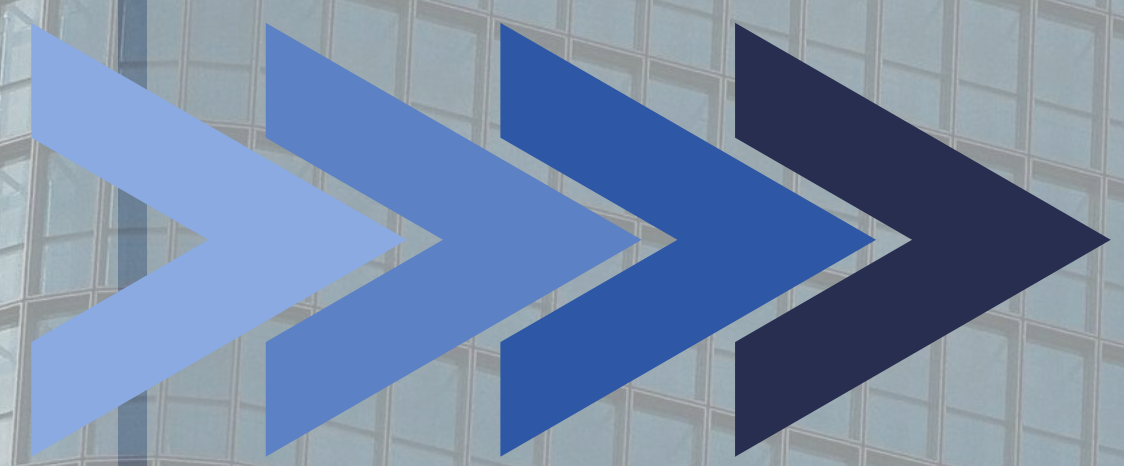




MUKUND & ROHIT

CHARTERED ACCOUNTANTS



M&R

CONNECT

MAY 2026

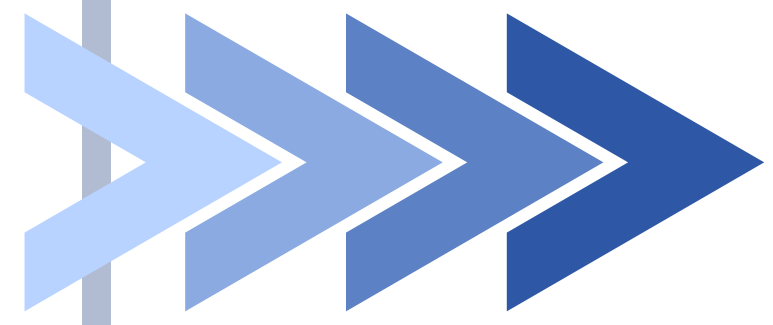


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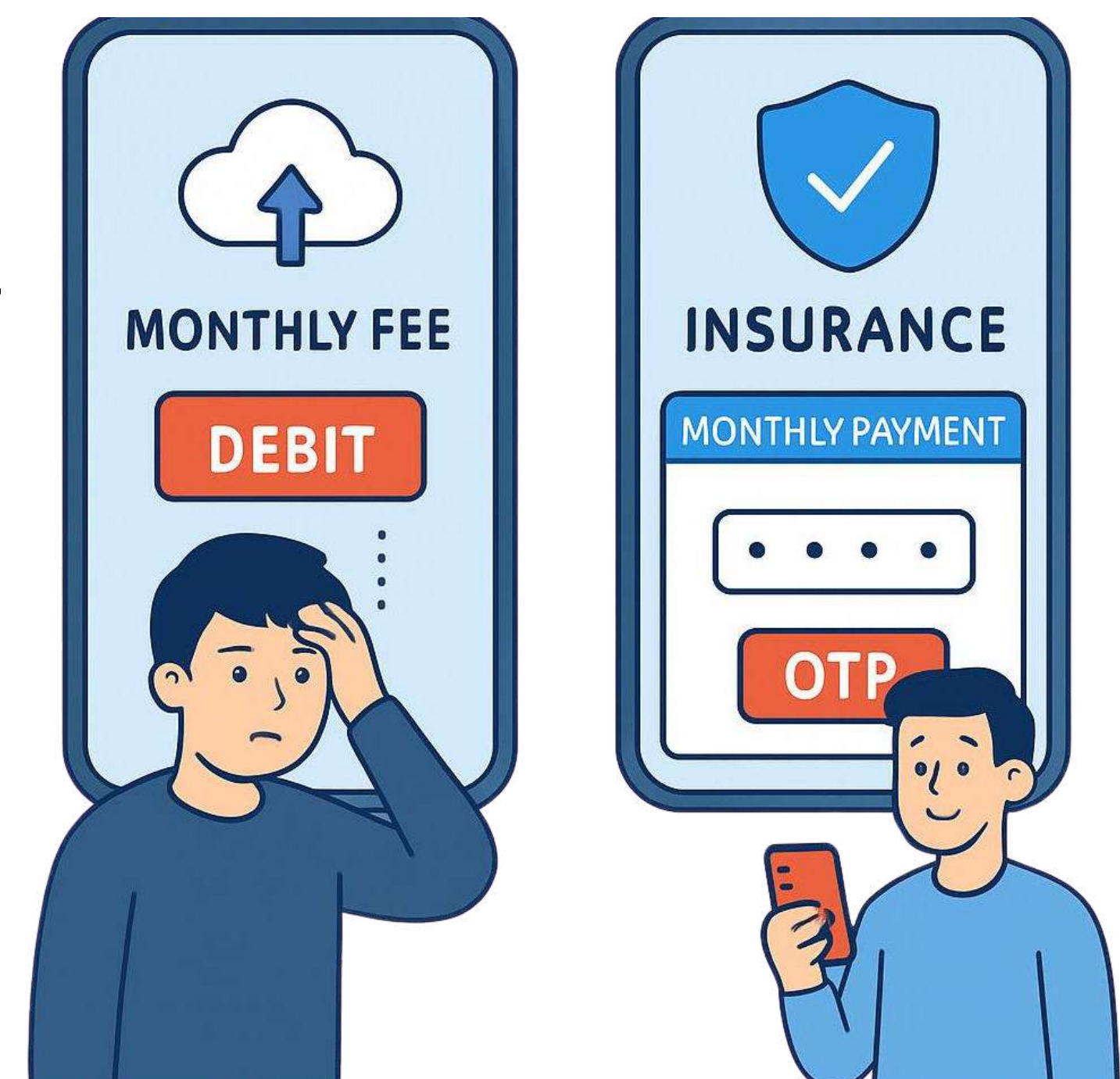
RBI's New Rules for Recurring Payments

“Making Auto-Pay Safer, Smarter & Simpler”

Imagine you subscribed to a **cloud storage app** for a **monthly fee**. Later, you no longer need the service, but because **autopay was enabled** and you forgot to cancel it, the amount continues to get **debited automatically** from your account. What if it was a **significant amount**—a worrying situation, isn't it?

At the same time, suppose you pay an **insurance premium** of **₹20K every month** through **autopay**. Yet, each month you are still required to enter an **OTP** to complete the payment. One may naturally wonder if approval is needed every time, what is the real benefit of **autopay**?

According to the **National Payments Corporation of India (NPCI)** data from **March 2026**, UPI AutoPay transaction have grown by **35%** year-on-year, processing over **120 million** recurring **transactions monthly**. 📈



Considering the rapid rise in recurring payments and customer concerns, **RBI** has introduced “**The Digital Payments - E-Mandate Framework**” on **21 April 2026** to make recurring payments **safer, smoother, and more customer-friendly**.

Applicability of Framework

The provisions of these Directions shall be applicable to **all Payment System Providers** and **Payment System Participants** in respect of processing of **recurring transactions, domestic or cross-border, using cards / PPI / UPI**.

₹15K / ₹1Lakh

**TRANSACTION
LIMIT**

**₹15K(Regular Recurring Payments) /
₹1Lakh(Special Category) Transaction Limit**

RBI has stated that if **auto-pay** is enabled for recurring payments that falls within the prescribed limits such transactions can be processed without entering an **OTP** or **UPI PIN** every month. The amount will be **automatically debited** from the account.

However, customers opting for the **e-mandate facility** must complete a **one-time registration**, which can be done only after successful validation of an **Additional Factor of Authentication (AFA)**, such as **OTP** or **UPI PIN**, in addition to the normal process required by the **issuer**.

Also, the **e-mandate transactions** can be for a **pre-specified fixed or variable amount**. In case of a **variable amount**, the issuer shall provide the customer with the facility to **specify the maximum value of the recurring transaction**.

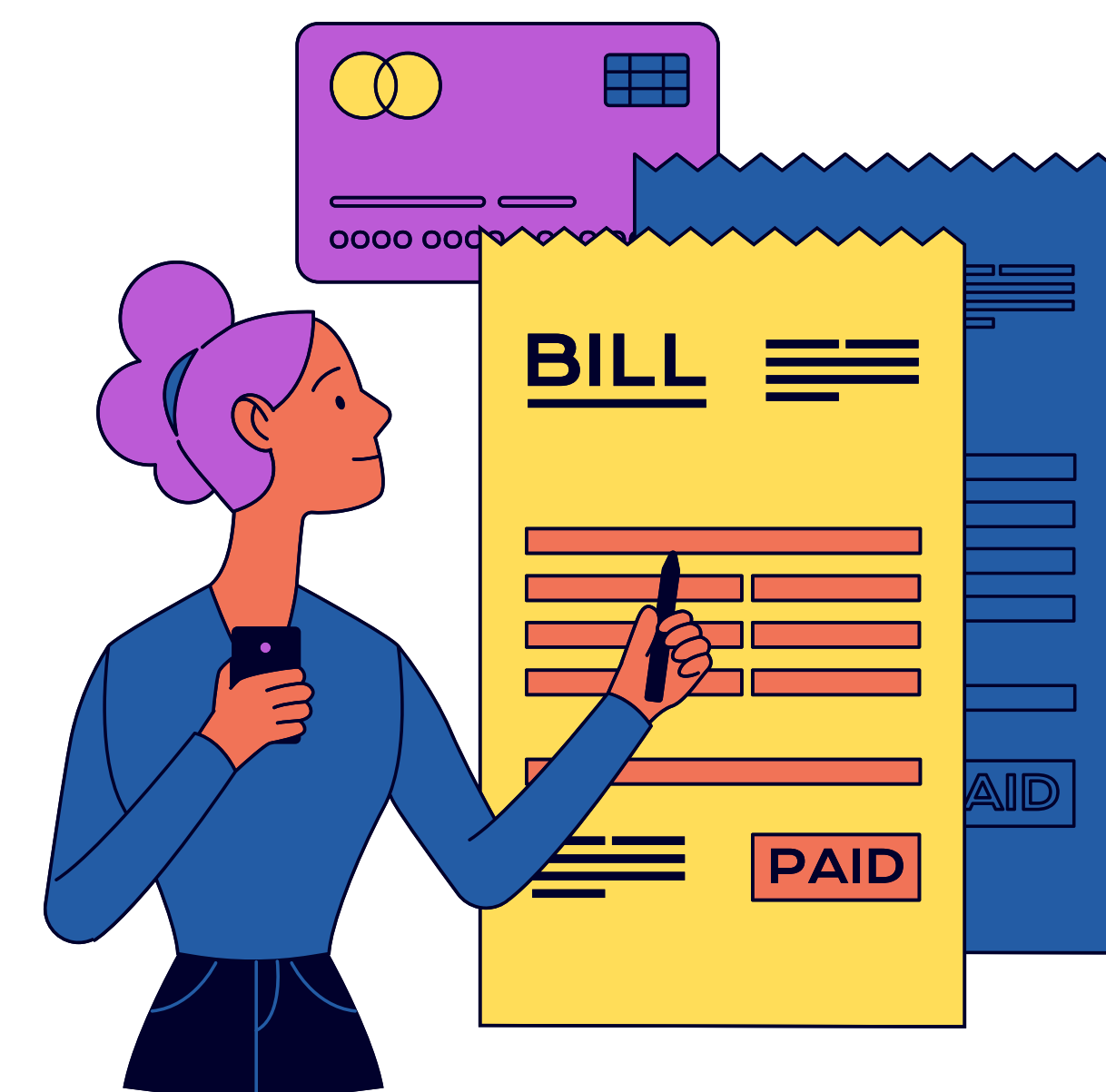
Covered Transactions.

Sr.	Upto 15K Limit	Upto 1Lakh Limit
1	OTT Subscriptions	Mutual Fund(SIPs)
2	Utility Bills	Insurance premium
3	Monthly Subscriptions	Credit Card Bills

Example for Easy Understanding

1) **Netflix subscription** of ₹649 through auto-pay may be debited **without OTP**. However, an **electricity bill** of ₹16K will **require OTP**.

