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Article

The conundrum of ‘appropriate government’ under labour laws for CPSUs

By Kumar Panda

The article in this issue of Corporate Amicus discusses elaborately the issue of ‘appropriate government’ under the labour laws concerning the Central Public Sector Undertakings. The author in this regard discusses various Supreme Court decisions and the changes made in the Industrial Disputes Act in 2009. He notes that while the Central Government is the appropriate government for central public sector under the Industrial Disputes Act in the light of the 2009 amendment, the State Governments are the appropriate governments under the statutes like the Minimum Wages Act, 1948. He, however, also notes that the ambiguity or overlapping of jurisdictions is expected to be rectified once the longstanding Labour Codes are implemented, bringing in uniform definition for ‘appropriate government’.

The conundrum of ‘appropriate government’ under labour laws for CPSUs

By Kumar Panda

‘Labour and employment’ is a concurrent list entry under the Constitution of India. This means both the Union and State Governments have power to enact laws on the said subject matter. While majority of the labour laws are enacted by the Parliament, the implementation and the operational aspects including the rule making power have been delegated to state governments with respect to certain industries by virtue of them being the ‘appropriate government’.

For example, under the Industrial Disputes Act, 1947 (**‘ID Act’**) until its amendment in 2009, the Central Government is the rule making and implementing authority for industries carried on by or under the authority of the Central Government; mines, oil fields, railways, or for entities established pursuant to any central act. For entities not specifically falling under the Central Government ambit, the appropriate government shall be the respective State Government. Similar definition is provided in various labour laws like the Minimum Wages Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

In this regard, issues often arise as to whether it is the Central Government, or the State Government that is the appropriate

government for central public sector undertakings or where the central government held majority stake and is involved in management decisions. Specifically, most of the labour laws state the appropriate government is the Central Government if the business is ‘under the authority’ of the Central Government.

The question as to which is the appropriate government, has come up before the Supreme Court in *Heavy Engineering Mazdoor Union v. State of Bihar* [(1969) 2 LLJ 549], where the appellant was entirely owned by the Central Government. The Supreme Court held that the term ‘under the authority of’ mean pursuant to the authority which is in the nature of principal-agency relationship. It was held that the powers of the Central Government to operate and manage the industry in this case are derived from the company’s memorandum of association and the articles of association and not by reason of the company being the agent of the Central Government. Accordingly, it was held that the State Government of Bihar is the appropriate government for adjudication of disputes in relation to the industry located in Bihar although the entire share capital was held by the Central Government.

Subsequently in *Hindustan Aeronautics Limited v. Workmen* [(1975) ILLJ 336 SC], a three-judge Bench of the Supreme Court relying on the *Heavy Engineering* case (*supra*) held that the appropriate government concerned in the case of Hindustan Aeronautics Limited's (a central government public sector undertaking) unit in West Bengal as the state government of West Bengal.

However, the concept took a turn when another three-judge bench of the Hon'ble Supreme Court delivered the judgment in *Air India Statutory Corporation v. United Labour Union* [(1997) ILLJ 1113 SC] holding, *inter alia*, that in the case of central public sector undertakings, the appropriate government shall be the Central Government.

Owing to conflicting opinions in *Hindustan Aeronautics Limited* case and *Air India Statutory Corporation* case, the matter was subsequently referred to a Constitution Bench in the matter of *Steel Authority of India Limited and Ors. v. National Union Waterfront Workers and Ors.* [AIR 2001 SC 3527]. In this matter, the Constitutional Bench disagreed with the dicta laid down in *Air India Statutory Corporation* case (*supra*) and upheld the decisions in the *Heavy Engineering* case (*supra*) and *Hindustan Aeronautics Limited* case (*supra*). The Court in this case differentiated the concept of instrumentality of the state

pursuant to Article 12 of the Constitution and the concept of carrying on business by or under the authority of the central government under the labour laws.

