



**Our
Business
Knowledge,
Your
Winning
Edge.**

**Business Process Services –
Finance and Accounts
Outsourcing**





Today's CFOs are entrusted with multiple and often contradicting challenges. At one end, they are required to prepare the organization to support future growth by investing in resources. At the other end they are also responsible to drive cost cutting initiatives. The Finance and Accounts (F&A) function of today are entrusted with performance improvements across the organization. The function is also expected to strive for its own effectiveness by improving the efficiency of finance business processes and maximizing the return on investment in technology.

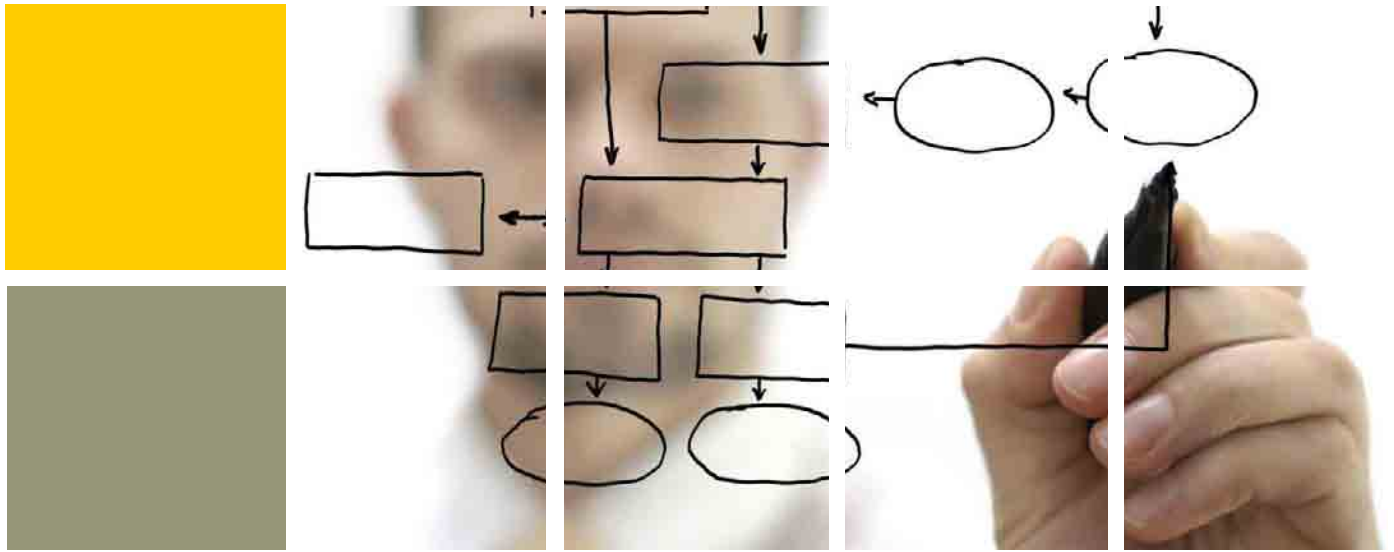
In the wake of the recent global financial crisis, companies are also looking at the F&A function to have stronger controls and a comprehensive risk management framework to avoid any regulatory slip-up. With rising competition and the rapid pace of changes in the business environment, F&A function is seen as the right source to provide the company management with business insights in the form of analysis of trends and competitor performance.

All these changes are making CFOs and F&A functions reassign their resources and look at alternative delivery mechanisms. Outsourcing as a means to consolidate transactional activities is a key ingredient of this emerging paradigm.

Our transformation-led F&A outsourcing solutions are implemented within an integrated, end-to-end operating structure to provide flexibility and scalability across multiple sites, processes and organizations. Using a proven, collaborative approach, our solutions optimize F&A processes to help clients reduce operating costs, accelerate productivity improvement, hasten the release of working capital, mitigate risks and maximize stakeholder value.

