

Hundraj Kanyalal Sajnani Etc. v. Union of India and Ors.

Writ Petition No. 4146 of 1978 and Writ Petition Nos. 546-547 of 1983

[1990] 1 S.C.R. 994 | 1990-03-16

Historical tax-administration companion: section 117 officer classification upheld; service seniority challenge dismissed.

Income-tax Act, 1961: section 117 before and after the Direct Tax Laws (Amendment) Act, 1987 | Related Income-tax Act provisions: sections 116, 118, 120 and 124, as considered | Constitution of India: Articles 14, 16 and 32 | Income-tax officer Seniority Rules, 1973 and Recruitment Rules, 1988, as considered

Five-judge Bench; common judgment by P.B. Sawant J. | Sabyasachi Mukharjee C.J. | B.C. Ray J. | L.M. Sharma J. | P.B. Sawant J. | K. Ramaswamy J.

Historical tax-administration companion, not an assessment appeal

The case concerns statutory officer classification and service seniority. Neither current allocation thresholds nor a taxpayer's tax liability are decided in this note.

01 FACTS OF THE CASE

Promotee Income-tax officers sought to reopen the 1973 seniority rules and list, alleging newly available vacancy records undermined earlier decisions. Connected petitions challenged classification into Group A and Group B under Articles 14 and 16, arguing that the officers performed identical functions. Those petitions attacked section 117 before and after the 1987 amendment, related provisions and the 1988 recruitment arrangements. The Hon'ble Court dealt separately with the seniority challenge and the statutory-classification challenge in one common judgment.

Source: [Dockets and service dispute: PDF p.5](#); [Statutory and equality challenges: PDF pp.25-26](#)

02 DISCUSSION BY THE HON'BLE COURT

The Hon'ble Court held that the former section 117(1) and (2) expressly contemplated different classes of Income-tax officers and different appointing authorities. General references to Income-tax officers elsewhere could not make those express provisions redundant. The power to appoint distinct classes carried power to demarcate their duties and responsibilities; the asserted functional overlap did not negate that statutory power. The amendment challenge based on alleged legislative mala fides also failed. On the record, recruitment routes, qualifications, responsibilities, hierarchy and powers justified distinct cadres. Occasional ad hoc performance of higher-rank work did not merge the posts. Separately, the vacancy material did not displace the earlier seniority conclusions: the petitioners' initial calculations wrongly included Grade I vacancies unavailable for their promotion.

Source: [Direct section 117 interpretation: PDF pp.26-27](#); [Court's classification reasoning: PDF pp.30-33](#); [Seniority evidence and competing calculations: PDF pp.16-18](#)

03 JUDICIAL DECISION

Writ Petition No. 4146 of 1978 was dismissed and its rule discharged. Writ Petition Nos. 546-547 of 1983 were also dismissed and the rules discharged. There was no order as to costs. The 1973 seniority challenge and the attack on the historical statutory classification failed. The Hon'ble Court did not order cadre merger, revised seniority, a taxpayer refund or a reassessment.

Source: [Seniority petition dismissed: PDF p.24](#); [Connected petitions and final order: PDF p.33](#)

04 OUTCOME / IN WHOSE FAVOUR

The Union of India and respondents succeeded against the petitioning officers. This is a service and statutory-administration result, not a Revenue victory on any taxpayer's computation, deduction, exemption or penalty. The Court's observations that higher-rank duties may support a claim to corresponding emoluments did not grant an individual money award or erase the statutory distinction between posts.

Source: [Higher-post work distinguished from cadre merger: PDF p.30](#); [No operative emoluments award: PDF p.33](#)

05 AKHB REVIEW POINT

AKHB analysis: Distinguish statutory authority to constitute and appoint tax officers from the assignment of a particular taxpayer's case. The judgment supports reading the administration provisions together without nullifying an express appointment classification. It does not substitute for checking the applicable statutory version, delegation, jurisdiction notification and case-specific authority. Do not use the historical monetary thresholds described here as present compliance rules, or infer that every notice issued by an officer is valid. Service seniority and remuneration issues must likewise be separated from assessment merits; subsequent treatment requires independent verification.

Source: [Statutory interpretation and its setting: PDF pp.26-27](#); [Historical jurisdiction examples: PDF pp.29-30](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

All 33 report pages read. Headnotes and appearances: SCR 994-998; common judicial opinion: SCR 998-1026, opening passage and paragraphs 2-47. This is a service-classification and seniority dispute, included only for its direct construction and constitutional consideration of Income-tax statutory administration provisions.

Open cited source rendition

Three writ petitions were disposed of by one common judgment; this is one note, not three decisions.

The report contains internally inconsistent dates in the historical narrative and a numerical slip in a quoted ministerial letter. The note relies on the clear statutory reasoning and operative paragraphs, without treating those slips as corrected primary text.

The remarks about possible higher-post emoluments are not an operative award of quantified back pay or an order merging the cadres.

STATUTORY SCOPE

The Hon'ble Court considered the historical officer-classification scheme, including section 117 before and after the 1987 amending Act. Income, penalty and write-off limits mentioned in the report illustrate that historical scheme; they are not stated as current law. This judgment does not determine the validity of any individual taxpayer's assessment or notice.

LATER TREATMENT

Source checked 2026-10-18. Judgment as delivered on 16 March 1990. Subsequent treatment and current statutory or jurisdictional arrangements have not been verified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 33](#)

SHA-256: ee42e4f5a688704086f1d28287b13a5678408df8131854634526516400171a36

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