

Editorial

Artificial Intelligence and automation are emerging as the backbone of modern compliance. They streamline processes, minimize risks, and turn regulatory obligations into strategic advantages. Audit preparedness, cross-border obligations, and accountability all gain sharper clarity through automation. This month's Article explains this synergy of human expertise and machine intelligence that is redefining governance nowadays. It proves that Compliance is no longer reactive. It is predictive, proactive, and future-ready.

We have also included exciting sections in the newsletter like brain teasers. Our other regular features comprise of Gist of Changes in the Companies Act, 2013, SEBI's LODR, 2015 and IB Code, 2016 that happened in the month of August 2025 and Statutory Compliance Calendar for the upcoming month.

Please share your feedback on this newsletter with us at contact@cimplyfive.com, we eagerly look forward to it.

Happy Reading,
Team CimplyFive
September 05, 2025

What's more in this month's issue…

- ***What is Hot in Company Law?***
- ***Article of the Month***
- ***BLISS Tips for the Month***
- ***Test your Gray Matter!***
- ***Compliance Calendar***
- ***Regulatory Changes in the Month***

OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, 2013 ("Companies Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("SEBI (LODR)") and Insolvency and Bankruptcy Code, 2016 ("IB code"). Our website has crossed **54 million page-views** as on date and attracts about 15,000 users accessing around 45,000 pages a day. List of the most viewed sections in the Companies Act, SEBI (LODR) and IB Code in the month of August 2025 here is based on visitors to our website is as follows:

For the Month of August, 2025
Companies Act, 2013 Top 5 Chartbusters

Rank in July	Change in Rank	Rank in August	Section	Section Title
1	↔	1	188	Related Party Transactions
2	↔	2	179	Powers of Board
3	↔	3	186	Loan and Investment by the Company
N	↑	4	139	Appointment of auditors
N	↑	5	2(76)	Definitions - Related party

Sections 177 and 117 have been replaced with 139 and 2(76) have been replaced in the top 5 Rankings.

SEBI (LODR) Top 5 Chartbuster Regulations

Rank in July	Change in Rank	Rank in August	Regulation	Regulation title
1	↔	1	30	Disclosure of Events or Information
2	↔	2	17	Board of Directors
4	↑	3	34	Annual Report
3	↓	4	23	Related party transactions
5	↔	5	51	Disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information.

There has been no new changes in the rankings for the month of August 2025.

IB Code Top 5 Chartbusters

Rank in July	Change in Rank	Rank in August	Section	Section Title
1	↔	1	7	Initiation of corporate insolvency resolution process by financial creditor.
3	↑	2	5	Part 2- Chapter 1 Definitions
5	↑	3	3	Part 1 Definitions
2	↓	4	6	Persons who may initiate corporate insolvency resolution process.
4	↓	5	33	Initiation of liquidation.

There has been no new changes in the rankings for the month of August 2025.

Article of the Month:

The Role of Artificial Intelligence (AI) and Automation in Shaping the Future of Compliance

INTRODUCTION:

The biggest challenges for compliance professionals are no surprise: deadlines, updates, and too many moving parts. Between Companies Act filings, SEBI LODR disclosures, board resolutions, and now data protection laws, the work feels endless. Miss one step, and suddenly you're dealing with notices, penalties, or late-night damage control.

For years, compliance has been handled with checklists, spreadsheets, and scattered records that worked to an extent. But as regulations keep multiplying, it's no longer sustainable. And this is exactly where Artificial Intelligence (AI) and automation are stepping in, not as buzzwords, but as tools that can save time, reduce risk, and help compliance teams breathe a little easier.

1. From Burden to Advantage

Compliance has always been about protecting businesses and ensuring smooth operations. With AI-driven systems, it now goes a step further by transforming into a true strategic advantage.

Instead of chasing updates through circulars or scanning endless notifications from multiple channels, an automated tool can flag only what matters to your business. It can remind you weeks in advance about an upcoming SEBI disclosure or MCA filing. No more last-minute panic. To sum up, compliance isn't just about avoiding trouble, it is all about staying ahead.

2. No More Blind Spots

Manual checks have limits. Teams review a few registers, a sample of filings, and assume the rest is fine. That's exactly where risks creep in.

AI doesn't skim. It looks at everything. Every disclosure, every register, every board resolution. If there's a filing deadline coming up for one subsidiary, or a board approval pending under the Companies Act, it's flagged instantly.

