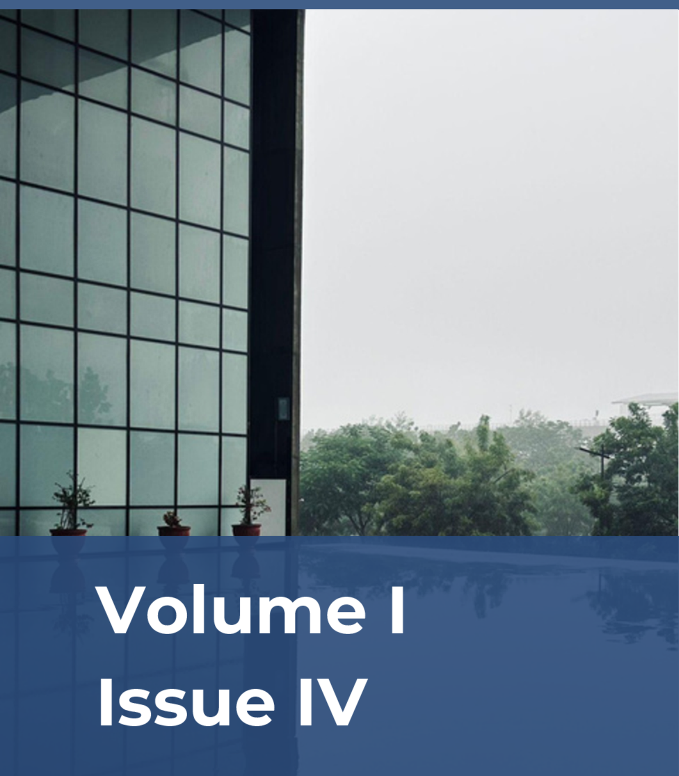
MONTHLY **NEWSLETTER**

- The Business Brief

GNLU CENTRE FOR BUSINESS AND PUBLIC POLICY



Welcome to the inaugural edition of the GNLU Centre for Business and Public Policy's newsletter! In this issue, we explore the major business developments of January and February. From economic trends and policy shifts to emerging technologies and industry insights, we bring you a carefully curated selection of articles and analysis.

Volume I
Issue IV

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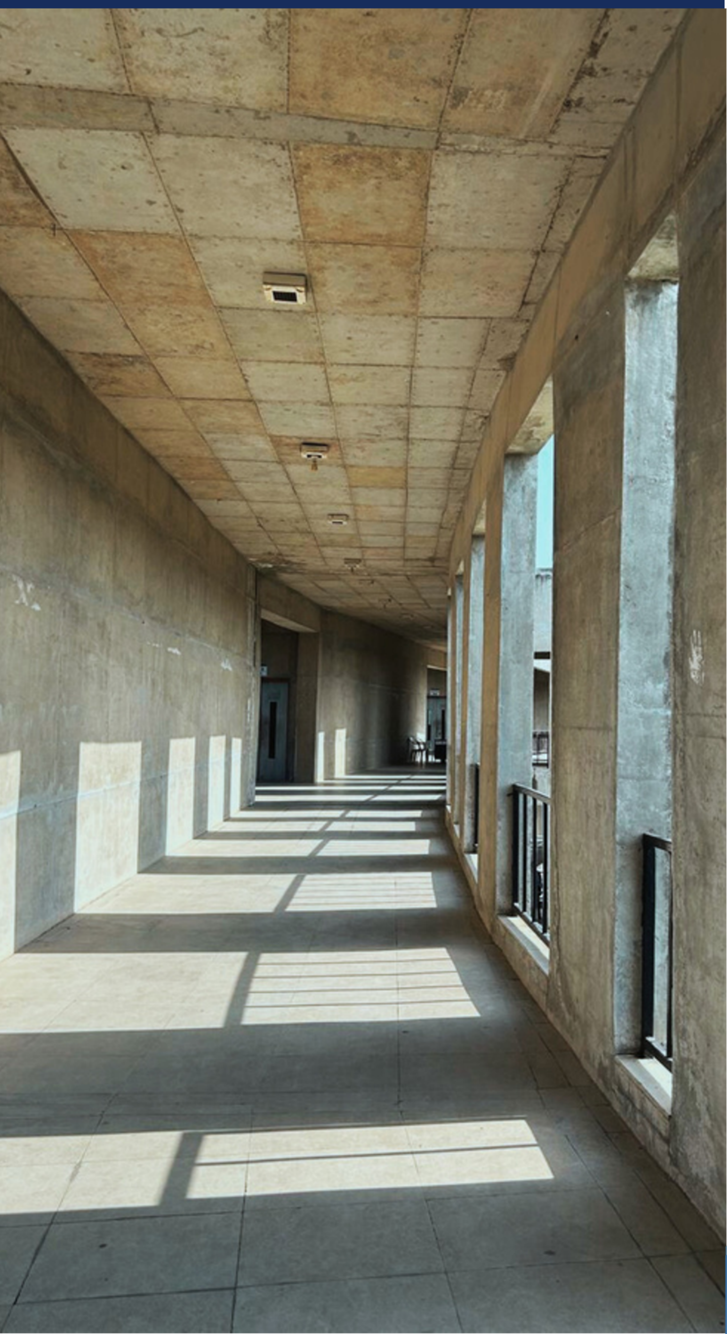

