

## TRANSFER PRICING

We deliver optimised global solutions. Our team offers a complete suite of services, independent advisory and holistic solutions for multinationals.



# TRANSFER PRICING

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- Started off in 2000 just before the advent of transfer pricing regulations in India
- Transfer pricing assignments for over 500 companies
- Defended assessments for clients across diverse industries with a high success rate
- Dedicated team of more than 35 people including Chartered Accountants, MBAs, Economists and Lawyers
- Subscribed to leading Indian and global databases such as BvD

For recent updates on transfer pricing (India and global), please take a look at our quarterly newsletter, [Transfer Pricing 360°](#). Do share your comments and feedback with us.

# OUR SERVICES

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## Formulating and Implementing a Global Transfer Pricing Policy

- Formulating and assisting in implementing an optimal transfer pricing policy considering transfer pricing issues, international tax, exchange control, value added tax, service tax and regulatory issues
- Aligning transfer pricing with client's global business goals and objectives
- Developing transfer pricing strategies blending Indian and overseas tax requirements (global transfer pricing), with a special focus on the Asia-Pacific region

## Review Existing Transfer Pricing Policy

- Ensuring adherence to transfer pricing policy (Indian and global)

## Tax-efficient Supply Chain Management

- Restructuring business processes to be operationally and tax efficient
- With SKP's subject-matter specialists, the transfer pricing team can assist companies not only in optimising tax expenses at a group level but also in optimising their global supply chains

## Assistance with Special Transactions

Our services and expertise spans over all areas of transactions, specifically:

- Inter-company financing (loan and guarantee pricing)
- Royalty and other payments for intangibles
- Cost Contribution Arrangement (CCA)
- Management fee and other intra-group transactions

# OUR SERVICES

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## Support in Benchmarking

- Benchmarking support by accessing Indian and global databases

## Documentation

- Maintenance of robust documentation as per Indian and overseas jurisdiction requirements
- Assisting in compilation of 'master file' and 'country-specific' documentation

## Certification

- Issuing Form 3CEB (CA or CPA Certificate) as required under Indian regulations encompassing international transactions as well as domestic transactions covered under transfer pricing

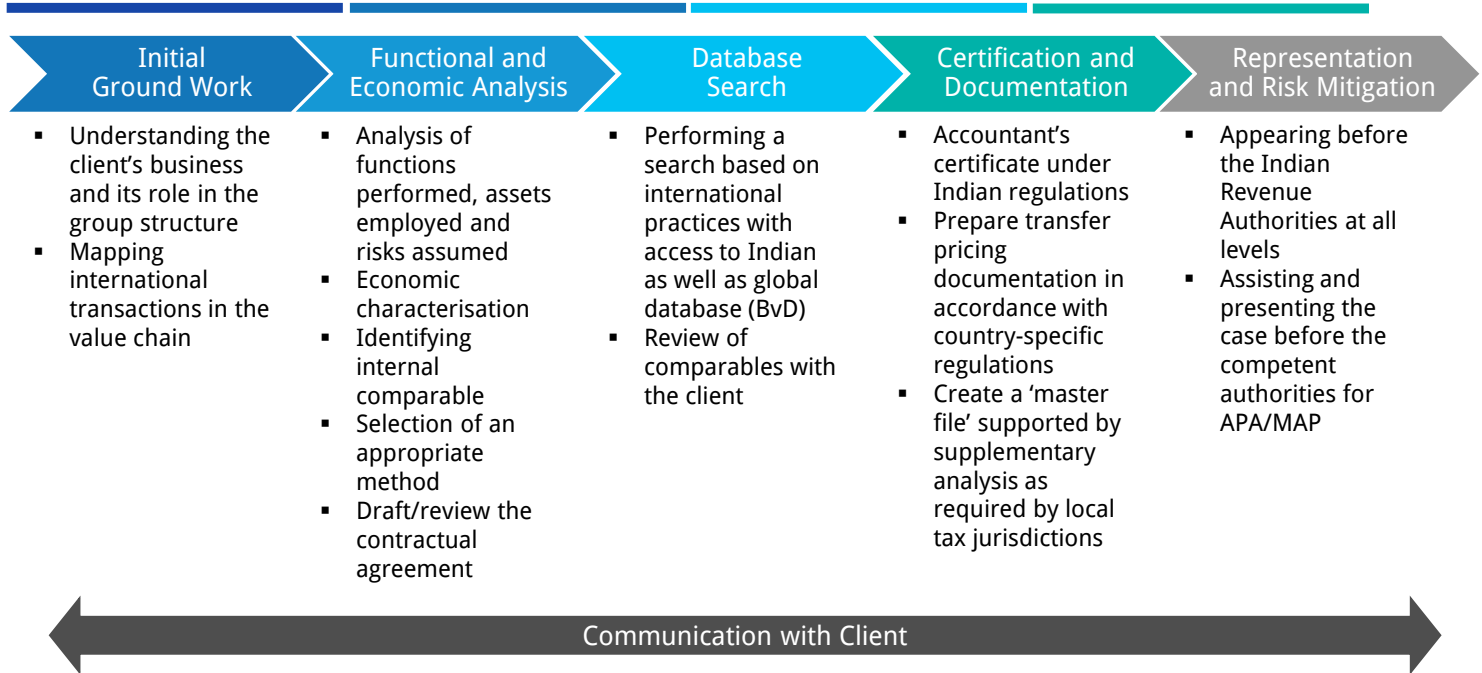
## Competent Authority Negotiations, APA and Litigation Support