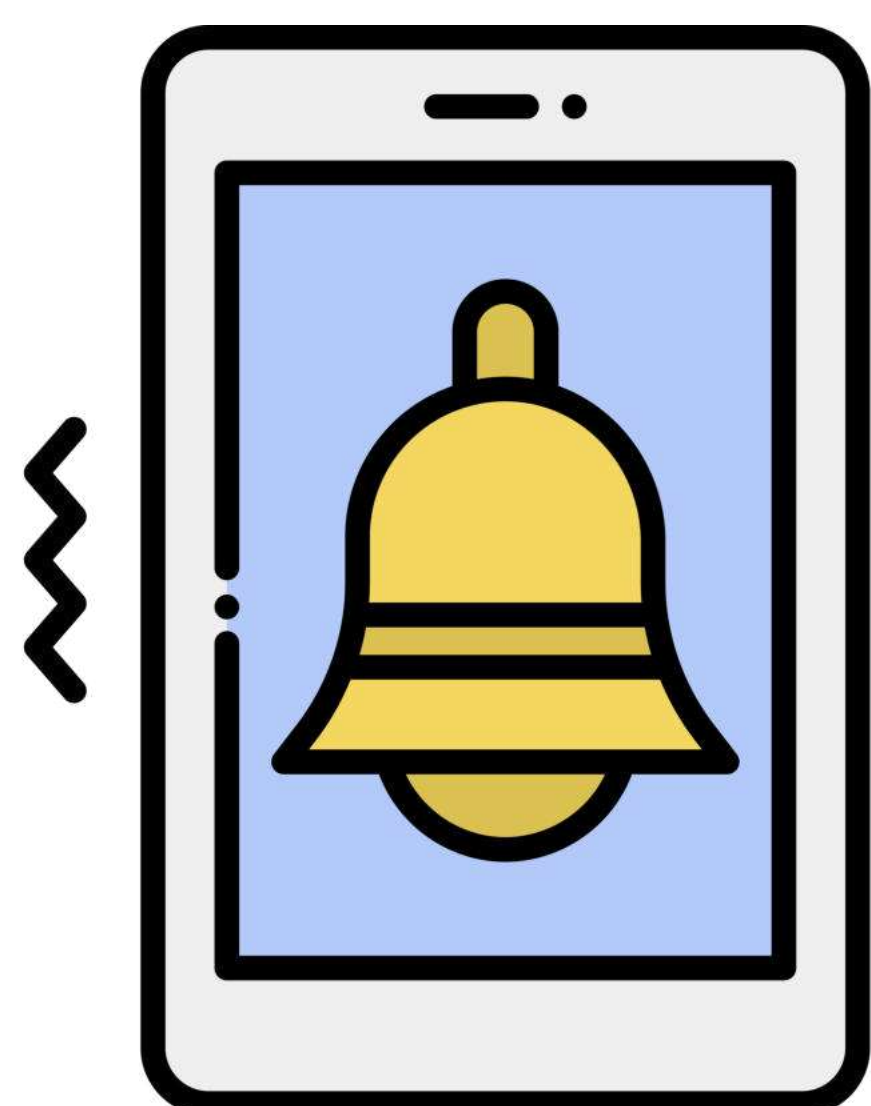
2) A monthly **insurance premium** of ₹1.20 lakh through auto-pay will **require OTP**, whereas a monthly insurance premium of ₹80K through may be debited **without OTP**.



24-Hour Pre-Debit Alert

RBI has also clarified that before deducting any amount under an auto-pay transaction, a **pre-debit message** must be sent to the customer at least **24 hours in advance**. This also gives the customer the option to **modify or cancel** the **auto-pay mandate**.

Also as per **RBI guidelines**, at the time of **first registration**, the user shall be given the facility to choose or change the mode of receiving the **pre-debit alert**, such as **Email** or **SMS**.



At minimum the Pre-Debit message shall include following

- 1) **Amount** including **date and time** of deduction.
- 2) **Reason** for deduction (recurring mandate/subscription)

However, there are **two exceptions** where the **24-hour pre-transaction alert** will **not be sent**.

- Automatic balance top-up of **FASTag**
- Automatic balance for **National Common Mobility Card (NCMC)**, a **single card** used for **multiple transport payments**.

Example:

1) If ₹649 is to be **auto-debited** for a **Netflix subscription**, a **pre-debit message** with **required details must be sent** at least **24 hours in advance**, with an option to **cancel** the said transaction **if not required**.

2) If you have enabled **AutoPay** for **FASTag balance** top-up of **₹1,500** every month, the **24-hour pre-transaction alert** will **not be sent** before the deduction.

So, Overall the framework brings greater safety, convenience, and control to customers.

Key Benefits of RBI's Initiative

- Safer recurring payments
- Better customer control over Auto-Debits.
- Seamless payments without repeated OTPs
- Greater transparency through alerts
- Improved trust in auto-pay systems



Conclusion.

The **Digital Payments - E-Mandate Framework, 2026** is a welcome step towards making recurring payments more **secure, convenient, and transparent**. As digital subscriptions and auto-pay transactions continue to rise, this framework will strengthen **customer confidence** and support India's growing **digital payment ecosystem**.

So ultimately, RBI's initiative shows that smarter payments begin with stronger protection.

For detailed information, kindly refer to **RBI Circular** dated **21 April 2026** on Digital Payments - E-Mandate Framework, 2026.:

Source: Reserve Bank of India (RBI), www.rbi.org.in

Notification Number: RBI/DPSS/2026-27/396

~Joiyeb Patel

May Financial Hygiene Checklist

Is Your Business Audit-Ready?

With most businesses having completed their **year-end financial closing**, the focus now shifts to ensuring **pre-audit readiness** in the **month of May**. This is a crucial phase to **review key financial areas**, identify gaps, and strengthen compliance before **the statutory auditors** commence their audit.

Follow this **10-point checklist** to ensure your **books** are **accurate, compliant, and audit-ready**.

✓ = Key Benefit

⚠ = Potential Risk

1. The MSME 45-Day Sweep (Sec 43B(h))

Review the ageing of creditors and ensure that payments to **MSME vendors** outstanding beyond **45 days** are identified and cleared.

✓ Supports adherence to **MSME regulations** and preserves **tax deductions**

⚠ **Failure to comply** may increase **taxable income** due to **disallowed expenses**



2. Lock in Accruals & Provisions

Ensure **March expenses** paid in April or May (electricity, telephone, internet, and audit fees) are properly provided for in the **year-end books**.

