Chandrawati Devi Vs ITO (ITAT Agra)

The Income Tax Appellate Tribunal (ITAT), Agra Bench, disposed of two connected appeals filed by the assessee against the order of the Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 11.12.2025 for Assessment Years (AYs) 2010-11 and 2012-13. As both appeals involved identical issues, the Tribunal heard them together and treated the appeal for AY 2010-11 as the lead case.

During the hearing, the assessee submitted that the assessment order had been passed in the name of Chandrawati Devi by treating her as the legal heir after the death of the original assessee, Late Shri Mangal Sen. It was contended that the Assessing Officer brought the legal heir on record solely for completing the assessment and passed the assessment order accordingly. The assessee thereafter preferred an appeal before the CIT(A), which was dismissed due to non-compliance. Aggrieved by that order, the assessee approached the Tribunal.

The assessee further argued that the assessment was not legally sustainable since it had been framed merely by treating the appellant as a legal heir. Reliance was placed on the earlier decision of the coordinate bench in *Pradeep Jain, Legal Heir of Late Shri Jay Narayan* (ITA Nos. 334 to 338/Agr/2024 dated 06.02.2025), where similar facts had been considered.

The Departmental Representative supported the findings of the lower authorities.

After considering the rival submissions and examining the material on record, the Tribunal noted that the original assessee, Late Shri Mangal Sen, had died on 31.07.2017. The Assessing Officer thereafter completed the assessment ex parte by bringing his wife, Chandrawati Devi, on record as legal heir. The Tribunal also noted that the CIT(A) had dismissed the appeal on account of non-prosecution.

The Tribunal found that the facts of the present case were identical to those considered by the coordinate bench in *Pradeep Jain*. In that decision, the Tribunal had examined whether a person described merely as a "legal heir" could be treated as a "legal representative" for the purpose of assessment. The coordinate bench had referred to Section 2(29) of the Income-tax Act, which adopts the definition of “legal representative” contained in Section 2(11) of the Code of Civil Procedure, 1908. It had observed that a legal representative is a person who, in law, represents the estate of the deceased.

The earlier decision also recorded that the Revenue had failed to establish whether the appellant had succeeded to the estate of the deceased assessee so as to qualify as a legal representative. It further referred to Section 159(4) of the Income-tax Act, which provides that the liability of a legal representative is limited to the value of the estate of the deceased. The coordinate bench noted that neither the assessment order nor the appellate order contained any finding that the deceased’s estate had devolved upon the appellant or that the appellant was managing the estate or acting as an intermeddler.

The coordinate bench had therefore adopted a strict construction of the statutory provisions, referring to the decision in *Commissioner vs. Dilip Kumar and Co. & Ors.*, and held that proceedings initiated against a person merely in the capacity of a legal heir, without establishing that the person was the legal representative of the deceased assessee, were not sustainable in law. Consequently, it had reversed the actions of the lower authorities on this preliminary legal issue, rendering all other issues on merits infructuous.

The ITAT Agra observed that the facts in the present appeals were exactly similar to those in the earlier coordinate bench decision. Respectfully following that precedent, the Tribunal held that the assessment order passed by the lower authorities could not be sustained as the Revenue had not established that Chandrawati Devi was the legal representative of the deceased within the meaning of the statutory provisions. The Tribunal therefore set aside the assessment order.

Accordingly, the appeal for AY 2010-11 was allowed.

The Tribunal further observed that the facts relating to AY 2012-13 were identical to those in AY 2010-11. Applying its findings mutatis mutandis, it allowed the appeal for AY 2012-13 as well.

In the result, both appeals filed by the assessee were allowed.

FULL TEXT OF THE ORDER OF ITAT AGRA

1. These appeals are filed by the assessee against the order of the Ld. Commissioner of Income-tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as `1d. CIT(A)] dated 11.12.2025 for the Assessment Years 2010-11 and 2012-13.

2. Since the issues are common and the appeals are connected, hence the same are heard together and being disposed off by this common order. We take up the assessee's appeal being ITA No.189/Agr/2026 for AY 2010-11 as lead case to adjudicate the issues under consideration.