- Experienced in protecting clients' interests and defending the transfer pricing policy before the APA/competent authorities and even on-the-field tax authorities

## Valuation

- Our experts assist clients in establishing fair valuations of businesses and intellectual property associated with business restructuring or mergers and acquisitions

# OUR APPROACH



## OUR EXPERIENCE

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- Formulated a transfer pricing policy to **balance Indian and UK regulations** for an Indian multinational software company which resulted in an effective tax rate of 1.59% for the Group
- Assisted a US-listed publishing company in **formulating a global transfer pricing policy** with respect to intra-group transactions with its Indian subsidiary and maintaining documentation under US and Indian regulations
- Advised one of the largest shipping companies in the world on **changing their transfer pricing policy** to remunerate its subsidiary from percentage-based commission to cost-plus which led to substantial tax savings
- Advised a listed Indian company (the largest paint manufacturer in India) with 23 subsidiaries overseas in **formulating an intra-group management fee policy from a transfer pricing perspective**
- Advised a speciality packaging company having various subsidiaries across the globe on alternative approaches to **formulate arm's length guarantee charges or fees**
- Assisting an Indian listed pharmaceutical major in **restructuring its supply chain** thereby making the structure tax-efficient – both from a corporate tax and indirect tax perspective

# DELIVERING VALUE

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## The Client

An Indian multinational software company

## Our Engagement

Formulating a transfer pricing policy that maximises after-tax cash flows for the group while balancing Indian and UK transfer pricing regulations

## The Solution

- Effective tax rate for the group as a whole as low as 1.59%
- Huge tax savings for the client

## Our Service Edge

- Cost Plus Method with search on UK's database
- Optimising tax exemption benefits in India
- Transfer pricing representation in UK and India and policy accepted by UK and Indian IRS

# DELIVERING VALUE

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## The Client

A leading international shipping firm

## Our Engagement

Formulating a transfer pricing policy with respect to transactions with its subsidiary (agent of foreign company in India) that minimises the overall taxes of the group

## The Solution

- Incidental shipping income not taxable in India (Article 8 of the Tax Treaty)
- Tax savings of INR 123 million for 3 years and counting

## Our Service Edge

- Re-characterisation of the Indian agent as a service provider, changing the method of remunerating the agent from commission basis to cost-plus basis, and transferring all incidental shipping income to the parent company
- Minimising taxes in India with respect to the agent's income



# DELIVERING VALUE

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## The Client

A leading global cosmetic company

## Our Engagement

Defending the management fee charge by the foreign parent to the Indian subsidiary before the Indian transfer pricing authorities and defending the pricing method used by the taxpayer against the method used by the tax authorities at the audit and appellate level

