DUE DILIGENCE

CA. Rajkumar S. Adukia
B.Com (Hons.), FCA, ACS, ACWA, LL.B,
DIPR, DLL & LP, MBA, IFRS(UK)
098200 61049/09323061049
email id: rajkumarradukia@caaa.in
Website: www.caaa.in

To download information on various subjects visit www.caaa.in
To receive regular updates kindly send test email to
rajkumarfca-subscribe@yahoogroups.com
rajkumarfca+subscribe@googlegroups.com

Introduction

"Due diligence" is a term used for a number of concepts involving either an investigation of a business or person prior to signing a contract, or an act with a certain standard of care. It can be a legal obligation, but the term will more commonly apply to voluntary investigations. The term due diligence describes a general duty to exercise care in any transaction. As such, it spans investigation into all relevant aspects of the past, present, and predictable future of the business of a target company. Due diligence sounds impressive but ultimately it translates into basic commonsense success factors such as "thinking things through" and "doing your homework".

Meaning of Due Diligence

In lay terms, Due diligence is the effort made by an ordinarily prudent or reasonable party to avoid harm to another party or himself. The term "Due diligence" is used for a number of concepts involving either the performance of an investigation of a business or person, or the performance of an act with a certain standard of care.

In finance, due diligence is the process of research and analysis that takes place in advance of an acquisition, investment, business partnership or bank loan in order to determine the value of the subject of the due diligence or whether there are any "skeletons in the closet".

In the banking industry it refers to the responsibility of bank directors and officers to act in a prudent manner in evaluating credit applications. In the securities market, it refers to the responsibility of underwriters to explain the details of new securities to interested purchasers.

In criminal law, due diligence is the only available defense to a crime that is one of strict liability (i.e. a person is responsible for the damage and loss caused by their acts and omissions regardless of culpability or fault). It is not enough to prove that the defendant did not commit the crime intentionally or knowingly, it must be proven that they did everything possible to prevent the act from happening. It is not enough that they took the normal standard of care in their industry - they must show that they took every reasonable precaution.

Due diligence can also refer to the ongoing activities of pension or investment fund managers who keep track of the operations and financial health of the corporations they invest in and the trustworthiness and ability of their managers , or those of the managers of an acquiring corporation toward a target corporation.

Thus, Due diligence involves investigation and evaluation of a management team's characteristics, investment philosophy, and terms and conditions prior to committing capital. Due diligence is undertaken in order to determine the value of the subject of the due diligence and unearth any issues or potential issues. It is expected to provide a realistic picture of how the business is performing now, and how it is likely to perform in the future.

The potential investor generally uses in-house resources or out sources the job to consultants who specialize in due diligence and corporate investigations to investigate the background and principals of the target company. The potential investor may also seek legal counsel and professional accountants to get expert advice in all areas.

In addition to identifying risks and implications of an investment, due diligence may include data on a company's solvency and assets

On completion of the exercise , one should know exactly what he is getting into, what needs to be fixed, what it will cost to fix them, and if he is the right person to take on the business.

While Due diligence is the responsibility one has to investigate and identify issues, due care is doing something about the findings from due diligence.

Difference from other assurance services

In audit, the Chartered Accountant's objective is to provide a high (but not absolute) level of assurance on the reliability of financial statements. The auditor provides a positive opinion which essentially states that based on the work performed; the financial statements comply with relevant accounting standards and principles. The level of testing procedures to obtain the evidence necessary to support such an opinion is high.

In contrast, a review provides a negative assurance report giving only a moderate level of assurance on the reliability of the financial information. The report essentially states that nothing has come to the reviewer's attention to indicate that the financial information is not presented fairly in accordance relevant accounting standards and principles. Review engagements are designed as a limited review of financial statements; therefore the risk of mistakes, omissions or incorrect disclosures is considerably greater than with an audit.

An audit engagement involves a study and evaluation of internal accounting controls, detailed tests of accounting records, or corroborative evidence through inspection, observation and confirmation which is not usually required in a review engagement.

