

S.K. Dutta, Income-tax Officer and Others v. Lawrence Singh Ingty

Civil Appeal No. 809 of 1966

[1968] 2 SCR 165 | 1967-11-07

Could otherwise eligible members of the specified Scheduled Tribes and areas be denied the exemption solely because they served the Government, and could the discriminatory words be severed?

10(26)

Five judges | K.N. Wanchoo, C.J. | R.S. Bachawat, J. | V. Ramaswami, J. | G.K. Mitter, J. | K.S. Hegde, J.

Assessment years: 1959-60, 1960-61, 1961-62, 1962-63

Historical service exclusion and later income-source limit

Ingty invalidates only the government-service disqualifications in old section 4(3)(xxi) and 1961 section 10(26); it preserves the rest of the exemption design. Rymbai later rejects using Ingty to remove section 10(26)(a)'s source-location condition, while leaving the actual salary-source facts open. The government-service words were later legislatively deleted. Four assessment years are covered, but the source does not allocate an Act to each year. The image date is 7 November 1967 despite faulty OCR. Original PDF unchanged; comprehensive later treatment, current territorial/statutory applicability and 2025 mapping are not verified.

01 FACTS OF THE CASE

Lawrence Singh Ingty belonged to the Mikir Scheduled Tribe, was a permanent inhabitant of the United Khasi-Jaintia Hills District, and served the Government in Assam. His tribal membership, residence in the specified autonomous district and government employment were admitted. He was assessed for 1959-60, 1960-61, 1961-62 and 1962-63. Part of the impugned assessments was under the 1922 Act and the rest under the 1961 Act; the judgment does not provide an individual year-to-Act allocation (physical 2-4/SCR 166 F-168 A).

The Assam High Court accepted his writ petition and quashed the assessments, holding void the government-service exclusions in old section 4(3)(xxi) and section 10(26). The Income-tax authorities and Union of India appealed by special leave. The source also records the State of Nagaland as intervener, without a separate claim or order (physical 2/SCR 166 B-H).

The respondent had alleged that many other tribal residents earned considerable income through trade, business, professional work, employment or property. The Revenue did not deny those allegations; its affidavit instead asserted that government servants stood on a different footing. The Court accordingly addressed the specific exclusion within the class already chosen for exemption. It did not determine an independent dispute about his tribal status, residence, income quantum or income-source location (physical 3-4/SCR 167 A-C; 168 A-F).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The judgment sets out the two historical provisions. Old section 4(3)(xxi) excluded the qualifying tribal income from total income subject to the member not being in government service. Section 10(26), as quoted, applied to a qualifying resident member and income arising from a source in the specified areas or Union territories, or by way of dividends or interest on securities, but also excluded government servants. The only contested disqualification was government employment (physical 3-4/SCR 167 E-168 B).

Tax statutes remain subject to Article 14, although the State has a wide choice of persons, objects, districts, methods and rates for taxation. The constitutional defect arises when the law operates unequally within its selected range and no valid classification justifies the difference. Here the State had selected members of specified tribes residing in specified areas for exemption, yet singled out government servants while exempting comparable private employees and professionals (physical 4-5/SCR 168 G-169 D).

Administrative convenience did not support this distinction. Collection from government employees might be easy, but the Revenue showed no real and substantial difference from collection from employees of statutory corporations or established firms. The Court did not rule out administrative convenience as a possible classification criterion in every tax law; it rejected the asserted distinction on this record (physical 5/SCR 169 E-G).

Past legislative practice also failed. Taxation of government servants posted outside British India had reflected limits on territorial legislative competence, rather than a general income-tax classification of government servants. The notifications of 6 June 1890 and 21 March 1922 did not establish a sufficient historical basis. They predated constitutional restraints, and the legislature could not defend post-Constitution arbitrariness merely by pointing to older practice. Narottam Kishore, concerning former rulers and section 87B of the Code of Civil Procedure, rested on a distinct covenant and constitutional background (physical 5-7/SCR 169 G-171 F).

The Revenue further argued that entering government service removed a tribal member from social and economic backwardness. The Court rejected that premise as a basis for this exemption: the class had not been selected by an individual means test, and a government servant was not materially distinguishable from a similarly placed corporate employee or successful professional. A reasonable and substantial distinction related to the law's purpose was required (physical 7-8/SCR 171 G-172 B).

Finally, the Revenue sought invalidation of both exemption clauses in their entirety, asserting that the service exclusions could not be severed. This contention had not appeared in its return, High Court case or appeal memorandum, but the Court considered and rejected it. The exclusionary words were readily severable, and the legislature would have granted the exemption even had it known that government servants could not constitutionally be excluded (physical 8/SCR 172 C-F).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

Civil Appeal No. 809 of 1966 was dismissed with costs. The Court sustained the invalidation and severance of the words “provided that such member is not in the service of Government” in old section 4(3)(xxi), and “who is not in the service of Government” in section 10(26). The High Court’s quashing of the four assessments consequently stood. The remainder of the exemption provisions was preserved; no fresh tax computation, refund sum or separate relief for the intervener was ordered (physical 2/SCR 166 F-G; physical 8/SCR 172 C-F and closing order).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee on the government-service disqualification and severability

Revenue appeal dismissed with costs; High Court relief quashing the four assessments stands

Reasoned constitutional invalidation of the government-service exclusions in both Acts, with the balance of the exemptions preserved

No blanket exemption for every Scheduled Tribe member or every income source; tribal membership, qualifying residence and applicable income-source requirements were not invalidated or independently litigated.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Identify the precise classification before using Ingty. The defect was discrimination between government servants and comparable non-government earners within an already selected group of tribal residents. The Court severed that defect rather than replacing the entire statutory design with an exemption for all tribal income. The particular historical provisions and the admitted facts matter.

ITO v. N. Takim Roy Rymbai (17 February 1976) expressly rejected a broader reading of Ingty. It held that Ingty had not even indirectly decided the validity of the source-location condition in section 10(26)(a), upheld that condition, and warned against taking Ingty's class-based language out of context. Rymbai still left the factual location of the salary source open; it did not finally establish that the individual's salary arose outside the qualifying area (physical 6-10/SCR 418 D-422 F).

Rymbai also records deletion of the government-service words by the Taxation Laws (Amendment) Act, 1970. The retained government-hosted 2011 compilation corroborates the changed wording and records the 1970 amendment as retrospective from 1 April 1962, while showing later territorial amendments. Those bounded historical checks do not authenticate every amendment or today's territorial coverage. Verify the relevant year, qualifying membership and residence, and the character and source of each income; no automatic Income-tax Act, 2025 mapping is made (Rymbai physical 4-5/SCR 416-417; compilation physical 135/printed 1.94).

Source: See the proposition-specific paragraph and PDF-page references below.

DETAILED DISPOSITION AND CONNECTED GROUPS

Proceeding outcomes

1.

Case number: Civil Appeal No. 809 of 1966

Outcome: Dismissed with costs

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, four years and admitted facts

Source url: [Open cited source](#)

Pdf pages: 1; 2; 3; 4

Paragraphs: SCR 165 heading; 166 B-168 B

2.

Topic: Precise historical exemption wording

Source url: [Open cited source](#)

Pdf pages: 3; 4

Paragraphs: SCR 167 E-168 B

3.

Topic: Unequal classification and administrative convenience

Source url: [Open cited source](#)

Pdf pages: 4; 5

Paragraphs: SCR 168 G-169 G

4.

Topic: Historical practice and individual resources rejected

Source url: [Open cited source](#)

Pdf pages: 5; 6; 7; 8

Paragraphs: SCR 169 G-172 B

5.

Topic: Severance, dismissal and costs

Source url: [Open cited source](#)

Pdf pages: 8

Paragraphs: SCR 172 C-F and closing order

6.

Topic: Rymbai expressly confines Ingty and leaves source facts open

Source url: [Open cited source](#)

Pdf pages: 6; 7; 8; 9; 10

Paragraphs: SCR 418 D-422 F

7.

Topic: Later deletion and bounded amendment history

Source url: [Open cited source](#)

Pdf pages: 4; 5

Paragraphs: SCR 416 H-417 B

8.

