

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

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SHRI MANU KUMAR GIRI, JM**

**ITA No. 771/Coch/2025  
Assessment Year: 2008-09**

KUTHUR JOHNY VINUFRANCIES ..... Appellant  
Kuthur House Rice Bazar,  
Thissur, Thissur-680001, Kerala  
[PAN: ABKPV8370M]

vs.

Income Tax Officer, WARD-2(3), Thrissur ..... Respondent

Assessee by: None  
Revenue by: Smt. Leena Lal, Snr AR

Date of Hearing: 06.11.2025  
Date of Pronouncement: 28.11.2025

**ORDER**

**PER MANU KUMAR GIRI, JM:**

The captioned appeal filed by the assessee is directed against order of the Ld. Commissioner of Income Tax (Appeal)/NFAC, Delhi ['CIT(A)' in short] dated 25.08.2025 for Assessment Year 2008-09.

2. Brief facts of the case are that the Assessing Officer (AO) made an addition on account of alleged unexplained loans received by the assessee during the previous year relevant to A.Y. 2008-09, treating the same as non-genuine in the absence of satisfactory evidence of identity, creditworthiness, and genuineness of lenders.

The assessee had submitted before the AO and later before the Id.CIT(A) that several amounts appearing as “loans” were actually old balances or trade-related payables, not loans. The Id. AR stated that certain entries (e.g., VJ Appliances, K.P. Johny) related to earlier financial years and therefore could not be assessed in A.Y. 2008-09. The amount shown against A4 Design & Solutions (Rs. 149,350) pertained to services rendered and was mistakenly reflected due to a typographical error. He furthermore submitted that the assessee submitted confirmations, bank statements, and explained that certain entries were created by account-payee cheques and not cash. For the remaining loans amounting to approximately Rs. 33 lakhs received during FY 2007-08, the assessee claimed to have submitted confirmation letters and supporting evidence.

3. The Id.CIT(A), after detailed examination of books, confirmations, dates of receipts, and the assessee's submissions, held that the Loans from VJ Appliances and K.P. Johny amounting to Rs. 145,493 pertained to earlier financial years and could not be added in A.Y. 2008-09. Also amount due to A4 Designs & Solutions (Rs. 149,350) represented liability for services, and no loan had been credited in the books during the relevant period. Accordingly, the CIT(A) deleted additions of Rs.2,94,843/-. However, for the remaining loans received in FY 2007-08, the assessee failed to furnish complete bank statements and ITRs of lenders despite specific opportunity under Section 250 of the Act. Therefore, the CIT(A) held that assessee did not fully

establish creditworthiness and genuineness, and hence restricted the disallowance to Rs.33,00,000/- only, sustaining the AO's action to that extent.

4. The assessee is aggrieved by partly sustaining of the addition hence filed appeal before this Tribunal.

5. We have carefully considered the rival submissions and examined the record. Regarding loans relating to earlier years, the CIT(A) has categorically verified the dates of the alleged loan entries and established that VJ Appliances (Rs.10,493/-) was opening balance of 2004 and K.P. Johny (Rs.135,000/-) was received in 2006. These do not pertain to FY 2007-08, and therefore cannot be assessed as unexplained credits u/s 68 in A.Y. 2008-09. We therefore, find no infirmity in the deletion of additions relating to these items.

6. Regarding amount payable to A4 Design & Solutions, the CIT(A) properly appreciated that the amount was not a loan, but a trade liability for services rendered, and that the entry was not credited in the books during FY 2007-08. The AO was therefore incorrect in treating it as unexplained loan. This factual finding is uncontroverted. We uphold the deletion.

7. Regarding loans received during FY 2007-08 amounting to approx. Rs.33 lakhs, the CIT(A) has given a detailed finding that the assessee was afforded opportunity through notice under Section 250 dated 08.08.2025 to furnish ITRs and bank

statements of the lenders. The assessee failed to furnish the ITRs of lenders, which are crucial to establish creditworthiness. Confirmations alone, without supporting bank statements and ITRs, were insufficient.

8. The CIT(A) therefore restricted the addition to Rs.33,00,000/- which in our view is fair and reasonable. The assessee has shown partial compliance but not full discharge of the onus under Section 68. The assessee has not demonstrated how the CIT(A)'s estimation is perverse or unreasonable.

We therefore find no reason to interfere with the CIT(A)'s well-reasoned conclusion.

9. In light of the above discussion, we hold that the order of the CIT(A) is based on correct appreciation of facts and law. The Revenue has failed to bring any material to justify interference.

10. In the result, the appeal of the assessee is dismissed.

Order pronounced on 28<sup>th</sup> November 2025 at Cochin.

**Sd/-**

**(INTURI RAMA RAO)  
ACCOUNTANT MEMBER**

**Sd/-**

**(MANU KUMAR GIRI)  
JUDICIAL MEMBER**

Cochin, Dated: 28<sup>th</sup> November, 2025

*EDN*

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
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Assistant Registrar  
ITAT, Cochin