

Beyond the Bench

Promise of Indian Legal Tech Startups

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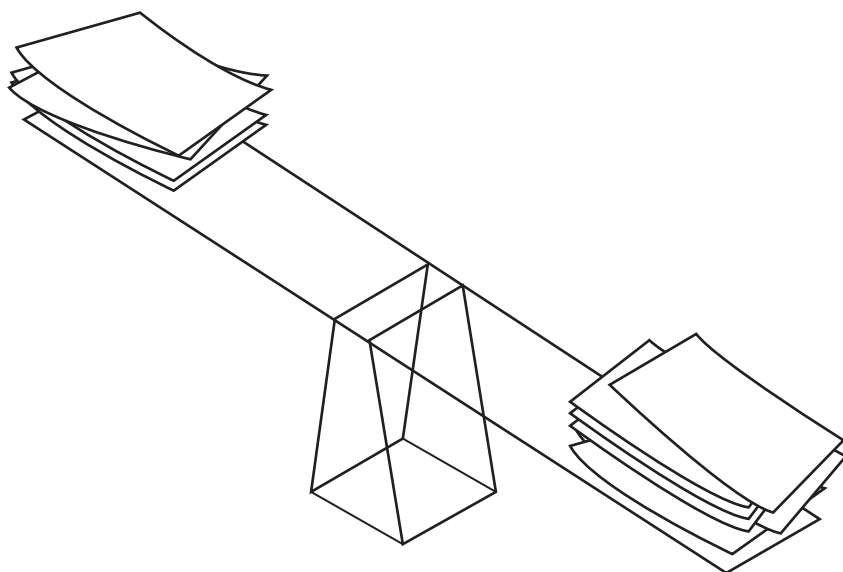
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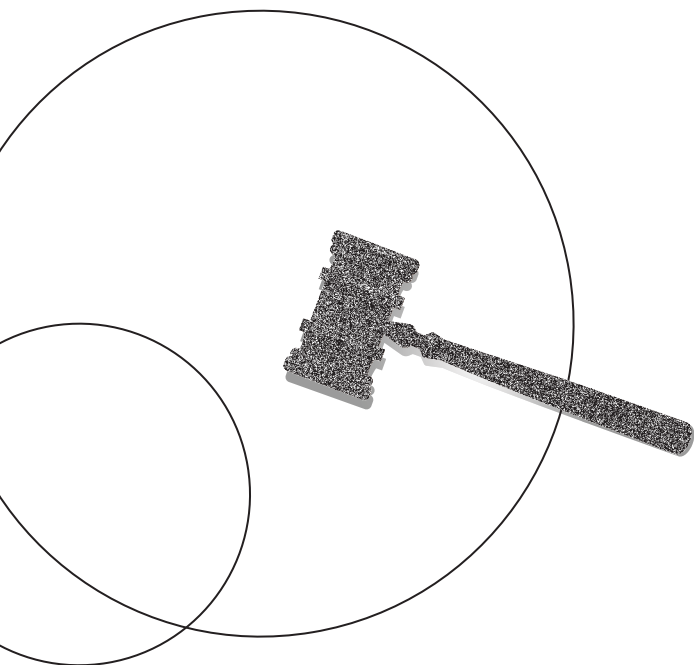
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* This report on the legal tech startup ecosystem in India was originally conceptualised as part of the Citizen Innovation Lab (CIL), an initiative by CIIE.CO & Omidyar Network India, designed to support budding entrepreneurs & innovators to build impactful & scalable solutions in difficult sectors such as legal tech.

Executive Summary

- With 650+ startups, India ranks 2nd in terms of the number of legal tech startups in the world. USA ranks 1st with over 2500 startups.
- The legal services market size in India is only USD 1.3 billion - less than 1 percent of the USD 437 billion USA market.
- Legal tech startups have primarily raised early stage funding (angel, pre-seed and seed stage). Growth stage funding (Series A and B) has flown in only in the last two years.
- There haven't been any notable exits in this sector so far.
- Legal tech in India mainly encapsulates four product categories - Legal Service Delivery, Process Efficiency, Access to Legal Recourse and Do-it-Yourself (DIY) tools - that service three customer segments - citizen, legal service providers and judiciary.
- While Artificial Intelligence is believed to hold promise for many legal tech models, the vernacular nature of documentation currently poses a challenge.
- The opening up of a large domestic market to tech interventions, increasing investments and acquisitions of startups, and validation of new technology led models like Online Dispute Resolution (ODR) are making the sector buoyant.
- The next wave of legal tech startup growth could potentially come from ODR, Succession Management, Litigation Finance, Court Management, Due Diligence Management and Legal Transcription and Translation.

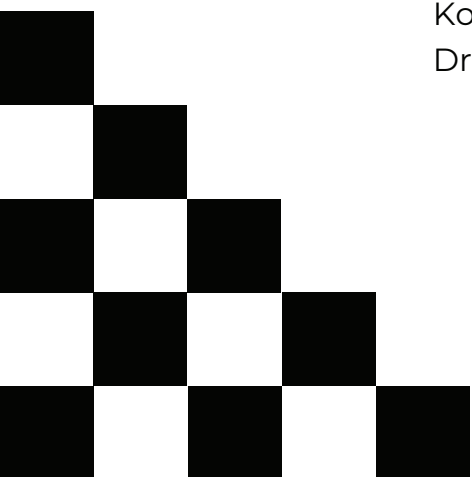


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A stylized white line-art illustration of a desk with a chair, featuring stacks of papers and a bar chart. The desk is composed of various rectangular and trapezoidal shapes, some with circular holes, suggesting a modular or adjustable design. There are two stacks of papers on the desk, one near the top center and another near the middle right. A bar chart with several vertical bars of varying heights is positioned on the right side of the desk. The entire scene is set against a solid black background.

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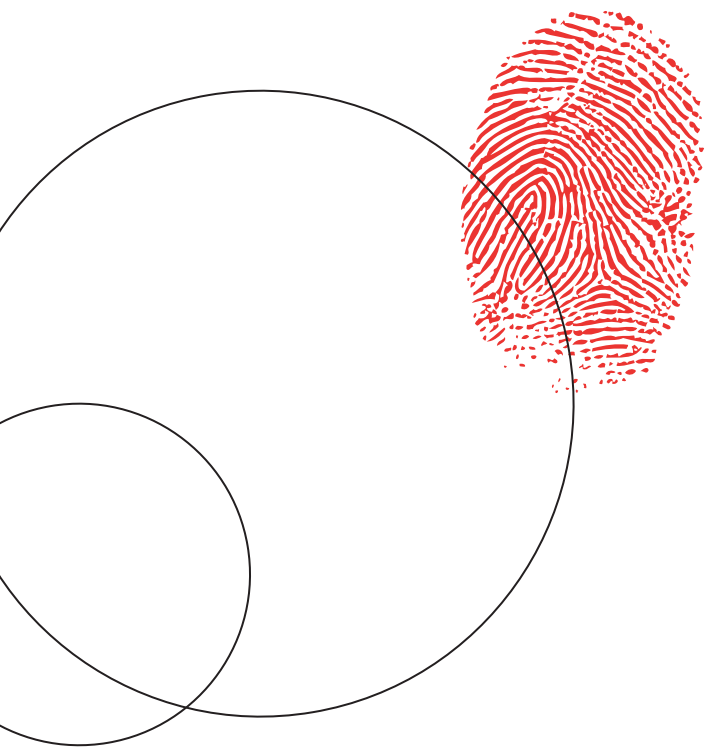
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Introduction

The legal system of any country is amongst one of its distinguishing features. As an industry, the legal domain has been around for centuries. It is a human centric and process driven sector that has historically operated in a purely physical format with the additional weight of extensive documentation. More recently, across the globe the sector has been opening up to the integration of technology and has witnessed accelerated adoption in the COVID-19 pandemic era. It has been no different for India. Over 47 million cases are pending across high courts and district courts in the country and yet, over **19 million virtual hearings** have been performed since the onset of the pandemic in March 2022. Rooted in colonial laws and burdened by operating inefficiencies, the Indian legal system is ripe for innovation as the country strives towards a sustainable economic growth.