Due diligence goes far beyond the financial analysis. It differs from an audit in that the latter is concerned with the truth and fairness of historical financial statements only. The scope of a due diligence review is generally wider – it includes a review of historical figures as one of its elements and also involves analysing the sustainability of business, competition, business plan, future prospects, corporate & management structure, technology, synergy of target business to company's business apart from researching regulatory compliances , legal issues and other financial data.

Need for due diligence

Due diligence is necessary to limit reliance placed on vendor's warranties – it is better to discover a "skeleton in the closet" before the business is bought than afterwards. The costs of buying a business with unexpected difficulties can be disastrous.

Due diligence is necessary to allow the investigating party to find out everything that he needs to know about the subject of the due diligence. The objective is to allow the investigator to consider his options in light of the facts.

The investigator would then have the following options open:

i. To withdraw from the deal - if the due diligence unearths information that makes the investment, loan or participation risky or undesirable and which cannot be adequately resolved then
ii. To adjust the valuation of the investment - the investigator may revise his valuation of the company or reassess the price at which it will provide services. More often, the information will be adverse and therefore the valuation will go down or the price will go up, as positive information will have been made more publicly available by the target from the start.
iii. To have the problem remedied - it may be possible for a problem uncovered by the due diligence to be remedied before the deal goes ahead. For example, unpaid stamp duty could be paid, company filings could be put in order or, if negative information is uncovered on a principal of the target company, the investor may put pressure on the target firm to replace that individual. This will mean that the target is put into a state that the investigator is happier with before it deals with it.

Review of Information

The information reviewed will include:

a) Historical Financial Data
b) Current Financial Data
c) Forecasted Financial Information
d) Business Plans
e) Minutes of Directors' Meetings and Management Meetings
f) Audit work paper files (if available)
g) Contracts with suppliers, customers and staff
h) Confirmations/representations from financiers, debtors etc

However, due diligence review should not be limited to reviewing documentation. Much can be learnt about the target from discussion with the staff (formal and informal talks), and generally attending at the target's premises and observing the ongoing daily activities. It is for this very reason that it is recommended the review be conducted by high-level experienced staff.

Transactions requiring Due Diligence

A. Mergers and Acquisitions

The term "due diligence" is synonymous with "background check" and refers to the period during which buyers make sure they have all the information they need to proceed with the transaction.

The key objective of the purchaser or acquirer from the transaction is to get something better than whatever it is that they are presently doing. The prospective purchaser tries to minimize or unveil any post settlement "surprises" and reduce uncertainties. The cost of the preparation of a quality due diligence exercise fades into insignificance when compared to the cost of a bad acquisition

So, the prospective purchaser conducts extensive due diligence .He sends a questionnaire to the target company, requesting full details of the business's financials, patents and patent applications, licenses and collaboration agreements, major systems, confidentiality agreements, employment contracts and a whole host of other information. The team doing the due diligence then reviews regulatory and press filings, media reports, etc. to find out whether there are any legal and regulatory issues, existing and pending lawsuits and other litigation involving the entity. The team may also look for conflicts of interest, insider trading and other problems.

Due diligence is both for the Buyer and the Seller.

However, it is not only the buyer who will carry out due diligence. The sale of a business will invariably include warranties given by the seller in relation to certain aspects of the business. For example, the seller will usually be asked to warrant that so far as it is aware, the activities of the business do not infringe any third-party intellectual rights, and that no third parties are infringing any of the company's rights. There will also typically be warranties relating to the company's licenses, IT systems and so on. Thus it is preferable that the seller must carry out a due diligence exercise of his own.

