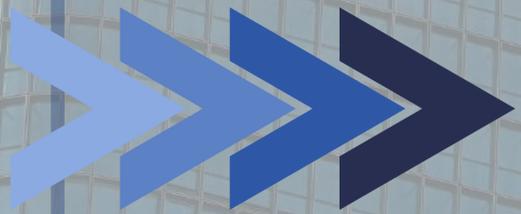




MUKUND & ROHIT

CHARTERED ACCOUNTANTS



M&R

CONNECT

JANUARY

2026



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Decoding the Securities Markets Code 2025 and its Impact on Indian Investors

The Big Announcement

In December 2025, the Finance Minister introduced the Securities Markets Code Bill, 2025 in the Lok Sabha. This landmark legislation aims to replace and consolidate three major decades-old acts into a single, streamlined code:

1. SEBI Act, 1992
2. Depositories Act, 1996
3. Securities Contracts (Regulation) Act, 1956

Why the change? (The Rationale)

Unified Adjudication: Instead of multiple processes under different laws, all quasi-judicial actions will now follow a single, faster enforcement mechanism with defined timelines.

Technological Readiness: The definition of "Securities" has been expanded to include digital and hybrid instruments, future-proofing the law for 2026 and beyond.

Ease of Doing Business: Minor procedural and technical violations have been decriminalized. They will now attract monetary penalties (civil defaults) instead of criminal prosecution, which is a huge relief for compliance officers and CAs.



Key Changes for Investors and Corporates

These were some specific SEBI board decisions from December 2025:

Mutual Fund "Base Expense Ratio" (BER): SEBI has revamped the fee structure. Traditional expense ratios are replaced by the BER. Now, statutory costs like GST, Stamp Duty, and STT will be charged separately on actuals, making the cost of investing more transparent for your clients.

High-Value Debt Listed Entities (HVDLE): In a major relief for debt-heavy companies, SEBI raised the threshold for HVDLE classification from ₹1,000 crore to ₹5,000 crore. This exempts many mid-sized companies from the rigorous corporate governance norms usually reserved for the biggest players.

One-Time Physical Share Window: Investors still holding physical share certificates (purchased before April 2019) have been given a final "one-time window" to demat them directly into their names without the usual complex hurdles.



Changes in general procedures in the proposed bill

Areas	Changes
New Brokerage Caps	Verify that brokerage charges for cash segments are now capped at 6 bps (previously 8.59 bps).
IPO Simplification	Note that the "Offer Document Summary" is being replaced by an Abridged Prospectus accessible via QR code.
Decriminalization	Review client non-compliances; many technical errors that previously carried jail time are now just fine-based.

- Sia Singh

RBI Monetary Policy Update: The Shift to Growth

The Core Decision

On December 5, 2025, the Monetary Policy Committee (MPC), led by Governor Sanjay Malhotra, unanimously voted to cut the Repo Rate by 25 basis points (bps), bringing it down from 5.50% to 5.25%.

This was the fourth rate cut of 2025, marking a cumulative reduction of 125 bps over the year. The RBI also maintained a "Neutral" stance, signalling that while they are supporting growth, they remain flexible to future data.

Why did the RBI cut rates?

Exceptionally Low Inflation: CPI fell to 1.7% in Q2 FY26; Oct 2025 dipped to 0.25% on soft food prices.

Upward GDP Revision: RBI raised FY26 growth forecast from 6.8% to 7.3%.

Liquidity Support: ₹2 lakh crore injected via OMOs to aid transmission.

Revised Policy Rates (Dec 2025)

- Repo Rate: 5.25%
- Standing Deposit Facility (SDF): 5.00%
- MSF & Bank Rate: 5.50%
- Cash Reserve Ratio (CRR): 3.00%

Impact on Clients (The CA's Advisory)

Segment	Impact of the Rate Cut
Corporate Borrowers	Lower interest on floating loans and CC limits will lift PAT and reduce expansion costs
Retail Borrowers	EMIs will fall for Home, Auto, and Personal loans; a ₹50 Lakh home loan could save ₹800-₹1,000 monthly.
Fixed Deposit (FD) Savers	Major banks cut FD rates by 20-30 bps; CAs should guide clients toward debt funds or corporate bonds.
MSMEs	Cheaper credit will ease stretched working capital cycles caused by global supply chain disruptions.

