


Lawyers see bigger raises as law firms defy India Inc pay slowdown

 livemint.com/industry/law-firms-buck-india-inc-slowdown-with-double-digit-salary-hikes-promotions-11780806196488.html

Yash Tiwari

June 8, 2026



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Summary

Strong demand from IPOs, M&A deals, compliance work and geopolitical disruptions is driving higher pay, bonuses and retention efforts across India's legal sector.

MUMBAI : While much of India Inc. is preparing for modest salary increases, law firms are emerging as an outlier, handing out double-digit hikes, promotions and bonuses as demand for legal services remains elevated.

Earlier this year, consulting firm Aon projected average salary increments across India Inc. at 9.1% for 2026, compared with the 8.9% hikes companies ultimately rolled out in 2025. Against that backdrop, salary increments in the legal sector are expected to range between 10% and 20%, according to legal search and consulting firm Vahura.

“This year, we expect increments to be in the 10-20% range. The wider band reflects a more differentiated approach to compensation, with firms focusing on retaining high performers in a market that has continued to see high churn,” said Ankita Malik, senior consultant at Vahura. Last year, legal-sector salary hikes were in the 7–10% range.

Top performers are also expected to receive hikes closer to 15-20%, which may be structured with leaner fixed pay and higher [bonuses](#) to shift risk, Malik added.

The compensation and promotion cycle follows a year of robust demand for legal services.

Busy year for lawyers

Law firms have spent much of 2026 so far poring over force majeure clauses and reworking contracts as supply-chain disruptions emerged following the West Asia conflict. Firms were also engaged in sanctions-related reviews involving clients and related parties during mergers and acquisitions.

A strong pipeline of initial public offerings ([IPOs](#)) has added to the workload. LSEG data shows India was the world's second-largest IPO market in 2025 after the US, with 367 listings raising nearly \$22 billion.

The momentum is expected to continue. India is likely to see several large public offerings in 2026, including those of National Stock Exchange Ltd, SBI Funds Management, Zepto and Manipal Health, a pipeline that law firms say has contributed to aggressive hiring.

The demand has translated into higher spending by corporate India on legal services. *Mint* earlier reported that India's top companies are estimated to have spent between ₹69,000 crore and ₹72,000 crore on legal matters in FY26, up from about ₹60,000 crore in the previous year, driven by evolving regulations, geopolitical uncertainties and rising compliance requirements.

“Compensation revisions this year remained competitive and performance linked, with stronger differentiation for high performers and teams demonstrating sustained business impact,” said Amar Sinhji, executive director-human resources at Khaitan & Co.

Khaitan promoted 184 associates this year, up 9.5% from 168 promotions the previous year. The firm also elevated 17 professionals to partner positions and promoted 32 lawyers to counsel roles. The previous year, 30 lawyers were promoted to partner level and 20 were made counsels.

At Economic Law Practice (ELP), increments in 2026 ranged from 12% to 22%, depending on seniority and performance. The firm saw growth in hospitality, litigation, labour, real estate and mergers and acquisitions.

Suhail Nathani, managing partner at ELP, said these areas are expected to remain active from a hiring perspective over the coming year. The firm also said it conducted a benchmark study and revised salary grids higher across all levels the previous year.

JSA Advocates and Solicitors, a 35-year-old firm, said corporate law remained one of the most active hiring segments, followed by banking and finance.

The firm expanded its partnership ranks through a combination of internal promotions and lateral hires. According to Suman Rudra, chief talent officer at JSA, the firm elevated five partners to equity partner positions and promoted 20 associates to retainer partner roles.

An equity partner holds an ownership stake in a [law firm](#), while a retainer partner is a salaried lawyer who does not hold equity in the firm.

At Trilegal, more than half of the firm's lawyers received 100% of their target bonus pool allocations in 2026.

"The bonus cycle reflected this collective effort, reinforcing a culture that values contribution, ownership and excellence," said Parul Gupta, chief human resources officer at Trilegal.

The firm also elevated eight lawyers to partner positions, reinforcing its strategy of developing leadership talent internally.

Pritha Jha, partner at Pioneer Legal, which has 40 lawyers, estimated salary increments across the industry at 15-30% this year, compared with 10-35% the previous year.

Jha said, "a rise in demand for forensic and investigation advisory services was driven by increased due diligence and background research conducted by private equity investors and companies."

The competition for talent is also becoming more targeted. Law firms are looking to reduce fresher hiring as adoption of artificial intelligence ([AI](#)) increases across the sector, Pioneer Legal's Jha said.

As a result, firms are focusing more heavily on retaining existing talent, contributing to higher retention levels.

According to market intelligence firm Mordor Intelligence, India's legal services market was valued at \$2.49 billion in 2025 and is projected to grow to \$3.52 billion by 2031, expanding at a compound annual growth rate of 5.92%.