AILF INSIGHTS · THE INDUSTRY

India's legal services market: how large it is and where it is heading

A plain-English guide to the size, structure and growth of India's legal services market, and why most of it is still unorganised.

India's legal services market is worth about ₹3.77 lakh crore a year. That makes law one of the country's larger professional services, yet it is rarely discussed as an industry in its own right. It is usually described court by court, or firm by firm. Seen as a whole, three facts stand out.

It is large, and it is growing

The market has been growing at more than 7 per cent a year. If India keeps to its present economic path as the world's fourth-largest economy, the legal market is expected to reach between ₹7 lakh crore and ₹10 lakh crore by 2035. Every new factory, road, fund, start-up and cross-border deal creates legal work: contracts, approvals, financing documents, disputes and compliance.

It is mostly unorganised

About 94 per cent of the market is unorganised. It is made up of individual advocates and small chambers that are not counted, benchmarked or represented as businesses. The organised segment, law firms with partners, teams and systems, is only a thin slice. This is the opposite of what one finds in most large economies, where firms account for a far bigger share of legal spending.

It is small next to the world

The global legal market is roughly ₹99 lakh crore. India's share is under 4 per cent, although India has one of the largest bodies of lawyers anywhere. The gap between the number of lawyers and the value of the work is the clearest sign of how much room there is to grow.

What the largest clients spend

One part of the market is measured every year: what listed companies report as legal expenses. On data compiled by The Economic Times from annual reports:

Group	Legal expenses, FY2026
Nifty 50 companies	₹25,519 crore
Nifty 500 companies	₹68,210 crore
All listed companies reporting the item (4,546)	₹97,664 crore

In FY2025 the largest spenders were Reliance Industries (₹3,459 crore), Sun Pharmaceutical (₹3,261 crore), Coforge (₹1,664 crore), Infosys (₹1,655 crore) and Larsen & Toubro (₹1,615 crore). The

Nifty 500 figure was ₹44,920 crore in FY2023, so the corporate legal bill has grown by about half in three years.

Why the numbers matter

A market that is not measured cannot be planned for. Banks do not lend easily to law firms. Policy is written without firm-level data. Young lawyers choose careers without reliable information on pay, training or prospects. Clients, Indian and foreign, struggle to compare one firm with another.

Organising the market does not mean making it uniform. It means common standards, reliable data and a voice that can speak for firms of every size when rules are being written. That is the work an industry body exists to do.

What to watch

- The share of legal work handled by firms rather than individuals.
- Growth outside the metros, in State capitals and industrial districts.
- Demand from infrastructure, financial services, technology and manufacturing.
- India's share of cross-border and arbitration work.

If these four lines move in the right direction, the ₹10 lakh crore figure is within reach.

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Read online: https://indianlawfirmsassociation.com/indian-legal-services-market-size/

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