

Karimtharuvi Tea Estate Ltd. v. State of Kerala

Civil Appeal No. 980 of 1964

[1966] 3 SCR 93 | 1965-12-15

Kerala agricultural income-tax surcharge: whether a non-retrospective surcharge statute commencing on 1 September 1957 applied to assessment year 1957-58.

Kerala Surcharge on Taxes Act, 1957: sections 1(3), 2 and 6 | Kerala Agricultural Income-tax Act, 1950

5-judge bench; unanimous judgment delivered by P. Satyanarayana Raju, J. | P. B. Gajendragadkar, C.J. | K. N. Wanchoo, J. | M. Hidayatullah, J. | V. Ramaswami, J. | P. Satyanarayana Raju, J.

Assessment years: 1957-58

State agricultural income-tax law

The operative statutes are the Kerala Agricultural Income-tax Act, 1950 and Kerala Surcharge on Taxes Act, 1957, not the central Income-tax Act.

Assessment-year timing was decisive

The Surcharge Act commenced after 1 April 1957 and contained no express or necessarily implied retrospectivity.

No general immunity from later tax laws

The result does not prevent legislation from expressly altering a tax incidence or operating retrospectively within constitutional limits.

Notification validity not decided

The Court recorded that it was not called upon to determine the validity of the notifications discussed in the report.

01 FACTS OF THE CASE

For assessment year 1957-58, Karimtharuvi Tea Estate was assessed under the Kerala Agricultural Income-tax Act, 1950 and charged a five per cent surcharge under the Kerala Surcharge on Taxes Act, 1957. That Act commenced only on 1 September 1957. The Deputy Commissioner rejected the assessee's timing objection, the Tribunal accepted it, and the Kerala High Court answered the reference against the assessee (SCR pp.93-95; PDF pp.1-3).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court applied the settled assessment-year rule: absent contrary words, the tax law in force on the first day of April governs that assessment year. The Surcharge Act contained neither express retrospectivity nor necessary implication carrying it back to 1 April 1957. A later commencement could not be imported into the 1957-58 assessment merely because the assessment was made after the Act came into force. Scindia Steam Navigation supported that result; the authority relied on by the High Court concerned a different temporal setting (SCR pp.95-98; PDF pp.3-6).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court held that no surcharge could be levied under the Surcharge Act for assessment year 1957-58 and allowed the appeal with costs (SCR p.98; PDF p.6).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee. The five per cent surcharge for assessment year 1957-58 failed because the non-retrospective Act was not in force on 1 April 1957 (SCR pp.97-98; PDF pp.5-6).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: identify the applicable assessment year, the exact commencement date and any express or necessarily implied retrospective language before applying a mid-year amendment. This historical holding is a timing method, not current Kerala or central-tax clearance (based on SCR pp.95-98; PDF pp.3-6).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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The source verifies Civil Appeal No. 980 of 1964, the stated bench, issue, reasoning and operative result. No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed release archive.

STATUTORY SCOPE

This is a historical State agricultural income-tax surcharge decision. It does not determine the current Kerala surcharge regime or central Income-tax Act liability.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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