

# Financial Reporting Advisory Services (FRAS)

How FRAS can help your business unlock its potential for growth

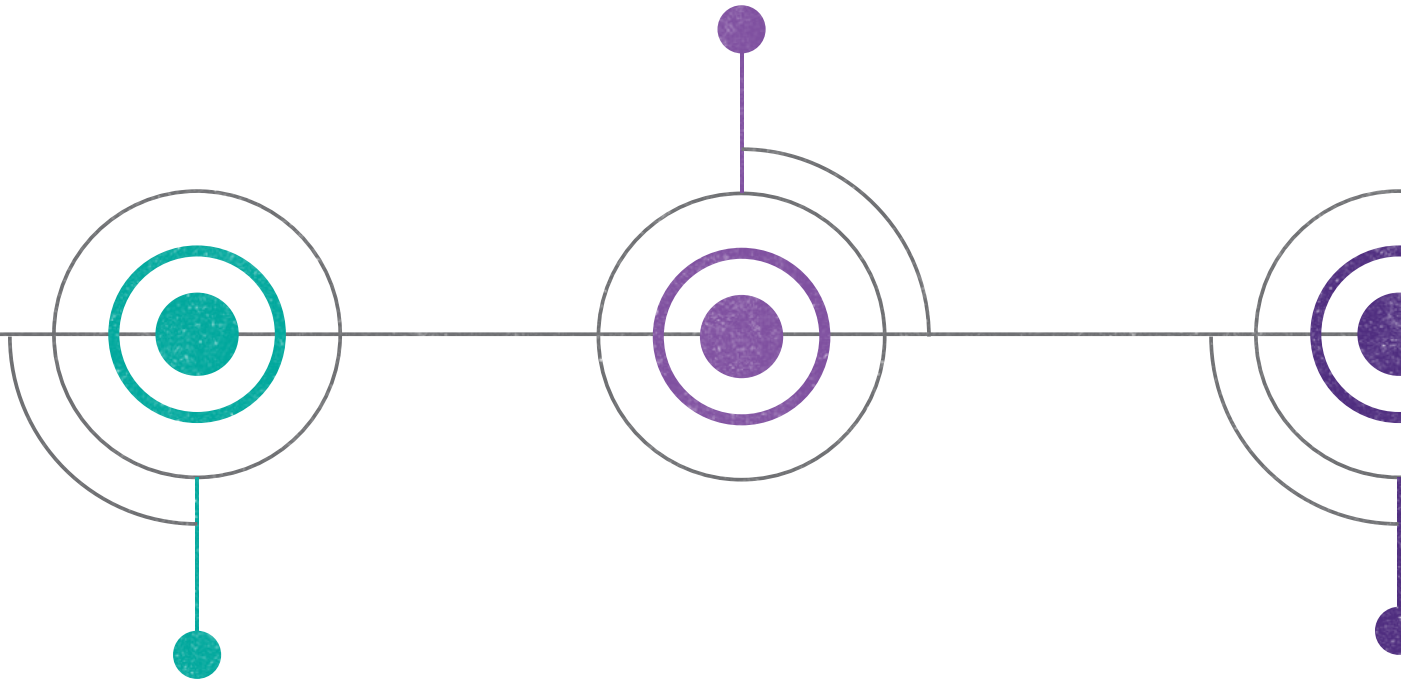


# FRAS touches every aspect of a company's lifecycle

**FINANCIAL STATEMENTS** are the ultimate report card of fiscal performance. They enable owners and managers to pursue their business objectives, whether they are raising capital, acquisition, divestiture or restructure. Therefore, every business activity, through the company's lifecycle, impacts the financial statements and hence, needs to be carefully examined and analysed.

