

Case Study

A subsidiary of a US-based technology company providing R&D related to ITeS and other support services

Service(s) offered: **Interim CFO Services**

Sector/Industry: **IT/ITeS**



Provided Interim CFO Services to a Technology Company

The client is a subsidiary of a US technology company and provides various services such as R&D (Research and Development), product support and other support services to the group. Their CFO (Chief Financial Officer) in India had recently resigned, and they approached Nexdigm in the interim to take care of their CFO office until they found a replacement.

Challenge

The company did not have any Finance lead/CFO or a strong F&A team to handle their Finance function. They had to initiate a statutory and tax audit, prepare the accounts and coordinate with the auditors.

They had recently changed their payroll vendor and the employees were facing challenges relating to investment declaration and other tax-related matters. Due to the lack of coherent implementation, serious escalations were coming to the Finance team.

In the absence of an in-house CFO, the organization had to ensure that the business ran smoothly in adherence to the compliances. They had to be cautious that no disturbance is caused to any process such as the inter-company billing, reconciliations, vendor and tax payments, return filings, etc.

Case Highlights

- Acted as the **primary contact for all financial matters**
- **In-depth review** of accounts
- **Timely completion and submission** of statutory and tax audits
- **Direct supervision** of the F&A team and the payroll vendor
- Carried out **FP&A (Financial Planning & Analysis) responsibilities** such as preparing forecasts, reviewing vendor contracts, flux analysis, and invoicing

Solution

Controlling cash flows and forecasts

Our team reviewed the month-end numbers before the reporting was finalized. We checked the monthly variances and ensured there were appropriate reasons for any major variations. We monitored the cash flows and working capital requirements, prepared forecasts and reviewed vendor contracts among other FP&A activities.

Supporting existing payroll issues and helping in appointing a payroll vendor

Due to the year-end, there were pending approvals for investment declarations. Additionally, the client had Flexi-benefit plans as a part of their salary structure. The newly appointed vendor could not cater to the above requirements, due to which the client was facing multiple service issues. Our team resolved the employees' queries and provided full support to each employee with appropriate solutions.

We then helped scout a new payroll vendor by participating in various demos, creating a vendor evaluation worksheet and rating the vendors on agreed parameters.

Compliance management

Our team prepared an activity and compliance tracker to ensure all the processes were accomplished on time with accuracy. We also followed a compliance calendar to avoid any delay and updated the client and their US counterpart on a weekly basis about the progress of the activities.

Timely closure of statutory and tax audits

Our client was an STPI (Software Technology Parks of India) unit and thus had to submit the audited financial statements by the end of June 2021. We acted as Single Point of Contact (SPoC) for the auditor and ensured that the statutory and tax audits were completed within the due date without any qualifications. Our support to the client extended beyond financial statements as we also liaised with the auditors, aligned the management, etc.

Impact

Our support resulted in:

- Significant reduction in employee escalations
- Remarkable improvement in processes
- Saving management bandwidth

The client appreciated our diligence, steadfastness, and support in implementing the best practices exercised by the execution team.

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com