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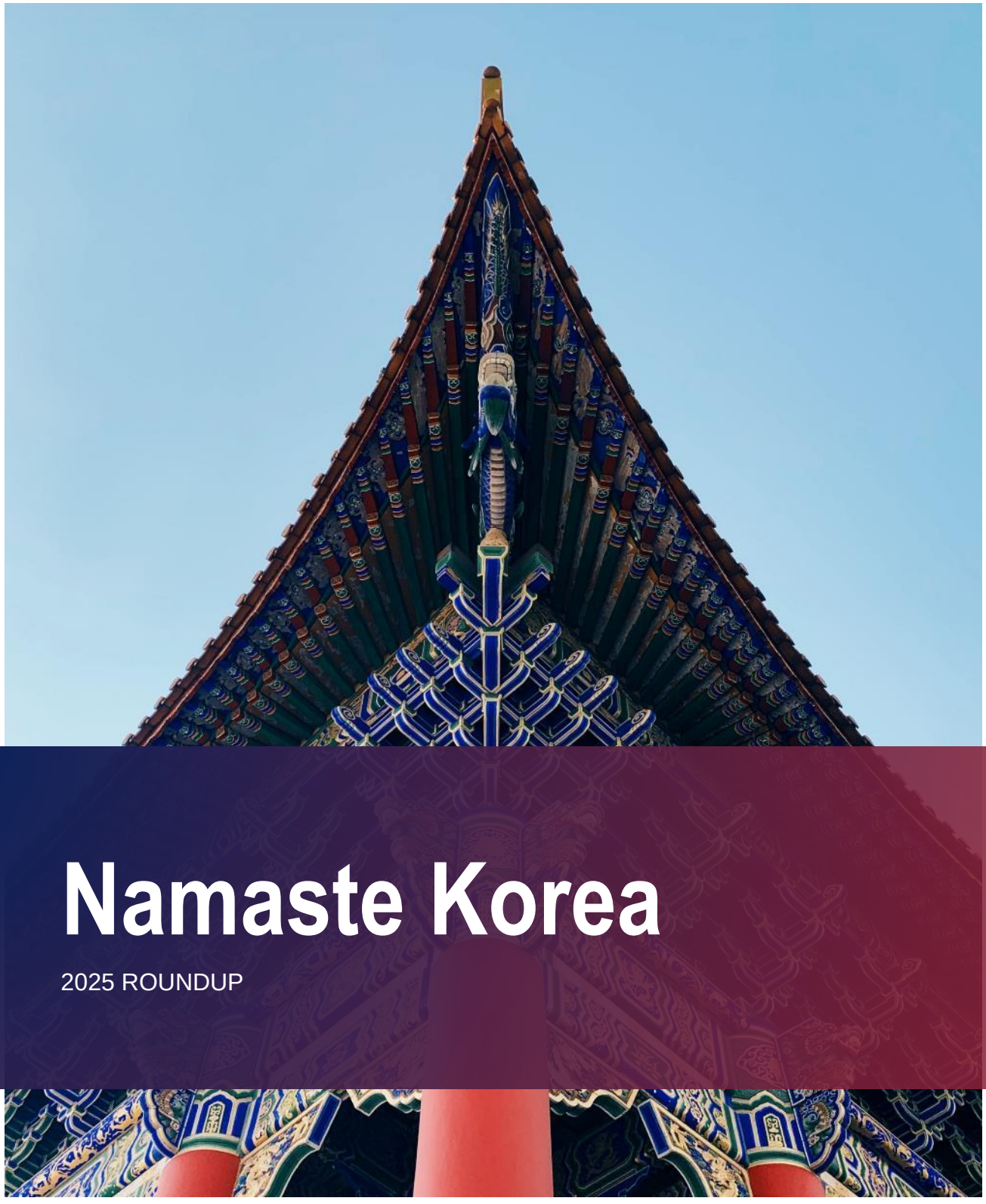

Namaste Korea

2025 ROUNDUP

Foreword

Welcome to the annual roundup of Namaste Korea. This edition provides an overview of the key Indian legal and business developments in 2025 which we think would be relevant to South Korean businesses and other organizations with India-related interests. We hope that you find the information in Namaste Korea of interest, and we thank you for taking the time to review this newsletter. If you would like to subscribe to our Namaste Korea newsletter, *please click **here***.

2025 was defined by high-stakes capital market entries, sweeping legislative overhauls, and a deepening of defence and energy ties that suggest a permanent recalibration of the Indo-Pacific economic order.

