Nishith Desai Associates
LEGAL AND TAX COUNSELING WORLDWIDE

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# Decoding Downstream Investment

## A Refreshed FAQ Compilation

August 2025

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# Introduction

This updated compilation of Frequently Asked Questions (FAQs) supersedes the version published by us in November 2024 (available at: FAQs - Downstream Investment November 2024 Edition) and reflects the latest regulatory position on downstream investment in India.

On January 20, 2025, the RBI issued amendments to the Master Direction – Foreign Investment in India (**"Master Direction"**) (available at RBI Master Direction – Foreign Investment in India), introducing significant clarifications aimed at aligning the regulatory framework governing downstream investment with that applicable to direct foreign investment under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (**"NDI Rules"**).

The revised Master Direction reiterates the fundamental principle that underpins India's downstream investment framework: *"What cannot be done directly, shall not be done indirectly."* Importantly, the Master Direction now confirms that all investment structures and arrangements permitted for direct foreign investment under the NDI Rules are equally permissible for downstream investment subject to strict adherence to Rule 23 of the NDI Rules. This clarification resolves long-standing uncertainties that previously resulted in more restrictive treatment of indirect foreign investment as compared to direct foreign investment.

This updated FAQ compilation incorporates and reflects the key changes introduced by the Master Direction, with the objective of providing greater clarity to stakeholders engaging in or advising on downstream investment transactions.

## 1. What is downstream investment?

A foreign investor can invest in an Indian entity by acquiring equity instruments or capital, either directly or indirectly through another Indian entity. Here, the expression 'Indian entity' means an Indian company incorporated under the Companies Act, 2013 (**"CA 2013"**) or a Limited Liability Partnership (**"LLP"**) incorporated under the Limited Liability Partnership Act, 2008 and does not include any other entities such as partnership firm, trust etc.

Further, the expression 'equity instrument' means equity shares, fully and compulsorily and convertible debentures (**"CCD"**), fully and compulsorily convertible preference shares (**"CCPS"**) and share warrants issued by an Indian company.

When a foreign investor directly acquires equity instruments of an Indian entity subject to the requirements and conditions under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder (**"FEMA"**), particularly, the NDI Rules, this will qualify as foreign direct investment (**"FDI)"**). A subset of FDI is the indirect investment by a foreign investor through an Indian entity (where it has made FDI) into the equity instruments of another Indian entity. This indirect mode of FDI is known as downstream investment.

As defined in the NDI Rules, downstream investment is an investment made by an Indian entity or an investment vehicle, having total foreign investment in it, in the equity instruments or the capital, as the case may be, of another Indian entity. The NDI Rules define "total foreign investment" to mean the total of direct foreign investment and indirect foreign investment and the same will be reckoned on a fully diluted basis.

Investment vehicle is defined under the NDI Rules to mean an entity registered and regulated under the regulations framed by SEBI or any other authority designated for that purpose and shall include - Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvIts), Alternative Investment Funds (AIFs) and mutual funds.

## 2. What is the regulatory and governing framework for downstream investments?

Rule 23 of the NDI Rules provides a regulatory framework for downstream investments.Under this framework:

- Special provisions apply to Indian entities that are owned or controlled by non-residents, commonly referred to as Foreign Owned or Controlled Companies ("**FOCCs**").
- These FOCCs are treated differently from other Indian entities when they make further investments in India.
- The purpose of this distinction is to ensure that foreign investment is appropriately regulated, even when routed indirectly through Indian subsidiaries of foreign investors.

Thus, Rule 23 lays down the principles, conditions, and reporting obligations for downstream investments made by FOCCs into other Indian entities, aligning such investments with India's broader FDI policy.

## 3. How the downstream investment is beneficial to the foreign investors?

Foreign investors who already have presence in India and intend to diversify investments or expand operations through acquisitions, downstream investment could be a better proposition considering that investment and acquisitions undertaken through the Indian subsidiary attracts relatively lesser compliances, as compared to FDI. Downstream investment can also be used as an efficient tool for deploying surplus funds of Indian subsidiary to achieve investment goals of foreign investor in India.

