

# *Delivering fresh ideas*

*Pharmaceutical and Life  
Sciences Services*

## ***Are you maximising India's potential?***

The huge potential of the Indian pharmaceuticals market is impossible to ignore, given that it is expected to be one of the top 10 sales markets by 2020. Once you've decided to invest success depends on getting things right on the ground.

At PwC we have experts to assist you along each step of the way. What is your entry and commercial strategy? Should you go with a joint venture, alliance, start-up or local acquisition? Are you looking to raise debt or equity capital? What are the transactional, tax and HR implications of your chosen location? If problems should arise, what is your exit strategy? Who should your trusted partner be? We have deep understanding of the industry and our Global Pharmaceutical and Life Sciences Industry Group has extensive experience working with companies on industry-specific strategic, operational, and financial issues.

To learn more about how we can help your organisation, or to obtain copies of our industry publications like Pharma 2020 reports, Global Pharma looks to India and Capitalising on India's growth potential, please visit [pwc.com/pharma](http://pwc.com/pharma).

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# *Delivering fresh ideas*

Tax & Regulatory Services





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# ***Tax & Regulatory Services***

Direct Tax &  
Regulatory Services

*Page 04*

Indirect Taxes

*Page 06*



Transfer Pricing

*Page 08*

# Direct Tax & Regulatory Services

## Tax & Regulatory Compliance can make or break your strategy

We provide comprehensive yet practical advice on direct tax matters and help you implement it in a cost effective manner. The perils of ignoring tax and regulations cannot be understated. A poorly planned tax structure, on one hand, can affect your cash flow and returns, drain your profitability and even bring the taxman to your doorstep, leading to diversion of valuable resources towards litigation.

On the other hand, a well planned tax structure can keep the tax and compliance cost at the minimum.

Equally important is to structure your businesses in compliance with regulatory requirements, addressing regulatory ambiguities, maintaining relationships with regulators and dealing with upcoming regulations, investment rules, licensing requirements etc.

Being part of a large Pharma and Life Sciences Industry Global Network, we are able to draw on the knowledge and experience from the network firms and apply it to the Indian scenario. The expansive network also enables us to provide customised cross border solutions to client needs.

### ***If this is your situation:***

- You are looking at establishing a business presence in India.
- You want to acquire an Indian Over-the-Counter (OTC)/Generics Company in a tax-efficient manner.
- You want to set up manufacturing operations in tax-free zones.
- You want to structure contract manufacturing/tolling arrangement in a tax-efficient manner
- You want to make India a hub for global Research and Development (R&D) operations by establishing a standalone R&D Centre in a tax-efficient manner.
- You want to hive off your R&D division in to a separate legal entity to achieve tax optimisation.
- You need Department of Scientific & Industrial Research (DSIR) approval in setting up the in-house R&D facility for availing tax incentives.
- You want to set up a Tax-efficient Supply Chain Management System (TESCEM) in India.
- You are looking at establishing a Clinical Research Organisation business in India.
- You want to outsource Clinical Research activities in a tax-efficient manner.
- You are looking at tax-efficient ways for repatriating surplus profits/cash to your parent organisation.
- You are looking at outbound acquisitions/setting up companies outside India.
- You want to decipher the complex web of Indian tax laws by undertaking complete tax health check review.
- You want to ensure tax compliance including return filings, withholding tax obligations etc.



## Our services

*As a specialised industry group within Tax & Regulatory Services, we can help you develop tax efficient and regulatory compliant strategies and manage your tax exposures, assist you in managing your regulatory risks as well as keep you abreast with new developments in the Indian corporate tax and Regulatory environment arena that affect your business model.*

*We know the regulatory framework of your industry and how it can impact your business. We keep an ear to the ground and have the ability to pre-empt the future directions of these regulations and the issues arising thereof.*

*We maintain strong but independent relationships at various levels of Government authorities. Due to regular interactions at a professional level, we are regarded as people with high integrity and technical capability.*

Entry strategy from a tax and regulatory perspective	Tax planning strategies for profit and dividend repatriation
Evaluating an appropriate investment structure with tax and regulatory efficiency	Assistance in obtaining DSIR Approval
Choice of appropriate form of entity for setting up presence in India	Permanent Establishment Review
Setting up subsidiaries, branches or liaison offices	Tax compliance, representation before tax authorities and assistance in litigation
Obtaining regulatory approvals for inbound and outbound investments and repatriation of funds	Withholding tax obligations on corporate payments
Optimum use of corporate tax incentives	Regulatory risk analysis/health checks

# Indirect Taxes

## Do you know how much indirect tax you can save?

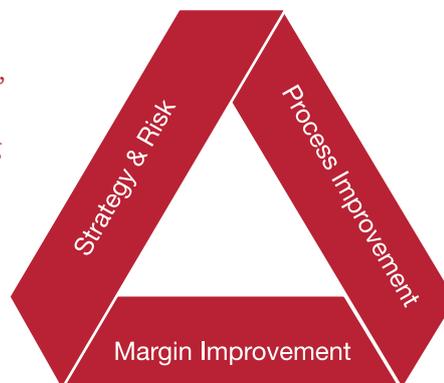
*Our indirect tax offerings are aimed at dovetailing challenges faced by life science businesses. Our services are designed to identify tax optimisation opportunities, manage risks associated with tax compliances reporting and identifying tax optimisation strategy.*

- Have you obtained an order from the customs valuation branch, for products imported from your affiliated entities?
- Have you ascertained the service tax implications on the services availed from abroad?
- Are you fully recovering the tax credits available to you on local procurement of goods/services?
- Have you faced challenges in classifying your products under VAT?

Our Indirect Tax practice can help you manage your indirect taxes in a strategic manner. We are well positioned to service all your needs and assist you in ensuring that your business is fully optimised and compliant from an indirect tax standpoint.

## Our key propositions

- Controls and process testing, review and enhancement
- Business structure modelling
- Technical consulting



- Process mapping and documentation
- Cash flow improvement and tax leakage reduction
- Provision of compliance solutions
- Data analysis

- Tax-efficient positioning of product offerings
- Transaction consulting
- Design of efficient credit recovery methodologies
- Technical analysis and structuring, including outsourcing
- Provision of cross-border cost-sharing solutions

## Our services

### Strategic Consulting

- Structuring contracts/transactions to reduce indirect tax incidence
- Reviewing contract documentation
- Formulating indirect tax-efficient business models

### Advisory

- Advising on the classification, and valuation of transactions and the applicability of taxes and availability of tax benefits/exemptions
- Providing innovative tax planning ideas

### Advocacy and Litigation Support

- Providing assistance in representation before Government authorities on tax and trade policy issues
- Drafting replies to notices, appeals and submissions
- Representing before adjudication and appellate authorities up to the Tribunal level
- Briefing Senior Counsels, on a need basis

### Health Checks/Due Diligence Reviews

- Undertaking comprehensive reviews of business operations to identify tax planning opportunities and compliance gaps
- Conducting detailed indirect tax due diligence reviews (buy side/sell side)

### Trade Facilitation

- Obtaining registration and licences
- Assistance in availing benefits under Foreign Trade Policy schemes
- Setting up and operationalising EOUs/STP units/SEZ units

### Compliance Support and Outsourcing

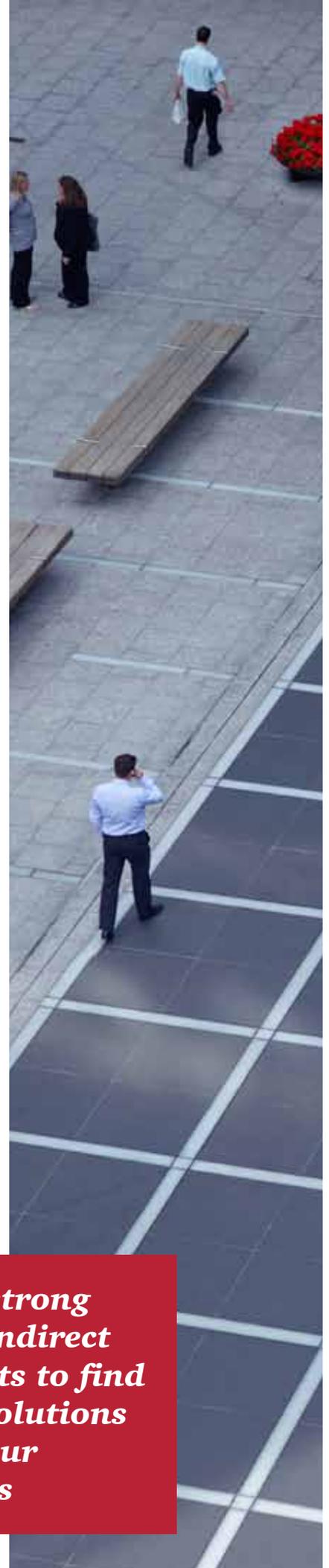
- Providing indirect tax compliance support/outsourcing on a pan-India basis
- Preparing customised compliance manuals on indirect taxes
- Providing support for customs related party valuation assessment

## GST Services

We can assist in:

- estimating the potential impact of the dual GST regime on procurement and supply of goods and services
- developing formats for the maintenance of records including invoices
- advising on recovery/deductibility of both central GST and state GST
- assistance in meeting compliance obligations

***Count on a strong network of indirect tax specialists to find innovative solutions that meet your requirements***



# Transfer Pricing

## An area not to be overlooked - Transfer Pricing

Transfer pricing (“TP”) is still an evolving subject in India however the perils of ignoring it cannot be understated. Increasing cross border transactions coupled with large budget deficits is pushing the taxman to look at TP as one of the main areas of focus to meet their goals.

The Indian landscape is also witnessing change, with safe harbour rules, Advance Pricing Arrangements, General Anti Avoidance Rules and Controlled Foreign Company Rules on the cards, and Mutual Agreement Procedures evolving as an alternate dispute resolution mechanism. To thrive through these challenging times, we offer Multi National Companies (‘MNCs’) valuable long-term strategies with a global perspective on how to meet these increased transfer pricing challenges.

### Look no further, we will serve as your one stop shop.

Having a long list pharmaceutical clientele both nationally and globally, we are able to draw on the knowledge and experience from the network firms and apply it to the Indian scenario. The expansive network also enables us to provide customised cross border solutions to client needs.

### Our services

Please find below a list of services that we can perform for you.

Defence and Litigation Strategy and Representation Support	Customs & Transfer Pricing harmonisation
Develop an efficient TP model/Policy	Due diligence review
Restructuring global operations	Intellectual Property Migration/Structuring/Planning
Developing a Joint Venture Model	Diagnostic Review for compliance/tax optimisation
Global Core Documentation	Reviewing the management services cross-charge policy
Value Chain Transformation	Permanent Establishment Review
Transfer pricing of loans and financial guarantees	Transfer Pricing for FIN 48

*We will work with you to add value by managing global risk, and together we will devise an apt strategy to manage/take advantage of the evolving transfer pricing landscape. As a specialised industry group within Transfer Pricing, we can help you develop a coherent and defensible TP policy and manage your compliance and documentation requirements, assist you to evaluate and address the implications of the proposed changes in regulations, as well as provide Value Chain Transformation™ services for efficient tax planning in India from a Transfer Pricing perspective.*

*We know the regulatory framework of your industry and how it can impact your business. We keep an ear to the ground and have the ability to pre-empt the future directions of these regulations and the issues arising thereof.*

*We maintain strong but independent relationships at various levels of Government authorities, with high integrity and technical capability.*

### If this is your situation:

- You want to determine an appropriate compensation for activities performed in India in the pharmaceutical business.
  - Manufacturing (for exports/domestic sales) of finished drugs formulations (“FDF”) and Active Pharmaceutical Ingredients (“API”);
  - Distribution of pharmaceutical products procured from abroad;
  - Provision of Clinical trials/Clinical trials facilitation/Contract Research services to Group entities;
  - Provision of Contract Manufacturing/Toll Manufacturing services from India; and
  - Provision of procurement/procurement support services.
- Your company imports raw material from Group entities and requires harmonisation from a Transfer Pricing & Customs perspective.
- You are looking for Effective Intellectual Property management.
- You are looking for Effective Supply chain management.

