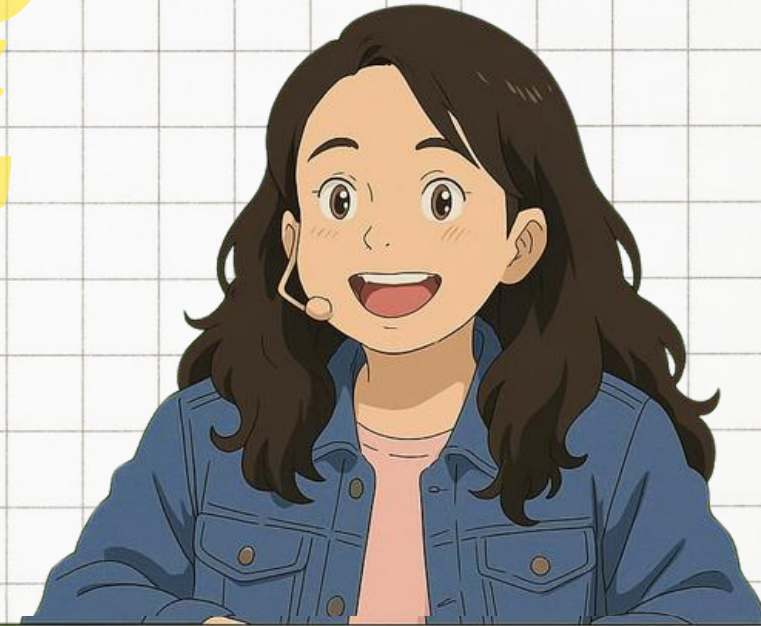


June 2025  
Attempt

## Chapter 01:

# Compliance Framework

## Handwritten Notes



①

# Compliance framework

Company has to comply with a lot of laws / rules / regulations →

Non compliance will attract Risk

To avoid

Compliance framework → Made

3 components

③

CMS

Identification	Risk Assess	Risk Mitigation
----------------	-------------	-----------------

① → Compliance chart

② → Compliance Advisory



has to  
 deal with a lot of  
 laws / rules / Regulation

Non compliance  
 will attract  
 Risk

To avoid

Compliance framework

Made by CS → Compliance officer of the company

2

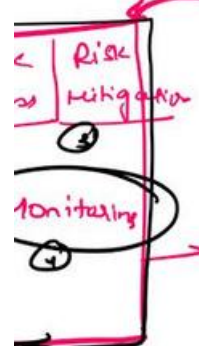
3 components

① Compliance chart

② Compliance Advisory

Compliance Structure

Tool to analyse the position of organisation



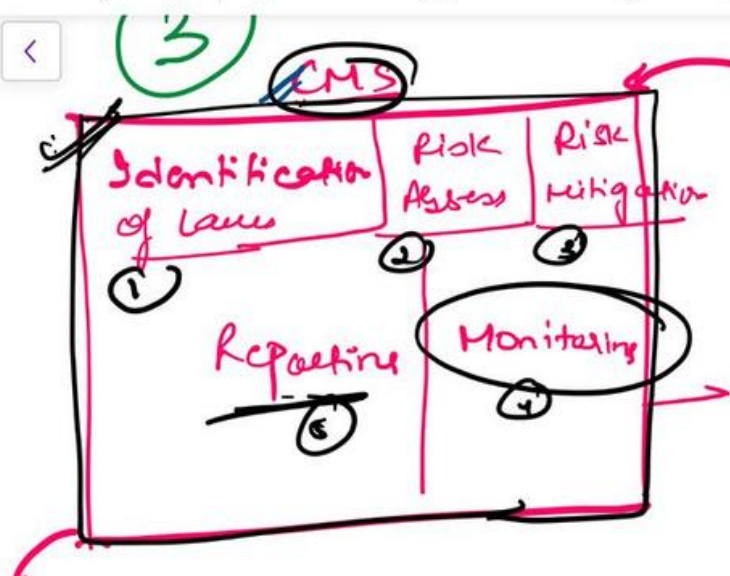
Overview

Applicable Laws / Rules / Reg.  
 Appl Risk  
 Risk Mitigation techniques used

Advises on applicable Laws / Rules / Reg

- Work of
- ✓ Identification of App Laws
  - ✓ Risk Assessment
  - ✓ Risk Mitigation
  - ✓ Monitoring
  - ✓ Reporting
- Political Rewards