## 4. What is a foreign owned or controlled company (FOCC)?

As clarified in the NDI Rules, an Indian entity which has received foreign investment and is – (a) not owned and controlled by resident Indian citizens; or (b) owned or controlled by non-residents, should be considered as foreign owned or controlled company (FOCC).

## 5. What constitutes ‘control’ for determining whether an Indian entity is a FOCC?

As clarified in the NDI Rules, in the context of Indian company, the expression ‘control’ means the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreement or voting agreement. In the context of LLP, ‘control’ means the right to appoint majority of the designated partners, where such designated partners, with specific exclusion to others, have control over all the policies of an LLP. Accordingly, an Indian company or LLP, where the control is vested with non-resident persons, are considered as a FOCC.

## 6. What constitutes ‘ownership’ for determining whether an Indian entity is a FOCC?

In the context of Indian company, ‘ownership’ test to be considered as fulfilled where more than 50% of equity instruments is beneficially held. In case of LLP, contribution of more than 50% of total capital and having majority profit share in such LLP will fulfil the ownership test. Accordingly, an Indian company or LLP, where the ownership is vested with non-resident persons, are considered as a FOCC.

## 7. What is indirect foreign investment?

Indirect foreign investment means downstream investment received by an Indian entity (i.e., company or LLP) from –

a) another Indian entity (i.e., company or LLP) which has received foreign investment; and is not owned and not controlled by resident Indian citizens or is owned or controlled by non-residents; or

b) an investment vehicle whose sponsor or manager or investment manager is not owned and not controlled by resident Indian citizens or is owned or controlled by non-residents.

As clarified in the Master Direction, if the sponsor or manager or investment manager is organised in a form other than companies or LLPs, then, SEBI to determine whether the sponsor or manager or investment manager is foreign owned and controlled.

It is further clarified in the Master Direction that any investment made by an Indian entity which is owned and controlled by Non-Resident Indians (NRIs) or Overseas Citizen of India (OCI) including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs or OCI, on a non-repatriation basis in compliance with Schedule IV of the NDI Rules, shall not be considered for calculation of indirect foreign investment.

From the above, it may be noted that no entity other than a company or LLP such as partnership firms, trusts etc. is eligible to receive indirect foreign investment.

## 8. Conceptually, how Downstream Investment and Indirect Foreign Investment are different from each other?

While Downstream Investment and Indirect Foreign Investment (IFI) are often used interchangeably, they are conceptually distinct under the NDI Rules. When an Indian entity (or an investment vehicle) having total foreign investment in it, invests further in the equity instruments of another Indian company or in the capital of LLP, such subsequent investment is called downstream investment. Whereas the IFI is basically the downstream investment in an Indian investee entity which is arising through investment by another Indian entity, being a FOCC.

Let's say, Company A (foreign investor) invests in Company B (Indian) under FDI route. Company B then invests in Company C (Indian). Here, the investment by Company B into Company C is a Downstream Investment from Company B's perspective and this results in IFI into Company C from Company C's perspective, if Company B is a FOCC.

## 9. What are the key conditions applicable for receiving indirect foreign investment by an Indian entity?

An Indian entity which is proposing to receive indirect foreign investment should strictly adhere to entry route, sectoral caps, pricing guidelines and other attendant conditions (including reporting requirements) as applicable for FDI. Further, where a FOCC-LLP is planning to make downstream investment, it is allowed to do so only in a company or LLP operating in sectors where foreign investment up to 100% is permitted under automatic route and there are no FDI-linked performance conditions.

## 10. What are the conditions for a downstream investment to qualify as indirect foreign investment?

The Indian investee entity which receives investment from a FOCC entity will qualify as indirect foreign investment upon fulfilling these conditions –

a) such investment should have the approval of the board of directors of both Indian investee entity and Indian investor entity (i.e., FOCC), including approval of shareholders (if required under CA 2013); and

b) a FOCC should use either the funds raised from abroad as FDI or its internal accruals for making downstream investment. Here, internal accruals mean the profits transferred to reserve account after payment of taxes.

