

A proposal to assist ABC Limited in understanding of the Indian market including industry and market analysis, study of corporate, regulatory and legal environment, an analysis of potential manufacturing locations in India, identification of suitable partner(s) and provide quasi representation in India

Submitted by

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Module - 1

Industry Analysis

This will include detailed research on:

- Key Players and estimated market share
- Geographical distribution of the market players
- Market drivers (Regulations, Initiatives, Tariffs/Import Duties, etc.)
- Industry trends and customer expectations
- Information on industry influencers and opinion leaders
- Prospects for the future
- Distribution Channels
- General ways of procurement by public and private hospitals
- Gaps at present supply scenario in terms of delivery, warranty, Payment terms, Services, qualities and others (if any)
- Widely acceptable brands to end users highlighting their USP's, warranty conditions demanded by end users
- Key selection criteria for suppliers

Module - 2

Corporate, Regulatory and Legal Environment

This will include :

- Foreign Direct investment into India including any approvals required from Foreign Investment Promotion Board (FIPB)
- Incorporation of company with estimated timelines
- Protection of Intellectual Property including Registration of trademarks
- Possible laws and rules governing sale of equipment in India
- Import regulations including product registration, import licensing, Customs and Excise

- Regulations pertaining to royalty, licensing, technology collaboration, Joint Ventures and Merger & Acquisitions
- Entry options into India i.e.
 1. As an Indian Company
 - a) Wholly Owned Subsidiary Company
 - b) Joint Venture with an Indian Partner /Acquisition
 2. As a Foreign Company
 3. Distributor(s)

Module - 3**Location Analysis...**

The focus of the research will be to shortlist prospective manufacturing locations on the following criteria i.e.

Good Supplier base especially ancillaries to provide components/product- This will allow greater localization and thus increase price competitiveness

Proximity to customers - Large hospital chains and other geographical hotspots where new hospitals are being established

Ease of Transport – Good transport connections for delivering in whole India and proximity to port may be an added advantage especially in the initial phase, to facilitate imports

Tax incentives/grants available from the local government for setting up of manufacturing and thereby creating employment in the region

Module - 3**Location Analysis**

The focus of the research will be to shortlist prospective manufacturing locations on the following criteria i.e.

Availability of Labour

Industrial Climate conducive to foreign investment with a track record of harmonious labour management relations

Environmental regulations which are supportive of new industries

Lack of Competition in the vicinity

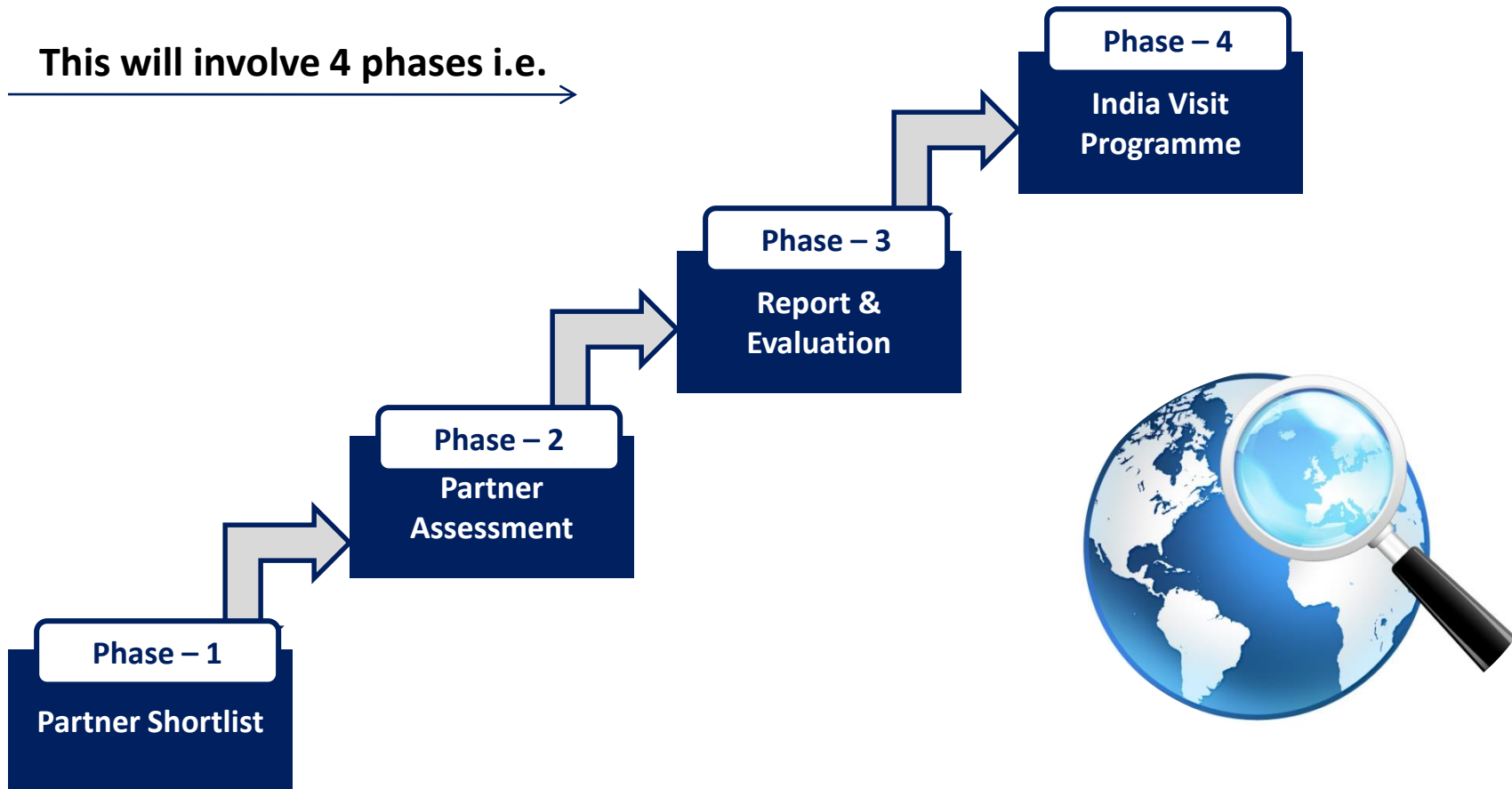
Convenient for International Travel and hence proximity to international airport

