



## **ABL India**

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# ABL- Financial Accounting Process – Updated Jan 2003



Process	Route	Frequency	Description	Time-Lines
<b>A. Data Receipt, Review and Entry</b>				
<b>A1. Expenses</b>			CM enters an expense report on web accounting system	1-30 <sup>th</sup> report by 3 <sup>rd</sup>
Expense Report	CM→CFO→BO	Monthly	BO reviews the report and submits for CFO approval	TAT 2 days
Salary Detail			CFO approves for payment & forwards to BO & CM	TAT 2 days
<b>A2. Payments</b>				
Vendor Payments	CM→BO	Monthly	CM sends vendor invoices and payment details	1-30 <sup>th</sup> report by 3 <sup>rd</sup>
Checks Issued			BO reviews data ,confirms receipt and updates system	TAT 7 days
Telegraphic Transfers				
<b>A3. Receipts</b>			CM sends details to BO	1-30 <sup>th</sup> report by 3 <sup>rd</sup>
Lease Rent Receipts			BO reviews data and updates system	TAT 7 days
Other Bank Receipts	CM→BO	Monthly	Where Internet access to bank accounts is available, BO views bank accounts	
Direct Deposits				
<b>A4. Leases</b>			CM sends details of new leases to BO	1-30 <sup>th</sup> report by 3 <sup>rd</sup>
New Lease			BO reviews data and updates systems – and Accounting	TAT 7 days
Funded Lease	CM→BO	Monthly	BO maintains details of lease rent receivable and unearned interest for each lease on excel spreadsheet	
Lease Rent Invoices			BO generates lease rent invoice each months and sends to CM BO updates monthly transactions in the systems	1month prior to due date
<b>A5. Commitments</b>				
Unpaid Bills-Vendors	CM→BO	Monthly	Detail for unpaid bills > USD 1000 are sent	TAT 7 days
Unpaid Bills-Expenses			BO reviews data and updates system	
Bank Statements			BO reconciles bank accounts and updates system	
<b>A6. 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>A7. Reconciliations</b>				
Bank Accounts				
Inter-company Balances			BO reconciles accounts & rectifies differences	TAT 7 days of closing
Employees Imprest	BO	Monthly		
Customer Balances				
Vendor Balances				
Leases				

\* TAT - Turn Around Time



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Process	Route	Frequency	Description	Time-Lines
<b>B. Closing</b>				
<b>B1. 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	BO tracks accruals and prepayments and updates system	TAT 15 days
		Annually	BO closes books of account every last day of month / year	TAT 30 days
Financial Results	BO	Monthly	BO prepares consolidated and country-wise financial results	
Closing File	BO	Monthly	BO maintains a closing file for each month for audit requirements	
<b>C. Consolidation and Reporting</b>				
<b>C1. Consolidation</b>				
Conversion of local currencies to USD	BO	Monthly	Download foreign exchange rates from Oanda.com Update foreign exchange rates table 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	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>C2. Reporting</b>				
Financial Reports	BO→CEO & CFO	Monthly	Transmit consolidated & country-wise B/S, P&L and Cash Flow	
Balance Sheet			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 the CFO	TAT 15 days for Monthly Closing
Financial Highlights	BO→Board members	Monthly		
Key Ratios			Compare actual financial results with budgeted statements	
Key Performance Indicators	BO→CFO	Quarterly	Service Country requests as per requirements for Tax and Statutory Authorities. BO transmits detail to CM	



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Process	Route	Frequency	Description	Time-Lines
Budget Vs Actual	BO→CM	As required		
Compliance (I. Tax, Corp Law etc.)	BO→CFO	Yearly		
<b>D. Audit</b>				
<b>D1. Audit</b>			BO facilitates audit of accounts	6 Monthly audit
Internal Audit			BO maintains a closing file for each month to meet auditors' requirements	
Statutory Audit			BO prepares Reporting Packages and Schedules for each country and transmits to Auditors	As Required
- Reporting Packages	BO	Half Yearly	BO transmits General Ledger, Bank Books, Trial Balance, Reconciliation Statements and Financials for each country in PDF format	
- Books of Accounts			BO allows systems access to auditors to view transactions	
- Reconciliations			BO services auditors requirements	
- Consolidated Reports				
<b>D2. Compliance</b>				
Compliance 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>E1. Code Maintenance</b>	BO→CFO	As Required	BO maintains Chart of Accounts for all countries	
Chart of Accounts			BO sends request to CFO for set up of new Code	
Creation of new Code			CFO approves new code and sends approval	TAT 1 day
			BO updates the system	
			BO maps chart of accounts of all the entities with the Company's global chart of accounts to facilitate consolidation	
			BO maintains Company-wide Accounting Policies	
<b>E2. Accounting Policies Maintenance</b>	BO→CFO	As Required		
<b>E3. 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. Traveling Approval</b>	CM→CFO	7 days prior	CFO approval	
<b>F2. Capital Expenditure</b>			BO maintains and updates leave record for each month	
<b>F3. Loans &amp; Advances</b>			BO provides for unconsumed leave in accounts for each quarter	
<b>F4. Leave Record and Accounting</b>				





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