Hence, a FOCC cannot use borrowed funds to make downstream investment.

## 11. What are the guidelines to compute total foreign investment in Indian companies?

The guidelines to compute total foreign investment, as prescribed in the NDI Rules, are as follows –

a) any equity holding by a non-resident resulting from conversion of any debt instrument under any arrangement should be reckoned for total foreign investment. However, FCCBs (foreign currency convertible bonds) and DRs (depository receipts) having underlying instruments in the nature of debt should not be reckoned for total foreign investment;

b) the methodology for calculating total foreign investment should apply at every stage of investment in Indian companies and thus in each and every Indian company;

c) for the purpose of downstream investment, the portfolio investment held as on 31st March of the previous financial year in the Indian company (i.e., FOCC) making the downstream investment should be considered for computing its total foreign investment;

d) indirect foreign investment received by a wholly owned subsidiary of an Indian company should be limited to the total foreign investment received by the company making the downstream investment.

## 12. Can downstream investment be made through LLP?

A FOCC-LLP can make downstream investment by way of subscribing to equity instruments or capital of another Indian entity (i.e., company or LLP) subject to the condition that such company / LLP operate in sectors where foreign investment up to 100% is permitted under automatic route and there are no FDI-linked performance conditions.

## 13. Which entity is responsible for ensuring compliance with the NDI Rules — a FOCC or the Indian investee entity?

A FOCC which is making downstream investment should be responsible for ensuring compliance with the provisions of the NDI Rules. It is required to obtain a certificate from statutory auditor on an annual basis and the extent of compliance of the NDI Rules should be mentioned in the director's report attached to annual report of that FOCC. If the statutory auditor has given a qualified report, the same should be immediately brought to the notice of the regional office of the (RBI) in whose jurisdiction the registered office of FOCC is located and should also obtain acknowledgement from the regional office.

## 14. What pricing norms apply to downstream investment made by a FOCC?

As per Rule 23(1) of the NDI Rules, indirect foreign investment should strictly adhere to the pricing norms under the NDI Rules as applicable for FDI. Accordingly, in case of any primary investment by FOCC into equity instruments / capital of another Indian entity should be subject to the pricing norms.

Further, Rule 23(5) of the NDI Rules prescribe following pricing norms in case of secondary purchase transactions involving FOCC as the seller:

Transfer of equity instruments/capital of another Indian entity -

- by FOCC to Non-resident – *Pricing won't apply;*
- by FOCC to Indian resident – *Pricing applies i.e. no reporting;*
- by FOCC to FOCC – *Pricing won't apply.*

However, the NDI Rules do not explicitly clarify the applicability of pricing norms in cases where a FOCC acquires equity instruments in a secondary transaction as a purchaser. Historically, AD Banks held differing views on this issue. A widely followed approach was to treat a FOCC on par with a non-resident for pricing purposes. Based on this view:

- Pricing norms were applied when a FOCC acquired equity instruments or capital of an Indian entity from a resident.
- Pricing norms were not applied when the acquisition was from a non-resident.

However, in recent years, the RBI has clarified that pricing norms should apply even in cases where a FOCC acquires equity from a non-resident. This is to address concerns about unrestricted outflow of domestic funds without regulatory oversight.

Where pricing norms are applicable, the FMV of the equity instruments or capital, determined as per the prescribed methodology under FDI regulations, serves as a minimum (floor) or maximum (cap) price, depending on the direction of the transaction. Therefore, any investment by a FOCC in the equity instruments of another Indian company or capital contribution in an LLP must comply with the relevant pricing guidelines, as outlined below -

a) In case of primary investment, the FOCC should subscribe to equity instrument / capital of Indian investee company / LLP at a price equal to or higher than FMV.

b) In case of secondary investment by the FOCC, as per the NDI Rules – (a) in case of acquisition of equity instrument/capital from resident party, the purchase price should be at a price equal to or higher than FMV; and (b) in case of acquisition from non-resident party, the purchase price should be at a price equal to or lower than FMV.

c) In case of sale of equity instrument/capital by the FOCC (i.e., disinvestment), as per the NDI Rules - (a) in case of sale of equity instrument/capital to resident party, the sale price should be at a price equal to or lower than FMV; and (b) in case of sale to non-resident party, the pricing norms do not apply and hence, the sale price can be anything as the parties mutually agree.

d) In case of sale/purchase of equity instrument/capital of Indian investee company/LLP between two FOCC entities, the pricing norms do not apply, and hence the transaction price can be anything as the parties mutually agree.