(1) Compliance chart

(2) Compliance Advisory  
 Advises on applicable rules / reg

Overview

- Applicable Laws / rules / reg
- Appl Risk
- Risk Mitigation techniques used

→ Significance  
 ↓  
ODDMS

- Safety value
- Non compliance
- x cost
- ↑ Good will
- ↑ Credit worthiness
- Good Corp Citizen

- Work of
- ✓ Identification of App Laws
  - ✓ Risk Assessment
  - ✓ Risk Mitigation
  - ✓ Monitoring
  - ✓ Reporting
- Political provide

Identified





→ Good Corp Citizen

well designed CMS

Ratna   aa   ~~gaya~~   to  
Direct   Pass

4

R → access to Rules & Reg

A → compliance Audit

T → Training

D → Dashboard

P → Policy & Procedure

~~1~~  
~~2~~  
~~3~~  
~~4~~  
~~5~~  
~~6~~



5

### 1) Identification of Applicable Law/ Policy

Role of a  
Identity of the companies

Laws appl on the

- 1) Corporate Law
- 2) Commercial Law
- 3) Labour
- 4) Env Law
- 5) Cyber Law
- 6) Securities Law
- 7) Industry specific law

### 2) Sources for Identification of Computer

- 1) Law & Reg
- 2) Permits & Licenses
- 3) Orders & Policy by Reg Authorities
- 4) Judgments/ orders of ADM Tribunal
- 5) Internal Policies & Procedures
- 6) Treaties/ convention
- 7) Security Watcher

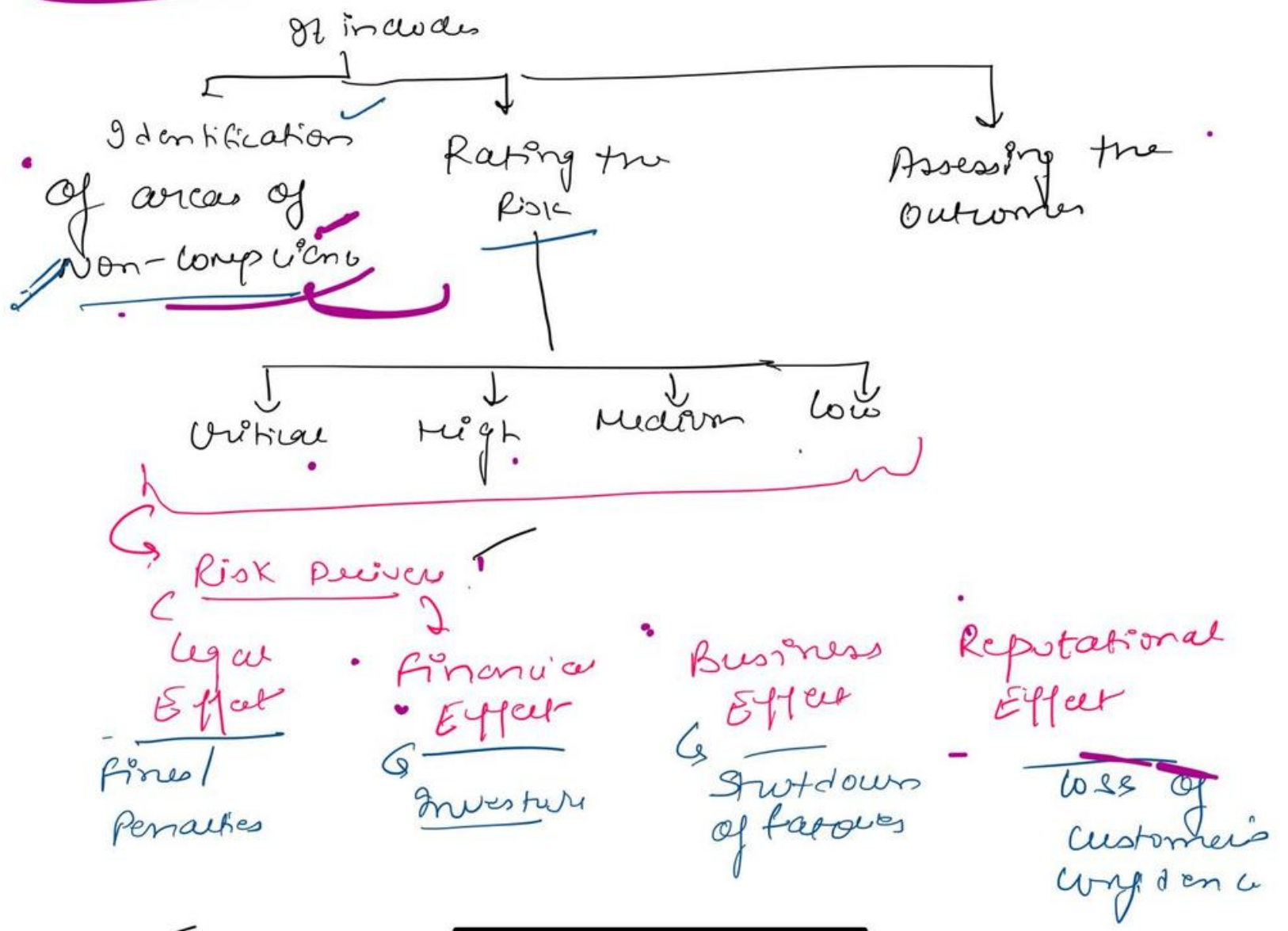
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### 3) Risk Assessment

