



**INTRODUCTION** In recent years, there has been an international consensus in favour of making efforts to check tax avoidance through the use of conduit companies. Action Plan 6 (Prevent Treaty Abuse) of the Base Erosion and Profit Shifting (BEPS) project is also an indication of such consensus. India, like other developing countries, has been especially interested in curbing tax avoidance practices. In this regard, India also re-negotiated its tax treaty with Mauritius to put in place a new Limitation of Benefits (“LoB”) clause as most of the foreign investment it received was routed through Mauritius without the profits being brought to tax in India. In this context, the concept of “beneficial ownership” assumes significance as this is an anti-avoidance measure which has long been a part of India’s tax treaties. This concept.....