## 15. How is the FMV of equity instrument / capital determined for downstream investments?

The pricing guidelines under the NDI Rules which applies to FDI shall equally apply to downstream investment transactions as well. Accordingly, the FMV of equity instrument / capital of Indian investee company / LLP should be worked out as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a SEBI registered Merchant Banker or chartered accountant or a practicing cost accountant.

## 16. What are the reporting obligations for a FOCC when making downstream investments under various scenarios?

As per Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (Reporting Regs), the FOCC which is making downstream investment is responsible to fulfil the reporting requirements, as explained here–

a) **Primary investment by the FOCC:**

- FOCC to notify the Secretariat for Industrial Assistance, Department for Promotion of Industry and Internal Trade (DPIIT) within 30 days of such investment i.e., date of remittance (DPIIT Intimation); and
- FOCC to file Form DI with the RBI within 30 days from the date of allotment of equity instruments.

b) **Secondary investment by the FOCC:**

- **Purchase from non-resident:** FOCC to file – (i) Form FC-TRS within 60 days of transfer of equity instruments or receipt/remittance of funds, whichever is earlier; (ii) Form DI within 30 days from date of acquisition of equity instruments (practically, post the approval of Form FC-TRS); and (iii) to make DPIIT Intimation within 30 days of investment.
- **Purchase from resident party:** FOCC to file Form DI within 30 days from date of acquisition of equity instruments; and (ii) to make DPIIT Intimation within 30 days of investment.

- **Purchase from other FOCC:** This is a transaction between 2 resident entities and there is no fresh indirect foreign investment as such. However, practically, to record the details of Acquirer FOCC, Acquirer FOCC (in consultation with its AD bank) may be required to – (i) file Form DI within 30 days from date of acquisition of equity instruments; and (ii) to make DPIIT Intimation within 30 days of investment.

c) **Disinvestment by the FOCC:**

- **Sale of equity instrument to non-resident:** FOCC to file Form FC-TRS within 60 days of transfer of equity instruments or receipt/remittance of funds, whichever is earlier.
- **Sale of equity instrument to resident party:** No specific reporting applies. However, Indian investee company may have to undertake EMF correction by writing to the RBI FIRMS Help-desk to delete indirect foreign investment details from the shareholding pattern of Indian investee company.
- **Sale of equity instrument to other FOCC:** This is a transaction between 2 resident entities and there is no fresh indirect foreign investment as such. However, practically, to record the details of Acquirer FOCC and secondary acquisition of such pre-existing indirect foreign investment, Acquirer FOCC (in consultation with its AD bank) may be required to – (i) file Form DI within 30 days from date of acquisition of equity instruments; and (ii) to make DPIIT Intimation within 30 days of investment.

## 17. What are the general pricing and reporting norms applicable when a FOCC purchases shares from a Resident, Non-resident, or another FOCC?

Based on the provisions of the NDI Rules and the RBI's views in certain transactions, the pricing and reporting requirements in different kind of transactions involving the FOCC may be understood in the below manner:

| Seller | Buyer | Pricing | Reporting |
|---|---|---|---|
| **FOCC** | Indian resident | Yes | No reporting |
| **Indian resident** | FOCC | Yes | Form DI filing & DPIIT Intimation |
| **FOCC** | Non-resident | No | Form FC-TRS |
| **Non-resident** | FOCC | Yes | Form FC-TRS, Form DI filing & DPIIT Intimation |
| **FOCC** | FOCC | No | No reporting |