✓ Ensures **accurate financial reporting**

⚠ **Understatement of expenses** and **audit adjustments**

3. Form 26AS & AIS vs. Books

Reconcile the **TDS deducted** by your clients (showing in your **26AS/AIS portal**) against your own **accounting ledgers**. **Resolve mismatches** now to prevent painful **tax notices** later.

✓: **Smooth tax assessment** and correct credit claim

⚠ Notices, mismatches, or denial of **tax credit**

4. The Final GSTR-2B

Reconciliation Run a comprehensive, full-year reconciliation of your **purchase register** against the portal's **GSTR-2B**. May is your **last window** to chase down non-compliant vendors so you don't lose your **Input Tax Credit (ITC)**.

✓ Correct ITC claim and **GST compliance**

⚠ Loss of ITC and higher **tax liability**

5. Clean Up Suspense & Advance Accounts

Review all **pending travel** or **expense advances** given to **employees**. Ensure the bills are **submitted** and the **ledgers are zeroed out** or adjusted in the payroll.

✓ **Clean books** and better **financial clarity**.

⚠ **Audit queries** and misstatement of accounts

6.Fixed Asset Register (FAR) Update

Capitalize any pending **Capital Work in Progress (CWIP)** that was put to use before **March 31st**. Calculate and pass the final **depreciation entries** for the year.

- ✓ Accurate **asset valuation**
- ⚠ Incorrect **financial reporting**

7.Physical vs. Book Stock Adjustments

Compare your **physical inventory counts** from March 31st with the **accounting software**. Pass the necessary **adjustment entries** in May so your new year starts with **100% accurate stock** valuations.

- ✓ Reliable **inventory valuation**
- ⚠ **Discrepancies** and audit concerns

8.Bank Reconciliation Statements (BRS)

Ensure every single **uncleared cheque, unlinked RTGS transaction, or hidden bank charge** from the end of March is **completely resolved** and matched.

- ✓ Accurate **cash position**
- ⚠ **Errors, discrepancies,** or undetected issues

9.Ledger Scrutiny & Unusual Entries Review

Review key **ledger accounts** to identify any **unusual, one-time, or abnormal transactions**.

- ✓ Improves **accuracy of financial statements** and early error detection
- ⚠ Unidentified entries may lead to **misstatements** and audit queries

10.Documentation & Supporting Check

Ensure all **major transactions** are backed by proper **invoices, agreements, and supporting documents**.

- ✓ Strengthens **audit trail** and ensures smooth verification
- ⚠ Missing documents may result in **audit qualifications** or disallowances



Key Takeaway

A well-prepared **pre-audit phase** ensures a **smooth and hassle-free audit** ahead. Addressing these **key areas** in time not only **strengthens** compliance but also **builds confidence** in your financial reporting.

~Deepali Ranani

India & New Zealand: A New Chapter In Trade Relations

“India and New Zealand signed a landmark Free Trade Agreement (FTA) on 27 April 2026 at Bharat Mandapam, New Delhi.”

India has consistently expanded its global trade partnerships to accelerate economic growth, generate employment, and strengthen its position in the global economy.

After signing six Free Trade Agreements in the last five years, India has signed its **7th Free Trade Agreement with New Zealand.**

Introduction

The agreement reflects exceptional negotiation efficiency. Talks began on 16 March 2025 and concluded on 22 December 2025, making it one of India's fastest trade agreements to move from negotiation to signing.

What is Free Trade Agreement ?

A Free Trade Agreement (FTA) is a pact between countries aimed at reducing or eliminating customs duties and minimizing non-tariff barriers. It promotes smoother trade flows, encourages investments, and enhances cooperation across goods, services, and workforce mobility.

Bilateral Trade Ties

Trade between India and New Zealand has grown steadily over the past decade:

- India and New Zealand merchandise bilateral trade increased from USD 855 Million in 2015-2016 to USD 1298 Million in 2024-2025.
- New Zealand is India's second-largest trading partner in Oceania.

Key Features of FTA

• **Tariff Liberalization**

- 100% duty elimination on Indian exports to New Zealand
- Duty-free access for all 8,284 Indian products
- New Zealand's average tariff of 2.2% reduced to zero

• **Market Access Commitments**

- India offers access on 70.03% of tariff lines
- 29.97% remain protected to safeguard sensitive sectors such as Dairy, animal products, vegetable products, sugar, artificial honey, Animal, vegetable or microbial fats and oils, Arms and Ammunition, Gems and Jewellery, Copper and Articles, Aluminium and articles thereof
- 30% of tariffs eliminated immediately covering wood, wool, sheep meat, leather-raw hides etc

• **Investment Cooperation**

- A USD 20 billion investment commitment over 15 years
- Strengthens long-term economic and strategic ties

• **Service & Mobility: Expanding Opportunities**

- India has secured strong gains in the services sector, Market access across 118 service sectors
- A quota of 5,000 visas for skilled Indians for stay upto 3 years in the sectors of interest to India which include Indian iconic occupations.
- Eligible Professions Include AYUSH practitioners, Yoga instructors and Indian chefs, Music teachers, Professionals in IT, engineering, healthcare, education, and construction.

