

# The Amalgamated Tea Estate Co. Ltd. and Another v. State of Kerala

Writ Petitions Nos. 2 and 9 of 1971

[1974] 3 SCR 820 | 1974-04-02

## Article 14 challenge to differential agricultural income-tax rates for domestic and foreign companies

Constitution of India: article 14 | Kerala Agricultural Income-tax Act, 1950, as amended in 1970: sections 2(h), 2(hh), 2(kk), 3 and Schedule Part I

Five-judge bench; judgment delivered by S. N. Dwivedi, J. | A. N. Ray, C.J. | P. Jaganmohan Reddy, J. | S. N. Dwivedi, J. | P. K. Goswami, J. | R. S. Sarkaria, J.

Assessment years: See the source-scope notes; no year inferred.

### Historical State agricultural tax

The challenged classification and rates belonged to the Kerala Agricultural Income-tax Act regime as amended in 1970; verify repeal, replacement and present constitutional treatment before reliance.

### 01 FACTS OF THE CASE

Two United Kingdom companies carrying on agriculture in Kerala were assessed at a flat 75% rate, while domestic companies faced a graduated scale with a 65% minimum. They alleged that the domestic/foreign-company distinction lacked an intelligible differentia and rational relation to the taxing purpose (SCR pp.820-822; PDF pp.1-3).

Source: [Primary judgment: facts and challenge](#)

### 02 DISCUSSION BY THE HON'BLE COURT

The Court applied the familiar two-part classification test but stressed the wider latitude allowed in taxation. The sparse pleadings did not establish that domestic and foreign companies were similarly situated, and the Court distinguished property-tax decisions involving no rational classification (SCR pp.822-826; PDF pp.3-7).

Source: [Primary judgment: Article 14 reasoning](#)

### 03 JUDICIAL DECISION

The Court held that the impugned 1970 amendments did not violate Article 14 and dismissed both petitions with one set of costs.

Source: [Primary judgment: decision](#)

### 04 OUTCOME / IN WHOSE FAVOUR

In favour of the State; the foreign-company agricultural income-tax classification was upheld on the record presented.

Source: [Primary judgment: outcome](#)

### 05 AKHB REVIEW POINT

AKHB analysis: a classification challenge needs a developed factual comparison, especially in taxation where legislative latitude is wider. Treat the decision as a historical constitutional holding, not validation of any present rate.

Source: [Primary judgment: review-point basis](#)

### SOURCE & VERIFICATION

#### [Supreme Court Reports scan - public eSCR mirror](#)

Complete seven-page SCR report read in page-preserving text and every page image inspected.

#### [Open cited source rendition](#)

Exact catalogue SHA-256 and seven-page count verified; all pages were read and visually inspected.

Identity, bench, statutory issue, reasoning and operative result were checked against the complete report.

### STATUTORY SCOPE

Historical State agricultural income-tax decision under the Kerala Act as amended in 1970; no present rate or continuing statutory applicability is represented.

### LATER TREATMENT

Source checked 2026-10-12. No comprehensive current-law or later-treatment 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.

### PROFESSIONAL DISCLAIMER

General legal and tax research only; not legal or tax advice. Verify the complete judgment, governing statutory version and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.