

# NEWSLETTER

JUNE 2025



On the ever-shifting chessboard of global economies, **India made its move and claimed the fourth square**-overtaking Japan with a GDP of \$4.19 trillion, fueled by a thriving services sector, resilient industry, and bold reforms. With digital strides, infrastructure booms, and the quiet rise of smaller cities, the nation proved it's not just growing-it's **awakening with intent and unstoppable momentum.**



And in the corridors of compliance and creativity, **Mukund & Rohit lit up the stage** - with courtroom triumphs, intellectual accolades, and a team that balances ledgers by day and crafts heart out by dusk. A firm, after all, isn't built on numbers alone, but on **grit, grace, and a soul that dares to dream beyond deadlines.**



The **Reserve Bank**, ever the silent operator of financial moods, snipped repo and CRR rates with precision, declaring victory over inflation and gifting the economy a renewed pulse - while taxpayers, once racing the clock, found comfort in a postponed deadline and newly released ITR tools that speak the language of convenience.





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# India Overtakes Japan to Become Fourth-Largest Economy

India’s gross domestic product has surged past the USD 4 trillion milestone, making the country the world’s 4th-largest economy and has surpassed Japan. Official projections from the IMF’s April 2025 World Economic Outlook show India’s GDP reaching about \$4.19 trillion in 2025, fractionally above Japan’s \$4.186 trillion.

Rank	Country	GDP (UDS in Trillion)
1	United States	30.51
2	China	19.23
3	Germany	4.74
4	India	4.19



## Sectoral Performance:

India’s growth is underpinned by a diverse economic base. As of 2023–24, services account for roughly 55% of GDP (GVA), industry about 28%, and agriculture about 18%. The services sector has long been the largest contributor, buoyed by finance, telecom, and professional services. According to the latest Economic Survey, in FY 2024–25 services output grew about 7.2%, industry 6.2%, and agriculture 3.8%.

Key industries showed strength: manufacturing output jumped over 4% year-on-year in Q4, and construction activity surged roughly 11%. Robust public infrastructure spending and resilient domestic demand underlie these gains.



Sector	Share of GDP (F.Y. 2023-24)	Growth in GDP (F.Y. 2024-25)
Services	54.7%	7.2%
Industries	27.6%	6.2%
Agriculture	17.7%	3.8%



# ITR Updates

## ITR Filing Deadline Extended to September 15, 2025

The Central Board of Direct Taxes (CBDT) has extended the due date for filing Income Tax Returns for the Financial Year 2024–25 (Assessment Year 2025–26) from the original deadline of July 31, 2025, to September 15, 2025. This extension aims to provide taxpayers with additional time to comply with the updated requirements.



## Release of ITR-1 and ITR-4 Utilities

The Income Tax Department has released the Excel utility versions of ITR Forms 1 and 4 for Assessment Year 2025–26. These tools are now available for download on the official income tax e-filing portal, allowing eligible taxpayers to start preparing their income tax returns for FY 2024–25. For Utility, visit e-filing portal.

## RBI SLASHES REPO BY 50 BPS, CRR BY 100 BPS

In a decisive move to boost economic growth, the Reserve Bank of India on June 6 slashed its repo rate by 50 basis points to 5.50 %, and cut the Cash Reserve Ratio (CRR) from 4.00 % to 3.00 %-a cumulative 100 bps repo reduction in 2025. In a simultaneous shift, the RBI changed its monetary stance from "accommodative" to "neutral", signaling a data-dependent pause on future rate cuts



RBI Governor Sanjay Malhotra described the rate cut as a front-loaded policy action: “We have won the war against inflation,” pointing to a comfortable CPI forecast of 3.7 % for FY 26 and sustained GDP growth around 6.5 %. Emphasizing global economic uncertainties, he indicated that further policy moves would hinge on incoming data

Aspect	Before
Repo rate	6.00%
CRR	4.00%
Monetary stance	Accomodative
EMIs/Loan Rates	Higher
FD/Saving Returns	Higher

## A Moment of Pride for Our Fraternity

When a client brought forth a complex matter, **CA Hemant Suthar** took it upon himself to delve deep into its legal and financial intricacies. With his signature analytical sharpness, he examined the case meticulously and offered profound insights that shaped its course.



