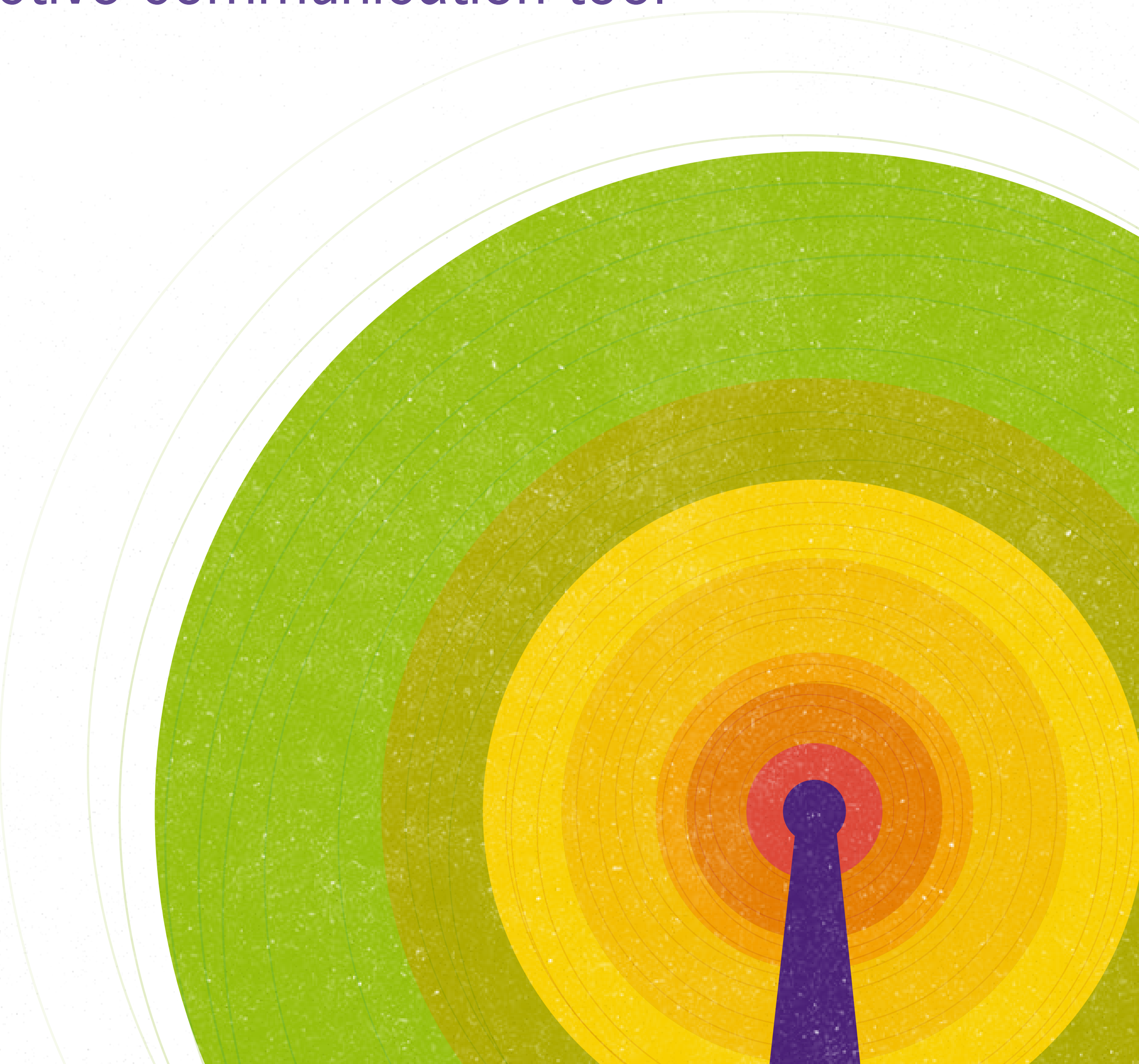
Grant Thornton

An instinct for growth™

Effective reporting under Ind-AS:

Making your financial statements an effective communication tool



"Any intelligent fool can make things bigger and more complex...
it takes a touch of genius - and a lot of courage to move in the opposite direction."

Albert Einstein

Foreword

Your annual financial statements are a critical communication to your investors and other stakeholders. But how effective are they in meeting your stakeholders' needs?

The average length of financial statements prepared under Ind AS would be far more as compared to the existing Indian GAAP, as more disclosure requirements are added. All this increases the burden on you- the preparers. Disclosures are added for good reasons – responding to more complex business models and transactions and investors' needs to understand them. Unfortunately, many investors complain that the result is cluttered financial statements in which the truly important information is hard to find.

The problem is not just down to the standards. Companies have struggled to apply the materiality concept to their disclosures. A fear of regulatory challenge has led companies – and their auditors – to take a 'safety-first approach'. A reluctance to deviate from well-established practices has led to duplication, irrelevance and 'boilerplate'.

Against this backdrop, many companies are taking a fresh look at their financial statements and their process for preparing them. Their goal is to refocus on the communication objective, without losing sight of the need to comply with the technical requirements.

This publication explains and illustrates how companies may increase the quality of their annual report and better communicate their story under the new accounting language. We explore the four key tools you can use to better tell your story.

Ashish Gupta
Director
Grant Thornton Advisory Private Limited

Siddharth Talwar
Partner
Grant Thornton India LLP

Keyur Dave
Partner
Grant Thornton India LLP

Contents

Summary of best practice

With encouragement from regulators in India, companies are making innovations in their financial statements. Each company is doing so in its own way, in order to better tell its own story. However, we have identified four themes – or best practices – that are common to most companies.

The four best practices are interdependent. Each is a 'tool' that should be used to a greater or lesser extent depending on your circumstances.

The areas where we believe you can make a difference are as follows:

Comply but communicate

Tell your story. Comply with the standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders.

Your financial statements are just one "piece of the puzzle" when communicating with your stakeholders.
Make them effective using the following tips:

- **Holistic approach** –in order to ensure overall effective communication, you should have a holistic approach. This means you should consider your annual report as a whole and deliver a consistent and coherent message throughout
- **Keep it simple** – provide commentary on more complex areas in plain English
- **Non-GAAP financial measure** –if using non-GAAP financial measures (e.g. EBITDA), do so transparently, so that they do not mislead users but instead provide useful additional information which supports your story
- **Think digital** – digital reporting is evolving and more companies are addressing its increased demand. If using PDFs ensure that they are enhanced to maximise the benefits to your users

Omit the immaterial

Make effective use of materiality to enhance the clarity and conciseness of your financial statements.

The lack of clarity in how to apply the concept of materiality is perceived to be one of the main drivers for overloaded financial statements. Information should only be disclosed if it is material. It is material if it could influence users' decisions which are based on the financial statements.

Your materiality assessment is the 'filter' in deciding what information to disclose and what to omit. Once you have determined which specific line items require disclosure, you should assess what to disclose about these items, including how much detail to provide and how best to organise the information. This is done by a filtering process as follows:

- firstly, filter #1 is to consider if the underlying item (ie the amount recognised or unrecognised, event, risk) is itself material because of its size or its nature
- if it is, filter #2 is to determine which specific disclosures (and level of detail) to provide for each item.

Re-think the notes

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool.

Being the largest section of the financial statements, the notes can have the greatest impact on the effectiveness of your financial statements as a communication tool. Improve the effectiveness of your notes by:

- **Integrating the notes** – combine your notes to achieve more effective communication. For example, integrate your main note of a line item with its accounting policy and any relevant key estimates and judgements
- **Re-ordering the notes** – move away from the traditional order of the notes. Group notes into categories, place the most critical information more prominently or a combination of both
- **Using signposting** – assist users in navigating your financial statements through the use of effective signposting, cross-referencing and indexing.

Getting it right

In making these changes, one thing does not change. Financial reporting is a regulated activity and compliance with the requirements is a must. Getting it right requires professional expertise, care and attention to detail, proper planning and project management and fit-for-purpose systems and controls.

Prioritise the policies

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies.

The aim of accounting policy disclosures is to help your investors and other stakeholders to properly understand your financial statements. To make accounting policy disclosures effective you should:

- **Disclose only your significant accounting policies** – remove your non-significant disclosures that do not add any value. Use judgement to determine whether your accounting policies are significant, considering not only the materiality of the balances or transactions affected by the policy but also other factors including the nature of the company's operations
- **Make your policies clear and specific** – reduce generic disclosures (for example those that summarise the accounting standards) and focus on company specific disclosures that explain how the company applies the policies
- **Articulate key estimates and judgements** – effective disclosures about the most important estimates and judgements enable investors to understand your financial statements. So:
    - for **estimates**, focus on the most difficult, subjective and complex estimates. Include details of how the estimate was derived, key assumptions involved, the process for reviewing and a sensitivity analysis
    - for **judgements,** provide sufficient background information on the judgement, explain how the judgement was made and the conclusion reached.

Comply but communicate

Holistic approach

Your financial statements are just one part of your communication with your stakeholders. Your annual report typically includes your financial statements, a management commentary and information about governance, strategy and business developments (often including corporate and social responsibility). There is also a growing trend towards integrated reporting.

It is important you consider your annual report holistically and ensure it delivers a consistent and coherent message to your investors and other stakeholders ('users').

Ind AS guidance

Ind AS1 acknowledges that you may present, outside the financial statements, a financial review that describes and explains the main features of your company's financial performance and financial position, and the principal uncertainties it faces.

Many companies also present, outside the financial statements, reports and statements such as environmental reports and value added statements, particularly in industries in which environmental factors are significant and when employees are regarded as an important user group.

Reports and statements you present outside financial statements are outside the scope of Ind ASs.

Even though reports and statements outside financial statements are excluded from the scope of Ind ASs, they are not out of the scope of regulation, e.g CSR disclosures, as required by the Companies Act, 2013. If you tell users what they need to know in a digestible manner you will likely be a long way to compliance with regulation.

Remember it is still important that certain required information is placed either in the financial statements or in the notes. Don't place information outside the financial statements that should be in them.

Quote:

"Investors are looking for information and not data. Information that flows consistently through various communication platforms, creates credibility and therefore enhances their confidence in the management."

Ashish Gupta
Director
Grant Thornton Advisory Private Limited.

Is your message consistent and coherent?

Although information presented outside the financial statements is not governed by Ind AS, it's important that you provide a consistent message throughout your annual report. And that this message is clear. Consider the following:

- what is important to your business and what are its main objectives
- are these objectives consistent throughout your annual report
- are you emphasising the right things
- are the key messages you are addressing throughout your annual report saying the same thing
- are you using the same terminology between the financial statements and the management commentary? For example, if you refer to the Income taxes as taxes and remuneration as salary etc. , is this done throughout – rather than switching between the two titles
- if you are disclosing non GAAP financial measure, either in your financial statements or elsewhere, can they be reconciled to Ind AS-based amounts
- do your key business developments leave out information that can be found elsewhere (for example, on your website)?

Example – consistent and coherent message

A company's key objective is to maximise growth. One of its key indicators in achieving this is their reported revenue. When telling their story in the annual report they discuss in the management commentary how they are progressing, comparing their targeted revenue amounts to their actual. They also discuss their intentions for the future to achieve further growth. This story links to the financial statements which have key disclosures on business combinations (including disclosures about the impact on the new business to future revenue), revenue and operating segments and subsequent events.

Best practice

Tell your story. Comply with the standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders.

Keep it simple

Some areas of the financial statements can prove difficult for non-experts to follow and understand. Whilst you can attempt to simplify wording, sometimes in order to meet the requirements of the standards there is a limit to how much simplifying you can do. Instead, you can provide commentary on more complex areas in plain English. In doing this, you will assist users' interpretation and understanding of the financial statements.

How do you present such commentary?

In addition to the required disclosures, you can provide additional text, which is separated from the rest of the information. You can do this using tables, boxes or highlighted colours.

Example – 'keep it simple' disclosure

The example below provides the definition of a derivative and a hedged item and how the company uses such items:

Keep it simple

A derivative is a type of financial instrument the Company uses to manage risk. It is something that derives its value based on an underlying asset. It's generally in the form of a contract between two parties entered into for a fixed period. Underlying variables, such as exchange rates, will cause its value to change over time. A hedge is where the Company uses a derivative to manage its underlying exposure. The Company's main exposure is to fluctuation in foreign exchange risk. We manage this risk by hedging forex movements, in effect fixing the boundaries of exchange rate changes to manageable, affordable amounts.

We recommend you explain these additional disclosures and their purpose at the beginning of the annual report. This will prevent any confusion for the reader.

Example – 'keep it simple' explanatory paragraph

Keep it simple ... explained

The aim of the 'keep it simple' text is to provide explanations of more complex areas in plain English. The Company has provided this additional commentary to assist the readers' understanding and interpretation of the financial statements.

Be transparent with your non-GAAP financial measures

Non-GAAP financial measures are performance metrics that are either not defined in Ind AS, or are calculated differently from the requirements in Ind AS. Many companies disclose non-GAAP financial measures in the financial statements or elsewhere in the annual report. Examples include:

- revenue including share of joint ventures and associates
- EBITDA
- measures of profit that exclude certain items.

Ind AS guidance

Although non-GAAP financial measures are not defined in Ind AS, it does provide some limited guidance in this area. Ind AS 1 requires companies to disclose additional 'headings and subtotals' in the statement of profit and loss when relevant to understanding the entity's financial performance. Ind AS 1 requires that, these amounts should be:

- made up of amounts recognised and measured in accordance with Ind AS
- presented and labelled clearly and understandably
- consistent from period to period
- be displayed with no more prominence than the required subtotals and totals

The financial statements generally use the term 'operating profit' (which is not defined in Ind AS). When a company includes such a subtotal for results of operations, it should include all expenses and income that are of an 'operating nature' – even if some items occur irregularly or infrequently or are unusual in amount. For example, it would be inappropriate to exclude items clearly related to operations such as inventory write-downs and restructuring and relocation expenses. Similarly, it would be inappropriate to exclude items on the grounds that they do not involve cash flows, such as depreciation and amortisation expenses. Also the same needs to be recognised and presented consistently in segment analysis so that readers understand the impact not only as a whole business but also for a particular segment.

There is also guidance in Ind AS 33 regarding alternative earnings per share (EPS) calculations. Alternative EPS amounts must use the same denominator and must be disclosed in the notes to the financial statements (however disclosing on the face of the statement of financial performance is not prohibited) with basic and diluted amounts having equal prominence.

Why are they an issue?

- the use of non-GAAP financial measures is increasing
- non-GAAP financial measures can help in telling your story when used appropriately. But by contrast, non-transparent, inconsistent or selective use causes confusion
- regulators are taking more of an interest and challenging companies that, in their view, are using non-GAAP financial measures inappropriately
- non-GAAP financial measures can be good if they are used by management to monitor the business and make decisions over time
- non-GAAP financial measures can be bad if they are used to mask underlying performance or show the company in an inappropriately flattering light.

Best practice

Tell your story. Comply with the standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders.

If using non-GAAP financial measures, what should you do?

Best practice principles you should consider when using non-GAAP financial measures are to:

1. **Define your non-GAAP financial measures and explain the basis of how they are calculated. Some non-GAAP financial measures may be self-evident, but others could have a variety of possible methods of calculations**
2. **Explain why you are using particular non-GAAP financial measures**
3. **Label your non-GAAP financial measures clearly and distinguish them from Ind AS disclosures**
4. **Ensure your measures are unbiased, for example, non-recurring gains should be treated in the same way as non-recurring losses and that you are being transparent with your definition of 'non-recurring'**
5. **Reconcile to Ind AS disclosures if it is not immediately clear where the numbers come from**
6. **Use your measures consistently each year and explain any changes to the disclosures, together with reasons. Make adjustments consistent with those made to comparatives**
7. **Avoid presenting the non-GAAP financial measures with more prominence than the Ind AS disclosures**
8. **Include comparative disclosures for all non-GAAP financial measures (with reconciliations).**

Example – reconciliation to an Ind AS disclosure

In a company's management accounts they include an adjusted EBITDA calculation. As this is not required by Ind AS, they use non-GAAP financial measures to add this in. As it is not directly reconcilable to an Ind AS line item, they provide a reconciliation as follows:

Non-Ind AS Measures: Adjusted EBITDA

	March 2016	March 2015
Profit before tax	X	X
Add back:		
Net interest expense	X	X
Depreciation	X	X
Amortisation	X	X
EBITDA	X	X
Cost adjustments:		
• impairment of other intangibles	X	–
• debt issue costs	–	X
Income adjustments:		
• profit on disposal of investment property	X	–
Adjusted EBITDA	X	X

Possible future developments

The IASB is conducting a research project called the 'principles of disclosure'. The objective of this project is to improve existing guidance in IFRS that helps companies determine the basic structure and content of a complete set of financial statements.

The framework, if and when adopted by Indian regulators, shall focus on reviewing the general disclosure guidance in Ind AS 1 and Ind AS 8. The aim is to develop a Disclosure Standard that improves and brings together the principles for determining the basic structure and content of the financial statements, in particular the notes. On similar lines, it is expected that the corresponding improvements would be carried out to the Ind AS in future.

Omit the immaterial

The concept of materiality is used throughout financial reporting and auditing. Put simply, information is material if it could influence the decisions made by users which are based on your financial statements.

Using materiality when deciding how to account for transactions is familiar. For example, some companies use a 'capitalisation threshold' below which purchases of property, plant and equipment are expensed immediately. But materiality also acts as a 'filter' in deciding what information to disclose - and what to omit. This filtering process is the focus of this section.

Why is materiality an issue?

The disclosures in Ind AS and Schedule III to the Companies Act, 2013 are voluminous. Some are labelled as 'minimum' requirements. Some Standards set out a disclosure objective along with examples of the types of information that might meet the objective. In all cases, however, you don't need to disclose information if it's immaterial. **Traditionally, however, many companies have taken a checklist approach. Why is this? It can seem easier to simply include a disclosure than to make a difficult judgement about whether it's material. The incentives – such as the risk of regulatory challenge – have traditionally been slanted towards a 'safety-first' approach. But the tide is now turning. The new consensus is that including immaterial information is not only unnecessary – it actually reduces the usefulness of your financial statements.**

Ind AS guidance

Ind AS1 defines materiality as follows:

'Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.'

What information should you disclose?

In deciding what information to disclose, it can be useful to think about the broad types of disclosure that Ind AS requires. Most Ind AS disclosures can be classified into four types:

Analysis of amounts in the primary statements

Event-driven disclosures

Unrecognised items

Risks and uncertainties

The table shows examples of the types of disclosure under each category:

Analysis of amounts in the primary statements	Event-driven disclosures
• components of line items • reconciliations and roll-forwards • explanations of balances • assumptions and valuation methods.	• business combinations • discontinued operations • post-balance sheet events • related party transactions.
Unrecognised items	**Risks and uncertainties**
• operating lease commitments • capital commitments • contingent liabilities • deferred tax not recognised • alternative measures.	• risk disclosures • sensitivity analyses • going concern.

How should you assess materiality?

Some materiality assessments are straightforward. For example, you would not disclose information about share-based payment plans if your company has no such plans.

Disclosures you should consider removing:

- disclosures about transactions types that the company no longer engages in
- ‘nil disclosures’ (e.g. disclosures such as ‘The company has no contingent liabilities that require disclosure’)
- movement reconciliations of balance sheet items when there are no movements
- event-driven disclosures when the event occurred in the prior period (unless there continues to be a significant impact or movement in the current year)
- information provided elsewhere in the annual report that Ind AS permits to be included by cross-reference
- information not needed by users

Conversely, a few disclosures are almost always considered material in practice.

Disclosures that are almost always material:

- key management personnel compensation
- related party transactions
- significant uncertainties about going concern.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements.

The challenge lies in deciding what to disclose about an underlying transaction or line item that is itself material. This is not just an 'in or out' decision. It might be appropriate to provide only those disclosures in the applicable Ind AS which are material and necessary for users to understand the transaction or line item. Decisions also need to be taken about how much detail to provide and how best to organise the information.

The flowchart outlines your high-level decision-making process. You could think of the process as applying two 'filters' – the first one assessing the underlying item, and the second the specific disclosure relating to that item:

Filter #1

Is the underlying item (ie line item, event, risk or unrecognised amount) itself material because of its **size?** → Yes → Filter #2

No ↓

Is the underlying item itself material because of its **nature?** → Yes → Filter #2

No ↓

No disclosures about underlying item needed

Filter #2

Determine which specific disclosures to provide for each underlying item:

1. identify the applicable Ind AS disclosures
2. filter out disclosures that are irrelevant to users' needs
3. consider whether you should provide additional disclosures not specified in Ind AS
4. consider whether the same is considered material under regulatory framework, eg. SEBI, FEMA and the Companies Act, 2013 etc.
5. for relevant disclosures, determine level of detail and emphasis to provide
6. determine most appropriate format and location for disclosures
7. consider if any specific disclosures require prominence or signposting

How can you apply these two filters when deciding what to disclose?

Filter #1 - material because of the size of the underlying item

Most disclosures provide more information about an 'underlying item' (e.g. a line item, unrecognised amount, risk or event). The size-based materiality assessment therefore looks to the underlying item, not the disclosure itself.

In practice some companies might use quantitative 'benchmarks' as a starting point for their assessment, but there are no 'hard and fast' rules. A simple benchmark, such as a percentage of profits or total assets/liabilities, may not tell the full story.

Example – contingent consideration

A company has acquired a business and some of the consideration is an 'earn-out' arrangement. The liability for the earn-out is measured at fair value as required by Ind AS 103 'Business Combinations'. The valuation uses both observable and unobservable inputs. The fair value of the liability at year-end is only 2% of total liabilities and is not considered material. However, the total amount that might be payable could be up five times higher, depending on future results. As a result, the company provides information about the fair value estimate in accordance with Ind AS 113 'Fair Value Measurements'.

It is equally important to consider materiality on both an individual and a collective basis. Some items may be immaterial in isolation, but when combined with other similar items the effect might be material:

Example – capital commitments

A company has committed to purchase several items of property, plant and equipment. Individually each purchase is immaterial. However, the total amounts to a material commitment for the company and therefore some disclosure should be made regarding this commitment.

Filter #1 – material because of the nature of the underlying item

In making this judgement the key considerations include:

- your 'primary' users and their needs
- an inside and outside view
- what's new, changed or unusual?

Primary users and their needs

Your financial statements are used by a wide range of stakeholders. 'Users' can include institutional (current and potential) investors, private investors, lenders, other creditors, customers, employees and regulators. But it is sometimes possible to identify a 'primary' class of users and the type of information that is most important to them.

We will not pretend this is simple or will yield clear-cut conclusions. Users are a diverse group and most disclosures could be relevant to all of them. However, when deciding on the level of detail, emphasis and prominence of your disclosures, thinking about your primary users' needs can provide useful insights:

Example – smaller quoted company

A smaller quoted company has analysed the composition of its users. It concludes that the primary users are institutional investors that specialise in 'small cap' investments across a range of industries. These investors' stated objective is to identify early-stage investments with strong growth prospects and invest for the longer-term. As a result management decides to put greater emphasis on forward-looking disclosures. These include event-driven items (eg business combinations and discontinued operations) and information about risks and uncertainties.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements.

Inside and outside view

If a transaction, event or risk is significant to management it's probably also important to your stakeholders. Your financial statements give you the opportunity to provide an insight into your business through management's eyes. This is what we mean by an inside view:

Example – new revenue stream

A company in the software sector has communicated to its stakeholders a strategic intention to focus its new development efforts in cloud-based solutions. In a particular financial year cloud-based revenues are less than 5% of the total but have grown rapidly. The company therefore decides to provide separate disclosure about this revenue stream in accordance with Ind AS 108 'Operating Segments' even though other revenue streams of similar size are typically combined into 'other revenue.'

Equally, your users will want to understand whether and how significant outside developments affect your business even if the current period financial impact is minor. Outside developments can include industry/market trends and events and the impact of events in the local or national economy.

Example – environmental legislation

A company operating in the mining sector has operations in India and government has introduced new environmental regulations. As a result, several competitors have recognised increased provisions for environmental clean-up costs. Management has determined that the business has a relatively small exposure and that the additional provisions are not material. However, management makes a judgement about their users' needs in understanding this issue and determined that some disclosure was necessary in view of the high profile of this issue.

Insight

Your financial statements give you the opportunity to provide an insight into your business through management's eyes

What's new, changed or unusual?

An unusual or new type of transaction is more likely to be material than a routine or regularly occurring transaction of the same size.

Ind AS guidance – 'unusual' items

Ind AS 1 provides some examples of items considered 'unusual' that could warrant disclosure that may otherwise fall below materiality thresholds:

- write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs
- restructurings of the activities of an entity and reversals of any provisions for the costs of these restructurings
- disposals of items of property, plant and equipment
- disposals of investments
- discontinued operations
- litigation settlements
- other reversals of provisions.

Example – investment impairment

A group has a 15% equity interest in an unlisted company, which is a supplier of the group. The unlisted company has undergone a restructuring which has resulted in possible litigation and therefore the group recorded an impairment in the value on the investment.

Whilst the amount is not material, the expense is unusual. In addition, as the investment relates to a supplier of the group, it is likely this information would also interest the primary users. Therefore the group should disclose the amount of the impairment.

Filter #2 - specific disclosures to provide

It is not always necessary to disclose all the information specified in a Standard just because the underlying item is material. Deciding which specific disclosures to provide is the second 'filter' referred to in the flowchart.

Disclosure requirements for some underlying items are straight forward, you either disclose the event or amount or you don't. For example, if you have significant post-balance date events then these must be disclosed.

Example – capital commitment

Continue from the previous example in filter #1 where a company has committed to purchase items of property, plant and equipment. The company is unsure how much disclosure is needed due to the circumstances described in the previous example.

As the commitment is only material in aggregate, management can make an aggregated disclosure, they do not need to list all items separately. They can disclose just the total commitment they have for property, plant and equipment at the balance sheet date.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements.