Similarly, business Sellers might conduct their own due diligence to be assured of the ability of the buyer to complete the sale, the track record of keeping complying with agreements etc. Specifically, they may look into:

- Whether the buyer has the resources to complete the sale
- Whether there is a past record of previous acquisitions

- Whether commitments made have been complied with in the past
- Whether Confidential and Non-Disclosure Agreements have been complied with

B. Partnership

Before entering into partnership, the concerned parties conduct negotiations and investigation into affairs of the entities. Some of the different types of partnerships where due diligence investigations are appropriate include:

- Strategic Alliances, Strategic Partnerships
- Business Partners and Alliances, Partnering Agreements, Business Coalitions
- Just In Time Suppliers and Relationships, Sole Suppliers, Outsourcing Arrangements, and Customers
- Technology and Product Licensing, Joint Development Agreements, Technology Sharing and Cross Licensing Agreements
- Business Partners, Affiliates, Franchisees and Franchisers
- Value Added Resellers, Value Added Dealers, Distribution Relationships

C. Joint venture and collaborations

Before entering into a major commercial agreement like a joint venture or other collaboration with a company, a collaboration partner will want to carry out a certain amount of due diligence. This is particularly likely to be the case where a large company is forming a relationship for the first time with a relatively small start-up company. The due diligence may not to be as extensive as on an acquisition, but the larger company will be seeking comfort that its investment will be secure and the small company has the systems, personnel, expertise and resources to perform its obligations.

Points to keep in mind when conducting due diligence

1. Objectives and focus

Expectations: Be clear about your expectations in terms of revenues and profits and whether the probability of the target company to provide you the same.

Commitment: Consider whether you have resources to make the business succeed and whether you are willing to put in all the hard work which is required for any new venture

Strengths: Consider whether the business gives you the opportunity to put your skills and experience to good use

Business sector: Learn as much as you can about the business sector you are interested in form media reports, journals and people in the industry.

2. Preparation Is The Key!

To ensure thorough and detailed investigation your preparation should begin in advance of the due diligence process begins. Once you have decided that you are interested in particular business prepare

- Steps to be followed in due diligence process
- Areas to be checked
- Things to check in each area
- Information and other material to be requested from the seller

3. Negotiate adequate time

Most sellers want the process to get over as soon as possible and try to hurry the proceedings. Do not succumb to the pressure as you are trying to understand and learn about a business-its past working and its future prospects, which will take time. Also, when the seller gives a short financial review period; consider it as red flag which could mean that they have something to hide or some matter which they don't want you to discover. It is in the best interest of the seller to give you adequate time so that you are certain to buy. You cannot move ahead with a deal simply because you ran out of time for due diligence.

4. Minimise your risk: Double-check all information financials, tax returns, patents, copyrights and customer base, and make sure the company does not face a lawsuit or criminal investigation. The financials are also very important and one needs to be certain that the target company did not engage in creative accounting. The asset position and profitability of the company are vital. However do not look solely at numbers.

Since, Due diligence exercise deals with the overall business, it is important to consider:

- the management team's past performance, roles and talent

- organizational strategy , business plans
- risk management structure
- technological superiority
- adequacy of infrastructure

5. Seek information from external sources:

The company's customers and vendors can be quite informative. Find out from the vendors whether the target company falls in their most favored clients list. Seek out customers who were not considered by the company for doing business.

6. Find the best help money can buy: It is always better to hire the best consultants that your budget will allow than to make a bad decision.

7. **Prepare to haggle.** You can and should use any flaws that the audit uncovers to negotiate down the sale price. Due diligence is "a chance to get a better deal." But don't go overboard. Remember that the whole point of buying a company is to add people to your own organization. Even if the seller and staff do not stay on after the deal, they may prove useful as advisers in the future.

Steps in due diligence

The due diligence exercise should reduce uncertainties, confirm assumptions and define scope and prioritize issues. The exercise should combine an understanding of organization, its operations, technologies, logistics, corporate strategy and finance and then summarize complex issues into concise, easily understandable terms.

