



The Future of Business Law in India

Mohit Saraf, Founder & Managing Partner

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Introduction: The Indian Economy and Businesses

- India's GDP in 1991 was \$266 billion and in 2021 it is nearly \$2.8 Trillion
- Economic Goals : \$5 Trillion by 2025-2027 and \$10 Trillion by 2030-2032
- Growing economies also witness growing legal complexities.
- Debt & Equity Financing, Mergers and Acquisitions, Private Equity & VC, IPOs and increased commercial disputes and arbitration.
- Pandemic has created some setbacks, but the Indian economy is set for recovery



Growth of Legal Service Industry



Source: BRC, Statisa 2020

- India Inc's legal expenses jump 9 per cent to **Rs 38,754 crore** in FY20
- When the economy doubles (2025-27) legal expenses triple (approx. 1 Lakh Crore)
- By 2030-32 legal expenses could be 3 Lakh Crore



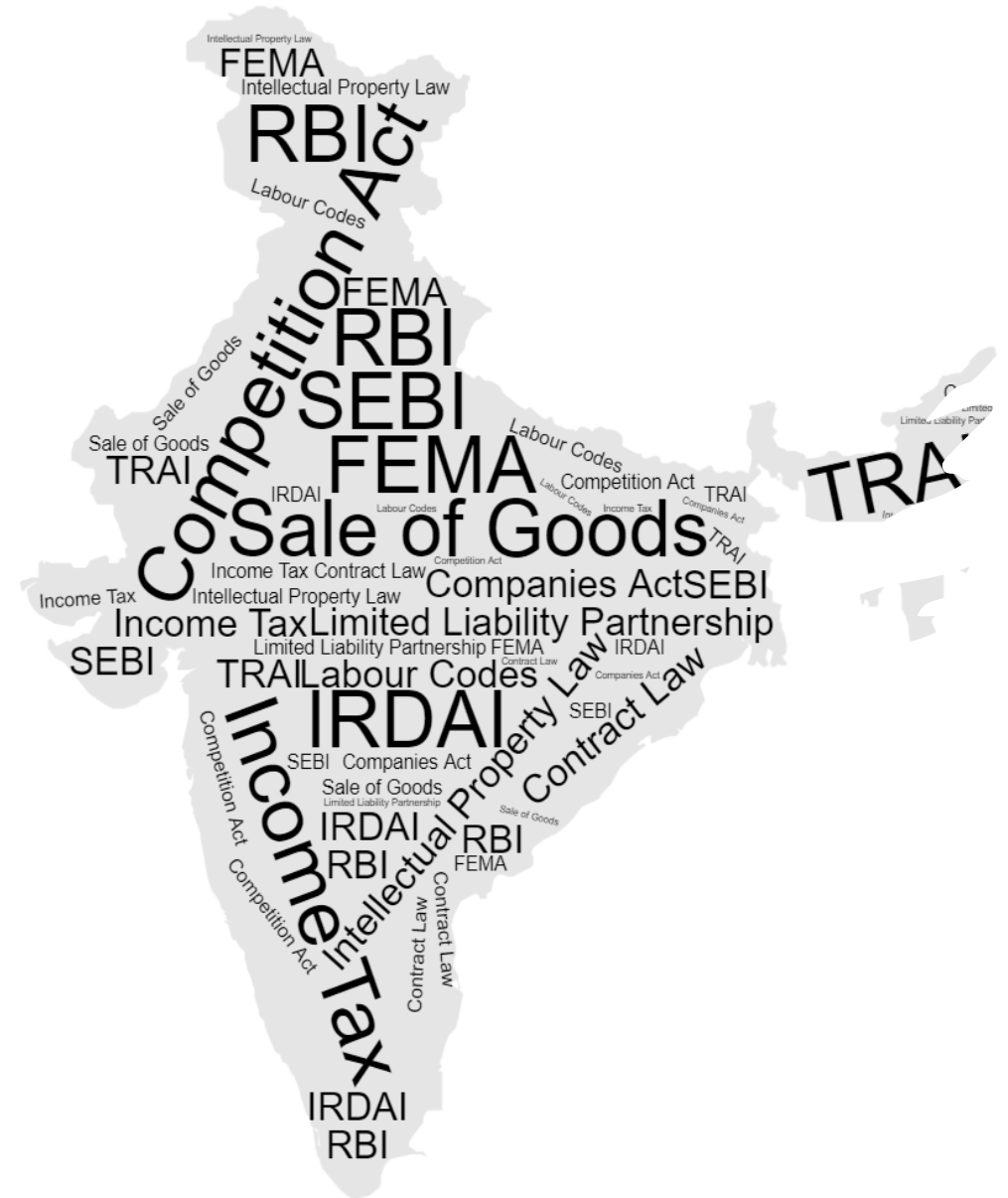
Business Law: Key Milestones

- Statement on Industrial Policy, 1991
- Foreign Investment Promotion Board, 1991
- Securities and Exchange Board of India, 1992
- Debt Recovery Tribunals, 1993
- National Telecom Policy, 1994
- Foreign Exchange Management Act, 1999
- Information Technology Act, 2000
- Prevention of Money-Laundering Act, 2002
- Competition Commission of India, 2002
- FDI in Retail, 2012
- Companies Act, 2013
- Arbitration and Conciliation (Amendment) Act, 2015
- Adhaar, 2016
- Insolvency and Bankruptcy Code, 2016
- Real Estate Regulatory Authority, 2016
- Demonetisation, 2016
- Goods and Services Tax, 2017
- Production Linked Incentive Scheme for Large Scale Electronics Manufacturing 2020
- Asset Monetization Programme 2021



Mapping Business Law in India

- Vast and complex web of laws constitute the umbrella term ‘business law’
- Ranges from general laws like Contract Act or Companies Act to specialized law like taxation or intellectual property
- Some require amendments while others may need a complete overhaul?
 - Indian Telegraph Act 1885
 - Information and Technology Act 2000