## 18. What is the procedure to be followed for reporting downstream investment?

As per the NDI Rules and Reporting Regs, it is the responsibility of the FOCC, which is making downstream investment, to fulfil the reporting requirements. However, procedurally, both FOCC and Indian investee company should undertake certain actions as explained below:

- Firstly, the Indian investee entity should create an Entity Master Form (EMF) in its name on the RBI's online platform called, FIRMS (Foreign Investment Reporting and Management System).
- Once EMF is created, the FOCC should complete Business User (BU) registration process on FIRMS Portal which will be linked to CIN (Corporate Identification Number) of Indian investee entity and the bank account of the FOCC. It means, where the FOCC is making downstream investment in more than one Indian investee entity, a separate BU registration is necessary for each investee entity.Once the BU registration is completed, the FOCC can proceed with filing of Form DI and Form FC-TRS (wherever applicable) through the integrated form called - SMF (Single Master Form) on FIRMS online platform. Once they are filed, AD bank of the FOCC will verify and approve the forms.

The documents to be attached while filing Form DI:

- Form PAS-3 (return of allotment) or form SH-4 (securities transfer form)
- Board resolution copy.
- Shareholder's resolution, if any.
- Share valuation report (cut-off date of which not being older more than 90 days prior to the date of share allotment/transfer)
- Requisite declaration in prescribed form
- Any additional document(s) the concerned AD bank may require on case-to-case basis.

The documents to be attached while filing Form FC-TRS:

- Form SH-4 (securities transfer form) or relevant extracts of share transfer agreement along with consent letters of buyer and seller parties
- Share valuation report (cut-off date of which not being older more than 90 days prior to the date of share transfer)
- Non-resident declaration in prescribed format
- In case of sale by a non-resident to the FOCC, acknowledgement of initial FDI reporting copy
- FIRC / Debit Statement/ Outward remittance certificate and KYC report
- No objection/ tax clearance Certificate from Income Tax authority/Chartered Accountant.
- Government approvals, if any
- Any additional document(s) the concerned AD bank may require on case-to-case basis

For more details about EMF, BU creation, preparation and filing of Form DI and FC-TRS, please visit this link of RBI-FIRMS Portal lRBI's FIRMS Portal .

## 19. What type of instruments qualify as downstream investment in an Indian company?

The NDI Rules define 'equity instruments' as equity shares, debentures which are fully and compulsorily convertible into equity shares, preference shares which are fully and compulsorily convertible into equity shares debentures and share warrants issued by an Indian company. Accordingly, investment in any of the above equity instruments constitutes a downstream investment.

As a background, prior to the Master Direction, the NDI Rules had referred to the term "capital instruments" [which was imported from the earlier Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017] in the context of downstream investment. However, this term was undefined under the NDI Rules and had been replaced by the term "equity instruments" in all other contexts. This inconsistency recently got addressed through the Master Direction which has now aligned the language by explicitly using "equity instruments" in relation to downstream investment as well.

## 20. Is a FOCC permitted to invest in non-equity instruments?

Given the lack of explicit clarity in the NDI Rules and divergent interpretations by the AD Banks, it is strongly recommended to seek specific guidance from the concerned AD Bank and the RBI, before proceeding with any such investment

## 21. Can a FOCC make downstream investment for consideration other than cash?

Yes, a FOCC can make downstream investments for consideration other than cash, subject to certain conditions under Rule 23(4)(b) of the NDI Rules. This rule permits the use of FDI proceeds (i.e., funds received from abroad) or internal accruals for downstream investment but prohibits the use of borrowed funds.

The Master Direction clarifies that mechanisms available for direct FDI such as investment through swap of equity instruments or equity capital of foreign entity under the Overseas Investment Rules, are permitted for downstream investment, provided they do not violate Rule 23, including the restriction on borrowings. Accordingly, A FOCC may acquire shares in another Indian company through swap of its equity instruments or the investment held by it. Further, swap transactions involving equity capital of foreign entities are also permitted to the extent permissible under the Overseas Investment Rules. Capitalisation of legitimate dues (such as outstanding loans or business-related payables) involving downstream investment is also allowed, subject to compliance with Rule 23.

