

Joint Commissioner of Income Tax, Mumbai v. M/s Rolta India Ltd. and connected appeals

Civil Appeal No. 135 of 2011 / Civil Appeal No. 136 of 2011 / Civil Appeal No. 459 of 2006 / Civil Appeal No. 7429 of 2008

[2011] 1 SCR 146 | 2011-01-07

Whether MAT companies were liable to pay advance tax on income computed under sections 115JA/115JB and consequently interest under sections 234B/234C for the relevant default, notwithstanding the year-end book-profit argument based on Kwaliti Biscuits.

115JA | 115JA(4) | 115JB | 115JB(5) | 207 | 208 | 210 | 234B | 234C

Three-judge bench; single opinion | S.H. Kapadia, CJI | K.S. Panicker Radhakrishnan, J. | Swatanter Kumar, J.

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

IMPORTANT: VERSION-SPECIFIC MAT LIABILITY; CREDIT ORDERING AND TEMPORAL QUALIFICATIONS REQUIRE SEPARATE ANALYSIS

Rolta decides advance-tax liability and default interest for the MAT provisions it considered. It does not decide the separate ordering of available section 115JAA credit, certify a current interest computation, or abolish every statutory precondition or exception. Paragraph 9 distinguishes Kwaliti Biscuits as a section 115J case and describes its earlier Supreme Court disposal as an in-limine SLP dismissal; do not convert that description into a new universal merger rule. A bounded non-official transcription of Mangalore Refinery records a later Bombay High Court qualification for pre-Rolta years, but does not establish a Supreme Court reversal or a universal prospective-only rule. Later section 115JB text contains express exclusions. Comprehensive later treatment, current-law applicability and Income-tax Act 2025 mapping remain NOT VERIFIED.

01 FACTS OF THE CASE

The Court heard four appeals together. The lead case, Joint CIT v. Rolta India Ltd., arose from SLP (C) 25746/2009 and became Civil Appeal 135/2011. The report identifies the impugned Bombay High Court order as 6 February 2009 in ITA 1267/2008. The associated proceedings were Civil Appeal 136/2011, Civil Appeal 459/2006 and Civil Appeal 7429/2008; paragraph 10 identifies the parties and the two special-leave origins (physical pages 4–5 and 14/SCR 149–150 and 159).

Rolta filed its return on 28 November 1997 declaring nil total income. By the section 143(3) order of 28 March 2000, ordinary total income remained nil after setting off unabsorbed business loss and depreciation, but tax was charged under section 115JA. Paragraph 4 describes the book profit as Rs 1,52,61,834 and the section 234B interest as Rs 39,73,167. Those are the figures as reported; the judgment supplies no fresh computational working or separately quantified tax figure for this note to reconstruct (physical page 5/SCR 150).

The CIT(A) dismissed the interest challenge. The Tribunal also rejected it, distinguishing section 115JA from section 115J and therefore declining to apply the Karnataka High Court's Kwaliti Biscuits decision. The Bombay High Court initially ruled for the Department but, on review, adopted the Kwaliti Biscuits approach and held that section 234B interest could not be charged on the book-profit tax. Revenue appealed. The common judgment does not give separate factual accounts, monetary workings or express assessment years for ECGC, Nahar Exports or Lakshmi Precision Screws; none is inferred (paragraph 4 and operative paragraph 10).

Source: [reported judgment / paragraphs Appellate recital; paragraphs 3–4,10 / PDF pages 4, 5, 14 / Judicial text](#)

02 DISCUSSION BY THE HON'BLE COURT

Kapadia CJI first framed the issue as whether section 234B interest could be charged on tax calculated on book profits under section 115JA, which required deciding whether advance tax was payable at all. Paragraph 5 reproduces the historical sections 234B and 234C; paragraph 6 identifies their different defaults. Section 234B requires advance-tax liability under section 208 and failure to pay, or payment below the specified proportion of assessed tax. Section 234C addresses deferment of advance-tax instalments. The lengthy historical quotation, including 1.5% monthly language and the then company/non-company schedules, is not a current calculation template (paragraphs 2,5-6; physical pages 4-11/SCR 149-156).

