



**NANGIA & CO LLP**  
CHARTERED ACCOUNTANTS

# Audit and Assurance Services

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# About Us



# About Us

Nangia & Co LLP is a premier professional services firm, which since the last 4 decades continues to add value to the business of its expansive clientele that has included some of the largest Indian business houses and Fortune 500 multinational companies. Since its inception in 1984, the Firm has evolved and emerged as the finest tax and advisory firm, catering to diverse sectors on a wide range of matters relating to Audit and Assurance, Taxation, GST, Entry Level Strategy, Mergers and Acquisition, Corporate Financial Advisory, Sustainability and Development Services, Cyber Security (CERT Certified), Forensic & IT Advisory. Our growth is a by-product of the outstanding client service delivered by our 800+ professionals, the best in the industry. The Firm has a strong Indian presence with offices located in Noida, New Delhi, Gurugram, Bengaluru, Mumbai, Chennai, Dehradun, and Pune.

Our services are driven by quality and commitment to our clients, and responsive quality service is our primary focus. We take pride in our ability to provide definite advice to our

clients with the shortest turnaround time. We draw our strength from our team of professionals who have significant functional and industry expertise across service lines and are well-equipped to deliver outstanding results. Quality of our people is the cornerstone of our ability to serve our clients. We provide exceptional client service at the heart of everything we do, from our newest employees to our senior partners' dedication to going above and beyond expectations in every working relationship.

**Nangia & Co LLP is certified as a 'Great Place to Work' and FCPA & UKBA compliant.**

Eight years in a row, we have been rated as the leading Tax and Transfer Pricing Firm by the International Tax Review, UK. Excellence, knowledge, objectivity, intelligence, insight, and integrity – Nangia blends all of it with dedication, to serve our motto of client's success.



# Audit & Assurance



# Audit and Assurance

A corporate's journey to success is governed by increasingly complex and broadening regulatory requirements. We can assist you meet these demands by providing a timely and constructive challenge to management, a robust and clear perspective to audit committees, and transparent information to your stakeholders and investors.

As a firm, we have expert knowledge and extensive experience to help with complex reporting issues involving IND-AS, IGAAP, US-GAAP and IFRS.

## We provide the following Audit and Assurance Services:

Statutory Audits, Tax audit and Reviews of Financial statements

Group Reporting

Risk Assurance Services

Management support for Internal Financial Controls testing

Financial Due Diligence

Accounting Advisory Services

Business Process Outsourcing

Pre IPO Support

Impairment Analysis and Support

Contract Review and Analysis

Other Solutions

## Statutory Audits, Tax audit and Reviews of Financial statements



While many of the rules of business have changed, the fundamentals haven't. Meeting investor expectations begins with the completeness, accuracy and fair presentation of information in your financial statements and disclosures. The audit is key to sustaining confidence in both your company and the financial system at large. It must keep pace with a fast-evolving corporate reporting environment - one characterised by investor scepticism and the 24/7 scrutiny of corporate information, including non-financial information. Auditing thus involves much more than just the legal obligation of certifying annual accounts. Whether annual and consolidated accounts or special audit services and certifications, having the objective judgment of external auditors makes information more reliable for all decision makers.

Our professionals at Nangia & Co have many years' experience, competence, industry knowledge and integrity. Our audit approach, is tailored to suit the size and nature of any organization and draws upon our extensive knowledge and talent, understanding of laws, regulations and legislation. We approach your audit with a deep and broad understanding of your business, the industry in which you operate, and the latest regulatory standards, helping you deliver value confidently through transparency of your reporting to stakeholders. We have also inbuilt technology in our audit both at the documentation as well as performing audit procedures by applying data analytics.

We are one of the very few leading firms registered with the PCAOB, USA.

We have an effective Peer Review Certificate from the Institute of Chartered Accountants of India, enabling us to undertake audit work for listed and public-interest entities.



## Group Reporting engagements

We can aid as component team to be a part of the Group audits working as per the instructions received from the Holding Company auditors. Using the resources and our experience of working with other Global firms, we can work closely to coordinate and monitor the cost and timely delivery of your component audits. We use a consistent global audit methodology and technology platform to perform the audit work taking into account specific local requirements where necessary. Providing specialized knowledge and tools to facilitate compliance and our close collaboration helps maximize efficiencies to your internal staff and the auditors.