Other disclosures will require more consideration.

Example – tax reconciliation

A company operates only in India. Its tax affairs are relatively simple and it doesn't have significant non-taxable income, non-deductible expenses or unrecognised deferred tax. As a result the company's effective tax rate is similar to its statutory tax rate. The current year tax charge and tax balance are material in terms of size.
Because the tax charge and tax balances are material, the company provides disclosures in accordance with Ind AS 12 'Income Taxes'. However, management concludes that the Ind AS 12 tax reconciliation is not relevant because:

- the effective tax rate is similar to the statutory tax rate – which is disclosed
- providing this additional information would not be relevant to a user's understanding of the company's financial performance.

Example – tax expense

Taking a similar example as above. A company with simple tax affairs, however this time the current year tax expense is not material in terms of its size.
Initially management may conclude that the tax reconciliation disclosures under Ind AS 12 are not required due to the size of the expense. However, profits are high and the effective tax rate is much lower than the statutory tax rate. Therefore management conclude they need to provide a tax reconciliation in accordance with Ind AS 12.

Possible future developments

The IASB has issued an 'exposure draft' of a new practice statement 'Application of materiality to financial statements'. The aim is to help management apply the concept of materiality. The scope of the draft is the financial statements as a whole, not only the notes. The draft statement provides guidance in the following three main areas:

- characteristics of materiality
- how to apply the concept of materiality when making decisions about presenting and disclosing information in the financial statements
- how to assess whether omissions and misstatements of information are material to the financial statements.

The key messages in the draft are in line with this publication. The new practice statement - when finalised - should however give you some useful further guidance.

On the similar lines, in India, ICAI/MCA may also make corresponding improvements to the Ind AS in future.

Insight

It is not always necessary to disclose all the information specified in a standard just because the underlying item is material

Re-think the notes

The disclosures (or notes) are the largest section of your financial statements. As such they can have the greatest impact on the effectiveness of your financial statements as a communication tool.

Many companies have been experimenting with the traditional way of organising the notes in order to better tell their story and emphasise the most important information. This section considers some of the emerging practices. We discuss:

Integrating the notes

Re-ordering the notes

Signposting

Ind AS guidance

Ind AS 1 explains that the overall objectives of the notes to the financial statements are to:

- present information about the basis of preparation of the financial statements and the specific accounting policies used (refer to separate accounting policies section)
- disclose the information required by Ind AS that is not presented elsewhere in the financial statements
- provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of them.

Ind AS 1 requires that your notes are presented in a 'systematic manner', as far as practicable. Ind AS 1 is more flexible on how to achieve this. It gives examples of the possible alternatives to the 'traditional' ordering:

a) by giving prominence to the areas of activities that are considered to be most relevant to understanding its results and position, for example by grouping together information on the same operating activities

b) by grouping together information about items measured similarly such as assets measured at fair value.

In deciding on your approach, Ind AS 1 explains that you should consider the effect on the understandability and comparability of your financial statements.

Insight

Note disclosures can have the greatest impact on the effectiveness of your financial statements as a communication tool

Integrating the notes

You are not required to have separate notes for each material line item in the primary statements. Nor do you need separate notes to meet requirements from different standards. Notes can be combined in different ways to achieve a more effective communication.

For example, you can combine a note that sub-analyses a balance sheet line item, information about the accounting policy and any critical estimates and judgements affecting that item.

Included below is a 'before and after' comparison of a traditional presentation style with an integrated note approach, using inventory as an example:

Before – traditional approach

Firstly, in the' Accounting policies' section:

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Secondly, in the 'Significant judgements and estimates' sub-section:

Estimation uncertainty - Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

And lastly in the 'Inventories' note:

Inventories

Inventories consist of the following:

	31 March 2016 (INR Million)	31 March 2015 (INR Million)
Raw materials and consumables	7,737	7,907
Merchandise	10,561	9,319
	18,298	17,226

In 2015-16, a total of INR 35,265 Mn (2014-15: INR 32,907Mn) of inventories was included in profit or loss as an expense. This includes an amount of INR 361 Mn (201 INR 389Mn) resulting from write-down of inventories.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool.

After – an integrated note

So all the related information is together, you could combine the three notes previously illustrated into one note, as follows:

4. Inventories

4.1 Accounting policy

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.2 Significant estimation uncertainty

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices

Inventories consist of the following:

	31 March 2016 (INR Million)	31 March 2015 (INR Million)
Raw materials and consumables	7,737	7,907
Merchandise	10,561	9,319
	18,298	17,226

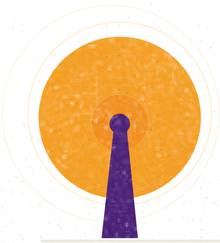
In 2015-16, a total of INR35,265 Mn (2014-15: INR 32,907 Mn) of inventories was included in profit or loss as an expense. This includes an amount of

include everything in the same place so it is easy to locate information

Use colours to highlight significant estimates and judgements and accounting policies

The same information is being presented, however is condensed as it is all together

Whilst the information provided is the same, an integrated approach gives your users all the information they need in one place.



Insight

An integrated approach provides all the same information as the traditional approach but gives your user all the information they need in one place

Another aspect of integrating the notes is to combine all information about a specific type of transaction, or group of related transactions, in a single note. This is well-established in some areas such as tax – many companies combine information about the tax expense with information about current and deferred tax balances. Some other possible examples include:

Example – goodwill and intangible assets

A company has significant goodwill and intangible assets as a result of several business acquisitions. During the year, one of these business acquisitions made significant losses and as a result an impairment was recorded in the goodwill balance. The company decided to place its goodwill, intangible assets and impairment notes together so this event (which is a significant part of their story) could be easily explained all in the same place.

Example – employee benefits

A company who has a significant employee remuneration expense decided to place all its disclosures about its employees (including share-based payments, post-employment benefits and key management personnel compensation) all in the same place. This enabled them to provide a breakdown of the employee remuneration expense and then explain each component part and their key assumptions made. Thus having information relating to employees and key management personnel together.

Using visual elements, for example, colour boxes or different fonts, you can draw attention to certain aspects of the notes. Key risks, assumptions, accounting principles, significant changes, estimates or judgements could all be highlighted in this way.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool.

Re-ordering the notes

Traditionally companies have organised the notes starting with accounting policies (including information about key judgements and estimates), then notes to each primary statement in the order of the line items in those statements, and finally other notes such as post-balance date events.

The traditional approach has its merits. However, alternative structures may help you to tell your story more effectively, and emphasise the information you consider most important to your users. As noted, Ind AS also offers scope to present notes in the order that best suits your business and the users of your financial statements.

