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THE BUSINESS BRIEF

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This issue covers Jane Street's appeal before SAT against SEBI, the IBC (Amendment) Bill, 2025, and recent GST reforms. We highlight the Income Tax Bill's Presidential assent, updates on fast-track mergers and SEBI's proposals on IPO norms, along with the Online Gaming Bill, 2025 and the MCA's push for gender compliance in board reports.

GNLU CENTRE FOR BUSINESS AND PUBLIC POLICY

Welcome to the latest edition of the GNLU Centre for Business and Public Policy's newsletter!
In this issue, we look at Jane Street's appeal against SEBI, key highlights from the IBC and Income Tax Bills, 2025, and recent GST reforms. We also cover updates on fast-track mergers, SEBI's IPO proposals, the Online Gaming Bill, and the MCA's move on gender compliance in board reports.

gcbpp@gnlu.ac.in
gcbpp_gnlu
gcbpp

आ नो भद्राः क्रतवो यन्तु विश्वतः
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Jane Street Files an Appeal Against SEBI before the SAT

~ Raviksha Bansal (2024-29)

Jane Street, a prominent American trading firm, has filed an appeal against the Securities and Exchange Board of India (SEBI) in the Securities Appellate Tribunal (SAT), accusing SEBI of ignoring or withholding extenuating evidence that includes reports from its own department and the National Stock Exchange (NSE).

This comes after SEBI had banned Jane Street from the Indian markets for alleged malpractices in the options market. This ban was allegedly imposed after a UAE-based fund manager filed a complaint, despite an earlier internal investigation exonerating Jane Street of any violations. The ban was then temporarily lifted after the firm deposited Rs. 4,844 crores in an escrow account.

Jane Street, in this appeal, has demanded to see the complaint that ultimately led to the firm's ban despite earlier exoneration. It claimed that SEBI has denied it access to crucial documents that are needed to defend itself against the allegations.

On 9th September, the three-member appeals court bench asked SEBI to explain, within three weeks, the reasons why it is withholding certain documents from Jane Street. Further, they directed SEBI not to proceed with in-person hearings until this matter is concluded, thereby delaying the confirmatory order.

SEBI's legal representative has maintained their stance, arguing that they would not disclose any documents that were not relied upon for the July 3 interim order.

The ongoing dispute now hinges on SEBI's response to the tribunal's directive. As the regulator prepares to justify its stance on withholding the documents, the case has effectively been put on hold, delaying a final decision on Jane Street's future in India's financial markets. This case has the potential to set a crucial precedent on standards of transparency and due process that regulators must follow.

The IBC (Amendment) Bill, 2025 - Paving the Way for a Revival - Focused Insolvency Regime

~ Shivam Tiwari (2023-28)

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 introduces sweeping structural and procedural reforms to streamline India's insolvency regime, prioritizing revival over liquidation. Foundational changes clarify definitions, exclude related-party debt from voting, and legislatively override Rainbow Papers by restricting "security interest" to consensual arrangements, excluding statutory dues.

Admission of CIRP is now mandatory upon proof of default, eliminating adjudicating authority discretion post-Vidarbha Industries. Operational refinements remove debtor nomination of interim resolution professionals, strengthening independence and impartiality.

The Bill tightens withdrawal norms by requiring 90% CoC approval and imposes 30-day disposal timelines, preventing misuse and protecting minority creditors. Moratorium scope now bars surety subrogation even during liquidation, preserving debtor assets. Guarantor assets may be pooled into CIRP with CoC consent, reducing asset fragmentation.

Dissenting creditors are guaranteed liquidation value payouts, while a two-stage resolution plan approval process and codified "clean slate" principle aim to reduce post-plan litigation and speed distributions.

Liquidation reforms empower CoC to supervise and restore CIRP, impose strict 180+90-day timelines, and curb duplicative claims. The Bill also shifts look-back periods for avoidance transactions to filing date and empowers creditors to seek avoidance orders directly. Major innovations include the Creditor-Initiated Insolvency Resolution Process (CIIRP), group insolvency framework, and cross-border insolvency provisions adopting UNCITRAL-like standards.

