



Restructuring Services

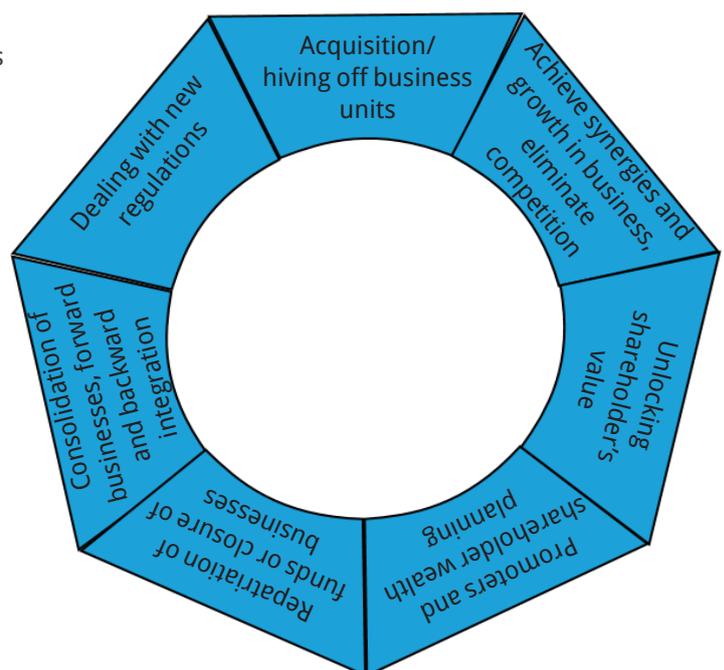
End-to-end advisory and implementation support

In today's globally expanding and complex business environment, mergers and acquisitions have become common tools for business houses to transcend exponentially. The increase in Foreign Direct Investments (FDI), growing opportunities for strategic alliances and sweeping competition have forced the industry at large to explore restructuring options to be sustainable in the long-run.

Organisations must adapt to the changing business environment and identify opportunities for growth. Businesses that wish to take advantage of these opportunities can consider restructuring through expansions, joint ventures, and divesting struggling and non-core assets.

There are several advantages/benefits attached to restructuring such as achieving competitive advantages, synergies of operations, unlocking shareholder's value, eliminating duplicate facilities/processes, diversification, etc.

Factors driving the need for restructuring:



Modes of Business Restructuring

Some of the commonly adopted corporate restructuring strategies are:

Mergers and Amalgamations

- Consolidation/expansion/integration of business
- Eliminating multiple entities/facilities in India
- For achieving operational/tax synergies

Demerger/slump sale/stake sale

- Segregation of non core business.
- Hive off of a Business Unit for bringing investments
- Unlocking shareholder's value

Conversion of company/firm into an LLP

- To reduce tax outgo
- To have flexible structures to achieve various objectives
- Business successions

Acquisitions/takeovers (eg. stake purchase etc)

- Organic/inorganic expansion of business, diversify portfolio
- Creating synergies, economies of large scale operation
- Eliminating competition, eliminating duplication of facilities
- Entering into new markets / jurisdictions

Capital Reduction

- To return surplus funds to the shareholders
- To cancel lost capital or the capital not represented by assets
- To achieve more efficient capital structure
- Eliminating losses that may prevent payment of dividends
- Improve EPS

Buy-Back of Shares

- To utilise the securities premium account
- An alternative mechanism to the Tribunal process required for capital reduction
- To give exit to a select class of shareholders
- To increase promoters stake
- A defence mechanism against a hostile takeover

Structuring of capital – Bonus issue, share split/consolidation/conversion

- To achieve desired shareholding before IPO
- To utilise the restricted reserves e.g. CRR
- To increase the capital base
- Consolidating holdings in trust structures
- Capitalisation of reserves before sale of stake