2

# Risk Assessment

6



Effect  
- Fines / Penalties

Effect  
- Investments

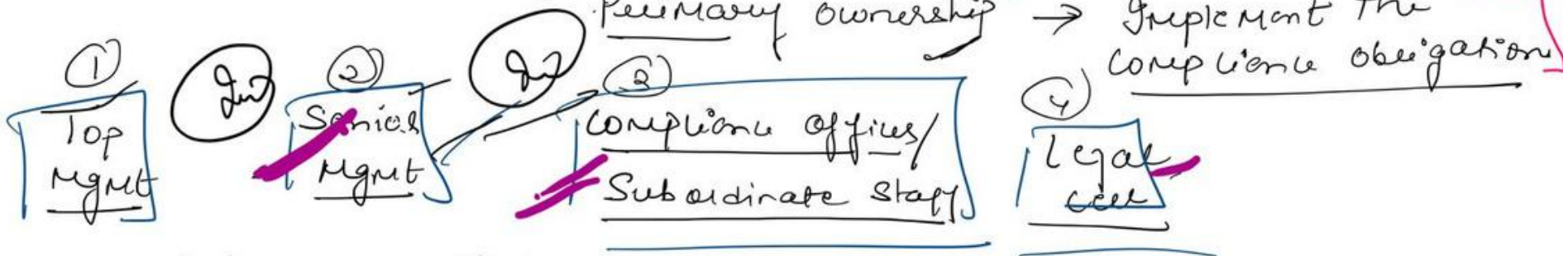
Effect  
- Shutdown of factories

Effect  
- Loss of customer's confidence

7

### Compliance Monitoring

allocation of ownership - Secondary ownership → Supervise → FTA



- Identify nature of law
- Ests Policy
- guiding compliance own
- motivating
- Conflict Resolutio
- Interpretation of compliance
- updation of c
- conflict resolution
- risk identification