# Risk Assurance Services



Risk management is a big concern for both audit committees and senior management in corporate internally. It involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity.

## Internal Audit

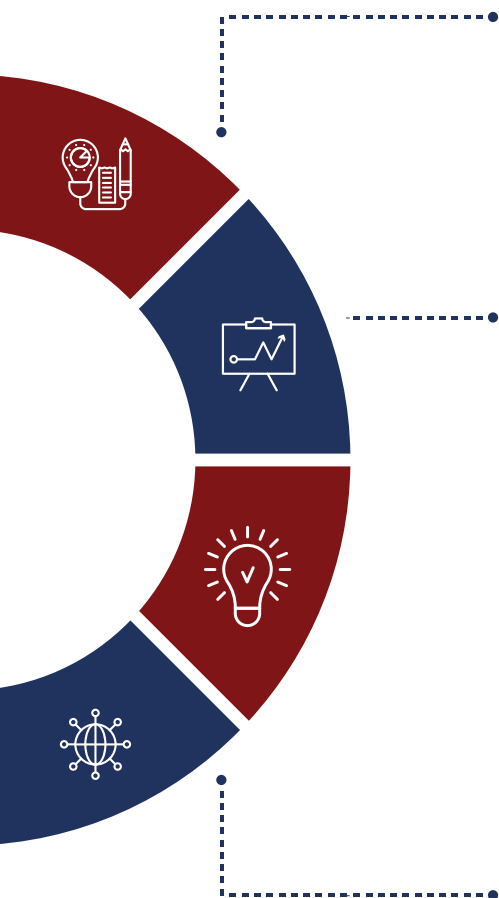
We provide a platform to our clients to achieve more from the business by providing internal audit outsourcing and co-sourcing services providing our expertise in risks & controls management.

**Internal Audit Outsourcing:** Providing a full internal audit service of planning, execution and reporting based on our audit methodology.

**Internal Audit Co-sourcing:** Providing subject matter experts as per requirement to deliver as per client's internal audit methodology.

Internal Audit is expected to evaluate emerging risk areas by performing thematic and targeted reviews and to continuously improve the compliance framework to provide the requisite level of assurance to regulators and external stakeholders. The result of an internal audit is no longer limited to focusing on the processes and controls surrounding the financial reporting. Internal Audit now has a more strategic role helping an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance structure.

With commitment to integrity and accountability, we provide value to senior management as an objective source of independent advice to provide control assurance for new strategic, technology, talent, and social risks, performing Data Analytics using comprehensive & powerful software by quickly analyzing the data for identification of trends and outliers.



**Development and review of Standard Operating Procedures:** We help businesses to standardise their existing business processes by building standard operating procedure (SOP) manuals and policies benchmarked to industry best practices. Our team also assists in conducting SOP/policy review to understand, identify and address potential vulnerabilities and control gaps in the existing processes and systems of the business. The aim is to achieve efficiency, quality output, uniformity of performance and compliance with applicable laws and regulations

**Management Audits/ Investor Assurance Audits:** We perform management audits with the specific focus on the revenue assurance/ revenue leakage controls/ related party transactions from the Investor perspectives.

**SOX 404 Testing Support:** We can provide SOX 404 testing support to you for maintaining required documentation supporting the management's assessment of the company's internal controls over financial data.

**Other Risk Assurance Services:** Our IT Risk management services like cyber framework implementation, SOC1 / SOC2 reporting, IT Audits, ERP Control Reviews etc. empowering organization to effectively adopt emerging technologies and manage the risks associated with workplace automation.

# Management support for Internal Financial Controls testing

Internal financial controls include policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including regulatory compliance and prevention and detection of frauds and errors, thereby covering not only the controls over reliable reporting of financial statements (more commonly known as Internal Financial Controls over Financial Reporting (“IFCFR”)), but also include all other controls pervasive across the business. The Companies Act, 2013 (the “2013 Act”) has imposed specific responsibilities on the Board of Directors (“Board”) towards the company’s internal financial controls and, inter alia, requires the Board to state that they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

By placing more accountability and responsibility on the Board and Audit Committee with respect to internal financial controls, the 2013 Act attempted to align the corporate governance and financial reporting standards with global best practices. With adequate and effective internal financial controls, some of the benefits that the companies are experiencing include:

- Senior Management Accountability
- Improved controls over financial reporting process
- Improved investor confidence in entity’s operations and financial reporting process
- Promotes culture of openness and transparency within the entity
- Trickle down of accountability to operational management
- Improvements in Board, Audit Committee and senior management engagement in financial reporting and financial controls
- More accurate, reliable financial statements
- Making audits more comprehensive





At **Nangia & Co**, we help you identifying risks as well as giving you the certainty that you are making the right decisions for the future of your business. We review the Risk control matrix and suggest the process and operational improvements. We also assist in implementing new processes and controls or enhancing existing processes and controls in areas such as:

**Risk assessment, including fraud risk assessment**



**Information quality, including Information Produced by Entity (IPE)**



**Monitoring and oversight of third party service providers**



**Precision of management review type controls**



**Use of analytics in the context of control activities and monitoring**



We also advise management on potential opportunities to leverage control framework in other operational or compliance functions. We also perform independent testing for management and report to the management with the customized action plan.

# Financial Due Diligence



We provide comprehensive due diligence services involving Business, Financial, Tax and Legal diligence (either in-house or through our network partners) to identify idiosyncratic business, financial risks and opportunities. Effective Due Diligence depends on identifying and then managing significant transaction issues, anticipating and identifying potentially important risk and negotiation issues. It is imperative to have reliable, timely and qualitative information in any potential transaction to enable informed decision making. The success of the investigation to make a well-informed decision would lie in a well-planned, integrated and coordinated detailed enquiry procedures.

All the documents of the firm are assembled and reviewed, the management is interviewed and a team of financial experts analyse the information to see if the business is worth buying.

In addition, financial due diligence analyses the assets and liabilities to be acquired.

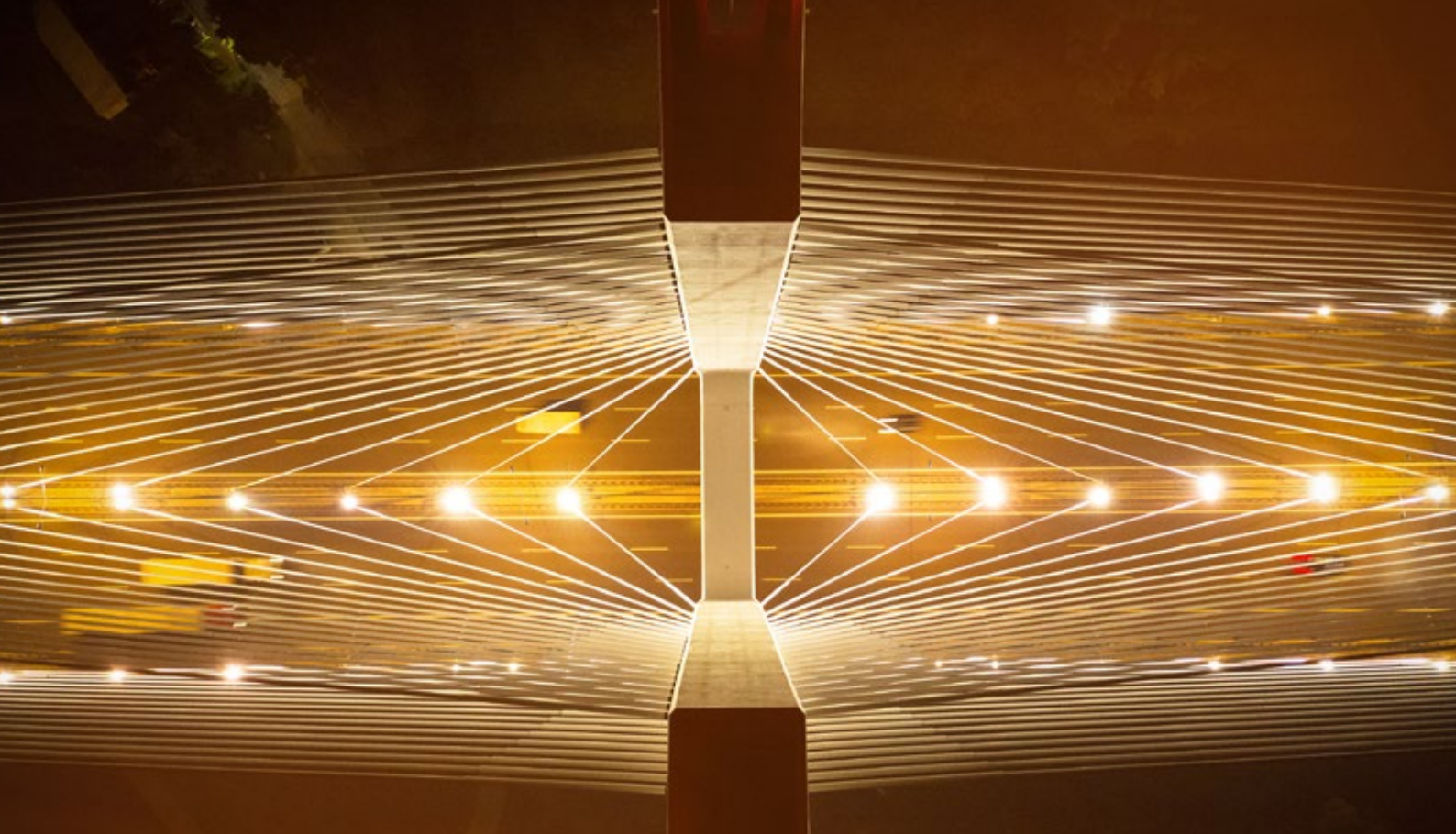
Due diligence includes a critical review of the target company's financial statements for the past several years and a review of the financial projections for the coming years.