Post the of *Steel Authority of India Limited* case, all the public sector entities which are incorporated under the prevailing company law would come under the State government oversight for the purposes of the implementation of labour laws

Interestingly, the ID Act was amended in the year 2009 to amplify the definition of the 'appropriate government' and clarified that central government shall be the rule making and implementing authority for any company in which not less than fifty-one per cent. of the paid-up share capital is held by the Central Government or central public sector undertakings.

Notably, the amendment is limited to the ID Act and the definition of the 'appropriate government' under the laws like the Minimum Wages Act, 1948; the Contract Labour (Regulation and Abolition) Act, 1970 remain untouched. This has led to a scenario where the Central Government is the appropriate government for central public sector under the ID Act in light of the 2009 amendment while the State Governments are the appropriate governments under the statutes like the Minimum Wages Act, 1948.

There have been instances of central government inspecting authorities insisting on compliance with minimum wages notified under the central sphere to central public sector undertakings while the central government has no authority to insist as such considering the definition of appropriate government under the Minimum Wages Act, 1948 and the decision in the *Steel Authority* case (*supra*).

This ambiguity or overlapping of jurisdictions between Central and State Governments is expected to be rectified once

the longstanding Labour Codes are implemented, bringing in uniform definition for 'appropriate government'.

While simplifying the definition, the Labour Codes adopt the concept as envisaged under the 2009 amendment of the ID Act to ensure that Central Government remains the appropriate government for central public sector undertakings and in entities where the central government holds 51% or more of the share capital.

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Notifications & Circulars



- High-value debt listed entities – LODR Regulations amended to bring in stricter compliances
- Industry standards for disclosure of material events under LODR Regulations notified
- Industry standards for disclosure of Key Performance Indicators (KPI) in Offer Documents notified by SEBI
- Timeline for implementation of Industry Standards on related party transactions extended
- Regulatory Framework for Specialized Investment Funds introduced by SEBI
- New framework for a faster Rights Issue process introduced by SEBI
- DigiLocker integration introduced to reduce unclaimed assets in securities market
- Online filing system introduced for Exempted Takeover Reports
- Disclosure requirements for holding specified securities in dematerialized form enhanced

High-value debt listed entities – LODR Regulations amended to bring in stricter compliances

The Securities and Exchange Board of India *vide* Notification No. SEBI/LAD-NRO/GN/2025/239 dated 27 March 2025 has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025 to amend the existing the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**'). Under the amended regulations, a new chapter VA – '*Corporate Governance Norms For A Listed Entity Which Has Listed Its Non-Convertible Debt Securities*' has been inserted and the same shall be applicable to all the listed entities that have non-convertible debt securities listed with an outstanding value of INR 1000 crore (Indian Rupees One Thousand Crore only) and above as on 31 March 2025. Additionally, the listed entities meeting the monetary thresholds during the financial year, have been compelled to meet the compliance requirements within six months of meeting the criteria. Notably, once the regulations have been made applicable to an entity, they shall continue to be in effect for three

consecutive financial years, even if the outstanding debt falls below the threshold.

The key corporate governance requirements to be adhered to under this new Chapter VA are as follows:

- **Board composition:** The entities must have a balance of executive and non-executive directors (at least 50% non-executive and one-woman director) with a certain proportion of independent directors, if applicable, depending on the chairperson's status.
- **Constitution of Committees:** While entities shall be required to constitute an audit committee, the board of an entity has been authorized to exercise the powers of the Nomination and Remuneration Committee and Stakeholders Relationship Committee, without constituting a separate committee. On similar lines, the board or the audit committee of an entity can exercise the powers of the Risk Management Committee without constituting a separate committee.
- **Secretarial Audit and Report:** Every entity and its material unlisted subsidiaries incorporated in India will have to undertake secretarial audit and will have to annex a secretarial report given by a company secretary to the

annual report of the listed entity. Further, every HVDLE will have to submit a secretarial compliance report to stock exchanges within 60 days from the end of each financial year.

- **Related Party Transactions:** Effective from 1 April 2025, every entity shall formulate a policy on the materiality of Related Party Transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors which shall be reviewed by the board once in every three years. Further, all material related to party transactions and subsequent material modifications will require prior No-Objection Certificate from the Debenture Trustee.