The process would generally comprise of the following phases:

I. Planning phase: This stage includes the following processes:

a) Defining the scope
b) Deciding the focus areas
c) Finalizing the team structure
d) Clear definition of responsibilities
e) Defining time schedules
f) Timely communication of information requirements

a) **Defining the scope**

Prior to conducting an engagement, the due diligence team needs to learn about the specifics of the project. The due diligence team or the consultants should discuss the proposed transaction and the due diligence needs. After establishing and prioritizing clear objectives, the availability of resources should be studied and the areas on which the team has to focus on should be defined.

b) Deciding the focus areas

The first thing would be to decide on focus areas which normally include:

i. Sustainability of the business: The team can understand the sustainability of the business by considering the target company's business plan, vision, strategic alliances, synergies, new products under development, new customers, order status and backlog, customer base
ii. Financials : The key financial data to be reviewed are assets, liabilities, cash flow, Inventory turnovers, accounts receivable., accounts payable, ownership structure , revenues and accounting procedures and policies
iii. Competition: It is essential to understand the market environment, and the significant competitors
iv. Management team and organization culture: The prevailing culture and the outlook and capability of the management team are of prime importance in taking a decision about the target company.
v. Organizational Infrastructure: The organization's facilities, quality systems, personnel talent and policies should also be considered.
vi. Potential liabilities: It is important to understand the potential risks and liabilities which an organization would face. The issues to be considered would include intellectual property rights, pending regulatory issues, liens, lawsuits etc.
vii. Technology: It is essential to explore the technological advantage, if any, which the target company has over its competitors
viii. Existing market and potential. It is important to gather Information about sales, distribution, marketing channels and promotional methods.
ix. Business to business fit: If there is a good fit between the two businesses, it would create corporate synergy. The synergy might arise due to complementary strategy, personnel, financial situation etc.

c) Finalizing the team structure

Ensure that the members who form the team are specifically chosen based on their skills and background so that the project is successful. The team members should know the relevant background information on the target company, the transaction, the industry, and due diligence objectives. The members should be clear about what information should be collected, what site visits should be conducted, what analyses should be performed, and what end products should be delivered at the end of the project.

d) Clear definition of responsibilities:

The due diligence effort requires integration of efforts and communication with multiple parties .It is therefore important that planning is done in such a manner that responsibilities and expected outputs are clearly defined so that the team is working collectively towards a common goal. Define the expectations from all sources like target company. Internal parties, third party sources, database searches.

e) Defining time schedules

Before starting on the actual execution, it is best to define the scope, expectations and timing from each step. Scheduling the time of each key step helps achieving results in desired timeframe and helps the parties focus on the common goal.

f) Timely communication of information requirements :

The success of due diligence process depends upon complete, accurate and timely information. This can be made possible if the information providers are informed of the expectations from them and the timelines. Each party involved needs to provide as early and specifically as possible. For example, instead of making repeated information requests, if the target company is provided detailed information request list early, they can effectively manage the process and meet the communication timelines.

g) Finalize the template and tools required

Based on scope, needs and objectives, the due diligence team should decide on tools to be used like internet database search, regulatory database search , questionnaires, worksheets and other communication methods like conducting interviews, emails etc.

II. Data Collection Phase

This stage involves collecting existing business process data, key products, critical to quality services. The approach used for data collection depends on a number of factors including the desired precision and "projectability" of decision inputs, the nature of questions that need to be answered, and availability of time, money and access to information providers.

Information sources can be:

a) Internet
b) Regulatory organizations and databases
c) Competitors
d) Vendors
e) Customers
f) Industry associations
g) Chambers of commerce

The research can be qualitative research which is conducted via in-depth interviews with information providers. The real answer to any problem is usually two or three questions deep and therefore requires a skilled interviewer adept at probing.

The quantitative research is conducted via surveys - among a sample of customers' information providers and the information from a sample is extrapolated to the entire population.

Initial Meeting Conduct a meeting with company management. In a merger, acquisition or investment scenario, consultants meet with the target company management in order to clarify the due diligence process, the issues that should be addressed, and the meetings and site visits that need to take place. The team makes the initial requests for information needed, such as business plans, forecasts, financial statements, sales and profit breakdown, market data, transportation records, customer lists, technology specifications, and supplier contacts.