The basis for re-ordering is normally to:

- group notes into categories that cover related areas
- place the most critical information more prominently
- a combination of both.

Categorising your notes

There are several categories you could consider when grouping related notes. In some instances, notes may fall into more than one category, so you would need to pick the category that is most appropriate given the circumstances of your business.

Category	Examples of notes that could fall into these categories
significant transactions and events	assets classified as held for sale and discontinued operations, business combinations, related party transactions
group structure	subsidiaries, associates and joint ventures
risk management	financial instruments risk, financial assets and liabilities, fair value measurement
group performance	revenue, expenses, dividends, earnings per share, income tax
operating assets and liabilities	receivables, payables, inventories, provisions
unrecognised items	commitments and contingencies, post balance date events, operating leases

Insight

Re-ordering your notes may help you tell your story more effectively, and emphasise the information you consider most important to your users

Signposting

Signposting enables your users to easily find the information they need. This becomes even more important if you adopt a non-traditional approach to the notes or if your financial statements are very large.

Providing cross-references from the primary statements to related notes is of course well-established and is required by Ind AS 1.

However, additional cross-references can help when information has been re-ordered or relocated:

Example – critical estimates and judgements

Information about critical estimates and judgements in applying the Group's accounting policies is included in the related notes as follows:

- goodwill and fair value of assets acquired – see note 11
- provisions – see note 17
- property, plant and equipment – see note 12
- impairment – see note 21

Cross-referencing to external information is a way you can refer readers to complementary data outside the annual report, for example on the company's website. This information isn't necessary to comply with its statutory requirements, it is there as additional information which complements the financial report. You don't need to state this when providing the cross-reference, it should be obvious from the nature of the information.

Signposting to outside the financial statements can include to:

- standing data (eg share option terms)
- additional information supporting financial statement disclosures
- other connected but not financial data.

Ind AS guidance

Most standards do not allow material disclosures to be placed outside the financial statements. However, Ind AS 107 allows descriptions of risks to be placed outside the financial statements. Ind AS 107.21B explains that companies should present the required disclosures in a single note or separate section in its financial statements. However, a company need not duplicate information that is already presented elsewhere, provided that the information is incorporated by cross-reference from the financial statements to some other statement. For example, a management commentary or risk report, and this should be available to users of the financial statements on the same terms as the financial statements and at the same time. Without the information incorporated by cross-reference, the financial statements are incomplete.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool.

Example – business combinations

On 1 June 2016, the Group acquired 100% of the equity instruments of Goodtech Private Limited (Goodtech), an India based business, thereby obtaining control. The acquisition was made to enhance the Group's position in the on-line retail market for computer and telecommunications hardware in India. Goodtech is a significant business in India in the Group's targeted market. For a company profile of Goodtech and more details of the company's activities, please refer to our website www.illustrative.in/goodtech

Finally you can direct users to where you have positioned your notes. You can use this as an index to demonstrate how the notes have been grouped. For example, this indexing is illustrated in a table format below:

Example of indexing

Corporate infomation and basis of preparation	Significant transactions and events	Group business, capital and risk management	Statement of financial position	Statement of comprehensive income
1 Nature of operations	4 Acquisitions and disposals	8 Subsidiaries	14 Goodwill and other intangible assets	20 Segment reporting
2 -General information and statement of compliance with Ind ASs	5 Disposal groups classified as held for sale and discontinued operations	9 Investments accounted for using the equity method	15 Property, plant and equipment	21 Finance costs and finance income
3 Changes in accounting policies	6 Related party transactions	10 Earnings per share and dividends	16 Trade and other receivables	22 Tax expense
	7 Post-reporting date events	11 Equity and capital management	17 Cash and cash equivalents	23 Employee remuneration
		12 Financial instruments risk	18 Deferred tax	
		13 Fair value measurement	19 Trade and other payables	

Prioritise the policies

The disclosure of significant accounting policies is often the longest note in the financial statements. Done well, this disclosure helps your investors and other stakeholders to properly understand your financial statements. Done badly, it contributes to clutter without adding value

You should ask whether your accounting policy disclosures:

Cover the transactions and balances that are significant to your company?

Are positioned in the financial statements in a way that best meets your users' needs?

Remain relevant or need updating?

Capture your key judgements in applying your policies and your major sources of estimation uncertainty?

Are specific to your company?

Quote:

"It is a time consuming process to produce good quality disclosures. Advanced planning reduces the risk of repetition of disclosures from earlier years and provides an opportunity to present what really matters to users".

Siddharth Talwar
Partner
Grant Thornton India LLP

Make them significant

Deciding which accounting policies are significant requires judgement. It's not just about whether the numbers are large. In assessing significance you should of course consider the materiality of the balances or transactions affected by the policy, but also:

- the nature of the company's operations - even if amounts involved are not material
- whether your company has selected a policy among alternatives provided by the relevant standard (for example, the revaluation model for property, plant and equipment)
- the extent of judgement, estimation uncertainty or complexity involved in applying the policy
- whether the policy was developed for a type of transaction not covered by Ind AS
- your users' needs and expectations.

Ind AS guidance

Ind AS 1 explains that a complete set of financial statements includes notes, which comprise significant accounting policies and other explanatory information. However, the Standard gives only limited guidance about what a significant accounting policy could be:

a) the measurement basis(es) used in preparing the financial statements, and

b) the other accounting policies used that are relevant to an understanding of the financial statements.

In March 2016, the MCA amended Ind AS 1. The revised guidance explains that a company should consider:

- the nature of its operations, and
- the policies that its users of the financial statements expect to see.

Further the MCA has amended Ind AS 1 to remove certain paragraphs which included the accounting policies for income taxes and foreign currency transactions, as examples of significant accounting policies, as these were not considered relevant in illustrating what the significant accounting policies could be.

Practical tip – revenue recognition accounting policies

Revenue – the 'top line' - is the most important line item for most companies. Naturally, most companies therefore disclose their revenue recognition accounting policy. However, companies with multiple revenue streams sometimes cover them all with a single policy. This is a concern for investors and also for regulators. Your revenue recognition accounting policy should therefore:

- be clear and specific
- address each significant revenue stream separately.

If you conclude certain policies are not significant, these should be removed. You can then focus on the significant policies. The key is then to provide clear and specific information not just on the policy itself, but also on how you apply it.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies.

Be clear and specific

We are seeing an evolution in this area. Traditionally, many accounting policy disclosures simply summarise the relevant accounting standard. Some commentators describe this as an example of 'boilerplate'.

