

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 424/Coch/2025
Assessment Year: 2013-14**

Ayyappan Pillai Anjana Pillai, Appellant
II/173 A & A Enterprises,
NH bye pass, Maradu P.O.
Jaya Nagar, Kochi- Ernakulam.
[PAN: AINPA 6625 J]

vs.

ITO, Non-corporate Ward-1(1), Respondent
Kochi

Appellant by: Smt. Divya Ravindran, Advocate
Respondent by: Smt. Leena Lal, Sr. DR

Date of Hearing: 13.06.2025
Date of Pronouncement: 31.07.2025

ORDER

This appeal filed by the assessee is directed against the order of the ADDL/JCIT(A)-2, Noida [CIT(A)] dated 30.03.2025 for Assessment Year (AY) 2013-14.

2. Brief facts of the case are that the assessee is an individual engaged in the business of trading and consignment sale agency of pharmaceutical products under the name and style "A & A Enterprises". The return of income for the A.Y. 2013-14 was filed

on 09.09.2013 declaring income of Rs. 3,11,700/-. Against the said return of income, assessment was completed by the ITO, Non-corporate Ward-1(1), Kochi (hereinafter called "the AO") at a total income of Rs. 9,05,374/-. While doing so, the AO made the addition on account of unexplained cash credit of Rs. 8,84,302/- for failure of the assessee to discharge the onus of proving genuineness, creditworthiness and identity of the loan creditors. Similarly, the AO also made *ad hoc* disallowance @ 25% of car expenses of Rs.21,072/-.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the assessee is in appeal before the Tribunal in the present appeal.

5. It is submitted that a sum of Rs. 8,84,302/- does not represent loans borrowed by the assessee, but the payments made by the customers to A & A Enterprises instead of Hindusthan Agencies. Thus, credits were annulled through general entries, therefore, no addition should have been made. It is further submitted that no order for disallowance of car expenses can be made in absence of evidence to show that car was used for personal purpose.

6. On the other hand, Id.DR supported the orders of the lower authorities and requested no interference is called for.

7. I have heard rival submissions and perused the material on record.

8. The issue that arises for my determination is whether Ld.CIT(A) was justified in confirming the assessment order passed, whereby the AO made the addition of Rs. 8,84,302/- for failure of the assessee to discharge the onus of proving credits. However, during the course of proceedings before this Tribunal, the assessee made a submission that the said credit represents the amounts remitted by one of the customers to the assessee wrongly instead of remitting to Hindusthan Agencies company and subsequently, this credit was rectified by passing general entries. This explanation requires verification, therefore, I remand the matter back to the AO. Similarly, as regard to the disallowance of car expenses, I hold in absence of any evidence on record to show that car was used for personal purpose, no disallowance can be made. Therefore, this disallowance requires to be deleted. Accordingly, I do so.

9. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

10. Order pronounced in the open court on 31st July, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 31st July, 2025

vr/-

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin