

आयकर अपीलीय न्यायाधिकरण, विशाखापट्टनम बेंच में  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Visakhapatnam Bench, Visakhapatnam**

श्री रवीश सूद, माननीय न्यायिक सदस्य एवं श्री ओम्कारेश्वर चिदारा, माननीय लेखा सदस्य

**SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**  
**AND**  
**SHRI OMKARESHWAR CHIDARA, HON'BLE ACCOUNTANT MEMBER**

आयकर अपीलसं./I.T.A.No.617 & 618/Viz/2025  
(निर्धारण वर्ष/ **Assessment Year: 2021-22 & 2022-23**)

Raju Jada Krishna Dist.  PAN : AJEPJ8164D <b>(अपीलार्थी/ Appellant)</b>	Vs.	Income Tax Officer Ward-1 Machilipatnam  <b>(प्रत्यर्थी/ Respondent)</b>
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri Darshan Jakharia, CA (through Hybrid hearing)
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri D.Hema Bhupal, Sr.AR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	17.02.2026
घोषणा की तारीख/ Date of Pronouncement	:	27.02.2026

**ORDER**

**PER OMKARESHWAR CHIDARA, A.M :**

These appeals filed by the assessee are directed against the orders of the Commissioner of Income Tax(Appeals) ["Ld.CIT(A)"], National Faceless Appeal Centre ("NFAC"), Delhi in DIN & Order No. ITBA/NFAC/S/250/2025-26/1081156381(1) and

ITBA/NFAC/S/250/2025-26/1081156267(1), both dated 25.09.2025, arising out of orders passed by the Ld.AO u/s 143(3) read with section 144B of the Income Tax Act, 1961 ("the Act"), dated 09.03.2024 and 12.03.2024, pertaining to the assessment year 2021-22 and 2022-23 respectively. Since both the appeals relate to the same assessee and the issues involved are the same, both the appeals are clubbed and a common order is being passed.

2. The assessee is an individual and filed his return of income for the A.Y.2021-22, where an income of Rs.4,10,000/- was offered. For the A.Y.2022-23, a total income of Rs.4,61,670/- was offered, while filing the return of income. The case was selected for scrutiny, basically to explain the cash deposits made into assessee's bank account. During the A.Y.2021-22, the assessee was given five opportunities and also intimation for scheduling personal hearing through video conference was also given to the assessee. From the assessment order for A.Y.2021-22, it is observed that the assessee deposited an amount of Rs.1,05,94,210/- and the assessee could not explain the source of these cash deposits into his bank account. Since the assessee failed to bring on record the sources of deposits and the net winnings from Gameskraft Technologies Private Limited, the entire amount was added u/s 69A of the Act. The above information was

shared by Gameskraft Technologies Private Limited. The Ld.AO has mentioned that the said earning /loss falls under the head “income from other sources” as having been earned by way of winnings from lotteries, crossword puzzles, races, games, gambling, betting etc. referred to in section 2(24)(ix) of the Act. Such winnings entitled the assessee to, no claim of expenses or loss set off and the gross amount is taxed as per the provisions of section 115BB of the Act. The Ld.AO has stated that the burden of proof to explain the source of the unexplained money, investment or expenditure wholly lies with the taxpayer and in the impugned case, the assessee has failed to discharge the primary onus cast upon him to furnish the details required to complete the proceedings. Since the assessee did not furnish the sources of deposits and did not cooperate in the proceedings, the Ld.AO completed the assessment by making addition, which represents primarily the deposits made into the company and the bank account.

3. Aggrieved by the addition made by the Ld.AO, the assessee filed an appeal before the Ld.CIT(A). The Ld.CIT(A) has given five opportunities and also one show cause notice and required the assessee to establish the source of deposits and the amount paid to Gameskraft Technologies Private Limited. At the time of filing of

appeal, the assessee has claimed that he had incurred loss of Rs.72.56 lakhs, hence, no addition can be made. But the assessee has not given any proof for incurring loss or investments made and hence, the Ld.CIT(A) has confirmed the additions.

4. Aggrieved by the order of the Ld.CIT(A), the assessee filed an appeal before ITAT. During the appeal proceedings, the Ld.AR of the assessee filed details of statement of transactions with Gameskraft Technologies Private Limited and stated that the assessee incurred huge losses and hence, there is no taxable income. The Ld.AR of the assessee has also mentioned that the entire amount was not deposited at once and the funds are being rotated. In other words, the amount, which was deposited during the week is withdrawn and subsequently re-deposited and hence, total credits cannot be added. But the fact remains that the assessee could not explain the sources with evidences before the lower authorities. Since the details furnished before the ITAT were not available with the lower authorities, the Ld.AR of the assessee requested for an opportunity to substantiate his case before the Ld.AO.

5. The Ld.DR relied on the orders of the Ld.AO and the Ld.CIT(A). It was argued that the assessee has not cooperated with the

lower authorities, despite sufficient opportunities were provided to the assessee. As the amount involved was quite huge and as there was no response from the side of the assessee, the Ld.DR requested the Bench to confirmed the additions made by the Revenue.

6. After hearing both sides, the Bench decided to remit the issue back to the file of the Ld.AO for the following reasons :

- (a) The assessee's claim that he has incurred huge losses in both the assessment years, while playing rummy and other games, but could not demonstrate the sources for investment/expenditure, while playing the games in Gameskraft Technologies Private Limited.
- (b) Since the assessee claims that he has incurred huge losses, the prayer of the Ld.AR of the assessee is to give one more opportunity to explain the cash deposits before the AO, it was decided to give one more opportunity to the assessee , subject to the condition that the assessee has to pay cost of Rs.10,000/- for each assessment year to Andhra Pradesh Legal Services Authority account, within 15 days of receipt of order.

7. With the above direction, the issue is remitted to the file of the Ld.AO , where the assessee would give all the details and the Ld.AO is directed to take into consideration all the details and pass an order, after giving suitable opportunity to the assessee. The Ld.AO should verify the payment as above before taking up the assessment proceedings.

8. In the result, the appeals of the assessee are allowed for statistical purpose for both the assessment years.

Order pronounced in the Open Court on 27<sup>th</sup> February,  
2026.

<p>Sd/- (रवीश सूद) <b>(RAVISH SOOD)</b> न्यायिक सदस्य/<b>JUDICIAL MEMBER</b></p>	<p>Sd/- (ओम्कारेश्वर चिदारा) <b>(OMKARESHWAR CHIDARA)</b> लेखा सदस्य/<b>ACCOUNTANT MEMBER</b></p>
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Visakhapatnam  
dated 27.02.2026.

**L.Rama/sps**

**आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-**

<b>1.</b>	निर्धारिती/The Assessee	:	Shri Raju Jada, Door No.2-3 House of Jada Rama Rao, Kothatummalapalemp Lanka Post, Gudur Mandal, Krishna
<b>2.</b>	राजस्व/ The Revenue	:	The Income Tax Officer, Ward-1, Machilipatnam
<b>3.</b>	The Principal Commissioner of Income Tax, Visakhapatnam		
<b>4.</b>	विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापट्टनम / The DR, ITAT, Visakhapatnam		
<b>5.</b>	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary  
 ITAT, Visakhapatnam