

CORPORATE COMPLIANCE MANAGEMENT

KSR4CCMA™

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Corporate Compliance Management

CCM – APPROACH

- Does it mean Legal Compliance Audit?
- Does it include the Secretarial Audit?
- Does it include Securities Laws Compliance Audit?
- Does it include Management Audit?

CCM - APPROACH

FACT FINDING

- WHAT ARE FACTS?
- WHAT EXISTED – WHAT ARE EXISTING – WHAT OCCURRED – WHAT ARE HAPPENING – ACTION – INACTION – OMISSION – COMMISSION – EFFECT OF ACTION OR COMMISSION – EFFECT OF INACTION OR OMISSION

CCM - APPROACH

- FACTS ARE GENERALLY SAID IN THE FORM OF STATEMENTS
- WHAT MAY APPEAR AS A FACT ON THE BASIS OF RECORDS MAY NOT BE A FACT
- FACTS ARE SUPPOSED TO BE ENQUIRED – GATHERED – AUDITED – VERIFIED – VALIDATED

Lighter Side

Fact:

She showed 'no entry' sign.

A:She showed something - absurdity

B:She showed atleast something - complacence

C:She showed some sign – carelessness AND forgetfulness

D:She showed entry sign – fatal error

E:She showed none try sign – typo and negligence

CCM - APPROACH

QUESTIONS TO BE ASKED WITH
REGARD TO REGARD TO FACTS

- WHO
- WHAT
- WHEN
- WHY
- HOW

CCM - APPROACH

METHODOLOGY

- GIVE A LIST OF REQUIRED DOCUMENTS
- STUDY THE RECORDS AND GATHERING INFO
- PREPARE STATEMENTS ANSWERING ALL BASIC QUESTIONS
- ADMINISTER A QUESTIONNAIRE
- ANALYZE THE CIRCUMSTANCES AND ATTENDANT FACTORS

CCM - APPROACH

IDENTIFYING LEGAL COMPLIANCES

- LIST DOWN ALL APPLICABLE LAWS, RULES, REGULATIONS AND GUIDELINES
- READ CIRCULARS, CLARIFICATIONS, NOTIFICATIONS
- PREPARATION AND ADMINISTERING NECESSARY CHECK LISTS AND SUB-CHECK LIST
- READ ARTICLES, CASE LAWS
- APPLYING THOUGHT

CCM - APPROACH

LEGAL COMPLIANCES CHECKS

WITH REGARD TO EACH STATEMENT OF A FACT

- COMPLIANCES IDENTIFICATION
- STAGES AND STEPS
- BEFORE, DURING AND AFTER

CCM - ASSESSMENT

EVALUATION OF COMPLIANCES

- IDENTIFYING DEFAULTS AND DEVIATIONS
- IDENTIFYING CAUSES AND EFFECTS
- FORMATION OF OPINIONS

CCM – REPORTING

- WHY
- HOW
- WHEN
- BY WHOM
- TO WHOM
- POST REPORTING ACTION

CCM - BENEFITS

- SHAREHOLDERS
- DIRECTORS
- CREDITORS
- INVESTORS
- INDEPENDENT DIRECTORS AND AUDIT COMMITTEE
- REGULATORS
- WHISTLE BLOWING
- PUBLIC INTEREST

CCM - USEFULNESS

THE LENDING BEYOND PAID UP CAPITAL AND FREE RESERVES

- **Will the contract of lending become null and void?**

CCM - USEFULNESS

THE TRANSFER OF MONEY TO A RELATED PARTY WITHIN THREE MONTHS BEFORE COMMENCEMENT OF WINDING UP

- Will 531 (FP), 531A(Void against Liquidator), 543 (misapplication), 295 apply?

CCM - USEFULNESS

**THE COMPANY WHICH SOUGHT TO
GO FOR AN IPO WAS ORDERED TO
BE WOUND UP**

**WHETHER THERE WAS REAL DUE
DILIGENCE?**

WILL IPO GRADING HELP?

CCM - USEFULNESS

THE CONTINGENT LIABILITY CASE

- A COMPANY HAD GUARANTEED THE MANDATORY EXPORT OBLIGATION OF A GROUP COMPANY
- DEFAULT AND DEVOLVEMENT
- NO REPORTING EVEN BY AUDITORS

CCM - USEFULNESS

- THE WARRANTS ISSUE CASE
(Takeover Code and DIP Guidelines)
- THE TRANSFER OF FOREIGN
SECURITY CASE (FEMA – WOS
Regulations)
- The TDS collected NOT paid case (The
DIP Guidelines)

CCM –IS ICSI GEARING UP?

- What is the role of ICSI?
- Study Materials – Should cover practical issues
- Guidance Notes on Critical Issues
- Refresher Courses
- Secretarial Standards

CCM – WHAT NEXT

**LET US GEAR UP –
THANK YOU**