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S.K. SINGHI
Founder & Managing Partner

Message from Managing Partner

My dear readers, the legal profession is considered noble because lawyers play a crucial role in upholding societal justice and fairness. They advocate for individuals' rights and ensure that everyone has access to legal representation, regardless of their background or socioeconomic status. Lawyers are skilled problem solvers who help clients navigate complex legal systems and find solutions to their legal issues. Their expertise and guidance can make a significant difference in the lives of individuals and businesses facing legal challenges.

Lawyers are instrumental in maintaining the rule of law, which is fundamental to a functioning democracy. They interpret and apply laws, ensuring they are upheld and enforced fairly and consistently. Lawyers help protect the rights of individuals and organisations, ensuring that they are treated fairly. They often serve as advocates for those who have been wronged or marginalised, working to ensure that justice is served.

Many lawyers are committed to promoting social justice and fighting against injustice and inequality. They work on cases involving civil rights, environmental protection, or other social causes, striving to create a more just and equitable society.

The legal profession is governed by strict ethical standards and codes of conduct, which help ensure that lawyers uphold honesty, integrity, and professionalism. Many lawyers work pro bono and volunteer their time and expertise to serve the public good.

At S K Singhi & Partners LLP, we aim to render clients the best legal services without monetarily discriminating. Our best arguments should be voiced to provide relief from the Courts.

All my team members should work tirelessly to uphold integrity and honesty as their weapons to dispense legal services at all forums.

Best wishes





Quick NCLT Decisions Shall Enhance Lending Activity

-By Akshay Singhi, Senior Partner

Recent IBBI data reveals that 80% of insolvency resolution cases surpass the 180-day deadline, with 67% extending beyond 270 days, including the 90-day extension allowed under the Insolvency & Bankruptcy Code. Substantial delays occur at the admission stage. Protracted litigations at NCLT shall inculcate credit aversion in banks where quick legal decisions are necessary to enhance lending activity to sustain GDP growth.

The US has 345 bankruptcy judges handling over 3.8 lakh cases. In India, the number of cases and judges is far less. From November 2017 to August 2022, 31,000 IBC cases were filed, with nearly 26,000 adjudicated. Additionally, from June 2016 to August 2022, 15,000 cases related to sections 230-232 of the Companies Act were filed, with 13,700 disposed of. Lately, the number of fresh cases has decreased as banks prefer an out-of-court settlement with a high recovery the disinterest results in large-scale write-offs, vitiating the lending process in the country.

The Reserve Bank of India (RBI) said in a recent Right to Information (RTI) reply that banks wrote off bad loans worth over Rs 2.09 lakh crore during the financial year (FY)2022-23, taking the total loan write-off by the banking sector to Rs 10.57 lakh crore in the last five years. Indian public sector banks posted a net loss of Rs 85,390 crore in FY18.

From 2022 onwards, banks turned the corner on the back of solid performance by various NCLT Courts, which brought a semblance of discipline in borrowings. In FY23, their profits stood at Rs 1,04,649 crore. The 12 PSBs' total profit increased by 57% compared with Rs 66,539.98 crore earned in 2021-22.

As part of the strategy, the government infused an unprecedented Rs 3,10,997 crore to recapitalise PSBs during the last five financial years -- from 2016-17 to 2020-21. The recapitalisation programme provided much-needed support to the PSBs and prevented the possibility of any default on their part.

However, banks' glitter can soon vanish if the NCLT forum fails to rise, escalate performance, and deliver quick quality decisions. The performance of Indian banks is directly proportional to the performance of NCLT Courts.

The reforms undertaken by the government over the last eight years addressed credit discipline, ensured responsible lending, and improved governance. Besides, technology was adopted, and banks amalgamated, maintaining the general confidence of bankers. The metamorphosis was accomplished in an ambience of credit discipline taught by the fear of NCLT.

The resolution process at NCLT continues to have a cascading effect on the cyclicity of funds with the Indian banks. The deterrence of NCLT, where a company's management is taken away if a default is above Rs.100 lacs to a creditor, has brought in a lot of credit discipline. The compliance and redemption of commitment to service the loan accounts have boosted the credit off-take to new heights. Many banks have crossed the 100% CD (Credit-Deposit) ratio to satiate the ever-increasing credit demand.