- Sia Singh

Digital Personal Data Protection Rules, 2025: Key Reforms and Implications for CAs.

The Government of India has notified the Digital Personal Data Protection Rules, 2025 (DPDP Rules), issued by MeitY to operationalise the Digital Personal Data Protection Act, 2023. Notified on 14 November 2025 via G.S.R. 846(E), the Rules establish India's digital data protection framework and will be phased in, with full compliance required by May 2027.



Key Features of the DPDP Rules, 2025

The Rules clarify obligations for Data Fiduciaries and strengthen Data Principals' rights. They emphasize clear, informed, and verifiable consent with transparent privacy notices covering purpose, duration, and withdrawal. Rights include access, correction, erasure, consent withdrawal, and grievance redressal within timelines. Safeguards protect children and persons with disabilities through parental/guardian consent. Cross-border transfers are permitted under government conditions, while Significant Data Fiduciaries must meet added requirements such as audits and impact assessments.

Implications for CAs and Professional Firms

The DPDP Rules, 2025 are crucial for Chartered Accountants and professional firms handling sensitive personal and financial data such as PAN, bank details, and tax records. As Data Fiduciaries, they must ensure lawful processing, secure storage, and timely deletion of client data. Audit papers and client records demand stricter access controls and retention reviews. Tax and finance professionals must obtain explicit consent, safeguard digital platforms, and prepare for breach reporting. Payroll and outsourcing services, particularly with cross-border processing, will face new data transfer conditions.

Professional Responsibility and Opportunities

Non-compliance with the DPDP Rules can expose professionals to regulatory and reputational risks, requiring updates to engagement letters, internal controls, and data management policies. However, the new framework also creates advisory opportunities for Chartered Accountants in DPDP compliance reviews, data protection audits, and integrating data governance with existing regulatory and risk management systems.

Conclusion

The DPDP Rules, 2025 introduce data protection as a core professional obligation for Chartered Accountants. Proactive adaptation of systems, documentation and client practices will be essential to ensure compliance and uphold trust in an increasingly data-driven regulatory environment.



Government Notification Reference

Notification No. G.S.R. 846(E) - Digital Personal Data Protection Rules, 2025,
Ministry of Electronics and Information Technology, Government of India,
Notified on 14 November 2025

- Nilay Pancholi

NPS Exit & Withdrawal Reforms 2025



The Government of India, through the Pension Fund Regulatory and Development Authority (PFRDA), notified the PFRDA (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2025 on 12 December 2025, effective immediately, making the NPS exit and withdrawal framework more flexible, transparent, and subscriber-friendly.

Core Timeline, Exit & Deferment Rules

1. Extended Exit Age

- Subscribers across both Government and Non-Government sectors can now continue their NPS investment up to 85 years (earlier limit ~75 years).

2. Deferment Flexibility

- Annuity purchase and/or lump-sum withdrawal may be deferred until age 85.
- A formal request must be submitted to the NPS Trust or an authorized intermediary.

- In case of death during the deferment period, the entire accumulated pension wealth (earmarked for annuity or lump sum) will be transferred to the nominee(s) or legal heir(s).

3. Account-Wise Exit

- For subscribers holding multiple NPS accounts, exit and withdrawal rules will apply independently to each account.

Accumulated Pension Wealth - Tiered Withdrawal

Particulars	Non-Government Subscribers	Government Subscribers
Up to ₹8 lakh	Full lump sum, no annuity.	Full lump sum, no annuity.
₹8-₹12 lakh	₹6 lakh upfront; balance via SUR (min. 6 years) or annuity.	₹6 lakh upfront; balance via SUR (min. 6 years) or annuity.
Above ₹12 lakh	Up to 80% lump sum; min. 20% annuity.	Up to 60% lump sum; min. 40% annuity.

*SUR - Systematic Unit Redemption

Subscriber Specific Rules

Government Sector Subscribers

Extended Exit Age: Investment and deferment allowed up to 85 years.