## Select Citations

- **IP Migration** - Advised one of India's largest outsourcing companies with the migration of IP from the UK to India. This included identification of the IP to be transferred, analysis of the IP valuation performed by a third party, review of the inter-company agreements, and setting up a transfer pricing policy post IP migration together with associated tax advice on related issues such as capital gains, VAT and withholding taxes.
- **IP Structuring**: Advised an India headquartered Services Company with overseas subsidiaries, in identification and analysis of a basket of commercially useful intangibles and suggesting an appropriate holding structure for such intangibles.
- **IP Planning**: Advised on the proposed arrangements relating to the use of existing and future IP to be developed between an Indian MNC and its newly acquired global conglomerate. This entailed devising strategies for patented and non-patented IP including cost sharing arrangement, licensing structures and buyout payments.
- **Diagnostic Review for tax optimisation**: Performed a diagnostic review of the global operations spread across more than 30 companies for one of the world's leading telecom network capacity service providers, and recommended appropriate transfer pricing model to be followed. This model would ensure tax optimisation and consistency with the client's business model. The project took into consideration various aspects such as the availability of Advance Pricing Arrangements in certain jurisdictions, the client's litigation history, permanent establishment exposure and simulation of before and after profit and tax scenarios.
- **Capital Structuring**: Assisted a client in structuring its capital, keeping in perspective the thin capitalisation rules in the jurisdiction of the overseas target company. This included assistance in determining the rate of interest to be charged for capital financing, and structuring cash repatriation.
- **Value Chain Transformation**: Involved in a large restructuring project in which a tax efficient IP ownership and principal structure was set up for the European operations of a global manufacturing company. The project involved transformation of the group's value chain and successfully meeting the business and operational objectives.
- **Customs & Transfer Pricing**: Advised a leading MNC group for transitioning to the proposed pricing mechanism from an Indian Transfer Pricing and Customs Regulations perspective. The assignment included reviewing Group TP policy, market study & business plans, ad-spense financial analysis, carrying out an economic analysis to support the price-change, justification from customs perspective and understanding implications on selling price to consumer.
- **Due diligence review**: Conducted due diligence reviews from a transfer pricing perspective with respect to transfer of Special Purpose Vehicles, in order to enact the transfer portion of a 'Build Operate Transfer' (BOT) arrangement.
- **Alignment of India Business model**: Advised a leading MNC pharmaceutical group to realign its Indian operation from a Contract Manufacturer to a Toll Manufacturer. Key issues addressed in the restructuring were PE risk on account of tolling, Tax holiday entitlement for tolling exports, Customs procedures on change in model, Regulatory aspects and Exit charge considerations on change in model.



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## ***About PwC***

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See [pwc.com](http://pwc.com) for more information.

In India, PwC ([www.pwc.com/India](http://www.pwc.com/India)) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Complementing our depth of industry expertise and breadth of skills is our sound knowledge of the local business environment in India. We are committed to working with our clients in India and beyond to deliver the solutions that help them take on the challenges of the ever-changing business environment.

PwC has offices in Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.

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# *Delivering fresh ideas*

Financial Advisory Services



Due Diligence  
Review

*Page 20*

Corporate Finance &  
Investment Banking

*Page 18*

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# *Financial Advisory Services*

Forensic  
Services

*Page 22*

IFRS

*Page 26*



Internal Audit

*Page 24*

Business Recovery  
Services

*Page 27*

# Financial Advisory Services

Our services span the entire 'deal continuum'

## How can PwC help?

PwC has over 200 dedicated deal professionals spread across seven cities.

### Financial Buyer Value Chain

Identify

Evaluate

Execute

Maximise

Harvest

Having advised on major deals in India, we have the experience that makes a difference.

## Our Services

*We deliver expert valuation and rigorous financial, economic and strategic advice on your business, brand, products, services, customers and market needs.*

### Corporate Finance and Investment Banking

- Disposals, divestments and spin-offs- finding and approaching buyers, negotiating best value, ensuring business continuity; information memoranda and options appraisals.
- Private equity- fund raising and investment options. The breadth and depth of our relationships allow us to spot opportunities for private equity investment.
- Finance raising and MBO- bank financing and securitisation, MBOs, MBIs, and IBOs.

### Valuations and Strategies

- Business and Asset Valuations - formal valuation opinions on business and asset values for tax, dispute, financial reporting, governance and regulatory purposes. Specific services include merger ratios, purchase price allocations, independent expert reports and fairness opinions.

- Corporate Advisory Services - independent value related advice for companies considering transactions, market entry/exit, capital investment and financing decisions.
- Strategic Solutions - solutions for corporates with issues on business portfolios, investments, capital market situations and products/ brands/markets based on the application of financial economics and quantitative techniques.

### Pre Investment Appraisal and Assistance/Due Diligence

- Buy side diligence
- Sell side diligence
- Market diligence

### Project Finance and Privatisation

- Project identification and feasibility
- Financial and bid structuring
- Arranging finance
- Closing the deal
- Post closure

### Forensic Services

- Financial disputes resolution - Quantification of claims, expert witnesses and arbitration in all types of disputes; financial, economic, and statistical services to companies and their attorneys involved in litigation, arbitration or mediation.

- Misconduct investigations - Special investigations into frauds or allegations of financial wrong doing including embezzlement and asset misappropriation; specialist resources to investigate fraud or advice on ways to manage and mitigate fraud risk.
- Integrity reviews - confidential integrity reviews of current and potential business partners and associates, vendors and third parties.
- Training programmes - Designing and delivering trainings on fraud/ related topics.



- Anti-fraud Compliance – Design, establish and conduct a periodic anti-fraud compliance program and review of controls to mitigate fraud and fraud risks.
- Forensic technology solutions – Data mining tools and data analytics to identify fraud red flags, preservation of data and evidence and forensic support using proprietary technological tools.

### *Sustainability and Climate Change Advisory Services*

- Environmental and Social due diligence – Environment, health, safety and social due diligence, Phase-I and Phase-II environmental due diligence, Environment, Health and Safety (EHS) and social compliance audits.
- Sustainability framework development and reporting – Assistance in articulating sustainable vision and strategy; sustainability policy and management system based on needs assessment, stakeholder
- Life Cycle Assessment (LCA) – Assistance in assessing the environmental impacts of a product throughout the entire lifecycle of the products and also to improve upon the existing environmental footprint based on the provisions of ISO 14040 series of standards and protocols developed by World Resources Institute/World Business Council on Sustainable Development Greenhouse Gas Protocol.
- Water Sustainability advisory services – Assistance in developing water inventory and foot printing, baseline assessment, development

financial implication of carbon and climate risk and opportunities associated with business transactions.

### *Global Capital Markets*

- Advisory assistance in the preparation of financial statements under international GAAPs.
- Assistance in identification of GAAP differences in due-diligence during merger and acquisition.
- Assistance with IPO's - expertise in regulatory requirements of all major exchanges.



engagement, sustainability program management and corporate sustainability report development.

- Clean Development Mechanism (CDM) project development – Advisory services for registration of CDM project activities and assistance in transactions of issued Certified Emission Reductions (CER).
- Green House Gas (GHG) inventory services –GHG inventory, carbon foot printing; and development of carbon strategy.
- of corporate water policy, risk assessment due to changes in water availability and impacts on business, risk mitigation strategy and assistance in developing short, medium and long-term water sustainability action plans.
- Corporate advisory – Market survey for environment products and services, Life cycle assessment and eco-labelling.
- Training programs – Delivering trainings on climate change, implication, risk and opportunities of climate change, trainings on

- Pre-flotation “housecleaning” of balance sheet and underlying track record.
- Flexibility to respond to changes in deal structure and timing.
- Supplies advisers who can deliver across borders and jurisdictions.

### *Post Deal Support*

- Structuring/Restructuring Services
- Helping Corporate List Overseas

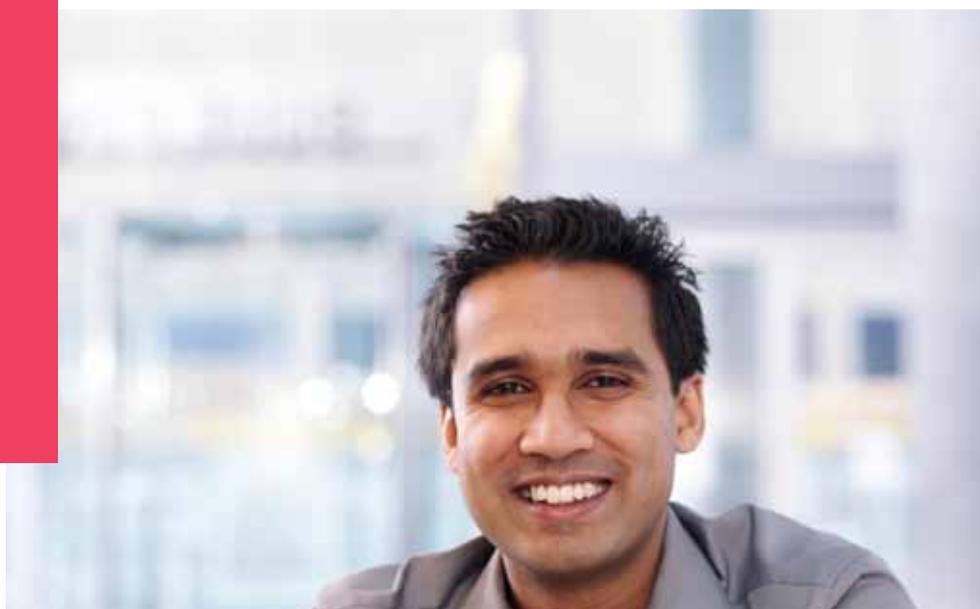
# Corporate Finance & Investment Banking

## Derive value in a deal

Our Corporate Finance and Investment Banking practice provides end-to-end solutions for domestic and cross-border transactions including mergers, acquisitions, divestitures, joint-ventures, and fund raising. The services consider a host of functions including advisory, due diligence, tax and regulatory functions.

### If this is your situation

- You are looking for opportunities to generate value by acquiring or merging with a business that offers a good strategic fit
- You need to dispose off an asset or division as part of a restructuring or change in strategic direction
- You are looking to raise funds for a wide variety of expansion plans



Our Corporate Finance professionals provide a full range of M&A and financial advisory services, from acquisitions and disposals, through to equity and debt raising across all industry sectors. Our unrivalled experience, strong international network and commercial focus allow us to add real value to your transactions.

### Our Services

Our services are designed to help our clients reach their strategic goals by identifying and then implementing opportunities to merge with or acquire other businesses. Many factors can affect a deal; from regulatory restrictions to tax issues. As the world's largest professional services organisation, we can call upon dedicated specialists to address any specific challenges that may arise.

### We can provide assistance in

#### Acquisition Advisory (Buy-side)

- Examination of target industry landscape for identification of appropriate targets
- Contacting specific targets for interest in selling and establishment of preliminary interest and commencement of dialogue
- Valuation of the target and recommendation to our client
- Diligence support (actual diligence carried out by another team/vendor)
- Drafting of preliminary offer (Term Sheet)
- Negotiation support
- Ensuring tax efficient deal structuring (actual structuring carried out by another team/vendor)

- Documentation support (typically led by legal advisors)
- Deal closure

#### Disposal Advisory (Sell-side)

- Preparation of Information Memorandum and other documents
- Identification and short listing of potential acquirers
- Establishing dialogue with short-listed acquirers and obtaining preliminary Term Sheets
- Pricing strategy and negotiation support
- Co-ordinate due diligence review
- Obtain revised Term Sheets; negotiate deal parameters (including valuation, covenants, etc.)
- Ensuring tax efficient deal structuring (actual structuring carried out by another team/vendor)

- Documentation support (typically led by legal advisors)
- Deal closure

#### *Joint Venture Advisory*

- Identification of potential partners
- Communication with potential partners and short-listing with specific potential partner
- Discussions/negotiations regarding terms of the JV (including roles and responsibilities, valuations, share-holding patterns, representations etc.)
- Documentation support (typically led by legal advisors)
- Deal Closure

#### *Fund Raising (Equity and Debt)*

- Preparation of Information Memorandum and other documents
- Identification and short listing of potential investors
- Contacting short-listed investors, establishment of preliminary interest and commencement of dialogue
- Obtaining preliminary Term Sheets
- Pricing strategy and negotiation support
- Co-ordinate Due Diligence review
- Obtain revised Term Sheets, negotiate deal parameters (including valuation, covenants, etc.)
- Documentation support (typically led by legal advisors)
- Deal closure

### **Case Study: Acquisition of Relonchem Limited by Marksans Pharma Limited**

Marksans Pharma Limited, one of India's leading mid-size vertically integrated pharmaceutical company acquired Relonchem Limited, a UK based generic pharmaceutical company. Relonchem Limited has clocked sales of US \$ 32 million and adjusted EBITDA of US \$ 5 million in the FY 2007. The acquisition would give Marksans Pharma an immediate sales and marketing front-end access to the highly regulated and lucrative generic medicines market in the UK and Europe. The Company also expects to derive significant cost synergies by transferring Relonchem Limited's manufacturing operations to its state-of-the-art India manufacturing facilities. PricewaterhouseCoopers Private Limited was the Exclusive Financial Advisor on the transaction.

# Due Diligence Review

## Pre Investment Appraisal & Assistance/Due Diligence

Have you ever closed a deal that didn't deliver the value anticipated?

The Transaction Services (including Transaction Services Strategy) teams offers a field-proven, globally consistent deal process that helps companies bid smarter, close faster and realise benefits sooner. In a survey of recent deals, our clients credited our process with reducing the purchase price of acquisitions or increasing the price of divestitures by 5% and—in a third of all cases—by considerably more. We can help you at every step along the deal process.

Having advised on major deals in India, we have the experience that makes a difference.

*We provide a complete range of industry-focused deal services covering both acquisitions and disposals:*

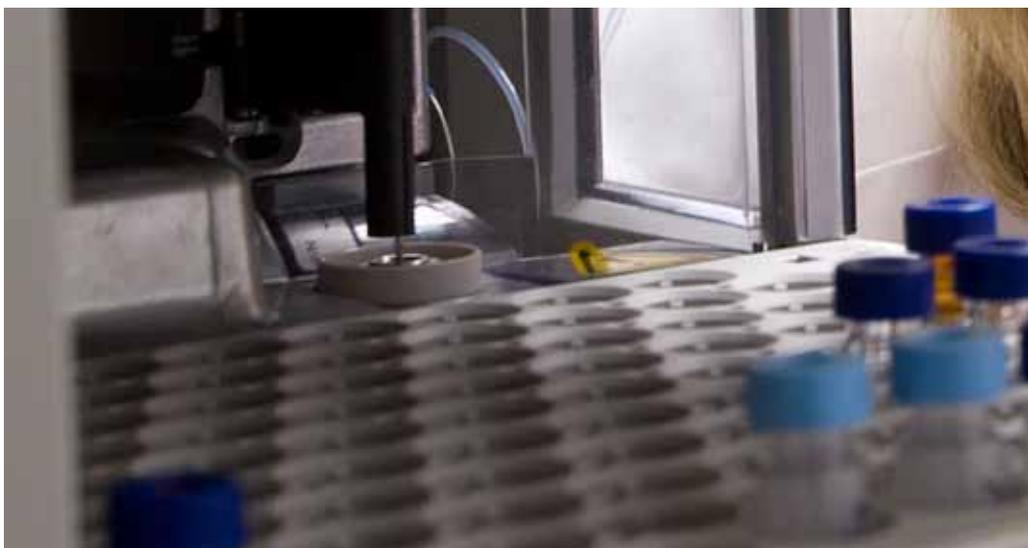
We help our clients achieve quantifiable benefits by:

- early identification of potential deal issues
- material modifications to sale/purchase agreements
- significant modifications to the valuation model

- significant working capital needs/improvements
- focus on quality of earnings and quality of net assets
- materially improved client's initial deal structure and optional transaction structure
- established mechanism designed to facilitate the disposal process
- assist the vendor by providing an upfront independent review
- ensure a level playing field by providing all potential purchasers with objective information
- be an integral part of the process, generating negotiation points and highlighting areas for warranties/indemnities
- maximise deal value for the seller
- expert financial analysis to support opinions and conclusions
- use expert resources in the target country to identify local risks and issues
- identify areas that may impact the exit strategy of the equity provider

*We focus on the issues that affect investment risks and return, such as:*

- Quality of earnings
- Net assets value
- Cash flows
- Working capital/debt-like
- Quality and concentration of customers/suppliers
- Human resources
- Tax exposure and tax leakages, if any
- Highlight separation issues
- Highlight post-acquisition/integration issues



## Service offering

- Our approach to due diligence is customised to address buyer's concerns, deal specifics and the Target's characteristics. PwC has a broad spectrum of due diligence capabilities covering:



## Select Citations:

- Deals are all we do. We are fully dedicated to the transaction market. No other firm offers the range of services we provide. Clients tell us that our process makes a difference. Our key Corporate and Private equity Clients whom we have assisted in Pharma and Healthcare deals include:

Pharmacia Corporation	Novartis/Sandoz	Glenmark Pharmaceuticals
RPG Life Science	Solvay Pharmaceuticals BV	Ranbaxy Laboratories
Glaxo Smithkline	Johnson & Johnson	Fortis
Max Healthcare	Perrigo	Bristol-Myers Squibb Company
Nectar Lifesciences	Baxter International Inc.	Abbott Laboratories
Dr Reddy's Laboratories	Strides Arcolab	Mayne Pharma
Apollo Hospitals	Kotak Private Equity	Evolve India Life Sciences Fund
IDFC Private Equity	HSBC Private Equity	IL&FS Venture
General Atlantic Partners	Olympus	CVC International
New Silk Route		



# Forensic Services

**Investigate. Analyse. Resolve.**

Disputes and Frauds have always been and remain a fact of business life. The impetus and opportunities for fraud are unfortunately increasing in these times of great change while systems struggle to cope and keep up with the changes in the business itself. Corporate crime poses a real and substantial threat to the stability of any business. Proper measures to prevent or react quickly to a malfeasance are critical.

We are able to work discreetly and use a range of different skills to assist our clients with their needs. This approach includes the use of experienced investigators, forensic accountants, computer forensic specialists and background researchers.

## ***If this is your situation***

- Your organisation has suffered a fraud or suspects a fraud
- Your organisation want to perform a forensic review of certain areas in the target entity as part of an acquisition
- Your organisation want to perform an assessment of background or reputation of certain third parties, major customers, vendors, etc
- Your organisation is facing bribery and corruption claims
- Your organisation suspects accounting manipulation or inappropriate, inadequate disclosure
- You want to make sure that your royalty income is correct and audit your licensing contracts
- You are involved in litigation or arbitration and require an expert witness
- You need to investigate and analyse a claim, including piracy claims
- You want to ensure that you are in compliance with relevant regulations including Anti Money Laundering, corruption and other product safety measures
- You are concerned about the effectiveness of your anti-fraud programme

*PwC Forensic Services provides a national and global network of analysts, actuaries, accountants, fraud examiners, and others who are leaders in their respective fields, offering a wide variety of skills to address the issues affecting parties involved in disputes. Our aim is to work in partnership with clients to implement fraud control methodologies, assist when incidents occur and to help with strategies and practices to reduce the risk of falling victim to fraud.*

The team combines proven evidence gathering skills with control methodologies to produce effective results for our clients.

Through our team of trained specialists we are also able to offer forensic technology solutions as well as test and advice on a range of technical IT security issues.





## Our Services

Whatever contentious business issues you are faced with...

Dispute Analysis	Investigations	Governance risk and Compliance
<ul style="list-style-type: none"> <li>• Arbitration and Mediation</li> <li>• Acquisition &amp; Shareholder Disputes</li> <li>• Damage Calculations</li> <li>• Licensing Management</li> <li>• Insurance Claims Advisory</li> <li>• Capital Project/Construction Claims</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting Irregularities and Fraud</li> <li>• Misappropriation of assets</li> <li>• Bribery &amp; Corruption</li> <li>• Anti-corruption Compliance</li> <li>• FCPA Compliance Reviews</li> <li>• Corporate Intelligence</li> <li>• Computer forensics &amp; Cyber crime</li> <li>• Money laundering</li> </ul>	<ul style="list-style-type: none"> <li>• Codes of Ethics and Corporate Conduct</li> <li>• Anonymous Complaint Mechanisms (e.g. Hotlines, Whistleblower)</li> <li>• Fraud Risk Assessment</li> <li>• Evaluation of Internal Controls to Prevent &amp; Detect fraud</li> <li>• Anti fraud &amp; anti corruption Training</li> <li>• Integrated anti-fraud framework</li> <li>• Forensic Technology Solutions</li> </ul>

← Forensic Technology Solutions →

PwC Forensic Services can assist in the investigation, analysis and resolution of business issues and disputes.

Situation	Value Delivered
<b>Project Pharma</b>	
<p>The client is a leading pharmaceutical company in India.</p> <p>Concerns around inappropriate payments made to government officials and non compliance with the Company's Code of Conduct.</p>	<p>PwC assisted the client's legal counsel in performing a review of the accounting and financial records of the Company. Several instances of control failures resulting in non compliance with the Company's Code of Conduct were identified.</p>
<b>Project Discovery</b>	
<p>The client is a leading Non Government Organisation providing funds or grants in the health care sector in India.</p>	<p>PwC's investigative procedures including discrete inquiries identified several instances where funds were siphoned by the head of finance of its local entity.</p>
<p>The client requested PwC to assist them in investigating an allegation of misappropriation of grants given to an Indian Company and kickbacks received by the head of finance of its local entity.</p>	<p>Further, our procedures confirmed the allegation of receipt of kickbacks and other personal benefits enjoyed by the head of finance.</p>

# Internal Audit

## Is your internal audit function realising its full strategic potential?

PwC's Internal Audit Services (IAS) professionals bring the right mix of internal audit experience, industry-specific knowledge and highly specialised technical skills to your internal audit function. Our approach provides flexibility with knowledge to deliver relevant and focused internal audit results.