• **Enhanced Market Access for Indian Goods**

- Previously, New Zealand imposed tariffs of around 10% on several key Indian exports, including Textiles and apparel, Leather and headgear, Carpets and ceramics, Automobiles and auto components

- Under the FTA, these tariffs are eliminated, making Indian goods more competitive in the New Zealand market.
- **Agricultural Cooperation & Safeguards**
- New Zealand's market access offer covers immediate elimination of duties (zero duty) on 100% of tariff lines of New Zealand (8,284 tariff lines), from Entry into Force.

The New Zealand have agreed for

- Focused action plans for kiwifruit, apples, and honey
- Improvement in productivity, quality, and farming practices
- Promotion of premium apple cultivation and sustainable beekeeping
- Imports of sensitive products such as apples, kiwifruit, and Manuka honey will be regulated through
 - 1) Tariff Rate Quota (TRQ) system
 - 2) Minimum Import Price (MIP)
 - 3) Seasonal import controls

- **Conclusion**

This FTA is more than a trade agreement—it is a strategic economic partnership

- **For India:**

- Boosts exports and MSME growth
- Enhances employment opportunities
- Improves access to Oceania and Pacific Island markets
- Attracts foreign investment
- The agreement is expected to come into force once both India and New Zealand formally initiate and complete the necessary processes to bring it into effect.
- By reducing trade barriers and fostering mutual investment, both nations stand to benefit across sectors such as agriculture, technology, and services.

Source- TOI, PIB

~ Mahek Agrawal

Compliance Calendar for May'26

TDS/TCS

07 th May 2026	Payment of TDS/TCS for April 2026
15 th May 2026	TCS Quarterly Statements for Jan to March 2026
15 th May 2026	Issue of TDS Certificates for tax deducted u/s 393 (Old Act u/s 194-IA/IB/M/S) in March 2026
30 th May 2026	Issue of TCS Certificate for Jan to March 2026 by all collectors
30 th May 2026	Deposit TDS for April 2026 under section 393 (Old Act u/s 194-IA/IB/M/S) with challan-cum-statement
31 st May 2026	TDS Quarterly Statements (Other than Government Deductor) for Jan to March 2026

FEMA

7 th May 2026	ECB-2 Return - By Borrowers of ECB through AD Bank for April 2026
30 th May 2026	Form OPI needs to be filed for reporting of Overseas Portfolio Investments undertaken for the half year ending 31 st March 2026.

Your paragraph text



Compliance Calendar for May'26

Income Tax

31 st May 2026	SFT for FY 2025-26
31 st May 2026	E-filing of Annual Statement of Donation & Donors in Form 10BD
25 th May 2026	Statement of Specified Financial Transactions (Including FATCA/CRS) for FY 2025-26 in Form 61A/61B

GST, Indirect Taxes & Corporate and Allied Laws

10 th May 2026	Details of supplies effected through e-commerce operator & the amount of tax collected-GSTR 8 for April 2026
10 th May 2026	Return for authorities deducting tax at source- GSTR 7 for April 2026
11 th May 2026	Details of outward supplies of taxable goods and/or services effected - GSTR 1 for April 2026
13 th May 2026	Invoice Furnishing Facility (IFF) for April 2026 in lieu of GSTR 1 for QRMP Filers
13 th May 2026	Return for Input Service Distributor- GSTR 6 for April 2026
13 th May 2026	Return for Non- resident foreign taxable person- GSTR 5 for April 2026
15 th May 2026	P.F. & ESIC - payment for April 2026

Compliance Calendar for May'26

GST, Indirect Taxes & Corporate and Allied Laws	
20 th May 2026	GSTR 3B for April 2026 if aggregate turnover above Rs. 5 crore (Regular Taxpayers)
20 th May 2026	Return for OIDAR Service Provider- GSTR 5A for April 2026
22 nd May 2026	GSTR 3B for April 2026 if aggregate turnover below Rs. 5 crore (Note 1 - Jan)
24 th May 2026	GSTR 3B for April 2026 if turnover below Rs. 5 crore (Note 2 - Jan)
25 th May 2026	Monthly Payment for April 2026 through Challan PMT 06 for QRMP filers
30 th May 2026	(Co Law) LLP - Form 11 Annual Return for Financial Year 2025-26
30 th May 2026	Prof. Tax - monthly return tax liability of Rs. 1,00,000/- & above for April 2026

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

The New Income Tax Act 2025 TDS/ TCS Section Amendments- Quarterly returns forms

10th April 2026

Mr. Faizanmahdi Daredia conducted a session on changes in provisions of TDS and TCS under new Income Tax Act, 2025 with very nice presentation.