## Private capital raising

- Adoption of international accounting standards
- Accounting advice on proposed capital structure
- Structuring stock based compensation arrangements
- Support in financial due diligence exercises



## Incorporation

- Setting processes and controls – financial reporting manual
- Selection of financial reporting policies
- Automated management reporting systems
- Assistance in critical financial process reviews to enhance efficiency and track leakages
- Adoption of tax accounting standards

## Public capital raising

- Preparing historical financial statements to be included in prospectus for capital raising
- Assistance in prospectus drafting process
- Liaison with intermediaries and reporting accountants
- Post capital raising support

## Acquisition of business

- Purchase price allocation accounting
- Preparing completion accounts pursuant to share purchase agreements
- Automation of financial reporting process through implementation of automated financial reporting packs
- Post acquisition support – aligning financial reporting systems and processes

## Ongoing financial reporting needs

- National GAAP transitions
- On-call accounting advisory
- Accounting opinions on complex transactions
- Technical trainings
- Support in external auditing process
- Preparation of GAAP financial statements

**GT INDIA** provides you with actionable advice rather than standard solutions. Our professionals speak the language of an Adviser and understand the jargon of an Auditor. In nutshell, we enable financial reporting to add value at each stage of your business life cycle.

# FRAS in India

## FRAS in India

We at Grant Thornton India, leverage our extensive experience to provide end-to-end solutions and support services relating to complex financial reporting requirements of dynamic businesses.

- Our Financial Reporting Advisory Services (FRAS) team comprises of about 25 dedicated professionals along with a pool of more than 50 professionals in our Assurance Practice with International GAAP experience
- We bring together our technical knowledge and industry expertise benchmarked against similar companies, to address the challenges of corporations, expectations of their stakeholders and regulatory obligations

## Who are our clients

FRAS in India works with a broad range of clients including publicly listed companies, multinational corporations, government companies and other agencies.

Our clients avail our services for their regular financial reporting, transactional needs (like M&A), capital raising and transition from local GAAPs to International GAAPs.

Besides, our clients view us as an extended arm of their finance teams and work with us in supplementing their strengths for day to day nuances in financial reporting.

## What differentiates us

- We **pre-empt problems and draft solutions** to them
- Most of our professionals have **auditing experience**, which helps them appreciate practical complexities in financial reporting
- Our team combines accounting knowledge with **technological skills** to deliver efficient and sustainable financial reporting solutions
- Our senior professionals are **chosen experts** with deep technical accounting knowledge and vast experience of advising clients on accounting matters

## Our suite of services

### GAAP conversion services

- end-to-end conversion from local GAAP to International GAAP (IFRS, US GAAP, etc.)
- suggesting appropriate accounting policy choice where GAAP provides an option to choose between alternative accounting treatments
- compliance with Income Computation and Disclosure Standards (ICDS)

### Group financial/management reporting

- automation of financial reporting process through implementation of automated financial reporting packs (in-house automated consolidation tool)
- implementing electronic financial reporting manual (in-house web based manual)
- rolling out structured automated MIS reporting packs

### Transaction based services

- preparing financial statements to be included in prospectus for capital raising
- preparing completion accounts (or carve outs) pursuant to share purchase agreements and assistance in financial due diligence
- post-completion purchase price allocation accounting
- evaluating accounting impact of a proposed divestment, acquisition or merger
- advising on hedge accounting and preparing hedge documentation as per IAS 39 / IFRS 9
- reviewing share-based compensation arrangements for potential accounting impact

### Other services

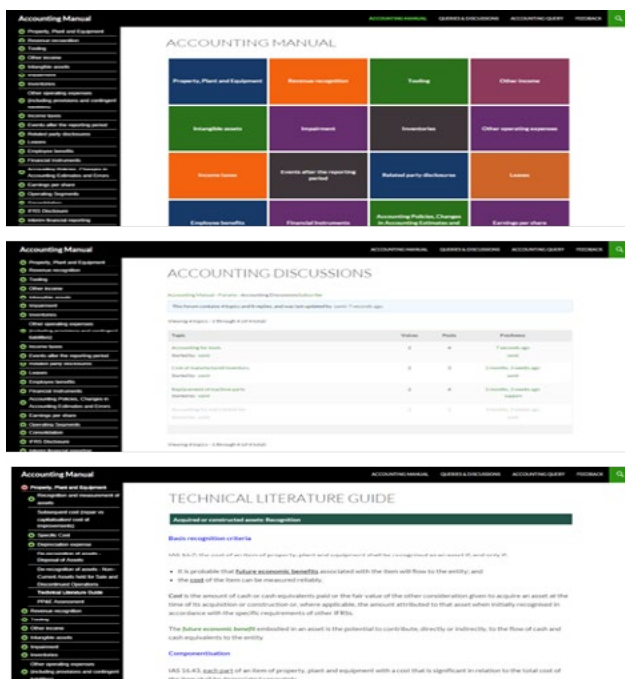
- On-call accounting advice during financial reporting and independent audit support
- Technical trainings on IFRS, US GAAP and transaction-based (like M&A) accounting impacts