Companies are increasingly looking to cut back on this type of generic disclosure and focus on the specifics. We are not suggesting you cut out every generic disclosure – judgement is needed as to your investors' and stakeholders' knowledge of the standards. But we do believe that the real value and insight comes from explaining how you apply your significant policies.

What is a generic accounting policy disclosure?

Generic accounting policy disclosures are those that simply summarise the accounting standard. They don't distinguish between companies. They say nothing that couldn't be found out from simply reading the standard or acquiring a basic knowledge of Ind AS. Such disclosures are often rolled forward unchanged from one year to the next.

Example – generic accounting policy disclosure

Note x.x Deferred Tax

Deferred income tax is recognised for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting or taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The example is not technically 'wrong'. However, it simply summarises the principles of Ind AS 12 'Income Taxes'. It says nothing about how the company actually applies Ind S 12, even though accounting for deferred taxes depends on the specific circumstances of the company and requires judgement in some areas. For example, if a company has carried-forward tax losses, how does it determine whether sufficient future taxable profits will be available against which to offset these losses?

What is a specific accounting policy disclosure?

Company-specific accounting policy disclosures:

- explain how the company applies the policy
- include any management judgement and/or estimation that is involved in applying the policy (see below for more on key estimates and judgements)
- are written in plain English so they are easily understood
- are up-to-date in terms of Ind AS requirements and the business
- state if the company made a policy choice from the Standard and why this choice was made.

If necessary, you should amend the wording of accounting policies from one year to the next. As long as the principles don't change, this won't result in additional "change in accounting policy" disclosures.

Example – specific accounting policy disclosure

Note x.x Deferred Tax
Taxable temporary differences arise on certain brands and licenses that were acquired in past business combinations. Management considers that these assets have an indefinite life and are expected to be consumed by use in the business. For these assets deferred tax is recognised using the capital gains tax applicable on sale.

company-specific

includes management judgement

explains how it is applied

This disclosure is company-specific, and explains how management applies the policy.

Are the accounting policies appropriately placed in the financial statements?

Traditionally, companies place a summary of significant accounting policies as the first note in the financial statements (ie as 'note 1'). However, we are seeing some companies starting to experiment with this. Some alternatives are to:

- include each policy with the note to which it relates (see 're-think the notes' for an example of this)
- place only the most critical policies and any key changes in note 1, and relocate other significant policies to the end of the financial statements or to an appendix
- split new accounting policies from standing (unchanged) data.

How can you group accounting policies?

If you opt to continue to have all the accounting policies in one note, you can choose to categorise them into groups. This will focus the users on those policies that they particularly want to read.

You can group accounting policies by:

- policies that have changed from the prior year
- those that are new policy choices for the company
- those relating to new accounting standards
- policies that are key to group activities
- those requiring a choice under Ind AS
- policies relating to different primary statements.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

Articulate key estimates and judgements

Making estimates and judgements is an integral part of preparing financial statements. Effective disclosures about the most important estimates and judgements enable investors to understand your financial statements. However, given the pervasiveness of estimates and judgements, deciding which to disclose – and what to say about them – can be challenging.

Quote:

"Ind AS requires a number of disclosures about the key estimates and significant judgments that may affect nature and carrying amounts of assets and liabilities. Therefore, companies should set up a process to identify and disclose major sources of estimation uncertainties relevant for the users of financial statements."

Keyur Dave
Partner
Grant Thornton India LLP

How should you disclose key estimates?

Most of the numbers in your financial statements are based on estimates to some degree – even relatively simple amounts such as depreciation and the cost of inventories. Several of these estimates involve predictions about the future. Many estimates are routine and the range of reasonably possible alternative outcomes is small. However, investors and other stakeholders need to know more about the major sources of estimation uncertainty to properly understand the financial statements.

Ind AS guidance

Ind AS 1 explains the overall requirements for disclosures about estimates. The focus is on assumptions you make about the future, and other major sources of estimation uncertainty at the end of the reporting period, when there is a significant risk of a material adjustment within the next financial year.

Ind AS 1 requires disclosure about the assumptions made and the nature and carrying amounts of the assets and liabilities affected. It does not prescribe the exact information you should disclose about these assumptions but gives examples of the types of information:

- the nature of the assumptions
- sensitivity of carrying amounts
- expected resolution/range of reasonably possible outcomes
- changes made to past assumptions.

Some standards also include disclosure requirements about particular estimates. For example:

- Ind AS 36 'Impairment of Assets' specifies disclosures about impairment testing
- Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' requires disclosures about uncertainties and major assumptions affecting provisions
- Ind AS 113 'Fair Value Measurement' requires information about how fair values have been estimated.

One of the most common pitfalls is to describe several balances or amounts that are based on estimates, but provide little or no information about the estimates themselves. In addition, disclosures about the underlying assumptions, how actual outcomes compare to past assumptions and sensitivity analysis of reasonably possible changes, are also frequently omitted.

Example – weak disclosure about estimation uncertainty

Key estimate: net realisable value of inventory
The Group reviews net realisable value (NRV) of its inventory regularly to provide assurance that it is stated at the lower of cost and NRV. Factors that could affect NRV include technological changes, competitor actions and market trends. Changes in the net realisable value of inventory could affect profit in a future period.

As a general observation, we think many financial statements could be improved by providing better information about fewer estimates. Your focus should be on the most difficult, subjective and complex estimates with a significant risk of material adjustment in the next 12 months.

Example – better disclosure

Key estimate: net realisable value of inventory
The key assumptions, which require the use of management judgement, are estimated costs to sell and the expected selling price. These key assumptions are reviewed annually. The total expense relating to inventory write-downs during the year was INR19million (2014-15: INR51million). The 2015-16 write down has returned to broadly historical levels, after the third biggest stock item became obsolete in 2014-15 due to technological advances as reported last year. If the average selling prices were to decline by 5% an additional write-down of INR2.5million would be required. Based on prior years and considering the current economic environment, expected selling prices have been reduced on average 1.5% but costs to sell remain unchanged.

key assumptions

review process

relevant figures

explains trends

sensitivity analysis

This is an improved disclosure because it includes key assumptions in general terms, process for reviewing, numbers and sensitivity.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies.

How should you disclose key judgements?

Ind AS is a principle-based set of accounting standards, and applying principles requires judgement. The outcome of your judgements can have a major effect on your reported results and financial position. But judgement, however soundly made, is inherently subjective. It is therefore inevitable that different people – acting diligently and in good faith – sometimes make different judgements on similar 'fact patterns'. Accordingly, your investors and other stakeholders need to understand your critical judgements in order to understand your financial statements.