Presumptive Taxation, Changes in Forms, SFT and Advance Tax

11th April 2026

Ms.Mansi Nagar and Ms.Mansi Lad led a session on New Income Tax Act, 2025 highlighting the basic changes in the Sections, Due Dates for filing forms and changed names of the forms.



Detail Analysis of Section 36, 37 and 43B

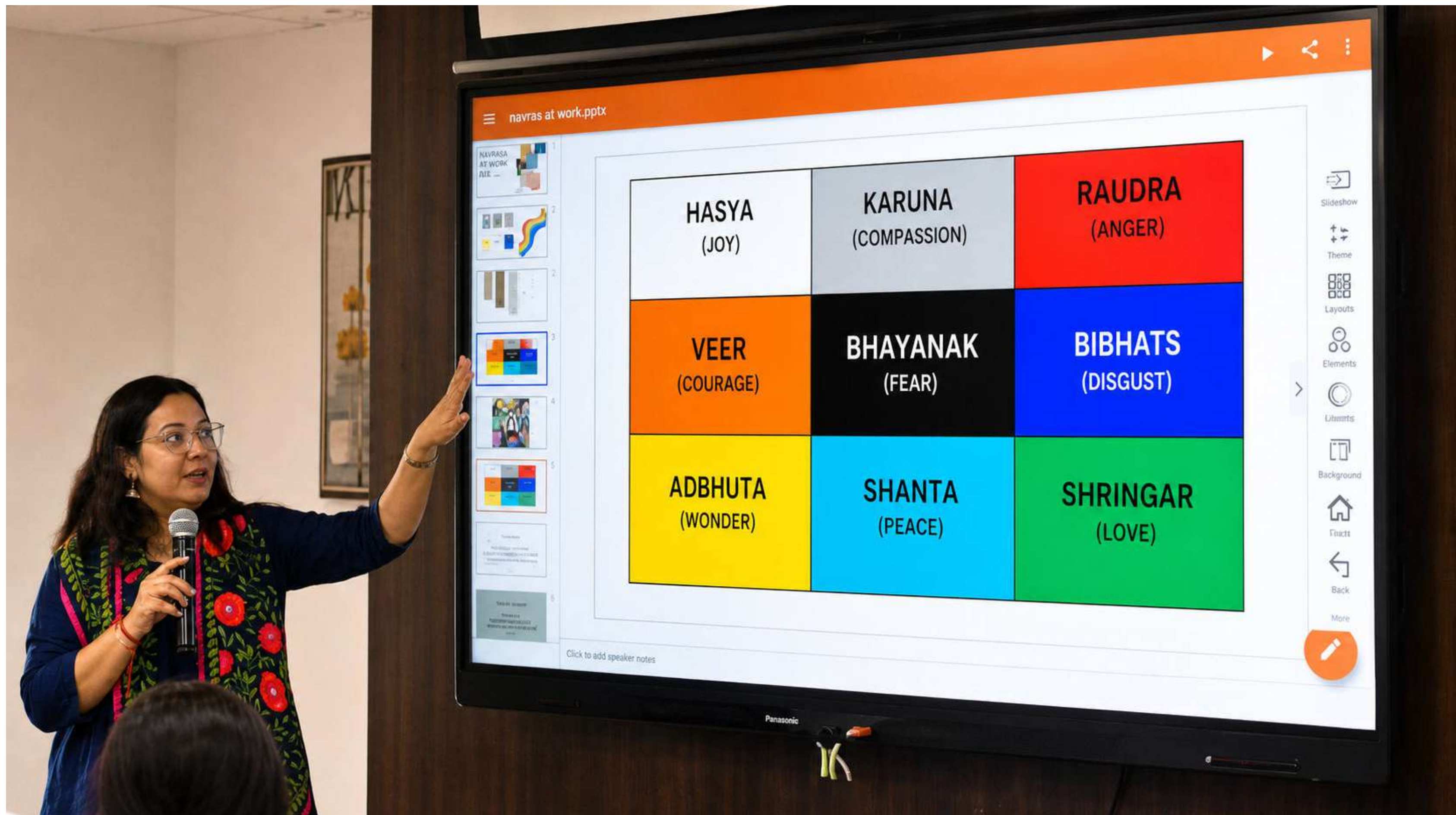
18th April 2026

Ms.Sanjana Gindani and Ms.Mahek Agrawal led a session on making these sections understandable and than comapring it with the New Sections of Income Tax Act, 2025. It was basically a session of Deductions, Disallowances in income tax act.



Inside M&R

Navrasa - Emotional Intelligence with a Difference



Mukund & Rohit recently hosted an insightful session on “Navrasa - Emotional Intelligence with a Difference” by Ms. Aditi Deshpande on 14 April 2026 at ICAI Bhawan.

The workshop beautifully connected emotional intelligence with the concept of Navrasa, highlighting how emotions influence communication, behaviour, leadership, and decision-making in the workplace. It offered a fresh perspective on understanding emotional responses in professional settings.