Bilateral cooperation between India and South Korea has expanded significantly into high-tech sectors, including semiconductors, green hydrogen, aerospace, and nuclear energy, while major South Korean firms like Hyundai and LG Electronics have strengthened their commitment through local manufacturing and large initial public offerings (IPOs). Diplomatic efforts continue to focus on upgrading trade agreements and addressing trade imbalances

Major South Korean companies have sent delegations to India as India has gained traction as a key market. Many South Korean companies, particularly in the automobile and electronics sectors (*e.g.*, the LG Group, Samsung Electronics, the Hyundai Motor Group, and the Lotte Group) are shifting focus from traditional markets such as the U.S. and Europe towards India. *Read more **here**, **here**, and **here***.

In 2025, Indian and South Korean dignitaries and delegates met on multiple occasions, including on the sidelines of the G7 Summit in Canada, G20 Trade and Investment Ministers' Meeting and subsequent talks in South Africa to discuss possible collaborations in various fields, including technology, green hydrogen, shipbuilding, electric mobility, infrastructure and defense.

Overall, the ties between India and South Korea have deepened, marked by increasing investments, defence cooperation, and strong cultural exchange.

Key Indian Legal Developments in 2025

NEW DATA PRIVACY REGIME TAKES EFFECT

In November 2025, the rules ("**DPDP Rules**") under India's Digital Personal Data Protection Act, 2023 ("**DPDP Act**") were notified, along with enforcement timelines and the establishment of the Data Protection Board of India (DPBI). The DPDP Rules are intended to operationalize the provisions of the DPDP Act in three phases, including Phase 3 – which will take effect in May 2027 and cover most substantive provisions. Corporates with Indian business interests should start reviewing their existing data privacy architecture to ensure compliance with the DPDP Act and DPDP Rules. *For an overview, see our notes **here** and **here**.*

NEW LABOUR CODES COME INTO EFFECT

In November 2025, the Government of India consolidated 29 labour laws into four comprehensive labour codes for the purpose of streamlining compliance, modernizing outdated provisions, and creating a simplified framework to promote the ease of doing business, as follows: (i) the Code on Wages, 2019 ("**Wage Code**"), (ii) the Industrial Relations Code, 2020 ("**IR Code**"), (iii) the Code on Social Security, 2020 ("**SS Code**"), and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 ("**OSH Code**"). *Read more on the new labour codes **here** and **here**.*

Some key amendments to the existing labour laws include a tightened definition of 'wages', where the Wage Code requires basic pay to constitute a larger proportion of total remuneration. Employers may need to re-model compensation structures and financial forecasts. The SS Code expands social security coverage (explicitly including gig, platform, and certain contract workers) and provides parity for fixed-term employees. MNCs that engage contingent workforces, vendors, or platform partners may face increased contribution obligations and reporting duties. The IR Code raises the threshold for prior government approval for layoffs, retrenchments, and closures from 100 to 300 employees, introduces formal criteria for recognizing a 'negotiating union/ council', and tightens procedural discipline around strikes and lockouts. The OSH Code tightens employer duties on workplace safety, expands the applicability of core obligations in legacy labour laws to establishments previously outside the strict ambit of 'factory' regulation, and introduces enhanced obligations related to inter-state migrant workers – which may affect nationally integrated operations and large project deployments.

In view of the above, Indian companies should revisit their existing employee and benefits policies to ensure compliance with the new labour codes. News reports indicate that certain large Indian corporates have estimated an increase in compliance costs on account of the new labour codes.

INSURANCE REFORMS

In December 2025, the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025 ("**Insurance Amendment Act**") was passed in Parliament. The Insurance Amendment Act amends three Indian statutes (the Insurance Act,1938, the Life Insurance Corporation Act, 1956, and the Insurance Regulatory and Development Authority Act, 1999) and allows up to 100% FDI in Indian insurance companies. The Act will come into force on a date appointed by the Government. *Read more on this update **here** and our note **here**.*

In November 2025, Korean Reinsurance Company ("**Korean Re**") received regulatory approval to establish a new branch in GIFT City, an International Financial Services Centre ("**IFSC**"). While Korean Re proposes to start operations in April 2026, such authorization from the IFSC Authority will allow it to operate as an IFSC insurance office. *Read more **here**.*

ONLINE GAMING ACT

In August 2025, the Promotion and Regulation of Online Gaming Act, 2025 (the "**Online Gaming Act**") was passed. It will come into force on a future date notified by the Government. The Online Gaming Act represents a turning point in India's approach to online gaming: the Government has adopted a split regulatory approach – promoting e-sports and social gaming, while imposing a complete prohibition on online real-money games (regardless of whether such games are based on skill or chance).