Module - 4

Potential Partners

We will evaluate options for Joint Venture Partners as well as Distributors

This will involve 4 phases i.e.



Phase – 1 Partner Shortlist

We will shortlist companies for a potential Joint Venture with an established distribution/ marketing set up and/or with a manufacturing set up.

For distributors our initial view would be that for a large market like India it would be useful to evaluate options for multiple distributors covering key geographical markets.

The focus of the research would be to prepare a shortlist of potential players based on the following criteria i.e.

- Existing client base in target segment
- Prior experience of representing/working with reputable overseas manufacturers in the Indian market and proven track record of successfully launching new foreign products in India
- Distribution network in geographical hot spots
- Sales and service support set up
- Qualified sales and service staff
- Strong financial background
- Professional management team and ethical Work Policy

A long list would be prepared on the basis of exhaustive secondary research using public and proprietary databases as well as reference to local classified directories, associations, local databases, specialist journals and references and other sources.

Phase – 2 Partner Assessment

The focus of this aspect of the project is the screening and qualification of prospective distributors and will involve the following:

Agreement and preparation of an introductory letter/email which will be used to fact find when making contact with the potential partners

Contact by telephone and email with the shortlisted partners to present ABC Ltd and its product offerings

Dispatch of ABC Ltd marketing/technical literature to the interested potential partners

Internal evaluation of the interested partners

Revision of the list and preparation of a short list

Phase – 3 Report & Evaluation...

We will present a summary report and an analysis of the information collected on your behalf. We shall prepare a profile of the short listed players, with an aim (subject to companies' willingness to share private information) to include the following:

→ Company name
→ Complete address (post, phone, e-mail, fax, URL)
→ Contact person/position
→ Interest in further discussions documented
→ Existing portfolio of products
→ Current customer segments

Phase – 3 Report & Evaluation

→ **Organizational structure**

→ **Number of employee**

→ **Membership at associations, cooperation's etc.**

→ **History of company**

→ **Infrastructure, office locations etc.**

→ **Professional experience & background of specific persons at potential partners**

→ **Personal impression based on our discussions with the company**

Phase – 4 India Visit Programme

This will include the following

Appointment of dates for the meetings with the qualified partners

Planning of meetings with the qualified partners during India visit

Submit a detailed travel itinerary prior to India Visit

Methodology

Context Building

- Public and proprietary database
 - Participation at Trade Fairs and industry events
 - Industry Journals and Reports
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Primary Research

