



Legal assurance services

Capability document

Sharp & Tannan Group




1932
Founded by C.R. Sharp



**INR
900+**
Billion top line
audited




500
+
Staff



11
Offices



22
Partners



30+
Listed clients serviced



 Russell Bedford
taking you further
Affiliations



MEMBER OF THE
FORUM OF FIRMS



10th
***Ranked Assurance Firm
in India**

* Prime Academy 2018 report

Our philosophy

We believe that adherence to the applicable laws is achieved only when you are fully compliant. This requires an in-depth knowledge about the applicable regulations and operating environment under which an organisation operates.

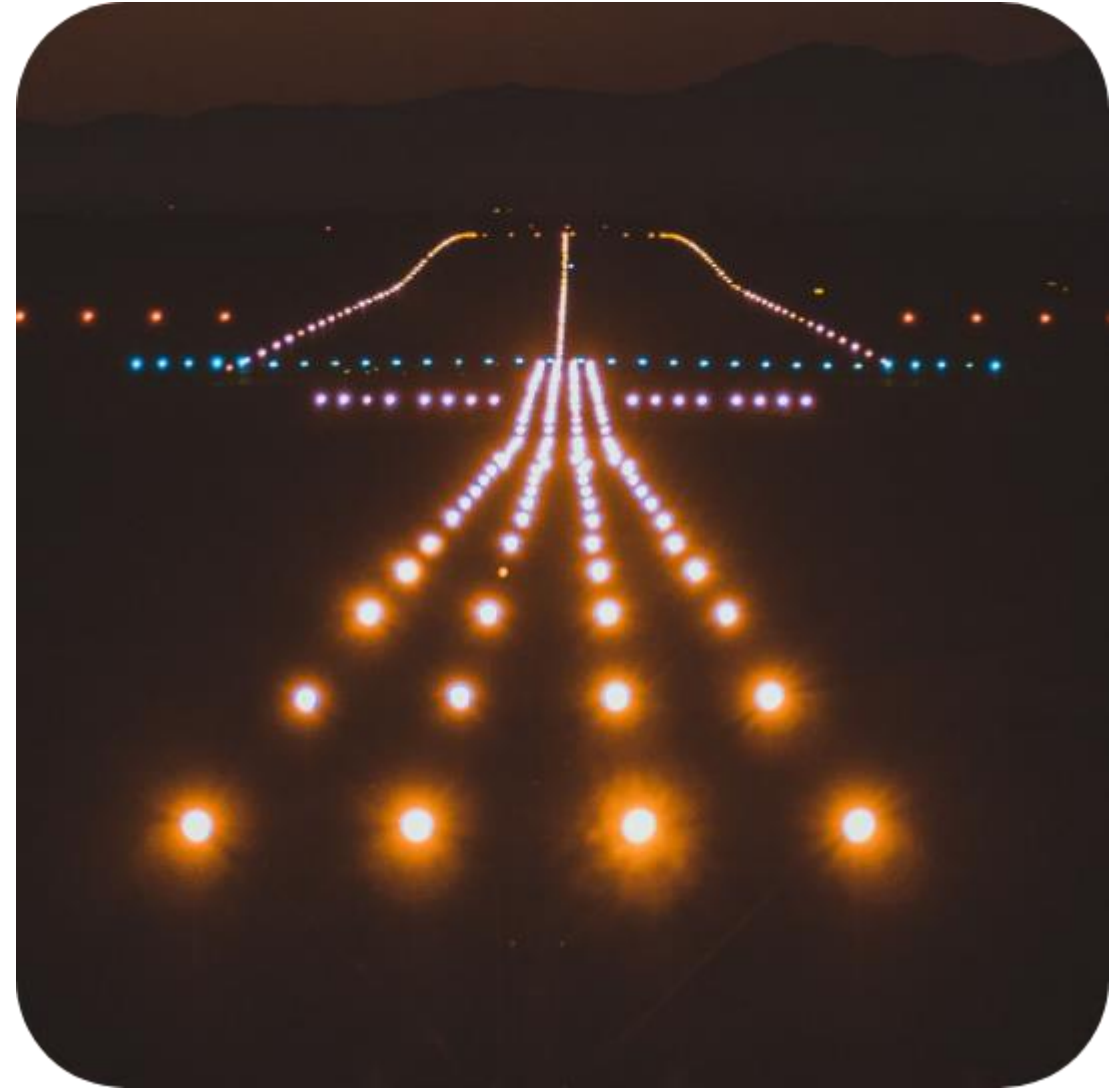
At Sharp & Tannan, we believe that there is no option for 'being compliant.' And to achieve this we have developed our service offerings to ensure a 100% compliance of our clients' businesses.