Volume I

Issue IV

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SEBI'S NEW RULES GIVE PUBLIC A VOICE AND STAKEHOLDER ENGAGEMENT IN FINANCIAL REGULATIONS

In a major step towards transparency and investor protection, the Securities and Exchange Board of India (SEBI) has rolled out new rules to make financial regulations more inclusive. The SEBI (Procedure for Making, Amending, and Reviewing of Regulations) Regulations, 2025, ensure that the public has a voice in shaping policies that impact the securities market.

One of the most pivotal changes is the requirement for public consultation. SEBI will now publish proposed regulations on its website, explaining the changes, the reasoning behind them, and how people can share their opinions. Investors, companies, and other stakeholders will have at least 21 days to provide feedback. Once the consultation period ends, SEBI will review all responses and share why certain suggestions were accepted or rejected, making the decision-making process more transparent.

SEBI will also include a structured analysis of public feedback in its board meetings before finalizing regulations. However, in urgent situations—where investor interests or market stability are at risk—SEBI has the flexibility to fast-track decisions by shortening or skipping the public consultation process. In such cases, the board will be kept informed of the reasons behind the exception.

Apart from new regulations, the framework also mandates a periodic review of existing laws.These evaluations will consider investor needs, legal developments, global best practices, and ease of doing business, ensuring regulations remain practical and relevant. However, internal SEBI matters, procedural changes, and previously approved proposals will be exempt from public consultation.

By making the regulatory process more open and inclusive, SEBI is empowering stakeholders and building trust in the financial system. These new rules mark a big step towards a more transparent and investor-friendly securities market in India.

- AISHANI AGARWAL
(2023-28)

INTRODUCTION OF NEW INCOME TAX BILL, 2025

The Union Finance Minister Nirmala Sitharaman tabled the new Income Tax Bill, 2025, in the Lok Sabha on February 13th, marking a significant overhaul of India's tax framework. If passed, this bill is set to replace the existing Income Tax Act, 1961 from April 1, 2026. It spans over 600 pages with 536 sections, which is in stark contrast with the previous act, which had around 823 pages and 298 sections. It aims to simplify and significantly overhaul the current Act, which has often been seen as cumbersome, complex, and extremely difficult to understand for the common taxpayers.

Legal jargon and complex terms have been replaced with simpler language. Formulas and tables have been added to clearly present key provisions, especially for salary perquisites, presumptive taxation and TDS/TCS rates. Furthermore, the bill removes redundant provisions that have become obsolete over time and consolidates salary-related provisions into one section. It also provides for an extension of time limit for filing updated Income Tax Returns for taxpayers and minimise the number of deductions and exemptions available. This move is designed to make the tax laws more understandable for taxpayers.

