



# INSIGNIA

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DECEMBER LAW UPDATES



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## Extension for CSR Reporting

The MCA extended the deadline for companies to file their Corporate Social Responsibility (CSR) reports from December 31, 2024, to March 31, 2025. This extension was formalized through the Companies (Accounts) Second Amendment Rules, 2024, allowing companies additional time to comply with reporting requirements under the Companies Act, 2013. This amendment was published in notification G.S.R. 794(E) on December 31, 2024.

[Read More](#)

**M&Co. View:** Extending the deadline for CSR reporting reflects a pragmatic approach by the MCA, acknowledging the administrative challenges companies face. This move can encourage better compliance while providing organizations with sufficient time to focus on impactful CSR initiatives.

## C-PACE Achievements

The Centre for Processing Accelerated Corporate Exit (C-PACE) reported significant progress in streamlining the voluntary strike-off process for companies. By December 2024, C-PACE had struck off over 13,560 companies under Section 248(2) of the Companies Act, significantly reducing processing times to 70-90 days. [Read More](#)

**M&Co. View:** C-PACE's strides in streamlining the voluntary strike-off process are noteworthy. Reducing procedural delays boosts business efficiency and promotes ease of doing business in India, a step forward in fostering an entrepreneur-friendly environment.

## ABOUT US

**MAHESHWARI AND CO.** is a full service Law Firm that represents its clients in a number of complex and high value transactions. The Firm has an expertise and vast experience across various areas of practise including Corporate & Commercial Law, mergers & acquisitions, intellectual property rights, taxation, Litigation and Arbitration, Insolvency & Bankruptcy and Immigration.

MAHESHWARI & CO. is a key player in India's **Green Hydrogen Mission**, and has been collaborating with various national and international groups, associations, organizations, forums, and chambers to provide our expert opinion on the existing and upcoming regulatory framework.

## Decriminalization Efforts

The MCA continued its efforts to decriminalize various offenses under the Companies and LLP Acts, aiming to alleviate the litigation burden on businesses. This effort included converting over 54 forms to a Straight Through Process (STP), which simplifies compliance procedures. [Read More](#)

**M&Co. View:** The MCA's decriminalization drive shows a progressive shift towards simplifying corporate regulations. Converting forms to an STP model reduces bureaucracy and enhances self-regulation, a welcome move for businesses aiming for compliance.

## RESERVE BANK OF INDIA (RBI)

### India's Financial Stability Report: Resilient Growth and Strengthened Banking System

The Financial Stability and Development Council's half-yearly report highlights a resilient Indian economy, with GDP projected to grow at 6.6% in 2024-25, driven by rural consumption, government spending, and service exports. The central government's debt-to-GDP ratio is expected to decrease from 62.7% (2020-21) to 56.8% by 2024-25, while states' liabilities may reduce from 31% to 28.8%. India's financial system remains stable, supported by strong profitability, declining NPAs, and robust capital and liquidity buffers in scheduled commercial banks. [Read More](#)

**M&Co. View:** The RBI's positive outlook on India's financial system and growth is reassuring. However, sustained efforts to reduce public debt and bolster rural consumption will be critical for maintaining this momentum.

## DEALS

Maheshwari & Co. Secures Favorable Arbitral Award in a Complex Dispute  
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MAHESHWARI & CO. Deal Update: Trademark And IP Services.  
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## Lifting Restrictions on Financial Entities

On December 17, 2024, the RBI lifted restrictions on two Edelweiss Group companies—ECL Finance and Edelweiss Asset Reconstruction Co. allowing them to resume acquiring financial assets and engaging in structured transactions after addressing the RBI's concerns.

Earlier, on December 2, 2024, the RBI removed the ban on Navi FinServ, enabling the company to sanction and disburse new loans following improvements in their processes to comply with regulatory guidelines. [Read More](#)

**M&Co. View:** Lifting restrictions on financial entities demonstrates the RBI's confidence in their corrective actions. It also serves as an example of regulatory flexibility promoting compliance and growth.