Meetings, Site Visits, Analysis and Communication After the meeting, the team conducts the rest of the process that has been specifically designed for this transaction or analysis. Interviews are conducted. For example, suppliers and customers are discreetly interviewed as to their perceptions of the company's products and services and its position alongside competitors. Collect and examine relevant information. The team works through methodologies to identify issues that may need to be brought to attention and that require further investigation.

Adopt a unique methodology for collecting critical to quality data by preparing specific questionnaires and interviewing key customer Personnel.

III. Data Analysis phase:

This stage involves analysis of the collected data and arriving at a conclusion based on critical factors like business criticality, functional complexity, technical complexity, Infrastructure requirements etc.

In life, there are no clear cut solutions. Similarly once the due diligence team has been through the process of rigorously examining an organization and its leadership; it will realize that there are no consistent set of findings .In reviewing due diligence findings, the team may uncover some issues that lead to a favorable impression of the organization and others that cause concern. There might be few red flags too.

During the course of due diligence, the team will understand the organization's financial health, its capacity to deliver in future, its reputation and its approach to working. The team will get a perspective on the leadership of the organization.

The analysis of due diligence findings is generally a weighing of a variety of factors in order to determine whether team should give a positive recommendation. All the factors need to be considered and the organization should balance them to arrive at a decision.

IV. Report Finalization Phase

- Once all the interviews and site visits have been completed by the due diligence team and all of the accompanying analyses performed, formalize finding into final presentation and final deliverables.
- The due diligence team prepares due diligence report and presents its conclusion that becomes an integral component of the decision-making and negotiation processes.

How to Select a Due Diligence Consultant

Due diligence may be done by your house staff or can be outsourced to a consultant having expertise in due diligence and corporate investigations. One gets the benefit of experience, expertise and objectivity when work is outsourced. A good due diligence consultant can help you make better business decisions, protect you from liability, and increase your transaction success rate. But first you have to select a firm that understands your requirements and can handle the job right.

Objectives

The most important thing is to make sure that first the organization defines its expectations from the process of due diligence. Once the objectives are clear it will be easier to communicate it to a prospective consultant.

Size of the consulting firm

The size of the consulting firm doesn't matter. You should look into experience, ability, knowledge of specific industry and technology. And then decide whether the firm's staff is dedicated and passionate about your objective. The consultant who is on the same wavelength as you and does a good job at a reasonable price is the one for you.

Multi-Functional Expertise

Try to pick a firm which has expertise in multiple fields so that they can give you the big picture and unearth inter functional issues. If you use one firm for technical due diligence, another for logistics due diligence, and yet another for financial due diligence, then they will have a very narrow field of vision and greatly limit their ability to identify the most important issues.

Consider an End-to-End Provider

Post-transaction integration planning starts along with due diligence exercise. Given the intimate knowledge that the due diligence team gains from its work, it's a no-brainer to involve them in post-transaction integration planning, which is critical for success. Accordingly, pick a firm that not only does due diligence consulting but also can form, implement and accelerate a comprehensive post-transaction integration plan that will ensure your business goals are achieved.

Be Wary of Conflicts of Interest.

Certain firms may have a conflict of interest and you should be wary of this. An accounting firm that performs due diligence consulting work, for example, may want a transaction to proceed because they will get auditing work if it does. Pick a firm that is completely, totally and unequivocally objective.

Avoid "Casual" Due Diligence Consultants

Some firms may profess to do due diligence consulting but it isn't something they've dedicated their professional lives to mastering. For example, a law firm may review contracts for you but may not have the specific industry or business knowledge to properly identify critical due diligence issues. A systems integration firm or research organization may opportunistically announce they have a due diligence practice to create a new revenue stream without ever really understanding what it takes to do due diligence well. Pick a firm that is dedicated to achieve operational excellence in the area of due diligence.

Secure Long-Term Relationships With Your Consultant.

The ultimate consulting relationship is a highly productive one, in which there are no inefficient communications between you and your consultant and there is an implicit understanding of and trust in each other. Hence, when you do find a good consultant, nurture that relationship for the long term so that the due diligence efforts are constantly excellent.

