Dalmia Dadri Cement Co. Ltd. v. Commissioner of Income-tax

Civil Appeal 230 of 1954; Petition 276 of 1953

[1959] SCR 729 | 1958-04-28

Historical interpretation: Patiala and East Punjab States Union Administration Ordinance I of S. 2005, section 3

Patiala and East Punjab States Union Administration Ordinance I of S. 2005, section 3 | Patiala Income-tax Act S. 2001 | Indian Income-tax Act 1922, section 66 | Constitution Articles 19(1)(f), 19(1)(g), 32

5-judge bench | S. R. Das C.J. | T. L. Venkatarama Aiyar | S. K. Das | P. B. Gajendragadkar | Vivian Bose

Historical statutory scope and source qualifications

Historical integration and predecessor-State concession dispute. Bose J.'s immovable-property reservation must be preserved. Articles 295 and 363 were not adjudicated; no current-law clearance.

01 FACTS OF THE CASE

A cement company claimed concessional income-tax rates promised by the former Jind ruler under a 1938 agreement. After formation of PEPSU, its 1949–50 assessment and later Indian Income-tax Act assessments applied statutory rates instead.

Source: Primary report: SCR 731–736

02 DISCUSSION BY THE HON'BLE COURT

The new State's ordinance expressly displaced prior laws and the concession. The merger covenant was an act of State and did not itself give the company enforceable municipal rights; no subsequent affirmation by the new State was proved. Prior-year assessment under the agreement concerned the saved pre-merger period.

Source: Primary report: SCR 737–749

03 JUDICIAL DECISION

Civil appeal and Article 32 petition dismissed with costs. No concession right subsisted when the Constitution commenced; Articles 295 and 363 questions were unnecessary.

Source: Primary report: SCR 749–751

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeded; the former ruler's concessional tax rate could not displace the applicable statutory regime.

Source: Primary report: SCR 749–750

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05 AKHB REVIEW POINT

The ruling concerns a particular merger, explicit repeal and lack of recognition, not a blanket conclusion about all governmental promises. Bose J. concurred but reserved the distinct question of rights in immovable property, warning against using this case as precedent for that issue.

Source: Primary report: SCR 748–751

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 23-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and present-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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