# Niche accounting solutions from FRAS India

## Automated consolidation solution

- designed in Microsoft Excel with significant programming and macros at the back-end
- uses trial balance of individual units or entities as the starting point and produces consolidated financial statements of the group
- supports multiple levels of consolidation and generates financial statements at each level
- scalable to multiple group levels, foreign currencies and GAAPs
- automates matching of inter-company transaction and balances
- automates computation of complex calculations, e.g. minority interest, foreign currency translation, proportional consolidation etc
- consistent mapping of trial balances based on pre-defined chart of accounts, which helps entities manage chart of accounts from multiple ERP platforms

## Online manual – snapshots



## Consolidation tool – snapshots

### Tabular output

### Auto-matching of inter-company transactions

## Online financial reporting manual

- dynamic accounting guidance to ensure consistency in accounting practices with technical practice alerts to guide users at each point
- suggestions on accounting treatment and appropriate journal entries in various scenarios
- being online, real time updates, due to changes in technical requirements and business needs, are possible
- flexible structure and easy to read with structured navigation links
- ease of use due to features such as search and query
- identifies training needs of each user using online tests and quizzes
- features an online feedback system to track change requests
- includes a discussion forum to discuss, document and conclude accounting matters
- logs to enable tracking of usage by accounting teams

# MyGAAP – the financial reporting dashboard

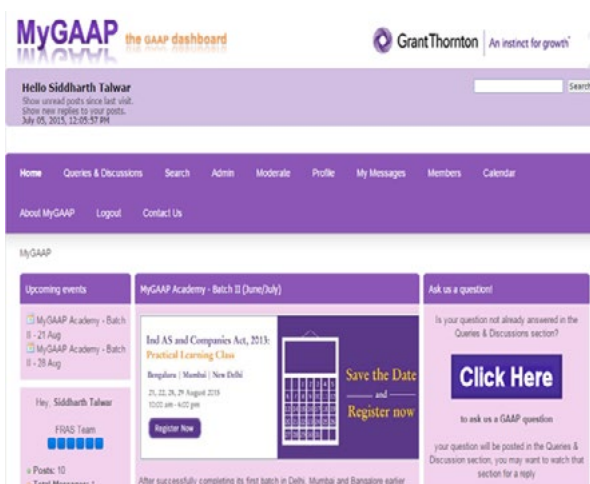
## What is MyGAAP

MyGAAP is FRAS India's online portal which seeks to achieve the following :

- Provide a platform to corporates to **interact with our accounting experts** on specific matters
- Offer an online space to **participate in discussions** and debates on accounting matters
- Broadcast latest **updates** from accounting and regulatory landscape
- **Sharing views** of our accounting experts on complex matters with corporate accounting community
- **Track developments** in accounting framework or corporate regulations