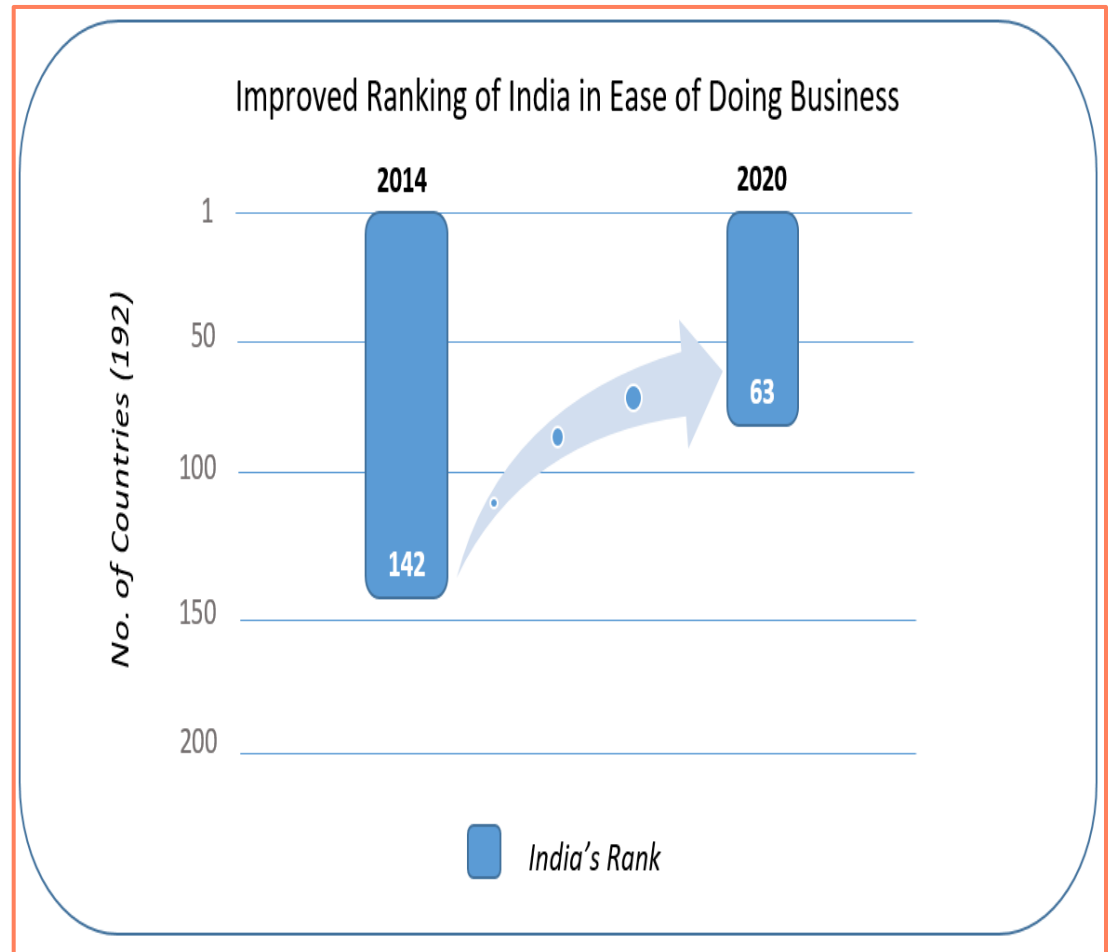
Purpose of Law & Regulators

- Purpose of Law
 - Law is not an end in itself - It just provides us with tools
 - Business Law needs to cater to economic growth
 - Also, to curb corruption, improve transparency & governance (ESG)
- Role of regulator
 - Balance interests of various stakeholders
 - Growth of the sector
 - Regulate not control



Ease of Doing Business Ranking

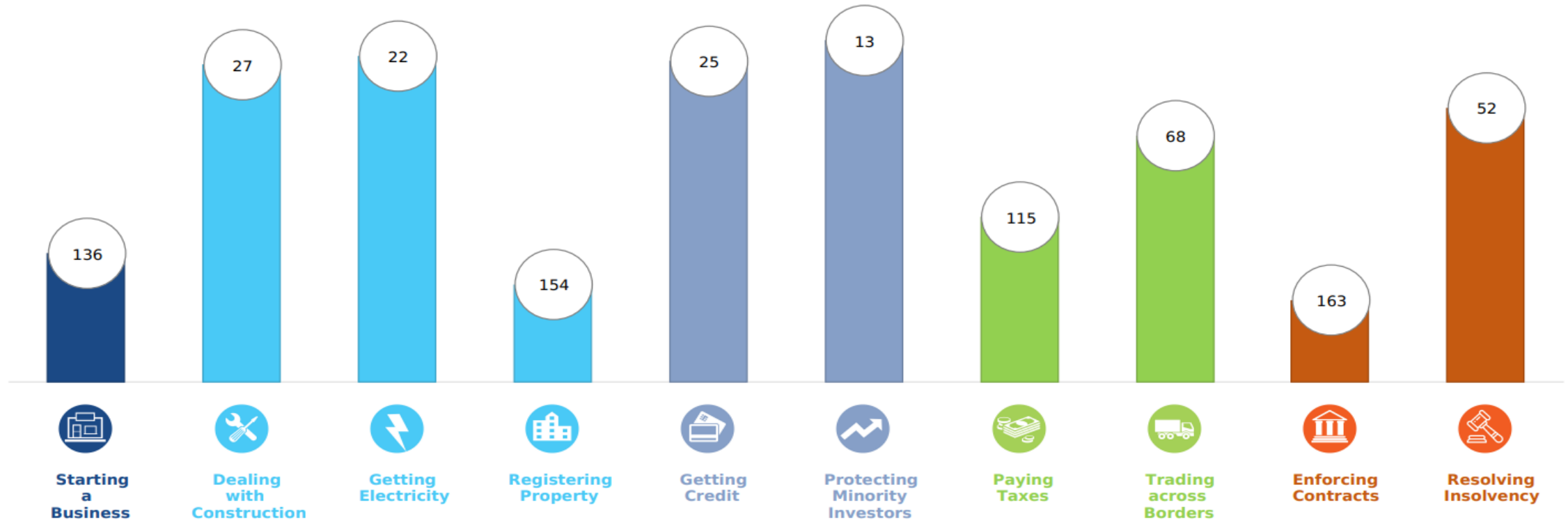
- India's rank improved from 142 to 63 in five years
- Concerted efforts to improve parameters not only at the central but also at the state level helped improving ranking
- Yet there are parameters where India needs to show more improvement





Source: Ease of Doing Business Rankings, World Bank 2020

Rankings on Doing Business topics - India



Unicorns

Amazon;
Zee vs.
Invesco

29A – IBC
500 Days



Digital Platforms and New Era of Business Law

- **New Business models** and Company structures with multi-sided markets are prompting a **rethink of business laws** and regulations.
- India is the **fourth-largest unicorn base** in the world with over 21 unicorns collectively valued at US\$ 73.2 billion,
- By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs
- **Competition Regulators** face new challenges and have increased scrutiny in digital ecosystems



Business Law: Preparing for the Future

Legislative and Regulatory Reforms

- Realign Regulatory Focus of Business Law to **Growth, Governance and Transparency**
- Regulators need to adapt and upgrade; Share and learn from **cross-jurisdiction experience**
- Slew of new regulations expected – Data Protection, Artificial Intelligence, Crypto etc.



