

# What's New

## News Flash



September 2015

### **Supreme Court disposes off the Castleton's SLP against AAR Ruling on MAT**

The Government had recently decided<sup>1</sup> to amend the income tax law to clarify non-applicability of Minimum Alternate Tax ('MAT') provisions for the period prior to April 01, 2015 on:

- Foreign Portfolio Investors (FPIs) that do not have place of business in India and
- Other foreign companies that do not have place of business in India or are not required to seek registration under the Indian Companies Act.

Today, a Special Leave Petition against the Authority for Advance Rulings' ruling in the Castleton<sup>2</sup> case (which was the root cause of the MAT controversy) came up for hearing before the Hon'ble Supreme Court. The Attorney General representing the Government of India stated before the Court that the Government will abide by its aforesaid decision against the levy of MAT.

In light of the above, the Supreme Court disposed off the Special Leave Petition filed by Castleton.

#### **PwC Comment:**

The decision of the Supreme Court is a welcome move and it effectively puts to rest the entire controversy around levy of MAT on foreign companies (including FPIs) investing in India.

We may, however, have to wait and see how the field level officers respond to this development. Will they continue to wait for an amendment in the income tax law or will they take cognizance of this development and start disposing of the pending appeals and drop off the proposed MAT levy?

1. [http://finmin.nic.in/press\\_room/2015/PressonApplicabilityofMinimumAlternateTax\\_onFIIsFPIs.pdf](http://finmin.nic.in/press_room/2015/PressonApplicabilityofMinimumAlternateTax_onFIIsFPIs.pdf)  
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=127154>

2. Castleton Investments Ltd. (AAR No. 999 of 2010, dated 14 August 2012)

If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to [\*\*pwctr.knowledgemanagement@in.pwc.com\*\*](mailto:pwctr.knowledgemanagement@in.pwc.com)

With Best Regards  
PwC TRS Team

#### **About PwC**

PwC helps organisations and individuals create the value they're looking for. We're a network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in Assurance, Tax and Advisory services. Tell us what matters to you and find out more by visiting us at [www.pwc.com](http://www.pwc.com).

In India, PwC has offices in these cities: Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit [\*\*www.pwc.in\*\*](http://www.pwc.in)

PwC refers to the PwC network and / or one or more of its member firms, each of which is a separate legal entity. Please see [\*\*www.pwc.com/structure\*\*](http://www.pwc.com/structure) for further details.

Follow us on [\*\*Facebook\*\*](#), [\*\*LinkedIn\*\*](#), [\*\*Twitter\*\*](#) and [\*\*YouTube\*\*](#).

© 2015 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity.

**Our Tax & Regulatory Services** Direct Tax Indirect Tax Transfer Pricing Regulatory M & A Tax  
Controversy and Dispute Resolution Financial Services

**NOTE** : If you wish to unsubscribe receiving communications, please send in a blank email as reply to this mail with subject line "Unsubscribe".