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What is a "law firm" under Indian law?

Indian law regulates advocates, not law firms. This explainer covers partnerships, LLPs, the Bar Council rules and why the gap matters.

It surprises many people that Indian law has no dedicated statute for law firms. The Advocates Act, 1961 creates one class of person entitled to practise law, the advocate, and regulates that person through the Bar Council of India and the State Bar Councils. The firm, as an entity, barely appears.

How firms exist in practice

Law firms in India are built with general business law:

- **Partnership firms** under the Indian Partnership Act, 1932. This is the traditional form. Partners have unlimited liability.
- **Limited liability partnerships** under the Limited Liability Partnership Act, 2008. Many firms have converted, because an LLP is a separate legal entity and limits each partner's exposure.
- **Sole proprietorships**, where one advocate practises under a firm name.

Law firms do not practise as companies. The profession is personal, and the rules are built around individual responsibility to the court and the client.

The rules that shape a firm

The Bar Council of India Rules contain standards of professional conduct that act as firm regulation by another route. Two are central. An advocate may not share fees or enter into partnership with a person who is not an advocate. And an advocate may not solicit work or advertise, subject to limited exceptions. Together these rules explain why Indian firms are owned only by lawyers and why outside investment in a law firm is not permitted.

Why the gap matters

Because the firm is not recognised as a regulated unit:

- There is no register of law firms and no official count.
- Discipline attaches to individuals, even where a failure is one of systems.
- Firms cannot easily show regulators, lenders or foreign counterparts a recognised status.
- Rules on multi-city practice, firm names and lateral moves have grown by custom rather than design.

The reform conversation

The question of recognising law firms has surfaced repeatedly, most recently in the debate over amending the Advocates Act. A draft Bill published by the Law Ministry in February 2025 was withdrawn after objections from the Bar, and discussion has continued since. Whatever shape reform takes, firms have a direct interest in it.

A sensible principle

Recognition should not dilute an advocate's personal duties. It should add to them: a firm that holds itself out to the public should be identifiable, accountable and able to be counted. That would serve clients, protect the standing of the profession and give policy-makers the data they lack today.

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