### Facts of the Case

- The assessee did not file a return of income for the relevant year and had sold an immovable property in which he was a one-third co-owner. The Stamp Duty Value (SDV) of the property was twice the value declared in the sale deed.
- Due to the assessee's non-attendance during assessment proceedings, the Learned Assessing Officer (Ld. AO) passed an ex-parte assessment, invoking Section 50C and making an addition accordingly.
- In addition to this, there was huge cash / cheque deposit in the bank accounts of the assessee which has also been added to the total income of the assessee.
- At the first appellate stage, the assessee filed additional evidence in support of the cash / cheque deposit and the justification for the matter be referred to the District Valuation Officer (DVO) for a fair market valuation.
- However, the Learned Commissioner of Income Tax (Appeals) [Ld. CIT(A)] rejected this plea, stating that since no such request was raised during the assessment, it cannot be entertained at the appellate level. The appeal was dismissed, prompting escalation to the Hon'ble Tribunal.



## Arguments Before the Tribunal

a. Addition applying provisions of Sec. 50C

Two main contentions were advanced:

2. The powers of the Ld. CIT(A) are co-terminus with those of the Ld. AO, hence the request for DVO reference could very well have been allowed at the appellate stage.
3. Since the additional evidences were forwarded by CIT(A) to the AO for comments, it implicitly amounted to a DVO referral request to the AO too. Dismissing the appeal on this ground was therefore legally flawed.

B) Addition on account of unexplained Cash and Bank Deposits

The assessee is engaged in the business of cheque / cash discounting and shroff activities and therefore, he is earning only commission income which is to the extent of 2 / 3% of the amount deposited in bank accounts.

## Tribunal's Ruling

a. Addition applying provisions of Sec. 50C

The Hon'ble Tribunal accepted both arguments, holding that:

- The Ld. CIT(A) indeed holds powers co-extensive with the AO, and
- The act of forwarding additional evidence for AO's comments implied consideration of the DVO reference.

As a result, the matter was set aside to the Ld. AO with directions to:

- Refer the case to the DVO for fair market valuation, and
- Recalculate the disallowance under Section 50C accordingly.

B) Addition on account of unexplained Cash and Bank Deposits

Hon'ble Tribunal has accepted the contention of the assessee and directed the Ld. AO to adopt commission @ 3% only. The major relief is restricting the addition of cash / bank deposit to the extent of 3% instead of 100%

## A Moment Etched in Print

What makes this moment even more special is that **CA Hemant Suthar's case has been reported in *Taxmann***, one of India's most respected and widely read tax publications. This recognition is not just a personal milestone but a **testament to the depth of insight and legal precision** that our profession can offer-bridging **practice and academic contribution**.

JUNE, 2025

COMPLIANCE CALENDER

TDS/TCS

7	Payment for May 2025
14	Issue of TDS Certificates for tax deducted u/s 194-IA, 194-IB, 194M in Apr 2025 and non-salary TDS return
14	Certificates for Non-salary TDS returns
15	Certificate of tax deducted at source from any income (other than salary and deduction of tax in case of specified citizens) for the quarter ending 31 Mar 2025 both for the deductor who is the officer of the Government and other deductor [Rule 31(1)(b)]
15	Certificate of tax deducted at source to be given to employee in respect of salary paid and tax deducted during financial year [Rule31(1)(a)]
30	Deposit of TDS u/s 194-IA on payment made for purchase of property in May 2025 in Form 26QB
30	Deposit of TDS u/s 194M for May on payments made to resident contractors or professionals greater than 50 lacs pa by individual/HUF not subject to tax audit in Form 26QD

FEMA

7	ECB-2 Return – By Borrowers of ECB through AD Bank for May 2025
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Income Tax

15	Furnishing of statement (in Form No. 64D) of income paid or credited by an investment fund to its unit hold for the previous year 2024-25
15	Advance Tax – 1st Instalment (Upto 15%) for A.Y. 2026-27
29	Statement (in Form No. 3CEK) by an eligible investment fund under section 9A in respect of its activities in financial year



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COMPLIANCE CALENDER

Income Tax

30	Report by an approved institution/public sector company under section 35AC(4)/(5) for the year ending Mar 31
30	Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) in case of Non-Audit Trusts
30	Furnishing of Equalization Levy statement for the Financial Year 2024-25

GST, Indirect Taxes & Corporate and Allied Laws

10	Return for authorities deducting tax at source – GSTR 7 for May 2025
10	Details of supplies effected through e-commerce operator and the amount of tax collected - GSTR 8 for May 2025
11	Details of outward supplies of taxable goods and/or services effected – GSTR 1 for May 2025
13	Invoice Furnishing Facility (IFF) for May 2025 in lieu of GSTR 1 for QRMP Filers
13	Return for non-resident foreign taxable person – GSTR 5 for May 2025
13	Return for Input Service Distributor – GSTR 6 for May 2025
20	GSTR 3B for May 2025 if aggregate turnover above Rs. 5 crores
20	Return for OIDAR Service Provider – GSTR 5A for May 2025
22	GSTR 3B for May 2025 if aggregate turnover below Rs. 5 crore (Note 1)
24	GSTR 3B for May 2025 if turnover below Rs. 5 crore (Note 2)