Our approach

At the time of client engagement, we focus on the legal requirements applicable for a particular business, considering the industry to which it belongs. The scope of our work is clearly defined by the clients' business needs and the regulatory environment under which it operates. Thus, we are clear about the scope and extent of the assignment.

We are pro-active when it comes to compliances, hence we are able to exceed our clients' expectations.



The need

1,536

Total Laws in India



55%

Criminal Clauses

69,233

Total No of Compliances



38%

Criminal Clauses

3,577

Regulatory changes in calendar year 2021



48%

Factories Act provisions consist of criminal Clauses

....Indian Express



Monitoring updates: The legal compliance changes on a day- to-day basis. Proper tracking of those changes is a need of hour in order to run business smoothly and efficiently.



Criminal Charges: Non-adherence to law or regulations will face criminal charges, which no business would want to risk. By keeping track of the various compliance requirements and ensuring that each one is met, your business can avoid the risks of penalties, fines, or lawsuits.



Business Reputation: The public image of a business influences its success. Non-compliance-related issues and legal problems will tarnish a brand's image, resulting in a loss of trust among the general public— Labour Law compliance and following the social responsibility help to uphold a positive image while building consumer loyalty.



Employee Retention: Many business compliance issues deal with protecting employees. The more employees feel they work in a fair, professional and safe environment, the more likely they will be to stay with you.

Why?

1

Operational Requirements

Changes in corporate legislations in India have ushered a move towards stronger governance models in line with global trends including additional responsibilities placed on Directors and other Key Managerial Personnel. A robust Legal Compliance Management System reduces incidents and costs of non-compliance, enhances interface with regulators; increases goodwill, builds stakeholder confidence etc.

2

Statutory Requirements

The Board of Directors of the company needs to provide the assurance through Directors' Responsibility Statement that

- Directors, have devised proper systems to ensure compliance with the provisions of all applicable laws, such systems are adequate and operating effectively.
- Further the Company Secretary shall report to the Board of Directors about compliance with the provisions of the Companies Act, 2013 and the rules made thereunder and other laws applicable to the Company.

The listed entities' Compliance Officer shall

- ensure conformity with the regulatory provisions.
- assist in co-ordination with and reporting to the Board, stock exchange and depositories with respect to compliance with rules, regulations, other directives etc.

Our service offerings

Gap analysis and legal risk assessment audit program including action taken report including:

- Health card compliance
 - Legal assurance services suite
 - Subject specific audit
 - Pre and post system implementation review.
 - Miscellaneous services
-
- Developing of Board/CS/HOD certifications, reports etc.
 - Corporate compliance sensitization & training.
 - Legal Updates - Monitoring at the Centre, State and Local authority level.



1.0 Health card compliance

For all Industries, there are certain sets of Acts/Rules applicable based on their operations, inventory, assets, etc. involved. The company needs to adhere to all the Acts/ Rules in its true letter & spirit. Out of the total List of Acts/ Rules applicable to the Company, there are certain critical compliance which attracts imprisonment and stringent penal consequences. Those are the compliances which are most important to the Management to run the business efficiently and effectively. In order to mitigate those compliance gaps, the company should conduct Health Card Compliance Solution through:

- Verification of most critical compliance out of the total critical compliance related Laws applicable to the company.
- The nature of most critical compliance depends on the risk involved under the different laws.
- Highlighting the Gaps to the Management of the company and suggesting the best possible solution to the ratify the same.



2.0 Legal assurance services suite

S&TA LCMS suite is one- stop- solution built up for carrying out the detailed audit on the legal compliances applicable to the company. There are over 1536+ Acts & 69,233+ compliance applicable to different industries all over India. Based on its operation, the company needs to adhere to all the compliances.

It provides comprehensive legal compliance solutions to safeguard the integrity of corporate processes and policies and improve the quality of the organization's compliance with increasingly complex industry regulations with enterprise compliance management solutions. Legal Compliance management enables organizations to confidently manage the broad range of statutory and regulatory requirements imposed by State and Central agencies, preventing inaccurate reporting, misconduct and fraud.

Based on the preliminary understanding of the operation of the company, we evaluate all the Acts applicable to the company and based on that the detailed compliance verification will be conducted.

Based on the Criticality of compliance it is divided into 3 part i.e., High, Medium & Low risk category compliance.

Risk Criteria	Description
High	1. Prosecution and / or Penalty > INR 1 lakh 2. Risk of Closure of Business
Medium	Penalty between INR 50k to INR 99k
Low	Penalty < INR 50k

3.0 Subject specific audit

3.1 Hazardous Waste Disposal Audit

Hazardous waste disposal Audit includes:-

- Verification of compliance related to Hazardous Waste Management Rules 2016
- Detailed verification of Monthly Patrak, Manifest copy, Annual Return & Environmental Statement etc.
- Reconciliation of Hazardous waste data.
- Verification of compliance relating to transit.
- Visiting End User premises for verification of End User's compliance.