*PwC's internal audit services employ highly skilled professionals who can help solve many of your problems with the right solutions, contemporary processes/methodologies and superior tools/technologies.*

### **PwC can help organisations improve quality and effectiveness of internal audit process by:**

- advising and assisting in development of internal audit and risk management methodologies
- assessing the internal audit function for effective delivery to stakeholders
- providing internal audit resourcing solutions, including full outsourcing or complementing in-house functions with specialist skills or geographical coverage
- supporting internal audit functions with software to enhance and support their work
- training for internal auditors using extensive market and industry knowledge
- conducting internal audit using 'hub and spoke' method by deploying subject experts who focus on industry specific and technical risk areas

### **If this is your situation:**

- You want an expert internal audit service provider to give you assurance on processes and controls for effectively managing business risks
- You want to improve and increase the effectiveness and efficiency of the internal audit function to add value to your organisation
- You want your internal audit professionals to develop necessary skill sets and train in best practices for internal audit techniques
- Your internal audit department lacks the focus to cover risks and support your organisation in meeting corporate objectives
- You are looking at supplementing your in-house internal audit with specialist skills
- Your internal audit function has insufficient resource to cover the geographical spread of your organisation
- Your systems, procedures and risk management practices are not formalised and are inconsistent across the organisation
- You need guidance in rebalancing internal audit priorities in Sarbanes-Oxley and Clause 49 (stock exchange listing agreement) era
- You need assistance for Sarbanes-Oxley and Clause 49 readiness and carrying out controls testing

## Our Services

We offer a full spectrum of services designed to enhance or transform the internal audit function. These include:

- **Outsourcing and co-sourcing:** Our solutions range from select co-sourcing of technical, geographic or industry-specific capabilities to full outsourcing of the internal audit function.
- **Sarbanes-Oxley and Clause 49 related services:** PwC's IAS practice has developed solutions to help organisations reach the desired level of compliance as mandated by Sarbanes-Oxley and Clause 49.
- **Internal audit advisory services:** We provide a suite of advisory services that address key management concerns including risk assessment, documenting policies, procedures and key controls, control self assessment and quality assurance reviews.

Client issue	PwC approach & solution
A leading pharmaceutical company in India with a network of 18 distribution points, which cater to 11,000 stockists and 70,000 retailers. Our key customers are the Senior Management and Audit Committee. The Management had concerns on the monitoring of manufacturing at third party locations.	<p>PwC is providing Internal Audit Services to the Company for the last 4 years. Our approach is focused on 'anticipation and prevention' rather than 'detection and correction'. Our approach was systems and process focused and was supported with corroborative testing. This involved ascertainment and review of the operation of controls at the transactional level and suggesting improvements wherever required by testing transactions for authenticity, accuracy, completeness of recording and reconciliations.</p> <p>Apart from reviewing the operating effectiveness of controls and commenting thereon, we reviewed whether the controls are designed effectively. Thus, we suggested improvements in existing internal control systems, incorporation of additional controls and suggested the introduction of systems and procedures where none exist. For example we helped the Company define process of rate fixation and monitoring with TPMs.</p>



## Moving towards IFRS: A straightforward process?

Pharmaceutical Life Sciences companies that have implemented the International Financial Reporting Standards (IFRS) know that it places an enormous responsibility on the management to be able to communicate effectively to the market in the new business language. Adopting IFRS is not an accounting exercise for the finance function.

IFRS conversion is a new performance measurement system, a change in primary GAAP, which needs to be taken up throughout the organisation. This means that all must learn a new language and a new way of working. For many pharma companies, this will mean fundamental changes – changes that can ripple right across their business operations from investor relations to everyday procedures, changes that can affect the viability of some products and even the reported profitability of their business itself. The Pharmaceutical industry outside India has overcome an enormous implementation challenge in moving to IFRS. However, they still have some way to go to satisfy users of accounts' demands for greater quality, clarity and comparability in their disclosure. Implementation of IFRS in pharma companies is challenging and can throw up complexities in various areas including capitalisation and amortisation, research and development, contract manufacturing arrangements, revenue recognition and hedge accounting. Understanding IFRS and its business implications is thus imperative for pharma companies to stay competitive. However, it might take a considerable amount of time to plan and make necessary changes and to integrate them fully across the company while continuing to do business as effectively as usual.

*PwC is proud to have a proven track record in helping banks successfully understand and work with IFRS. We have a team of professionals that includes individuals who have worked extensively on IFRS project implementations. Our Global Capital Markets Group (GCMG) team specialises in IFRS conversions. Thus we are able to bring with us a depth of experience that a part-time conversion consultant cannot. As a team, we are not only in a position to give you world-class advice on technical differences between the local GAAPs and IFRS, but we can also guide you through the best practices being applied by other corporations and how those interpretations may vary across the world.*

### Our Services

#### *IFRS Diagnostic*

This review provides you with a high level, timely and cost effective summary of key issues arising from adopting the IFRS and the likely impact on your business.

#### *IFRS Impact Review*

This detailed assessment will highlight the impact that adopting IFRS will have on your business and financial results, evaluate options that are open to you, identify significant issues to

be addressed and outline resource requirements for you to successfully make the transition from Indian GAAP to IFRS.

#### *Transition IFRS*

This is our proven project management methodology for conversion to IFRS. Transition IFRS can be tailored to address different issues an entity may need to consider in making the change. This project management service addresses key issues involved in any IFRS conversion process including risk management, change control, stakeholder management, communications, training, converting management reporting systems and revision of annual reports and accounting manuals.

#### *IFRS Accounting Advice*

We also provide technical accounting advice relating to the practical application or interpretation of IFRS and how the international standards impact existing or proposed transactions.

#### *IFRS Training*

We provide IFRS training to audit boards and committees, finance professionals, research and development teams, contract manufacturing teams etc. Trainings are focused on industry and user-groups.

# Business Recovery Services

Is the debt burden and inadequacy of cash flows eroding the value of your business enterprise?



When a company is under stress due to inadequacy of cash flows to meet periodic interest payments it significantly impacts the operations of the corporate. This can be resolved by comprehensive business and financial restructuring of the company. PwC has extensive experience of working with corporates in the areas of business and financial restructuring in devising a turnaround strategy based on a unique business plan focusing on the specific needs of the corporate. We also support corporates in their discussions/negotiations with lenders in the implementation of devised solutions and focus on enhancing value for all the stakeholders. Our in-depth experience across sectors enables us to structure situation specific solutions.

*the corporate over the entire restructuring continuum, starting from the identification of stress causing factors to developing, implementing and monitoring implementation of remedial measures.*

## Our Services

- Business and financial restructuring
- Independent business plan review
- Post disbursement/post restructuring performance monitoring
- Enterprise valuation
- Fund raising/induction of strategic/financial investor
- Assistance in divestment/demerger of surplus assets

### If this is your situation:

- Non performance of certain business divisions
- Inadequacy of cash flows to meet present interest obligations
- Requirement of comprehensive business plan to fund future growth plans
- Idle surplus assets not being used efficiently
- Huge debt burden which restricts fund raising plans
- Requirement of one time settlement with the lenders.

## Select citation

Client Description	South India based diversified conglomerate with business interests in pharma, engineering, biotech and fertilisers.
Client Issue	Underperformance of business division, inadequacy of operating cash flows to meet interest obligations and debt burden.
PwC Approach	PwC approach involved developing a financial restructuring proposal including recommendations to improve cash flow situation, savings in interest cost and divestment of non-core businesses. Our approach also involved an analysis of the available options for turnaround of the company/group.
Client Results	Client finalised the approach for turnaround based on our recommendations and negotiated restructuring proposal with the lenders. Client was also able to identify and sell non-core assets for divestment.

*We provide tailored financial advisory services to Corporates where their business divisions are underperforming and company is in distress or crisis. PwC assists*

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## ***About PwC***

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See [pwc.com](http://pwc.com) for more information.

In India, PwC ([www.pwc.com/India](http://www.pwc.com/India)) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Complementing our depth of industry expertise and breadth of skills is our sound knowledge of the local business environment in India. We are committed to working with our clients in India and beyond to deliver the solutions that help them take on the challenges of the ever-changing business environment.

PwC has offices in Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.

[www.pwc.com/india](http://www.pwc.com/india)

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# *Delivering fresh ideas*

Consulting



**pwc**

## Revenue Growth

*Page 34*

## Sales & Marketing effectiveness

*Page 38*

## Operations Improvement

*Page 36*

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# Consulting

People  
Transformation

*Page 40*

Architecture and  
Implementation

*Page 48*

IT Risk and Regulatory

*Page 46*

Financial  
Effectiveness

*Page 41*

Business  
Intelligence

*Page 45*

Technology  
Effectiveness

*Page 43*



# Revenue Growth

We can help you make your growth, revenues and profitability; market proof

Our value proposition on “Revenue Growth” is aimed at delivering tangible benefits to an organisation through a systematic approach to strategy, marketing, alliances, customer and sales. We help you align operational thrusts with your business strategy.

## If this is your situation

Internally	Externally
<ul style="list-style-type: none"><li>• How do we optimise our business model?</li><li>• How do we maximise our share-of-wallet for the existing customer base?</li><li>• How do we identify new growth opportunities?</li><li>• How do we strategically manage our resource?</li></ul>	<ul style="list-style-type: none"><li>• How do we grow in a challenging business environment?</li><li>• How do we enhance our market share?</li><li>• How do we understand evolving customer needs?</li><li>• How do we leverage core strengths?</li></ul>

*From growing revenue through enhanced customer satisfaction, superior offerings and detailed market analysis, we help clients anticipate and manage change to stay competitive and grow.*

## Our Services

- Strategy formulation
- Business planning
- Mergers & Acquisitions
- Partner searches & Global alliances
- Location analysis
- Growth through new offerings and innovation
- Diversification
- Strategy Diagnostic (Maestro) for conducting initial strategic diagnostic of the company
- Target Operating Model to scale up, or shift a gear
- Marketing performance

## Select Citations

- PwC advised a mid sized US pharma company to reduce overall fixed costs in product development by outsourcing capabilities to locations where costs were lower and a skilled workforce was available. PwC utilized a multi step screening process to identify appropriate countries and select potential CROs/CMOs.
- Our client, a European pharma company had a number of R&D opportunities that it could fund. PwC helped the client to develop a framework to evaluate which R&D investments it should pursue. This equipped the client with tools to make more informed investment decisions across the R&D portfolio and understand how decisions would affect the achievement of corporate objectives.
- Our client, a global pharma company’s R&D had started operations in India at Hyderabad. They were looking to expand their existing operations in India, and wanted to evaluate the most suitable location for their

operations. PwC conducted an independent location analysis and identified the most appropriate location for the expansion of the R&D facilities. The most appropriate location was identified to be one other than Hyderabad in spite of the existing operations being based out of Hyderabad.

- Our client, a global manufacturer of medical disposables was facing rising cost pressures in one of its manufacturing facility in Europe. They wanted to evaluate the feasibility of setting up a manufacturing facilities in India. Subsequently the client also wanted to evaluate the best location for the manufacturing facility in India. For this, PwC prepared a criteria set to evaluate the options and suggested 3 best location options. Further, PwC conducted a feasibility study covering analysis of the cost structures and identification of possible changes, preparation of an “Economic Value Added” framework, and preparation of pro-forma financial statements to determine the cash flows, subsequently making recommendations based on the EVA, NPV and IRR analysis.
- PwC supported its client, a leading MNC pharma company to integrate two organisations across several business units, geographies and functions. PwC provided subject matter experts in a number of areas including integration planning, human resources, research and development, Finance, Procurement and marketing.
- Our client, a specialty pharma company owned a proprietary technology platform with a range of non-core application areas, including wound healing, and was seeking advice on potential value realisation from different

strategic options. PwC estimated technology's potential value for four product application areas and two regional markets: North America and Europe. Further, PwC modelled product lifecycle cash flows and development & commercial risk for each application area and geographic region. PwC also improved client's understanding of the technology's key value drivers, through scenario analysis and the relative merits of each strategic option, through analysis of the likely value realisation profile for each option (keeping in-house, selling, spinning-out and licensing-out).

