

CASE STUDY

Informed investment decisions?

The Finance and Banking sector is arguably one of the most complex, with a variety of models for retail, wholesale and investment banking. Regulators find it difficult to keep pace with product innovation execution with every institution vying for that premium share of profitability and shareholder value. They place themselves under intense pressure to maintain business well-being at all times in order to achieve growth carefully balanced by structure, stability and risk management. Operations need to be flawless and like clockwork, yet agile enough to respond to change.

What were the key issues?

The Scenario

The client is headquartered in Silicon Valley, California with development and processing operations in Bangalore, India. Founded by senior professionals who have a proven track record in delivering innovative and mission-critical solutions in banking systems and payment products, the client holds the patent for a unique payment gateway solution, which is used by major banks in India like HDFC, ICICI Bank, Karur Vysya Bank, etc. As part of an investment strategy of a US-based Venture Capital fund, Pierian's mandate was to conduct financial due diligence for both the US and India based companies.

There were certain challenges vis a vis completeness of financial information, inconsistent accounting processes, etc. As a result it was difficult to generate the correct set of financial statements and other reports needed. Further, the company's Indian subsidiary was grappling with compliance-related challenges governed by various statutes applicable under Indian Laws.

How was the audit approached?

The Solution

Pierian completed the due diligence by highlighting the process gaps in accounting and compliance functions, and assisted the company in preparing the right financial statements and reports.

Pierian collated, analysed and presented the necessary financial information.

Pierian ensured that financial statements and other necessary information were collated from books of accounts, and were analysed and presented appropriately to the potential investors. This involved consolidation of the financials of the holding company, its subsidiary and also presenting a standalone financial report for companies in US and India.

Through detailed analysis, we provided key operational & financial metrics, to gain and present a better understanding of the business.

After formal closure of the funding; the gaps identified in the finance & accounting process during the due diligence were duly addressed and our recommendations implemented. These included: Revenue recognition; Expense accruals for Period close etc.

The investors now have accurate and reliable management reports.

The client is a provider of payment products and services for the emerging payment channels of debit and stored value cards, global remittances, mobile payments, and electronic payments. The client offers an enterprise level payment platform that enables financial institutions and other service providers to rapidly deploy and manage a host of payment solutions.