



Operate Model

Winding Down

2021

To decide to wind down could be one thing;
To actually wind down is another

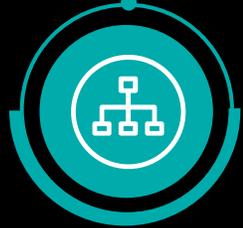
Deloitte expertise can help an organisation
undertake end-to-end process, allowing the
leadership team to focus on other business
verticals



Winding down | Driving factors

Business organisations restructure for a multitude of reasons, and this is inevitable in the ever-changing competitive landscape

CONTRIBUTING FACTORS – WINDING DOWN OR LIQUIDATION



Optimising structure

Liquidating sub-optimal segments/verticals can rationalise group structure



Commercial/ Geographical nonviability

Business exits due to commercial or location viability issues



Change in laws and regulations

Change in law and regulations warranting business restructuring



Limited manpower resources

Availability of limited resources necessitates streamlining of the business units to prioritise crucial business needs



Tax structuring

Dynamic taxation landscape in India demand that businesses relook at the structure at regular intervals



Alignment with changing consumer needs

Ever-changing competitive landscape would mean that the companies are agile and nimble, requiring to address consumer needs

Winding down | Key considerations

Business wind down operations can be multidimensional and a long-drawn process, involving several functions and service providers having to work together to undertake the process.

Choosing the right liquidator and service provider becomes pertinent for the company to undertake requisite compliance and maximise the asset realisation value.



Cost benefit analysis by identifying and analysing the commercial viability of shutting down options



Evaluate different alternatives associated with various contingencies to make the right decision



Assess optimal expenditure and time involved in completion of the process



Assess tax situation based on ongoing assessments and evaluate the potential tax liability



KEY CONSIDERATIONS FOR MANAGEMENT



Assess legal implications of business shut-down vis-à-vis customer/vendor contracts and other obligations of the business



Plan on communications to stakeholders such as creditors, customers, statutory authorities regarding business wind down



Analyse the asset base of the company and strategise on the best possible value realisation alternatives



Impact on other businesses to be factored in the overall strategy

Winding down | Need for Operate Model

Management could decide to opt for a one-stop solution instead of dealing with multiple service providers to ensure smooth completion of the liquidation process. One such option could be “Winding Down - Operate”.

“Winding Down Operate” is one-stop outsource model, wherein Deloitte would provide (a) multidisciplinary support under a single umbrella, (b) planning of the strategy for winding down, (c) taking responsibility of end-to-end processes involved in the restructuring of the business. This aids in providing the necessary resource, tool, and support across functions to ensure smooth completion of the liquidation process with the leadership, having to invest the minimum in terms of time and effort.

NEED FOR WINDING DOWN OPERATE



Optimisation of costs involved in the process and strategise across functions for optimal solutioning



Expertise to navigate through complex tax and regulatory environment and ensure compliance under all related laws



Data control to ensure information is accessible to only relevant stakeholders and communicated to the interested parties in a timely manner



Single point of contact - Minimise liaisons with external service providers and ensure transparency



Efficient use of resources and fast track winding down process



Enhanced accountability and responsibility to ensure timely resolution of all issues and meeting the requisite deadlines as per the process

Winding down | Multidisciplinary team to handle end-to-end needs



Contact us



Mahesh Jaising

Partner | Indirect Tax
Deloitte India

Email: mjaising@deloitte.com
M: +91 98452 08820



Nitin Shingala

Partner | Business Process Solutions
Deloitte India

Email: nshingala@deloitte.com
M: +91 98200 57694



Nirav Pujara

Partner | Financial Advisory
Deloitte India

Email: npujara@deloitte.com
M: +91 98200 82397



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This material is prepared by Deloitte Touche Tohmatsu India LLP (DTTILLP). This material (including any information contained in it) is intended to provide general information on a particular subject(s) and is not an exhaustive treatment of such subject(s) or a substitute to obtaining professional services or advice. This material may contain information sourced from publicly available information or other third party sources. DTTILLP does not independently verify any such sources and is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such sources. None of DTTILLP, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this material, rendering any kind of investment, legal or other professional advice or services. You should seek specific advice of the relevant professional(s) for these kind of services. This material or information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person or entity by reason of access to, use of or reliance on, this material. By using this material or any information contained in it, the user accepts this entire notice and terms of use.

© 2021 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited