

TAX NEWSFLASH

LEGAL EYE

Your peek into the Indian legal scene

A.R.A. LAW

Advocates & Solicitors

Supreme Court upholds Government Notification on Taxation of Mauritius Residents

The Supreme Court has upheld the validity of the notification dated 13th April 2000, which provided that a certificate of residence issued by the Mauritius Authorities will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for claiming reliefs and benefits under the Double Taxation Avoidance Agreement between India and Mauritius.

This judgment will be a source of great relief to many foreign investors including those FII's against whom the tax authorities had initiated scrutiny proceedings. Over the past several years, huge foreign investments into India have been made through offshore companies set up in Mauritius, considering the treaty benefits, specially the exemption from capital gains tax.

The complete text of the Supreme Court ruling is still awaited. Companies investing through Mauritius may still be well advised to follow certain safeguards to minimize the risk of any adverse tax consequences in India.

Dated 07 October 2003

The Tax Group

If you have any questions regarding the *proposed recommendations*, please feel free to contact us or any member of our Tax Group:

Mumbai	Bangalore
Aliff Fazelbhoy Narendra Joshi	
Agra Building, 1st Floor 121 M. G. Road Fort, Mumbai 400 023 India. Tel: (+91 22) 2263 1700 Fax: (+91 22) 2263 1800 Email: aliff@aralaw.com	237 'Sumitra', 2'C Cross 1st Main, Domlur II Stage Bangalore India. Tel: (+91 80) 535 1619 Fax: (+91 80) 535 2708

This Newsflash is published by A.R.A. LAW for private circulation only.

DISCLAIMER

The Publishers, A.R.A. LAW, make no warranty of any kind with respect to the subject matter included herein or the completeness or accuracy of this Newsflash. The Publishers and the contributors are not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this Newsflash and in no event shall be liable for any damages resulting from reliance on or use of this information. Without limiting the above the Publishers and the contributors shall each have no responsibility for any act or omission of any other contributor. Readers should take specific advice from a qualified professional when dealing with specific situations.

© Copyright 2003 A.R.A. LAW. All rights reserved.