3. Saving Time Where It Matters

Compliance professionals know the drill. Hours spent drafting agendas, collecting director signatures, preparing registers, or formatting reports. Half the day is eaten up by repetitive work.

Automation takes that load away. Agendas can be generated, reminders sent automatically, registers updated in real time. This provides significant time for interpreting new laws, guiding management, and building better governance practices.

4. Key Benefits of leveraging a Compliance Tool

- One dashboard where you can see every compliance obligation in one place.
- Updates from regulators mapped directly to your company's compliance framework.
- Automatic generation of minutes, registers, and compliance reports.
- Secure digital repositories where filings and approvals are stored and searchable.

5. Always Ready for Audits

Let's be honest, most companies dread audits. If you've ever been through an audit or inspection, you'll know how valuable it is to pull out every record in seconds instead of digging through files for hours. The usual routine? Scrambling for old approvals, filing proofs, and chasing documents at the last moment.

Automation changes that. Every filing, every approval, every compliance step gets logged with timestamps. Which means you're not just audit-ready once a year but your audit-ready every single day.

During audits or inspections, the ability to retrieve records within seconds holds immense importance, saving valuable time that would otherwise be spent searching through files.

6. Tackling Global and Local Obligations

Businesses working across borders face double the headache. Different regulators, different timelines, different formats. All of this can be merge into a single framework. A disclosure due under SEBI is tracked with the same clarity as one required abroad. This will indeed avoid duplication of work and ambiguity.

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7. More Than Just Tech: Building Accountability

Of course, software alone won't magically fix compliance. It has to be paired with culture. Automation makes everything more transparent. When employees know deadlines are being tracked in real time, accountability naturally improves. Over time, compliance stops being treated as a box to tick and it becomes part of the company's DNA.

8. Humans and Machines, Together

There's a fear that AI might replace compliance professionals. The reality is different. Machines are excellent at scale and repetition, but they don't replace human judgment, interpretation, or ethical decision-making.

The real win is when both works together. Imagine a compliance professional who uses AI not just to meet deadlines but to brief the board on upcoming changes and potential risks. That's not replacement, it's empowerment.

9. The Road Ahead

The future of compliance is predictive, not reactive. Tools won't just remind you about a deadline; they'll show the impact of missing it, calculate costs, and even suggest fixes.

Companies that adopt these systems will stay agile, credible, and trusted. Those that don't may end up drowning in growing obligations and rising penalties.

CONCLUSION

AI and automation are not "fancy extras." They're becoming the backbone of compliance. By reducing risk, simplifying work, and freeing up professionals to focus on strategy, they are transforming compliance into something forward-looking.

And here's the real takeaway: compliance professionals who embrace these tools will move from chasing deadlines to shaping stronger, more trusted organizations. In a world where regulations will only get tougher, that shift could make all the difference.

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BLISS Tips for the Month

BLISS Tips #325: Automate the Private Placement Process with BLISS!