From Inefficiencies

- >69K**

Pending cases
in the Supreme Court of India
- 0.48%**

Cumulative Cost of Litigation*
(incl. Loss of Productivity of Litigants)
- ~950**

One lawyer
for every 951 residents in India
- <₹1**

Per capita spending
on legal aid in India
- 69,233**

Aggregate compliances
that business have to comply with

Towards Improvements

- 1369**

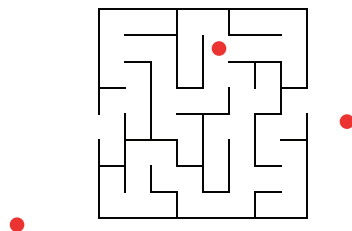
Legal Tech Patents filed globally
in 2019, highest at the time
- 12,794**

Legal Service Clinics operating in India
as on December 31, 2021
- 52,568**

Cases Settled
through Meditation
- 10**

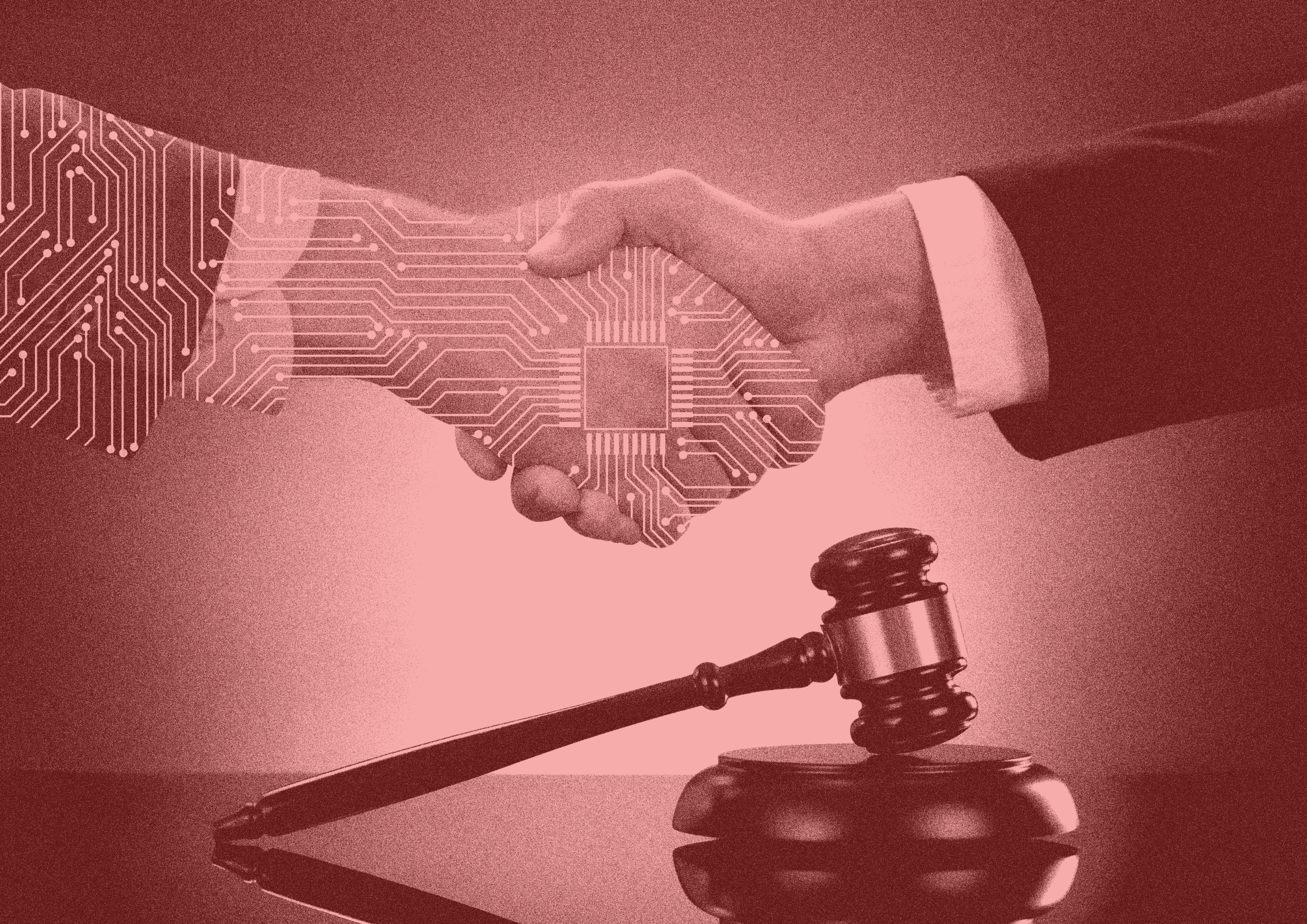
India amongst top 10 economies for 3
years in a row for Ease of Doing Business
- 4.3%**

Projected CAGR of the Indian Legal
services market from 2022 to 2032



The need to solve these challenges and the opportunities in the form of state led interventions and the market potential, combined with technology led innovation unlocks the wide range of solutions that can be built to ensure efficient access to justice. Legal tech is at the cusp of a paradigm shift, in India and across the world, making it imperative to build an understanding of the space.

* Cost of litigation calculated for the chapter titled 'Startups as Disruptors of Legal Tech in India: Present Landscape and Future Pathways' in the Daksh 'Handbook on tech and analytics for law and justice' (in print)



Defining Legal Tech



In industry and academia, various definitions of legal tech exist. By some accounts, legal tech emerged as a response to the financial crisis of 2008. At that time legal tech was simply defined as **'software and technologies that help law firms streamline core processes'**. But this definition only looks at one aspect of the legal system as a whole, the law firms. In academic literature, legal tech as a term came into the picture as recently as in 2017. Appearance of terms like law tech followed wherein, **legal tech was defined as solutions for lawyers and law tech was defined as self services for small companies.**

The various definitions of legal tech appear to be **centred around certain specific stakeholders** of the legal system. Some are developed around law firms, as discussed above, while some around businesses. There is seldom a mention of citizens and the judiciary in these definitions despite them being equally important members of the larger legal framework. Certain definitions also seem to be heavily focused on use of specific technologies like Artificial Intelligence (AI) to improve service delivery. The lack of standardisation clearly highlights the **need for a comprehensive definition** of legal tech.

To understand what legal tech is in the Indian context, we spoke to sector experts including **legal researchers, lawyers, startup founders and ecosystem enablers.** Consolidating all the inputs of multiple experts and existing literature we define Legal Tech to be **technologies that enable and improve access and usage of legal services, including access to justice as well as development and delivery of these solutions by legal service providers.**

Global Legal Tech Ecosystem



Over the course of the past two decades, legal tech startups have gained traction in multiple markets. Globally, the sector has seen exponential growth in the last 5 years. While, United States of America (USA) and United Kingdom (UK) comprise two of the largest Legal Tech markets (apart from India) in terms of number of startups, Canada^{*1} and Singapore^{*2} are the only two countries to have unicorns in the legal tech space outside of the USA.

In most of these markets, Legal Tech appears to be driven by law firms and corporates with in-house legal teams as they make strategic investments in digital tools and technologies. Recent reports also suggest that many law firms are adopting legal technologies preemptively to survive the increasing competition from alternative legal service providers (ALSPs).

	USA	India	UK	Canada
Number of Startups	2686	676	583	321
% Startups Funded	21.2%	8.4%	18.5%	19.9%
Total Funding Raised (USD Million)	4385.9	68.4	584.5	855
Legal Services Market Size (USD)	437 Billion	1.3 Billion	37 Billion	16 Billion
Legal Tech Market Size (USD)	14 Billion	380 Million	11.4 Billion	-

^{*1} Clio, a cloud based practice management solution.

^{*2} PatSnap, an Intellectual Property (IP) analysis and management suite.



With over 2600 startups, 5 unicorns and over USD 4 billion invested, the **USA** legal tech startup ecosystem is one of the largest globally. With 13 startups going public and hundreds of mergers & acquisitions (M&As), investors are now seeing viable exit opportunities which is attracting more investments into the sector.



In the **UK** market, the legal tech sector is officially recognised as Law Tech. With over 500 startups, it's also one of the more funded legal tech ecosystems globally with more than USD 400 million invested. Uniquely, two out of the big four - Deloitte and PwC - have taken initiative to support the local legal tech startup system by setting up incubators of their own in 2019.



