There is a tremendous opportunity to reduce friction in the process and make it easier for consumers to order goods from WhatsApp, he added. Out of the over 2 billion people using WhatsApp globally, about 400 million are based in India.

"We're still waiting for regulatory approval on payments on WhatsApp. We do believe that, if we get the approval, it can genuinely be a massive positive for the Indian economy."

Mohan also said recovery of small businesses from the pandemic would be critical for the Indian economy, and "we want to do everything we can to help." As part of its $100 million global grant for small businesses announced early this year, the firm on Tuesday announced $4.3 million for more than 3,000 small businesses across Delhi, Gurgaon, Mumbai, Hyderabad, and Bengaluru, where Facebook has offices.

August exports...

Consumer products such as textiles, gems and jewellery, and electronic goods, among other items, continued to show contraction, at almost similar levels. Gems and jewellery exports fell by 43.2 per cent, while textile exports contracted by 28.1 per cent fall in June.

"Despite the pandemic, Indian exports have started recovering a lot of enquiries and orders from across the globe, helping many sectors to show improved export performance which is likely to get better in the next months. However, exporters, particularly from the MSME sector, are facing huge liquidity challenges due to the stoppage of MEIS benefits of over 19,000 crore from April 1, and IGST refund now. Subsequently, many exporters have expressed their inability to honour orders," said Sharad Kumar Saraf, president of the Federation of Indian Export Organisations (FIEO).

Aditi Nayar, principal economist, ICRA, said, "The recovery in merchandise imports is not as strong as in August, with only a mild narrowing in the pace of contraction to 26 per cent from 26.4 per cent in July, which benefitted from the spike in gold imports. However, the degrowth in both healthy and non-oil merchandise exports worsened in August, a relapse of the healthy recovery recorded since May, serving as a reminder of the risks that lie ahead before the economy normalises from the impact of the ongoing crisis."

ICRA expects a substantial improvement in exports of $5-10 billion in Q2 FY21. This is mainly on account of falling exports from the services sector as well. According to the Reserve Bank of India's figures, services exports in April-June fell to $17.03 billion, witnessing a 10 per cent fall. Meanwhile imports stood at $10.06 billion, a fall of nearly 22 per cent. In August, major imports such as electronic equipment, engineering goods, coal and machinery contracted to drop. Oil imports reduced by 41.6, up from 32 per cent. Gold, non-gold imports declined by 20.6 per cent in the latest month.

Delhi Metro...

It was because they were earlier relying on other buses or ride-hailing aggregators, besides private modes of transport. The total ridership stood at 240,880 on Monday evening — this was the first working day after all lockdown restrictions were lifted.

Besides Delhi Metro, other privately run Metro networks, including Hyderabad Metro, also started functioning from September 7. It started with 10,000 passengers on the first day and gradually increased to 31,000 on the third day, Monday's Mint reports. Ex Hyderabad Metro was around 45,000, according to sources.

DMRC made losses to the tune of ₹1,600 crore during the 169-day period it was closed, thereby forcing the Centre-state public sector company to resort to stringent cost-cutting measures, including freezing staff allowances.

More on business-standard.com

ESSAR ESSAF

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CIN: L65990TN2000PLC047 (₹ in Lakhs)

EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

Particulars	Quarter ended			Year ended
	30.06.2020 Un-Audited	31.03.2020 Un-Audited	30.06.2019 Un-Audited	31.03.2020 Audited
Total income from operations				
Net Profit / (Loss) before tax, exceptional items	(6.58)	(2.21)	(2.26)	(17.00)
Net Profit / (Loss) before tax and after exceptional items	(6.58)	(2.21)	(2.26)	(17.00)
Net Profit / (Loss) for the year after tax and exceptional items	(6.58)	(3.79)	(2.26)	(18.61)
Total Comprehensive income for the period [comprising profit (loss) for the period and other comprehensive income]	(6.58)	(3.79)	(2.26)	(18.61)
Paid up Equity Share Capital (Face Value ₹ 10 per share)	1,428.78	1,428.78	1,428.78	1,428.78
Other Equity (excluding revaluation reserves)				(1,356.15)
Earnings Per Share (Basic) (₹)*	(0.05)	(0.03)	(0.02)	(0.13)
Earnings Per Share (Diluted) (₹)*	(0.05)	(0.03)	(0.02)	(0.13)

*(Not Annualised)

Note :

(1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on September 14, 2020.