Separately, the National Sports Governance Act, 2025 ("**Sports Governance Act**") was enacted by Parliament. The interaction between the Sports Governance Act and the Online Gaming Act may prove significant: while the Online Gaming Act narrows the field of permissible monetization models, the Sports Governance Act enlarges the scope of opportunities in mainstream and e-sports, creating a path for gaming companies to migrate into adjacent business verticals. *For an overview, see our notes **here** and **here**.*

India-Korea Business and Trade Updates

India and Korea are in discussions to address the growing trade imbalance and review the Comprehensive Economic Partnership Agreement ("**CEPA**"). While India-Korea trade currently stands at more than USD 25 billion, there are ongoing efforts to upgrade the CEPA to bolster trade, investment, and innovation. The two countries are also exploring new avenues for economic cooperation, such as green hydrogen and advanced manufacturing, and discussing issues of market access and non-tariff barriers.

Korean investments in India are steadily rising, such as the Hyundai Motor Group's commitment of USD 2.45 billion to India's electric vehicle ("**EV**") ecosystem, which involves EV manufacturing, setting up secondary battery units, and developing charging infrastructure. Further, interest from Korean companies in sectors such as shipbuilding, electronics, semiconductors, and medical devices has continued to grow. India and Korea are also undertaking around 15 joint research projects and expanding into new areas of scientific collaboration. *Read more **here** and **here**.*

In November 2025, the Korea-India Future Society launched Korea's first private-sector association dedicated to India involving diplomats and corporate leaders from Korean conglomerates such as Samsung, LG, and POSCO, as well as manufacturing SMEs, with the aim of accelerating Korean investments into India. *Read more **here**.*

AEROSPACE AND DEFENCE

Hanwha Aerospace, Korea's largest defence company with advanced capabilities across artillery systems, engines, aerospace, and missile technologies, signed a deal worth USD 253.6 million) to export Korean K9 self-propelled howitzers to India. *Read more **here**, **here**, and **here**.*

TOURISM

In February 2025, Easy Trip Planners signed an initial pact with the Korea Tourism Organization ("**KTO**") to focus on special projects towards increasing Korea's visibility as a key outbound destination in the Indian travel market. *Read more **here**.*

Thomas Cook (India) Limited, India's leading omnichannel travel services provider, and its group company, SOTC Travel, signed a strategic 24-month partnership with the KTO, also in February 2025. *Read more **here** and **here**.*

In August 2025, the KTO entered into a strategic MoU with Shinhan Bank India, Korean Air, and Yatra to jointly promote tourism to Korea from India. *Read more **here**.*

HEALTHCARE & RETAIL

In April 2025, Boditech Med Inc., a leading Korean MNC specializing in innovative point-of-care diagnostic solutions and in-vitro diagnostic medical devices, moved to its new production facility in Model Economic Township (MET City) near Gurugram. *Read more **here** and **here**.*

According to a recent report, on account of a growing domestic beauty market and the rise of direct-to-consumer (D2C) brands, India has emerged as the third largest investor in the global K-beauty sector (behind Korea and the US). The K-beauty market in India is projected to exceed USD 1.3 billion by 2032. *Read more **here** and **here**.*

In February 2025, Lotte Wellfood announced that it would expand its products beyond ice-cream and 'choco pie' and enter the Indian snack segment by leveraging the popularity of K-food and K-pop. With a large population, high chocolate consumption preferences, and a confectionery market valued at USD 12 billion, India represents a key growth opportunity for Lotte. Going forward, Lotte plans to invest USD 300 million in India over a five-year period, including for capacity addition and supply chain expansion. *Read more **here**, **here**, and **here**.*

GAMING, MEDIA & ENTERTAINMENT

In February 2025, Korean online gaming company Krafton led a USD 53 million financing round in Indian startup Cashfree Payments in response to increasing demand for payment systems tailored to India's media and entertainment sector. *Read more **here**.*

In June 2025, HYBE Corporation ("**HYBE**"), a Korean entertainment company, announced plans to open a local branch/ subsidiary in India. The proposed move is part of HYBE's long-term strategy to expand the reach of K-pop worldwide, including by mixing K-pop's business model with local cultures and music preferences. India is one of the world's biggest music markets and a growing hub for Korean content. *Read more **here** and **here**.*

MANUFACTURING, ELECTRONICS & TECHNOLOGY

In February 2025, the Competition Commission of India granted approvals for Korea-based global steel company POSCO's intra-group restructuring through the proposed acquisition of the entire shareholding of LX International Corporation in POSCO-India Pune Processing Centre Private Limited. *Read more **here** and **here**.*