## SECURITIES EXCHANGE BOARD OF INDIA (SEBI)

### SEBI Introduces Integrated Filing Framework and Mandates Secretarial Audits

The Securities and Exchange Board of India (SEBI) through circular number SEBI/HO/CFD/CFD-POD-2/CIR/P/2024/185 on 31st December 2024, has introduced an integrated filing framework for Listing Obligations and Disclosure Requirements (LODR), streamlining compliance and improving disclosure efficiency for listed entities. These measures aim to reduce redundancies, enhance transparency, and position compliance as a critical governance function in listed companies. [Read More](#)

**M&Co. View:** SEBI's integrated filing framework is a much-needed modernization step. Streamlining compliance fosters transparency and efficiency, encouraging listed entities to prioritize governance practices.

## RECENT BLOGS

Calcutta HC's order states that trademark registrations given under the period of 2022-24 shall be reviewed again

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The Legal Conundrum Of Partially Setting Aside The Arbitral Award.

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The Right to Be Forgotten.

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Relevancy and Admissibility Of Evidence Under The Bharatiya Sakshya Adhinyam, 2023

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## Guidelines for Passive Funds

On December 31, 2024, through circular number SEBI/HO/IMD/PoD2/P/CIR/2024/183, SEBI issued guidelines for passively managed mutual funds under the "MF Lite" framework. Domestic equity index funds must have a minimum Assets Under Management (AUM) of ₹50 billion, and overseas equity index funds require an AUM exceeding \$20 billion. These measures aim to reduce compliance burdens and foster competition in the passive funds segment. [Read More](#)

**M&Co. View:** Setting minimum AUM thresholds for passive funds demonstrates SEBI's intent to ensure only serious players operate in this space. It's a balanced approach to fostering competition while safeguarding investors' interests.

## Strengthening SME IPOs: SEBI's New Regulations for Enhanced Transparency and Accountability

The Securities and Exchange Board of India (SEBI) has tightened regulations for small and medium enterprise (SME) initial public offerings (IPOs) to improve transparency and accountability. Companies must now show a minimum operating profit of ₹1 crore in at least two of the last three financial years to qualify for an IPO. Additionally, the offer for sale by existing shareholders is limited to 20% of the total issue size, with a restriction that no more than 50% of their holdings can be sold during the IPO. Furthermore, proceeds from the IPO cannot be used to repay loans from promoters or related parties. These measures are designed to strengthen the SME IPO market and protect investors from potential misuse of funds. [Read More](#)

**M&Co. View:** The stricter regulations for SME IPOs reflect SEBI's commitment to safeguarding investor interests. By emphasizing profitability and limiting shareholder sales, these measures enhance market integrity and accountability.

## TRAININGS

The firm conducted various sessions in December.

Our Managing Partner, **Mr. Vipul Maheshwari**, held a coffee session on the vital skills necessary as a first-generation lawyer

Our Partner, **Mr. Akhand Chauhan** led an insightful internal session for our interns on "Courtroom Etiquette and Litigation Strategy," covering essential aspects such as courtroom behavior, trial preparation, and the development of effective litigation strategies.

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## MERGERS & ACQUISITIONS

### Approval of UltraTech Cement's Acquisition

On December 20, 2024, the Competition Commission of India (CCI) approved UltraTech Cement Limited's acquisition of The India Cements Limited. This approval is part of a broader trend where the CCI is actively reviewing and approving significant mergers in the cement sector, aiming to ensure competitive practices within the industry. [Read More](#)

**M&Co. View:** The CCI's proactive approach in regulating mergers highlights its commitment to maintaining fair competition. However, the cement sector's consolidation raises questions about potential monopolistic trends that may affect consumers in the long run.

## ARBITRATION

### HC dismissal of writ petition in light of arbitration clause between the parties

The Uttarakhand High Court dismissed a writ petition filed by Jodh Singh against the State of Uttarakhand. The dismissal was based on the arbitration clause in the agreement, which provides that either party can refer the dispute to arbitration. The petitioner filed the writ petition following the termination of his contract, but the court found the claim of public interest insufficient to entertain the petition. [Read More](#)

**M&Co. View:** This decision highlights the importance of adhering to contractual obligations, particularly concerning contract termination. It underscores the need for parties to have an equal opportunity to remedy any alleged shortcomings in contractual relationships, ensuring fairness and transparency.