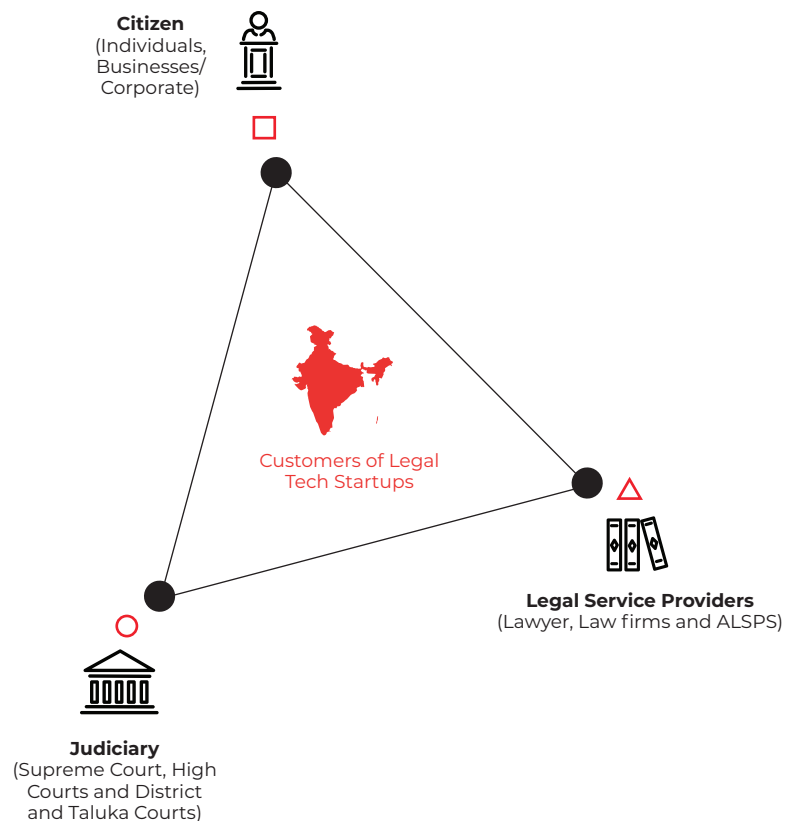
Canada has a rapidly accelerating legal tech ecosystem, with over 300 startups, as a result of large-scale technology adoption due to the COVID-19 pandemic. Canada is also home to one of the seven global legal tech unicorns, Clio - a practice management solution provider. Interestingly, following the example of the USA, two of Canada's provinces - British Columbia and Ontario - launched 'sandbox' programs essentially enabling non-lawyers to innovate in a controlled environment.

Legal Tech in India

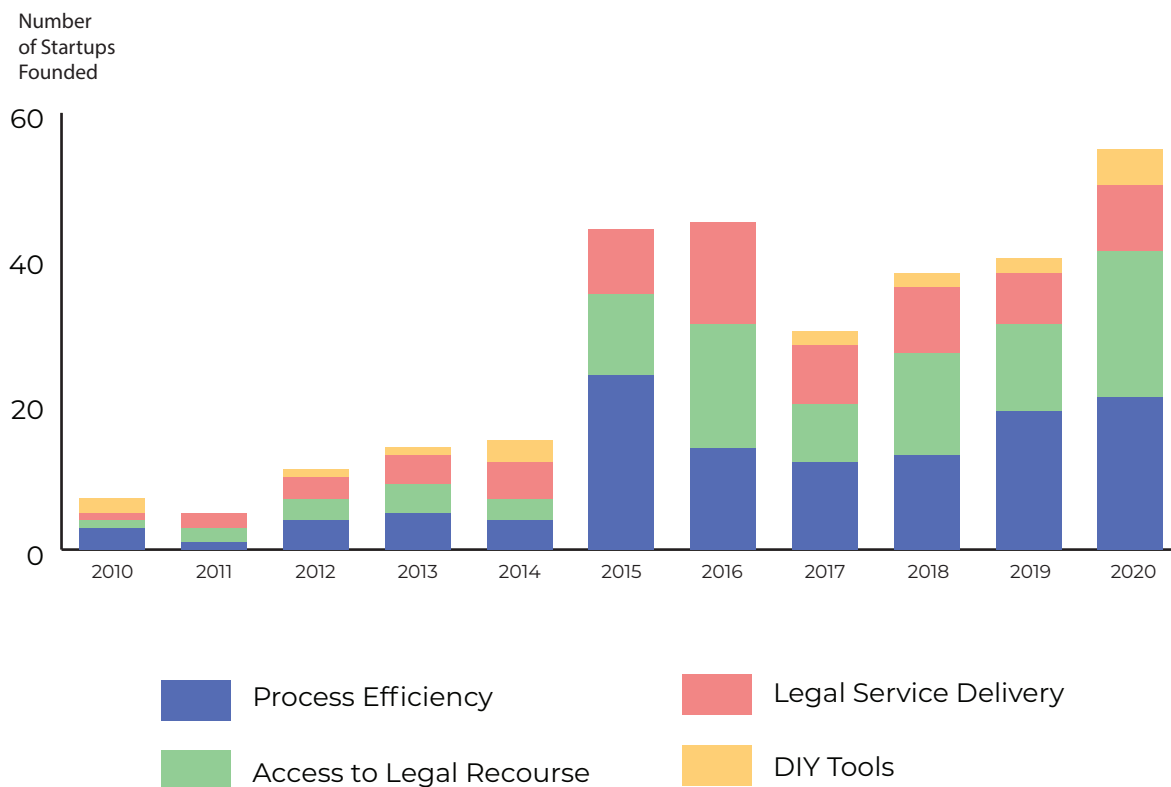
Overview

With over 650 startups and over USD 55 million invested, legal tech in India is an emerging market. Legal tech startups are offering over **20 categories of solutions**. The customers of legal tech startups can be bifurcated into **three unique groups** - citizen, legal service providers and judiciary.

Scattered evidence of legal tech in India has been **present since the decade of late 1980s to late 1990s** (1989 - 1999) with technology companies like Regent Computronics and AIR Infotech providing research and analytics tools to corporates and legal service providers. To understand legal tech better as a sector, we enlisted **~335 startups** and deep dived into the solutions they offer.