Industry standards for disclosure of material events under LODR Regulations notified

The Securities and Exchange Board of India ('SEBI') *vide* Notification No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25 dated 25 February 2025, has notified industry standards to streamline compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**'). These have been done in collaboration with the Industry Standards Forum ('ISF'), comprising,

ASSOCHAM, CII, and FICCI. The newly introduced industry standards now mandate the disclosure of material events and information by listed entities to ensure compliance with their disclosure obligations.

Industry standards for disclosure of Key Performance Indicators (KPI) in Offer Documents notified by SEBI

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated 28 February 2025 has introduced Industry Standards for the disclosure of Key Performance Indicators ('**KPIs**') in draft offer documents and offer documents under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('**ICDR Regulations**'). Developed by the Industry Standards Forum ('ISF'), comprising ASSOCHAM, CII, and FICCI, these standards aim to ensure a uniform approach to KPI identification and disclosure, under the aegis of stock exchanges. All Issuer Companies and Merchant Bankers have been instructed to adhere to these standards while filing draft offer documents or offer documents with SEBI or stock exchanges, effective from 1 April 2025.

Timeline for implementation of Industry Standards on related party transactions extended

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/37 dated 21 March 2025, has extended the implementation timeline for the Industry Standards on 'Minimum Information to be Provided for Review of the Audit Committee and Shareholders for Approval of a Related Party Transaction' from 1 April 2025 to 1 July 2025. The Industry Standards Forum (ISF), comprising ASSOCHAM, CII, and FICCI, have been instructed to review the feedback received on the industry standards laid down by them and simplify the same within the revised timeline.

Regulatory Framework for Specialized Investment Funds introduced by SEBI

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/26 dated 27 February 2025 has notified a framework for Specialized Investment Funds ('SIFs') under amendments to the SEBI (Mutual Funds) Regulations, 1996. The introduction of SIFs aims to bridge the gap between Mutual Funds and Portfolio Management Services, allowing greater portfolio flexibility

while maintaining regulatory oversight. The SIF framework is effective from 1 April 2025.

Detailed guidelines on the eligibility criteria, branding requirements, investment strategies, minimum investment thresholds, risk management, disclosure norms, and compliance obligations have been provided for under **Annex-A** of this Notification which can be accessed [here](#).

New framework for a faster Rights Issue process introduced by SEBI

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated 11 March 2025 has introduced a new framework to expediate the Rights Issue process. Under the revised framework, issuers can allocate shares to specific investors while ensuring faster fund access for shareholders. The changes introduced through this Notification shall come into effect from 7 April 2025.

The key changes introduced to the Rights Issue process include:

- ***Timeline for Rights Issue completion:*** Rights Issues must now be completed within 23 working days from the date the Board of Directors approves the issue. The rights issue

will be kept open for a minimum of seven days and a maximum of thirty days.

- **Automated validation of applications:** The Stock Exchanges and Depositories are required to implement a system for automated validation of bids and the finalization of allotment within six months.
- **Amendments to Master Circular on ICDR:** The key amendments been made to the SEBI Master Circular SEBI/HO/CFD/PoD-1/P/CIR/2024/0154, on Issue of Capital and Disclosure requirements notified on 11 November 2024, include changes in the process of crediting Rights Entitlements (REs) to demat accounts, application submission modes, bid data correction, and Letter of Offer Submission, which must now be filled *via* email with online payment.
- **Shareholders' approval for Convertible Debt Instruments:** If the Rights Issue involves convertible debt instruments requiring shareholders' approval, the timelines will be adjusted accordingly.
- **ASBA facility:** The Application Supported by Blocked Amount (ASBA) process for Rights Issues will follow

similar procedures as for public issues, with necessary adjustments for Rights Issues.

