



## Tax Health-check

The Indian tax environment is dynamic. Regulations are constantly evolving. To keep pace with the changing business landscape, businesses therefore, must thoroughly assess their tax structures, tax positions and tax compliances on an on-going basis, to ensure that the overall tax positions are backed by adequate support, compliances are monitored and matters that are under litigation are dealt with appropriately.

A Tax Health Check provides an assurance that tax implications for a certain period, an area of compliance or a specific transaction are identified, duly addressed and appropriate actions for risk mitigation are taken. Conducting such health checks on a periodic basis will help in managing tax risks, ensure appropriate compliance, result in better preparedness for litigation matters and strengthen tax positions.

The SKP Tax team comprises of consultants and accountants who work together to ensure that your organisation is compliant from with all aspects of tax. The direct and indirect tax teams work together to achieve a common end of optimising your overall tax outflows and risks.

# Our Services

## 01 Review of litigation submissions

Tax litigation in India has traditionally been a time-consuming and costly affair. Matters pending in litigation for over a year invite similar adjustments in later years and also create uncertainty about the tax and business positions to be adopted regarding pending matters. Success at any stage of litigation also requires certain administrative activities such as obtaining the Order Giving Effect, Rectification Orders, etc. to ensure appropriate closure of litigation proceedings.

The SKP Team examines your litigation submissions for both direct and indirect tax matters and provides status reports on the various matters in litigation as well as obtain relevant orders, and follow up for refunds so that these matters are looked after appropriately.

### Benefits

- Improve chances of success in matters under litigation
- Ensure appropriate closure of litigation proceedings
- Releasing cash blocked in tax refunds

## 02 Tax Retainership

Business enterprises often require continued support on routine tax matters. These matters are largely operational in nature and require a quick-check from a tax perspective.

SKP can assist the company through a tax retainership model by providing ongoing support for routine tax matters whenever required. This would also include providing regular and timely updates on tax developments and its impact on the company.

### Benefits

- Issue identification at transaction level
- Maintaining proper tax hygiene

## 03 Transaction-based tax advice

As the Indian tax environment is dynamic, it is advisable that any peculiar and non-routine transaction is examined from a tax and regulatory perspective to ensure that the tax considerations and implications are clear right from the beginning.

We offer both direct and indirect tax advice based on an in-depth research. We also consider the stand taken by the company from an Indirect tax perspective, and ensure that the documentation reflects the intent of any particular transaction. In addition, we share our insights on the tax positions to be taken on various transactions as required.

### Benefits

- Maintain adequate documentation to support positions taken
- Adherence to exchange control regulations
- Ensure appropriate tax positions are held on peculiar items, from a direct tax perspective

## Direct Tax

### 01 Review the Return of Income of previous periods

Return of Income is the primary mode of communication with the tax authorities on the company's tax position. The tax positions adopted by an entity on contentious issues are often based on the different court rulings pronounced after filing of the Return of Income. Furthermore, considering the cost of litigation, the positions taken on the Return of Income should be a blend of legal and practical solutions.

Through this exercise, our team will help you examine and strengthen your strategic tax positions, avoid tax leakages and analyse the strength of related documentation.

#### Benefits

- Better preparedness for scrutiny assessment
- Minimise tax liability
- Support in management decision making

### 02 Vendor and salary TDS health-check

TDS continues to be a major source of revenue mobilisation for the government. There has been an increased emphasis on TDS compliance in the recent years. TDS liability is often influenced by the documentation available with the TDS deductor. It is important for a business enterprise to obtain a periodic assurance that the TDS deduction is appropriately made and that it is duly supported by adequate documentation.

SKP can help you examine TDS right from the vendor-level, to foreign payments and can also review salary structures. We can also help you manage issues arising from TDS defaults and explore possibilities relating to refunds or using excess TDS payments.

