

## Indian law firms evolve practice to keep up with India Inc.

Indian law firms venture into newer domains, including forensics and security, to stay ahead of peers

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Indian law firms are developing newer practice areas—from forensic to artificial intelligence (AI) and from blockchain to defence advisory. Photo: Pradeep Gaur/Mint

**Mumbai:** Indian law firms are developing newer practice areas—from forensic to artificial intelligence (AI) and from blockchain to defence advisory—to keep pace with the evolving nature of businesses and the attendant changes in law.

In December, Jaipur-based law firm Capstone Legal tied up with Washington-based tech-firm Knovos to develop the electronic discovery (E-Discovery) practice in India. This typically refers to discovery in legal proceedings such as litigation and government investigations, where the information sought is in electronic format.

In November, Mumbai-based law firm SNG & Partners entered into a joint venture with UK-based Carnoustie Consultants and IIRIS Consultants to develop the Global Risk Control Alliance (GRCA) practice, which will help the firm venture into the areas of forensics, legal investigation and security.

The increasing complexity in businesses is not reflecting in the changing legal frameworks and domestic law firms are trying to catch up with new practice areas to stay ahead of their peers. The new practice areas of forensic investigations and white-collar crime advisory has attracted many law firms following the more than \$2-billion alleged fraud at Punjab National Bank, as well as the complaint filed by Andhra Bank about a more than ₹5,000-crore alleged fraud by the promoters of Sterling Biotech.

“We intend to blend our partners’ expertise and capabilities with other specialist providers and build the necessary infrastructure to provide a fully integrated service within the core platform,” said Rajesh Narain Gupta, managing partner, SNG & Partners. “With the Carnoustie alliance, we are providing integrated risk management plans and offer risk mitigation solutions for businesses to help them function more efficiently.”

Traditional brick-and-mortar practices, including litigation, M&A and corporate advisory, still bring in the lion’s share of revenue. However, stiff competition from rival law firms and decreasing reliance of client companies on external law firms with the help of in-house legal departments, casts a shadow on revenue growth from traditional areas. New practice areas, on the other hand, are almost virgin territories that can help create fresh revenue streams from the same clients. They can also be a magnet for new clients, who can then be cross-sold other products as well.

Ritvik Lukose, co-founder and chief executive officer at Vahura, a search and consulting firm for legal talent, said business in new practice areas, such as the Insolvency and Bankruptcy Code (IBC), forensic, white-collar crime and startup advisory with a specific focus on AI, machine learning (ML) and robotics, is seeing some growth. In terms of industry verticals, law firms are bullish on life sciences as well as media and entertainment. “We are witnessing demand for non-lawyers, including economists, white-collar experts and forensic experts, which was not the case a couple of years ago,” said Lukose.

Many law firms are also developing forensic and white-collar crime investigation, which are typically a mainstay for audit and consulting firms, as practice areas. Major law firms, including Cyril Amarchand Mangaldas, AZB & Partners, Shardul Amarchand Mangaldas & Co, and DSK Legal, have also developed separate forensic

teams by inducting experts from consulting firms, including EY and Grant Thornton or the various investigation agencies of the government.

Interestingly, Nishith Desai and Associates, a firm that is considered a pioneer in developing several new-age practice areas, including blockchain, AI and robotics, has a separate vertical called disruptive technology practice, headed by Huzefa Tavawalla.

The media and entertainment industry has seen massive investment in the past few years. The emergence of over the top platforms, which enable video content viewing on smartphones, and the entry of numerous foreign studios have opened up the sector for law firms.

Similarly, IBC is an amalgamation of almost all the aspects of traditional law practice, such as litigation, banking, M&A and competition law and firms are developing this practice as a cluster of multiple advisories.

Ashish K. Singh, founder of law firm Capstone Legal, said the firm has developed a specialized practice in e-discovery of documents that has uses in forensics, internal investigations, arbitrations and big-ticket litigation. “We have a specialized team of four lawyers in the firm to handle issues relating to e-discovery. The firm is using technology-assisted document review including artificial intelligence,” Singh said.

Similarly, law firm ELP has established defence advisory as a new practice area. “India is poised to be one of the largest defence equipment procurers in the world. With the ‘Make In India’ initiative, several of our clients are looking at this space. At present, we have a team of six people in the practice area, including an industry expert,” said Suhail Nathani, managing partner of ELP. “To develop any practice area, you need to have industry expertise along with lawyers who are from relevant practice areas. The defence practice rounds off our offerings of tax, trade and corporate in this space,” said Nathani.

The listed companies on Indian bourses have collectively spent about Rs33,941 crore (more than \$4.7 billion) on legal and professional costs in FY 2018, according to data compiled by Capitaline. This is 5.6% (Rs32,132 crore) higher compared to the year ago period. However, law firms are now being forced to look at newer and specialised avenues of practice. Until a few years ago, competition or anti-trust and environment-related practices were considered niche practices. However, these areas have now grown so big that no law firm is considered a full-service firm without these practice areas. Most law firms are banking on similar future business opportunities from AI, ML, blockchain, media and entertainment.

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