- Our Client, a global biotech company needed to reform its strategic planning and growth strategy by estimating thalidomide usage for the treatment of multiple myeloma in the EU. Thalidomide is not approved for marketing in Europe but is being prescribed as an unlicensed drug on a compassionate use basis. PwC estimated thalidomide usage using prevalence by country (from incidence and survival data from public sources) and treatment parameters by country (from interviews of haematologists in each country). The interview process and our statistical modelling were important in dealing with the scarcity of reliable sales data from public sources and the diversity of prescribing practice by treatment stage and country.



# Operations Improvement

**“Profits”- Not a matter of Chance, but a Result of improvement efforts repeated day in and day out!**



Indian companies are among the world leaders in the production of bulk drugs & generics. As India becomes a competitor to global pharmaceutical companies in some key areas, and a potential partner in others, Indian producers will play a large role on the world stage – and partner with global pharmaceutical companies to market their products outside of India.

Opportunities in the future are clearly linked to building lean and flexible organisations in order to pluck a larger share of the pie from the global generics market. In the face of global market uncertainty, organisations are proactively identifying opportunities for:

- enhancing throughput
- reducing costs
- being quicker to market to capitalize on market demand

As a CEO, ensuring successful execution of these strategies is crucial for achieving leadership and excellence.

## **If these are some of the over-riding questions in your mind**

- How can we reduce Order to Delivery Lead times and improve delivery performance?
- How to maximise capacity utilisation and improve plant throughput while at the same time having flexibility to cater to market demand?
- How to manage conversion costs?
- How can we reengineer processes while at the same time adhering to all GMP norms?
- How can we have optimum inventory of materials without compromising on performance?

- What systems should be designed to sustain improvements in operations and build a culture of continuous improvements?
- How to be quicker to market by reducing product development times?

## **Our Services**

- Throughput Enhancement
- Order to Delivery
- Production Planning
- Yield Improvement
- Energy cost reduction
- Changeover time reduction
- Quality
- Logistics cost reduction
- Raw materials planning
- Procurement
- Full value spend
- New product development
- Reducing salvage Net
- Pricing
- CRM
- Strategy for institutional sales

## **We can help you add to your bottom-line with our successful experience at multiple organisations**

We have helped leading organisations improve performance on Throughput, productivity, Order-to-delivery lead times, New Product Development times, product yields, conversion costs, quality defects, changeover times, etc. Our interventions normally help clients realise benefits to the tune of:

- 3 to 5% increase in Yield, 10 to 15% reduction in Solvent Consumption

- 10 to 15% reduction in Cycle Times resulting in equivalent improvement in Throughput
- 15 to 20% reduction in per kg cost, 5 to 10% reduction in Energy Costs
- 15 to 25% reduction in Breakdowns, 15 to 20% reduction in inventories, 8 to 10% reduction in procurement spends

## Select citations

	Business Challenge	Value Proposition	Benefits Delivered
	A leading bulk drug manufacturer faced the challenge of capitalising on the continuing surge in demand for its product.	PwC rolled out its Throughput Improvement Model that integrates concepts from Lean, Six Sigma and other breakthrough methodologies.	Improved throughput by 55% without increase in overheads. The benefits accrued were as a result of effective management of bottlenecks, thorough process control and some breakthrough ideas in the process.
Throughput enhancement	A mid-cap formulations manufacturer was unable to capitalise on the increasing market demand owing to low throughput. Low first time right and process time variation for the product led to challenges in scheduling and a high degree of in-process rework.		Throughput almost doubled as a result of this effort. The benefits accrued were as a result of effective management of bottlenecks, thorough process control and re-designing of the process.
Order-to-Delivery	A mid-size formulations and bulk drug manufacturer had low On-Time-In-Full performance and high inventory of materials across the supply chain.	PwC helped reengineer the entire order-to-delivery process across the organisation from order processing to material dispatch and creation of business rules for decision making.	Application of LEAN principles led to significant improvement in productivity and cost efficiency along with improvement in Turn-Around-Time. OTIF improved from 35% to 72%.
Production Planning	With increase in products using common assets, production planning had become a complex task for a Pharma API manufacturer.	Capacity Planning model was developed for all the plants to ensure optimal utilisation of equipment. Mapping of alternatives for all APIs, Intermediates & Solvents across the entire plant.	7-10 % additional production every month beyond committed production through planned closing stocks. About 30% improvement in OTIF levels.
Yield improvement	Leading pharmaceutical company was facing a lot of pressure on its margins. To ensure competitive pricing the company was keen to improve its yields to reduce the cost of manufacturing.	PwC deployed its time tested Excellence Model that integrates concepts from Lean, Six Sigma and used the levers for yield and solvent recovery improvements.	Reduced product cost by 12% through various cost reduction initiatives. Reduced consumption of solvent by 20%, and Improved yield by 4% in a span of 3 months.
New product development	A leading pharmaceutical company was keen on improving its New Product Development (NPD) process by selection of product to product filing.	The consulting methodology was based on a Design for Six Sigma (DFSS) platform for delivering world class NPD.	Reduction in NPD timelines by ~40%. Implementation of Project Management Structure with a full time NPD project manager.
Reducing Salvage Net	Incorrect forecasting of demand fluctuations sometimes led to overproduction, thus creating an inventory drift and increasing Salvage Net.	Developed a mechanism for identifying potential sources of losses. Institutionalised systems and processes to minimise expiry and breakages. Designed & implemented processes for addressing Forecasting Inaccuracy, Inventory Norms and Manufacturing plan adherence.	42% reduction in expiry and breakages realised over a year. Improved forecasting accuracy for region sales. Revised the Inventory Norm leading to reduced inventory carrying cost. Set processes to track variability in sales of SKUs.

# Sales & Marketing effectiveness

## Improving sales can provide a long term market gain

The pharma industry is witnessing a period of intense competition, regulatory imperatives and increased opportunities. Changes in epidemiological patterns, changing lifestyles and increasing globalisation have changed the landscape significantly. Demand for cardio-vascular disorders, CNS & other chronic disease treatment are increasing. Furthermore, newer pathogens are bringing in new infectious diseases that were once unknown to mankind. These factors symbolise a promising potential market for pharmaceutical manufacturers. The Indian pharma market is expected to grow to over twice its current size over the next decade.

The bottom-line: Increased buying power and epidemiological changes should spur growth, but India remains price sensitive market.

As a CEO, it is critical to understand your target segments, market position, product strategy and competitive landscape. It requires a multi faceted strategy to build customer relations and channelise sales forces to achieve optimal revenues.



### We can help you enhance sales productivity of your frontline staff

We have helped leading pharma companies; both in India and internationally to improve their frontline sales team's productivity and revenue realisation per resource. We have implemented innovative solutions that span across sales planning, coverage strategy, sales structure, CRM and sales operations.

### Our services:

- Sales planning
- Coverage strategy
- Sales structure
- CRM and sales operation

### If this is your situation

- How do we identify and cover the most optimum set of customers and plan our resourcing in view of scalability?
- How do we organise ourselves (field force) for maximum effectiveness?
- How do we improve quality of interactions between customers and field?
- How do we gather and synthesise market intelligence and feedback rapidly, and utilise this data to enhance effectiveness of our sales force?
- How do we increase ROI on promotional spends?
- How do we reduce the existing high degree of person dependence and hold control of key relationships?
- How do we ensure continuous capability and skill building of our sales force?



## Select citations

	Business Challenge	Value Proposition	Benefits Delivered
Enhancing sales realisation per representative	A well known specialty domestic formulations company wanted to enhance the revenues earned per sales representative by over 10 – 15%.	Designed and implemented a strong customer segmentation approach, CRM and sales planning & review processes	Identified more potential customers through better coverage, developed customer segments for targeted sales approach and developed strong enabling processes like planning & review mechanism (monthly, weekly, daily, periodic), thereby generating higher prescriptions per frontline staff
Developing a Customer Relationship Management model	A leading generics manufacturing company wanted to develop a strong customer database and identify customer segments to develop a targeted approach to build relationships	Developed a frame-work for differentiation of customers and identification of right customers for CRM initiatives. The frame work was implemented using standardised methodology for ROI based planning and tracking of promotional spends at a customer level	Utilised analytical tools and techniques to proactively identify customer needs vis-à-vis business goals. The needs were further translated into specific activities & initiatives that were executed by the firm to strengthen relations with the customers
Enabling a robust sales structure	A mid-sized generics company into branded sales wanted to define clear structure for its field staff. The structure would enable better sales operations and higher customer focus	Devised clear sales organisation, roles & responsibilities, KRA's, review mechanism etc for the field staff	Enabled a process-focussed approach to account planning, customer need analysis & fulfilment, order taking & delivery

# People Transformation

We help you add value to your business through your people

Developing a talent strategy is an important and critical step in today's organisational environment and context. We focus on aligning people and strategy to increase certainty of direction and outcomes, accelerate results and sustain benefits of business, process and policy changes.

## We help clients in achieving

- maximum impact of talent
- creating sustainable people operations
- achieving a market-driven organisational structure
- making changes stick

## Our Services

- HR transformation
- Organisation design and culture
- Knowledge management
- Leadership development
- Talent management
- Change management and executing change
- Competency development
- Rewards and benefits management
- Performance management

## *If this is your situation*

- Are people, processes and technology appropriately aligned to business strategy in your organisation?
- How do we attract and retain the right talent?
- Do we have the right talent management framework? Is it aligned to the direction we want our business to take?
- How can we create a change-ready organisation?
- How can we ensure sustainable change?
- How can we measure the effectiveness and efficiency of our HR function?
- How can we ensure that the right HR service delivery model is in place to serve internal customers at optimum cost?
- How can our people operations demonstrate value?

