

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'B' NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No. 3557/Del/2024  
Assessment Year: 2017-18**

<b>Income Tax Officer, Delhi.</b>  <b>PAN: AHVPR 9454 P</b>	<b><u>Vs</u></b>	Eurospa Terrytowels Pvt. Ltd., 602, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019.  <b>PAN: AACCE 9271 C</b>
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Assessee represented by</b>	<b>Shri Jai Prakash, AR</b>	
<b>Department represented by</b>	<b>Shri Rajesh Kumar Dhanesta, Sr. DR</b>	
<b>Date of hearing</b>	<b>04.08.2025</b>	
<b>Date of pronouncement</b>	<b>04.08.2025</b>	

**ORDER**

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

This Revenue's appeal for assessment year 2017-18 arises against National Faceless Appeal Centre (NFAC) Delhi's order dated 10.06.2024 [DIN & Order No. ITBA/NFAC/S/2024-25/1065518421(1)], in proceedings u/s 143(3) of the Income-tax Act, 1961, hereinafter referred to as the 'Act'.

Heard both the parties. Case file perused.

2. It transpired at the outset that the Revenue's sole substantive ground raised in the instant appeal seeks to revive the Assessing Officer's action treating the

assessee's cash deposits of Rs. 81,00,000/- as unexplained u/s 68/69/69A, as the case may be, and therefore liable to be taxed u/s 115BBE of the Act @ 60%.

3. That being the case we sought to verify the total tax effect involved in the Revenue's instant appeal. Ld. Sr. DR, submits that the Id. AO has computed the same at Rs. 62,57,250/-. However, we find no merit in the above computation, once Hon'ble Madras High Court in the case of SMILE Microfinance Ltd. v. ACIT in WP(MD) No. 2078 of 2020 & 1742 of 2020 dated 19.11.2024 (Mad.) has already settled the issue that Section 115BBE applies on transactions on or after 01.04.2017 only. We thus conclude that going by the consequential tax effect computation the Revenue's instant appeal is hit by the CBDT Circular No. 09 of 2024 dated 17.09.2024 on account of low tax effect, as per the normal provisions. Revenue's instant appeal is dismissed

Order pronounced in open court on 04.08.2025.

**Sd/-**  
**(MANISH AGARWAL)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(SATBEER SINGH GODARA)**  
**JUDICIAL MEMBER**

**Dated: 04.08.2025.**

**\*MP\***

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
 ITAT, NEW DELHI