Mandatory Annuity: Higher annuity requirement continues – minimum 40% or more, based on corpus.

Exit Triggers: Retirement, superannuation, or physical incapacitation follow the APW slab rules.

Non-Government / All Citizen Model

Lock-in Removed: No mandatory 5-year lock-in for premature exit.

Reduced Annuity Requirement: Minimum annuity lowered to 20% (earlier 40%).

Flexibility Enhanced: Choice among SLW, SUR, lump sum, or annuity, depending on corpus and preference.

Partial Withdrawals & Special Exit Provisions

Partial Withdrawals

Allowed after 3 years of contribution.

Maximum withdrawal: 25% of subscriber's own contributions.

Frequency:

- Up to 4 times before age 60.
- After age 60, withdrawals permitted with a minimum 3-year gap.

Special Exit Provisions

Death / Disability: Corpus goes to nominee(s) or legal heir(s).

Missing Subscriber: 20% interim relief after FIR; remaining 80% post court declaration.

Citizenship Renunciation: Full withdrawal if subscriber does not hold an OCI card.

Scheme Continuation, Timelines & Tax

- **Automatic Continuation:** NPS accounts stay active unless an exit request is filed.
- **Scheme Rationalization:** Scheme A merged with C (Corporate Bonds) & E (Equity); switching window till 25 Dec 2025.
- **Effective Date:** 12 Dec 2025 (immediate).
- **Exit Age:** Extended to 85 years.
- **Partial Withdrawals (post-60):** Minimum 3-year gap.
- **Tax:** Lump-sum withdrawals taxed as per Income-tax rules; non-govt subscribers exempt up to 60%, excess taxable.

-Abubakar Miyawala

Compliance Calendar for Jan'26

TDS/TCS	
7 th Jan 2026	Payment for Oct 2025
14 th Jan 2026	Issue of TDS Certificates for tax deducted u/s 194-IA, 194-IB, 194M in Oct 2025
15 th Jan 2026	Issue of TDS Certificate for Non salary TDS returns.
31 st Jan 2026	Issue of TDS Certificate for Non salary TDS returns.
31 st Jan 2026	Deposit of TDS u/s 194M for Nov on payments made to resident contractors or professionals greater than 50 lacs pa by individual/HUF not subject to tax audit in Form 26QD
Income Tax	
25 th Jan 2026	Form 61A- Statement of Financial Transactions by Depositories, Registrars & Share Transfer Agents for reporting of information relating to capital gains on transfer of listed securities or units of Mutual Funds for Oct to Dec 2025.
FEMA	
7 th Jan 2026	ECB-2 Return - By Borrowers of External Commercial Borrowings (ECB) through AD Bank for Dec 2025

Compliance Calendar for Jan'26

GST, Indirect Taxes & Corporate and Allied Laws	
10 th Jan 2026	Return for Authorities deducting Tax at source - GSTR 7 for Dec 2025
10 th Jan 2026	Details of supplies effected through e-commerce operator & the amount of tax collected-GSTR8 for Dec 2025
11 th Jan 2026	Details of outward supplies of taxable goods and/or services effected - GSTR 1 for Dec 2025
13 th Jan 2026	Invoice Furnishing Facility (IFF) for Dec 2025 in Lieu of GSTR1 for QRMP Filers
13 th Jan 2026	Return for non-resident foreign taxable person - GSTR 5 for Dec 2025
13 th Jan 2026	Return for Input Service Distributor - GSTR 6 for Dec 2025.
20 th Jan 2026	GSTR 3B for Dec 2025 if aggregate turnover above Rs. 5 crore
20 th Jan 2026	Return for OIDAR Service Provider - GSTR 5A for Dec 2025
22 nd Jan 2026	GSTR 3B for Dec 2025 if aggregate turnover below Rs. 5 Crore (Note 1 - Jan)
24 th Jan 2026	GSTR 3B for Dec 2025 if turnover below Rs. 5 Crore (Note 2 - Jan)
25 th Jan 2026	Monthly Payment for Dec 2025 through Challan PMT 06 for QRMP filers

