Cit Vs. Adarsh Industries

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SooperKanoon Citation : sooperkanoon.com/492759

Court : Allahabad

Decided On : Dec-07-2002

Reported in : [2003]131TAXMAN255(All)

Appeal No. : IT Ref. No. 176 of 1984 7 December 2002

Appellant : Cit

Respondent : Adarsh Industries

Judgement :

This is a reference under section 256(1) of the Income tax Act in which the following question of law has been referred for our opinion :

'Whether, on the facts and in the circumstances of the case, the Tribunal was justified in holding that two separate assessments should be made for the two periods?'

2. One of the partners of the firm Sri Ramesh Chandra Garg died on 27-2-1980. There was nothing in the partnership deed to the effect that the partnership will continue even after the death of a partner. Hence, in view of section 42 of the Partnership Act the firm stood dissolved and there have to be two assessments vide CIT v. Empire Estate : [1996]218ITR355(SC) .

3. We, therefore, answer the question referred to us in the affirmative, i.e., in favour of the assessee and against the department.