guiding with  
 motivating  
 conflict resolution

→ updation of c  
 → conflict resolution  
 → risk identification

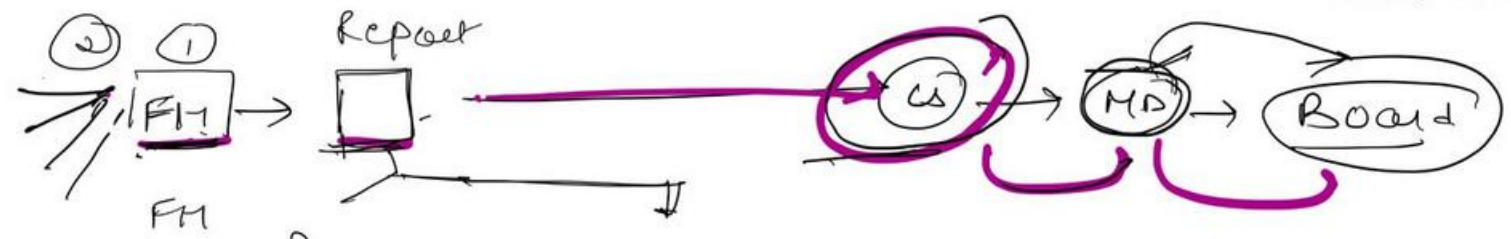
8

1) Compliance Reporting

Cyclical Reporting → Reporting atleast once in a quarter ✓

Incidental Reporting → Reporting on a specific instance of fraud. ✓

Procedure



Report is prepared on the basis of the inputs received

contains compliance + non-compliance

Compliance Training → training the staff



9

Compliance Training → Training the staff

Why

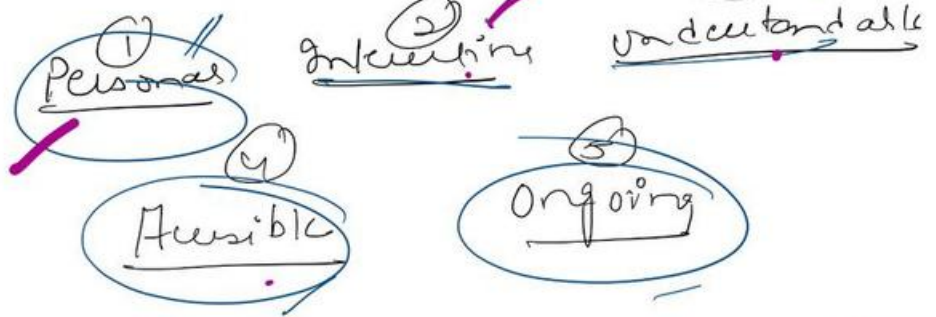
What

To create awareness of

- ① Company framework
- ② Roles & Resp
- ③ critical / high
- ④ Process of compliance
- ⑤ consequences of non-compliance

- ① Compliance framework
- ② Association =
- ③ Training Activity =
- ④ Target Audience =
- ⑤ Frequency =