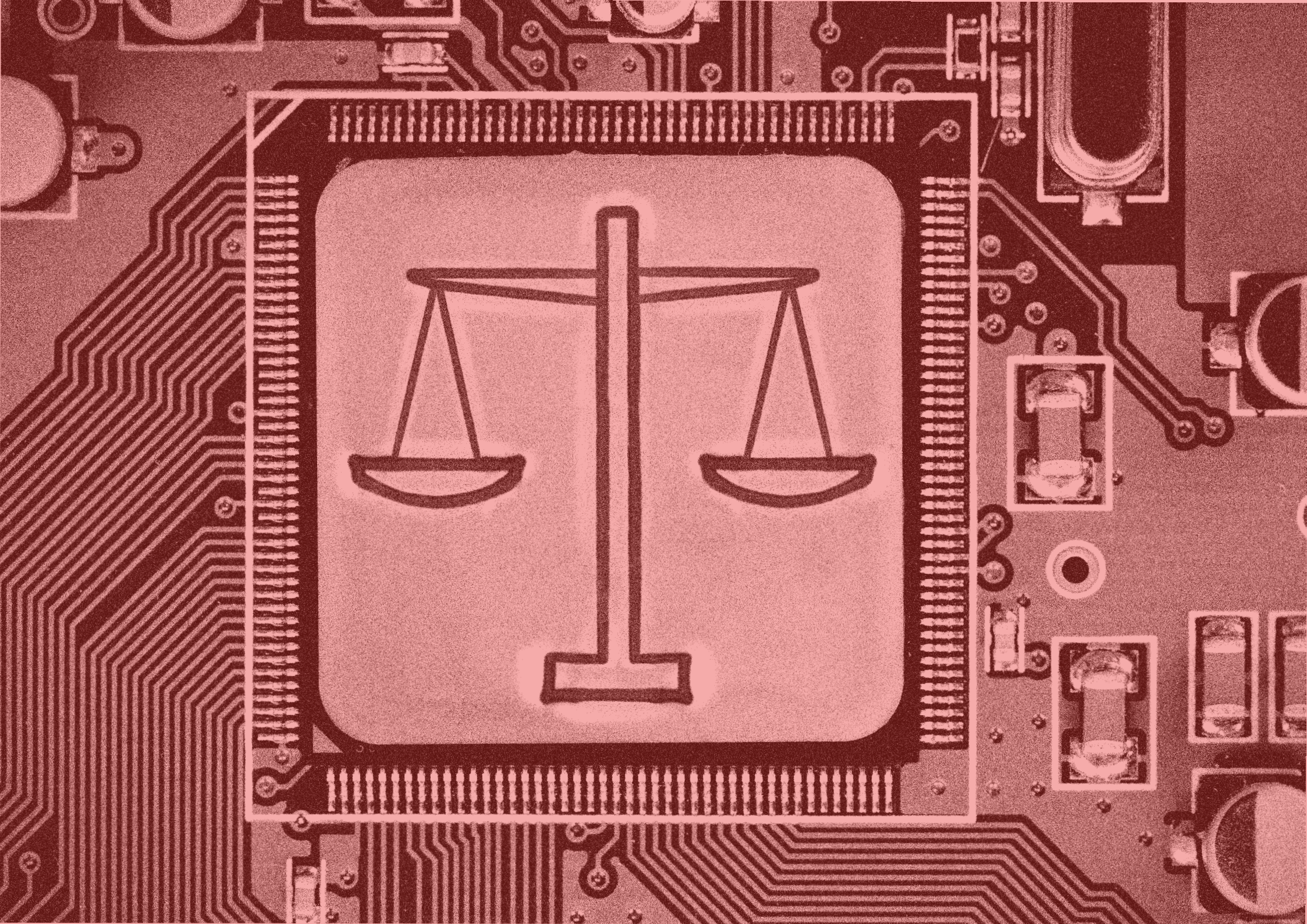


Growth of Legal Tech Startups



Starting from 2010 we see a constant emergence of legal tech startups. There was a marginal movement in the growth of legal tech startups till 2014, but **2015 - 2016** observed the first significant peak with **over 40 startups** being founded in both years. This coincides with the launch of the Startup India initiative. This peak, thus far, has only been **surpassed in 2020** when **over 50 startups** were founded. This could be in response to the COVID-19 pandemic, increasing digitalisation as well as to meet the need for virtual proceedings.

With that we deep dive into the **product landscape, customer segments, digital technologies** and **investment trends** in the Indian legal tech market.



Product Landscape

Legal Service Delivery

Solutions that increase efficiency of service delivery to citizens, by legal service providers as well as judiciary

- (29) Practice Management
- (26) Research and Analytics
- (25) Case Management
- (01) Evidence Management
- (01) Court Management

Access to Legal Recourse

Solutions that improve citizens' access to the justice system by means of network linkages, knowledge creation or dispute resolution

- (48) Marketplace (Service provider)
- (24) Knowledge Platform
- (14) Online Dispute Resolution
- (13) Marketplace (Documents)
- (07) Succession Management

Process Efficiency

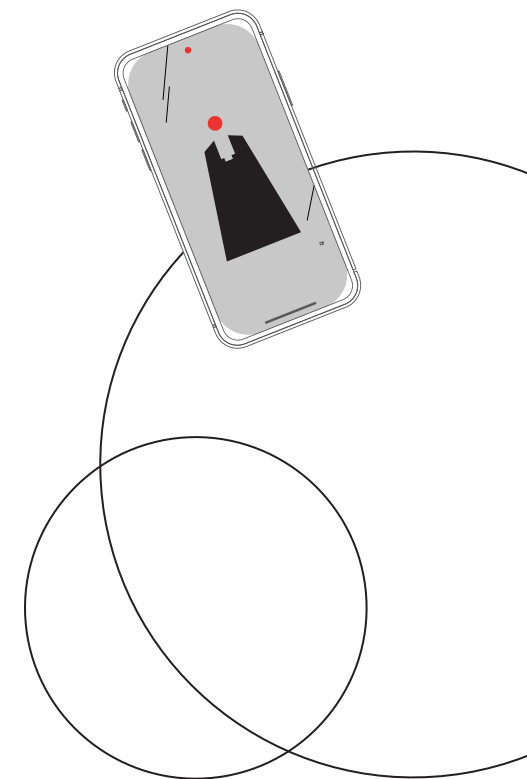
Solutions that impact existing practices and increase efficiency of everyday, usually time taking tasks

- (58) Incorporation Management
- (25) Compliance Management
- (17) IP Management
- (13) Contract Management
- (09) Workflow Management
- (03) Document Management
- (01) Due Diligence Solutions

Do-It-Yourself (DIY) Tools

Tools that allow citizens to operate without intermediaries typically to meet compliance requirements










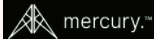






- (11) e-Signing
- (03) Document drafting
- (03) e-Registration
- (02) RTI filing
- (01) Digital Signature



Source: CIIE.CO Analysis*

Note: The numbers in the parentheses indicate the number of startups.

















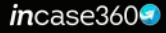








Legal Service Delivery

			%	#		Notable Startups
	Practice Management	Practice management tools build on top of the case management solutions and integrate administrative tasks in a single dashboard. They are built to help individual lawyers and law firms streamline both the legal and operational facets of their practice.	35.4	29	△	  
	Research and Analytics	Analytical tools are developed to process archives of case decisions and proceedings and provide actionable insights, which are used by legal service providers for preparation, arguments and predictions. Citizens involved in litigation can also use this data to educate themselves about similar past cases and judgements.	31.7	26	△ □	  
	Case Management	Case management solutions allow legal professionals to keep a track of all of their engagements in a single platform - client onboarding, case preparation, real-time tracking of updates, sending periodical updates to clients etc.	30.5	25	△	  
	Court Management	Court management tools encourage and accelerate the digitisation of the judicial system. They aim to increase efficiency and effectiveness of the court administration. While emerging, it is a vital need in the ecosystem as it allows the judiciary to be inter-connected and unlocks the potential for automation. While development of such tools has traditionally been led by government agencies, this area seems to be opening up to private sector interventions.	1.2	01	○	
	Evidence Management	Evidence management in one of the emerging areas within legal tech. An evidence management tool collects, filters, analyses and preserves necessary evidence. While law enforcement agencies appear to be the primary customer target group here, there is also a corporate use case as it can be used for a wide range of investigations and be useful to in-house teams.	1.2	01	△ □	

% of Total Legal Service Delivery startups # Number of startups

Customer Segments : △ Legal Service Providers □ Citizens ○ Judiciary

Process Efficiency

		%	#		Notable Startups
 Incorporation Management	Incorporation management provides a combination of services including company registration and filing, and intellectual property registration. These are designed to help entrepreneurs and early stage companies deal with the significant regulatory burdens early on. While this set of services is also provided separately, the sheer number of startups providing this combination called for it to be identified as a unique offering.	46.0	58	<input type="checkbox"/>	  Companify
 Compliance Management	These solutions cater to the extensive compliance needs of individuals and businesses. Users can file, track and monitor the compliance requirements specific to their needs. These tools also monitor any regulatory changes that may change compliance guidelines and update users.	19.8	25	<input type="checkbox"/>	  
 Intellectual Property (IP) Management	IP Management solutions typically provide users with means to register their IP and manage them over time. Some solutions go beyond this and offer IP protection via threat detection and prevention for patents, trademarks, copyrights etc.	13.5	17	<input type="checkbox"/>	  
 Contract Management	Contract management solutions fulfil the end-to-end contracting needs of businesses. They offer interventions through creation to execution of a contract, often automated. This allows legal service providers to make customisations as and when required, and businesses to monitor the milestones within a contract.	10.3	13	<input type="checkbox"/> <input type="checkbox"/>	  
 Workflow Automation	The startups here leverage advanced artificial intelligence (AI) systems to automate legal processes. Various technologies like Natural Language Processing (NLP), Machine Learning (ML) are used to extract information, analyse documents, encode relevant legal information for different sources (statutes, regulations, executive orders, etc.) and create a visual flow of tasks.	7.1	09	<input type="checkbox"/> <input type="checkbox"/>	  
 Document Management	A document management system enables users to create different documents including forms, agreements, etc., store and share them securely while maintaining a record and incorporating a user restriction mechanism. With increasing digitisation, we anticipate to see more of such solutions, especially privately hosted systems for businesses.	2.4	03	<input type="checkbox"/> <input type="checkbox"/>	  
 Due Diligence Management	With the use of AI, legal and business teams are able to run checks and analysis on financial, litigation, compliance records in an accelerated manner. It allows professionals to identify red-flags early. The investment use case significantly fast-tracks the pre-deal due diligence with rapid yet comprehensive checks.	0.8	01	<input type="checkbox"/> <input type="checkbox"/>	