Compliance Calendar for Jan'26

GST, Indirect Taxes & Corporate and Allied Laws

31 st Jan 2026	To Opt out or in form QRMP for the period Jan to March 2026
31 st Jan 2026	Prof. Tax - Monthly Return Tax Liability of Rs. 1,00,000 & above for Dec 2025
31 st Jan 2026	P.F. & ESIC - Payment for Dec 2025

NOTE 1:

For Andaman and Nicobar Islands, Andhra Pradesh, Chattishgarh, Dadra & Nagar Haveli, Gujarat, Goa, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Puducherry, Tamil Nadu, Telangana

NOTE 2:

For Rest of India

Inside M&R

December

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Wednesday



GSTR-9 & 9C Annual GST Compliance Framework

Mr. Dhaval Kariya and CA Shivshyam Maurya led a session on GSTR-9 & 9C, highlighting preparation, reconciliation, and accurate reporting for smooth GST compliance

December

6

Saturday



SME IPOs

Miss Reena Sharma led the SME IPO session, showing how SMEs can raise capital, overcome challenges, and tap growth opportunities through public offerings.

December

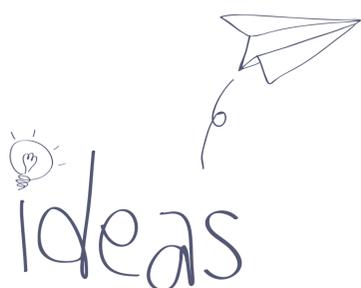
13

Saturday



15CA/CB & Basics of DTAA

Miss Ritika Singh and Miss Heli Parikh led a session on 15CA/CB & DTAA, focusing on foreign remittance compliance and mitigating double taxation through accurate cross-border reporting.



Inside M&R

December

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Saturday



Change Management

Ms. Aditi Deshpande-Dixit led a session on Change Management, introducing Lewin's Model—Unfreeze, Change, Refreeze. It emphasized preparing people, guiding with clear leadership, and reinforcing new behaviors for lasting impact.

December

20

Wednesday



Cash Flow Analysis

Mr. Sumit Agrawal led the session on Cash Flow Analysis, explaining how cash movements reveal financial health and aid liquidity, operations, and decision-making.

December

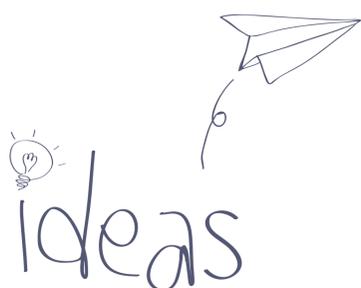
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Saturday



Christmas Day Celebrations

We celebrated Christmas Day with joy and enthusiasm, exchanging gifts that brought happiness. The festivities were filled with music, dance, and laughter, creating a cheerful atmosphere of togetherness. It was a memorable occasion that strengthened bonds and spread the spirit of Christmas.



Creative Corner

Kahani "CA Aspirant" Ki Jubani

Foundation mein toh kaam ayi class 12 ki padhai,
Par Inter mein tuitions karte karte jaan nikal aayii.

Samundar sa syllabus aur concepts ki gehrayi,
Hoti hai kya Final ke tuitions ne hume sikhayi.

Aur articleship ka ye gazab ka trend,
Chin leta hai humse har relative aur friend.

Ek mahina jo humne IT training me bitaya,
Samjho saara computer ka gyaan humne wahi pe paaya.

Aur orientation mein woh 7 din bitana,
Ek ek din jaise lagne laga tha ek zamana.

March, June aur November mein exam form bharni ki
hadbadi,
Aur phir sochna "is baar to preparation ho hi nahi paayi,
exam denge to ho jaegi gadbadi."

Exam hall se to hota hai har CA student ka naata purana,
Kaabil-e-taarif hota hai paper mein kuch na aake bhi 3
ghante lagataar pen chalana.