The substantive reasoning places the special MAT provisions inside the advance-tax scheme. Section 207 concerns tax payable in advance on current income. Current and assessed income must be evaluated with the governing MAT provisions, rather than by treating book-profit taxation as outside the Act's machinery. The Court emphasised section 115JA(4) and section 115JB(5), which applied the other provisions of the Act, and the relevant Finance Act provisions for advance tax. Once section 208 liability and the default requirements were met, the definition of assessed tax did not exclude the MAT charge. The Court's discussion also refers to section 115J and historical section 215(5); its final answer is expressly directed to sections 115JA/115JB (paragraphs 7-9; physical pages 11-14/SCR 156-159).

The taxpayer's remaining argument was practical: it could not know before year-end whether ordinary income would fall below the book-profit threshold. Kwaliti Biscuits had accepted that argument for section 115J. Paragraph 9 records contrary High Court decisions in Assam Bengal Carriers, Itarsi Oil and Flours and Kotak Mahindra Finance. It describes the Revenue's challenge to Kwaliti Biscuits as an SLP dismissed in limine and says the Karnataka judgment stood affirmed, while expressly confining that case to section 115J. The Court then used Jindal Thermal Power's distinction of section 115JB as a self-contained MAT code to reject extending the Kwaliti result to the present statutory setting. This note preserves the description in Rolta; the separate Kwaliti Supreme Court order has not been freshly read here, and no independent merger or declaration-of-law conclusion is drawn from the label (paragraph 9; physical pages 12-14/SCR 157-159).

The resulting proposition is that sections 234B and 234C interest is payable on failure to pay advance tax in respect of tax payable under sections 115JA/115JB. The Court said CBDT Circular 13/2001 dated 9 November 2001 did not assist the contrary position. It added that paragraph 2 of the circular itself recognised advance-tax liability and consequent default interest for MAT companies under section 115JB. The circular is considered as described in paragraph 9; its separate original has not been authenticated in this review. Rolta neither grants interest waiver nor determines an individual recomputation (physical pages 13-14/SCR 158-159).

Rolta answers liability, while the earlier Tulsyani NEC judgment answers credit ordering. The bounded direct reading of Tulsyani paragraphs 9-14 shows that lawfully available section 115JAA credit must be taken into account in estimating advance tax and before computing

02 DISCUSSION BY THE HON'BLE COURT

the shortfall interest; unlawful self-claimed credit still exposes the shortfall to interest. That principle does not exempt every MAT company from advance tax, and Rolta does not hold that available credit should be ignored. No Tulsyan illustration is imported into Rolta's figures (Tulsyan, physical pages 17-21/SCR 1130-1134).

A bounded reading of Mangalore Refinery's reproduced judicial text, for AYs 2004-05 and 2005-06, shows the Bombay High Court sustaining non-levy of MAT interest on the then-prevailing-law rationale. This is a temporal qualification to examine in an analogous case, not a Supreme Court reversal or blanket prospective-only rule. The transcription's paragraph 36 quote misdates Rolta; paragraph 40 and the original give 7 January 2011. Its paragraph 46 description of Kwaliti as overruled is the High Court's characterisation; Rolta's original section-specific distinction controls this note's account. The host's automated summary is not relied on (paragraphs 36-48).

The departmental 2021 section 115JB text separately confirms that subsection(5) is subject to the section's own provisions and subsection(5A) excludes, among other cases, persons opting under section 115BAA or 115BAB. This limited later-text check prevents carrying the judgment's general language about companies into every later regime. It is not a current-law or complete temporal-applicability certification.

Source: [reported judgment / paragraphs Paragraphs 5-9 / PDF pages 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 / Judicial text](#); [reported judgment bounded earlier comparison / paragraphs Paragraphs 9-14 / PDF pages 17, 18, 19, 20, 21 / Bounded earlier comparison](#)

03 JUDICIAL DECISION

The Court held that interest under sections 234B and 234C is payable for failure to pay advance tax in respect of tax payable under sections 115JA/115JB, subject to the statutory liability/default framework discussed. Revenue succeeded in its appeals against Rolta India and Export Credit Guarantee Corporation of India. Nahar Exports' Civil Appeal 459/2006 and Lakshmi Precision Screws' Civil Appeal 7429/2008 were dismissed. Paragraph 10 ends with no order as to costs (physical pages 13-14/SCR 158-159).

This was a reasoned final answer and common disposal, not a remand for a fresh legal ruling. No separately recalculated interest amount or direction allocating a new sum among the four appeals appears. The general liability proposition does not decide section 115JAA credit ordering or all later temporal exceptions.