Strengthened IBBI powers, mandatory pre-filing with Information Utilities, expanded penalties, and digitization measures reinforce compliance and deterrence. Overall, the Bill addresses delays, conflicting rulings, and procedural inefficiencies, aiming to maximize value, enhance creditor confidence, and make the insolvency framework faster, fairer, and more revival-focused.

GST Reforms to Boost Affordability and Consumption

~ Kashvi Jain (2024-2029)

The 54th GST Council announced a major change in GST rates. It consolidated the previous four slab system (5,12,18 and 28 percent) into only two, namely 5 and 18 percent. This move has been done so as to help revive the consumption growth rate in the country which has been on a steady decline. The reforms specifically aim to make essential goods and services cheaper and more affordable for low-income and middle-class households, ensuring broader access to necessities and improving the overall quality of life. The revised rates are expected to increase spending, create savings and boost affordability and consumption by increasing demand. They are also expected to enhance the ease of doing business by creating a more efficient and friendly tax ecosystem. A steep rate of 40% has been introduced for luxury and sin goods such as tobacco products, hoping to discourage usage and to help generate additional revenue for public welfare. These changes will be implemented from 22nd September, 2025.

As per the GST reform, all food items have been brought down to 5% or 0%. Condensed milk, butter, cheese, Brazil nuts and other nuts, dates, citrus fruits, mangoes, namkeens and jams are few examples of the food items on which GST has been reduced from 12% to 5%. Paneer has been exempted from GST. The GST rate on chocolates, ice creams and sugar confectionery has been reduced from 18% to 5%.

GST on all individual life and health insurance policies has been exempted to make insurance more affordable for the common man and increase the insurance coverage in the country, which was previously at 18%. This is in furtherance of the goal of 'Insurance for All by 2047'.

33 lifesaving drugs and medicines have been exempted from GST. It has been reduced from 12% to 5% for all other drugs and medicines. The GST on various medical equipment and supplies such as bandages has been reduced from 12% to 5%.

Cars have also become significantly cheaper with the new GST rates. Small cars are subject to a lower tax rate of 18%. Luxury cars have been shifted to a higher tax rate of 40% from the previously 28% but the government has dissolved the cess payable, thus making them comparatively cheaper.

In conclusion, the recent overhaul of GST rates represents a significant step towards simplification and inclusivity in India's taxation system. As these changes take effect, they are expected to create a more robust and transparent tax ecosystem, stimulating consumption, streamlining business operations and contributing positively to the nation's economic growth.

Income Tax Bill, 2025 Receives Presidential Assent

~ Amay Bhat (2025-30)

The Income Tax Bill 2025 received the presidential assent on 21st August,2025 making it ready to come to force by next financial year starting from 1st April, 2026. It marks a historic overhaul of India's direct tax regime, replacing the six-decade old income tax Act of 1961. The bill spans over 600 pages with 23 chapters in total with 536 sections, which is in stark contrast with the previous act, which had around 823 pages and 298 sections.

The main aim of the next act is to simplify and significantly overhaul the current act and to make it more friendly and understandable to the common taxpayers. The bill was introduced following extensive stakeholder consultation and addresses the need for a tax code adapted to today's economic realities and technology driven compliances.

An important introduction to the bill is the concept of a unified "tax year" replacing the confusing concept of "assessment year" and "previous year". This move is expected to make compliance easier. The dual regime structure remains intact maintaining continuity and giving taxpayer a choice to fill return in old or new tax regime.

No changes have been made under the tax lab but under the new tax regime income up to INR 12 LAKHS remain tax free previously being up to INR 7 LAKHS. By increasing the limit to 12 lakhs, around 1 crore assesses will get relief by paying nil taxes.

The act also has broadened the definition of virtual digital asset to include any asset with a digital representation thus, formally bringing cryptocurrencies and non-fungible tokens under the tax net. Refund rules have also been rationalized meaning the taxpayer can now claim refund even if returns are filled late.

Overall, the income tax bill promises reduced litigation, greater tax clarity and user-friendly compliance for a modern Indian economy thus creating a transparent and efficient tax ecosystem that supports taxpayers and economic growth.

