



**Grant Thornton**

An instinct for growth™

# Financial Reporting Advisory Services



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 your 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.grantthornton.in>

# About Financial Reporting Advisory Services

The financial statements are the ultimate report card of fiscal performance. It enables owners and managers to pursue their business objectives, whether it is raising capital, acquisition, divesture or restructure. Therefore, every business activity will have an impact on the financial statements and therefore, needs to be carefully examined and analysed.

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

Our suite of services in FRAS includes:

## GAAP conversion services

- perform end-to-end conversion from local GAAP<sup>1</sup> to International GAAP (IFRS<sup>2</sup>, US GAAP<sup>3</sup>, etc.)
  - diagnostic review
  - identification and quantification of adjustments
  - support in accounting systems changes
- conversion from International GAAP to Indian GAAP for consolidation of Indian parent companies
- suggesting appropriate accounting policy choice where GAAP provides an option to choose between alternative accounting treatments
- prepare profit / equity reconciliation from local GAAP to International GAAP or vice versa

## Consolidation services – Assistance in preparation of consolidated accounts [automated consolidation tool]

- preparation and alignment of group chart of accounts
- assistance in consolidation entries (FCTR<sup>4</sup>, acquisitions, etc.)
- assistance in inter-company eliminations
- customisation and implementation of the consolidation tool following the applicable GAAP for standalone and consolidated financial statements
- training and support on the consolidation process
- preparation of consolidated financial statements
- develop process and templates for collating information for GAAP reporting and MIS<sup>5</sup>

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1. Generally Accepted Accounting Principles
2. International Financial Reporting Standards
3. Generally Accepted Accounting Principles in the United States of America
4. Foreign Currency Translation Reserve
5. Management Information System

# About Financial Reporting Advisory Services

## Transaction-based services

Strategic business initiatives such as capital raising, business acquisitions, divestures, etc., require special attention and have far reaching implications on accounting and reporting. FRAS can assist in proactively addressing these implications. Transaction-based services include:

### a) Capital raising (IPO<sup>6</sup> Assistance)

- assistance in the preparation of financial information (consolidated / combined / pro-forma / carve out) to be included in the offering circular
- assisting financial reporting teams to meet regulatory compliance on a quarterly and an annual basis

### b) Business acquisitions

- review of share purchase agreement / asset purchase agreement to assess and address the impact on financial reporting, including financial statements for future periods
- purchase price allocation accounting and preparation of opening balance sheet including assistance in fair valuation
- assistance in consolidation and tax accounting – developing and aligning the accounting policies, chart of accounts and procedures manual for the acquired entity

### c) Financial instruments and hedging

- review of draft investment agreement to address and assess the impact on financial reporting such as:
  - debt vs. equity classification
  - investment, asset and liability classification
  - assessment of derivatives and embedded derivatives
  - derecognition principle
  - assistance in impairment assessment
  - assistance with the applicable disclosures under AS<sup>7</sup> 32 / IFRS 7 / IFRS 13 / Ind AS<sup>8</sup> 107
- assistance in setting up the hedge accounting platform including establishing risk management policies, hedge documentation, and effectiveness testing templates and accounting entries

### d) Share-based compensation plans

- review of draft stock compensation plans to address and assess the impact on financial reporting (such as impact of stock plans on the group, modification of stock awards, impact on EPS<sup>9</sup>, valuation for EPS disclosure – Intrinsic Value / Fair Value, etc.)
- advice on accounting for share-based transaction

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6. Initial Public Offer  
7. Accounting Standards  
8. Indian Accounting Standards  
9. Earnings Per Share

# About Financial Reporting Advisory Services

## Accounting Policy Manual

- alignment of group accounting policies and requirements of GAAP, with practical guidance on standard journal entries
- web based accounting manual, capable of being implemented across group in a consistent manner, with facility of restricting access to concerned users
- functionalities like search, query and feedback with an ability to identify training needs of individual users to make the knowledge current and lot more effective

## On - Call advisory

- accounting / transaction advice on the underlying issue based on specific facts
- assistance on retainership basis for on-going accounting related queries
- full time assistance onsite / offsite for accounting queries through a dedicated team
- online back-office for responding to accounting queries (<http://mygaap.grantthornton.in/>)

## Related Party Manual

- identification of related parties as per the requirements of section 2(76) of the Companies Act 2013 and revised clause 49 of SEBI
- identification of related party transactions as per section 188 of the Companies Act, 2013
- prepare standard documentation and guidelines to assess whether transactions qualify as ordinary course of business as per business objectives of the entity
- prepare standard documentation and guidelines to determine the arm's length price as per the provisions of the Companies Act, 2013

## Trainings

We also offer technical training programs for senior executives, financial controllers, legal teams, etc. on IFRS, Ind AS, Indian GAAP, specific accounting topics and technical updates.

For more information regarding FRAS, please visit [mygaap.grantthornton.in](http://mygaap.grantthornton.in) or contact our subject matter experts:

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# About Grant Thornton in India

Grant Thornton in India is one of the largest assurance, tax, and advisory firms in India. With **over 2,000 professional staff across 13 offices, the firm provides robust compliance services and growth navigation solutions** on complex business and financial matters through focused practice groups. The firm has extensive experience across a range of industries, market segments, and geographical corridors. It is on a fast-track to becoming the **best growth advisor to dynamic Indian businesses with global ambitions**. With shorter decision-making chains, more senior personnel involvement, and empowered client service teams, the firm is able to operate in a coordinated way and respond with agility.

Over the years, Grant Thornton in India has added lateral talent across service lines and has developed a host of specialist services such as Corporate Finance, Governance, Risk & Operations, and Forensic & Investigation. The firm's strong Subject Matter Expertise (SME) focus not only enhances the reach but also helps deliver bespoke solutions tailored to the needs of its clients.

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