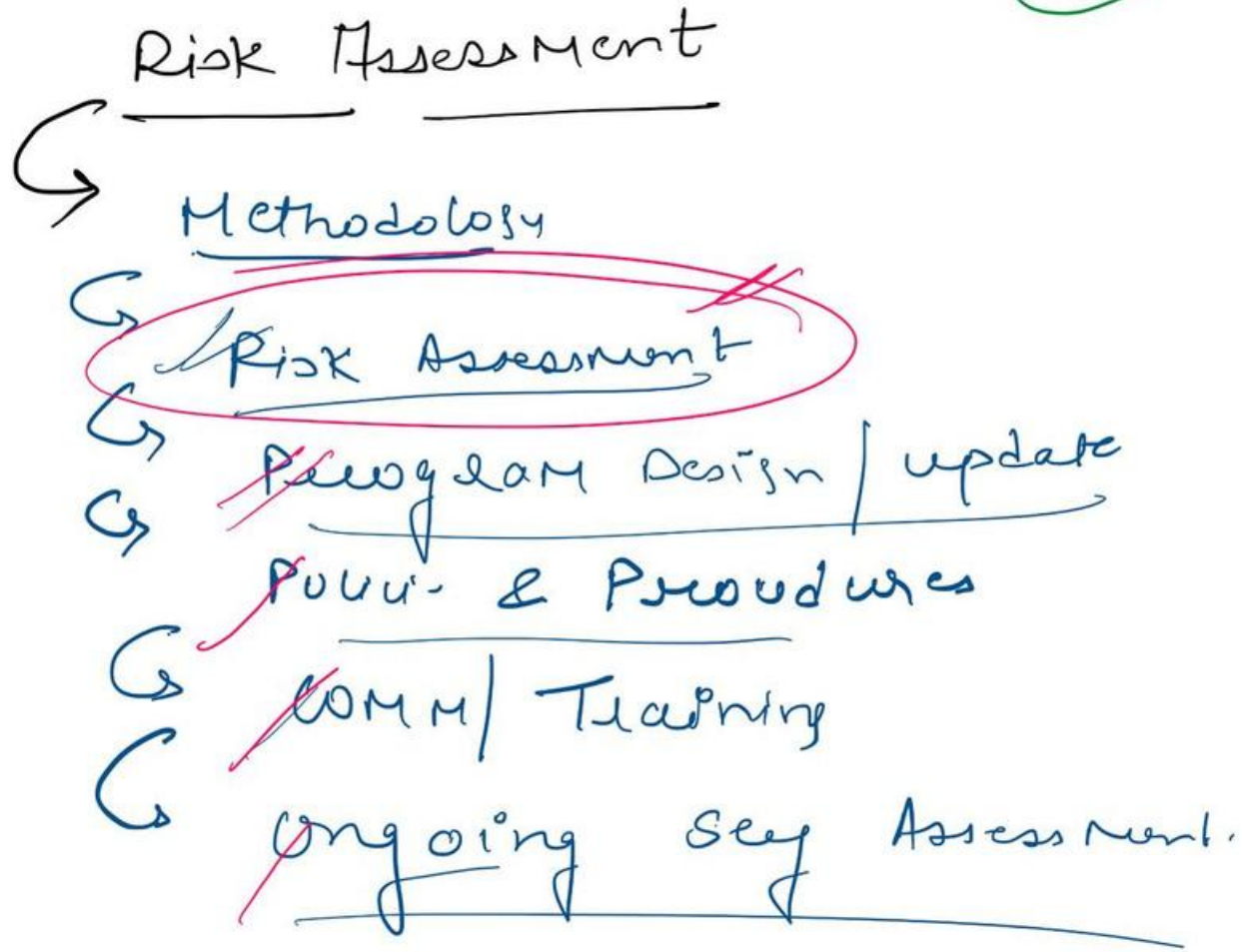
5 Essentials



PU



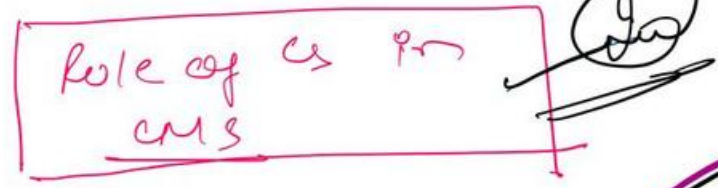
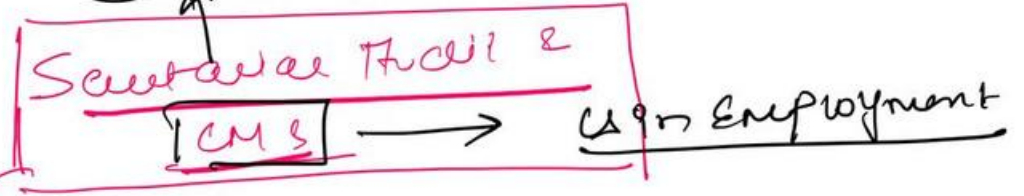
10



Personal  
 (4)  
 Feasible  
 (3)  
 Ongoing

(11)

PU



- Factors →
- Nature of Business ✓
  - Size of co. ✓
  - Listed / unlisted ✓
  - Geographical domain ✓
  - Jurisdiction ✓
  - Types of co. ✓

- 1) Compliance Manager ✓
- 2) Corporate Disclosures ✓
- 3) Advice on Compliance Risk ✓
- 4) guides BOP ✓

DRS → Director's Responsibility Statement

(4) DRS

Section 134 → Board report will include DRS



DRS → Director's Responsibility Statement

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DRS

Section 134 → Board Report will include DRS

- 1) Accounts are prepared as per AS.
- 2) Accounting Practices show a true & fair view of affairs of company.
- 3) Accounting Records are maintained to safeguard assets & detect fraud.
- 4) Accounts are prepared → going concern Basis Minimum
- 5) Compliance with Law,
- 6) Unfit W. → W. has laid down internal financial controls.