Faster Deals Ahead: New Categories Brought under Fast-Track Merger Route

~ Tanay Hindocha (2022-2027)

On 4 September 2025, a notification was issued by the Ministry of Corporate Affairs of the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, that significantly expands the scope of fast-track mergers as defined in Section 233 of the Companies Act, 2013. Until now, limited to small companies, companies recognized as start-ups and wholly owned subsidiaries, the fast-track procedure will now cover a number of new categories.

The new inclusions will include unlisted companies (other than Section 8 companies) with total borrowings of up to ₹200 crore, provided that there are no defaults that remain outstanding against loans, debentures, or deposits, and subject to compliance with the solvency certificate requirement.

The regulatory scope has further been expanded in case of merger of a holding company with its subsidiary (publicly or private, excluding cases when transferor is a public company) and in case of merger of two or more subsidiaries of the same parent, wherein transferors are unlisted, along with cross-border mergers involving a foreign holding company and its completely owned Indian subsidiary.

A key clarification has also been introduced to confirm that these provisions will also apply, mutatis mutandis, to demergers, thereby eliminating any uncertainty on the issue and updating the relevant forms accordingly. These amendments also revise procedural forms CAA-9, CAA-10 and CAA-11 to request greater disclosures and simplify filings.

Schemes under sectoral regulators like RBI, SEBI, IRDAI and PFRDA, or listed companies, also require notice to their regulators or stock exchange, so that potential objections are raised at the outset.

In spite of this expansion, schemes under this route will continue to require approval of 90% of each of such class of shareholders as well as creditors (in terms of value of the total debt), and the power of the Regional Director to refer such matters to National Company Law Tribunal in matters of public interest remains intact.

By virtue of wider eligibility, the amendment seeks to drive swifter intra-group restructurings and even cross-border mergers. The opportunity this affords corporates is an opportunity to streamline mergers and restructurings, though with higher obligations of demonstrating solvency, transparency, and regulatory involvement. If executed well, these reforms could significantly ease the burden on NCLTs while providing companies with a more streamlined and time-bound route for reorganizations.

SEBI Floats Proposals to Ease IPO Dilution Norms: Consultation on MPO and MPS Requirements for Large Companies

~ Ansh Chabbra (2024-29)

A consultation paper was releasedby Securities and Exchange Board of India on August 18, 2025 proposing relaxations to the Minimum Public Offer (MPO) and Minimum Public Shareholding (MPS) rules for very large companies(post-listing market cap will be at least ₹ 50,000 crore).

According to Reg. 19(2)(b)of SEBI ICDR Regulations, 2018, firms with market caps above ₹1,00,000 crore must offer at least ₹5,000 crore and 5% of their equity, and achieve 25% public shareholding within five years. The consultation proposesbreaking this into new slabswith lower requirements. Companies valued at ₹50,000 – ₹100,000 crore would need to offer at least ₹1,000 crore and 8% of shares.

Thosein the ₹1,00,000 – ₹5,00,000 crore rangewould be requiredto float ₹6,250 crore (about 2.75%), instead of the current 5%. The largest issuers, worth over ₹5,00,000 crore, would only need to sell ₹15,000 crore and about 1% of equity,subject to a minimum dilution of 2.5%. Importantly, timelines for reaching the 25% minimum public shareholding would also be relaxed, giving mega firms up to 10 years in certain cases.

SEBI's rationale is that forcingimmediate, massive dilutions can flood supply, depress valuations, and discourage listings that wouldharm both issuersand long-term investors. The paper notesthat several recent large IPOs with sub-25% floats have nonetheless delivered liquidity comparable to Nifty-100 peers, suggesting market absorption can be adequate even with lower initial floats.

The consultation balances facilitation with safeguards. Stock exchanges will continue surveillance of trading in newly listed mega-issuers, and SEBI proposes phased compliance windows; listed entities that are currently non-compliant may also be eligible for the extended timelines, although penalties for past non-compliance would remain payable.