Our value proposition

- As much as 30 to 40% savings by reduction in F&A operating costs and process transformation
- Leveraging technology to address the challenges of efficiency and control
- Additional value with improved business outcomes, like release of working capital
- Enable clients to be ahead of competition by converting information into insights through stronger management reporting and analysis of financial numbers



Our Solution

Our suite of F&A service offerings covers the entire gamut of finance processes, right from transaction initiation to reporting.

- Invoice scanning and processing
- Matching and approval
- Payment processing
- Expense claim processing
- Period end processing
- Query resolution
- Vendor Master Maintenance

- Customer master maintenance
- Order management and credit analysis
- Billing and invoicing
- Cash allocation
- Collections
- Period end processing
- Query resolution

Procure to Pay (P2P)

Order to Cash (O2C)

Finance and Accounting

Record to Report (R2R)

Project and Fixed Asset Accounting

- Master data maintenance
- General accounting
- Period end closing
- Tax accounting and reporting
- Treasury and cash management
- Statutory, regulatory and management reporting

- Project accounting
- Capitalization
- Asset tracking
- Depreciation & period-end process
- Asset retirement / disposal
- FA master data maintenance

Our Offering for F&A P2P (Procure to Pay) Outsourcing



Business Situation

Procure to pay (P2P) process is an area of F&A that accounts for one of the largest amounts of transactional activity. Traditionally, companies have found this as a very challenging area due to the lack of standardization and involvement of large volumes, multiple sites or stakeholders. In many organizations, P2P activities are still manual in nature, leading to delays and lack of accountability for end-to-end processes. Even with the implementation of sophisticated technologies, companies have not been able to fully realize the benefits of their investments due to lack of scale of individual operations.

From the organization perspective, very few P2P steps add value to the end product. Also, the P2P process is directly linked to cost incurred by the company and the cash flow. It also reflects how the company interacts with its partners, suppliers and business associates.

Companies are increasingly looking at standardization, automation and centralization to streamline the P2P process. As much as 80-90% of F&A P2P activities can be automated or outsourced to gain greater efficiencies and reduced cost of operations.

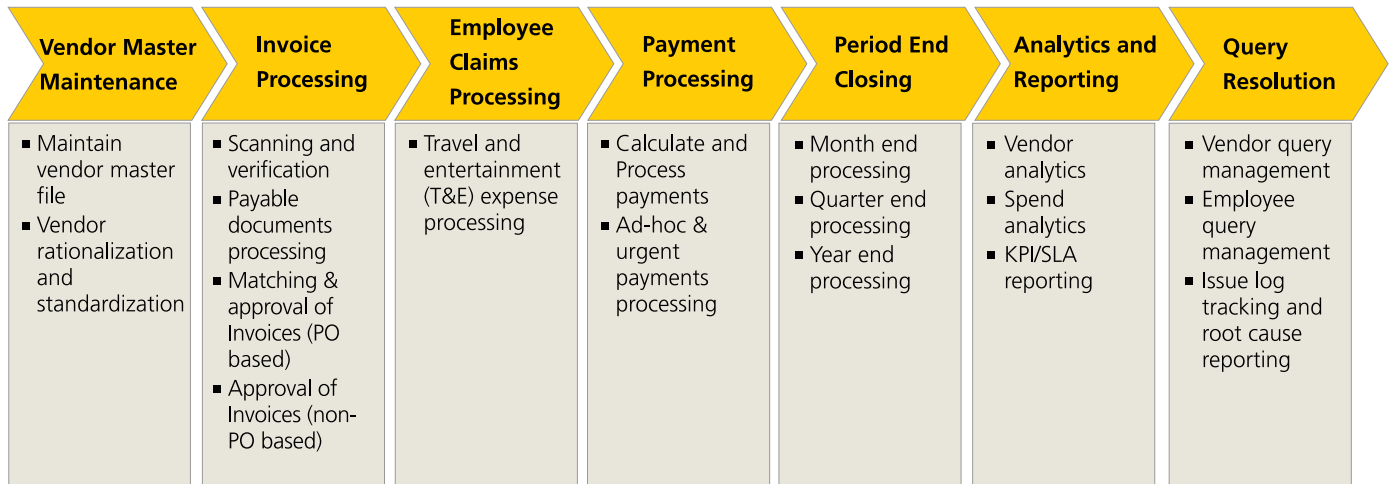
How L&T Infotech BPS can benefit clients?