Source: [reported judgment / paragraphs Paragraphs 9-10 / PDF pages 13, 14 / Judicial text](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue in all four proceedings on the common MAT-interest issue

Revenue appeals in Rolta India and ECGC succeed; taxpayer appeals of Nahar Exports and Lakshmi Precision Screws dismissed. No order as to costs.

Reasoned final statutory applicability holding; no individual recomputation or remand ordered.

Historical sections 115JA/115JB advance-tax/default-interest issue; separate credit ordering, later exceptions and year-specific computations not conclusively determined here.

Source: [reported judgment](#) / [paragraphs Appeal list](#); [paragraph 10](#) / [PDF pages 4, 14](#) / [Judicial text](#)

05 AKHB REVIEW POINT

Start by identifying the actual MAT provision and assessment year, then establish advance-tax liability, instalment dates, payments and lawful credits. Rolta rejects the argument that MAT liability under sections 115JA/115JB is inherently outside advance tax; it does not eliminate the statutory default inquiry. Keep a claimed section 115J exemption tied to its own provision and authority rather than treating all three MAT sections as interchangeable.

For computation, check Tulsyan separately: the existence of advance-tax liability and the order in which lawful MAT credit is used are different questions. Do not copy the 1.5% rate or the old instalment wording from Rolta without checking the applicable version. Where liability is said to result from a later judicial change or retrospective amendment, examine the relevant temporal authorities and jurisdiction before concluding that interest necessarily follows. The limited Mangalore transcription check is a warning to investigate, not a certified defence for every pre 2011 year.

The original report's statement that sections 207-210 were predecessors of sections 234B/234C is retained as source wording rather than adopted as a complete statutory-history proposition. Its chronology places section 115JA's effective date at 1 April 1997; it does not establish uninterrupted operation from 1 April 1991. Neither the broad historical language about companies nor a 2021 departmental excerpt supplies a present-day computation or an Income-tax Act 2025 crosswalk. AKHB REVIEW POINT is editorial analysis.

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

DETAILED DISPOSITION AND CONNECTED GROUPS

Costs: No order as to costs in the common operative paragraph 10.

Proceeding outcomes

1.

Case number: Civil Appeal No. 135 of 2011

Slp origin: SLP (C) 25746/2009

Parties: Joint CIT v. Rolta India Ltd.

Appellant role: Revenue

Outcome: Revenue succeeds

Pinpoint: Paragraphs 3,10; physical pages 4-5,14/SCR 149-150,159

2.

Case number: Civil Appeal No. 136 of 2011

Slp origin: SLP (C) 18367/2010

Parties: CIT-3 v. Export Credit Guarantee Corporation of India Ltd.

Appellant role: Revenue

Outcome: Revenue succeeds

Number allocation limit: CA 136/2011 association established by reading the full four-appeal recital with paragraph 10, not printed beside the party name there.

Pinpoint: Appellate recital and paragraph 10; physical pages 4,14/SCR 149,159

3.

Case number: Civil Appeal No. 459 of 2006

Parties: Nahar Exports v. CIT

Appellant role: Taxpayer

Outcome: Dismissed

Pinpoint: Paragraph 10; physical page 14/SCR 159

4.

Case number: Civil Appeal No. 7429 of 2008

Parties: Lakshmi Precision Screws Ltd. v. CIT

Appellant role: Taxpayer

Outcome: Dismissed

Pinpoint: Paragraph 10; physical page 14/SCR 159

SEPARATE JUDICIAL OPINIONS AND READING BOUNDARIES

1.

Author: S.H. Kapadia, CJI

Formal position: Single opinion for three-judge bench

Read scope: Complete paragraphs 1-10, including statutory quotation

Separate opinions: False

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

115J: historical comparison; 143(1); 143(3); 215(5): historical assessed-tax discussion; 115JAA: separate Tulsyan credit-ordering comparison only; 115BAA/115BAB and 115JB(5A): later statutory caution only

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S.H. Kapadia, CJI

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED LATER TREATMENT CHECKS AND THEIR LIMITS

1.

Case: Mangalore Refinery, Bombay High Court, 17 March 2020

Source url: [Open cited source](#)

Pinpoints: Judicial body paragraphs 36–48

Result: Potentially material later temporal qualification; limited reliance as described in the discussion.