Other areas which are analysed are:

- Key contracts
- Financial statements
- Employment agreements
- Minutes and consents of the board of directors and shareholders
- Patents, copyrights, and other intellectual property-related documents
- Licenses and permits related to the operation of the business

## Stock and fixed assets audits:

Stock and fixed assets Audit is also an area of specialization and core competence for Nangia & Co LLP. Stocks and physical assets such as raw materials are critical real assets and needs systematized management. As large number of companies are operating across the borders through multiple locations and channel partners, making asset management a challenge. We aim at delivering focused services to companies to keep their physical assets check intact.



## Accounting and Advisory Services

We at Nangia & Co can assist you anticipate the impact of key business decisions on your accounting and financial reporting. We have a multidisciplinary team of accounting, tax, and IT professionals with deep, sector-specific experience in managing the implementation of accounting changes, ranging from a single accounting standard to the full project planning. We provide advisory relating to Ind AS/ IFRS impact assessment and implementation. Some typical areas of accounting advisory are classification of Debentures/ CCPS, transition support from IGAAP to Ind AS/ IFRS/ USGAAP, implementation of ASC 606/ IFRS 115 etc. We can also assist you in preparation of accounting manuals, IPO advisory, Training on audit & accounting matters etc.

### **Opinion on technical accounting matters:**

Our extensive accounting expertise allows us to identify the issue, understand and research the guidance, analyze various accounting alternatives and help you arrive at a sound position to ensure it satisfies audit requirements and sustains scrutiny.

# Business Process Outsourcing



Competence and experience enable us to offer a wide range of Outsourcing Solutions to our clients, helping them to manage heavy workloads. Taking peace of mind as an ideal, we offer an efficient helping hand to our clients.

## Accounting and Bookkeeping

We provide our clients with all of the accounting and bookkeeping services they need. We can assist you with setting up a bookkeeping system and producing efficient accounting records, such as journals, ledgers, and financial statements. We review financial records, provide advice for money management, help with budgeting, and offer advice on any financial decision.

## Payroll processing and labour law compliances

We offer end-to-end payroll processing services through a state-of-the-art, web-enabled payroll solution. We not only offer a safe and secure data processing, but our team of experts also helps businesses to manage issues arising in labour law area.

- We collaborate with clients to help them to overcome their payroll, tax and statutory challenges.
- Our support team brings in knowledge from multiple competencies, including human resources, statutory and legal services, and international and domestic taxation.
- Our team has solid practical experience in managing issues arising from the labour matters, helping businesses in their relations with employees, trade unions and state authorities.
- We maintain strict confidentiality of our client's documents and information.

## Financial Reporting/ Audit Support

Our team of experts provides high-quality audit preparation services tailored to fit your specific needs. We understand exactly what auditors are looking for, which means less time spent on requests and quicker responses to auditor questions. We'll handle all of the details so you can focus on what you do best - running a successful business.