JUNE, 2025

# COMPLIANCE CALENDER

GST, Indirect Taxes & Corporate and Allied Laws

25	Monthly Payment for May 2025 through Challan PMT 06 for QRMP filers
30	Prof. Tax – Monthly Return Tax Liability of Rs. 1,00,000/- & above for May 2025
15	P.F. & ESIC – Payment for May 2025
30	S.T.T. – Return in respect of securities transaction tax for the financial year 2024-25

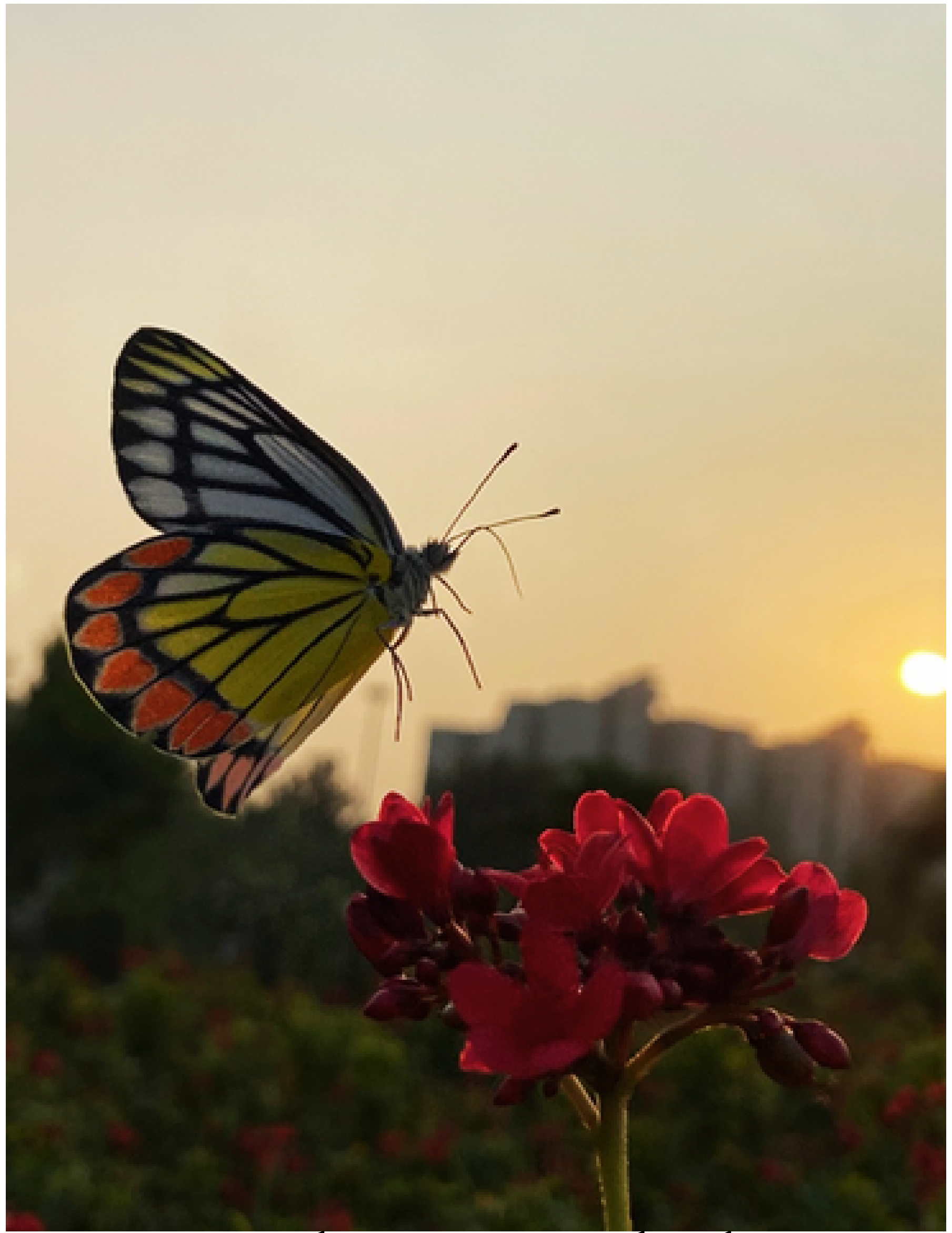
Note 1	For Andaman & Nicobar Islands, Andhra Pradesh, Chhattisgarh, Dadra & Nagar Haveli, Gujarat, Goa, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Puducherry, Tamil Nadu, Telangana
Note 2	For Rest of India



# CREATIVE CORNER



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# NEWSLETTER CREDIT



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