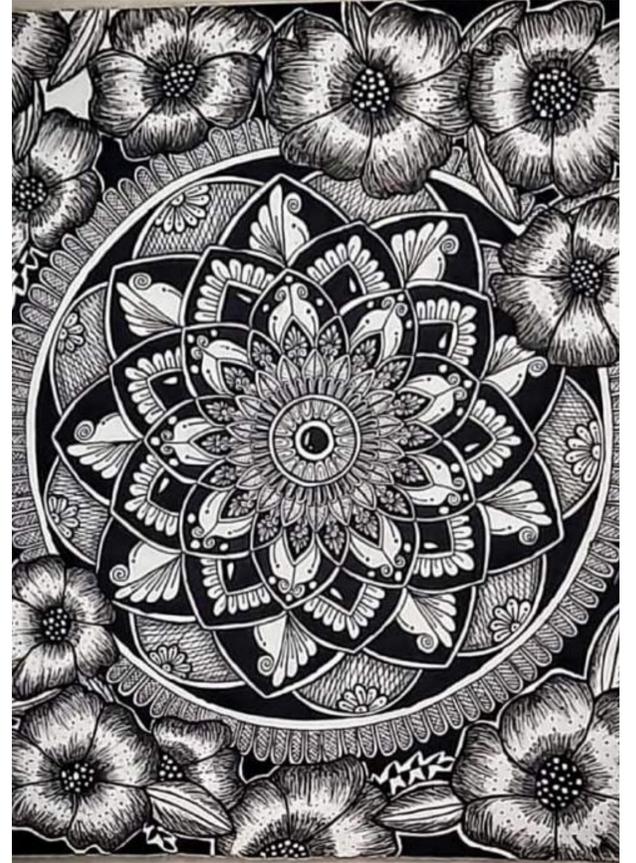
Exam centre mein ban jaate hai sab gehre dost,
Paper dekhte hi aise darr jana jaise dekh liya ho koi jaan
leva ghost!!!

Aur results ke pehle wo ek ek pal tension me bitaana,
"Next time pakka mehnat karnege" bolke bhagwan ko
manana.

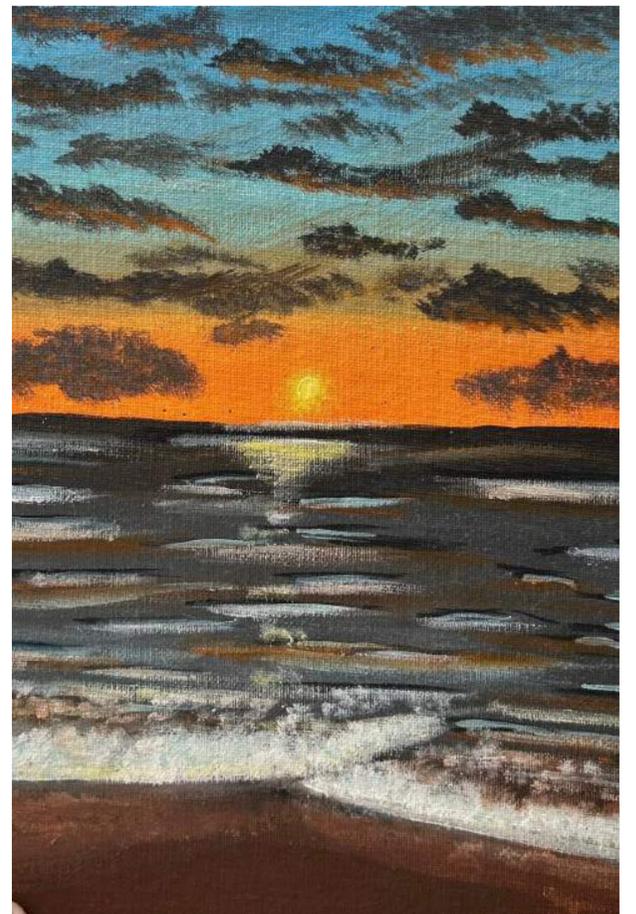
Ho gaye the jab hum padh padh ke bejaan,
Tab kaam aya GMCS aur conventions ka gyaan.

CA ke profession ko dilani hai uski prestigious pehchaan,
Chahe phir humein ek karna pade zameen aur
aasmaan!!!!

- Nilay Pancholi



- Purva Pabari



- Suhani Israni

Credits & Acknowledgements

Co-ordinated By:



CA Leena Sidana

Prepared By:



Udit Ranga



Ruhani Yadav

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