DigiLocker integration introduced to reduce unclaimed assets in securities market

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2025/32 dated 19 March 2025 has introduced a DigiLocker-based mechanism to minimize the creation of unclaimed assets ('UA') in the Indian securities market. The mutual fund and demat account holding statements will be integrated into DigiLocker, allowing investors to access their financial holdings in one place. Additionally, DigiLocker's nomination feature will enable designated nominees to receive automatic notifications in case of an investor's demise, facilitating smoother asset transmission.

This Notification includes three annexures: **Annex-A** outlines the functionality and benefits of DigiLocker, **Annex-B** details the centralized mechanism for reporting investor demise through KRAs, and **Annex-C** illustrates the interaction between DigiLocker nominees and MF/demat account nominees. This Notification along with the aforementioned annexures can be accessed [here](#).

Online filing system introduced for Exempted Takeover Reports

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/CFD/DCR1/CIR/P/2025/0034 dated 20 March 2025 has introduced an online filing system for reports filed under Regulation 10(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, replacing the current email-based submission. Effective 15 May 2025, filings for exemptions under Regulations 10(1)(a)(i) and 10(1)(a)(ii) must be made exclusively *via* the SEBI Intermediary Portal ('**SI Portal**') at <https://siportal.sebi.gov.in>, with simultaneous email and online submission allowed until 14 May 2025. Fee payments must also be made through the SI Portal, and the existing SEBI payment link will be discontinued. This move aims to enhance efficiency, transparency, and ease of compliance for market participants.

Disclosure requirements for holding specified securities in dematerialized form enhanced

The Securities and Exchange Board of India *vide* Notification No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/35 dated 20 March 2025 has modified the disclosure framework for holding of

specified securities in dematerialized form under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These changes aim to enhance transparency and clarity for investors and listed entities and shall come into effect from the quarter ending on 30 June 2025.

The revised disclosure format amends the SEBI Master Circular, SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 ('**Master Circular**') issued for compliance of listed entities with LODR regulations, mandating listed entities to disclose Non-Disposal Undertakings ('**NDU**'), along with other encumbrances and the total number of pledged shares, including NDUs. Further clarification provides that the underlying outstanding convertible securities also include ESOPs and introduces a new column to reflect total shares on a fully diluted basis (including warrants, ESOPs, and convertible securities) under Table I-IV of the Master Circular. Table II of the shareholding pattern under the Master Circular has also been amended which now provides for the details of promoter and promoter group with shareholding 'NIL'. Stock exchanges and depositories have been directed to update their systems and notify listed companies to ensure compliance.



Ratio Decidendi

- Security interest of secured creditors becomes part of liquidation estate if amount as stipulated under Regulation 21A(2) is not deposited within 90 days – *NCLAT New Delhi*
- Delivery of possession is not essential to validate gift/settlement; Gift document cannot be unilaterally cancelled by donor – *Supreme Court*
- Lease hold rights existing in favor of corporate debtor cannot be terminated during moratorium period u/s 14 of IBC – *NCLAT New Delhi*
- Order dismissing an application under Section 23(3) of the Arbitration & Conciliation Act, 1996 does not qualify as an 'interim award' amenable to challenge under Section 34 – *Delhi High Court*

Security interest of secured creditors becomes part of liquidation estate if amount as stipulated under Regulation 21A(2) is not deposited within 90 days

The National Company Law Appellate Tribunal ('NCLAT') has held that a secured creditor exercising its right to realize its security interest under Section 52 of the Insolvency and Bankruptcy Code ('IBC') must strictly comply with Regulation 21A(2) of the IBBI (Liquidation Process) Regulations, 2016. This includes depositing the required amount within 90 days from the commencement of liquidation. Failure to do so results in the asset becoming part of the liquidation estate, thereby extinguishing the creditor's rights. The Tribunal clarified that the responsibility to make this payment lies solely with the secured creditor, not the liquidator, and non-compliance leads to forfeiture of the security interest.