- Sampling of target players
 - Interaction with Industry Players
 - Establishing direct contact through telephone calls, mailers and emails to evaluate the potential
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Market & Industry Analysis

- Screening and pre-qualification based on research inputs
 - Final shortlist of the qualified contacts
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Report & Evaluation

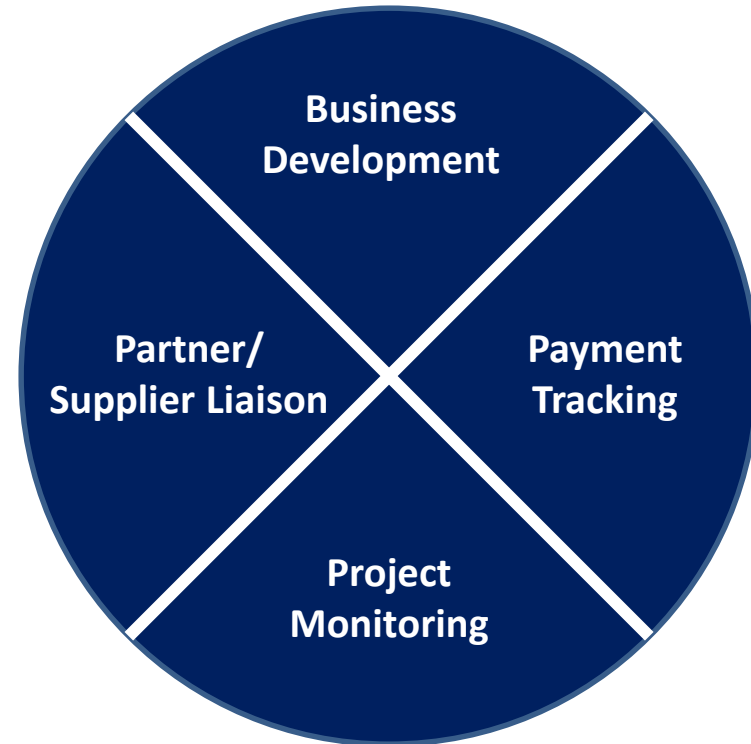
- Presentation of summary report and an analysis of the information collected
 - Recommendations
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Phase – 5 Quasi representation

T&A will act as the local office of ABC Ltd in India. This will result in on the ground support for proactive contact with potential suppliers, customers and raising the confidence of customers/partners that ABC Limited have a direct presence in India.

T&A's Business Incubation Centre (BIC) would provide
→Access to fully operational office in the heart of New Delhi commercial district
→Part time dedicated person on the India operations. The resource will be on our payroll and will be single point contact in India for all enquiries from prospective partners/customers
→Monthly status report on activities undertaken and progress made against pre- agreed annual plan
→In market support during visit to India including pre-qualification of companies and arrangement of meetings

Typical scope of work includes: →



Project Execution



Interaction with ABC Limited at pre-determined levels to appraise on engagement proceedings

Company Incorporation



The phase will include liaising with the Registrar of Companies (ROC) towards filing an application for Incorporation of a Company

T&A will undertake following steps which are required to incorporate a company:

- Obtaining DIN (Director Identification Number)
- Applying for name availability and obtaining a name approval for the Proposed Company
- Drafting Memorandum of Understanding (MOU) and Articles of Association (AOA)
- Court stamping of MOU and AOA
- Signing of MOU and AOA by first subscribers
- Filing with Registrar of Companies (ROC)
- Vetting of MOU and AOA by ROC
- Obtaining certificate of incorporation

Company Incorporation

Depending on nature of business, following registrations would be undertaken by T&A to conclude company incorporation in India

Immediate Business Compliances

PAN (Permanent Account Number): All income tax payers are required to obtain an income tax registration number i.e. PAN

TAN (Tax Deduction Account Number): While running a business, certain payments will require the payee to withhold tax. T&A will assist Grantham in obtaining TAN from income tax department.

Service tax: A person/company providing specified services needs to obtain service tax registration within 30 days of providing the services.

VAT (Value Added Tax): VAT is levied on sale of goods. Any business proposing to carry out a works contract or trade in goods needs to register for VAT.

Excise registration: Excise is an indirect tax levy on manufacture of goods

Vetting of MOU (Memorandum of Understanding) and AOA (Articles of Association) by ROC (Registrar of Companies)

IEC (Import Export Code): Prior to carrying out any export or import activities, it is mandatory to obtain an IEC from Directorate General of Foreign Trade.

Opening of Bank Account – Preparation of application and filing of documents

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