#### Benefits

- Ensure appropriate compliance of TDS provisions
- Saving time and effort in dealing with intermittent TDS defaults
- Cash savings through utilisation of excess TDS payments

### 03 Income Computation and Disclosure Standards (ICDS)

The ICDS are a separate set of directions issued by the CBDT for computation of taxable income and are applicable from 1 April 2015. Though prima facie the ICDS appear to be identical to the Accounting Standards, there are a number of subtle variations between the language of the ICDS compared to the Accounting Standards. The impact of ICDS could be significant for areas such as revenue recognition from services, capitalisation of borrowing costs, recognition of expected incomes and allowability of provision for expenses. Furthermore, there are substantive disclosure requirements under each of the ICDS.

The SKP Tax Team can help you with all your ICDS needs. Right from evaluating the applicable standards in light with the company's policies and quantifying the impact to harmonising the ICDS requirements and drafting the necessary disclosures.

#### Benefits

- Ensure positions under ICDS are appropriately researched
- Assist in making appropriate advance tax payments
- Balanced ICDS disclosures



## Indirect Tax

### 01 Comprehensive diagnostic health-check

An indirect tax health-check would involve studying the entire operations from the company and applying the Indirect Tax provisions and ascertaining whether it is adhered to by the company. A diagnostic review would involve the following indirect tax legislation:

- Central Excise
- Service Tax
- Customs
- VAT/CST
- Foreign Trade Policy (FTP)

#### Benefits

- Identify Tax exposures
- Ascertain corrective steps to strengthen the tax position and level of compliances

### 02 Documentation and process review

As most of the tax exemptions/refunds/concessions/credits are based on the documentation maintained, it is critical to ascertain whether it is appropriately/adequately maintained. A process review helps ascertain whether the method followed by the company is in line with the guidelines defined by the company and is according to the provisions of all the indirect tax laws.

Our team can help you with reviews that are customised to your organisation's operations and the processes you follow.

#### Benefits

- Ascertain exceptions/deviations in documentation/processes followed by the company
- Suggesting corrective steps



# About SKP

We are a long established and rapidly growing professional services group located in six major cities across India with India desks in Toronto and Dubai. 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.

Besides consulting on entry strategies, implementing business set-up and M&A transactional support, we assist clients with assurance, domestic and international tax, transfer pricing, corporate services, and finance and accounting outsourcing matters, all under one roof.

Today, we serve over 1,200 clients including multinationals, listed companies, privately held and family-owned businesses from over 45 countries.

Over the years, we have always emphasised the importance of professional standards and personalised service; and we continue to reflect this progressive mindset by serving our clients with integrity, delivering high quality, innovative results.

This focus is also witnessed in our Corporate Social Responsibility activities. We firmly believe that social responsibility is about contributing beyond a mere monetary donation – it truly is a responsibility. At SKP, we focus on getting involved and here too, we're always seeking innovative solutions to help the less fortunate as we believe it is a privilege to have the opportunity to make a difference.



## SKP 360°

We look at ourselves as your partner and not just a service provider. We strive to learn every client's unique challenges by providing personalised attention, which enables us to arrive at relevant and innovative solutions.

We explore and examine all aspects of a situation, often delving into issues beyond the defined scope of work. With our collaborative approach, we are dedicated to ensuring that you receive our support throughout the business lifecycle.

We are your 360-degree-solution-providing partner.

# Our Offices

## Mumbai

19 Adi Marzban Path  
Ballard Estate, Fort  
Mumbai 400 001

**T:** +91 22 6730 9000

## Pune

VEN Business Centre  
Baner-Pashan Link Road  
Pune 411 021

**T:** +91 20 6720 3800

## Hyderabad

6-3-249/3/1 SSK Building  
Ranga Raju Lane, Road 1,  
Banjara Hills, Hyderabad 500 034

**T:** +91 40 2325 1800

## New Delhi

B-376  
Nirman Vihar  
New Delhi 110 092

**T:** +91. 11 4252 8800

## Chennai

3 Crown Court  
128 Cathedral Road  
Chennai 600 086

**T:** +91 44 4208 0337

## Bengaluru

312/313 Barton Centre  
Mahatma Gandhi Road  
Bengaluru 560 001

**T:** +91 80 4277 7800

[skpgroup.com](http://skpgroup.com)

[skpgrp.info@skpgroup.com](mailto:skpgrp.info@skpgroup.com)



[linkedin.com/company/skp-group](https://www.linkedin.com/company/skp-group)



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