## TRAININGS

The firm conducted various sessions in November.

Recently, **Ms. Jyotsna Chaturvedi**, Head - Corporate Practice, held an interactive session with our new interns. The session covered essential topics like effective presentation skills, utilizing one's strengths, improving efficiency, and meeting deadlines. [Read More](#)

## HC held that dispute related to copyright infringement against a particular person is arbitral

The Orissa High Court, in a petition filed under Section 11(6) of the Arbitration & Conciliation Act, 1996, in the case of Binay Kumar Naik vs. Sanjay Kumar Naik and Another, held that disputes related to copyright infringement are arbitrable. The Court ruled that an arbitrator can be appointed to resolve such disputes. [Read More](#)

**M&Co. View:** This ruling aligns with the global trend of expanding the scope of arbitral matters and marks a significant shift in India's arbitral ecosystem. Traditionally, such disputes were considered outside the purview of arbitration. However, by including copyright disputes, particularly those involving contractual obligations, the court has reflected a paradigm shift. While this ruling is a step forward, it raises certain concerns, especially regarding public policy. Intellectual property rights, especially copyrights, often involve public interest considerations. Some copyright disputes may involve statutory rights or affect public access to creative works. Ensuring that arbitration does not jeopardize the public interest remains a major concern.

## REAL ESTATE & INFRASTRUCTURE

### ULTRATECH Cement acquires 8.69% stake in Meghalaya based star cement

On December 27, 2024 the cement company said that it will deal worth 851 crores for 8.69% from the promoters of Star Cement. Ultratech will acquire minority stake in Star Cement, it will pick Rajendra Chamaria and his family's holdings, part of the promoter group. This is the third acquisition led by the Aditya Birla Group. As per the reports Star cement is the largest cement brand in North Eastern India and is expanding its market in West Bengal and Bihar. [Read More](#)

## TRAININGS

The firm conducted various sessions in December.

An insightful session by **Mr. Ketan Joshi** on Copyright, Trademark, and Gaming Laws provided a comprehensive overview of intellectual property and gaming regulations in India. on lawyer.

[Read More](#)

**M&Co. View:** UltraTech Cement's ₹851 crore investment to acquire a minority stake in Star Cement signifies a strategic effort to bolster its competitiveness in the cement market. This move strengthens UltraTech's market share while capitalizing on Star Cement's stronghold in northeastern India. The acquisition aligns with industry trends of consolidation, aiming to improve operational efficiency and streamline distribution networks. However, the deal's success will depend on effectively integrating operations and harmonizing strategic goals between the two companies.

## **IBBI set to frame a creditor led resolution framework- Chairman Ravi Mittal**

On December 7, 2024, during a conclave on "Insolvency Resolution: Evolution & Global Perspective," organized by IBBI and INSOL, IBBI Chairman Ravi Mittal announced that the Insolvency and Bankruptcy Board of India (IBBI) is working on a creditor-led resolution framework. This initiative aims to streamline the resolution process, reduce the workload of the National Company Law Tribunal (NCLT), and boost investor confidence in India's business environment. It is anticipated that creditors will need to enhance their technical and legal expertise to handle complex resolutions effectively. The framework aims to empower the Committee of Creditors (CoC), allowing them to assume greater responsibilities in insolvency resolutions. [Read More](#)

**M&Co. View:** A faster resolution process can provide greater clarity and prevent companies from facing liquidation, which would enhance operational stability. Timely decision-making can build stakeholder confidence and improve the overall business environment. However, this reform may lead to conflicts if not managed transparently and equitably.

## **TRAININGS**

The firm conducted various sessions in December.

An insightful session led by **Mr. Shantanu Garg** on court procedures, litigation processes, courtroom etiquettes, and the basics of arbitration. He provided a thorough overview of the Indian court system, the litigation process, and emphasized the importance of professionalism and respect in the courtroom. Adv. Garg also shared key insights on effective communication with judges and staff, along with a brief introduction to arbitration. The session was highly engaging and informative, offering valuable takeaways on navigating legal proceedings.