% of Total Process Efficiency startups

Number of startups













Customer Segments :

Legal Service Providers

Citizens

Judiciary

DIY Tools*

			%	#		Notable Startups
	e-Signing	This allows users to electronically sign documents and contracts. However, most contract management solutions would have this as an integrated feature as well.	55.0	11	<input type="checkbox"/>	  
	e-Registration	The primary use case for this category that we observed has been for registration of various property rental agreements. However, it can also be used for other types of document registrations across various domains as well. This simplifies the process for both parties and eliminates the need to run around to different offices.	15.0	03	<input type="checkbox"/>	
	Document drafting	This tool offers users a wide range of templates to pick from and allows them to draft custom documents online. They can be then extracted and used offline.	15.0	03	<input type="checkbox"/>	
	RTI filing	The government has its own portal where any citizen can file a request. The startups in this category facilitate the filing and support citizens through the process of successful information retrieval.	10.0	02	<input type="checkbox"/>	
	Digital Signature	A digital signature is an electronic form signature used to authenticate electronic documents. Startups are helping companies procure digital signatures for their management teams and directors.	5.0	01	<input type="checkbox"/>	

* Most of the offerings here are designed to enable users to independently handle their matters and processes. Most of these deal with compliance requirements of individuals and businesses.

% of Total DIY Tools startups # Number of startups






















Customer Segments :

 Legal Service Providers

Citizens

Judiciary

Access to Legal Recourse

		%	#			Notable Startups	
	Marketplace (Service Provider)	Service provider marketplaces work as discovery platforms for citizens and allow them to identify and reach the relevant legal expert for the nature of their query. Simultaneously, it enables legal service providers to reach a wider audience and expand their customer base.	45.3	48	△	□	  
	Knowledge Platform	These platforms host a wide range of information about the legal sector including but not limited to judicial developments, technological advancements, service provider information, updates about various companies within the domain, international updates, upcoming industry events etc. These can be open source and available to different sections of the community (students, professionals, etc) or they may be available through subscription.	22.6	24	△	□	  
	Online Dispute Resolution	Simply put, ODR is 'a mechanism to resolve disputes collaboratively outside of court'. It uses alternative methods of dispute resolution - negotiation, mediation, conciliation, and arbitration - supported by electronic communication technologies. It is a faster and cost effective way to resolve disputes, as a result of which the burden on the judiciary can be alleviated.	13.2	14		□	   
	Marketplace (Documents)	Documents marketplace platforms allow users to access a wide variety of documents at one place. These include business compliance documents, real estate related documents, various affidavit documents, drafts of agreements, and other miscellaneous forms and documents.	12.3	13		□	  
	Succession Management	This service helps individuals plan their legacy in advance. Not only do they help in drafting and registering the will of the user, but some of the more advanced succession management tools also allow maintaining and keeping track of their assets and liabilities, helping families procure the information easily at an already difficult time.	6.6	07		□	  

Customer Map

Customers of legal tech startups can be categorised in three different categories (further divided into five total segments). A customer map of all prominent products of legal tech is presented below.



* White cells indicate no touch point.

Most Direct Least Direct

Digital Technologies and Tech Enabled Solutions

As legal tech offerings cumulatively are a combination of products and services we observe a mix of technologies in the sector as well. On one hand, startups are leveraging advanced technologies like AI and blockchain and on the other hand many startups are using platforms and aggregator interfaces as primary offerings.



- Artificial Intelligence
- Blockchain
- Marketplaces
- Management Dashboards



Artificial Intelligence

AI is the primary technology utilised by startups in the legal tech sector. On top of the sheer volume of text based data, the fact that so much of it is in physical form adds complexity to the mix. The vernacular nature of certain documents also limits the utilisation of AI as many algorithms are not trained to read these languages. Despite these challenges, AI has allowed entrepreneurs to build high impact solutions.

- **Research and Analytics:** Legal research is an important function of the system. It primarily serves as a way for legal service providers to build cases for their clients and safeguard their interests. Online legal databases (repositories of case laws and court judgements) such as Manupatra have existed for many years. The advanced research and analytics products gather and analyse large volumes of data and present the findings in an easily consumable format. It also condenses the data to include the most relevant information points, reducing the effort of going through multiple irrelevant results.
- **Contract Management:** Lawyers, law firms and legal teams are constantly dealing with various types of regulatory documents that often need to be drafted from scratch depending on the task at hand. Many of these are agreements that need to be executed and involve coordination between multiple parties, both internal and external. While the later stages of the contract cycle may not need an AI intervention, the early stages - specifically the document drafting process can be massively impacted by AI. Certain contract management tools have an integrated AI that assists users in the drafting stage by analysing the document and highlighting errors and repetitions within the document. While the accuracy of these findings can be improved, the current versions of the product does help users reduce the time spent in manual reviewing.

Startups to watch

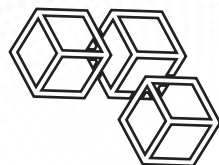
mLeAP®

Founded in 2019, mLeAP is an online legal research platform built on ML and NLP at its core. At present, it supports judgments by the Supreme Court of India. It uses 'plain English' as input to analyse and provide the relevant case judgements. This feature was designed keeping in mind the lawyers in tier-2 and tier-3 cities who are better versed in local languages, and gives them a unique advantage.

 SPOTDRAFT

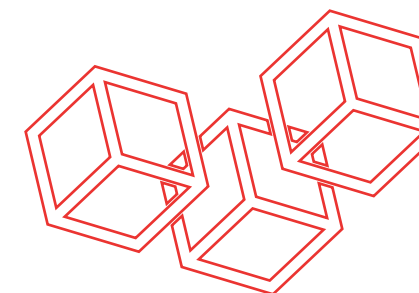
Founded in 2017, SpotDraft is a leading startup in the legal tech sector due to its end-to-end Contract Lifecycle Management (CLM) tool. As a tool it allows users to collaboratively create contracts, either from scratch or from customised templates. It also has additional features such as an audit trail that keeps record of the multiple versions created throughout the process. The tool leverages AI to make the document searchable and performs document wide error checks.

Blockchain



While the use of blockchain in legal tech is at a very nascent stage, following are a couple of potential use cases of the technology in this sector.

- **Smart Contracts:** Smart contracts are defined as 'self-executing contracts with the terms of the agreements between two or more parties directly written into lines of code'. The contract self-executes when certain predefined parameters are met. This makes it increasingly efficient to keep a track of the transactions and deliverables of a contract. It adds trust, transparency, security and cost efficiency. Startups like MindDeft (a blockchain startup founded in 2015 in Ahmedabad) are providing smart contract based solutions in the cryptocurrency domain. However there is a unique challenge in India around the enforceability of smart contracts. While the current laws allow for the use of smart contracts, there is no regulatory framework in place to govern smart contracts. This implies that the parties involved in a smart contract are not protected by law. For smart contracts to be widely adopted, there needs to be a defined and agile regulatory framework, despite the obvious benefit to businesses and legislation.
- **Document Management:** More and more companies and government bodies in India are attempting to move towards digitisation of documents. Even individual documents like educational certificates, birth/death certificates, drivers' licences, health records etc are now stored digitally. At a time like this it is imperative to consider the storage and security of these digital documents. Blockchain stands out as a frontrunner in efforts to secure the documents as it 'offers tamper evidence, immutability and transparency'. In the context of legal tech, blockchain based document management systems can be useful for business incorporation records, employee records, financial records, supply chain management, real estate transactions and ownership records, etc.



Marketplaces

There are two distinct types of marketplaces in this sector, however a startup may offer either or both the types. The two marketplaces can be bifurcated as a service provider marketplace and a documents marketplace, as discussed earlier. These online marketplaces typically work as aggregators and are established with a goal to enhance ease of access for the user. Many startups offer these as a part of their overall portfolio of services.

Startups to watch

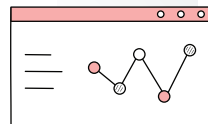
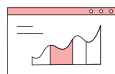


DocsCreator provides access to legal documents across three major categories - Real Estate, Business and Others. It also lets users customise documents on the online portal.



Founded in Delhi in 2013, LawRato enables access to lawyers in over 700 Indian cities. Lawyers can be found across categories of the nature of dispute and type of advice a user is looking for.