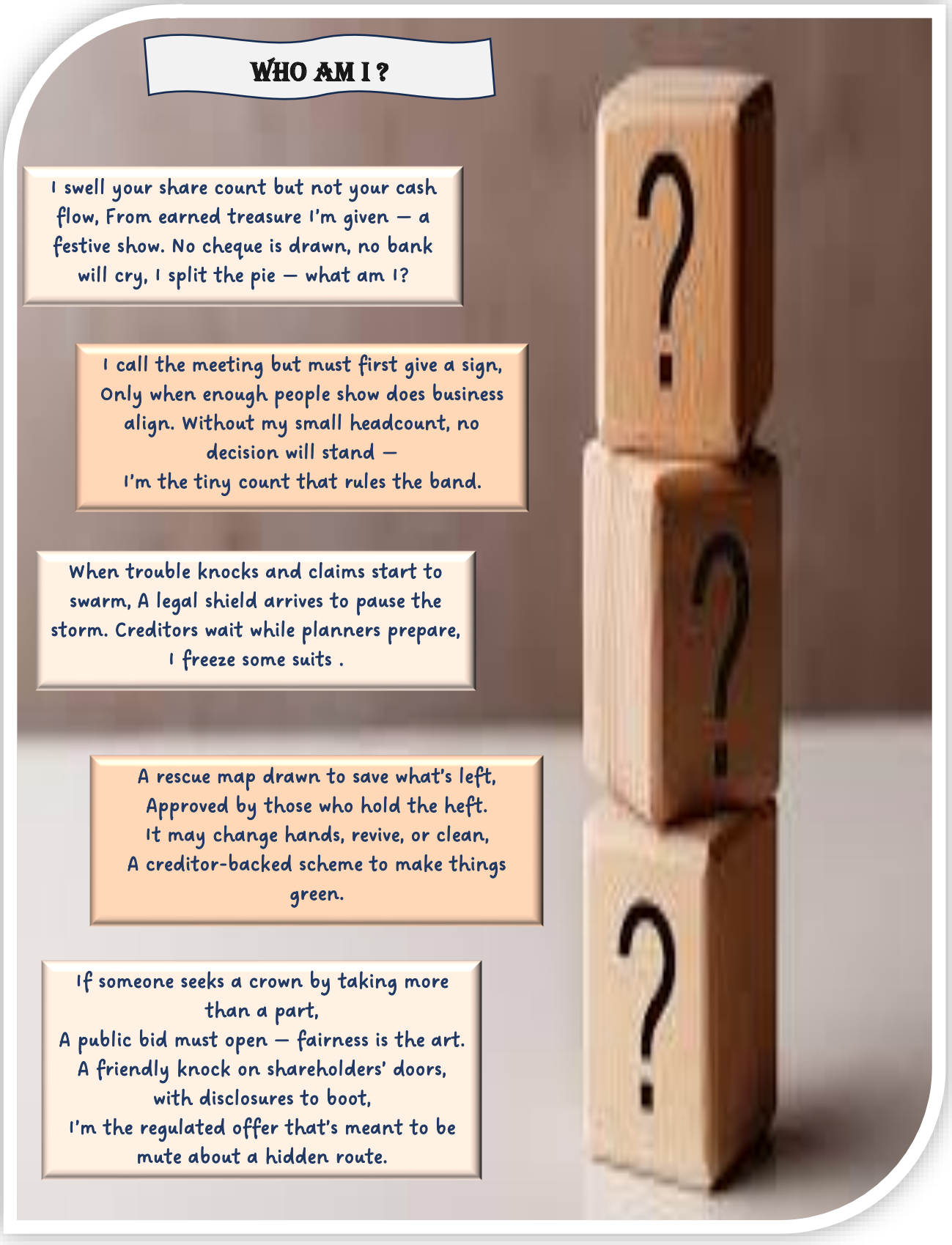
Private Placement Process can be made smooth with automation through BLISS. Once the user selects the private placement agenda in the Board Meeting, BLISS generates a pre-drafted proposal and resolution. Upon entering the required information, BLISS also generates Form PAS-4 (Offer Letter) as well as Form PAS-5 (Record of a Private Placement offer) in the Companies Act Prescribed format. This feature streamlines every stage- Board Meeting, Shareholders' Meeting and Allotment with updation of the statutory register MGT-1 (Register of Members), eliminating manual effort.

BLISS Tips #326: Controlled, Secure, and Customized viewing for auditors.

BLISS empowers Admins to grant customized access to secretarial records for Audit and Due Diligence.
Auditors can be provided time-bound access to specific records such as Agendas, Minutes, Registers, Returns, and Action Trackers, with the flexibility to restrict downloads for select or all records. Admins can also define the validity period of access, ensuring it is automatically revoked after the set date.

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Test your Gray Matter!! Take our Quiz to find out!



Board Leaders Integrated Software Solution

BLISSPLUS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts, and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act, 2013. It also has multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size- based compliance under the Companies Act, 2013.

BLISSLISTED is an advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSDOCS is an Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective

CimplyBest is a tailormade software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

Clear Compass is an All-law Compliance Software to ascertain, track and manage all the applicable state, central and industry-specific laws.

CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2016 and LODR, 2015. The site and app are updated every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

Compliance Calendar for the month of September 2025

Companies Act, 2013			
Sl. No.	Compliance requirement	Regulation reference	Due Date
1.	DIR-3 KYC (Web)	Rule 12 A of the Companies (Appointment and Qualifications of directors) Rules, 2014	To be filed anytime after 31st March but on or before 30th September
2.	DIR-3 KYC (e-form)	Rule 12 A of the Companies (Appointment and Qualifications of directors) Rules, 2014	To be filed anytime after 31st March but on or before 30th September

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Gist of regulatory changes in Companies Act, 2013, SEBI (LODR) 2015, SEBI (PIT) Regulations, 2015 and Insolvency & Bankruptcy Code, 2016 in the month of August, 2025.