Prepare for the Meetings

Arrange for meetings with the due diligence consulting firms. Share your objectives with them before you meet with them. Then see how well they tailor their presentation to you. The best firms are always thinking about you, not about themselves. If they come in and generically toot their horns about themselves but never give any sign that they've researched your business and your transaction, with an eye to meeting your objectives, that's a very bad sign.

If you are evaluating multiple consulting firms at the same time, inform them of their competition. They often will give you some insights on their competition. Take those insights with a grain of salt, and give high marks to those who take the high road and don't disparage their competition.

Finally, some words of wisdom on soliciting firm presentations:

- Provide the firms with relevant background materials. If necessary, have the firms sign a non-disclosure agreement.
- Be sure to schedule the presentations within as short a timeframe as possible so you can compare and contrast them better.
- Let the firms know who the decision-makers are within your organization and be sure they attend all presentations.

How Can You Tell Who Will Perform Well For You?

Getting a sense for who will deliver the goods isn't rocket science. After you've met with the consulting firm, you get a sense for their breadth of practice areas, abilities, service levels, and professionalism.

In general, you want smart people working for you. The good ones will raise issues or ideas that you haven't even thought of yet.

Beyond that basic intelligence criteria, look for people with passion, who work around the clock, and who can communicate well.

How Formal Should the Evaluation Be?

This is a matter of personal preference. You may want to formally evaluate and score the consultants against a checklist or, if time is of the essence (which it usually is); you may want to go with your gut after thinking through a few key questions. Do their people seem to be of high quality? Is there a good cultural fit between the two organizations? Do they impress you? Have they done good work for other clients? Do they seem to have the right number of resources available to service you well?

Making the Decision

Talk it through and make a decision.

Avoid analysis paralysis. The longer you don't have a due diligence consulting firm up and running, the more you risk missing out on discovering important information that could affect whether you pursue the transaction or influence negotiations. In a perfect world, when a new transaction materializes, you have the relationship in place already and start-up lead times are close to zero.

Documentation

Getting the most out of your due diligence consultant often hinges on the relationship you formally draft in the agreement.

It's tempting to do a one-off agreement. But the record indicates that you'll get best results with a longer-term contract. That's because the due diligence firm knows you'll be with them for a while and, frankly, that means a lot to them. They'll invest more resources and more effort if it's a long-term marriage rather than a short-term blind date. They'll assign their best people to your account on a dedicated basis.

Here's what we recommend. Commit to a certain number of consulting hours over the course of a year-long contract. Make sure that you get a better rate for having committed to giving the company some guaranteed work.

Conclusion

The conclusion of the financial due diligence review should provide an overall evaluation of the viability of the target business following the proposed acquisition. The due diligence reports will form a valuable tool for the new owners of the business in providing an overview of the business and identification of areas of weaknesses and threats which will have to be addressed.

Each due diligence review is unique but the overall aim is to provide the investor with sufficient, relevant and timely information in order to assist in the investment decision. The due diligence exercise is not simply a number crunching exercise but involves collation of strategic non financial information which is likely to be crucial in the overall investment decision.

The successful performance of a due diligence investigation is dependent upon the scoping, co-ordination and planning of the review and the use of a highly skilled team. The cost of the preparation of a quality due diligence exercise is insignificant when compared to the cost of a bad acquisition.

About the Author

Rajkumar S. Adukia
B. Com (Hons.), FCA, ACS, AICWA, LL.B, M.B.A, Dip IFRS (UK), Dip LL & LW

Senior Partner, Adukia & Associates, Chartered Accountants
Meridien Apts, Bldg 1, Office no. 3 to 6
Veera Desai Road, Andheri (West)
Mumbai 400 058
Mobile 098200 61049/093230 61049
Fax 26765579
Email rajkumarfca@gmail.com