3.2 Contract Labour Management Service

- Verification of Statutory Compliance related of Contract Labour & Company Employees like PF, ESIC, Bonus, Gratuity, Labour Welfare Fund, PT etc.
- Verification of Legal Contract at the time of initiation or during renewal of the contract.
- Vetting of Legal Contract to be executed by the company with the third-party Vendors.
- Preparing SOP for managing Contract Labour System at factory level.



3.3 HSE Review

HSE review includes:-

- Verification of compliance relating to Health, Safety & Environment.
- Verification of plant level compliance through walkthrough at the plant premises.
- Identification of gaps and reporting the same to the Management of the company.

3.4 Corporate Social Responsibility Audit

- Verification of Companies Act & SEBI Compliance relating to the Constitution of CSR Committee, Resolution passed at the meeting of CSR committee
- Approval Process of CSR Projects & Activities undertaken in the past years and to be executed in future in line with Schedule VII.
- Audit of Payment Cycle & Invoice verification for incurring CSR Expenses
- Verification of CSR Internal SOP Compliance or in case there is no SOP, then suggesting the best SOP for CSR process
- Documentation to be maintained by the company as part of CSR project/ Activities

4.0 Pre and post system implementation review



Audit of the Automated Legal Compliance System

Assistance in Maintenance and Updation of the System

Review of Documentary Evidence

Training to Stakeholders

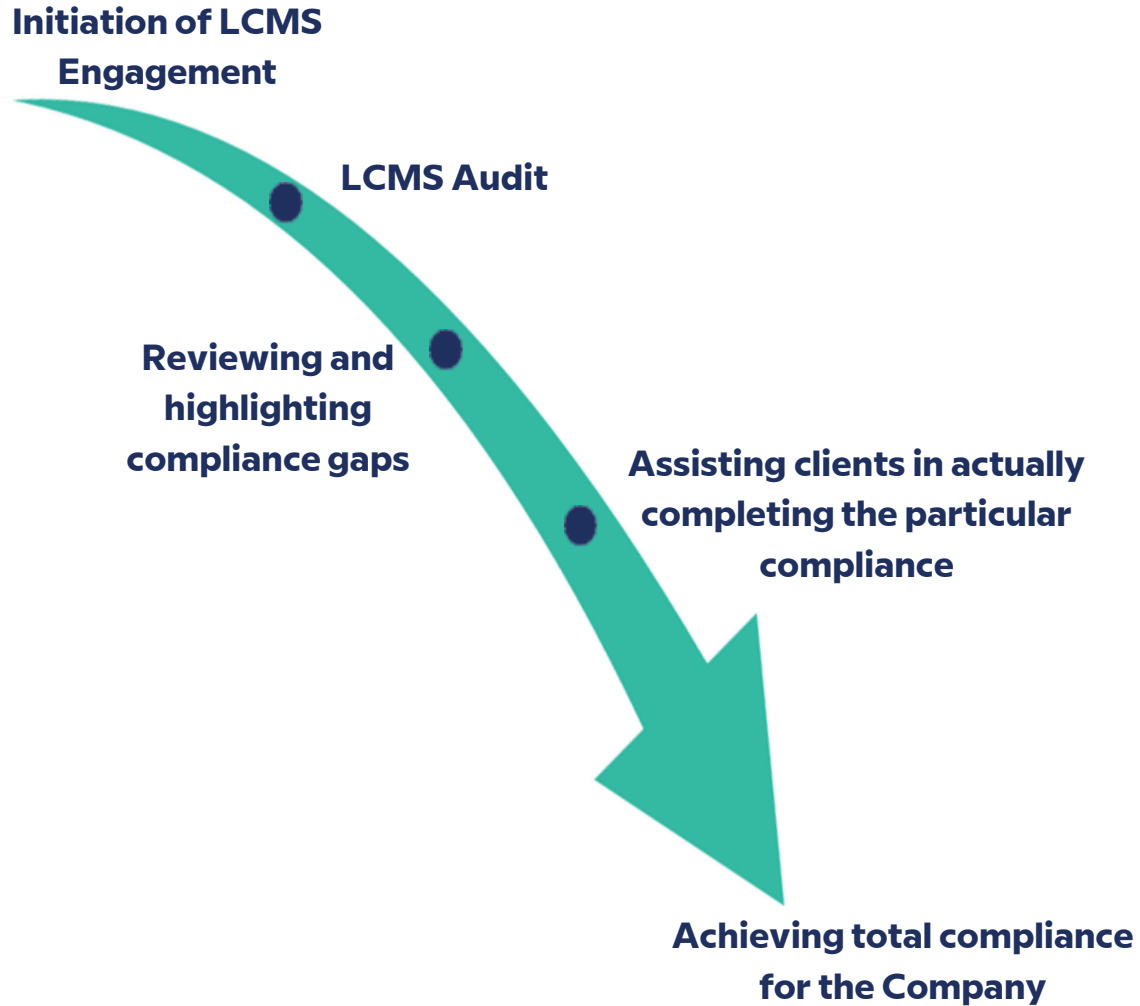
- The '**System Audit**' services model is framed to support clients in such a manner which will ensure that the Automated Legal Compliance System (ALCS) implemented in the Company is operating at an optimal level.
- Through this service model, assistance is given to all stakeholders at all locations to maintain and update the ALCS and also highlight the non-compliances in the ALCS.
- This is achieved through a periodic joint exercise between our teams and the location personnel by reviewing each compliance in the ALCS as well as the uploaded documentary evidence.

