

Elel Hotels and Investments Ltd. and Others v. Union of India

Writ Petition Nos. 254-261 of 1981

[1989] 2 SCR 880 | 1989-05-02

Hotel receipts tax: constitutional meaning of income and validity of the room-rate classification.

Hotel Receipts Tax Act, 1980: sections 3, 5 and 6 | Constitution of India: Articles 14, 19(1)(g), 246, 248 and 254; Lists I Entry 82 and II Entry 62

5-judge bench; unanimous judgment delivered by M. N. Venkatachaliah, J. | R. S. Pathak, C.J. | Sabyasachi Mukharji, J. | S. Natarajan, J. | M. N. Venkatachaliah, J. | S. Ranganathan, J.

Assessment years: 1981-82

Historical statutory setting

The Hotel Receipts Tax levy discussed was discontinued from 27 February 1982; the note does not imply an operative current charge.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

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

01 FACTS OF THE CASE

The 1980 Act imposed a 15% tax on broadly defined hotel receipts where room charges reached Rs.75 per person per day. Hoteliers challenged the levy directly under Article 32 as outside Parliament's field and discriminatory (SCR pp.880, 883-888; PDF pp.1, 4-9).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Legislative entries receive their widest reasonable meaning, and income in Entry 82 is not confined by narrower definitions in particular fiscal statutes. Gross hotel receipts could fall within Parliament's field. Tax classifications receive latitude; the room-rate threshold rationally identified hotels reflecting greater economic capacity, and the Article 14 and 19 challenges failed (SCR pp.888-892; PDF pp.9-13).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

All writ petitions were dismissed without an order as to costs (SCR p.892; PDF p.13).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the Union/Revenue; the Court upheld legislative competence and the challenged classification (SCR pp.891-892; PDF pp.12-13).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: identify the levy's true field and construe the constitutional entry broadly. A gross-receipts measure does not by itself determine legislative character, and a statutory definition should not be imported into Entry 82 (based on SCR pp.888-892; PDF pp.9-13).

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

SOURCE & VERIFICATION

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

Full 13-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and 13-page count match catalogue asset 1989_2_880_892; every page was read and visually inspected.

The source verifies the stated identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The Hotel Receipts Tax levy discussed was discontinued from 27 February 1982; the note does not imply an operative current charge.

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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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute 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.