## 22. Can the FOCC make a downstream investment against the swap of shares?

As explained above, the FOCC can make downstream investment through swap of equity instruments / equity capital of foreign entity, as clarified in the Master Direction.

## 23. Are deferred payment arrangements (such as post-closing escrow, indemnity, or price adjustment) permitted in downstream investment transactions?

Yes, deferred payment arrangements are permitted in downstream investment transactions, subject to compliance with Rule 9(6) of the NDI Rules. Rule 9(6) allows deferred payment mechanisms in cross-border transactions (i.e., between residents and non-residents) with the following conditions – (a) the deferred amount, including post-closing escrow, indemnity, or price adjustments, must not exceed 25% of the total consideration; and (b) the deferred amount must be paid within 18 months from the date of the transfer agreement.

Further, the Master Direction confirms that such arrangements permitted for direct FDI are also available for downstream investments provided they do not circumvent Rule 23, including restrictions on the use of borrowed funds.

Accordingly, a FOCC is permitted to structure downstream investments involving acquisition (or sale/transfer) of equity instruments or capital of another Indian entity using deferred payment arrangements, as long as they comply with the conditions prescribed under Rule 9(6) of the NDI Rules.

## 24. Does the restriction under Press Note 3 (2020) on receiving FDI from land-bordering countries apply to downstream investments as well?

Yes, the restriction under Press Note 3 (2020) applies to downstream investments as well.

Under Rule 23 of the NDI Rules, downstream investment by a FOCC is subject to the same entry route conditions and sectoral caps as applicable to direct FDI. Since Press Note 3 (2020) introduces an entry route restriction mandating prior Government approval for FDI from entities or beneficial owners based in land-bordering countries, this requirement also extends to downstream investments. Accordingly, if a FOCC has any investor or beneficial owner from a land-bordering country, its downstream investment into another Indian entity will require prior Government approval under Press Note 3.

## 25. What are the recent amendments or clarifications issued by the RBI regarding downstream investment?

On January 20, 2025, the RBI issued the Master Direction providing key clarifications concerning downstream investment. The updated Master Direction reiterates the foundational principle of the downstream investment framework - *"What cannot be done directly, shall not be done indirectly."*

Accordingly, downstream investments that qualify as indirect foreign investment are subject to all applicable conditions under the NDI Rules governing direct FDI, including entry routes, pricing, sectoral caps, and use of funds. Significantly, the RBI has clarified through the Master Direction that - *"All arrangements permitted for direct investment under the NDI Rules—such as investment by way of swap of equity instruments/equity capital* *and payment mechanisms under Rule 9(6)—shall also be available for downstream investment, provided the transaction does not circumvent Rule 23, including the restriction on use of borrowed funds.*"

This clarification brings uniformity in treatment between direct and downstream investments, while reinforcing compliance with Rule 23 of the NDI Rules. The other FAQs (including from 19 to 22) have been suitably updated basis the clarifications provided in this Master Direction.

## 26. If an Indian entity becomes a FOCC after having already invested in another Indian entity, how should that pre-existing investment be treated under the NDI Rules? Is any reporting required?

Yes, such pre-existing investment is subject to downstream investment compliance once the Indian investor entity becomes a FOCC. As clarified by the Master Direction, if the original investment was made by an Indian Owned and Controlled Company (IOCC) into another Indian entity, and such investor entity later becomes a FOCC, then the earlier investment is treated as downstream investment from the date the entity becomes a FOCC. This reclassified downstream investment must – (a) comply with the applicable entry route and sectoral cap, as prescribed under the NDI Rules; and (b) be reported in Form DI within 30 days from the date of becoming a FOCC.

It is important to note that the pricing guidelines do not apply to the original investment made prior to reclassification. However, any subsequent investment (post-FOCC status) would need to comply with FDI pricing norms and other downstream investment conditions.

# About NDA

At Nishith Desai Associates, we have earned the reputation of being Asia's most Innovative Law Firm — and the go-to specialists for companies around the world, looking to conduct businesses in India and for Indian companies considering business expansion abroad. In fact, we have conceptualized and created a state-of-the-art Blue Sky Thinking and Research Campus, Imaginarium Aligunjan, an international institution dedicated to designing a premeditated future with an embedded strategic foresight capability.