We have a strong understanding of our clients' business across industries and a strong global footprint in the P2P outsourcing space. Based on the existing systems and process maturity profile, we provide client specific P2P solutions. Using our IT expertise, we implement automation-led P2P solution that leverage technologies such as scanning, Document Management System (DMS), adaptive workflows, ERP interface and electronic payments to enhance process effectiveness. We assist clients in migrating towards an enhanced P2P process that leverages economies of scale through consolidation and integration of the IT eco-system.

The transformed P2P process presents multiple benefits to our clients in the form of

- Consolidated supplier base
- Simplified approvals
- On-time payments
- Reduced errors
- Improved cash flows
- Improved accounting
- Reduced cost of P2P function
- Vendor satisfaction

P2P Process Spectrum



Our P2P solution spans the complete set of F&A P2P process, right from vendor master creation to month-end closing and reporting. For each process set, at a sub process level, we have best-in-class solutions integrated with technology drivers such as scanning, Document Management Systems (DMS) and workflows. For Travel and Entertainment (T&E) expense processing, we offer a platform-based solution, which can be customized to client requirements.

In addition to day-to-day management of the P2P process, we provide strong analytical reporting on various parameters like vendors, spends, payments, trends, process quality and KPI.

Our Offering for F&A O2C (Order to Cash) Outsourcing



Business Situation

Order to Cash (O2C) is one of the most important functions of F&A as it deals with the revenue stream of the organization. It is also vital as it interacts with end customers and can influence the level of customer satisfaction towards the overall organization.

Inefficient performance of O2C is reflected in various forms. The signs of inefficient O2C include:

- Incorrect and non-standardized credit terms
- Stable or increasing days unbilled
- High level of DSO (Days Sales Outstanding)
- High bad debt, write offs and unapplied cash as percentage of aged AR
- Inaccurate sales forecasts
- Delayed dispute resolution

These issues ultimately restrict the ability of the organization to realize a high level of receivable turnover, which in turn further inhibits better financial performance.

How L&T Infotech BPS can benefit clients?

Our transformation led F&A O2C solution deploys standardization, centralization and automation as the levers to improve the performance of the O2C process. We have a strong understanding of the client's business across industries that allow us to provide customized solutions for client-specific O2C challenges.

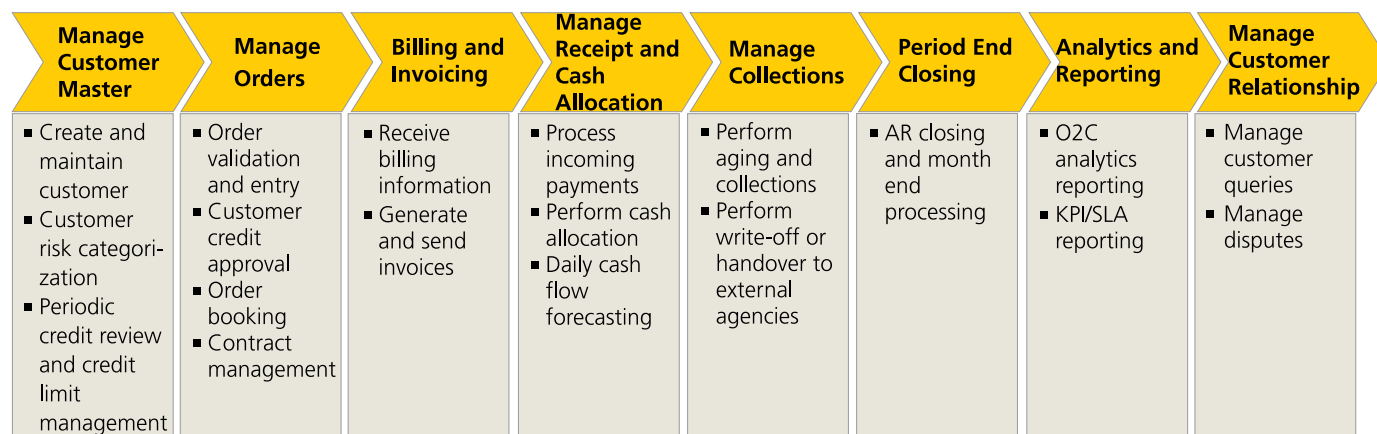
Our O2C solution leverages technology in the form of integrated systems consisting of workflow software, EDI interface with banks, direct Electronic Funds Transfer (EFT) and electronic invoices.