In February 2025, Korea's HD Hyundai Heavy Industries ("**HHI**"), a global leader in shipbuilding, initiated plans to set up a shipyard in India. Although accounting for less than 1% of global shipbuilding at present, India aims to be among the top 10 countries by 2030, and in the top five by 2047. HHI's proposed shipyard in India could transform the domestic shipbuilding sector, which seeks access to advanced shipbuilding technology and contracts with global OEMs for the purpose of enhancing India's shipbuilding ecosystem. *Read more **here**.*

Korean conglomerate ECDS Group's proposed investment of about INR 20 billion in Madhya Pradesh is expected to involve 20 projects in its initial phase, with an emphasis on medical equipment and RE. In addition, the ECDS Group is assessing opportunities in the aviation semiconductor industry. *Read more **here**.*

In July 2025, Cochin Shipyard Limited ("**CSL**") entered into an MoU with Korean shipbuilder HD Korea Shipbuilding and Offshore Engineering Co. Limited ("**KSOE**"), signifying a long-term strategic partnership for building large commercial vessels in India. Further, CSL is considering a greenfield investment to establish a state-of-the-art shipyard in the state of Tamil Nadu in collaboration with a Korean partner. *Read more **here**, **here**, **here**, and **here**.*

In November 2025, Mukesh and Akash Ambani, the Chairman of Reliance Industries and Reliance Jio Infocomm, respectively, met the Executive Chairman of Samsung Electronics and the chief executives of other Samsung affiliate companies in Seoul to discuss partnership expansion plans in areas such as sixth-generation

(6G) network equipment and technology, AI data centers, and energy storage systems for data center operations. *Read more* ***here***.

AUTOMOTIVE

Completing 25 years of vehicle exports from India, Hyundai Motor India Limited ("**HMIL**") is set to become Hyundai's largest export hub outside of Korea. As of date, HMIL has shipped more than 3.7 million India-made vehicles globally to over 60 countries. *Read more* ***here***.

In a strategic partnership with Indian petrochemical major Mangali Industries Limited, POSCO Daewoo Corporation, a Korean steel-making company with a diverse portfolio, is planning to make India a lubricant export hub. While its initial focus will be on retail customers followed by B2B and B2C segments, Daewoo India plans to target OEMs too, and may seek partnerships with major OEMs such as Maruti. Daewoo has further expansion plans, including to establish a 10,000 kt manufacturing facility in Gujarat. *Read more* ***here***.

In November 2025, it was reported that HS Hyosung Advanced Materials Corp., a leading global automobile tire cord and seatbelt yarn producer based in Korea, proposes to invest in India to build a stable supply chain. *Read more* ***here***.

Other Publications by the Firm

- Nuclear Energy Act: Transforming India's Nuclear Energy Landscape. *Read* ***here***.
- Unlocking India's Inland Water Transport Potential: Analysis of the National Waterways (Construction of Jetties/Terminals) Regulations, 2025. *Read* ***here***.
- Indian Ports Act, 2025: A Paradigm Shift in Port Regulation and Development. *Read* ***here***.
- Draft Guidelines for Greenfield Clusters and Brownfield Shipyards. *Read* ***here***.
- Investment in Renewable Energy Projects: Key Legal Due Diligence Considerations. *Read* ***here***.
- India's New Online Gaming Law: Implications for the Gaming Ecosystem. *Read* ***here***.
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- REITs: Recent Regulatory Developments in India (2025). *Read* ***here***.
- Financing M&A Transactions in India: An Overview. *Read* ***here***.
- India's Export Outlook in Light of U.S. Tariffs. *Read* ***here***.
- An Analysis of India's FDI Regime from an Investor's Perspective. *Read* ***here***.

- New Opportunities in India's Defence Sector. *Read **here***.
- RBI Eases Investments by FPIs in Corporate Debt Securities. *Read **here***.
- Regulatory Initiatives on ESG Disclosure Requirements in India. *Read **here***.
- Public Private Partnership in Redevelopment Efforts. *Read **here***.
- Fast Track Mergers in India: Feasibility and Key Legal Challenges. *Read **here***.
- Investing in India: An Overview of Legal Considerations – 2025 Checklist. *Read **here***.
- Greenwashing: An Overview. *Read **here***.
- Fiber Opportunity in India: Regulatory Framework and Right-of-Way Management. *Read **here***.
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- Supreme Court Reaffirms Enforceability of Forum Selection in Employment Contracts. *Read **here***.
- The Impact of India's Data-Related Laws and Policies on AI Development and Deployment. *Read **here***.
- A Framework for Using AI in the Indian Financial Sector. *Read **here***.

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Our principles: a commitment to the quality of work, dedication to our clients and a professional culture in Indian legal services with international standards.

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