Management Dashboards



Legal service providers are often dealing with multiple cases and many aspects of these cases. These cases and aspects may look different for different service providers. While independent lawyers need to manage the business aspects of their practice along with cases, legal teams need a more collaborative approach to just manage the cases. Another differentiation may be done depending on the service area and dashboards customised to meet specific needs accordingly.

- **Case Management:** Legal professionals deal with a large number of clients and have to be mindful of proceeding timelines throughout the journey of each case. This also includes several interactions with the judiciary and clients both.
- **Intellectual Property (IP):** Management of IP is important in India because many IPs need regular renewals. It also enables monitoring of any violations so as to take prompt action to safeguard against them.
- **Practice Management:** These include human resources and payroll, invoicing and accounting, extensive client database management, etc.
- **Compliance Management:** For businesses that have multiple compliances to adhere to across government agencies, this is a high impact value addition.

Startups to watch



Founded in Noida in 2013, CaseDocker is a legal case management platform. It provides a customisable real time dashboard to keep track of tasks and important dates in a case's lifecycle.



Founded in 2019, IPHawk is an AI enabled platform that allows businesses to monitor and protect their IPs. It flags all violations across multiple categories of IP and sends out automated notices to violators as well.



Founded in 2015, ProVakil is a pioneer in the domain. It serves over 10,000 professionals across 'organisations, law firms, individual lawyers, legal groups' in India and abroad.



Founded in 2018 to address the increasing compliance requirements across the globe, Lawrbit offers multiple compliance management systems. Specifically for India, the software comes with 'in-built Regulatory Intelligence of 1,000+ Central & States laws, 50,000+ Compliances'.

Case Study

○
○
○

Recommendations of The NITI Aayog Expert Committee on ODR

- A. Increase Access to Digital Infrastructure
- B. Increase Capacity**
- C. Build Trust in ODR
- D. Suitably Regulate ODR
- E. Implement ODR in a Phased Manner

ODR is increasingly becoming a popular choice and over many businesses across industries are already leveraging it to resolve disputes. The massive pendency in the Indian courts supports the need for mechanisms like ODR to exist. Recognising the increasing importance of ODR globally, NITI Aayog constituted a committee to create an effective implementation framework along with a comprehensive action plan for ODR in India. This committee saw representation from six major departments and ministries of the Government of India. The committee published its recommendations, in 2021, through survey and consultation with over 60 stakeholders each. It also acknowledged the disruption startups have brought to justice delivery in the recent years. Among its recommendations, it advocated for higher private sector participation and encouraged the establishment of legal tech hubs in the country. These legal tech hubs are also important in improving the ease of doing business in India. The boost of ODR is further supported by the Ministry of Law and Justice beginning to recognise startups in this domain.

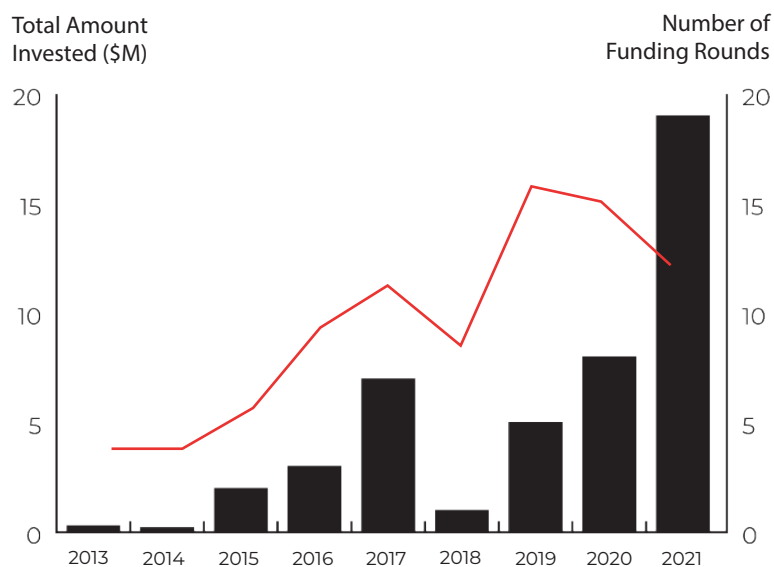
Startup to watch



Founded in 2017, Presolv360 is an end-to-end online dispute resolution platform enabled by technology with proprietary arbitration and mediation modules. The startup stands out in this domain as it has been recognised by the Ministry of Law and Justice, Government of India for its efforts in the dispute resolution space. Presolv360 also serves as an example of increasing confidence in ODR within the legal tech sector in that it has received support from prominent incubators as well as raised over USD 1 million in funding.

Startup Investments

In 2021, over **USD 1 billion was invested** in Legal Tech startups globally; the highest total investment for the sector in a year. The funding for legal tech in India can be primarily observed in the last decade - starting 2013. From 2013 - 2022 (June), **32 startups** raised over **USD 57 million** in **70 funding rounds**.



- The funding rounds were **primarily at early stages** (angel, pre-seed and seed stage), but the last three years (2020 - 2022) saw some **growth stage funding** (Series A and Series B) come in as the sector gains momentum.
 - Series A Funded Startups: SpotDraft - Contract Management, SoOLEGAL - Marketplace (Service provider), and LegalDesk - Document Drafting
 - Series B Funded Startup: Zolvit (formerly Vakilssearch) - Incorporation Management
- 2021 saw almost **USD 20 million** (USD 19.1 million) invested in a single year. This was a result of Zolvit (formerly VakilsSearch) raising a Series B round worth USD 10 million.

Apart from investments, there have also been some acquisitions in the sector, indicating exit opportunities for investors. These include Lawr.co's acquiring LawFarm and MyeCA acquiring Lawin1 in 2016 as well as Lawyered acquiring InCourt News and Let's Scale Up in 2018 and 2022 respectively.

Snapshot of Funded Startups : Blue Ocean of Opportunities

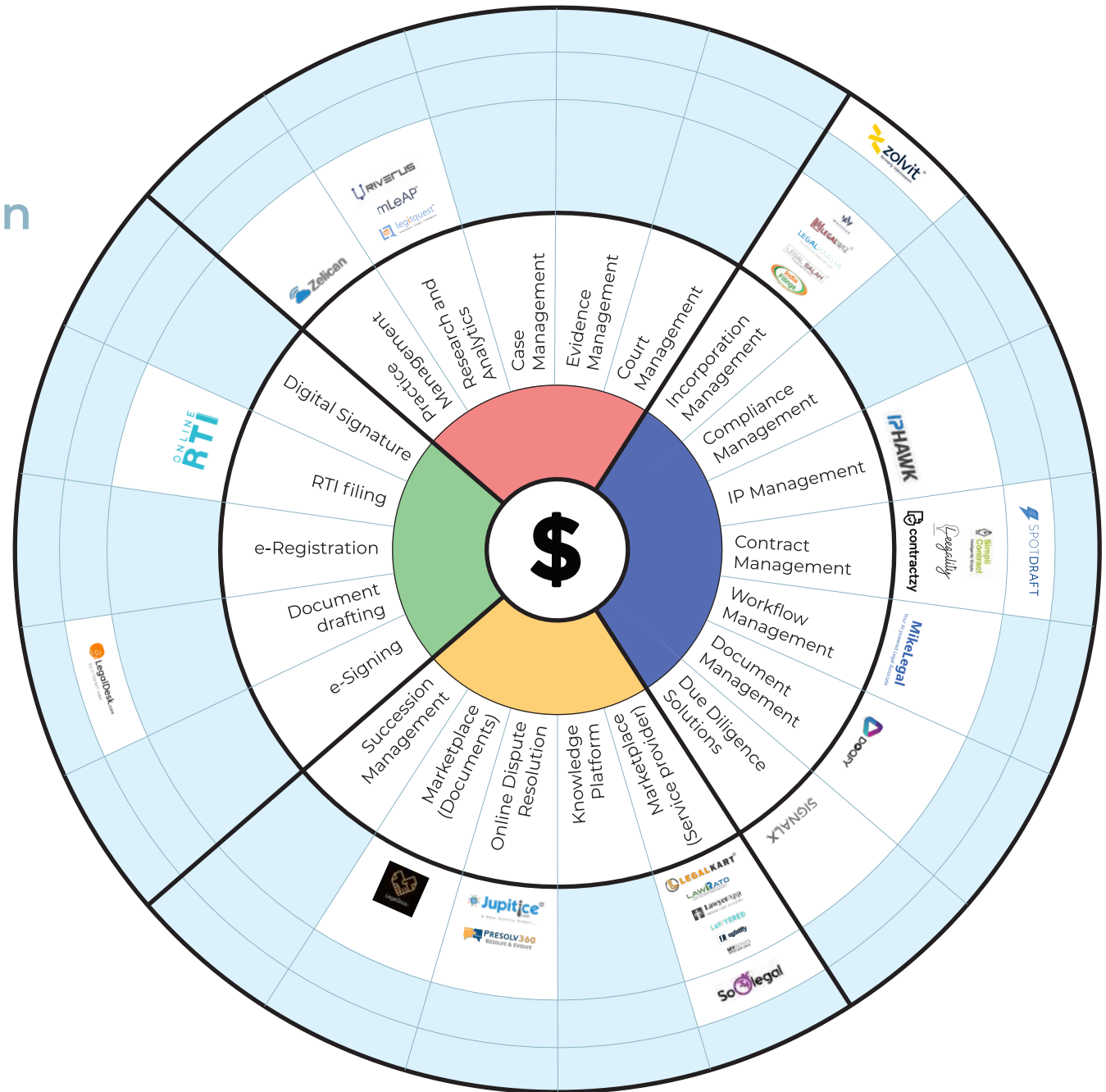
- Legal Service Delivery
- Process Efficiency
- DIY Tools
- Access to Legal Recourse