Through these enablers, we help our client's O2C process to migrate to:

- Standard credit policies
- Higher rate of accurate order fulfillment
- Clear, accurate, and comprehensive invoices
- Standardized company-wide invoice and remittance formats
- Risk wise segmentation of AR portfolio and improved monitoring of DSO, daily collection and ageing of debt
- Improved cash forecasts
- Prioritization of accounts for collection activity and improved collections

Most importantly, our solutions help clients focus on core O2C activities that lead to reduced DSO (days sales outstanding), improved cash flows, and higher customer satisfaction.

O2C Process Spectrum



Our O2C solution spans the complete set of F&A O2C process, right from customer master creation to billing and invoicing to month end closing and reporting. For each process set, at a sub-process level, we have best-in-class solutions integrated with technology drivers like workflow, e-invoicing, customer helpdesk, collection workbench and electronic payments through EDI with banks.

As part of the standard periodic reporting, we also provide F&A O2C specific metrics and insights in the areas of order taking, invoicing, collections and queries that the management can use to better manage the O2C function, improve cash flow and customer relationship.

Our Offering for Project and FA Accounting Outsourcing



Business Situation

In the emerging economic environment after the global financial crisis, companies are expected to have stronger controls and higher returns on their investments in capital assets. Project and Fixed Asset (FA) accounting in this context is critical as it is the means by which companies control their Capex and gain insights into where the company's fixed assets are deployed.

Inefficient performance of this function is reflected in various forms. Some of the signs include:

- Inconsistent Fixed Asset Register (FAR)
- Undercapitalized assets leading to incorrect reporting
- Inconsistent depreciation calculation across various business units
- Inadequate asset information
- Unaccounted assets residing in warehouses
- Inadequate tracking of asset movements
- Higher tax liability due to sub-optimal control over depreciation costs
- Lack of management reports related to FA

These issues ultimately restrict the ability of an organization to realize complete control over their assets and subjects the company to frauds related to unaccounted capital spends, asset pilferage and unauthorized asset movements

How L&T Infotech BPS can benefit clients?