Mr.Rajkumar S Adukia is an eminent business consultant, academician, writer, and speaker. A senior partner of Adukia & Associates he has authored more than 34 books on a wide range of subjects. His books on IFRS namely, "Encyclopedia on IFRS (3000 pages) and The Handbook on IFRS (1000 pages) has served number of professionals who are on the lookout for a practical guidance on IFRS. The book on "Professional Opportunities for Chartered Accountants" is a handy tool and ready referencer to all Chartered Accountants.
In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in

LaborLaws. He has been involved in the activities of the Institute of Chartered Accountants of India (ICAI) since 1984 as a convenor of Kalbadevi CPE study circle. He was the Chairman of the Western Region of Institute of Chartered Accountants of India in 1997 and has been actively involved in various committees of ICAI. He became a member of the Central Council in 1998 and ever since he has worked tirelessly towards knowledge sharing, professional development and enhancing professional opportunities for members. He is a regular contributor to the various committees of the ICAI. He is currently the Chairman of Committee for Members in Industry and Internal Audit Standard Board of ICAI.

Mr. Adukia is a rank holder from Bombay University. He did his graduation from Sydenham College of Commerce & Economics. He received a Gold Medal for highest marks in Accountancy & Auditing in the Examination. He passed the Chartered Accountancy with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983. He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development. His level of knowledge, source of information, professional expertise spread across a wide range of subjects has made him a strong and sought after professional in every form of professional assignment.
He has been coordinating with various professional institutions, associations' universities, University Grants Commission and other educational institutions. Besides he has actively participated with accountability and standards-setting organizations in India and at the international level. He was a member of J.J. Irani committee which drafted Companies Bill 2008. He is also member of Secretarial Standards Board of ICSI. He represented ASSOCHAM as member of Cost Accounting Standards Board of ICWAI. He was a member of working group of Competition Commission of India, National Housing Bank, NABARD, RBI, CBI etc.

He has served on the Board of Directors in the capacity of independent director at BOI Asset management Co. Ltd, Bharat Sanchar Nigam Limited and SBI Mutual Funds Management Pvt Ltd. He was also a member of the London Fraud Investigation Team. Mr. Rajkumar Adukia specializes in IFRS, Enterprise Risk Management, Internal Audit, Business Advisory and Planning, Commercial Law Compliance, XBRL, Labor Laws, Real Estate, Foreign Exchange Management, Insurance, Project Work, Carbon Credit, Taxation and Trusts. His clientele include large corporations, owner-managed companies, small manufacturers, service businesses, property management and construction, exporters and importers, and professionals. He has undertaken specific assignments on fraud investigation and reporting in the corporate sector and has developed background material on the same.

Based on his rich experience, he has written numerous articles on critical aspects of finance-accounting, auditing, taxation, valuation, public finance. His authoritative articles appear regularly in financial papers like Business India, Financial Express, Economic Times and other professional / business magazines. He has authored several *accounting and auditing manuals. He has authored books on vast range of topics including IFRS, Internal Audit, Bank Audit, Green Audit, SEZ, CARO, PMLA, Antidumping, Income Tax Search, Survey and Seizure, Real Estate etc. His books are known for their practicality and for their proactive approaches to meeting practice needs.*

Mr. Rajkumar is a frequent speaker on trade and finance at seminars and conferences organized by the Institute of Chartered Accountants of India, various Chambers of Commerce, Income Tax Offices and other Professional Associations. He has also lectured at the S.P. Jain Institute of Management, Intensive Coaching Classes for Inter & Final CA students and Direct Taxes Regional Training Institute of CBDT. He also develops and delivers short courses, seminars and workshops on changes and opportunities in trade and finance. He has extensive experience as a speaker, moderator and panelist at workshops and conferences held for both students and professionals both nationally and internationally.. Mr. Adukia has delivered lectures abroad at forums of International Federation of Accountants and has travelled across countries for professional work.

Professional Association: *Mr. Rajkumar S Adukia with his well chartered approach towards professional assignments has explored every possible opportunity in the fields of business and profession. Interested professionals are welcome to share their thoughts in this regard.*