- Seed
- Series A
- Series B



Funding Round	Total Amount Invested* (USD Million)
Seed	29.32
Series A	13.90
Series B	10.00

* Excluding angel investments



Investor Map

- Legal Service Delivery
- Process Efficiency
- DIY Tools
- Access to Legal Recourse
- Seed
- Series A
- Series B

Following are some of the most prominent institutional investors in the legal tech ecosystem who have invested in multiple startups and/or multiple rounds of investments.*

<ul style="list-style-type: none"> ● Contract Management ● 2017 - US \$52K ● 2019 - US \$1.87M ● 2020 - US \$2.07M 	
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<ul style="list-style-type: none"> ● Document Management ● 2022 - US \$697K 	
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<ul style="list-style-type: none"> ● Research and Analytics ● 2021 - US \$500K ● 2022 - US \$125K 	
--	--

<ul style="list-style-type: none"> ● Research and Analytics ● 2019 - US \$527K ● 2021 - US \$688K 	
--	--

<ul style="list-style-type: none"> ● Marketplace (Service provider) ● 2021 - US \$500K 	
--	--

<ul style="list-style-type: none"> ● Marketplace (Service provider) ● 2018 - US \$835K 	
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<ul style="list-style-type: none"> ● Contract Management ● 2022 - US \$6.57M 	
--	--

<ul style="list-style-type: none"> ● Research and Analytics ● 2019 - US \$361K ● 2021 - US \$1.26M 	
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<ul style="list-style-type: none"> ● Marketplace (Service provider) ● 2022 - US \$537K 	
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	<ul style="list-style-type: none"> ● RTI filing ● 2015 - US \$151K
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	<ul style="list-style-type: none"> ● Marketplace (Service provider) ● 2016 - US \$471K
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	<ul style="list-style-type: none"> ● Marketplace (Service provider) ● 2021 - US \$500K
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	<ul style="list-style-type: none"> ● Contract Management ● 2021 - US \$1.8M
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	<ul style="list-style-type: none"> ● Incorporation Management ● 2021 - US \$2M ● 2021 - US \$10M
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	<ul style="list-style-type: none"> ● Due Diligence Management ● US \$800K
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	<ul style="list-style-type: none"> ● Contract Management ● 2022
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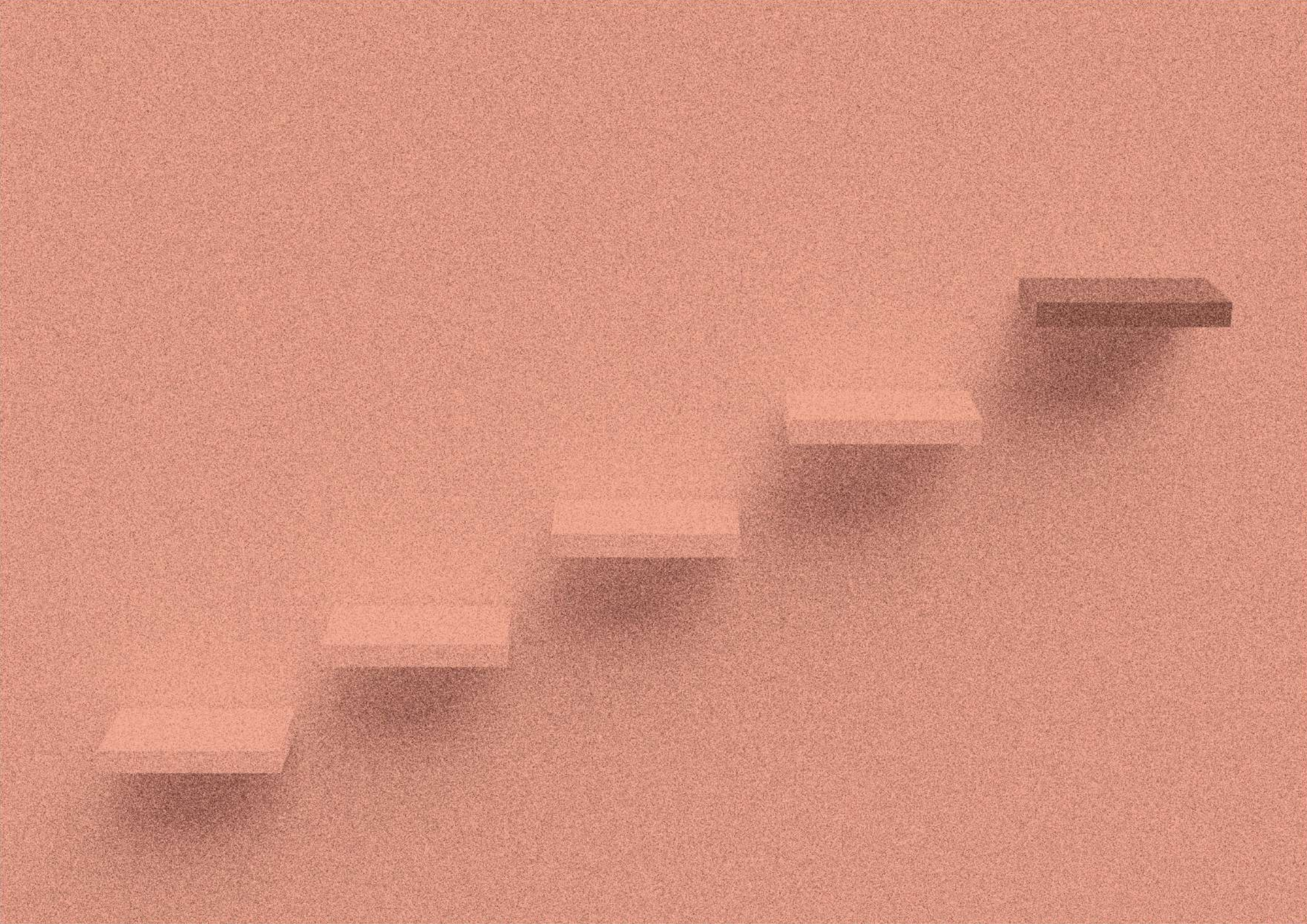
	<ul style="list-style-type: none"> ● Marketplace (Service Provider) ● 2018 - US \$835K ● 2019 - US \$382K
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	<ul style="list-style-type: none"> ● Research and Analytics ● 2019 - US \$527K ● 2021 - US \$688K
--	--

	<ul style="list-style-type: none"> ● RTI filing ● 2015 - US \$151K
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	<ul style="list-style-type: none"> ● Research and Analytics ● 2019 - US \$348K
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* As of March, 2022.



What Next?

Legal tech is expected to continue to grow as a sector through the cumulative and collaborative efforts of an open and adaptive judiciary, innovation led private sector participation, and a robust investment ecosystem.