## The Solution

- No adjustment on account of management fee, which in earlier years had been entirely disallowed
- Huge tax savings for the client over a span of 5 years and counting

## Our Service Edge

- Demonstrating to the Indian transfer pricing authorities at various levels, the benefit derived by the Indian subsidiary and passing the benefit test and defending the transfer pricing method used by the taxpayer, based on the facts of the case, OECD Guidelines, Indian Regulations and Court Rulings
- Appellate orders in favour of the taxpayer

# DELIVERING VALUE

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## The Client

A listed Indian company (the largest paint manufacturer in India)

## Our Engagement

Formulating an intra-group management fee policy for 23 subsidiaries across the globe

## The Solution

Devised a transfer pricing policy to charge management fee across all subsidiaries

## Our Service Edge

- The proposed solution was a balancing act based on Indian and global requirements
- We also suggested the relevant documentation to be maintained for the purpose of a benefit test
- Acceptance of the policy in India and overseas

# DELIVERING VALUE

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## The Client

An Indian multinational providing communication and enterprise IT services

## Our Engagement

A review of inter-company transactions between the parent and its worldwide subsidiaries, and between two international group entities, besides specified domestic transactions of the parent with its local entities to check adherence to existing transfer pricing guidelines for ensuring compliance with Indian transfer pricing provisions

## The Solution

- Identified areas of non-adherence to internal guidelines from an Indian transfer pricing perspective
- Highlighted possible avenues of revenue leakage due to deficiency in documentation

## Our Service Edge

- A detailed study and in-depth analysis of processes followed enabled us to highlight flaws in the documentation method
- Recommended the client to strengthen its documentation from a transfer pricing perspective to keep the enterprise assessment ready

**We are a leading professional services group providing a wide range of solutions for Indian and international businesses**



**50+**

years of experience in accounting, advisory, assurance and tax



**1200+**

active clients including Fortune 500 companies, multinationals, and companies listed on global exchanges



**1000+**

employees from accounting, legal, tax, engineering, management and other diverse backgrounds



**45+**

countries where we have our clients

Our mindset is that of a partner, not a service provider.

Our approach is holistic, often leading to innovative and groundbreaking solutions.

Our objective is to provide the best solution, even if it means going beyond the defined scope of work.

Our approach towards our clients is simple – we look at ourselves as your partners and not just service providers. This frame of mind allows us to work in your best interests, leaving no stone unturned in ensuring that even the most complex assignment is handled as seamlessly as possible.

We place utmost importance on and strive to learn every client's unique challenges by providing personalised attention, thus arriving at relevant and innovative solutions.

At SKP, we explore and examine all aspects of a situation, often delving into issues beyond the defined scope of work. We are your **360-degree-solution-providing partner**.

# OUR SERVICES

Since inception, our founders have emphasised on professional standards and personalised service; and we continue to reflect this progressive mind-set by offering customised solutions to our clients across diverse industries with quality, integrity and respect.

## Assurance

Forensics/Investigations  
Governance, Risk Management and Compliance  
Technical Advisory

## Business Advisory

Transaction Advisory  
Business Consulting  
Greenfield and Set-up Advisory  
Restructuring  
Due Diligence and Valuation  
Regulatory Advisory

## Corporate Services

Accounting  
Payroll  
Secretarial  
Compliance

## Business Process Management

Finance and Accounting  
Global Payroll and Compliance  
Contract Management

## Taxation

Advisory, Compliance and Litigation

- Direct Tax
- Indirect Tax
- Transfer Pricing

"We recognise the needs of globally focused businesses as varied, requiring not merely solutions, but 360-degree solutions. Stemming from our client's needs, we provide services that address all aspects relevant to a business right from conceptualisation to implementation and continuance."

## OUR TEAM

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**Maulik Doshi**  
**Partner**

Maulik heads transfer pricing and international tax with years of experience in cross-border tax. His core practice is advising multinational corporations with Indian and foreign transfer pricing rules in all contexts, including planning, litigation, APAs, and contemporaneous documentation studies. He has experience in international tax planning matters including inward investment, cross-border investment structuring, contract structuring, permanent establishment issues and expatriate tax. He has served clients with complex advisory requirements across various sectors, including information technology, electronics, financial institutions, private equity and asset management, automotive, consumer products, pharmaceuticals, medical devices, and manufacturing. He writes regularly for leading international and Indian tax journals and portals, and addresses forums at Indian and global platforms.