Ind AS guidance

Ind AS 1 provides general guidance on disclosures about judgements. Other standards, such as Ind AS 112 'Disclosure of Interests in Other Entities', supplements Ind AS 1 by requiring disclosure about particular judgements.

You should disclose the judgements that you make in the process of applying your accounting policies and that have the most significant effect on the amounts recognised in the financial statements. These can be disclosed in either the accounting policies or the notes to the financial statements.

Practical tip – judgements versus estimates

Ind AS 1 distinguishes between judgements and sources of estimation uncertainty. In practice, however, we observe that many companies' disclosures blur the line.

A 'judgement' refers to your conclusion as to the correct accounting treatment when applying accounting principles and policies to your company's transactions. For example, whether:

- an acquisition meets the definition of a business
- your company has control or significant influence over an investee in a 'borderline' situation.

An 'estimate' refers to how the actual numbers are determined, once you have concluded on the correct accounting treatment. Commonplace examples of estimates involving a high degree of uncertainty include provisions and impairment losses.

In practice, of course, this distinction is not always clear cut. For example, making estimates also requires judgement. There is also no need to segregate disclosures about judgements and those about estimates. Nonetheless, in order to ensure you are making the correct disclosures it is important to first make the distinction and then to decide how best to organise the information.

Example

When looking at impairment, the judgement is whether there is any impairment in the relevant underlying item; the estimate is the calculation of the impaired losses incurred.

Example – weak judgement disclosure

> Key judgement: control or significant influence over an investee
>
> The Group holds 45% of the ordinary shares and voting rights in ABC Consultants (ABC). Management has assessed its involvement in ABC in accordance with Ind AS 110's control definition and guidance and has concluded that it has significant influence but not outright control.This required management judgement.

Why is it weak? It is weak because it doesn't:

- provide background information on the required judgement
- explain the judgement actually made and how the conclusion was reached.

Example – better judgement disclosure

> Key judgement: control or significant influence over an investee
>
> The Group holds 45% of the ordinary shares and voting rights in ABC Consultants (ABC). Two other investors each hold 15%. The remaining 25% is held by several other unrelated investors, none of whom own more than 2% individually. There are no arrangements for the other shareholders to consult one another or act collectively and past experience indicates that few of the other owners actually exercise their voting rights at all.
>
> The Group has appointed four of ABC's Board of Directors out of a total of eleven. Management has assessed its involvement in ABC in accordance with Ind AS 110's control definition and guidance and has concluded that it has significant influence but not outright control. In making its judgement, management considered the Group's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of recent participation by those shareholders in general meetings. Recent experience demonstrates that sufficient of the smaller shareholders participate such that they, along with the two other main shareholders, prevent the Group from having the practical ability to direct the relevant activities of ABC unilaterally.

This is an example of a judgement about the correct accounting treatment (whether the company has control of the investee and should consolidate it, or whether the investee is an associate and should be accounted for using the equity method). This is a key judgement because these two accounting methods have very different effects on the financial statements.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies.

Glossary

GAAP- Generally Accepted Accounting Principles
MCA- Ministry of Corporate Affairs
SEBI- Securities and Exchange Board of India
ICAI- The Institute of Chartered Accountants of India
Ind AS- Indian Accounting Standards, issued by MCA
CSR- Corporate Social Responsibility
EBITDA- Earnings before interest, taxes, depreciation and amortisation
CODM- Chief Operating Decision Maker
FEMA- Foreign Exchange Management Act, 1999
IASB- International Accounting Standards Board

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 45 dedicated professionals along with a pool of more than 1,000 personnel 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.

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

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 Ind AS 39 / Ind AS 109
- 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

Supporting you

Grant Thornton works to support dynamic organisations to address financial reporting issues in today's complex world.

We can help you get up to date with current trends in financial reporting by providing:

- thought leadership insights
- examples of best practice disclosures
- support you through the enhancing of your annual reports.

Whatever stage you are at in making improvements to the content and presentation of your annual reports, our specialists offer pragmatic solutions, whilst still complying with Ind AS. Talk to your Grant Thornton contact now, or visit http://www.grantthornton.in/ to find out more.

For further information, please contact:

Nabeel Ahmed
Partner
Grant Thornton India LLP
M: +919885036990
E: nabeel.ahmed@in.gt.com

Siddharth Talwar
Partner
Grant Thornton India LLP
M: +919810930906
E: siddharth.talwar@in.gt.com

Keyur Dave
Partner
Grant Thornton India LLP
M: +919920030880
E: keyur.dave@in.gt.com

Contact us

To know more, please visit **www.grantthornton.in** or contact any of our offices as mentioned below:

NEW DELHI
National Office
Outer Circle
L 41 Connaught Circus
New Delhi 110001
T +91 11 4278 7070

AHMEDABAD
BSQUARE Managed Offices
7th Floor, Shree Krishna Centre
Nr. Mithakali Six Roads
Navrangpura
Ahmedabad 380009
T +91 76000 01620

BENGALURU
5th Floor, 65/2, Block A,
Bagmane Tridib, Bagmane
Tech Park, C V Raman
Nagar,
Bengaluru – 560093
T+91 80 4243 0700

CHANDIGARH
B-406A, 4th Floor
L&T Elante Office Building
Industrial Area Phase I
Chandigarh 160002
T +91 172 4338 000

CHENNAI
Arihant Nitco Park,
6th Floor, No. 90,
Dr. Radhakrishnan Salai
Mylapore
Chennai 600004
T +91 44 4294 0000

GURGAON
21st Floor, DLF Square
Jacaranda Marg
DLF Phase II
Gurgaon 122002
T +91 124 462 8000

HYDERABAD
7th Floor, Block III
White House
Kundan Bagh, Begumpet
Hyderabad 500016
T +91 40 6630 8200

KOCHI
7th Floor, Modayil Centre point
Warriam road junction
M. G. Road
Kochi 682016
T +91 484 406 4541

KOLKATA
10C Hungerford Street
5th Floor
Kolkata 700017
T +91 33 4050 8000

MUMBAI
16th Floor, Tower II
Indiabulls Finance Centre
SB Marg, Elphinstone (W)
Mumbai 400013
T +91 22 6626 2600

MUMBAI
9th Floor, Classic Pentagon
Nr Bisleri factory, Western
Express Highway
Andheri (E)
Mumbai 400099
T +91 22 6176 7800

NOIDA
Plot No. 19A, 7th Floor
Sector – 16A
Noida 201301
T +91 120 7109 001

PUNE
401 Century Arcade
Narangi Baug Road
Off Boat Club Road
Pune 411001
T +91 20 4105 7000

For more information or for any queries, write to us at **contact@in.gt.com**

Follow us **@GrantThorntonIN**