We are a research and strategy driven international firm with offices in Mumbai, Palo Alto (Silicon Valley), Bengaluru, Singapore, New Delhi, Munich, and New York. Our team comprises of specialists who provide strategic advice on legal, regulatory, and tax related matters in an integrated manner basis key insights carefully culled from the allied industries.

As an active participant in shaping India's regulatory environment, we at NDA, have the expertise and more importantly — the VISION — to navigate its complexities. Our ongoing endeavors in conducting and facilitating original research in emerging areas of law has helped us develop unparalleled proficiency to anticipate legal obstacles, mitigate potential risks and identify new opportunities for our clients on a global scale. Simply put, for conglomerates looking to conduct business in the subcontinent, NDA takes the uncerWAs a firm of doyens, we pride ourselves in working with select clients within select verticals on complex matters. Our forte lies in providing innovative and strategic advice in futuristic areas of law such as those relating to Blockchain and virtual currencies, Internet of Things (IOT), Aviation, Artificial Intelligence, Privatization of Outer Space, Drones, Robotics, Virtual Reality, Ed-Tech, Med-Tech and Medical Devices and Nanotechnology with our key clientele comprising of marquee Fortune 500 corporations.

The firm has been consistently ranked as one of the Most Innovative Law Firms, across the globe. In fact, NDA has been the proud recipient of the Financial Times–RSG award 4 times in a row, (2014-2017) as the Most Innovative Indian Law Firm.

We are a trust based, non-hierarchical, democratic organization that leverages research and knowledge to deliver extraordinary value to our clients. Datum, our unique employer proposition has been developed into a global case study, aptly titled 'Management by Trust in a Democratic Enterprise,' published by John Wiley & Sons, USA.

## Research@NDA

Research is the DNA of NDA. In early 1980s, our firm emerged from an extensive, and then pioneering, research by Nishith M. Desai on the taxation of cross-border transactions. The research book written by him provided the foundation for our international tax practice. Since then, we have relied upon research to be the cornerstone of our practice development. Today, research is fully ingrained in the firm's culture.

Over the years, we have produced some outstanding research papers, reports and articles. Almost on a daily basis, we analyze and offer our perspective on latest legal developments through our "Hotlines". These Hotlines provide immediate awareness and quick reference, and have been eagerly received. We also provide expanded commentary on issues through detailed articles for publication in newspapers and periodicals for dissemination to wider audience. Our NDA Labs dissect and analyze a published, distinctive legal transaction using multiple lenses and offer various perspectives, including some even overlooked by the executors of the transaction. We regularly write extensive research papers and disseminate them through our website. Our ThinkTank discourses on Taxation of eCommerce, Arbitration, and Direct Tax Code have been widely acknowledged.

As we continue to grow through our research-based approach, we now have established an exclusive four-acre, state-of-the-art research center, just a 45-minute ferry ride from Mumbai but in the middle of verdant hills of reclusive Alibaug-Raigadh district. Imaginarium AliGunjan is a platform for creative thinking; an apolitical ecosystem that connects multi-disciplinary threads of ideas, innovation and imagination. Designed to inspire 'blue sky' thinking, research, exploration and synthesis, reflections and communication, it aims to bring in wholeness — that leads to answers to the biggest challenges of our time and beyond. It seeks to be a bridge that connects the futuristic advancements of diverse disciplines. It offers a space, both virtually and literally, for integration and synthesis of knowhow and innovation from various streams and serves as a dais to internationally renowned professionals to share their expertise and experience with our associates and select clients.

We would love to hear from you about any suggestions you may have on our research publications.
Please feel free to contact us at **research@nishithdesai.com**.

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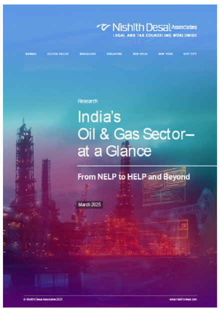


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