Business Law: Preparing for the Future

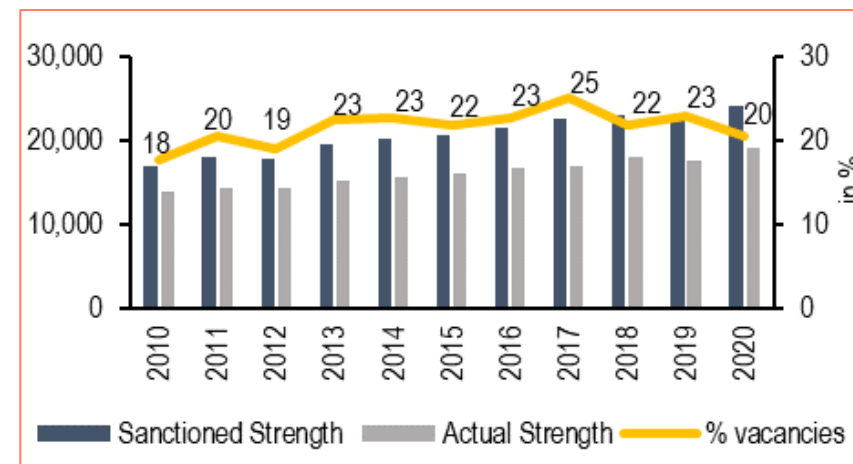
ALIGN JUDICIARY AND LEGISLATURE FOR ECONOMIC GOALS

- India's **Telecom Industry** is a great example of disjointed policy approach.
 - The Vodafone tax case was the result of poor policy choice by the govt.
 - The 2G and the more recent AGR cases show the need for better business outlook in courts
- Business law decisions **without understanding business** is a recipe for disaster
- Need for **consultations between judiciary and executive** on economic policy

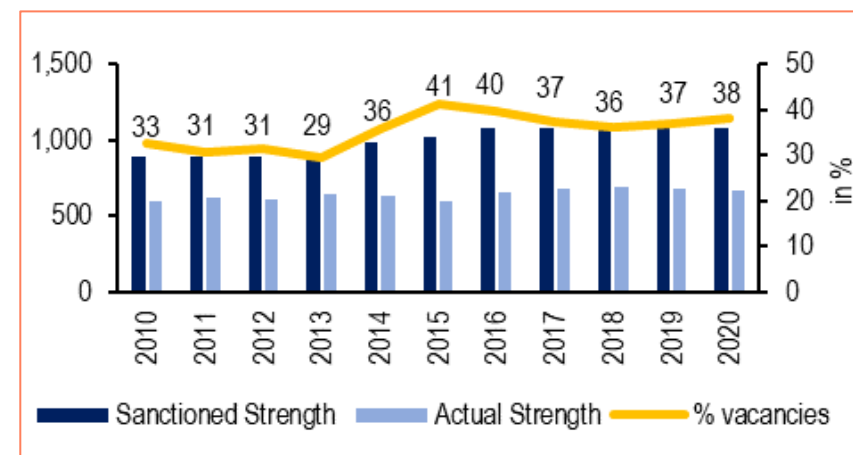


Business Law: Preparing for the Future: Judicial Reforms

- Judicial Reforms entail
 - clearing the backlog,
 - improve case-management,
 - better adoption of technology etc.
- In India there is business case for being a **dishonest litigant**.
- **Need to review concept of damages vs penalty in Indian Contract law jurisprudence**



Vacancy of Judges in the Subordinate Courts



Vacancy of Judges in the High Courts



What can law schools do?

- **Interdisciplinary Approach**

- Knowledge of the law alone is not sufficient anymore
- Ability to think through different disciplinary approaches is necessary

- **Business skills and acumen**

- Empower students to pick up business skills and acumen
- Provide exposure to growing businesses and economic policy deliberations



What can law schools do?

- **Relevant Specialisations**

- Specialisation options or extra credit courses on cutting-edge areas of law to better prepare for transition from classroom to boardroom
- Focus on cross-border learnings
- Scope for Business Law Clinics?

- **Capacity Building**

- Imperative to train law students, lawyers, judges, and policy makers to recognize and appreciate **legitimate business interests and requirements.**



THANK YOU

Mohit Saraf,
Founder and Managing Partner,
Saraf and Partners
mohit.saraf@sarafpartners.com

This contents of this presentation are solely for informational purposes.

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