**Kamlesh Kaltari**  
**Senior Manager**

Kamlesh has over eight years of consulting experience in handling a wide variety of transfer pricing assignments across industries including services, automotive and auto ancillaries, software and hardware distribution, electronics and pharmaceuticals. His experience in transfer pricing includes assisting multinationals in tax planning, developing transfer pricing policies, core transfer pricing documentation, reviewing cost sharing models and valuation assignments. His experience also includes an international assignment (23 months) with a Malaysian firm to get exposure into South-east Asian transfer pricing regulations. Kamlesh actively participates in representation before the revenue authorities at various levels involving transfer pricing audits. He is also engaged in multiple APAs (unilateral and bilateral) assignments involving clients operating in the technology space.

## OUR TEAM

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Meghnand Dugarwal  
**Senior Manager**

Meghnand has over eight years of experience in transfer pricing with more than six years with the Big 4 accounting firms. He has handled complex transfer pricing and international tax assignments. His strengths include handling advance pricing agreements, tax-effective supply chain management, permanent establishment exposure and attributions and high-pitched transfer pricing litigations.



Umang Someshwar  
**Senior Manager**

An all-India ranker in the chartered accountancy and company secretarial examinations, Umang has more than 5 years of experience in transfer pricing, international tax and foreign exchange regulations in India. He has advised clients in formulating transfer pricing policies, litigation and handling tax and transfer pricing compliances. He is well versed in industries such as software, shipping, infrastructure, pharmaceuticals, etc. He has also written articles in professional journals and has addressed various forums in India on the subject of transfer pricing.



# OUR INTERNATIONAL NETWORK



**Member of Nexia International**, a leading worldwide network of independent accounting and consulting firms, providing a comprehensive portfolio of audit, accountancy, tax and advisory services

**USD 3.1 billion**  
fee income in 2015

**Ranked 10<sup>th</sup> globally,**  
according to International  
Accounting Bulletin Survey 2016

**250+ member firms**  
across **121 countries**

**2500+ Partners**  
supported by **24,781** staff

## **An Active Network**

A highly active network that drives quality and facilitates collaboration to enable its member firms to provide effective local and global solutions

## **A Promise of Excellence**

Delivering partner-led service to clients which ensures continuity, expertise and a deep understanding of the client's business

## **Business Minded**

Characterised by people who have an entrepreneurial spirit and who can relate closely to the SME and owner-managed businesses

## **Supporting International Growth**

Focus on supporting local businesses as they grow and through the Nexia International network and help their clients confidently venture into new international markets

# OUR ACHIEVEMENTS

As a solution provider, we step into our clients' shoes to understand and address their challenges as our own. As a partner, we strive to build a relationship, whilst keeping mutual profit at sight. We prioritise both, our clients' requirements and our thirst for innovation and excellence.



Listed among the **leading tax firms in India** every year from 2009 to 2016 in International Tax Review's World Tax guide

Listed among the **leading transfer pricing firms in India** in TPWeek's World Transfer Pricing guide in 2014, 2015 and 2016

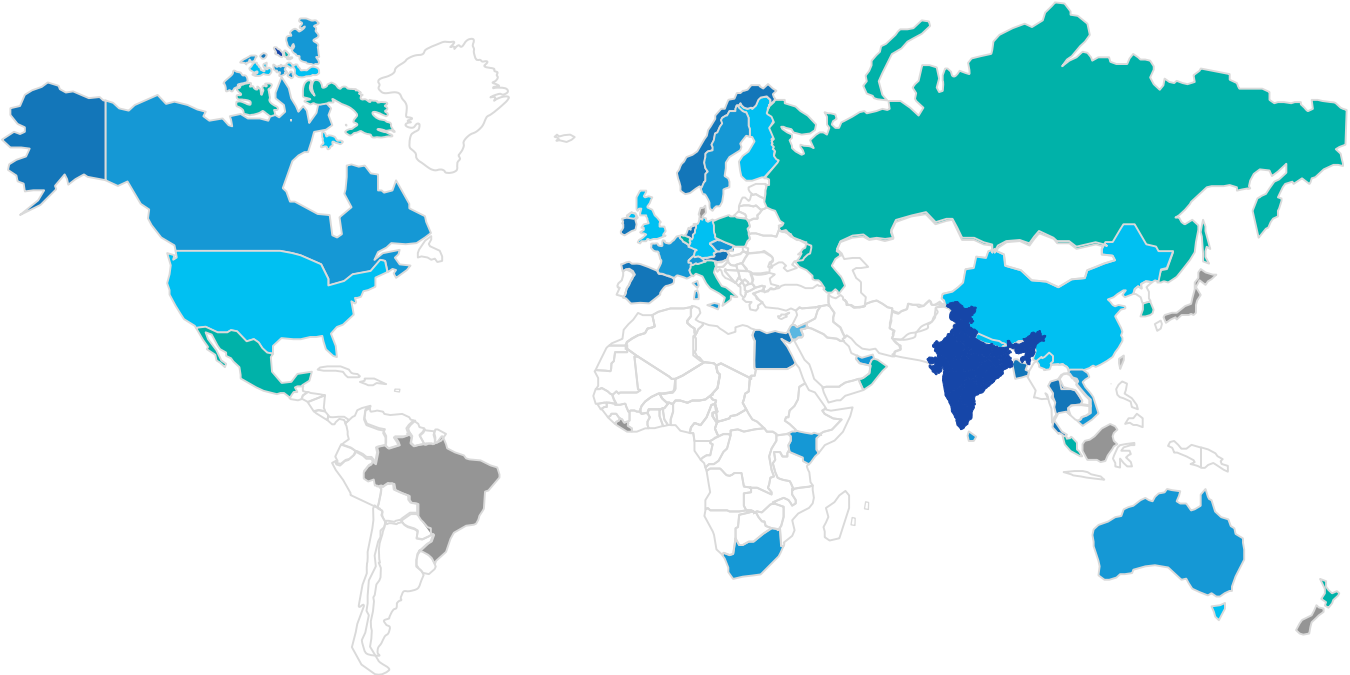
Winner of **India Tax Firm of the Year 2016** at the Asia Tax Awards



Winner of Nexia International's **Firm of the Year Award 2015**

Winner of the International Accounting Bulletin Award for **Social Media Networking Champion of the Year 2015**

# OUR CLIENT MAP



- |            |                |           |               |             |              |             |                      |
|------------|----------------|-----------|---------------|-------------|--------------|-------------|----------------------|
| Australia  | Cayman Islands | Finland   | Israel        | Malaysia    | Oman         | South Korea | Thailand             |
| Austria    | China          | France    | Italy         | Mauritius   | Poland       | Spain       | Turkey               |
| Bangladesh | Cyprus         | Germany   | Japan         | Mexico      | Qatar        | Sri Lanka   | United Arab Emirates |
| Belgium    | Czech Republic | Hong Kong | Kenya         | Netherlands | Russia       | Sweden      | United Kingdom       |
| Brazil     | Denmark        | India     | Liechtenstein | New Zealand | Singapore    | Switzerland | United States        |
| Canada     | Egypt          | Ireland   | Luxembourg    | Norway      | South Africa | Taiwan      | Vietnam              |



# THE SKP ADVANTAGE

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## A Culture of Care

### At SKP we care for our team, clients and society alike

- We encourage a 'can do' attitude by applauding initiative at any level
- Providing a platform for growth and excellence
- With our clients, we believe in transparency, honesty and a personal touch
- Our corporate social responsibility initiatives are ongoing. Our proactive team is constantly partnering with organisations that are in need.

## Extensive Experience

- A global approach in integrating Indian and foreign needs
- Practical solutions that balance both theory and practice

## A Promise of Excellence

- Collaborative approach
- A single point of contact ensures hassle-free coordination and seamless service
- Client-orientated method, thus providing relevant solutions



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