There will be no income tax payable up to income of Rs 12 lakh per annum. This limit will be Rs 12.75 lakh for salaried tax payers, due to standard deduction of Rs 75,000. Earlier, the limit of income for nil tax payment was ₹7 lakh. By increasing this limit to ₹12 lakh, around one crore assesses who were earlier required to pay tax varying from ₹20,000 to ₹80,000, will be now paying nil tax.

Additionally, the bill introduced the concept of 'Tax Year' to replace the current concept of assessment year and financial year, to clear up confusion around tax periods encouraging easier compliance. By providing a broader definition of Virtual Digital Assets to include crypto-assets, non-fungible tokens, or any other digital asset as the Government may specify, it ensures that digital assets are appropriately taxed.

The simplification of tax laws is expected to reduce litigation burdens for individuals and businesses significantly. Overall, the bill reflects the government's commitment to creating a transparent and efficient tax ecosystem that supports taxpayers and promotes economic growth.

- NAVYA BATRA
(2024-29)

THE 2025 UNION BUDGET STRIKES A BALANCE BETWEEN FISCAL DISCIPLINE AND INFRASTRUCTURE INVESTMENT TO DRIVE SUSTAINABLE ECONOMIC PROGRESS

The Union Budget of 2025 is designed to be fiscally prudent while strategically investing in essential infrastructure for economic growth in the long term. The Finance Minister, Nirmala Sitharaman, has made a bold but balanced commitment by reducing the fiscal deficit to 4.4% of GDP in 2025-26 from the revised 4.8% in the current year. It is buttressed by robust revenue estimates, where net tax collection is expected to increase to about INR 28.37 trillion, and also prudent borrowing measures.

Public capital spending is expected to increase modestly to INR 11.21 trillion, a 0.9% increase from the revised estimate of INR 10.18 trillion in the previous year. This timed increase is to finance strategic infrastructure initiatives without taxing the country's fiscal health. The government plans to supplement this spending through out-of-the-box debt tools, such as issuing 50-year interest-free loans of INR 1.5 trillion to the states for capital schemes. Additionally, gross market borrowings are at INR 14.82 trillion, whereas net market borrowings are at an estimated INR 11.54 trillion, indicating a debt management strategy in balance.

Through private sector involvement and the use of long-term, low-cost finance, the budget aims to enhance transport, energy, and urban infrastructure. The aim is not just to generate sustainable economic growth but to establish a stable, investor-friendly environment that can withstand global economic shocks and inflationary shocks.

- JIMIT ANADA
(2024-29)

RELIGARE TAKEOVER BATTLE COMES TO AN END

The Burman family, most well known for being the promoters of the Dabur Group have recently acquired control of Religare, a financial services company. However the road to acquisition was a rocky one which shed light on the various loopholes in India's takeover laws along the way. The takeover battle began in September of 2023 when the Burmans made an open offer to acquire an additional 26% share in Religare after reaching the prerequisite 25% mandated to make an open offer according to SEBI regulations.
The main point of contention arose between the Burmans and Rashmi Sulaja, the chairperson of the company who claimed that the Burmans bid substantially undervalued the company and did not meet the 'fit and proper criteria'. These differences eventually led to allegations of fraud and market manipulations against the Burmans leading to the involvement of the watchdog of the securities market, SEBI and regulators such as RBI.