The RBI Governor recently said that the gross non-performing assets ratio of banks in India fell below 4%, which is the lowest since March 2015. This compares with 5.8% at the end of March 2022 and 7.3% as of March 31, 2021.

Cumulatively, PSBs' profit crossed the Rs 1 lakh crore mark in FY23, with the State Bank of India (SBI) accounting for nearly half of the total earnings.

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Indian banks' CRAR (capital-to-risk-weighted assets ratio) stands at 16.1%. This ratio compares capital to risk-weighted assets and is watched by regulators to determine a bank's risk of failure.

The disturbing news is that the Latest data shows that 7054 corporate insolvency resolution processes (CIRPs) have been initiated until the end of September 2023. Around 45% of cases (2249) have been ordered into liquidation. In comparison, the number of resolution plans approved by NCLT is 808; the rest are pending during this year. This state of affairs will ultimately reflect on the lending ambience, leading to credit aversion in banks.

The SBI Chairman has stated that Indian banks will have to lend an incremental sum of 1.0 trillion dollars if India is to become a \$5.0 trillion economy by 2027. However, with full support from NCLT, the \$5.0 trillion may become a reality as the credit ambience improves.



In today's rapidly changing technological landscape, Intellectual Property (IP) law constantly evolves to keep up with innovations and challenges. From protecting inventions and creative works to promoting innovation and economic growth, IP law plays a crucial role in shaping the future of industries worldwide.

i. The rise of Artificial Intelligence & Machine Learning:

One of the most prominent trends shaping the future of IP law is the integration of Artificial Intelligence and machine learning technologies. With the rapid advancement in AI, the legal framework surrounding issues such as the patentability of AI-generated inventions, ownership of AI-generated work, and liabilities for AI-generated contracts are becoming complex. IP law will need to adapt to provide adequate protection and regulations.

ii. The impact of Blockchain technology on IP Rights:

Blockchain technology is another game-changer in the realm of IP. By enabling secure and transparent transactions, Blockchain has the potential to revolutionise how IP rights are managed and enforced. Intelligent contracts and decentralised platforms can streamline the process of licensing, tracking, and enforcing IP rights, paving the way for a more efficient and secure IP ecosystem.

iii. Globalization & International IPLaw:

As businesses expand & globally, the need for harmonisation of IP laws across different jurisdictions has become essential. International treaties & agreements, such as the TRIPS agreements & Madrid Protocol, play a crucial role in facilitating cross-border protection of IP rights. The future of IP law will involve greater cooperation between countries to address global challenges such as counterfeiting, piracy & the protection of traditional knowledge.

iv. Biotechnology & Genetic Engineering:

Advancements in Biotechnology & Genetic Engineering have led to new challenges in IP laws, issues such as the patentability of genetically modified organisms, gene editing techniques like CRISPR & the protection of biotechnological innovations are areas that require careful consideration. The future of IP laws will likely see continued developments in this field to address the unique challenges posed by Biotechnological inventions.

v. Digital Assets & Virtual property:

In the digital age, the concept of property has extended beyond physical objects to include digital assets & virtual property. From cryptocurrency to digital art & virtual real estate, the need to protect these intangible assets has given rise to new challenges in IP law. As technologies like Blockchain & NFTs (Non-Fungible Tokens) gain traction, the legal landscape for protecting digital assets is evolving rapidly. As we step into a new era of digital transformation and globalisation, it is imperative to identify and analyse the emerging trends and future directions in IP Law to stay ahead of the curve.

