

A person in a dark suit and blue tie is pointing their right index finger towards a line graph. The graph consists of a white line connecting several light-colored circular data points. The background is a blurred office setting with another person in a light blue shirt visible.

# Virtual CFO A growing trend in 2021

17<sup>th</sup> November,2021



*Section 203(1) of the companies act, 2013, read along with rule 8 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014*

- 1. All the listed companies,*
- 2. Public companies and*
- 3. Any other company with a paid-up share capital of  $\geq$  Rs. 10 Crores should have the following full-time key managerial personnel including*
  - CFO (Chief Financial Officer), CS & CEO / MD / WTD*

*The Companies Act, 2013 does not define :*

- 1. the qualification, experience or terms and conditions*
- 2. the role, functions.*

*Hence, it is purely the discretion of management of company on qualifications, experience, roles or functions.*

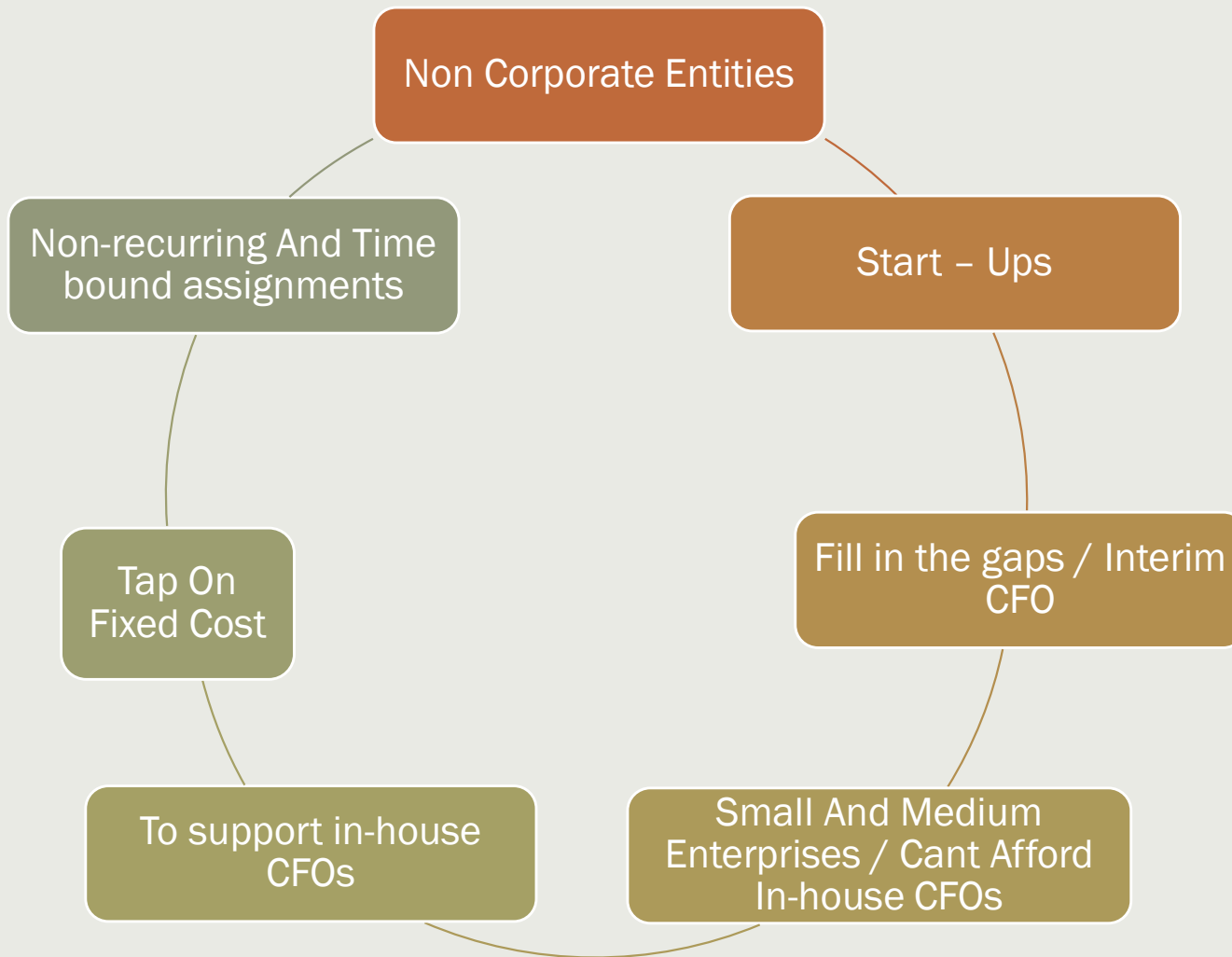
*However, a CFO shall not hold office in more than one company except in its subsidiary company at the same time.*

AN INDIVIDUAL OR AN ENTITY

OUTSOURCED CFO / SHARED CFO SERVICES

VIRTUAL CFO

IS APPOINTMENT OF VIRTUAL CFO , A  
COMPLIANCE OF STATUTE(S) ?



ENTITIES WHICH MAY NEED VIRTUAL CFO





Rapid  
growth or  
expansions  
and...



Rapid  
growth or  
expansions  
and...

- 6 *“On Business” And not “In Business” – “Day 1”*
- 7 *Need a financial sounding board*
- 8 *Entrepreneur spending time on trivia*
- 9 *Information /Data, key to decision making is not available / delayed*
- 10 *Investors need answers*

SIGNS TO HIRE A VIRTUAL CFO

# IMPACT OF NOT HAVING A VIRTUAL CFO

*Investors / stakeholders / clients – may lack confidence*

*Ignorance of law is not an excuse : risk of non-compliances, legal and tax issues*

*Repetitive work at check*

*Strong controls and processes*

*Technology comes at a cost*

VIRTUAL CFO SERVICES

FINANCIAL AND STRATEGIC PLANNING

WORKING CAPITAL MANAGEMENT

TRANSACTION ADVISORY AND STRUCTURING

TRANSFORMATION SERVICES

SUPPORT SERVICES

IPO, EXPANSION, MARKET STUDY

FUND RAISE

PLANNING FOR STAKE SALE

BUSINESS INTELLIGENCE

TRAINING, SOPs, IFCs

VIRTUAL CFO SERVICES

1 *HANDS-ON*

2 *PROFESSIONAL DEGREE IN FINANCE*

3 *TECH SAVVY*

4 *STRONG LEADERSHIP*

5 *GO-GETTER AT EACH LEVEL OF ORGANISATION*

6 *TROUBLE SHOOTER*

7 *PROACTIVE AND SELF DRIVEN*

PRE-REQUISITES OF VIRTUAL CFO

## EXAMPLES OF ASSIGNMENTS

*Selection of accounting software along with setup / migration*

*Finance department structure - inhouse / outsourced*

*Path for future department structure*

*Defining and designing KRAs of finance department*

*Design and implement management delegation matrix*

*Identifying process gaps and making improvement plans.*

## EXAMPLES OF ASSIGNMENTS

*Set up internal controls and process around accounting, inventory, procurement & vendor management*

*Implement annual / rolling business plans*

*Periodical monitoring for reporting to banks/investors*

*Designing business intelligence and reporting tool*

*Board reporting*

## EXAMPLES OF ASSIGNMENTS

*Creating  
accounting  
and  
financial  
SOPs*

*Creating  
VDR for  
transaction  
advisory*

*Debt  
restructuring*

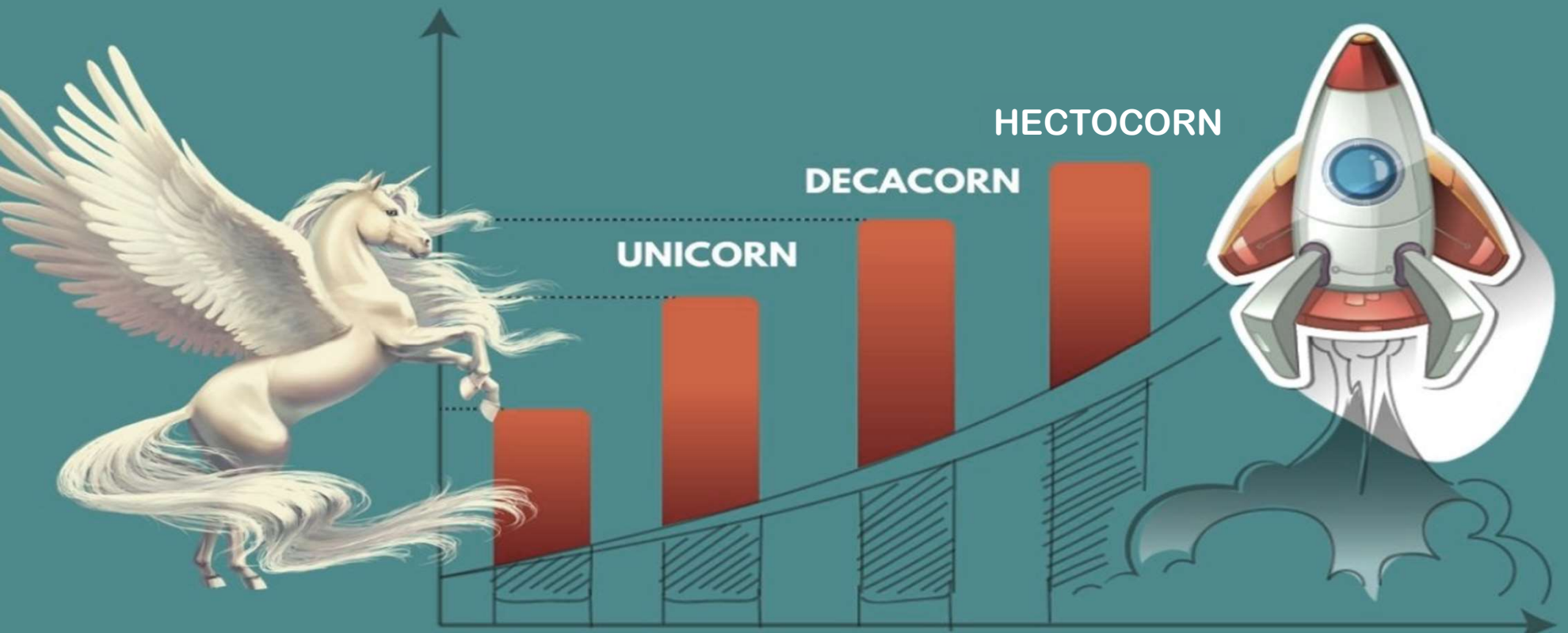
*Exit  
strategy*

*Large infras -  
financial  
management*

*Providing  
required  
talent pool*



*STARTUP ENVIRONMENT IN INDIA...  
CREATING UNICORNS !!!!!*

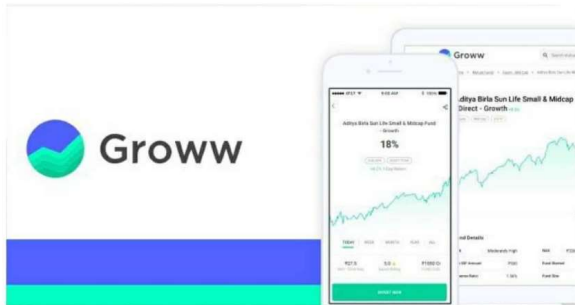


OPPORTUNITY FOR VIRTUAL CFOs

## Unicorn

In business, a unicorn is a privately held startup company valued at over \$1 billion like:-

Meesho, Groww, Pharmeasy etc



## Decacorn

Decacorn is a word used for those companies valued over \$10 billion; like:- PayTM, Oyo, Byju's etc



## Hectocorn

Hectocorn is a company which is valued over \$100 billion, Byte Dance etc.

IN INDIA, WE ARE YET TO GET A HECTOCORN ... WE WILL BE THERE SOON, NOT VERY FAR !!!!

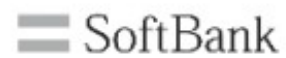
OPPORTUNITY FOR VIRTUAL CFOs

Name of the start-up	Nature of business	Year of incorporation	From start-up to unicorn
<b>Grofers</b>	E-grocery Market	May, 2015	6 years
<b>Acko Insurance</b>	General insurance startup	Nov,2016	5 years
<b>Bharatpe</b>	Fintech Startup	March,2018	3 years
<b>Curefit</b>	On-line & off line fitness centres	May,2016	5 years
<b>Mobile Premier League</b>	Gaming	May,2018	5 years

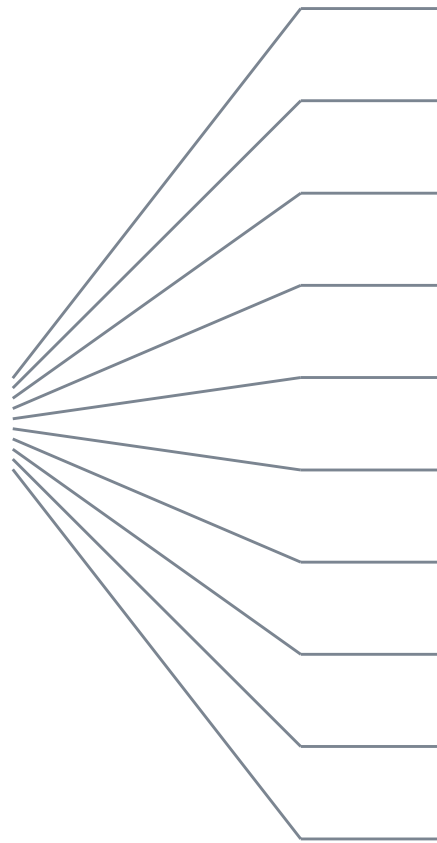
1. *India is one of the fastest growing startup ecosystems*
2. *Lifecyle from start-up to Soonicorn to Unicorn ( 3 to 5 years)*



## UNICORN COMPANIES OF INDIA



ISSUED  
FACED BY  
START-UPS  
IN INDIA



- Digital adoption*
- Planning (need clear vision and direction)*
- Time Management*
- Cash Flow Management*
- Automation of business processes*
- Delegation*
- Team Management*
- Marketing*
- Patience*
- Cyber Security*

## IDENTIFYING AN OPPORTUNITY

EFFECTIVE  
NETWORKING

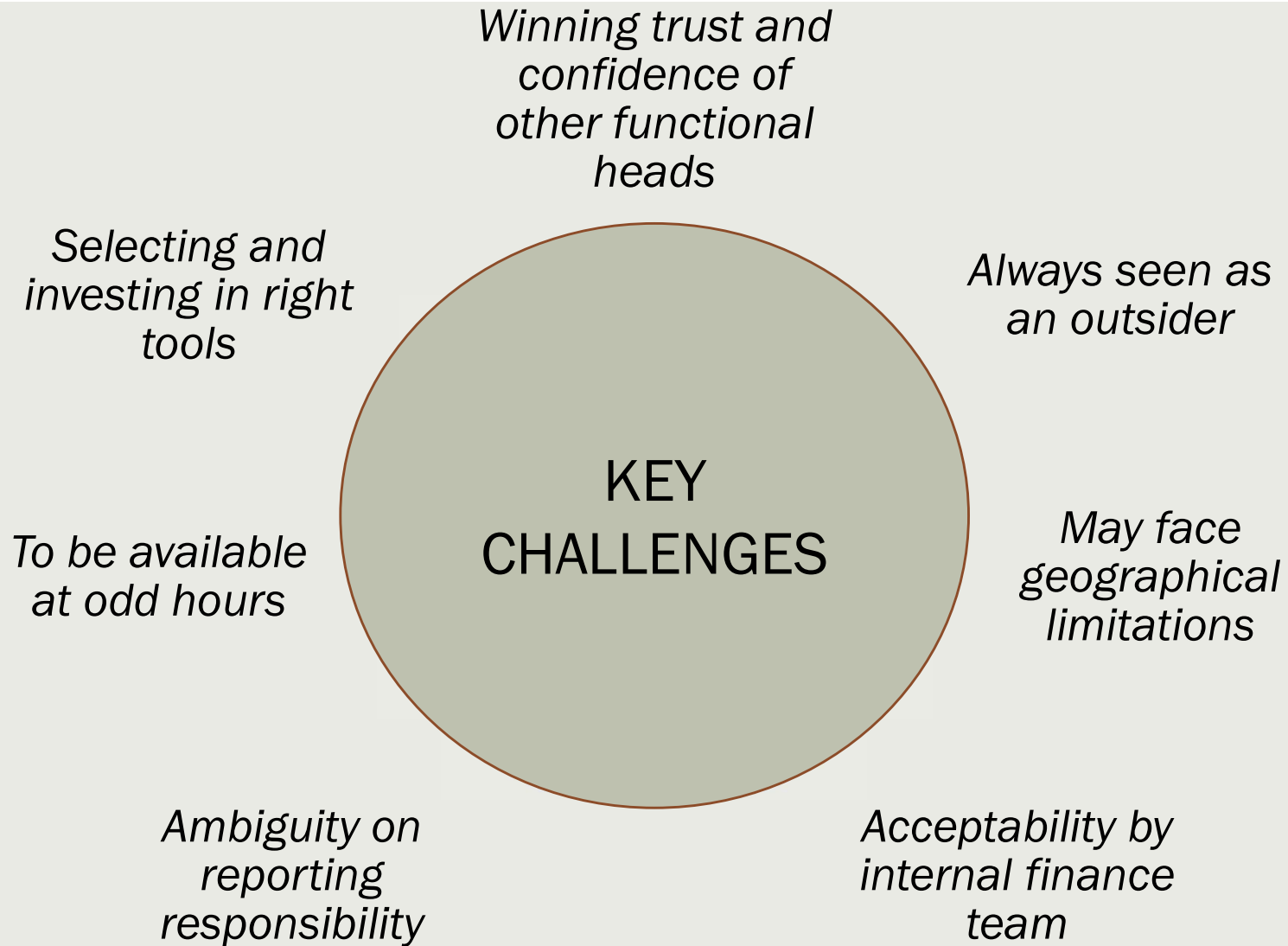
INTERACTION  
WITH  
MANAGEMENT  
TEAM

INTERNAL  
AUDITS, IFCs

UPDATE ON  
TECHNOLOGY /  
INDUSTRY

PERIODICAL  
NEWSLETTERS /  
UPDATES

KNOWLEDGE  
SHARING  
SESSIONS WITH  
MANAGEMENT



## EFFECTIVE DELIVERABLES ON BUILT OPERATE AND TRANSFER MODEL

PROJECT DOCUMENT  
WITH SCOPE,  
LIMITATIONS, REVIEW  
CALANDERS AND  
NEXT STEPS

EXECUTION AND  
ESCALATION MATRIX

PERIODIC TRAINING

TRACKING  
IMPLEMENTATION  
RESULTS

SUCCESSION  
PLANNING,  
HANDOVER AND EXIT

PASSWORD  
PROTECTED FILES  
FOR FUTURE EDITS /  
REFERENCE

FOLLOW-UP WITH  
UPDATED VERSIONS  
OF TOOLS



*Questions !!!*

*Thank you !!!*