

VERENDRA KALRA & CO
CHARTERED ACCOUNTANTS

Like always,
Like never before...

**INDIRECT TAX
SERVICES**



ABOUT US

We at Verendra Kalra & Co. (VKC) have vast experience in providing tax consultancy and representational services to the varied needs of organizations, irrespective of their size or structure.

- Our IDT team possesses, in particular, vast expertise in indirect tax structuring and litigation support of various industries.
- We are constantly looking at performing beyond client's expectation in order to deliver cutting edge solutions to the most complex needs of our clients.
- We partner with our clients to offer independent services that help reduce tax exposures and streamline business processes and ensure business sustainability.

For us, quality is synonymous with aiming to embody the highest standards of professional excellence in everything we aspire to do.

INDIRECT TAXES

The Indian indirect tax regime is beset with multiplicity of laws which are also constantly evolving through legislative action, departmental clarifications and judicial decisions. Further, the regime is on the verge of being placed within a more integrated system in the form of the proposed Goods and Services Tax ('GST'). These features, coupled with the overall increased rigor in tax administration and the possible re-alignment of existing exemptions and incentive schemes have resulted in a complex tax environment for business entities operating or proposing to set up operations in India.

In India, indirect taxes encompass every area of business be it manufacturing, sales of goods and services, imports exports etc. Due to the shifting nature of indirect taxes, they are ultimately borne by the final consumer. Therefore if a business entity fails to anticipate the applicability of indirect tax and does not recover the same from the consumer, it becomes a cost to the entity and is a direct hit to its bottom line. Consequently, indirect taxes have a direct bearing on the costs, pricing policy, cash flow and profitability and ultimately the competitiveness of an organization. Hence it becomes critical to evaluate the impact of various indirect taxes on any given transaction.

CENTRAL EXCISE

The roots of Central Excise dates back to the historical "Dandi March" of Mahatma Gandhi where the manufacture of salt was taxed for the first time.

Duties of Central Excise are levied on goods manufactured or produced in India. It is levied under the authority of the Central Excise Act, 1944 at the rates prescribed in the First Schedule and Second Schedule to the Central Excise Tariff Act, 1985 as amended by Central Excise Tariff (Amendment) Act, 2004.

The effective rates may be lower pursuant to general /specific notifications issued by the government granting whole or partial exemption from duty. The duty, in most cases, is levied on the basis of value of the excisable goods.

SERVICE TAX

Following the platform of Central Excise, Service Tax was first introduced in the year 1994 with an intention to tax the untapped growing service sector. With an inception of three services and a meagre tax revenue therefrom; Service Tax today has grown to a position where almost all activities possibly existing in the economy are being taxed, barring a few in the negative list.

VAT/CST

Like Excise is levied on manufacture of goods and Service Tax is levied on provision of services, similarly VAT is levied on sale of goods.

It is a form of indirect tax and is in nature of multipoint sales tax that needs to be paid to state in form of VAT. It is levied under Central and State VAT legislation and depends on movement of goods in pursuance of sale transaction. If transactions involve movement of goods from one state to another, this tax is levied under Central Sales Tax Act (CST), 1956.

HOW WE CAN HELP

At VKC we provide comprehensive advice and assistance on indirect taxes. Our leadership team includes professionals with substantial experience to see you through the implementation process and provide ongoing solutions in the field of indirect taxation.

Our IDT team continually strives for the best, constantly polish their skills, and consistently model integrity and ingenuity. We provide objective, independent, professional advice to all levels of management and pave the path towards continuous improvement.

We assist functional heads and management in:

- Structuring and planning:
 - indirect tax analysis on proposed transactions
 - tax neutralization/ optimization advice
 - agreement review/ drafting
 - advice on setting up business in tax efficient manner
 - identify mechanics to optimize tax credits and reduce cascading of taxes
- Setting up systems and processes
 - set up a system or process to ensure data collation
 - preparing worksheets for tax computation
 - collating data for preparation of applicable tax returns
 - ensure regularly and timely compliance of tax payments and return filing
- Compliance facilitation and outsourcing
 - Obtaining required registrations
 - Timely calculation and payment of taxes
 - Filing returns
 - Liaisoning with various tax authorities
- Undertaking regular health checks and reviews to ensure statutory compliance and tax avoidance.
 - examine applicability of indirect taxes
 - examine eligibility of tax credits and export benefits (as applicable)

- review statutory returns/ records and documentation
 - evaluate tax optimization opportunities
 - identify tax exposures and inefficiencies
 - detailed exception report outlining observations
- Credit Mapping
 - identifying expenses on which tax is paid
 - evaluate expenses on which input tax credit has not been availed
 - evaluate the eligibility in terms of applicable input tax credit provisions
 - put a system in place to ensure optimum input tax credit availment
- Litigation Support
 - Drafting appeals, submissions and replies to notices, audit reports.
 - Assistance during departmental audits by local and CERA teams
 - Representation before adjudication and appellate authorities including the tribunal (CESTAT)
 - representation before Advance Ruling Authority
 - representation before Settlement Commission for settlement of cases
 - day-to-day litigation support on notices, summons etc. received from tax authorities
- VAT audits
 - conducting State specific VAT Audits
 - issue report in the specified Format
 - advice to improve upon grey areas and other possible opportunities.

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