

## Case Study

# One of Europe's largest ophthalmic product manufacturers

Service(s) offered: **Inventory Verification, Fixed Assets, Financial Transformation, Audit Support**

Sector/Industry: **Manufacturing**



## Verified inventory and fixed assets, helped with the financial transformation of a leading ophthalmic optics company

Our client is a world leader in ophthalmic optics and a key player in visual health, providing solutions to correct and protect the visual health of billions of people worldwide. They chose Nexdigm as its implementation partner to handle various engagements for its joint venture companies such as Inventory Verifications, Fixed Assets Verifications, Financial Transformation, and Audit Support.

### Challenge

The company had numerous joint ventures in India and faced challenges in streamlining its reporting practices in France. There were certain concerns regarding the maintenance of accurate books of accounts, physical verifications of inventory, and fixed assets.

### The Solution

Our team assumed multiple roles across their Finance Function to perform various responsibilities such as –

#### Inventory Verification

We conducted inventory verification for the client's 13 partner entities across India. A majority of the entities had a pan-India presence or more than one location within the state.

The team followed a standard process for the execution of inventory verification engagement,

### Case Highlights

- Conducted inventory and fixed assets verification within a limited time at a pan-India level and a foreign location
- Implemented IND AS for the first time and liaised with the auditors for audit queries
- Completed key financial tie-outs and balance sheet reconciliation for various captions of financial statements
- Established and streamlined accounting principles and guidelines
- Established a finance process and detailed standard operating procedures (SOPs)
- Established key performance indicators (KPIs) for financial metrics and monitoring procedures

which included a uniform calculation to verify the quantity of damaged inventory and tagging the cartons, trays, etc., across locations.

There was difficulty extracting the SKU-wise inventory details from the accounting records in one of the entities. Extending support to the client, our team assisted in identifying methods to arrive at the inventory as per books and set up a process to maintain the correct records in the future.

### Fixed Assets Verification

Our team conducted the verification of fixed assets for nine partner entities of the client in India. We visited each location and verified the fixed assets physically with the company's register and performed asset tagging. The company even required assistance in cleaning up the fixed asset register and matching the same with books. We identified the errors and assisted in rectifying the fixed asset register.

### Audit Support

We provided audit support for 11 entities in India through appropriate planning, discussing and confirming timelines with the client. Before sharing deliverables with the auditors, we performed necessary review of the requirements and liaised with the statutory auditors.

### Financial Transformation

Our team undertook the financial transformation for the client's joint venture company. We obtained detailed business understanding, process understanding along with all the accounting records and offered recommendation for improving the compliance procedures. We also created standard operating procedures and provided the same to the management of the joint venture company.

### Inventory Valuation Support Service

Our team prepared inventory valuation report across multiple locations in India. The valuation report was prepared at a SKU-level, which involved creating a purchase register by verification of physical invoices, sales register based on ERP data, derivation of opening inventory balances based on physical verification data available with the client.

### Impact

- The remediation of internal and external audit issues and implementation of SOPs benefitted the company in achieving better compliance and controls of their operations.
- The asset verification support helped the company in achieving the internal and external reporting compliance requirements.
- In addition, the company was able to address and improve process gaps in their asset management processes.
- The overall operations became more transparent, and the management had higher confidence in the numbers due to the responsibility they entrusted upon us.

For more information on this case study,  
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You can also visit our website to know how  
our services resulted in tangible business  
benefits:

**[www.nexdigm.com](http://www.nexdigm.com)**