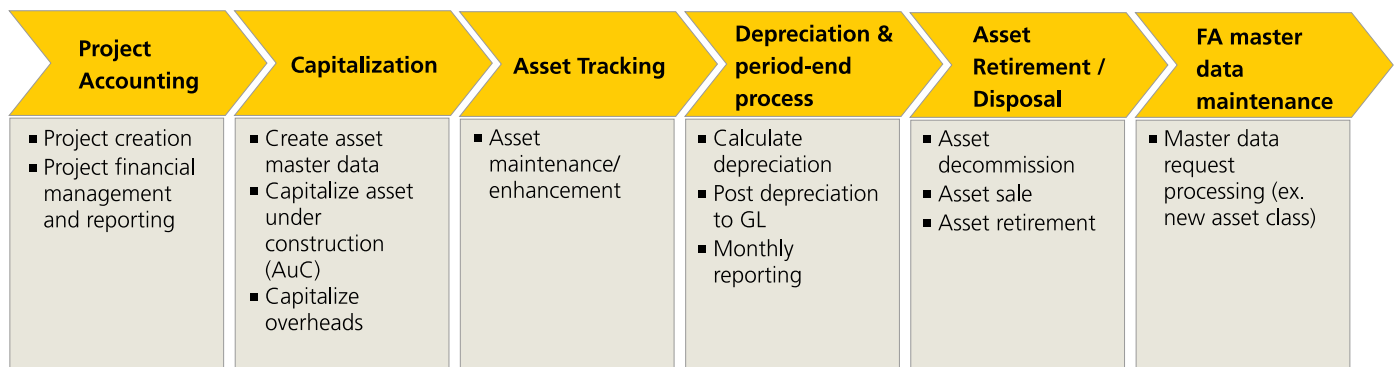
Working with clients who have large size Capex outlays, we have a comprehensive understanding of the Project and Fixed Asset (FA) accounting process. Our solution is tailored to the day-to-day transaction processing activities of the FA accounting function and standardizing, automating and consolidating them to realize the full benefits of outsourcing.

We assist our clients to transition to a revitalized Project and FA accounting; some of the ingredients of the future state process are:

- Comprehensive documentation of the FA process
- Consistent and accurate Fixed Asset Register (FAR)
- Standardized depreciation calculation
- FA calendar in place and clearly communicated to stake holders
- Timely FA to GL reconciliation
- Ability to model depreciation scenario
- Effective tax management integrated with the fixed assets system
- FA related management reports produced periodically

After outsourcing the low-value-add activities of this function, the client resources are freed to concentrate on key analytical and business partnering activities such as project appraisal, Capex budgeting and month end review.

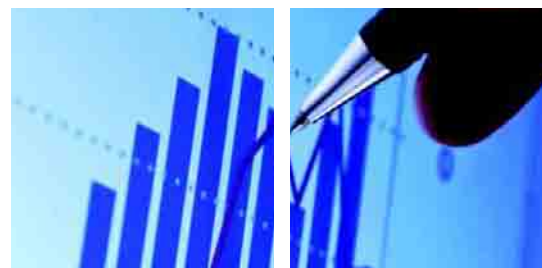
Project and FA Accounting Process Spectrum



Our Project and Fixed Asset (FA) accounting solution spans the complete set of FA process, right from project creation to month end activities such as depreciation computation. For each process set, at a sub-process level, we have best-in-class solutions integrated with technology drivers like workflow and depreciation based tax modeling tool.

As part of the standard periodic reporting, we also provide Project and FA specific metrics and insights in the areas of Capex spend, project cost accounting, FAR (Fixed asset register) statistics and KPI that the management can use to better manage the fixed assets function, improve quality of accounts, reduce tax liability and enhance Capex utilization.

Our Offering for F&A R2R (Record to Report) Outsourcing



Business Situation

With increased scrutiny by governments and the investor community in the wake of the economic crisis, the emphasis on reliable general ledger accounting and reporting is more than ever before. Companies are expected to produce timely, accurate and reliable information about their accounts. Any error or slip-up in this area can cost the company financially as well as in non-financial terms such as damage to their reputation. Companies are also investing a large capital in their ERP systems to produce reliable financial and management reports and they expect the F&A function to show a measurable benefit of this investment. Recent research shows that most CFOs find their ERPs to be under utilized.

Below are some indicators of a sub-optimum R2R function:

- Multiple charts of accounts maintained locally
- Numerous manual adjustments prior to finalizing reports
- Timing of month-end reports varies significantly from month to month
- Closing the books requires manual intervention
- Multiple versions of the truth
- Delay in producing statutory, regulatory and management reports
- Uninformative commentary, providing little to no insight

The above challenges and issues necessitate an alternative service delivery model for R2R.