Through practical examples, interactive discussions, and relatable workplace situations, participants gained valuable insights on responding with empathy, managing workplace dynamics, improving self-awareness, and building stronger communication skills.

Our partners, employees, executives, and articles thoroughly enjoyed the session and gained meaningful learnings, making it a highly engaging, enriching, and memorable experience for everyone present.

Inside M&R

Different games were played during the session, one of which demonstrated how communication can change as it passes from one person to another. It highlighted that when a message moves through a chain of 7-8 people without proper clarity, even a



meaningful sentence can get distorted into something the original initiator never intended or expected.



We sincerely thank Ms. Aditi Deshpande and her team for conducting such an enriching session, and we look forward to many more wonderful and insightful sessions with her in the future.

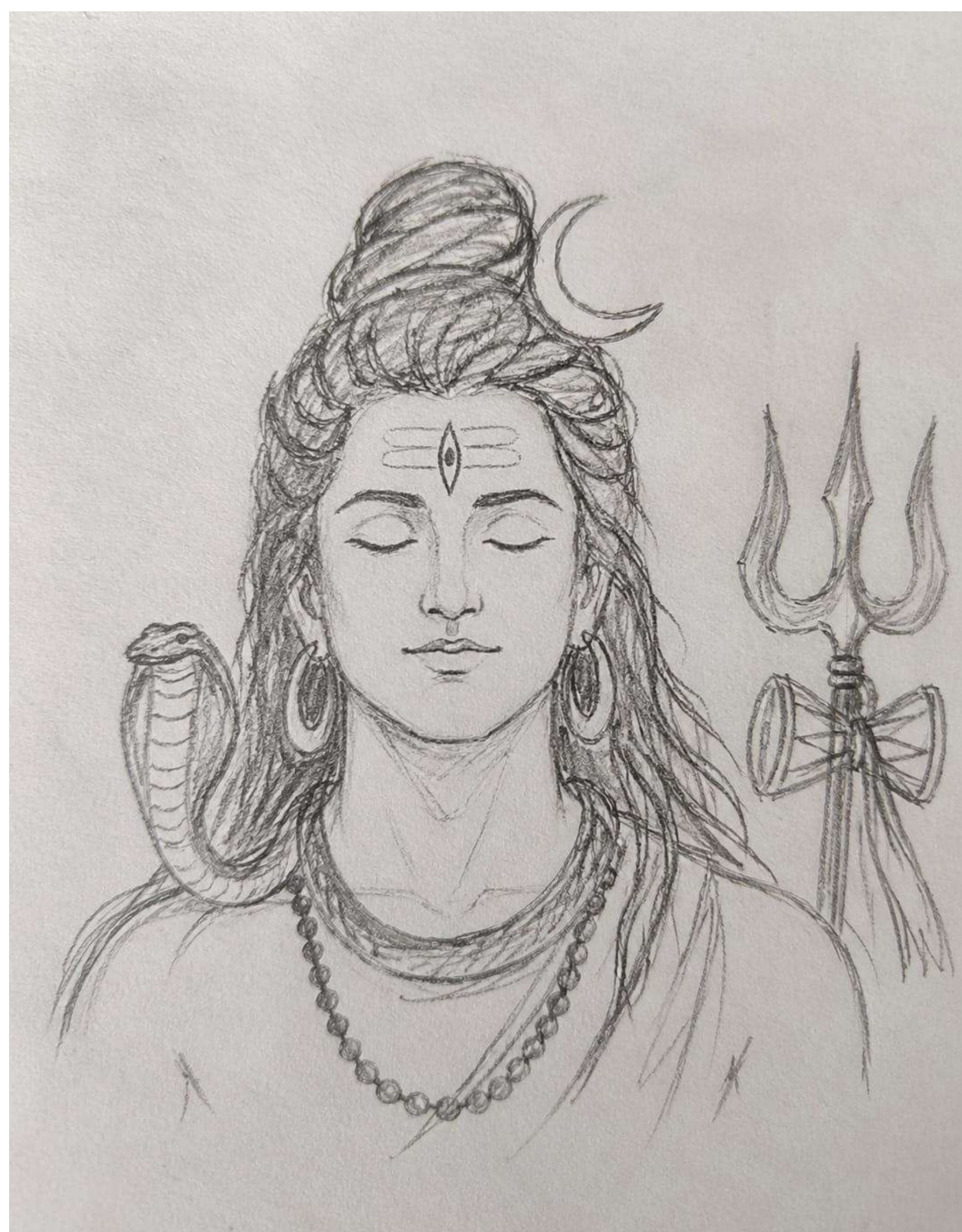
Think Tank: Creative Edition



~ Mansi Nagar



Suhani Israni ~



~ Nilay Pancholi

Credits & Acknowledgements

Co-ordinated By:



Heli Oza

From the desk of chaos:



Mahek Agrawal



Deepali Ranani



Joiyeb Patel

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