## Select citations

- Post merger integration of one of India's most significant acquisitions in the Pharma industry
- Talent Assessment and Management for several Pharma companies
- Designed the organisation structure, roles, competencies to help translate a Pharma company's strategy into action
- Leadership development and coaching for a group of specialists in the Pharma industry
- Designed process based roles and KRA's for a global Pharma major
- HR Function effectiveness, structure and capability building for a global Pharma major

# Financial Effectiveness

Assist organisations to build world class finance functions that can enhance growth and profitability

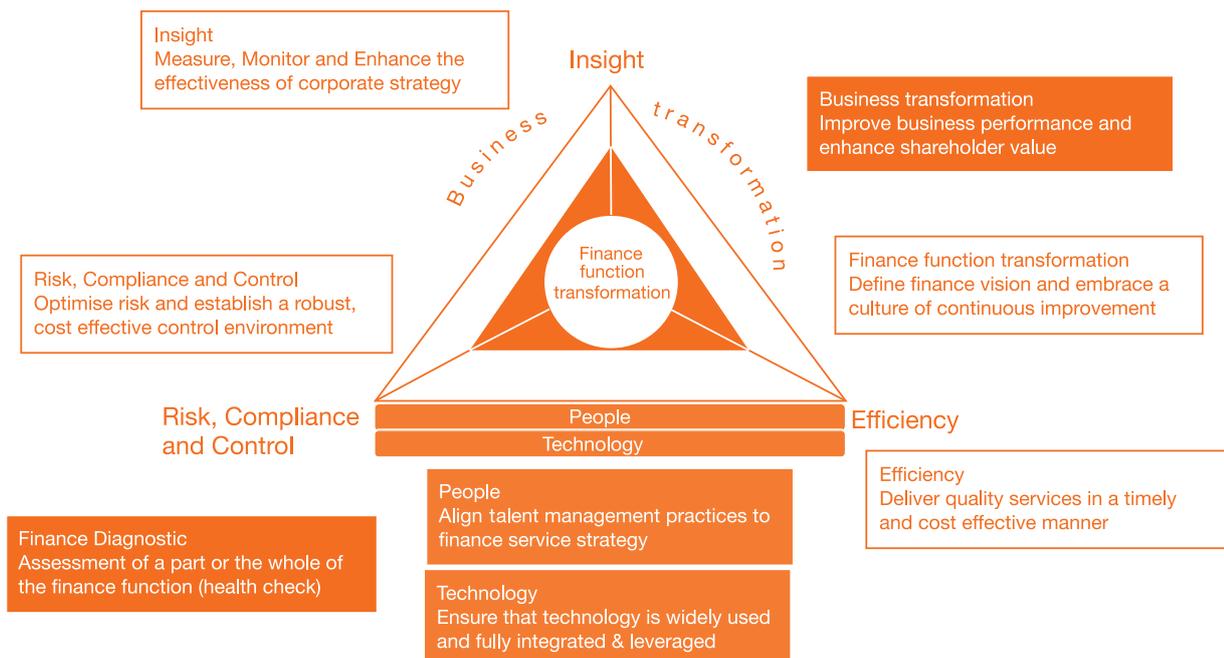
The Finance effectiveness practice focuses on transforming the CFO's office from being an "enabler" to a "strategic partner" to the business. Our view of the finance function is along 3 dimensions - Insight, Efficiency and Risk, Compliance and Control. Taken together, this creates the fourth dimension of Finance Transformation. The objective is to ensure that the CFO office spends at least 60% of its collective time on value-creating Insight and Strategic Risk functions. The CFO is also seen as a key member of the executive team and has to lead Business Transformation.

Our services span the finance value chain from finance vision and strategy through back-office operations. To support our engagements, we use an integrated approach that allows our multiple capabilities to be linked and utilised to assist clients in meeting their objectives.

*We take the client's finance function through an evidence based journey that begins with benchmarking and moves through performance effectiveness, efficiency, cost, competition, risk management, talent management and an assessment of the enabling functions (such as Human Resources and Information Technology).*

## If this is your situation

- Excessive Functional and Operational Complexity – caused by disparate processes and controls, multiple technologies, complex and redundant organisation structures and inadequate reporting.
- Underdeveloped People Strategies for Finance – caused by competency and development inadequacies, poorly distributed work and perceived lack of value.
- Insufficient Information & Processes for Reporting and Decision Making – caused by regulator and stakeholder demands for accelerated and transparent reporting based on consistent standards and lack of management confidence in both financial and operational data.
- Sub-optimal Use of Capital – caused by disparate or ineffective cash, treasury and working capital processes impacting the organisation's ability to adjust to current economic conditions.
- Ineffective Business Performance Management, Budgeting and Forecasting – caused by rigid and ineffective processes which are not linked to the organisation's strategy resulting in a vacuum of meaningful data.
- Regulatory Environment – caused by the changes required to processes and systems caused by IFRS and GTS implications.
- Value creation - Limited growth and profitability enhancement opportunities due to insufficient insight into growth options and cost leakage.



## Select Citation

Client issue: Our client, a leading pharmaceuticals major with a global presence was on an acquisition spree after having identified potential targets. However, for benefits to arise out of the acquisitions, comprehensive integration plans were required. These integration plans were prepared on a country basis and were required to be exhaustive in terms of estimating the benefits arising from the synergies and the costs of integrating the companies.

PwC approach & benefits realised: PwC helped the CFO's office prepare a roadmap for the integration initiatives and calculated the synergy benefits emanating from the integration. It also was responsible for estimating the one-time integration costs for all the identified initiatives.

The PwC team approached the situation by:

- helping build the existing templates that have been issued to each functional area (Marketing, Supply Chain, Distribution, IT , HR etc.) to document synergy benefits of the Integration
- interacting with functional areas and challenging the estimates pertaining to the synergy benefits and the one-time exit and integration costs

- synthesizing this data in the standard format outlined in the Country Integration Plan document
- helping present it to the Finance function for them to challenge it
- re-iterating with the functional areas to confirm and improve
- helping create the Country Integration Plan for submission to the Regional Office

Benefits realised: A comprehensive roadmap was prepared for all the identified initiatives (The identified initiatives list was a comprehensive list across all functions)

- The synergy benefits were estimated for each of the initiatives, leading to aggregate synergy benefits
- One-time integration costs to be incurred were estimated, leading to aggregate one-time cost of integration



# Technology Effectiveness

## Achieving business advantage through IT Excellence

Over time, the mission of the information technology (IT) organisation has evolved. In the past, IT's main goal was to support the business by efficiently managing systems, improving service levels to users and driving costs out of operations. Today, there is the added element of advancing the business—adding value by developing flexible capabilities to support growth, automating business processes, or facilitating mergers and acquisitions—where success is measured by how effectively IT can help the business seize opportunities and respond to new challenges. Chief information officers (CIOs) are also increasingly expected to innovate—adopting new technologies to maintain or grow market share, reduce business costs and increase business profitability. While a certain amount of innovation is required in virtually every industry, in Pharma, it's a matter of survival. As new business models emerge in Pharma, the role of IT will be transformed from a support function to a strategic differentiator.

### *If this is your situation*

- How can I utilise technology to help my organisation achieve its business goals?
- How do I strike a balance between innovation, efficiency and effectiveness?
- How can I build a world class IT function?
- How do I prioritise and manage complex IT Projects?
- How do I manage or realign the product portfolio to bring in more value and return for investments?
- How do I choose the right IT and networking infrastructure?
- How do I reduce IT costs without impacting IT service delivery?
- How can I make use of emerging technologies to achieve my business objectives?
- How do I manage so many IT systems and vendors?
- How can I improve on the performance of IT service delivery and management to increase satisfaction of my user group?
- Do my people have the required IT skills and capabilities to support changing business needs?

### **Our CIO Advisory Services can help you:**

- *strike the right balance among efficiency, effectiveness and innovation to meet business objectives*
- *address new business challenges—cost and competitive pressures, globalisation, ecosystem complexities, regulatory mandates, and an ever-changing economy—and create a sustainable competitive advantage*
- *improve service levels and client satisfaction by delivering the services and functionality the business expects, enhancing the operational credibility of the IT organisation*
- *transform IT engineering and operations to enhance business performance through improved IT agility*
- *position the IT organisation for a larger effect on the enterprise by building on operational credibility to establish the CIO as a strategic partner and an agent of change*

## Our Services

The Business of IT	IT Cost and Value Management	IT Due Diligence and Post deal Services
<ul style="list-style-type: none"> <li>Aligning IT to Business</li> <li>Building a better IT function</li> <li>IT Benchmarking and Portfolio Management</li> <li>Program and Project Management</li> <li>Alliance and Vendor Management</li> </ul>	<ul style="list-style-type: none"> <li>IT Cost Management</li> <li>IT Value Management</li> </ul>	<ul style="list-style-type: none"> <li>Pre-deal Services</li> <li>Post-deal Services</li> <li>IT Integration</li> <li>IT Project Management Office</li> </ul>
IT Network and Infrastructure Management	Business Continuity Management	Innovation in IT
<ul style="list-style-type: none"> <li>Data Centre and Computing Technologies</li> <li>Green IT</li> <li>IT Service Management</li> <li>IT Asset and Capacity Management</li> </ul>	<ul style="list-style-type: none"> <li>Business Impact Analysis</li> <li>Disaster Recovery Planning</li> <li>Business Continuity Plan Development</li> <li>BCP Strategy Selection</li> <li>BCP Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Emerging Technologies</li> </ul>

## Select Citations

Situation	Value Delivered
<p>Client is a manufacturer of pharmaceutical and life sciences solutions. The company is growing both organically &amp; inorganically, with acquisitions both in India &amp; abroad. Client had engaged PwC to develop the IT Strategy and Roadmap for them. They aimed to plan and organise all future IT initiatives and align IT more effectively with their business</p>	<p>PwC assessed the existing application portfolio, IT infrastructure and processes. PwC then helped create a target operating model with components of IT applications, IT Infrastructure and networking, IT Governance, IT Skills needed to support growth.</p>
<p>Client is the largest manufacturer of contraceptives in India. Client also runs diagnostics services and provides procurement and consultancy services to Government of India and several state governments. Client was looking for a better way to automate key business processes to achieve higher efficiencies</p>	<p>PwC conducted a detailed study of the various business processes (including existing IT infrastructure and computer systems, application portfolio, etc.). PwC then identified gaps in business process and assessed the business impact of these gaps. PwC suggested a mixture of process, technology, organisation and facility changes needed to narrow the gaps. PwC finally prepared the functional requirements of the technology solution and assisted in vendor selection.</p>

# Business Intelligence

## How do you identify key business indicators and trigger points for decision making?

The identification of key business indicators begins with an understanding of business drivers and mapping value chain processes. At PwC, we map value chain process, evolve objectives, understand critical success factors and derive Key Performance Indicators (KPIs) required to monitor Critical Success Factors (CSF).

Some business imperatives driving the need for Business Intelligence (BI) solutions in the Pharma and Life Sciences industry are:

1. revenue and growth – Using analytical reporting to analyse customer, channel and product information to fuel sales and profits and align operations with company strategy
2. product Quality and Yield Management - Using predictive analytics and process performance measurement to optimise product quality and yield

If these are the needs that your company is looking to address:

- Getting a single version of truth across functions and key business areas, especially cross functional information
- Having a robust performance management framework that can bridge strategic imperatives to operational KPI's
- Lack of powerful tools in business user's hands to perform 'what if' or scenario analysis
- Support revenue and growth and process improvement initiatives through use of predictive analytics tools, using analytical models for quality, yield, inventory and supply chain optimisation etc
- Reducing cycle time and effort behind Management Information System (MIS) creation

*At PwC's BI practice, we bring together over 250 experts who have delivered over 125 projects over the past three years. We can work with you to create a BI value proposition to address your strategic need for BI and assist you with implementation and sustenance through managed services. Our combination of Pharma domain expertise, technology consulting and systems integration experience presents a compelling value proposition to clients looking for an end-to-end solution to their business issues.*

### Our Services

- Corporate performance management
- Information architecture
- BI tool evaluation
- Business intelligence solutions
- Data mart and reporting solutions
- Budgeting, planning and forecasting
- Financial consolidation
- Balanced scorecards
- Data quality and data mining
- Data governance
- Analytics – profitability modelling, predictive analytics etc

### Situation

The client has distinguished itself as the world's largest producer of Measles and DTP group of vaccines. Client was facing major issues with lack of proactive exceptional reporting as well as cross functional reporting for Business Decision makers and also could not effectively monitor the progress of organisations across functions.

The client is the world's leading pharmaceutical company. It needed help developing a strategy to improve the speed, accuracy, and power of its sales and marketing information across the enterprise using automated reporting tools. Data was housed in multiple silos that produced redundant or inconsistent information for sales and marketing teams. The company needed to improve the information it provided to its brand groups regarding customers, market and brand activity, and relationships to enable more informed and effective decision making.

