

# Tax Hotline

June 01, 2002

## INDIA- MAURITIUS TAXATION TREATY CIRCULAR QUASHED BY THE DELHI HIGH COURT

In a surprise decision delivered by the Delhi High Court (**HC**), allowing two public interest litigations (**PIL**) challenging the circular issued by the Central Board of Direct Taxes dated April 13, 2000 (**Circular**), the HC has quashed the Circular.

The Circular had clarified that Foreign Institutional Investors (**FI**) resident in Mauritius, which were issued a "Certificate of Residence" by the Mauritian Authorities, would constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the India - Mauritius taxation treaty.

It must be noted that in November 2000, the HC had refused to stay operation of the Circular and had clearly stated that if the PILs were allowed, the Mauritius resident FIs involved in treaty shopping would have to pay tax with retrospective effect from April 13, 2000.

The Government of India is expected to appeal against this order to the Supreme Court of India. And Mauritius resident FIs may also intervene.

While this tax hotline is based on press reports, we are awaiting the actual text of the judgment for further analysis.

Nishith Desai & Shefali Goradia

Source : The Economic Times dated June 1, 2002

## DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Mergers & Acquisitions

July 11, 2025

### New Age of Franchising

June 20, 2025

### Life Sciences 2025

June 11, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

Click here to view Hotline archives.

## Video

### Reimagining CSR: From Grant Giving to Blended Finance & Outcome Based Funding

June 16, 2025

### Courts vs Bankruptcy code: The