(2) The above is an extract of the detailed format of Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Annual Financial Results are available on the websites of the Stock Exchange, bseindia.com and the company's website, www.essar.com.

For and on behalf of the Board of Directors
Sd/-
Somashekhar B. Malagi
Date: 14.09.2020 Director
Place: Mumbai DIN: 07628159

GATI LIMITED

GATI LIMITED
CIN: L63011TG1995PLC020121
Regd. & Corp Office: Plot No 20, Survey No 12, Kothaguda, Kondapur, Hyderabad 500 084
Website: www.gati.com E-mail: investor.services@gati.com Telephone: 040 71242284 Fax: 040 23112318

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(₹ In lakhs)

Particulars	Quarter Ended 30.06.2020 Unaudited	Quarter Ended 31.03.2020 Unaudited	Quarter Ended 30.06.2019 Unaudited
Total Income from Operations	16,426	1,71,167	45,806
Net Profit for the period (before Tax, Exceptional and/or Extraordinary items)	(4,361)	(4,843)	484
Net Profit for the period before Tax (after Exceptional and/or Extraordinary items)	(4,361)	(4,843)	484
Net Profit for the period after Tax (after Exceptional and/or Extraordinary items)	(3,524)	(8,427)	203
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income(after tax)]	(3,532)	(8,555)	132
Equity Share Capital	2,439	2,439	2,171
Earnings Per Share (Face Value of ₹ 2/- each) (Not annualised for Quarters)			
a) Basic	(2.21)	(7.04)	0.07
b) Diluted	(2.21)	(7.03)	0.07

Notes:

1) The above Unaudited Financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on September 14, 2020 along with Limited Review Reports.

2) Additional information on standalone financial results is as follows:

(₹ In lakhs)

Particulars	Quarter Ended 30.06.2020 Unaudited	Year Ended 31.03.2020 Unaudited	Quarter Ended 30.06.2019 Unaudited
Total income from Operations	4,496	42,514	11,830
Net Profit for the period before Tax (after Exceptional and/or Extraordinary items)	(540)	(2,151)	(169)
Net Profit for the period after Tax (after Exceptional and/or Extraordinary items)	(540)	(5,782)	(169)
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income(after tax)]	(538)	(5,834)	(193)

3) Results for the quarter ended June 30, 2020 are in compliance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

4) The above is an extract of the detailed format of the standalone and consolidated financial results for the quarter Ended ended June 30 2020 filed with the stock exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated financial results for the quarter ended June 30 2020, are available for investors at **www.gati.com, www.nseindia.com and www.bseindia.com**

Statement of Deviation / Variation in utilisation of funds raised:

Name of Listed Entity	Gati Limited
Mode of Fund Raising	Public issues / Rights issues / Preferential Issues / QIP / Others
Date of Raising Funds	January 16, 2020 (Date of receipt of fund)
Amount Raised	INR 100,00,00,500
Report filed for Quarter ended	June 30, 2020
Monitoring Agency	Not Applicable
Monitoring Agency Name, if applicable	Not Applicable
Is there a Deviation / Variation in use of funds raised	Yes/No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If Yes, Date of shareholder Approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	None
Comments of the auditors, if any	None

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (in ₹)	Modified allocation, if any	Funds Utilised (in ₹)	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
The fund raised through issue of equity shares on preferential basis has been utilised for the purposes for which it was raised, which inter-alia includes (i) to repay debt (ii) to meet working capital requirement (iii) General Corporate Purpose	Not Applicable	100,00,00,500	Not Applicable	23,01,00,000	None	No deviations or variations

Deviation or variation could mean:

(a) Deviation in the objects or purposes for which the funds have been raised or

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or

(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc

"Unutilized amounts of the issue as at June 30, 2020 have been temporarily deployed in Mutual Funds and fixed deposit / current deposit with Scheduled Banks.

For Gati Limited
Sd/-
Mahendra Agarwal
Director & CEO
DIN: 00179779

Place : Hyderabad
Date : September 14, 2020

BS SUDOKU # 3157

Easy: ★★

Solution tomorrow

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