

**Cit Vs. Basant Cinema**

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**SooperKanoon Citation :** [sooperkanoon.com/492746](http://sooperkanoon.com/492746)

**Court :** Allahabad

**Decided On :** Aug-25-2003

**Reported in :** [2005]142TAXMAN498(All)

**Appeal No. :** IT Reference No. 132 of 1981 25 August 2003

**Appellant :** Cit

**Respondent :** Basant Cinema

**Judgement :**

This is an income-tax reference under section 256(1) of the Income Tax Act in which the following question has been referred for our opinion.

'Whether on the facts and in the circumstances of the case, the Appellate Tribunal was justified in holding that where there is a change in the constitution of the firm, two assessments should be made, one for the period upto the date of the reconstitution of the firm and another for the post reconstitution period?'

2. The assessee is a firm and the relevant assessment year is 1976-77. During the relevant previous year one of the partners retired from the firm on 28-2-1975 and thereafter the firm was reconstituted with the remaining two partners and a fresh deed was executed on 1-3-1975. The question is whether there will be one assessment year or two assessments. This controversy has been decided by a Division Bench of this court in CIT v. Ratan Lal Garib Dass (2003) 261 ITR 2001. Following that decision the reference is decided in the negative that is in favour of

the department and against the assessee.

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