3. At the time of hearing, ld. AR of the assessee submitted that the assessment order passed in the name of Legal Heir i.e. Chandrawati Devi for the reason that assessee has passed away and in order to complete the assessment, the legal heir was brought on record. The assessment order was passed accordingly in the name of Legal Heir. Subsequently, assessee preferred an appeal before the ld. CIT (A) and due to non-compliance, the appeal of the assessee was dismissed. Aggrieved with the same, assessee is in appeal before us.

4. Further he submitted that since the assessment order was passed treating the assessee as legal heir which is not proper. In this regard, he relied on the decision of coordinate Bench in the case of Pradeep Jain, Legal Heir of late Shri Jay Narayan in ITA Nos.334 to 338/Agr/2024 dated 06.02.2025.

5. On the other hand, ld. DR of the Revenue relied on the findings of the lower authorities.

6. Considered the rival submissions and material placed on record. We observed that the assessee, late Shri Mangal Sen who left for his heavenly abode on 31.07.2017 and the relevant assessment order was passed by bringing on record legal heir i.e. his wife (i.e. Chandrawati Devi) and completed the assessment ex-parte. Against which, assessee preferred an appeal before the ld. CIT(A) who also dismissed the appeal preferred by the assessee due to non-prosecution. However, we observed that the issue raised by the ld. AR are exactly similar to the facts of the case of Pradeep Jain, Legal Heir of late Shri Jay Narayan (supra) and the relevant findings of the said case are as under :-

"3. Heard both the parties at length. Case files perused. It emerges at the outset during the course of hearing that both the lower authorities have treated the appellant herein Sh. Pradeep Jain as the "legal heir" of the deceased assessee, Late Sh. Jay Narayan, who left for his heavenly abode on 24.12.2014, for the purpose of assessing section 68 unexplained cash deposits/credits in his hands, involving varying sums, respectively in his hands.

4. This being the clinching backdrop involved herein, we sought to know from the Revenue side as to whether this appellant Sh. Pradip Jain has succeeded to the estate of the deceased assessee or not so as to be held as the "legal representative" as defined under section 2(29) of the Act adopting statutory defmition given in section 2(11) of the Code of Civil Procedure, 1908 reading as under: "The legal representative means a

person who in law represents the estate of deceased person…………………………."

5. No clear-cut response has come from the department side to this effect. This is indeed coupled with the fact that both the learned lower authorities have held the assessee as "legal heir" than the deceased assessee's "legal representative" in the foregoing terms. We deem it appropriate to quote section 159(4) of the Act as well that liability in such an instance of a legal representative is to the extent of deceased assessee's estate's value only. There is again no fmding either in the assessment order or in the lower appellate discussion that such an estate has ever devolved upon the appellant or he is managing the same or an intermeddler thereof, as the case made be.

6. Faced with this situation, we hereby adopt stricter construction as per Commissioner vs. Dilip Kumar And Co. & Ors. [2018] 9 SCC 1 (SC) (FB) to treat that both the learned lower authorities' impugned action/proceedings against the assessee having status of mere "legal heir" than the specific "legal representative" of the deceased assessee, as not sustainable in law in very terms. We accordingly reverse the learned lower authorities' action/proceedings against the appellant on this preliminary legal issue itself which renders all other pleadings on merits as infructuous. The appellate succeeds in all the instant five cases in very terms."

7. Since the facts in the present case are exactly similar to the above facts, we respectfully follow the above decision and accordingly allow the appeal preferred by the assessee and set aside the assessment order passed by the lower authorities without establishing the legal heir status than the specific legal representative of the deceased person.

8. In the result, the appeal filed by the assessee for the AY 2010-11 is allowed.

9. Since the facts in AY 2010-11 are exactly similar to AY 2012-13, our above findings in AY 2010-11 are applicable *mutatis mutandis* in Assessment Year 2012-13. Accordingly, the appeal filed by the assessee for AY 2012-13 IS allowed.

10. In the result, both the appeals filed by the assessee are allowed.

Order pronounced in the open court on this 16th day of June, 2026.