In the present case, KS Oils Ltd. entered liquidation on 16 March 2021, and the Appellant in the case retained its security interest over the Haldia Unit (12.84 acres) while relinquishing other assets. The Appellant took possession of 12.08 acres but failed to deposit the required amount within the prescribed timeline under Regulation 21A(2). As a result, the liquidator treated the Haldia Unit as part of the liquidation estate and proceeded with

its sale to Halder Venture Limited. The Appellant challenged this action, contending that the liquidator had not provided an estimated payable amount. However, the Tribunal dismissed this contention, stating that Regulation 37 places the burden on secured creditors to notify the liquidator of the proposed sale price, making it clear that the failure to comply with procedural requirements could not be excused.

The Tribunal further emphasized that the second proviso to Regulation 21A(2) safeguards secured creditors by allowing adjustments for discrepancies between estimated and actual payable amounts. However, since the Appellant neither invoked Regulation 37 nor sought an estimate from the liquidator, it could not claim an exemption from compliance. Emphasizing that statutory obligations and deadlines must be strictly followed, the Tribunal upheld the sale of the Haldia Unit and dismissed the appeal, reinforcing the principle that secured creditors must adhere to liquidation regulations to retain their rights.

[Phoenix ARC Pvt. Ltd. v. Kuldeep Verma Liquidator of KS Oils Ltd. & Ors. – Decision dated 20 March 2025 in Company Appeal (AT) (Insolvency) No. 592 of 2024 & I.A. No. 3167 of 2024 & 1166 of 2025, National Company Law Appellate Tribunal, New Delhi]

1. **Delivery of possession is not essential to validate gift/settlement**
2. **Gift document cannot be unilaterally cancelled by donor**

The Supreme Court has held that a registered settlement deed executed in favor of a beneficiary, where ownership rights are transferred immediately, constitutes a gift under Section 122 of the Transfer of Property Act, 1882 ('TPA'). Once such a settlement is accepted by the donee, it becomes irrevocable, and the donor cannot unilaterally cancel it. The Court further clarified that the mere reservation of life interest by the donor does not change the legal character of the transfer, nor does it grant the donor the right to revoke the deed at a later stage.

In the present case, the father ('**Donor**') owned the suit property and executed a registered settlement deed on 26 June 1985 in favor of his daughter ('**Respondent No.1**') out of love and affection. The deed reserved a life interest for the father but also granted the daughter rights, including permission to construct on the property and pay taxes, signifying an immediate transfer of ownership. However, on 19 October 1993, the father unilaterally cancelled the settlement deed and sold the property to his son ('**Appellant**'). Aggrieved, the daughter filed a suit

seeking declaration of ownership rights over the suit property along with nullification of the cancellation deed and sale deed.

The Trial Court and the First Appellate Court ruled against the daughter, holding that the settlement deed was a will and not a gift, reasoning that since the father retained a life interest, he had the power to revoke it. However, the High Court reversed the decision, holding that the 1985 document was a valid settlement deed that conferred ownership immediately upon the daughter. It declared that the unilateral cancellation and subsequent sale were null and void. Aggrieved by the said order, the son filed an appeal before the Supreme Court.

The Supreme Court upheld the High Court's ruling and clarified the distinction between a gift deed, settlement deed, and the will, stating that a gift, under Section 122 of TPA, is a voluntary transfer of property without consideration, and once accepted, it becomes irrevocable. A settlement deed is a form of gift where ownership transfers immediately, even if possession is postponed and a will only takes effect after the testator's death and remains revocable during their lifetime.

The Court observed that the 1985 settlement deed conferred immediate ownership rights to the daughter, as evidenced by her ability to construct and pay taxes on the property. The reservation of life interest did not alter the nature of the transfer.

Consequently, the father had no legal right to cancel the deed unilaterally. Additionally, the Registrar had no authority to cancel a validly registered settlement deed. As a result, it was held that the subsequent sale to the son was also invalid.