[Read More](#)



### Delhi High court order for interim injunction in Favor of Moti Mahal

On December 12, 2024, the Delhi High Court issued a temporary order (interim injunction) protecting Moti Mahal's trademarks in a case against SRJM. The lawsuit alleged trademark infringement, passing off, and unfair trade practices. The court's order prevents SRJM from using Moti Mahal's trademarked names—"Moti Mahal," "Moti Mahal Delux," and "Moti Mahal Delux Tandoori Trail"—or any similar names, on restaurant signs, social media, or in any other business context.

[Read More](#)

**M&Co. View:** This order addresses issues of trademark infringement, passing off, and unfair trade practices, emphasizing that businesses cannot exploit established brand identities for unfair advantage. The decision highlights the judiciary's commitment to maintaining fair trade practices and protecting brand integrity.

**The Delhi High court granted the plaintiff's requested reliefs, including a permanent injunction restraining the defendant from using the infringing mark.**

In a case filed by Wow Momos Food Private Limited against Wow Chinese, the Delhi High Court granted a permanent injunction restraining the defendant from using the infringing trademark. The court also imposed a ₹2,00,000 fine on the defendant as a penalty for engaging in trademark infringement and unfair trade practices. [Read More](#)

**M&Co. View:** This judgment reinforces the importance of protecting intellectual property rights, particularly trademarks, in a competitive business environment. By granting a permanent injunction and imposing a monetary penalty, the court took a strong stance against trademark infringement and unfair trade practices, offering a deterrent against such activities.

### India's Labor Law Reforms: Four New Labor Codes Are Introduced

In an effort to streamline and modernize labour laws in India, the Ministry of Labour and Employment has combined 29 old labour laws into four new labour codes. Wages, labour relations, social security, and working conditions, health, and safety are all covered by these rules. This includes One Nation One Ration Card (ONORC), Indira Gandhi National Disability Pension Scheme (IGNDPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), National Family Benefit Scheme (NFBS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Pradhan Mantri Awas Yojana – Gramin (PMAY-G), Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM-SVANidhi), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), Pradhan Mantri Awas Yojana – Urban (PMAY-U) and Pradhan Mantri Matsya Sampada Yojana (PMMSY) in addition to improving compliance and making conducting business easier, the revisions are anticipated to expand the number of workers eligible for social security payments. It is projected that, subject to final notifications, the application of these laws will begin in early 2025. . [Read More](#)

**M&Co. View:** The press release discusses advancements in India's public welfare and technological innovation. It emphasizes government initiatives fostering citizen empowerment and economic growth through digital platforms. The measures align with India's broader strategy for sustainable development, ensuring accessibility and inclusivity.

## Implementation of the e-Shram Portal for Unorganized Workers

In an effort to provide social security benefits to unorganized workers, the Ministry of Labor and Employment launched the e-Shram Portal, a nationwide database for this group. Employees who register on the portal will be given access to a number of government programs and a unique identification number. The project seeks to guarantee the rights and welfare of informal workers by integrating them into official structures. More over 30 million workers had enrolled as of December 2024, taking advantage of the streamlined procedure and easier access to social security benefits. Workers who register on the e-shram portal get regular financial assistance and other government benefits. The payment status information of the workers registered on the e-Shram portal can be checked by visiting the official website of e-Shram card. Companies providing information about jobs on the e-shram portal can also enroll their workers on the portal. Unorganized sector workers who register on the e-Shram portal can avail benefits like pension after the age of 60, death insurance, and financial assistance in case of disability. [Read More](#)

**M&Co. View:** The e-Shram portal aims to provide comprehensive support to unorganized workers through a unified digital platform integrating social security schemes, skill development, and employment services. With over 30 crore registrations by 2024, it simplifies access to welfare programs while ensuring data sharing with states for efficient implementation.