SKS Legal QUIZ April 2024

We welcome young college students of Law Colleges to participate in the following Quiz. The winners shall be offered priority Apprenticeship at any of our offices at Kolkata, Mumbai and New Delhi. Please email your replies to : info@innovacadvisors.com

1. Your client is a private company and intends to initiate proceedings against its debtor, which is a Non-Banking Financial Corporation, under the Insolvency and Bankruptcy Code, 2016. What kind of application would you need to file on your client's behalf?
 - a. An application under section 7 of the IBC
 - b. An application under section 9 of the IBC
 - c. An application under section 95 of the IBC
 - d. None of the above

2. Your client is a resident of Hyderabad. Your client is an individual who is unable to pay back the loans he has taken from his creditors, all of whom are either Banks and/or Non-Banking Financial Corporations. Your client wants to initiate insolvency proceedings against himself and to be deemed as an insolvent person. Answer the following questions with respect to the information provided in the passage hereinabove.

Which would be the appropriate court and/or forum of law which should be approached for matters of personal insolvency?

- a. The District Court having jurisdiction.
 - b. The National Company Law Tribunal having jurisdiction
 - c. The Debt Recovery Tribunal having jurisdiction
 - d. Any other forum
-
3. Which of the proceedings named hereinbelow cannot be kept in abeyance under Section 14 of the IBC?
 - a. Proceedings against the CD under section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993
 - b. Proceeding against the CD for recovery of money
 - c. Proceedings against the erstwhile directors of the CD under section 138 of the Negotiable Instruments Act, 1881
 - d. None of the above

 4. When was the Citizenship Amendment Bill first introduced in the Lok Sabha?
 - a. 2014
 - b. 2015
 - c. 2019
 - d. 2016

 5. An acknowledgement of debt made after filing of CIRP application under Section 7 of the IBC extends the period of limitation under which provision of the Limitation Act, 1963?
 - a. Section 14
 - b. Section 18
 - c. Section 62
 - d. Article 137

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6. All electoral bonds have an expiry date of 15 days from the date of purchase. What happens to the electoral bonds if they expire?
 - a. The sum is credited back to the purchaser's account
 - b. The sum gets deposited to the Prime Minister's National Relief Fund
 - c. The sum gets Deposited to the respective state's emergency relief fund
 - d. None of the above

7. In which of the following judgments did the Hon'ble Supreme Court hold that a court acting under Section 34 of the Arbitration Act is not empowered to modify an arbitral award and can only set aside the same in part or in whole?
 - a. Larsen Air Conditioning & Refrigeration Co. v. Union of India
 - b. N.N. Global Mercantile (P) Ltd. v. Indo Unique Flame Ltd.
 - c. NTPC Ltd. v. SPML Infra Ltd
 - d. None of the above

8. In which of the following judgments did the Hon'ble Supreme Court uphold the validity of an unstamped arbitration agreements?
 - a. NN Global Mercantile v Indo Unique Flame
 - b. SMS Tea Estates (P) Ltd. v. Chandmari Tea Co
 - c. Vidya Drolia v. Durga Trading Corporation
 - d. None of the above

9. The Telecommunications Act, 2023 was brought in to replace the Indian Telegraph Act, 1885 and the Wireless Telegraphy Act, 1933. However, certain Parts of the Indian Telegraph Act, 1885 continue to be in force. Which part/s is it?
 - a. Part I
 - b. Part II
 - c. Part III
 - d. All of the above

10. Which of the following judgments of the Hon'ble Supreme Court pertains to live streaming of its proceedings?
 - a. MC Mehta vs Union of India
 - b. Entick vs Carrington
 - c. *Swapnil Tripathi vs Supreme Court of India*
 - d. None of the above

Social Events



Delhi Branch Advocates at International Women's Day celebrations.



Holi Celebration at New Delhi Office



Mumbai Team Participating Actively in Webinar



Our Senior Associate, Advocate Mr. Akshaya Visits Delhi Office

CONTACT DETAILS

KOLKATA OFFICE : Raja Chambers, 1st Floor, 4, Kiran Shankar Roy Road Kolkata – 700 001,
P: +91 33 22318652 , E: kolkata@skspartners.law

NEW DELHI OFFICE: D-75, Lower Ground Floor, East of Kailash, New Delhi – 110065
P: +91 11 26425568, E: delhi@skspartners.law

MUMBAI OFFICE: 134A, Level 13, Mittal Court A Wing, Nariman Point, Mumbai-400021
P: +91 22 4971 8652, E: mumbai@skspartners.law

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