- **05-08-2025**

Implementation of system driven disclosures for Credit Rating and ESG Rating w.e.f. August 02, 2025

In furtherance to the:

SEBI Circular dated December 31, 2024 regarding implementation of recommendations of the expert committee for ease of doing business and

SEBI circular dated April 29, 2025 regarding Clarificatory and Procedural changes to aid and strengthen ESG Rating Providers (ERPs)

NSE, in consultation with SEBI, the Credit Rating Agency (CRAs) and ESG Rating Providers (ERPs), has developed a system whereby disclosure requirements for Credit Rating and ESG Rating will be obtained directly from CRAs and ERPs and auto disseminated on the NSE Website.

The Reporting Procedure to be followed by CRAs and ERPs is provided for in the circular**.**

- **20-08-2025**

Companies (Indian Accounting Standards) Second Amendment Rules, 2025.

In furtherance to the:

Companies (Indian Accounting Standards) Rules, 2015, and
Recent amendments aligned with IAS/IFRS updates,
the MCA, in consultation with the National Financial Reporting Authority (NFRA), has notified the Second Amendment Rules, 2025, introducing significant changes to Indian Accounting Standards (Ind AS), namely:

(A) Ind AS 101:

Transitional relief has been introduced for lessors adopting Ind AS 116 (Leases) for the first time. Instead of reassessing lease classification retrospectively, entities can use facts available on the transition date to classify land and building leases, this provides practical ease and avoids reopening old lease contracts.
(B) Ind AS 107:

A new disclosure framework for Supplier Finance Arrangements has been introduced.
Companies must now disclose terms (extended/early payment), balances outstanding, and risks arising from such arrangements.
This ensures transparency about whether entities are using supplier financing as a substitute for conventional borrowing, as it directly affects liquidity risk and cash flow analysis.
(C) Appendix 1, Para 1 – reference "IFRS 108" substituted with "IFRS 8"

(D) Ind AS 109:

Paragraphs in IFRS 9 relating to the effective date have not been included in Ind AS 109, as they are not relevant in the Indian context. However, to maintain consistency with the paragraph numbering of IFRS 9, the same numbering has been retained in Ind AS 109.

(E) Ind AS 115:

in Appendix D, Information note 2, in the table:

Reference to "Ind AS 17" has been substituted with "Ind AS 116".
Reference to "Ind AS 18" has been substituted with "Ind AS 115".
(F) Ind AS 1:

A liability is "current" if the company does not have a substantive right to defer settlement beyond 12 months after reporting date.

The term "settlement" has been explicitly defined to mean transfer of cash, other resources, or even equity instruments (with specific exceptions).

Loan covenants have been specifically addressed: If compliance is required on or before reporting date, the right to defer settlement depends on whether the covenant is met at that date. If compliance is only assessed later, it does not affect classification.
Grace period provisions clarified: If lenders provide a grace period extending 12 months beyond reporting date, liabilities can still be treated as non-current.
Overall, these changes aim to remove ambiguity and ensure uniform classification of liabilities across companies.

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(G) Ind AS 7:

A new disclosure requirement has been introduced for Supplier Finance Arrangements (reverse factoring / supply chain financing).
Entities must disclose the nature of such arrangements, outstanding balances, amounts already settled by financiers, and how payment terms compare with normal trade payables.
These disclosures aim to increase transparency on hidden financing, ensuring users of financial statements can properly assess liquidity position and leverage.

(H) Ind AS 10:

Linked with Ind AS 1 changes, companies must disclose post-balance sheet events relating to refinancing, covenant breaches, or settlements, even if these do not adjust the financials.

(I) Ind AS 12:

Disclosure requirements for Pillar Two income taxes has been introduced.

(J) Ind AS 28:

The amendment notes that certain provisions in IAS 28, introduced due to insurance-related exemptions under IFRS, are not relevant in the Indian context since such exemptions were never provided under Ind AS, However, to maintain alignment with international standards, the numbering structure of IAS 28 has been retained in Ind AS 28, even though the related content is excluded.
This Notification shall come into effect from August 20, 2025.

Solution for Riddles
1. Bonus Shares
2. Quorum for a meeting
3. Moratorium
4. Resolution plan
5. Open offer / takeover offer

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About CimplyFive

Mission

Provide a cost-effective, secure web-based, menu driven, subscription services that provides curated resolutions, timely alerts and informative dashboards to free the management bandwidth for pursuing business goals

Vision

Leverage research and technology to eliminate procedural non-compliance risk for entities regulated by the Indian Companies Act, 2013



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