

# DIRECT TAXATION

Taxation is a crucial aspect of doing business in today's globalised world. India is becoming an increasingly attractive destination for doing business and setting up operations. However, constant changes in India's tax and regulatory environment can make the task of establishing and managing operations in the country a complex one. For businesses, this has resulted in a significant rise in the risk of non-compliance with India's tax laws. With the Indian revenue authorities in overdrive, tax risk management and mitigation are essential for a business in India.

The SKP Tax team offers a full spectrum of specialised tax services from independent business advisory, business structuring in line with the current and proposed tax regime, assistance in tax compliances, and litigation and representation support. Our services are aimed at supporting businesses in running efficiently and effectively, with strong accountability and governance.

# OUR SERVICES

## Inbound Investment Structuring

SKP's expertise enables clients to implement a structure in India that enables tax-efficient operations and allows profit repatriation. We have assisted our international clients at various stages of their entry into India in line with their group objectives.

## Business Set-up and Registration

We assist clients in setting up their operations in India by obtaining their registrations with the Indian tax authorities. We also assist them in understanding and documenting the date of set-up (commencement of business) from a tax perspective, enabling clients to claim tax deductions for expenditure incurred in the first year of business.

## Personnel Tax Structuring

We assist the management in framing and developing employee policies based on the organisation's needs. Our expertise enables you to prepare the optimum salary structure and also implement documentary and administrative safeguards.

## Return of Income

SKP assists businesses in taking technically correct positions in their return of income and ensuring due compliance under Indian tax laws. Our holistic approach, backed by years of experience with the tax authorities, allows you to mitigate any possible exposure that could arise during scrutiny assessment proceedings in India.

## Withholding Tax

We assist clients in reviewing their withholding tax compliances at regular intervals and provide a withholding tax review report. Our expertise enables us to provide practical policy suggestions to help businesses deal with contentious issues on withholding tax.

## Tax Risk Management and Mitigation

SKP can collaborate with you right from identifying and assessing tax risks to designing controls, monitoring and evaluation. We provide advisory, compliance and litigation support for domestic and international tax matters.

## Appeals and Representation Support

SKP has attained great recognition in the field of representing clients before the tax and regulatory authorities and dealing with various complex high-stake matters. Our in-depth knowledge of the client's business and the applicability of tax laws to all aspects of their business has enabled us to attain one of the highest

success rates in litigation in India. Also, our expertise enables clients to represent their facts before the tax authorities and obtain a Lower/NIL withholding tax certificate, if required.

## Advisory and Consultancy

While advising businesses, SKP maintains an unwavering focus on the business objective behind the transaction. This approach enables us to suggest the most practical solution, considering the impact not only under Indian tax laws but also under other applicable laws. We also assist clients in implementing our suggestions. Some key areas of our advisory services are:

- Review of agreements
- Weighted deduction for scientific research expenditure
- Foreign exchange regulation advisory and compliance
- Tax-efficient compliance with statutory Corporate Social Responsibility (CSR) obligations

## Registrations for Charitable Institutions

We assist businesses in smoothly obtaining registrations for their charitable trusts and bodies from the Indian tax authorities.

## Due Diligence

SKP's expertise in tax due diligence enables our clients to smoothly undertake mergers/acquisitions/joint ventures with complete peace of mind as we address the tax intricacies involved with due attention and caution.

## Outbound Investment Structuring

We have assisted several Indian clients in their global expansion plans by advising them to structure their investments outside India from a business and tax-efficiency perspective.

## Advance Tax

Advance tax is an important medium for the income tax authorities for round-the-year collection of tax. Non-payment or non-adequate payment of advance tax results in high penal interest cost for businesses. High payment of advance tax results in huge refunds which involves gestation of funds for long periods of time. SKP assists clients in computing and paying appropriate advance tax to ensure that their fund flows are optimally managed while meeting their due tax liability in India.

# OUR EXPERIENCE

## Some of Our Work

- Advised a company in the UK for structuring their private equity swap in India – the first ever private equity swap in India
- Advised one of Israel's largest shipping companies with respect to the non-taxability of various ancillary charges in India, thereby saving substantial taxes
- Advised a listed Indian company on optimal holding company jurisdiction for it to make investments/acquisitions in 23 target countries
- Advised a large private equity firm in USA on consolidating eight existing investment structures into a single holding company
- Advised a British pharmaceutical company on minimising tax in the UK and other jurisdictions on international royalty income from five countries
- Planned and obtained the lower withholding tax certificate for a NASDAQ-listed Israeli telecommunication software company
- Minimised Indian withholding tax related to fees being paid by a leading Indian investment bank to a large international consulting company that had offices in five cities abroad
- Advised an overseas dredging company on their dredging contract in India with a view to reduce overall Indian tax considering Indian and international tax structuring via an intermediate sub-contracting entity
- Defended a multinational polymer company in revision proceedings initiated by the tax authorities under Section 263 of the Income Tax Act, resulting in the proceedings being dropped at the CIT level (Commissioner of Income Tax) – a rare phenomenon in India
- Advised a large Indian multinational corporation on treating Value Added Tax (VAT) incentive received with reference to new investments as a capital receipt for the purpose of tax, leading to huge tax savings for the client

## ABOUT US

SKP is a long established and rapidly growing professional services group located in seven major cities across India. We specialise in providing sound business and tax guidance and accounting services to international companies that are currently conducting or initiating business in India as well as those expanding overseas. We serve over 1200 clients including multinationals, companies listed on exchanges, privately held and family-owned businesses from more than 45 countries.

From consulting on entry strategies to implementing business set-up and M&A transactional support, the SKP team assists clients with assurance, domestic and international tax, transfer pricing, corporate services, and finance and accounting outsourcing matters, all under one roof. Our team is dedicated to ensuring clients receive continuity of support, right across the business lifecycle. Our tax team has over 150 professionals, including chartered accountants, economists, management professionals, cost accountants and lawyers, led by four experienced partners.

As a member of Nexia International, we also have access to a leading worldwide network of independent accounting and consulting firms across more than 110 countries, providing a comprehensive portfolio of audit, accountancy, tax and advisory services.

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