Compliance under Companies Act, 2013



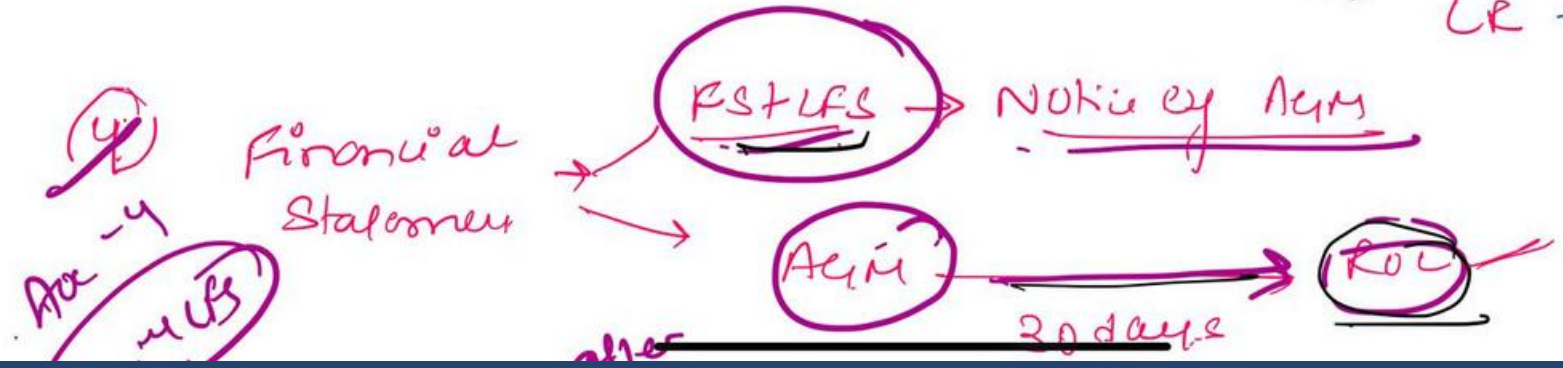
# Compliance under Companies Act, 2013

(13)

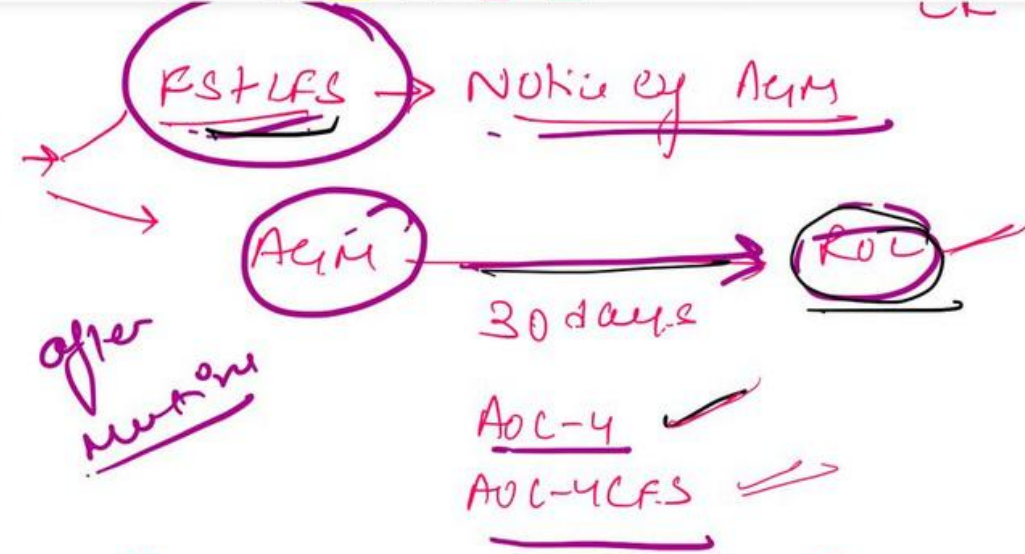
1) BM → 4 BM → Max 120 days gap  
 → 1<sup>st</sup> BM → 30 days of inc  
 → SS-1