Our key USPs

- Early Mover Advantage – LCMS Practice Established in 2013 (Group Est. 1932)
- Extensive expertise across highly regulated industries – Clients include large listed cos, MNCs, Public Cos etc. 1,536+ Pan India Acts - 69,233+ compliance items.
- Deployment of 'Advocate Auditors' – Blending LLB/CS + CA/CMA teams.
- 'Acid Test of Compliances' – Pilot run to identify current compliance status.
- Last Mile Connectivity – Practical solutions to complex compliance problems.
- Standardising Compliance – SOPs, policies for compliance function.



S&T Motto: Last Mile Connectivity



The 'Last Mile Connectivity' Model

- The '**Last Mile Connectivity**' model is framed to support clients in complying with any legal compliance gaps.
- Hence, the legal assurance services structure is framed by us in such a way to provide all clients with a one- stop- shop solution.
- This is achieved through our vast network of legal experts who specialise in various legal and compliance domains.

Our success stories

Building & other construction Act, 1996

At the time of completion of the project, the company have not filed the Return on project completion under Building and other Construction Act with the Authorities, hence the BOCW cess amount was not conveyed by regulators at that time. Now, after 3 years, BOCW cess will be calculated on fittings also, increasing the amount of construction on which the BOCW cess will be paid. On final calculation approx. 103.5 lacs of amount is payable against the BOCW cess and the same will increase in future if not paid now. .

Factories Act, 1948

In construction company, there are different camps built up for pavement of roads etc. We have noted that the company have not taken license for any camp consist of Hot mix plant, wet mix plant & crushers facility. As the process / activity conducted at the Hot mix plant, Wet mix plant & crushers are falling under the definition of manufacture as per the Factories Act 1948, Hence the camps needs to take license under factories Act 1948.

Factories Act, 1948

In one of the pharma company, there are 2 ARC (ARC 1 & ARC-2) division available for doing research work. Out of which we have noted that ARC 2 is not registered under Shops and Establishment or the Factories Act. Considering the operations and the GMP and Local FDA license taken, it is advised that the plant shall be registered under the factories Act as the process will fall under the definition of Factories Act 1948. Further the plant generates solid, liquid and biomedical waste without having the consent from Pollution Control Authority. The disposal of such waste is also done to companies that are not authorized to collect waste.

Hazardous waste Management Rules, 2016

The Hazardous waste disposed of from the unit are sent without generating 6 copies of manifest as required under Hazardous waste Management Rules 2016. Further we have noted that there are around 21 vehicles of Hazardous waste sent without generating online manifest from the PCB portal.



Consulting partners and other key persons



Hemal Modi | Partner - Consulting

- 20 Years of Experience / Proficiency in Risk based internal audit/Management audit based on COSO model and management consulting areas of ERM /risk assessment, internal financial control, business process design and documentation, forensic Investigation/due diligence, RERA, business valuation, fixed assets management service.
- Major sectoral experience includes engineering, steel, chemicals, construction, project, logistics in manufacturing, malls management and audits of international clients in the automobiles and port sector.
- Contributory to World bank's annual survey in India paying tax since 2011 and working as Ombudsman on the group of chemical companies including listed companies.

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Arnob Choudhuri | Partner - Consulting

- Arnob's areas of expertise include risk based internal audits, internal financial control framework, legal compliance management systems, enterprise risk assessments, business development, forensic audits, leading and mentoring large teams, handling complex assignments over various geographies etc.
- Has made 300+ presentations to upper managements and directors of various prospective and existing clients as well as in-house seminars and training sessions.
- He has lead teams in various ERP Environments including SAP, Oracle, BAAN, Medico, Showbiz and Tally among others.

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Consulting partners and other key persons



Raviraj Jethwa | Senior Consultant

- Raviraj has an experience of handling 21 plus legal compliance management service assignments.
- He has conducted more than 5 CSR compliance audits and helped the clients in adapting to the changes with the introduction of new labour codes and its impact on the employers.
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