For policy practitioners and students, the paper offers a clear example of how to balance raising capital efficiently with protecting market integrity. Stakeholders can submit commentsuntil 8 September 2025, a key chancefor law students, research centres, investor groups, and industry associations to influence the final rule.

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Promotion and Regulation of Online Gaming Bill, 2025

~ Kavinayaa R (2025-2030)

The Promotion and Regulation of Online Gaming Bill, 2025 received the President's assent on 14th August, 2025, paving the way for a major reform in India's gaming sector. The law is set to be enforced from 1st October, 2025 and aims to strike a balance between fostering the growth of skill-based games while curbing the risks of gambling-related harms.

Spanning over 300 pages with detailed provisions, the Act introduces a clear distinction between "online money games" and "online skill or social games." Games where money is staked with the expectation of financial gain are prohibited, whereas platforms offering non-monetary, skill-based gaming and e-sports are encouraged with licensing and regulatory support. This move is expected to reshape the online gaming landscape by eliminating gambling-related platforms while promoting legitimate gaming ventures.

A major highlight of the law is the creation of the National Online Gaming Commission (NOGC), which will oversee licensing, classification, and compliance. The commission has the power to impose penalties of up to ₹2 crore and imprisonment for repeated violations.

The government's intent is to protect consumers, especially the youth, from addiction and financial exploitation while fostering a safer gaming environment. However, concerns have been raised that the broad definition of money games may unintentionally affect legitimate gaming platforms. Industry players have called for clearer guidelines to distinguish between chance-based and skill-based games.

In conclusion, the Online Gaming Bill is a significant step toward creating a safer and more structured gaming ecosystem in India. As the gaming industry adapts to these new rules, the focus will remain on innovation, responsibility, and consumer protection — ensuring a sustainable and enjoyable experience for all players.

Beyond Financials: MCA Demands Gender Compliance in Board Reports

~ Ojas Aher (2025-2030)

On 5 September 2025, the Ministry of Corporate Affairs introduced amendments to the Companies (Accounts) Rules, 2014, making it mandatory for companies to disclose detailed information on compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Maternity Benefit Act, 1961. Earlier, the Board were only required to mention that an Internal Complaints Committee had been formed under the POSH Act. Now, companies must report the number of complaints received and resolved, the measures taken to create awareness, and a formal confirmation of compliance.

The key highlight of the Amendment Rules is the significant expansion of the Board's Report to include social compliance disclosures, with the aim of making workplace a safer environment for women, thus increasing more gender inclusivity and promoting good governance within the employees of the company.

By moving POSH and maternity compliance into the domain of public reporting, the MCA has signalled that these issues are no longer internal HR matters but central to corporate accountability. The amendments aim to bring transparency and oversight to areas often overlooked, ensuring that companies treat workplace equality as a priority on same level that of financial and environmental disclosures.

For the first time, maternity compliance has been brought directly. Companies will need to state how many employees availed maternity benefits during the year, what support measures were adopted for leave and return-to-work, and whether mandatory facilities were provided wherever applicable.

These details must be included in the Board's Report filed with the Registrar of Companies, with directors held accountable for accuracy under Section 134 of the Companies Act, 2013.

The new framework marks a significant shift in how gender-sensitive workplace obligations are viewed within corporate governance. ICC committee must now maintain accurate and timely records of all complaints received, investigations conducted, and actions taken.

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MESSAGE FROM THE NEWSLETTER TEAM

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Our aim is to keep you updated on recent developments by offering a variety of information for your consideration. We welcome your feedback and suggestions to help us improve future editions. Feel free to reach out to us with any thoughts. Stay connected!

gcbpp@gnlu.ac.in

gcbpp_gnlu

gcbpp

ADVISORS

Dr. Mobin Shaikh
Head of Centre & Assistant Professor of Management

Prof.(Dr.) Viral Pandya
Professor of Management

Mr. Satya Ranjan Mishra
Associate Professor of Commerce

Dr. Mahesh Chaudhary
Assistant Professor of Management

TEAM NEWSLETTER

Head: Dwija Vasavada
Co-head: Khushi Patel
Design: Siddhi Prada
Convenors: Mahim Raval & Pulkit Agarwal