



The Indian General Anti-avoidance Rules (GAAR) is of recent vintage and litigation around the same is yet to reach the courts. Foreign jurisprudence on tax avoidance could provide interesting insights, at least until courts in India deal with the provisions in the Indian law. The New Zealand Supreme Court recently decided on tax avoidance in Frucor.¹ The ruling could have some lessons in understanding the Indian GAAR in Chapter X-A of the Income-tax Act, 1961 (Act) though the GAARs of the two countries are markedly different in their structure and design. This piece attempts to identify some straws in the wind from this latest ruling from the Apex Court in New Zealand and draw parallels which may be useful in the application of the Indian GAAR. 1. FACTS IN BRIEF Th.....