

Legal heirs are not bound by the notice issued in name of deceased person: ITAT

Summary – The Visakhapatnam ITAT in a recent case of Aemala Venkateswara Rao., (the Assessee) held that Legal heirs are not bound by the notice issued in name of deceased person

Facts

- The Assessing Officer completed the assessment under section 144, read with section 147, in the name of the legal heir since pursuant to the notice issued under section 148 in the name of the dead person the legal heir had replied to the Assessing Officer that her husband had expired and did not furnish the return of income.
- On appeal, the Commissioner (Appeals) confirmed order of the Assessing Officer.
- Before the ITAT it was argued that the issuance of notice on dead person and the consequent assessment order made in the name of the legal heir was invalid.

Held

- The ITAT noted that the assessee expired and subsequent to the death of the assessee, the reassessment proceedings were initiated and the notice under section 148 was issued in the name of the dead person. No effort was made by the Assessing Officer to bring the legal heir on record and instead the Assessing Officer complete the assessment in the name of the legal heir without issuing notice under section 148.
- The notice issued on the dead person could not make the legal heirs binding unless a proper notice was issued on the legal heirs.
- Thus, the notice under section 148 on a dead person was invalid and accordingly, quashed. Consequent assessments made under section 144, read with section 147, is to be annulled.