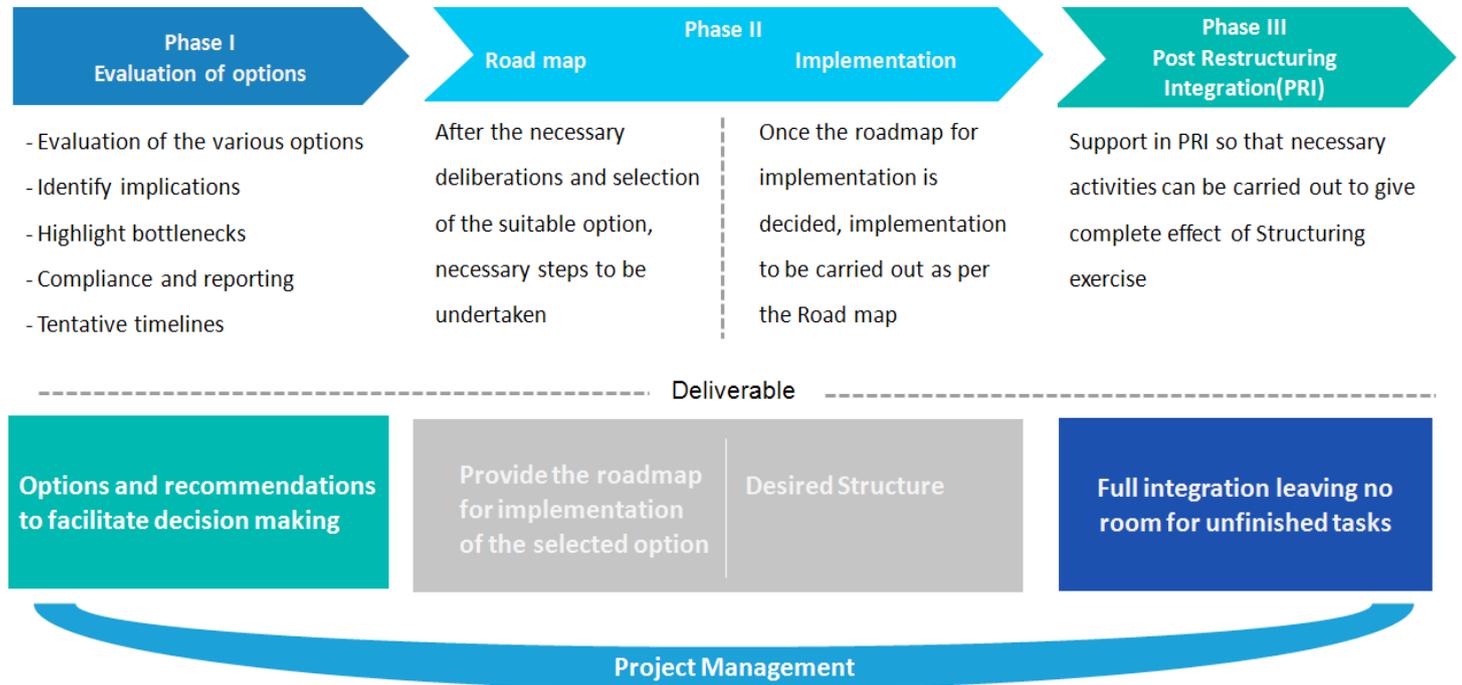
Our Services

When it comes to a restructuring assignment, our approach is of an end-to-end Project Manager for the entire transaction, thus saving the valuable time of management. Our team acts as a single point contact for the management, thereby facilitating and assisting during the transaction, right from the planning phase to the implementation and post-implementation stage. We are involved throughout the life cycle of the transaction.

- Assist in framing and evaluating strategies considering tax laws, corporate laws, foreign exchange regulations, stamp duty and accounting aspects
- Valuation and business modelling
- Identify optimal capital structures and financing strategies
- Assist in planning, scheduling and monitoring the restructuring programme
- Conduct financial and tax due diligence
- Assist in obtaining regulatory clearance
- Support in legal matters (with the help of legal advisers)
- Assist in the drafting, negotiations and finalisation of various agreements
- Business integration support

Our Approach

SKP's independent and professional advice plays an integral part in providing a 360° view, from understanding the need for restructuring to implementing the structure with a holistic perspective that integrates accounting, tax-planning, financial reporting, and legal and regulatory compliances.



Critical Aspects

- Tax implications in the hands of the company and shareholders (GAAR, BEPS, Capital Gains, carry forward of losses, MAT)
- Implications from a regulatory perspective under the Companies Act or other relevant Acts as may be applicable
- Stamp duty implications
- Exchange control implications
- GST implications and carry forward of input credits
- Accounting implications
- Valuations
- Approval from the Tribunal

Our Credentials



Advised and supported a US-based IT company in moving Indian operations from an Indian company to Indian Limited Liability Partnership (LLP) in a tax efficient manner



Acted as a financial advisor to an international real estate group for the internal restructuring of the family shareholding in their Indian companies



Advised a family-run jewellery retail group on the merger of its five group companies in India, each with registered offices in different states



Advisory on consolidation of various Indian entities of a French-based global player in stationery products along with valuation and implementation support

Why SKP

- Extensive experience in indirect tax, offering wide-ranging business insights to our Indian and multinational clients in conducting tax studies, compliances on various indirect taxes, litigation support, refund claims of indirect taxes, and implementation of the accounting system in line with applicable indirect taxes.
- Over 1,000 team members including chartered accountants, cost accountants, lawyers and management professionals, offering industry-wide specialised experience across various fields.
- Regular knowledge partners with prestigious organisations such as NASSCOM, ASSOCHAM, CII and other bilateral chambers of commerce.
- Our indirect tax team has trained over 3000 government officials to prepare for GST.
- Regular faculty at NACEN for GST studies.
- We contributed to a book on GST titled, 'Supply Chain Perspective' for the Confederation of Indian Industry (CII).

Contact Us

Jigar Doshi
Partner, Indirect Tax
E: jigar.doshi@skpgroup.com

Bhadresh Vyas
Senior Manager, Indirect Tax
E: bhadresh.vyas@skpgroup.com

Vikram Lalwani
Manager, Indirect Tax
E: vikram.lalwani@skpgroup.com

skpgroup.com

skp.gst@skpgroup.com



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