2) Notice of BM → 7 days in Advance  
 → circulation

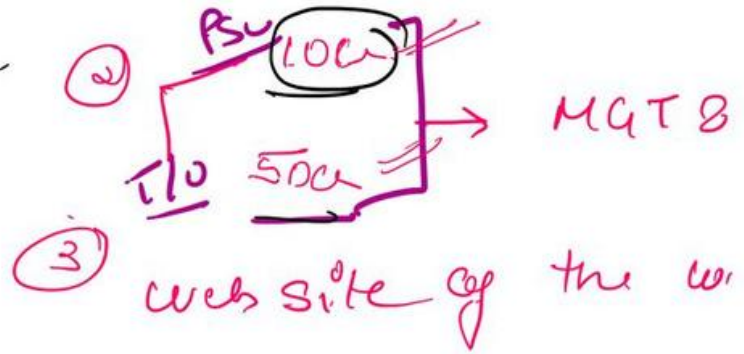
3) MGM → Notice 21 days in Advance  
 → Director  
 → Auditor  
 → Member  
 → CR



~~4~~  
AOC-4  
Financial Statements  
AOC-4CFS



~~5~~  
Annual Return



6 Disclosure of int of Director

- 1) First Meeting Every year
- 2) Appointment

6) Disclosure of mt of Director

- ① First Meeting Every year
- ② Appointment
- ③ MBP-I

7) Appt of Auditor → Appt  $\xrightarrow[ADT-I]{15\text{days}}$  RoC

8) Appt of C → PSU 10u → WT C

9) Register of Mem → Mandatory

Compliance Management Tool

↳ Software that helps building



# Compliance Management Tool

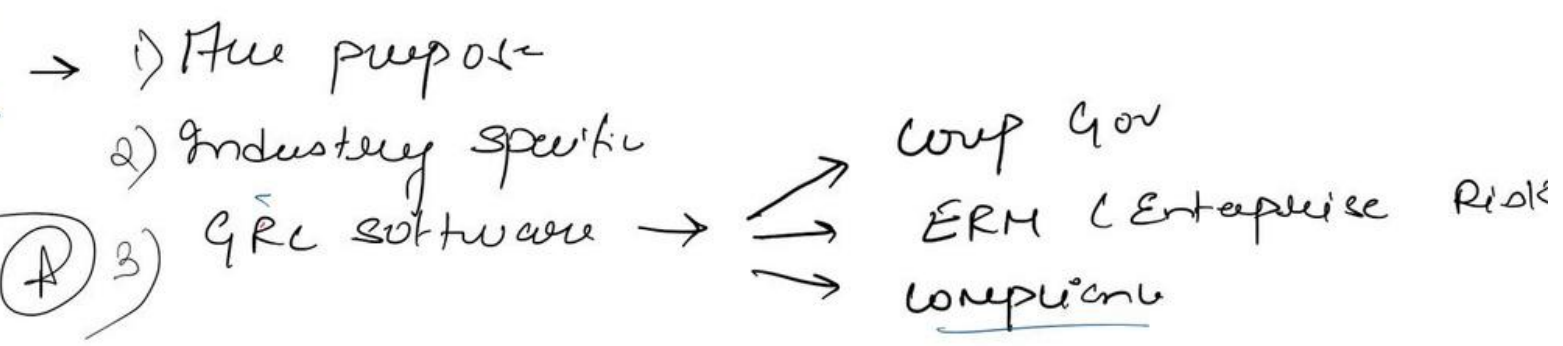
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Software that helps building Compliance Management & comply with Legal Procedures

- Objective:
- Digitization → Replace Spreadsheet
  - Automation → Automatic update
  - Compliance → Manage Compliance

Kinds of CM Tool

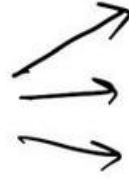


2) Industry specific

Work flow

(A) 3)

GRC software →



ERM (Enterprise Risk)

Compliance

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Benefits of GRC

- ① Reduction in Manual work
- ② ~~Streamlining~~ Implementation
- ③ ~~Monitoring & Reporting~~
- ④ Risk in Human Error Reduces
- ⑤ Builds Rep of org
- ⑥ Creates a Roadmap