## Secretarial and other Company law matters support

The regulatory framework is always changing, making this environment increasingly complex and confusing for businesses. Regulations at national, international and supranational levels are being issued, amended or expanded, which sometimes makes it hard to navigate through the maze of orders, decrees, guidelines and circulars. This is not helped by the fact that businesses also need to assess the potential effects of future regulations. Our professionals can help you manage compliance risks, an operation essential to achieving lasting business success today, as compliance breaches can cause considerable damage, which may even put the future of a company at risk.





## Pre IPO Support

Private companies seeking to raise capital and provide exit route to shareholders may opt to take the Initial Public Offer (IPO) route. Going public is a colossal decision for any company as it changes the functional framework entirely. Notably, the arena of IPO is dynamic and there is continuous evolution. Companies that are fully prepared with right insights, will be able to reap the benefit of IPO window. Our team of professionals will help provide a structured mechanism to identify gaps and readiness for IPO and suggest ways to bridge the gaps. We shall assist coordination between lawyers, bankers and auditors through a dedicated Project Management Office. Assistance shall also be accorded for fabricating prospectus, Draft Red Herring prospectus (DRHP), Red herring prospectus (RHP) and resolving queries of the exchanges.

## Impairment Analysis and Support

### **Ind-AS 109- Impact on Expected Credit Loss provisions**

An analysis of impairment review of Tangible assets is required as and when circumstances indicate that there is a diminution in the valuation of tangible asset. Ind-AS 109 lays out the guidelines for accounting based on the expected credit loss model. Our team of experts accordingly helps in computation of historical flow rates for each pool and default rates as well. We help evaluate the impact of macro-economic factors and suggest revision of the provision matrix based on default rates.

### **Ind AS 36**

Our team of experts help determine the impact of economic conditions and cash flows on cash generating units and on financial assets. We assist in preparation of relevant accounting memos, substantiate underlying assumptions, preparation of cash flows and requisite disclosures in financial statements.

## Contract Review and Analysis

Contract review is a thinking process—a rational analysis. This process includes clarifying of contract related facts, measure of the feasibility of contract, and forecast of contract risks. Our professional experts will assist the management examine contracts such as Revenue, Leases, Financial Instruments, etc.

We shall devise a contract summary and prepare applicable documentation relating to performance obligation, warranties, assurance, lease/ non-lease components, classification of convertible instruments, debt-equity classification, call/put options, etc.



## Other Solutions



- CARO 2020 support- Our team can assist the management in preparation of data and process for asset verification, making submissions to banks, quantification of adverse remarks, etc.
- Improve credence in Financial Reporting: By conducting a review of the prevailing accounting policies, practices and procedures, we can assist the management in reviewing the estimates and assumptions, highlight unusual transactions and simplify complex transactions
- Accounting for share based payments: We can facilitate transactions involving share based payments and account for the same. We can not only help in designing and implementing such transactions but also in reviewing share based payments regarding transactions such as mergers and acquisitions.
- Transaction accounting and reporting: Our experts have an in-depth knowledge of accounting and reporting. We can therefore assist in structuring transactions such as mergers and acquisitions and group re-organisations. We assess all options and conduct due diligence of alternative structures before providing appropriate recommendations.
- Post-merger integration support: We not only help determining the impact of the acquisition but also provide assistance in post-merger adjustments. Our services include accounting support for entity/group, financial process improvement including policy alignment and modification.
- Purchase Price Allocation: We can help scrutinise the key contracts, arrangements, and board presentations to identify key deal drivers. We help decipher issues impacting accounting and valuation. Additionally, we can also assist in preparation of balance sheet of the Target Company as on the acquisition date, including identification of assets/liabilities, computation of deferred tax, collation of data, verification of underlying assumptions, disclosures, etc.
- ESG: By way of notification dated May 10, 2021, SEBI has made filing of Business Responsibility and Sustainability Report (BRSR) mandatory from FY 2022-23. Top listed companies shall have to make disclosures on their performance against the nine principles of the NGBRC. Reporting under each principle is divided into essential and leadership indicators. The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions. Our experts can assist in preparation of ESG report in accordance with the SEBI guidelines.

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