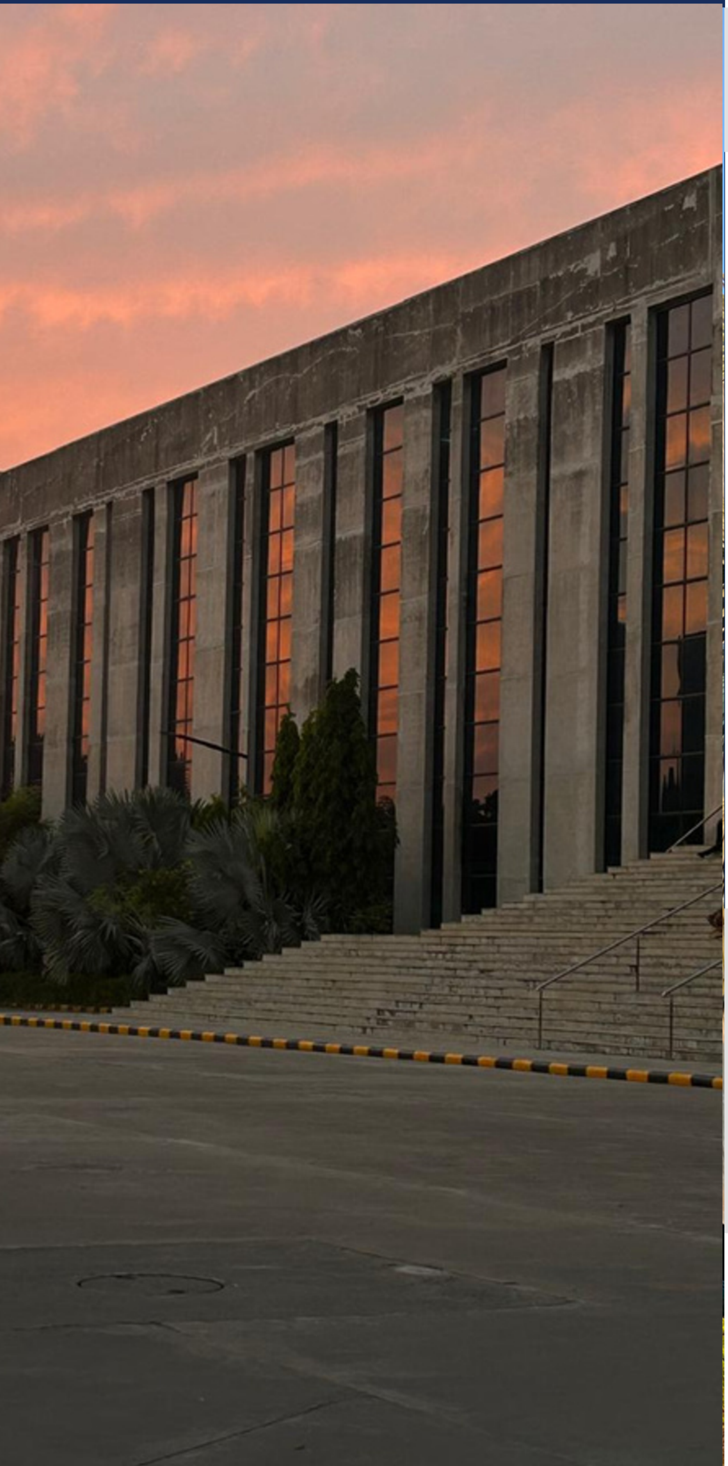
SEBI then directed Religare to proceed with the Open Offer Proposal, after which the matter was taken to the Securities Appellate tribunal which instructed Religare to comply with Sebi's order and apply for regulatory approvals for the open offer.

But the Burman family's battles didn't end here. Digvijay Gaekwad, a UD based entrepreneur made a counter offer for Religare Enterprises, proposing 275 per share which wassignificantly higher than Burman groups offer of 235. However, he failed to meet the deadline set by the Supreme Court to deposit Rs600 cr for the acquisition, opening the floor for the burman group once more, who ultimately acquired control on 20th February,2025.

The Religare Saga exposes the takeover friendly approach employed under the current Indian takeover laws. The current Substantial Acquisition of Shares and Takeovers Regulations (SAST), forbid any action by the directors during a hostile takeover, essentially tying their hands as was the case with Religare. This prompts a review of these laws and highlights the need for a more balanced approach.

- SIMER GHUMAN
(2024-29)

MESSAGE FROM THE NEWSLETTER TEAM



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