### Ministry of Home Affairs Issues Advisory on Prison Reforms

The Ministry of Home Affairs (MHA) stressed the need to modernize prison administration and enhance inmate care in a comprehensive advisory sent to all States and Union Territories in November 2024. There are 1412 jails in the country, and it is crowded with more than 100% of its capacity. The overcrowding affects the prisoners and their resources. Primarily it involves the difference between the class of prisoners. For a fact, till 2016 December, 4.33 lakh prisoners were against the capacity of 3.81 lakhs. Inhumane psychological, physical suffering, and violent clashes are sometimes imposed on prisoners. According to the National Human Rights Commission, custodial violence is the “worst form of excesses by public servants entrusted with the duty of law enforcement.” In 2018, there were already 6,623 people in prison with mental illnesses. The guide offers recommendations to boost security protocols, guaranteeing the humane treatment of inmates, and tackling jail congestion. The government's efforts to enhance the criminal justice system and establish a more rehabilitative jail environment are in line with this growth. The Supreme Court had scheduled a compliance hearing on 22nd October. The S.C has also ordered super-intendent’s of jails to submit report of under-trial prisoners who shall be entitled to extension of the benefit of section 479 of the BNSS. [Read More](#)

**M&Co. View:** The recent policy under Section 479 of the BNSS prioritizes reducing overcrowding in prisons by releasing undertrial prisoners based on detention duration. However, this approach raises concerns about public safety. A short detention may not ensure adequate rehabilitation, increasing the risk of recidivism and potentially jeopardizing societal security. Public safety must remain a primary focus alongside judicial reforms.

## Government of India Strengthens Measures Against Cybercrime: New Guidelines Issued by the Ministry of Home Affairs

The Ministry of Home Affairs (MHA) unveiled new regulations in December 2024 to combat the growing menace of cybercrimes in India. The nation's response to cybercrimes, including as hacking, online fraud, identity theft, and data breaches, is being strengthened in part by these rules. The Indian Cyber Crime Coordination Centre (I4C) updated the court on the portal's progress. ACP Jitender Singh stated that the first phase, focusing on addressing unlawful content, is nearly operational. Officers from all states and union territories are expected to be onboarded within a month. However, the court noted that full integration is far from complete, as major platforms like X (formerly Twitter) and LinkedIn have not yet joined. Also Karnataka is set to become the first state in India to have a DGP-rank police officer to oversee cybercrime investigations. Since Bengaluru residents have lost a whopping Rs 1,242.7 crore to cybercrimes in the first eight months of this year. This is Rs 214.6 crore more than what had been lost in the last three years combined. In order to better equip law enforcement to handle the increasing complexity of cybercrimes, the government has improved its cybersecurity framework in response to the surge in digital crimes. [Read More](#)

**M&Co. View:** The initiatives outlined in the document demonstrate a commendable focus on enhancing cybercrime detection and prevention in Karnataka. Investments in modernizing police infrastructure, setting up cyber forensic labs, and creating platforms like the National Cyber Crime Reporting Portal indicate a forward-looking approach. These measures not only aim to safeguard citizens from digital threats but also emphasize collaboration among stakeholders, ensuring a robust response to evolving cyber challenges. Such proactive governance sets a strong precedent for combating cybercrime nationwide.

## INFORMATION AND TECHNOLOGY

### Market Update: India's Benchmark Indexes Experience Modest Decline on December 31, 2024

On December 31, 2024, India's benchmark indexes, the Nifty 50 and BSE Sensex, experienced slight declines, closing at 23,522.9 and 77,761.62 points, respectively. The downturn was primarily driven by a 2.2% drop in information technology (IT) stocks, which accounted for four of the top five losers on the Nifty 50. This sectoral weakness was influenced by elevated U.S. Treasury yields, making emerging markets like India less attractive to foreign institutional investors (FIIs). Over the past ten sessions, FIIs have sold shares worth approximately \$2.8 billion. Additionally, small-cap and mid-cap stocks declined by about 0.5%, reflecting broader market concerns. In individual stock movements, Adani Wilmar's shares fell by 7.1% following the announcement of the Adani group's exit from a consumer goods joint venture with Singapore's Wilmar. Conversely, Rail Vikas Nigam gained 3% after securing a bid for a Central Railway project. Overall, the market sentiment was subdued, mirroring the cautious outlook in other Asian markets. [Read More](#)

**M&Co. View:** The decline in IT stocks, driven by global financial trends, underscores the need for Indian firms to diversify risk and reduce dependency on foreign markets. Companies must innovate to attract long-term investor confidence.