- Emerging Product Opportunities

- Investment Whitespaces

- Ecosystem Gaps

Emerging Product Opportunities



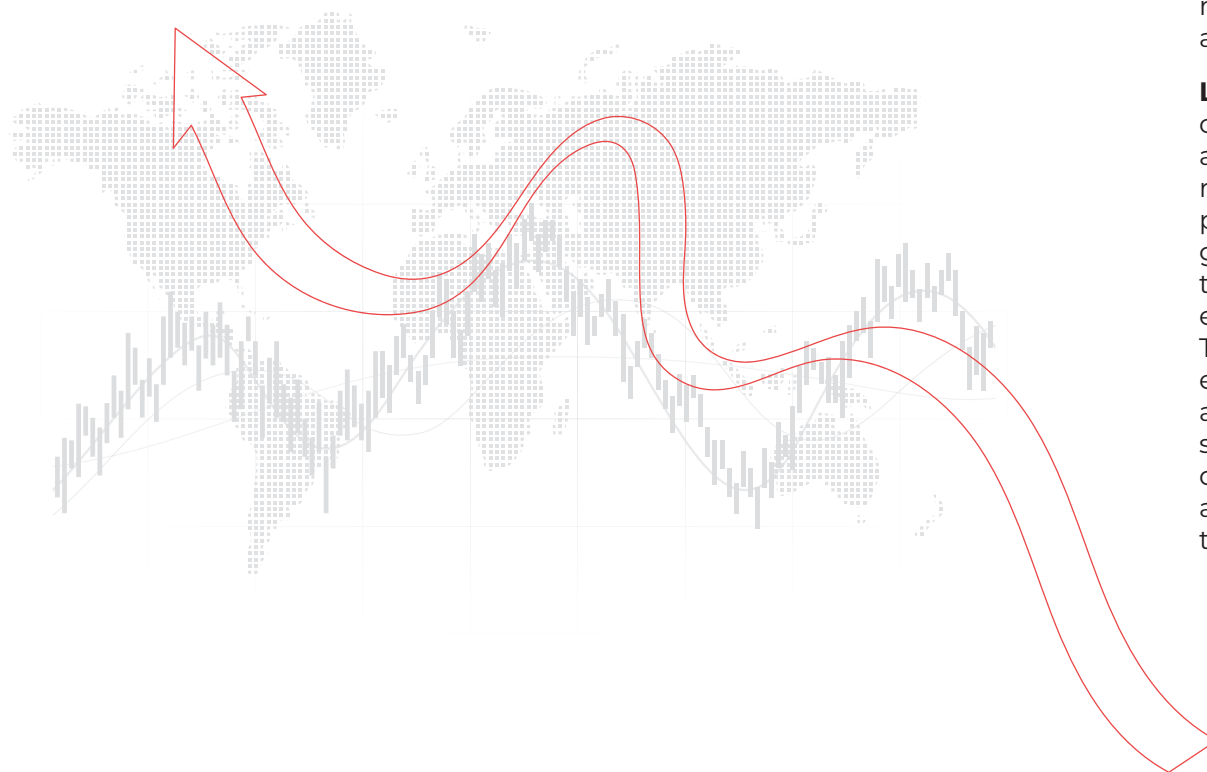
Succession Management: One of the major causes for property disputes in India is poorly managed inheritance process. Property disputes account for over 66% of pending disputes in various civil courts across the country. Increasing digitisation of land records will unlock opportunities for tech enabled succession management.

Litigation Finance*: Despite being legally valid, litigation funding has not been able to gain traction in India. Cost of litigation in India is about INR 300 billion, roughly about 0.3% of India's GDP. As ODR gains traction and more data becomes available on dispute resolution, improved underwriting can also work in favour of litigation finance.

Due Diligence Management: Over 85 strategic M&A deals, valued at more than \$75 million were executed in 2020 in India. Most organisations conduct in-depth due diligence processes for litigation or M&A purposes and traditionally, it is an extensive manual process. Increasing digitisation of records is enabling the digital transformation of the due diligence process.

* Litigation finance is essentially third-party funding for legal matters. A litigation finance company's underwriting is predominantly based on case data and other relevant signifiers.

Emerging Product Opportunities



Online Dispute Resolution: A positive push from the judiciary for ODR and rapid adoption from the private sector makes ODR a lucrative space for innovation. Recent seed investments in ODR startups like Presolv360 and Jupitice also add validation.

Court Management: As court operations become increasingly digital, the need for efficient management intensifies. We see early indications of private sector participation in this category and an increasing scope for innovation. Efficient court management will have a trickle effect on the sector as a whole.

Legal Transcription and Translation: While the official procedural language of the Supreme Court and High Courts in India remains to be English, regional languages may be used for the proceeding of district courts as per respective state governments' directive. However, as cases move to the higher tiered courts, all documents and evidence details have to be translated into English. This is predominantly done manually and the existing digital solutions lack considerable accuracy in translating legal documents, take significant effort to scout and long lag times to deliver. Increasing digitisation of courts represents a significant opportunity for digital legal transcription and translation services.

Investment Whitespaces

In India over 25 startups offering products such as, but not limited to, Practice Management, IP Management, Workflow Automation have raised seed (early stage) funding since 2013. However, similar products like **Case Management, Compliance Management, Succession Management** which have equally promising markets continue to remain white spaces for early stage investors.

Legal tech solutions have traditionally focussed on disrupting existing processes. However, the sector overall has witnessed very limited growth stage (Series A and Series B) funding. High value - high tech product offerings such as **Research and Analytics, Contract Management, Document Drafting** can immensely benefit from the use of advanced technologies such as AI/ML, Blockchain etc. This represents an opportunity for investors to consider.



Ecosystem Gaps

Innovative and sustainable business models. Legal professionals are still tied to traditional time based revenue models for charging their customers. Similarly, startups are also utilising traditional revenue models to attract the early customers. There is a need for strategic thinking to design long-term sustainable business models.

Entrepreneurship in law schools. Our analysis revealed that founders of nearly half the legal tech startups in our database come from a legal background. In India, over 70 thousand students graduate from law schools every year. Setting up entrepreneurship courses at law schools will provide a significant boost to the legal tech ecosystem in India.

Upgrading law curriculums to incorporate technology driven research. Law firms today are giving preference to candidates with relevant research and technology training while scouting for talent. Upgrading law curricula in undergraduate training at over 1500 law colleges in the country to provide training in relevant research and technology tools will have a positive impact on growth of the legal tech ecosystem in the country.



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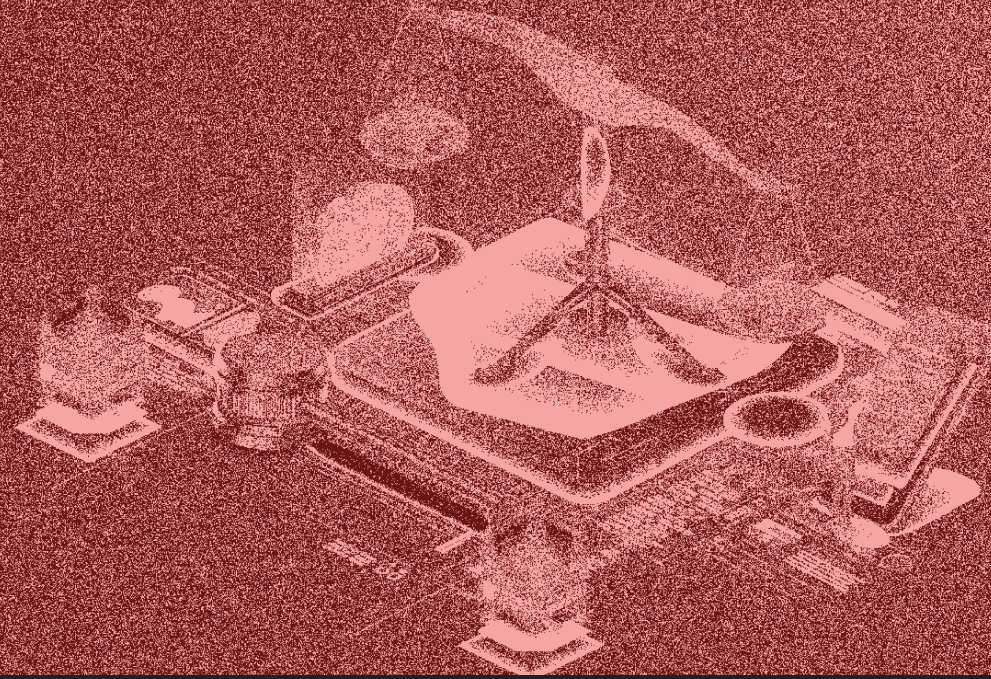
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