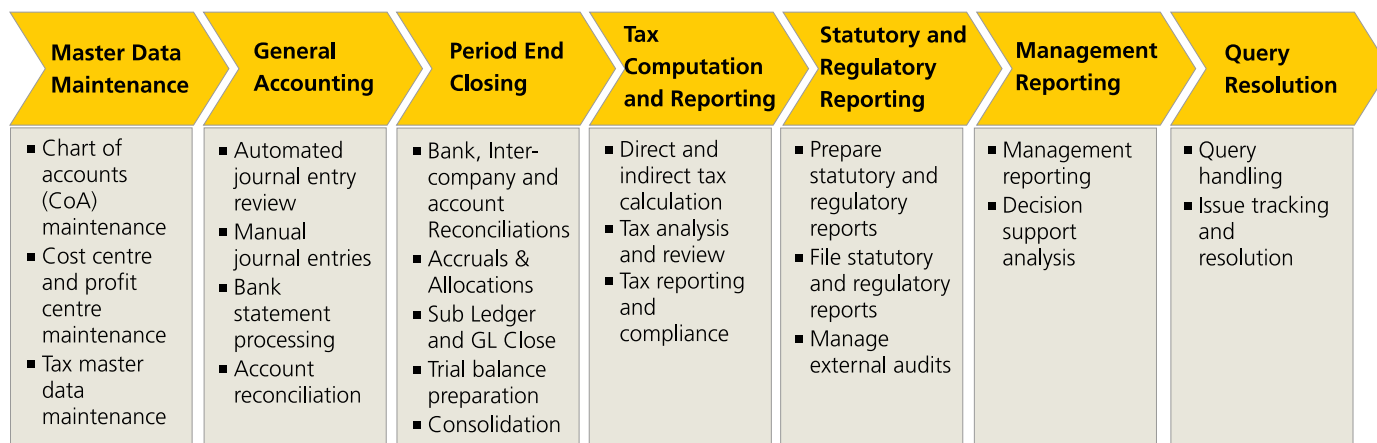
How L&T Infotech BPS can benefit clients?

Our transformation-led R2R outsourcing solution is designed to assist our clients in producing reliable, consistent and timely financial results at the period end. Keeping this goal in mind, we leverage various levers such as standardization of processes, automation and benchmarking to produce high quality outputs in the form of statutory, regulatory and management reports.

Through centralization of the R2R function across various units, we assist our clients in achieving 'one version of truth' by implementing uniform accounting policies across various business units. This allows our clients to compare results and reports across the organization and achieve better control through consolidation. Working with clients in varied sectors, we have a comprehensive understanding of the reporting requirements of different industries.

As an extension of the client organization, we bring business process expertise, advanced technologies, and industry best practices to support clients' increasing focus on strategic elements of the finance function, rather than perform relatively 'non-core' R2R activities in-house. We provide access to quality and key performance indicators needed for hands-on operational overview and help plan and make better decisions.

R2R Process Spectrum



As part of the standard periodic reporting, we also provide F&A R2R specific metrics and insights in the areas of charts of accounts, other master data (cost centers), general accounting, reconciliation, period end closing and reporting that the management can use to better manage the R2R function, improve quality of accounts and improve reporting.

About L&T Infotech

Larsen & Toubro Infotech Ltd (L&T Infotech), one of the fastest growing IT services companies, is ranked 11th by NASSCOM among software & services exporters from India and also ranked among the 'Leaders' category in the prestigious Global 100 list released by the International Association of Outsourcing Professionals (IAOP). L&T Infotech is a wholly-owned subsidiary of US\$9.8 billion Larsen & Toubro Limited (L&T), India's Best Managed Company-2009 as per the survey conducted by Business Today-Ernst & Young. L&T is featured in the Forbes Asia Annual Fabulous 50 list.

Our unique Business-to-IT Connect is a result of our rich corporate heritage and helps us provide the winning edge to our clients. As a full-services IT Firm with a blue-chip client roster, we offer comprehensive, end-to-end software solutions and services in the following industry verticals:

- Banking & Financial Services
- Energy & Petrochemicals
- Product Engineering Services (Telecom)
- Insurance
- Manufacturing