Topic: Later statutory wording and historical footnotes

Source url: [Open cited source](#)

Pdf pages: 135

Paragraphs: Printed 1.94, section 10(26), footnotes 43 and 47-49

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

Actual validity of the government-service disqualifications in both enactments is decided. The two exemption provisions are treated as similar for that limited issue; their income-source and territorial wording must not be flattened into an identical universal exemption.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

K.S. Hegde, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961, section 10(26), and Indian Income-tax Act, 1922, section 4(3)(xxi): Article 14 validity of government-service exclusions

SPECIFIED LATER DECISION AND LIMITS OF THE CHECK

1.

Asset id: 1976_3_413_422

Title: Income Tax Officer, Shillong v. N. Takim Roy Rymbai

Decision date: 1976-02-17

Classification: Express explanation and limitation; not overruling

Source url: [Open cited source](#)

Pdf pages: 6; 7; 8; 9; 10

Pinpoint: SCR 418 D-422 F

Holding limit: Ingty does not invalidate source-location restriction. Rymbai upholds that restriction but leaves actual salary-source facts undetermined.

Bounded check: verified only within explicit read bounds

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Indian Income-tax Act, 1922, section 4(3)(xxi); Constitution of India, Articles 14, 13(1), 366(25) and Sixth Schedule paragraph 20/Table Parts A and B; Finance Act, 1955 (historical introduction of section 4(3)(xxi)); Code of Civil Procedure, section 87B, and Constitution Articles 291 and 362 (Narottam Kishore comparison only)

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 8 PDF pages; SHA-256

54eb162977c2fc2f286d06fd42ab255c8f4251879535a7cb4249f59f8ecb94f6. Original bytes preserved.

[Open cited source rendition](#)

full primary text read: True; all primary page images reviewed: True; source integrity verified: True; actual statutory scope verified: True; later treatment comprehensive: not_verified; current law status: not_verified; statutory mapping 2025: not_verified

The image heading reads 7 November 1967; OCR misreads 7 as 1. The report year is 1968. Catalogue identifier 1967INSC253 is not printed or independently authenticated in this rendition.

Decision date is image-verified 7 November 1967, not the OCR's 1 November. Report year 1968 is not the decision year.; The source expressly says some assessments were under each Act but does not identify a separate governing Act for each of the four years.; The quoted old-Act provision and the 1961 income-source formulation are not identical. Similarity is only for the government-service issue.; The petition quotation on physical 3/SCR 167 A prints paragraph 26 of the Sixth Schedule; the surrounding judicial description and quoted statutory provisions correctly identify paragraph 20. The note follows the operative provisions.; Rymbai leaves the actual salary-source question open and is not authority for a finding that every government salary is outside a qualifying area.; Rymbai physical 5/SCR 417 gives 25 January 1972 for the later 1974 adaptation; the 2011 compilation footnote 43 gives 21 January 1972. No conclusion here depends on that disputed historical date.; The 2011 compilation's territorial list and amendment footnotes are historical evidence, not a certificate of current exemptions or complete amendment history.

All four years are expressly identified. The Court states that part of the assessments arose under the 1922 Act and the rest under the 1961 Act, without assigning an Act to each individual year. No return dates, assessment amounts or separate annual computation are supplied.

Revenue special-leave appeal from the Assam and Nagaland High Court judgment dated 13 February 1965 in Civil Rule No. 127 of 1963. The State of Nagaland appears as intervener; there is no separate intervention disposition.

STATUTORY SCOPE

No automatic Income-tax Act, 2025 crosswalk. Complete amendments, commencement, savings and case-specific present applicability have not been verified.

LATER TREATMENT

Source checked 2026-10-05. Bounded primary later-treatment check: Rymbai explains and confines Ingt; it does not overrule the service-exclusion holding. No comprehensive citator review or absence-of-adverse-treatment conclusion. Comprehensive later treatment, current law and 2025 mapping remain not_verified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 8](#)

SHA-256: 54eb162977c2fc2f286d06fd42ab255c8f4251879535a7cb4249f59f8ecb94f6

[later reported judgment bounded - PDF pages: 10](#)

SHA-256: aef8e5708c675770f0f048acd79567459e5d0ee4ce74931e167adc04799c36bf

[official government hosted statutory compilation bounded - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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