[*N.P. Saseendran v. N.P. Ponnammamma & Ors.* – Judgement dated 24 March 2025, Supreme Court, 2025 INSC 388]

Lease hold rights existing in favor of corporate debtor cannot be terminated during moratorium period u/s 14 of IBC

The National Company Law Appellate Tribunal ('NCLAT/Tribunal') has held that leasehold rights, being assets of the corporate debtor in possession, cannot be terminated during the moratorium period under Section 14 of the Insolvency and Bankruptcy Code, 2016 ('IBC'). The Tribunal emphasized that the moratorium is intended to preserve the corporate debtor's assets and maintain the *status quo* to facilitate the resolution process. Any action that disrupts this framework, including the termination of leasehold rights, would be rendered invalid and unenforceable.

The case arose from the Corporate Insolvency Resolution Process ('CIRP') of the Corporate Debtor ('CD'), GPT Steel Industries Ltd., which had an industrial land obtained from

Gujarat Industrial Development Corporation ('GIDC'), on a 99-year lease. During CIRP, despite having already submitted a claim for the lease rentals which was partially admitted for INR 1.54 crores, GIDC issued a show cause notice and subsequently terminated the lease for want of unpaid dues. The Resolution Professional ('RP') challenged this termination as a violation of the moratorium under Section 14 of IBC. However, the Adjudicating Authority ('NCLT'), directed the RP to seek relief from GIDC's Appellate Authority.

The NCLAT ruled in favor of the appellants, holding that leasehold rights were assets of the CD and that termination during the moratorium was invalid under Section 14. NCLAT also noted that NCLT erred in directing the RP to approach GIDC's Appellate Authority instead of declaring the termination invalid. Since the leasehold rights formed part of the corporate debtor's assets and were essential for the resolution process, GIDC's unilateral action was impermissible. It emphasized that IBC provisions prevail over conflicting laws to ensure an unhindered resolution process.

Additionally, the NCLAT held that NCLT had no basis to remit the Resolution Plan for reconsideration, as there was no violation of Section 30(2) of IBC. Once a plan is duly approved by the CoC in compliance with IBC, it cannot be remitted for reconsideration

without identifying a legal infirmity. Accordingly, the NCLAT allowed the appeal, reaffirming the protective scope of the moratorium under IBC and ensuring that statutory safeguards for the corporate debtor's assets remain intact during CIRP.

[Divyesh Desai RP of GPT Steel Industries Ltd. v. Gujarat Industrial Development Corporation Bhuj – Decision dated 21 March 2025 in Company Appeal (AT) (Insolvency) No.1103 of 2024, National Company Law Appellate Tribunal, New Delhi]

Order dismissing an application under Section 23(3) of the Arbitration & Conciliation Act, 1996 does not qualify as an 'interim award' amenable to challenge under Section 34

The Delhi High Court has ruled that an order rejecting an application under Section 23(3) of the Arbitration & Conciliation Act, 1996 ('**Arbitration Act**') is merely a procedural order. It does not constitute an 'interim award' that can be challenged under Section 34 of the Arbitration Act.

In the present case, NTPC Limited ('**Petitioner**') issued a tender for the construction of roads and drains in Solapur STPP, valued at INR 22,35,16,730/-. Thereafter, a Letter of Award was issued to Starcon Infra Projects Private Limited ('**Respondent**'), and a Contract Agreement was executed between the parties. Disputes

arose, leading to a Petition being filed under Section 11(6) of the Arbitration Act for the appointment of an arbitrator. As a result, a sole arbitrator was appointed, and the Petitioner filed an application under Section 23(3) of the Arbitration Act withdrawing certain claims, as the contract stipulated that arbitration could adjudicate claims and counterclaims only up to a maximum of INR 25 crores.

The arbitrator dismissed the application under Section 23(3), stating that once claims and counter-claims are filed, they cannot be altered as per the contract agreement between the parties. Aggrieved with the said decision, the Petitioner preferred an application seeking to set-aside of the order passed by the arbitrator, under Section 34 of the Arbitration Act, claiming it is an interim award passed by the arbitrator.

The Court, while dismissing the petition, affirmed that an interim award must resolve a specific point of dispute between the parties, conclusively determining their rights. If an order does not adjudicate a substantive issue or confer any definitive rights, it cannot be classified as an interim award. Since the arbitrator's decision merely addressed a procedural aspect without conclusively determining any party's rights, the Court held that it was not an interim award eligible for challenge under Section 34 of the Arbitration Act.

