

## GET AN INSIGHT INTO ABL'S ACCOUNTING PROCESSES DRIVEN APPROACH

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### **ABL India**

61-63, Panchkuian Road, New Delhi-110 001 India.

Ph: 91-11-23580933, 23588510

E-mail: [sanjivsyal@ablindia.com](mailto:sanjivsyal@ablindia.com)

Website: [www.ablindia.com](http://www.ablindia.com)

Process	Route	Frequency	Description	Time-lines
<b>A. Data Receipt, Review and Entry</b>				
<b>A 1. Expenses</b> Expense Report Salary Detail	CM → CFO → BO	Monthly	CM enters an expense report on web accounting system BO reviews the report and submits for CFO approval CFO approves for payment & forwards to BO & CM	1-30th report by 3rd TAT 2 days TAT 2 days
<b>A 2. Payments</b> Vendor Payments Checks Issued Telegraphic Transfers	CM → BO	Monthly	CM sends vendor invoices and payment details BO reviews data ,confirms receipt and updates system	1-30th report by 3rd TAT 7 days
<b>A 3. Receipts</b> Lease Rent Receipts Other Bank Receipts Direct deposits	CM → BO	Monthly	CM sends details to BO BO reviews data and updates system Where Internet access to bank accounts is available, BO views bank accounts	1-30th report by 3rd TAT 7 days
<b>A 4. Leases</b> New Leases Funded Leases Lease Rent Invoices	CM → BO	Monthly	CM sends details of new leases to BO BO reviews data and updates systems – and Accounting BO maintains details of lease rent receivable and unearned interest for each lease on excel spreadsheet BO generates lease rent invoice each months and sends to CM  BO updates monthly transactions in the systems	1-30th report by 3rd TAT 7 days  1month prior to due date
<b>A 5. Commitments</b> Unpaid Bills - Vendors Unpaid Bills - Expenses Bank Statements	CM → BO	Monthly	Detail for unpaid bills > USD 1000 are sent BO reviews data and updates system BO reconciles bank accounts and updates system	TAT 7 days
<b>A 6. Confirmation of Receipt Of Data</b>	BO → CM	Monthly	BO confirms receipt of data via imaging software or e-mail	TAT 1day of receipt
<b>A 7. Reconciliation's</b> Bank Accounts Inter-company Balances Employees Imprest Customer Balances Vendor Balances Leases	BO	Monthly	BO reconciles accounts & rectifies differences	TAT 7 days of closing

Process	Route	Frequency	Description	Time-lines
<b>B. Closing</b>				
<b>B 1. Closing</b>				
Management Fee	BO	Monthly	BO allocates management expenses to corporate account BO computes depreciation and update fixed assets detail and system	
Book Closing	BO	Monthly Annual	BO tracks accruals and prepayments and updates system BO closes books of account every last day of month / year	TAT 15 days Monthly TAT 30 days Annual
Financial Results	BO	Monthly	BO prepares financial results country-wise and consolidated	
Closing File	BO	Monthly	BO maintains a closing file for each month for audit requirements	
<b>C. Consolidation &amp; Reporting</b>				
<b>C 1. Consolidation</b>				
Conversion of local currencies to USD	BO	Monthly	Download foreign exchange rates from Oanda.com Update foreign exchange rates table	As Required
			Export country-wise accounts in excel Translate country-wise accounts from local currencies to USD as per IAS	As Required
Exchange Gain/Loss	BO	Monthly	Revalue all inter-company accounts and USD Bank Accounts Compute exchange gain/loss on revaluation and transfer the impact to Profit & Loss Account	TAT 15 days for Monthly Closing
Consolidation as per IAS	BO	Quarterly As Required	Consolidate USD financials Eliminate share capital of each subsidiary against corporate investment Eliminate all significant inter-company balances in consolidation Consolidated financial statements include accounts of the company	
<b>C 2. Reporting</b>				
Financial Reports Balance Sheet	BO → CEO & CFO	Monthly	Transmit consolidated & country-wise B/S, P&L and Cash Flow Transmit country specific B/S, P&L, Key Performance Indicators to CMs. These may also be viewed on web on the system	
Profit & Loss and Cash Flow	BO → CM	Monthly	Transmit consolidated B/S, P&L, Key Performance Indicators to Board Members via TAT 15 days for Monthly the CFO	Closing
Financial Highlights Key Ratios Key Performance Indicators	BO → Board Members BO → CFO	Monthly Quarterly	Compare actual financial results with budgeted statements Service Country requests as per requirements for Tax and Statutory Authorities. BO transmits detail to CM	
Budget Vs Actual Compliance (I. Tax, Corp Law etc.)	BO → CM BO → CFO	As Required Yearly		

Process	Route	Frequency	Description	Time-lines
<b>D. Audit</b>				
<b>D 1. Audit</b>			BO facilitates audit of accounts BO maintains a closing file for each month to meet auditors' requirements	6 Monthly audit
Internal Audit				
Statutory Audit	BO	Half Yearly	BO prepares Reporting Packages and Schedules for each country and transmits to Auditors BO transmits General Ledger, Bank Books, Trial Balance, Reconciliation Statements and Financials for each country in PDF format	As Required
- Reporting Packages				
- Books of Accounts			BO allows systems access to auditors to view transactions	
- Reconciliations			BO services auditors requirements	
- Consolidated Reports				
<b>D 2. Compliance</b>				
Compliances and Governance	BO → CFO	As Required	BO coordinates country specific compliance issues with designated consultants/auditors/contact points on specified dates	As Required
<b>E. Maintenance and Back up</b>				
<b>E 1. Code Maintenance</b>				
Chart of Accounts	BO → CFO	As Required	BO maintains Chart of Accounts for all countries BO sends request to CFO for set up of new Code CFO approves new code and sends approval BO updates the system BO maps chart of accounts of all the entities with the Company's global chart of accounts to facilitate consolidation	TAT 1 day
Creation of new Code				
<b>E 2. Accounting Policies Maintenance</b>	BO → CFO	As Required	BO maintains Companywide Accounting Policies	
<b>E 3. Back up Processes</b>	BO	Daily basis	BO takes daily back up of data on Tape Drive	Bi weekly
<b>F. Prior Approvals</b>				
<b>F1. Approvals</b>	CM → CFO	7 days prior	CFO approval BO maintains and updates leave record for each month BO provides for unconsumed leave in accounts for each quarter	
Traveling Approval				
Capital Expenditure				
Loans & Advances				
Leave Record and Accounting				



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