

# Nishith Desai unfreezes salaries, averts revenue stagnation crisis despite economic slowdown

By Legally India Thursday, 29 August 2019 16:25 [Law firms](#)



NDA salary freeze melts away

Nishith Desai Associates (NDA) has reversed its salary freeze that we had first reported in June, giving annual salary increments to fee-earners with retrospective effect.

The firm had frozen salaries because, according to an internal announcement, revenue growth had stagnated.

However, the salaries were hiked last month from between 5 to 15% with to apply retrospectively from January 2019, managing partner Nishith Desai confirmed, adding that it was announced and arrears were cleared in July 2019.

Desai said: "Last quarter I had anticipated a serious slowdown in India, that's why we had frozen the salary. But in spite of all the slowdown... we arrested the downward trend.

"The idea was to incentivise people that when we pay bonuses, also be prepared for some risk taking." he said, adding, "I think we've not lost a single talent, and in spite of all that, we are attracting some talent and quite a few talent is coming back."

But rather than salaries, the “general focus is on higher bonuses”, he said. Bonuses for the 2018 calendar year would be paid out starting from October 2019, in four monthly instalments, until 1 January 2020.

“We wanted to not pay less bonus next year than this year, anticipating global trends. In spite of [expectations that with] Modi coming in it’s going to be gung ho, I said there are external constraints and internal issues and exactly the same thing has happened,” Desai explained about the rationale and the economic outlook. “Even if a slowdown happened, we reached a couple of things: one was the element of reducing our discount and to increase our premium work. And in less hours we did more: there were different tactics that we used.”

The firm also went on its educational retreat earlier this month, going with all of the firm’s fee-earners and support staff to Estonia and Finland.

Around 25-30 backoffice staff, including the firm’s cleaning staff and drivers, went to Singapore this year after having gone on a firm retreat to Hong Kong two years ago. Desai said that some cried, having held a passport in their hand or set foot inside an airport for the first time in their life.

“Those are the kinds of reactions which are very satisfying,” he said. “We are not obliging them but we think at least they have some sense of fulfilment, some sense of learning and knowing the culture [of another country].”