

## Automation of Hedge Accounting

### Abstract

KPIT was chosen as a solution provider for a leading international bank with presence in over 70 countries. The bank as a part of compliance requirements of FAS 133 accounting standards chose KPIT to develop a new cost effective application for their Hedging and derivative functionalities.

### Challenges

- Procedures of FAS 133, then, were new and complex as well.
- Very few consultants who had the entire knowledge about compliance.
- Relatively new to the standards and procedures adopted with the bank

### Solution

The procedures and the methodologies were well understood and requirement analysis and detailed design was prepared. The entire requirements were rolled out offshore where the entire application was developed and tested. Off shoring as a phenomenon was new to the customer. We worked on-site to enable the customer gain the confidence.

We then moved the work to the off-shore. The split up of the work was:

#### Onsite :

- Requirement Analysis
- High Level Design
- Implementation and support

#### Off shore :

- Low level design
- Coding + Unit testing
- System Testing

### Value

- The project was delivered with 25% of the time remaining for completion
- The bank acknowledged us and gave the maintenance functionality also
- There was a cost benefit of 40%

**Methodologies**

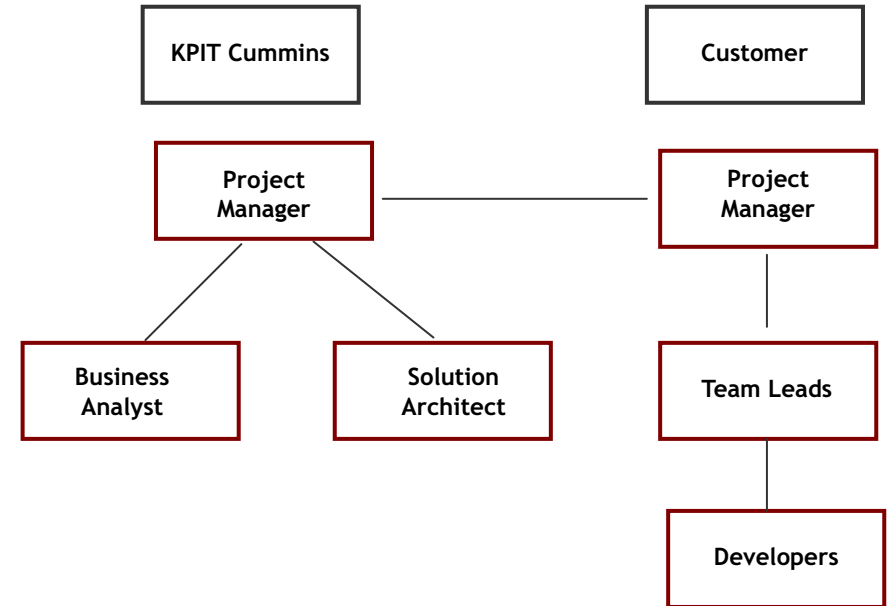
- Knowledge transfer
- Consultation
- Detail Requirement analysis and design in the design was done on the site and the entire project was developed offshore. This was the first of its kind project for KPIT Cummins

**Tools & Technology mix**

- VB
- Oracle

**Engagement Structure**

Size of the Project: 260 Person days



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