

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE "B" BENCH : PUNE

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

I.T.A.No.770/PUN./2024 [E-APPEAL]  
Assessment Year 2016-2017

Shri R Z Malpani 1/161 Malpani Niwas, Ausa Road, Shantiniketan Colony, LATUR - 413 512 Maharashtra. PAN AAMFR5517K (Appellant)	vs.	The ACIT, Circle, Income Tax Office, Ausa Road, LATUR. Maharashtra. PIN - 413 512. (Respondent)
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For Assessee :	Shri Bhuvanesh Kankani
For Revenue :	Shri Arvind Desai, Addl.CIT-DR

Date of Hearing :	03.09.2024
Date of Pronouncement :	04.09.2024

**ORDER**

**PER SATBEER SINGH GODARA, J.M.**

This assessee's appeal for assessment year 2016-2017, arises against the Addl./JCIT(A)-1, Coimbatore, Coimbatore's Din and Order No.ITBA/APL/S/250/2023-24/1060795898(1), dated 12.02.2024, in proceedings u/s.143(3) of the Income Tax Act, 1961 (in short "the Act").

Heard both the parties. Case file perused.

2. It emerges during the course of hearing that both the learned lower authorities have made increase in sundry creditors addition of Rs.19,16,260/-; as on 01.04.2015; in

assessee's hands due to change in method of accounting in the course of assessment dated 28.12.2018; as upheld in the CIT(A)'s lower appellate discussion.

3. Learned DR vehemently supported the impugned addition made in both the lower proceedings. He seeks to buttress the point as per the assessment discussion that the assessee has not been able to prove any "compelling reason" justifying the change in his method of accounting.

4. We find in this factual backdrop that so far as the first and foremost issue herein regarding assessee having changed his method of accounting from cash to mercantile is concerned; the same already stands accepted in principle in para-5.6 of the lower appellate discussion. The solitary question therefore, which arises in this factual backdrop is that of correctness of the impugned addition amounting to Rs.19,16,260/- only.

5. Learned counsel at this stage invited our attention to page-9 of the assessee's paper book that the actual figure of increase in creditors' is only Rs.9,23,234/- and both the lower authorities have in fact taken the other sum to Rs.19,60,260/- representing deduction(s) from deposits shown as receivables.

6. Faced with this situation, we deem it appropriate in larger interest of justice that the instant addition of increase in sundry creditors; which is also disputed by the assessee in

principle on merits; is required to be examined afresh by the Assessing Officer. Ordered accordingly with a rider that it shall be the taxpayer's sole risk and responsibility to prove and plead his case with all relevant documents in consequential proceedings.

7. This assessee's appeal is allowed for statistical purposes in above terms.

Order pronounced in the open Court on 04.09.2024.

Sd/-  
[INTURI RAMA RAO]  
ACCOUNTANT MEMBER

Sd/-  
[SATBEER SINGH GODARA]  
JUDICIAL MEMBER

Pune, Dated 04<sup>th</sup> September, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT, Pune concerned
4.	D.R. ITAT, "B" Bench, Pune.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,  
Pune.