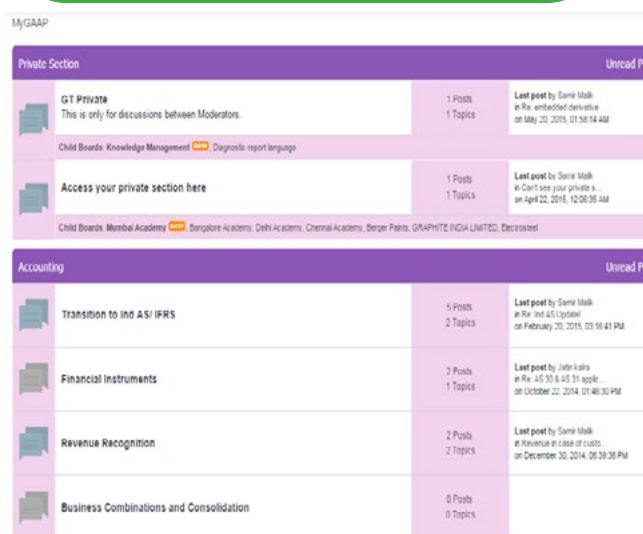
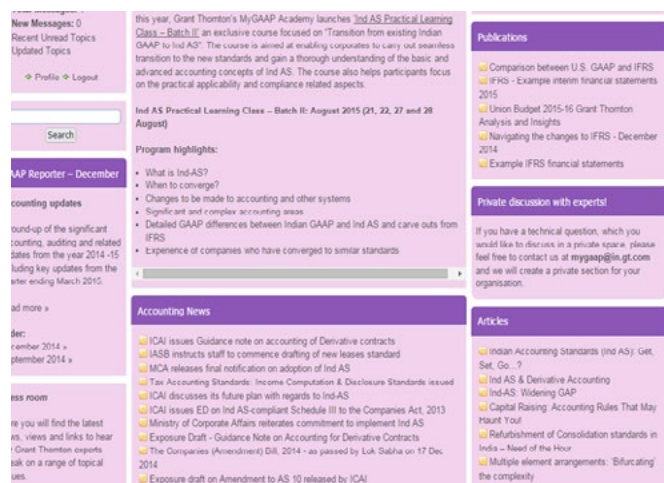
## News, views and publications

- **Read latest news** in accounting and regulatory environment – real time updates proposed through a mobile app
- **Watch out** for upcoming events, webcasts and publications – access online calendar and block your time
- Access **latest publications** from our firm in various areas – International GAAP, regulatory matters, auditing, etc.
- Learn views of our experts on contemporary accounting and regulatory matters in various **media articles**



## Ask queries – public and private platforms

- Registrants may choose to **post queries in public forums**
- **Read queries** asked by other registrants and contribute views
- Request **private section** to discuss specific queries with restricted access to select personnel



# Case study – an integrated global approach

## Case study - Assisting an international auto-major in IFRS transition and capital raising through an India-led delivery model

### The issue

One of the largest auto ancillary manufacturers headquartered in India has carried multiple acquisitions of distressed manufacturing units in Europe and Americas in the last 24 months. Also, it recently concluded a major capital raising transaction.

Our client faced the issue of transitioning from several local accounting norms to IFRS and providing the information for capital raising in a time bound manner.

### The challenge

The engagements involved financial reporting of acquired entities as per IFRS as well as pro forma financial information as per IFRS for the capital raising transaction.

The pace of acquisitions posed the following challenges:

- Putting together a global client service team to coordinate with the client service team in each jurisdiction where client had operations.
- Each of the manufacturing units acquired, were reporting under different accounting frameworks and thus, required a simultaneous transition to IFRS
- The international operation is a subsidiary group of a large conglomerate listed on stock exchanges in India. Therefore, the financial reporting process was time-sensitive.
- Further, the client planned a major restructuring of its operations in order to raise funds from certain international investors. This exercise involved IFRS reporting by certain entities which were reporting in other GAAPs in the past, within a short span of time available.

In summary, dynamic clients expect their advisors to move at the same pace as themselves and provide actionable technical advice so that they can achieve their corporate objectives.

## The FRAS India Solution

To meet the expectations of the client, Grant Thornton implemented a multi-pronged approach:

- Technical expertise – resources drawn from pool of dedicated accounting and auditing experts.
- Global integration – mix of resources, from respective jurisdictions, to address local regulatory matters and from corporate team, to apply corporate policies consistently.
- Project management – project plans are drawn at global level and communicated to the respective local teams so as to coordinate deliverables from them in a manner that group's timelines are adhered to.

### The Outcome

Our Client has been able to successfully transition the newly acquired entities from local GAAP to IFRS and raise the required capital from investors.

Further, Grant Thornton India continues to win mandates from the Client for its acquisitions in the pipeline.

## Client testimonial

“Grant Thornton India has been instrumental in closing this important financing transaction. The depth of their technical expertise and round-the-clock support ensured that we continue to move at our desired pace.”

