

## A US-based medical devices company

### Leading Medical Devices Company

SERVICES OFFERED: **Business set-up, project management and accounting and tax advisory**

SECTOR/INDUSTRY: **Healthcare (Medical devices)**



## Planning and setting up manufacturing operations in a record time in India, and implementing an overall India entry strategy in-line with long term initiatives

“Indeed it has been a pleasure to work with your organisation. Our company does appreciate the strong working relationship, and the help and support your organisation provided during the last 5+ years in getting us so far. This has truly been a partnership and a remarkable journey together. As we transition from a start-up to operating mode, SKP shall keep providing value-added and business advisory services with the same zeal and enthusiasm as you have done to date.”

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Senior Leader at the Company

### Challenge

#### **Prepare and set up manufacturing operations in India**

A leading US-based medical devices company was planning to set up a manufacturing facility in north India. The plant was an addition to their existing facilities in the US and Europe and the company was setting up a new plant after almost three decades. Hence, it was crucial for the company to be absolutely sure of its decision before going ahead with the venture. The client required key inputs for the decision-making process. At the same time, they wanted an Indian partner who could also assist in the implementation of their overall India entry strategy.

## Our Solution

### Providing complete business and regulatory advisory and set-up support for their greenfield manufacturing plans in India

SKP worked as an implementation partner for the overall project, assisting in the planning and execution phases in the following key aspects:

- **Business Plan and Capital Structuring:** We worked closely with the company's management team for a period of four months to provide a detailed business plan. The document was so thorough that it was used later for budgeting and monitoring expenses until the project was established. We also recommended capital structuring options and ways to fund the project. The advice provided at this stage not only gave the company confidence but assurance that the objectives for their Indian operations could be achieved and the venture could be successful.
- **Project Support:** Initially, SKP provided project management support in nearly all the key aspects of the manufacturing setup. The role included project planning, vendor onboarding and management, contractual obligations tracking, obtaining registrations and approvals, human resources support, treasury, information technology, drafting of policies and several other areas. We reviewed all the contracts the company entered into with various vendors in order to provide feedback from a commercial perspective and to spot any tax planning opportunities in advance. The role included dealing with contractors for the release of funds, cost and time overruns, vendor payments and invoice management.
- **Tax Advisory:** SKP provided crucial advisory with respect to tax implications and compliances during various stages of the project. It mainly included setting up their inter-company transfer pricing, preparing detailed manuals for indirect taxes as the provisions are fairly detailed and complex for units availing certain exemptions and benefits, managing cash flows in the project phase and providing feedback to the company's treasury team, expenditure review from an accounting and

tax standpoint for capitalisation and development of a fixed asset register according to the Indian and US GAAP.

- **Continued support post set-up:** Since 2009, SKP continues to support the company on various matters (including indirect taxation, direct tax and transfer pricing) in areas of advisory, compliance and litigation support services. The services included handling periodic compliances, tax approvals for duty free import and export, obtaining incentives, refunds, handling of tax scrutiny and assessment. SKP has also supported them in accounting to convert India books from US GAAP to Indian GAAP, payroll management and company secretarial services.

## Impact/Value

SKP's overall project support addressed all areas of concern, and provided the company with a detailed assessment of the complex business, tax and regulatory landscape in India. Our analysis helped the client plan its entry strategy and set up the manufacturing facility in record time.

The dedication and commitment to the project was a critical element to the company, not only establishing a manufacturing facility but establishing a business strategically placed in line with long term initiatives.

The facility was set-up in record time and SKP continues to help as a business partner providing various services including obtaining incentives, refunds, payroll, accounting conversion and managing compliances.

### For more information on this case study, please contact:

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