### Value Delivered

- Enabled move from monitoring mode to strategic decision mode
- GUI to engage end user's to proactively use reports
- Alerts that provide Business Decision makers exception data to Act upon on a pre defined frequency
- Portfolio to cater to operational as well as strategic reports
- Increased speed and accuracy of MIS
- Increased access to actionable information when most needed
- Automation of "heavy lifting" where possible, especially for data integration
- Increased data consistency and quality as information is sourced, transformed, managed, and distributed to generate reports
- Better use of key performance indicators (KPIs) and other metrics associated with commercial activities

# IT Risk and Regulatory

## Are risk management challenges keeping you awake at night?

For Life Science industry the pre-clinical, clinical and manufacturing sectors are highly regulated and the company should continually assess and monitor their risk environment to ensure quality and safety. As companies invest in new technologies to support their business functions, it becomes necessary to validate systems to ensure they meet regulatory requirements. Computer system validation requires that systems that store or process GxP data should be validated in line with various regulations and guidances.

### If this is your situation

- Need for a specialised compliance group within the organisation to comply with
  - The multifaceted regulations (GxP, Privacy, Fiscal, Health and Safety, Intellectual Patent Rights),
  - Face multiple regulatory bodies in a global setup,
  - Adhere to new guidances/regulations Adapting to changing interpretations for the existing regulations for increased patient safety.

PwCs' Risk Advisory practice has been a pioneer in India and has over two decades of experience. We assist organisations in governance, risk and compliance and IT risk management.

- As organisations seek to adopt new technologies and industry standards, the scope, complexity and volume of compliance requirements across the organisation is increasing by the day. Maintaining systems based on existing technologies, and implementing new technologies in a compliant manner requires involvement on a continuous basis from the compliance group(s).



- Poor documentation for existing systems, non-standardised/out dated SOPs, and low awareness among team members on the compliance requirements is posing a high risk leading to lack of audit readiness.
- Inefficiencies in the compliance life cycle including long documentation review and approval cycles, policy inconsistency, lack of quality resources for performing compliance activities and no single point accountability for compliance readiness across the organisation.

*Our Compliance Solution will help you ensure the Right-To-Operate your IT systems and associated processes & stakeholders into a state of always compliance. Our solution combines a process-based approach, a risk-based framework, and proprietary execution methodology. This enables improved operational efficiencies in compliance activities through optimal use of tools, services, knowledge management and best practices in risk-based validation.*

We specifically focus on the Life sciences (Pharma, Biotech, and Biopharma) and Medical devices sector. We have a rich pool of resources having expertise in Pharma/Biotech/Medical devices regulations (GxP, Privacy, GSV, CFR Part 11, etc), domain understanding in Pharma/Biotech/Medical Device value chains, Internal Quality Management System processes, Audit management. Other important key skills of compliance consultants are strong project management and work experience with Top Global Life sciences organisations. PwC has worked extensively with regulatory agencies for more than a decade and has advised and assisted a large number of organisations in achieving risk management and compliance objectives.

## Our Services

Our services span across process, business and technology and cover the end to end services spectrum including:

### Compliance and Risk Management

- **21 CFR Part 11** consulting services for quality systems, IT systems, IT infrastructure
- **Computer System Validation** consulting services (IQ, OQ,PQ, Vendor Audit, reviewing and creating SOP's) for key enterprise & automated systems
- **HIPAA** privacy & security assessment
- Review/assess the existing quality framework/program, systems in line with independent regulatory standards and guidelines, to provide your organization **compliance dashboard**

### Process Improvement/Optimization

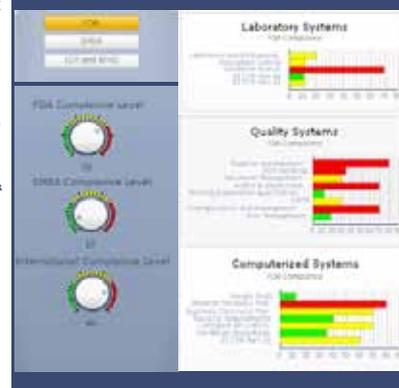
- **IRB/Ethics Committee** Process Consulting
- Building an effective **process improvement strategy** to improve business processes in line with
  - GCP (ICH E6) ,GLP and cGMP (ICH Q7A) best practices
  - Industry best practice for R&D, Clinical Operations and Manufacturing & Distributions

### Audit

- **System and Process audit** in line with regulatory requirements
- **Vendor and Supplier audit**
- **Investigator site audit**(FDA GCP & ICH E6)
- **Manufacturing Facilities and Sites** auditing (FDA cGMP & ICH Q7A)

We use industry proven risk based approach to assess your current infrastructure, business needs, processes etc to map to various regulatory requirements (like 21 CFR Part 11, CSV, ICH E6, FDA & EU GCP, GLP) to meet your regulatory and business needs

### Compliance Dashboard



## Select Citations

Clients	Client Issue
<ul style="list-style-type: none"> <li>• India's most reputed integrated manufacturers and exporter of finished pharmaceutical dosage forms both branded and generic</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting regulatory compliance requirements of various regulatory agencies without affecting the core business processes</li> <li>• Aligning the compliance execution methodology with the Global best practices/GAMP in validation</li> <li>• Attaining compliance of GxP applications.</li> <li>• Building up a cost effective model for consistently ensuring compliance to all applicable policies and procedures</li> </ul>
	<h3>PwC Phase based approach</h3> <ul style="list-style-type: none"> <li>• <b>Phase I - Prepare and Plan:</b> <ul style="list-style-type: none"> <li>- Understand business and regulatory requirements</li> <li>- Understand current IT policy procedures</li> </ul> </li> <li>• <b>Phase 2 - Retrospective validation:</b> <ul style="list-style-type: none"> <li>- Perform validation of existing SAP 4.7 system or modules</li> </ul> </li> <li>• <b>Phase 3 - Prospective validation:</b> <ul style="list-style-type: none"> <li>- Perform validation of SAP ECC 6.0 system, ovules including SD, MM, QM, PP-PI</li> <li>- Interface Validation with Lab ware LIMS</li> </ul> </li> <li>• <b>Phase 4 – Formulate and Implement IT policy and procedures:</b> <ul style="list-style-type: none"> <li>- Draft IT Policy and procedures</li> <li>- Perform vulnerability assessment and penetration testing</li> <li>- Periodic Inspection/audit of electronic systems and provide suitable CAPA</li> <li>- Data Centre and Network Validation</li> </ul> </li> <li>• <b>Phase 5 - Periodic Inspection/audit of electronic systems:</b> <ul style="list-style-type: none"> <li>- Perform audit of LIMS system</li> </ul> </li> <li>• <b>Result</b> <ul style="list-style-type: none"> <li>- IT Policy and Procedures based on international standards and PwC's best practices.</li> <li>- Best practices to make organisational network and security architecture robust</li> <li>- Performance improvement in business processes through validation activities</li> <li>- Strengthened compliance practices brought through PwC's domain expertise</li> <li>- Validation of SAP system to ensure that system is accurate, reliable and consistent with regulatory requirements</li> </ul> </li> </ul>

# Architecture and Implementation

Information Technology is a fundamental element of your strategies for growth, efficiency and cost management

*We can support your initiatives through a wide variety of technology services and solutions ranging from Architecture Validation to integration and IT system quality assurance.*

## If this is your situation

- Inconsistency in customer experience across online, mobile and physical channels
- Insufficient knowledge retention, harvesting and dissemination
- Inadequate quality assurance for IT systems and processes
- Cost intensive Risk and Compliance functions
- Increasing cost of operations and employee enablement due to a large, distributed work force
- Inefficiencies in operating processes due to disconnected/disparate IT systems
- Legacy applications, information design and infrastructure not aligned with present and future needs
- Increasing security and privacy concerns
- Non-availability of single window for employees for corporate communication, collaboration and self service
- Inability of value chain partners to exchange information and participate in the business processes

We, at PwC's Architecture and Integration (EA&I) practice, have a large pool of technical and functional specialists devoted exclusively to architect, design and implement innovative solutions to improve

operational efficiency, establish security controls, improve compliance management, enrich customers' e-channel experience, improve interactions with distribution channels and enhance employee productivity.

## Our services and solutions



## Select Citations

Business issue	PwC approach and benefits realised
<p>India's leading healthcare giant wanted to replace the existing my Resource and ART application, standardise and simplify user account management, automate many manual processes and provide accountability required by the Sarbanes-Oxley Act of 2002 (SOX) GEHC engaged PwC to implement IDM solution at GEHC.</p>	<p>As a part of this engagement both PwC India and US were actively involved in every phase of the project from design, development, testing and roll out. A well coordinated process was put in place between the US and the India team for successful implementation of the project. The entire effort was backed up by detailed project plan, project tracking methodologies, various templates like Daily task board was formalised for effective communication between the offshore and onsite teams. PwC India was solely involved in 24*5 production support and the support activity was carried out offshore. Using CISCO VPN connectivity with hard token, offshore team used to connect the end client infrastructure.</p>
<p>India's leading diagnostic chain felt a need to have a better system in place to support the business and cater to their MIS requirements. Client was looking for a web-based solution that includes Laboratory Information Management System (LIMS) along with ERP functionalities like Procurement, Inventory, Sales and Marketing, CRM, SFA, HR &amp; Payroll, and Finance modules.</p>	<p>Laboratory Information Management System software enabled our client to carry-out mainly the following activities.</p> <p>Automation of the laboratory operation cycle - from receipt of Sample for Testing to the printing of Test Results and publishing results online.</p> <ul style="list-style-type: none"> <li>• Automate the end to end Clinical Trial process.</li> <li>• Provide a web based Customer Care facility, log queries from patients like Test cost, Report collection time, Precautions before test etc.</li> <li>• Provide billing &amp; invoicing activities.</li> <li>• Web access by collection centres, franchisees and other labs to reduce data entry load at Metropolis.</li> <li>• Sample tracking through automatically generated Barcodes.</li> <li>• Automatic result capturing from Medical Analyser Devices.</li> <li>• Integration with SAP to send billing data as well as material wastage/consumption details.</li> <li>• Meets healthcare compliance criteria e.g. 21CFR Part 11, HL7 std etc.</li> </ul>
<p>Global Research and Development of a leading global pharma company was spearheading a project called Identity Management (IdM) that affects employees, consultants, and service personnel across the business. The project, which was a Corporate initiative, global in scope and standardises and simplifies user account management, automates many manual processes.</p>	<p>Sun Java System Identity Manager used for establishing a global process for resource requests and implementing an automated workflow based provisioning system for on-boarding and off-boarding of employee identities to key IT resources. Users have self-service capability by accessing one site for their account management and provisioning needs, reducing the number of Help Desk calls and manual e-mails required to manage their resources.</p> <p>PwC was engaged as implementation partner for this engagement, where PwC India played a crucial role in development, unit testing and documentation. PwC India's responsibilities spanned across designing/developing/testing the various components (viz. Forms, Rules, Email Templates, Sub-Process, and Workflows) driving the applications. To expedite the development process, PwC India gets the access into the client environment. Software token was used to connect the end systems.</p> <p>In this engagement PwC India significantly contributed in modification of common Foundations that included Approvals, Notifications Provisioning, dependency checks &amp; Auditing Framework to accelerate future IdM implementations which set a benchmark for rapid and efficient implementation of IdM solution.</p>

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## *About PwC*

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See [pwc.com](http://pwc.com) for more information.

