

The Principal Commissioner of Income Tax-1 v. M/s. Bajaj Herbals Pvt. Ltd.

Civil Appeal No. 2659 of 2022

No separate citation stated in the source | 2022-04-07

Whether the High Court's dismissal of the Revenue's tax appeal could stand when it gave no independent factual discussion or reasoning and did not record the Revenue's submissions.

Two-judge bench | M.R. Shah, J. | B.V. Nagarathna, J.

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

01 FACTS OF THE CASE

The Revenue challenged the Gujarat High Court's orders dated 1 October 2020 and 2 December 2020 (modification order) in R/Tax Appeal No. 278 of 2020. The High Court had rejected the proposed questions as factual and not substantial questions of law. The Supreme Court recorded that the assessee was served, had requested and received time, but did not enter appearance. The short judgment does not set out the underlying additions, assessment year or proposed tax questions in detail.

Source: [official signed judgment / paragraphs 1-2 / PDF pages 1, 2 / judgment](#); [official signed judgment / paragraphs 3 / PDF pages 2 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court found that the High Court had reproduced the proposed questions but had not discussed the factual matrix, supplied independent reasons or even recorded the Revenue's submissions. That non-speaking, non-reasoned dismissal was unsustainable. The Supreme Court nevertheless left the High Court free, on reconsideration, to conclude in accordance with law that the proposed questions were factual and not substantial questions of law. What was required was a speaking and reasoned order after recording both parties' submissions.

Source: [official signed judgment / paragraphs 3-3.1 / PDF pages 2, 3 / judgment](#); [official signed judgment / paragraphs 3.2 / PDF pages 3 / judgment](#)

03 JUDICIAL DECISION

The impugned High Court order was quashed and set aside, and the appeal was remanded for fresh disposal in accordance with law and on its own merits through a speaking and reasoned order. The Revenue's Supreme Court appeal was allowed only to that extent, without costs.

Source: [official signed judgment / paragraphs 3.2 and 4 / PDF pages 3 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue, on the procedural remand only

High Court dismissal set aside; tax appeal remanded for fresh reasoned disposal; no costs

Underlying tax merits and existence of a substantial question of law not decided by the Supreme Court

The remand does not establish that the Revenue's proposed questions are substantial questions of law, that any tax addition is valid, or that the assessee ultimately loses.

Source: [official signed judgment / paragraphs 3.2 and 4 / PDF pages 3 / judgment](#)

05 AKHB REVIEW POINT

Use this decision for the requirement that an appellate rejection engage with the matter and explain the result. A challenge based on inadequate reasons should identify the omitted submissions and issues. A remand of this kind leaves the underlying tax dispute open, so verify the High Court's later disposal before reporting the final tax outcome; the Revenue's success here was confined to obtaining reconsideration.

Source: [official signed judgment / paragraphs 3.1-4 / PDF pages 2, 3 / judgment](#)

SOURCE & VERIFICATION

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

Identified source rendition: 3 PDF pages; SHA-256

e6befaf2b8b31f6955374cb85191cb4f53db9e8add72ac7ff099d98f14f5e503. Original bytes preserved.

[Open cited source rendition](#)

Remand is classified as procedural relief for the Revenue, not a substantive tax win.

Paragraph 3.2 expressly permits the High Court again to consider whether the proposed questions are factual rather than substantial questions of law, provided its order is reasoned.

No assessment year, underlying tax amount, inferred statutory section or reported citation has been added.

The assessee's absence is procedural background, not an admission of the Revenue's tax contentions.

No reported or neutral citation is printed in the reviewed original; no citation has been assigned or independently verified.

No assessment year is stated in the three-page judgment; none is inferred.

No numbered statutory provision is printed in this judgment. The substantial-question-of-law discussion is retained without adding an inferred section number or underlying tax provision.

STATUTORY SCOPE

The judgment/order as delivered under the Income-tax Act, 1961; no independent statutory-version audit or Income-tax Act, 2025 mapping performed.

This is a source-grounded case note, not certification of the law or monetary limits applicable today. Determine the governing year, applicable statutory version and later treatment separately.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 3](#)

SHA-256: e6befaf2b8b31f6955374cb85191cb4f53db9e8add72ac7ff099d98f14f5e503

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.