Accordingly, the Court ruled that an order rejecting an application under Section 23(3) of the Arbitration Act is a procedural order and does not constitute an 'interim award' to challenge under Section 34 of the Arbitration Act.

[*NTPC Ltd. v. Starcon Infra Projects India Pvt. Ltd.* – Judgement dated 7 March 2025 in O.M.P. (COMM) 234/2024, Delhi High Court]

News Nuggets



- LG Electronics India receives SEBI nod for its IPO
- Digital footprint-based lending for MSMEs launched
- CCI approves Ambuja Cement's acquisition of Orient Cement
- CCI approves JSW Energy's acquisition of KSK Mahanadi Power
- DPIIT partners with Paytm for startup promotion in India
- Courts have authority to determine rate of interest



LG Electronics India receives SEBI nod for its IPO

The Securities and Exchange Board of India has approved the proposal of the Initial Public Offering ('IPO') of LG Electronics India. Notably, the IPO constitutes of an offer for sale amounting to 10.18 crore equity shares by the parent company, LG Electronics.

[Source: [Business Today](#), published on 18 March 2025]

Digital footprint-based lending for MSMEs launched

Pursuant to the announcement made as part of the Union Budget regarding public sector banks ('PSBs') building their in-house capability to assess Micro Small and Medium Enterprises ('MSMEs') for credit, instead of relying on external assessment, the Union Finance Minister recently launched the new credit assessment model based on the scoring of digital footprints of MSMEs to accelerate credit appraisal and disbursement process. As against the traditional assessment method based only on assets or the turnover criteria, the digital footprint credit assessment model will leverage the digitally procured and verifiable data available in the ecosystem and devise automated

journeys for MSME loan appraisal using objective decisioning for all loan applications.

[Source: [Financial Express](#), published on 6 March 2025]

CCI approves Ambuja Cement's acquisition of Orient Cement

The Competition Commission of India ('CCI') has given its assent to the proposed acquisition of Orient Cement Limited by the Adani group led Ambuja Cements Limited. Accordingly, Ambuja Cement shall acquire 5,34,19,567 shares amounting to a stake of 72.8 per cent of Orient Cement directly from the public at a price of INR 395.40 (Indian Rupees Three Hundred and Ninety Five and Forty paise only) per share.

[Source: [News18](#), published on 5 March 2025]

CCI approves JSW Energy's acquisition of KSK Mahanadi Power

The Competition Commission of India has approved the proposed acquisition of 100 per cent shareholding of KSK Mahanadi Power Company Limited by JSW Energy Limited. JSW Energy is engaged in the business of power generation, power transmission, power trading, coal mining, and power equipment manufacturing, whereas KSK Mahanadi that is

undergoing a corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, owns 3600 MW thermal power plant located in Chhattisgarh.

[Source: [ET Legal World](#), published on 4 March 2025]

DPIIT partners with Paytm for startup promotion in India

The Department for Promotion of Industry and Internal Trade ('DPIIT') has signed a Memorandum of Understanding with the digital payments entity, Paytm for providing support to the start-ups engaged in the fintech and manufacturing sectors. Under the partnership, Paytm is said to provide the start-ups with support in the form of mentorship, infrastructure, market access and funding opportunities.

[Source: [Data Quest](#), published on 27 February 2025]

Courts have authority to determine rate of interest

The Supreme Court of India has held that Courts are authorised to determine the rate of interest and decide if interest was payable from date of filing a suit, a period prior to that, or from the date of decree, depending on the facts of each case. The dispute involved valuation of shares transferred to the State government. Regarding the rate of interest, the Apex Court was of the view that the rate of interest should be determined in a manner that balances both fairness and financial impact, considering the 'loss of use' principle and economic prudence, in the specific facts of each case.

[Source: [ET LegalWorld](#), published on 1 April 2025]

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exceeding expectations