In India, PwC ([www.pwc.com/India](http://www.pwc.com/India)) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Complementing our depth of industry expertise and breadth of skills is our sound knowledge of the local business environment in India. We are committed to working with our clients in India and beyond to deliver the solutions that help them take on the challenges of the ever-changing business environment.

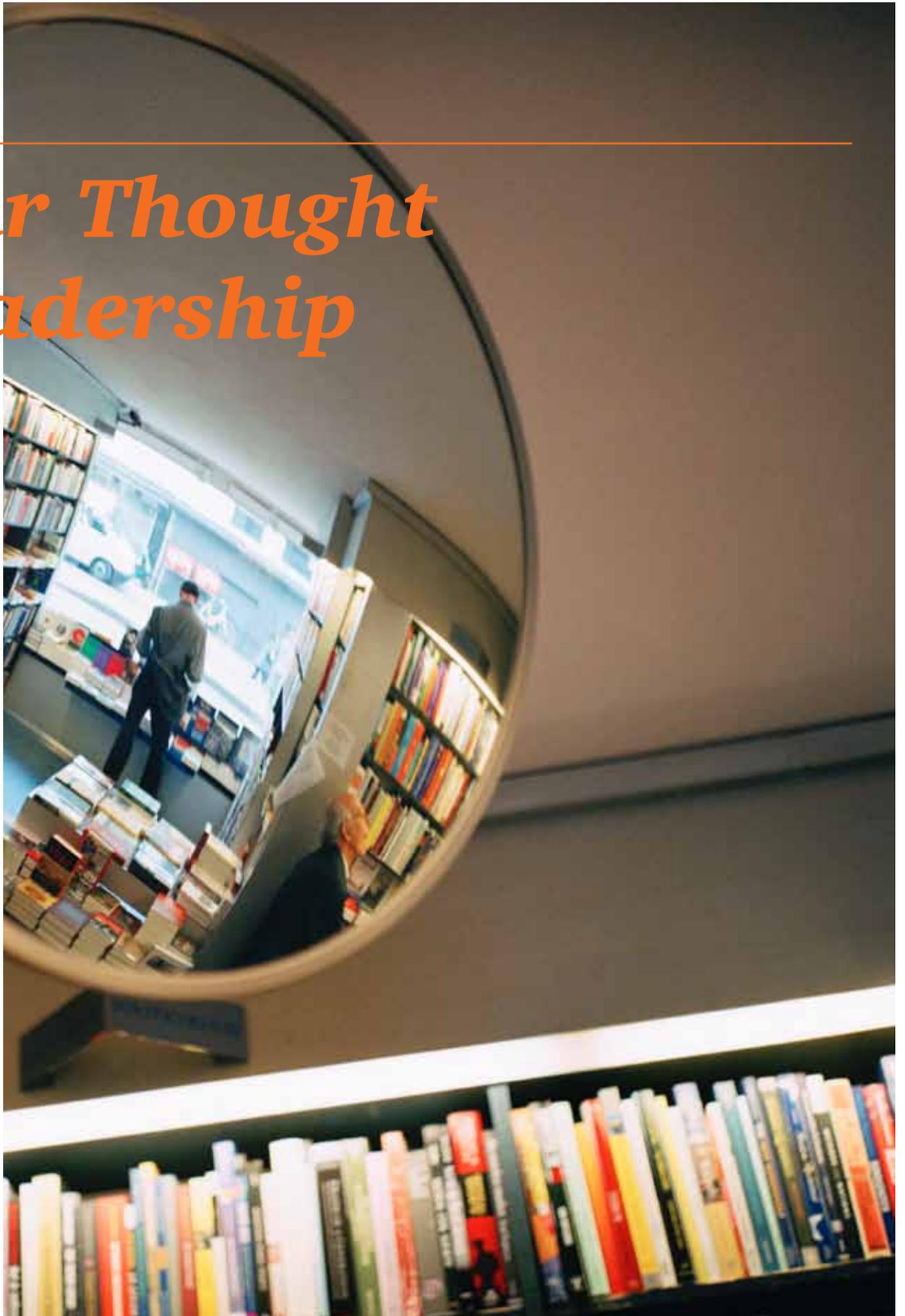
PwC has offices in Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.

[www.pwc.com/india](http://www.pwc.com/india)

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# *Our Thought Leadership*



## India Pharma Inc.: Capitalising on India's Growth Potential

This report looks at developments in the Branded generics, Over-The-Counter (OTC), Vaccines and Rural markets, and analyses what lies ahead for the industry, as it aims to capitalise on the promise of the domestic market place. We believe that the domestic market has a positive growth trajectory but it will also face major transformational challenges in the next decade. We address some of these challenges and identify key imperatives to accelerate the domestic market's growth.



## Global pharma looks to India: prospects for growth

Our report highlights that India now has a growing and increasingly sophisticated pharmaceutical industry of its own. It is likely to become a competitor of global pharma in some key areas, and a potential partner in others. Under the current rates of growth, India should be among the top ten pharmaceutical markets by 2020.



## Vision 2020 - Biopharma strategy for India

This paper focuses on biopharma strategy for India to become one of the world's five leading producers of affordable biopharmaceutical drugs by 2020. Biopharmaceutical products include: vaccines, blood and blood components, somatic cells, gene therapies and recombinant therapeutic proteins.



## Gearing up for a global gravity shift\* growth, risk and learning in the Asia pharmaceutical market

White paper survey launch pack Asia pharmaceutical industry is gearing up to be at the centre of the global market and most pharmaceutical companies in the region expect this shift to happen fast. Fifty eight per cent of companies believe the centre of gravity of the global pharmaceutical market will be in Asia rather than North America and Europe in the near future. This report is based on in-depth interviews with 185 senior pharmaceutical executives across nine different territories in the region; China, India, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.



## The changing dynamics of pharma outsourcing in Asia: Are you readjusting your sight?

The dynamics of pharma outsourcing and location decisions in Asia are changing. Cost reduction is being augmented and companies need to set their strategic sights on a future world. The paper highlights key developments on outsourcing in the pharmaceutical market in Asia. An outsourcing index is also introduced that ranks Asian territories according to cost, risk and market opportunity.

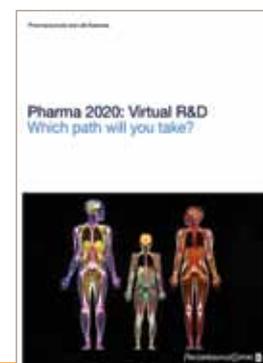
## IFRS Issues and Solutions for the Pharmaceutical and Life Sciences industries

This third publication of IFRS Issues and Solutions for the Pharmaceutical and Life Sciences industries has been prepared to stimulate discussion and represents a first step in trying to establish a common platform or framework. Principally written from a revenue recognition standpoint, it considers how both parties to an agreement should account for it. However, the paper does not intend to provide a formulaic approach to evaluating contracts as each solution should reflect the facts and circumstances of each agreement.



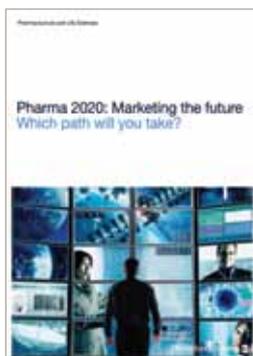
## ***Pharma 2020: The vision - Which path will you take?***

This report is the first in the series, indicates that the current pharmaceutical industry business model is both economically unsustainable and operationally incapable of acting quickly enough to produce the types of innovative treatments demanded by global markets. In order to make the most of these future growth opportunities, the industry must fundamentally change the way it operates.



## ***Pharma 2020: Virtual R&D - Which path will you take?***

The second paper in the PwC Pharma 2020 series, explores how pharma companies could dramatically improve R&D productivity. It contends that by 2020 the R&D process may be shortened by two-thirds, success rates may dramatically increase, and clinical trial costs could be cut substantially. New computer based technologies will create a greater understanding of the biology of disease and the evolution of “Virtual man”; to enable researchers to predict the effects of new drug candidates before they enter human beings. Along with changes underway in the regulatory and socio-political environment, this will enable Pharma to overcome one of the most fundamental issues it needs to resolve over the next decade.



## ***Pharma 2020: Marketing the future - Which path will you take?***

This paper, the third in the PwC Pharma 2020 series, discusses how the industry is no longer being rewarded for incremental innovation, me-too products and selling the most pills. Companies need to add value to patients by offering a package of products and health services that the market is willing to pay a premium for.

## ***Pharma 2020: Challenging business models - Which path will you take?***

This paper, the fourth in the PwC Pharma 2020 series, will help our clients to better understand why Pharma’s fully integrated business models may not be the best option for the pharma industry in 2020 and why new creative collaboration models may be more attractive.

## ***Pharma 2020: Taxing times ahead - Which path will you take?***

The paper discusses how the political, economic, scientific and social trends currently shaping the commercial environment, together with the development of new, more collaborative business models, will exert increasing pressure on effective tax rates within the industry. It also shows how companies can adapt their tax strategies to support the provision of outcomes-based healthcare and remain competitive.



## ***The science of change: How will proposed changes in revenue recognition impact your company?***

This publication is designed to assist pharmaceutical and life sciences companies understand the potential impacts of the upcoming US GAAP changes and the joint revenue recognition project to their businesses. The report covers the following proposed standards: 1. Emerging Issues Task Force Issue 08-1 (EITF Issue 08-1): Revenue Arrangements with Multiple Deliverables 2. Emerging Issues Task Force Issue 09-3 (EITF Issue 09-3): Certain Revenue Arrangements That Include Software Elements 3. Emerging Issues Task Force Issue 08-9 (EITF Issue 08-9): Milestone Method of Revenue Recognition 4. FASB/IASB Joint Revenue Recognition Project



## ***Biotech Reinvented: Where do you go from here?***

The biotechnology industry needs to reinvent itself by adopting a more collaborative approach in order to capitalise on the opportunities emerging in the healthcare arena. This new publication highlights the main trends dictating the need for a new way of conducting research and development, and two organisational concepts that would help biopharmaceutical companies become far more efficient. It also touches on the implications for other parts of the value chain.



## ***Biotech: Lifting Big Pharma's Prospects with Biologics***

Therapeutic and diagnostic biologics helped increase venture capital investment in the overall human biotech sector in 2008 and are the fastest growing sub sectors within the life sciences industry. Read more on the impact biotech is having on pharma.



## ***Investing in China's Pharmaceutical Industry - 2nd Edition***

This is the second edition of a paper published by PricewaterhouseCoopers looking into the current pharmaceutical market conditions in China. The report covers various subjects that are considered to be of concern to the pharmaceutical industry and/or investors in the pharmaceutical (pharma) industry in China. This publication builds on the foundation set in the first report, published in 2006. The pharmaceutical/life sciences landscape is changing fast in China and this new edition reviews, updates and expands on the following key areas: Traditional Chinese Medicine (TCM), China's OTC Market, Medical Devices, CROs and CMOs, Development of Innovation, Tax Incentives in China, Bribery & Corruption in Sales and Marketing, Challenge of Drug Pricing, Distribution Systems, Intellectual Property Protection, Market Consolidation and Financial Impacts of Investments.



## ***HealthCast: The customisation of diagnosis, care and cure***

The HealthCast series has been the leading thought leadership publication for PwC's Health Industries practice since the first report was published in 1999. This year's report addresses how healthcare around the globe is being shaped by a customisation of products and delivery to many varied and disparate points, and this is placing greater strain on already cash-strapped and complicated systems.





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