## POWER, ENERGY & NATURAL GAS

### India and Sri Lanka Forge Closer Ties with Futuristic Vision for Partnership

India and Sri Lanka have adopted a forward-looking vision to strengthen their partnership, focusing on energy, connectivity, and security ties. During talks on December 16, 2024, Prime Minister Narendra Modi and Sri Lankan President Anura Kumara Dissanayake agreed to establish electricity grid connectivity, multi-product petroleum pipelines, and a ferry service between Rameshwaram and Talaimannar to boost economic and physical links. India will supply LNG to Sri Lankan power plants, emphasizing investment-led growth.

A defense cooperation pact and hydrography collaboration will be finalized soon, reflecting shared security interests. Addressing the fishermen issue, both sides committed to a humanitarian approach, while India reiterated its hope that Sri Lanka will fulfill Tamil community aspirations. With \$5 billion in Indian aid and development projects across all Sri Lankan districts, the partnership aims to promote regional stability and shared prosperity. [Read More](#)

**M&Co. View:** The India-Sri Lanka partnership underscores the importance of regional cooperation in energy and connectivity. While the agreements reflect a shared vision for progress, the resolution of sensitive issues like the Tamil aspirations and fishermen conflicts will determine the depth of this collaboration.

## **BPCL Adapts to Challenges in Russian Oil Supply, Focuses on Diversification and Expansion**

Indian state refiner Bharat Petroleum Corporation Limited (BPCL) is facing challenges in securing its usual supply of Russian crude oil from the spot market, with shortages of 2-3 cargoes per month. Russian oil, accounting for 35-37% of BPCL's crude processing at its three refineries, has been pivotal due to its discounted prices. However, reduced Russian exports, increased domestic demand, and new supply contracts—such as Rosneft's deal with Reliance—are tightening availability. To mitigate these challenges, BPCL is turning to alternative sources like Omani and Argentinian crude and plans to explore West Texas Intermediate (WTI) and Middle Eastern oils if shortages persist. The company has secured a new annual deal with Qatar for 10,000 barrels per day (bpd) starting FY 2025/26, maintaining 53% of its crude supply through term deals.

[Read More](#)

**M&Co. View:** BPCL's proactive approach to diversifying its crude oil sources is commendable, especially given the volatility in global oil markets. The strategic focus on alternative suppliers and long-term deals shows resilience, but the challenges highlight India's need to further strengthen its energy independence through renewable sources.

## TELECOMMUNICATIONS & MEDIA

### Telecom Regulatory Authority of India (TRAI) Recommendations:

TRAI issued recommendations regarding the assignment of additional spectrum to enhance service quality and capacity in telecommunications. These recommendations are part of ongoing efforts to improve infrastructure and service delivery in the sector. [Read More](#)

**M&Co. View:** TRAI's focus on improving spectrum allocation reflects its dedication to enhancing telecommunication quality. This will play a crucial role in supporting India's digital transformation and connectivity goals.

## HEALTHCARE & PHARMACEUTICALS

### Asia Healthcare Holdings raises \$150 million from GIC

Asia Healthcare Holdings (AHH), a Bengaluru-based single-specialty healthcare platform backed by GIC and TPG, announced a \$150 million additional investment from GIC, Singapore's sovereign wealth fund, following its initial \$170 million investment in 2022. With \$300 million invested to date, AHH focuses on hospital chains in Oncology, Mother & Childcare, Urology & Nephrology, and IVF & Fertility under daycare specialties, operating brands like Motherhood Hospitals, Nova IVF, and the Asian Institute of Nephrology & Urology (AINU). Executive Chairman Vishal Bali emphasized AHH's mission to bridge healthcare demand-supply gaps in India through a transformative approach to single-specialty enterprises. GIC highlighted India's strong growth drivers, including rising incomes, urbanization, and demand for high-quality specialty care, positioning AHH for further expansion into new sub-segments. Incubated by TPG Growth in 2016, AHH continues to leverage its differentiated investment model to scale healthcare delivery in India. [Read More](#)

**M&Co. View:** AHH's success in attracting additional investment highlights the growing importance of single-specialty healthcare in India. Bridging demand-supply gaps in critical healthcare areas is vital, and AHH's focus on innovation and expansion is a promising strategy for improving access and quality of care.



## GST Council Hikes Tax on Used EVs to 18%, Clarifies Applicability Only to Dealer Margins

The GST Council's recent decision to increase the GST on used electric vehicles (EVs) from 12% to 18% has confused, and clarified to apply only to the profit margin of resale transactions by businesses, not private sellers. For instance, if a dealer buys an EV for ₹9 lakh and resells it for ₹10 lakh, the 18% tax applies solely to the ₹1 lakh profit. Individual transactions remain exempt, addressing initial misunderstandings. This change aligns EV taxation with petrol and diesel vehicles while maintaining a 5% GST for new EVs to promote adoption. Concerns have emerged about its potential impact on the second-hand EV market, as higher dealer margins may deter buyers. Separately, the Council recommended GST exemptions for contributions to the Motor Vehicle Accident Fund and retained aviation turbine fuel outside the GST regime, preserving existing tax structures.

[Read More](#)

**M&Co. View:** The clarification that the 18% GST applies only to dealer margins is helpful, but the higher tax risks deter buyers in the second-hand EV market. Policymakers must balance revenue generation with incentivizing EV adoption to support India's clean energy transition.

## SPORTS & GAMING

### Regulatory Changes and Compliance

Amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules have expanded the scope of regulations governing online gaming platforms. These rules require platforms to implement user verification processes, publish privacy policies, and establish grievance redressal mechanisms. Compliance with these regulations is essential for gaming operators to avoid legal repercussions. [Read More](#)

**M&Co. View:** Strengthening regulations for gaming platforms is a step towards ensuring user safety and data privacy. However, the industry needs clarity and consistency in policies to thrive sustainably.

## GST Demands on Online Gaming

The Indian online gaming industry is bracing for final tax demands from authorities by February 5, 2025, related to the recently imposed 28% Goods and Services Tax (GST) on betting amounts. This tax has sparked significant debate over whether games like poker and rummy should be classified as games of skill or chance. The Supreme Court's upcoming decision on this matter will be crucial for the industry's future, as a ruling in favor of the tax department could impose severe financial burdens on gaming companies, while a ruling recognizing these games as skill-based could alleviate some tax pressures. [Read More](#)

**M&Co. View:** The high GST rate on gaming raises concerns about stifling industry growth. A balanced approach that distinguishes between skill-based and chance-based games is essential for a fair tax regime.

## STARTUPS & E-COMMERCE

### Funding Landscape

The Indian startup ecosystem is projected to raise \$15 billion in funding in 2025, following a significant increase in investment activity throughout 2024. Over \$8.7 billion was raised across various funds, indicating a favorable environment for startups. Investors are expected to focus on sustainable business models and profitability, particularly in emerging sectors such as climate tech and AI. [Read More](#)

**M&Co. View:** The projected increase in startup funding highlights India's dynamic entrepreneurial spirit. A focus on profitability and innovation, particularly in AI and climate tech, will drive sustainable growth.

### Regulatory Support for Startups

The Ministry of Electronics and Information Technology (MeitY) appointed Panneerselvam Madana Gopal as the CEO of the MeitY Startup Hub to strengthen India's startup ecosystem. This initiative aims to foster innovation and support tech entrepreneurs as the government seeks to position India as a global leader in technology. [Read More](#)

**M&Co. View:** Appointing a dedicated CEO for the MeitY Startup Hub underscores the government's commitment to nurturing startups. This proactive approach will help India emerge as a global tech hub.



## THANK YOU FOR READING !

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