### Group Chief Financial Officer

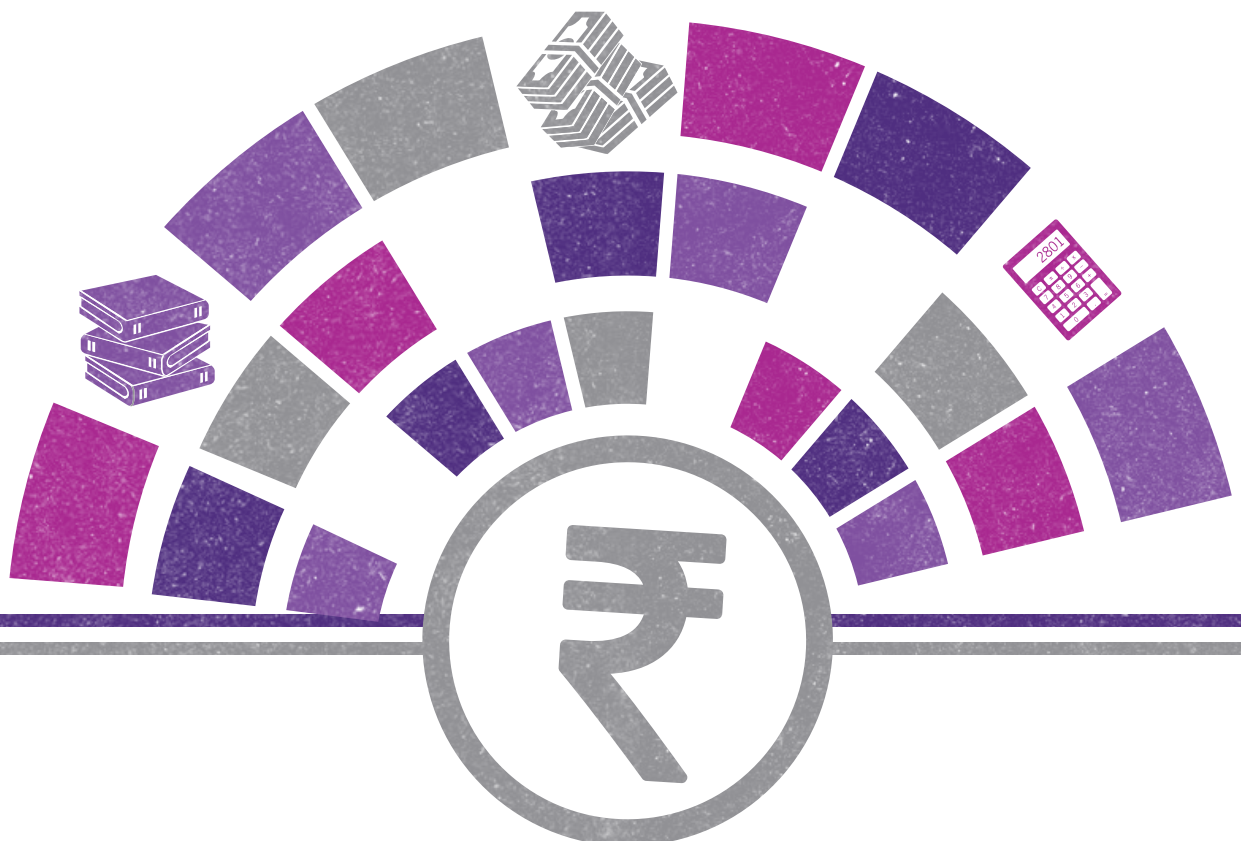
# Financial Reporting Advisory Services (FRAS)

In today's competitive business environment and fast changing regulatory and reporting landscape, dynamic organisations face several challenges with respect to financial reporting which could potentially impact the value of the businesses.

There has never been a greater need for accurate and timely financial information in India, than now. As a part of our Assurance practice, Financial Reporting Advisory Services (FRAS) has developed innovative solutions to make financial reporting process smooth, time-bound and auditable.

To know more about FRAS or to ask accounting related questions, please log on to:

<http://mygaap.granthornton.in>





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To know more about Grant Thornton in India, please visit [www.grantthornton.in](http://www.grantthornton.in) or contact any of our offices as mentioned below:

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