

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

**Before Shri Inturi Rama Rao, Accountant Member &  
Shri Sonjoy Sarma, Judicial Member**

**ITA Nos.65 &66/Coch/2024  
Assessment Years: 2013-14 & 2016-17**

<b>Sreepathy Trust</b>  25/1191, Thekkeswamiyar Madom Thekke Madom Road, Thrissur. <b>PAN : AAHTS1643N.</b>	v.	<b>DCIT, Exemption, Circle, Kochi</b>
(Appellant)		(Respondent)

Appellant by : None  
Respondent by : Smt. Leena Lal, Snr AR.

Date of Hearing : 04.06.2025  
Date of Pronouncement : 12.06.2025

**ORDER**

**Per Bench:**

These two appeals by the assessee are directed against the orders both dated 17.08.2023 of the Commissioner of Income Tax (Appeals) passed for the assessment years 2013-14 and 2016-17 respectively. Since the issues involved in both appeals are identical except for the difference in figures and assessment years, these appeals were heard together and are being disposed of by this consolidated order for the sake of convenience. First, we take ITA No.65/Coch/2024 for narration of facts.

2. ITA No.65/Coch/2024 - Facts of the case are that the assessee is a trust registered under Section 12AA of the Income-tax Act, 1961 (hereinafter "the Act"). The original assessment for AY 2013-14 was completed under Section 143(3) on 28.03.2016.

However, the case of the assessee was reopened under Section 147 of the Act based on information received regarding certain cash credits that remained unexplained. Pursuant to the reopening, a notice under Section 148 was issued, and in response to the same, the assessee filed a return of income on 18.04.2018. Notices under Sections 143(2) and 142(1) were issued, to which the assessee complied by furnishing certain details. During the reassessment proceedings, the Assessing Officer (AO) specifically asked the assessee to furnish complete details of persons from whom loans or advances had been received. This included names, addresses, dates, amounts, modes of receipt/payment, and bank statements. In response, the assessee submitted a list of such persons. However, according to the AO, many of these submissions lacked corroborative evidence such as bank account statements or balance sheets of the creditors. Accordingly, the Assessing Officer made an addition of ₹1,37,19,323 to the returned income under Section 68 of the Act, treating the same as unexplained cash credit. The reassessed total income was computed at ₹3,40,53,543.

3. Aggrieved by the assessment order, the assessee preferred an appeal before the CIT(A). However, the CIT(A), after examining the matter, upheld the order of the AO. It was observed that while the assessee had provided certain lists of depositors or creditors, it failed to reconcile the same with the earlier submissions made by the assessee. Moreover, the assessee could not furnish reliable documentary evidence such as bank statements and financials to establish the identity, creditworthiness, and genuineness of the transactions. The CIT(A) concluded that the three essential limbs for accepting a cash credit under Section 68 of the Act namely, identity of the creditor, creditworthiness, and genuineness of the

transaction had not been satisfied in most cases. Consequently, the appeal was dismissed.

4. The assessee is now in appeal before this Tribunal. The primary contention of the learned Authorized Representative (AR) is that the advances received were bona fide and from genuine parties. It was submitted that the list of persons from whom loans were received, along with their basic particulars, was provided. The ld. AR argued that the lower authorities failed to appreciate the nature of the assessee's activities as a trust and that the amounts were not in the nature of income but temporary advances. It was also submitted that the rejection of the explanations offered was arbitrary and that the CIT(A) failed to consider documents submitted at the appellate stage. The AR further submitted that the trust operates in a charitable and educational domain and that some documentation may not have been updated due to its decentralized and volunteer-based management.

5. On the other hand, the learned Departmental Representative (DR) supported the orders of the AO and CIT(A), arguing that the assessee had failed to discharge the primary onus under Section 68 of the Act. Mere submission of names or partial details without supporting documentary evidence cannot be construed as establishing the genuineness or creditworthiness of the creditors. It was pointed out that even the identity of several creditors remained unverified due to absence of PAN, address proof, or banking transactions. The learned DR emphasized that mere entries in books of accounts do not constitute sufficient proof, especially when the assessee could not reconcile the current submission with previous records.

6. We have carefully considered the rival submissions and perused the material on record. The issue in question is whether the cash credits amounting to ₹1,37,19,323 can be treated as unexplained under Section 68 of the Act. Under Section 68, when any sum is found credited in the books of the assessee, and the assessee fails to offer a satisfactory explanation regarding the nature and source thereof, such sum may be charged to income-tax as the income of the assessee. It is settled law that the burden is on the assessee to prove:

1. The identity of the creditor,
2. The creditworthiness of the creditor, and
3. The genuineness of the transaction.

6.1 In the present case, while the assessee has submitted a list of creditors or donors, it failed to furnish key documentary evidence such as bank statements, income tax returns of the creditors, or confirmation letters. More importantly, discrepancies were found between the initial list of depositors filed earlier and the revised list submitted later. This seriously undermines the credibility of the assessee's claim. The lower authorities have categorically observed that in the absence of such corroborative evidence, the genuineness of the transactions is questionable. We find that the AO as well as the CIT(A) have given detailed findings, which remain unrebutted by the assessee with credible documentation. Therefore, we find no infirmity in the order of the CIT(A) confirming the addition under Section 68 of the Act. Accordingly, the appeal in ITA No. 65/Coch/2024 stands dismissed.

7. ITA No. 66/Coch/2024 – This appeal arises on similar facts for the assessment year 2016–17. The principal issue involved is again related to unexplained cash credit under Section 68, involving an amount of ₹1231760. The assessee has raised similar contentions as in the earlier appeal. As the facts and issues are identical to those in ITA No.65/Coch/2024, our decision in that appeal shall apply mutatis mutandis to this appeal also. Accordingly, the addition of ₹1231760 is also confirmed and ITA No. 66/Coch/2024 is dismissed.

8. In the result, both the captioned appeals are dismissed.

Order pronounced on 12.06.2025.

**Sd/-**  
**(Inturi Rama Rao)**  
**Accountant Member**

**Sd/-**  
**(Sonjoy Sarma)**  
**Judicial Member**

Cochin, Dated: 12.06.2025.

*RS*

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT(A), Concerned.
4. The CIT Concerned.
5. The DR, ITAT, Cochin.
6. Guard File.

Asst. Registrar/ITAT, Cochin