Limits: Bounded reading of reproduced judicial text, not a signed or official PDF. Identity is as displayed on the host and has not been independently authenticated with the High Court. The paragraph 36 quotation misdates Rolta as 7 November 2011; paragraph 40 gives 7 January 2011, matching the separately verified Rolta original. This limited comparison is not a citator certificate or proof of subsequent Supreme Court treatment.

DATED OFFICIAL STATUTORY HTML COMPARISONS AND READING LIMITS

1.

Kind: bounded later statutory html

Title: Income-tax Act, 1961, departmental 2021 edition, section 115JB

Url: [Open cited source](#)

Source format: HTML

Version: Displayed 2021 edition of Income-tax Act 1961; not a current 2026 consolidation

Accessed at: 2026-10-05T21:36:27Z

Full document read: False

Read bounds: Section/Act/edition identity and subsection(1) with proviso read at lines 38–66; subsections(5) and(5A) read at lines 228–234. Reliance confined to version-sensitive savings language and exclusions including persons opting under 115BAA/115BAB. No full amendment-chain, all 115JB exceptions or current-law audit.

Provenance: Official departmental HTML read within stated bounds; no raw HTML integrity hash, PDF pagination, Gazette verification or whole-Act certification asserted.

BOUNDED NON-PDF SOURCES AND READING LIMITS

1.

Kind: bounded later judicial transcription

Title: Principal Commissioner of Income-tax v. Mangalore Refinery and Petrochemicals Ltd.

Decision date: 2020-03-17

Court: Bombay High Court

Case numbers: Income Tax Appeal No. 875 of 2017; Income Tax Appeal No. 1237 of 2017

Url: [Open cited source](#)

Source format: HTML judicial transcription on non-official host

Accessed at: 2026-10-05T21:37:02Z

Full document read: False

Read bounds: Judicial body paragraphs 1–19 and 32–48, including the complete MAT-interest discussion and disposal, read. Reliance confined to paragraphs 36–48, particularly 40 and 47. Publisher Smart Summary and automatic labels are not evidence.

Provenance: Bounded reading of reproduced judicial text, not a signed or official PDF. Identity is as displayed on the host and has not been independently authenticated with the High Court. The paragraph 36 quotation misdates Rolta as 7 November 2011; paragraph 40 gives 7 January 2011, matching the separately verified Rolta original. This limited comparison is not a citator certificate or proof of subsequent Supreme Court treatment. Paragraph 46 characterises Kwaliti Biscuits as overruled; that is the later High Court's terminology, not adopted in place of Rolta's own section-specific distinction.

SOURCE & VERIFICATION

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

Identified source rendition: 14 PDF pages; SHA-256

2fe476203e4fefe3799a638814d4e13c3864d24b2da15c4b0dd41e23a2dc3d9d. Original bytes preserved.

[Open cited source rendition](#)

full primary text read: True; all primary page images reviewed: False; material primary page images reviewed: True; source integrity verified: True; actual statutory scope verified: True; all listed proceedings accounted for: True; all authored opinions separately accounted for: True; material later treatment limits prominent: True; comprehensive later treatment verified: False; current law verified: False; mapping 2025 verified: False; independent QA complete: True; parent full prose approval: True

Report cover, date, bench, appeal list and operative paragraph 10 checked against images. Catalogue identifier 2011INSC 18 is retained metadata, not independently authenticated as a neutral citation.

No party-specific assessment year is expressly identified. The lead return dated 28 November 1997 and assessment dated 28 March 2000 are recorded without inferring an AY. Dates of operation of statutory provisions and the assessment years in later comparisons are not assigned to the four appeals.

The appellate recital on physical page 4 lists all four civil appeals. Paragraphs 3 and 10 identify the Rolta lead appeal as arising from SLP (C) 25746/2009; paragraph 10 identifies the ECGC appeal as arising from SLP (C) 18367/2010. Assignment of CA 136/2011 to the latter follows the recital and the four-case disposal read together; its appeal number and party name are not printed together in paragraph 10.

STATUTORY SCOPE

No Income-tax Act 1961 to Income-tax Act 2025 equivalence or automatic precedent carryover. Bounded later judicial/statutory checks do not certify commencement, savings, transition or present application.

LATER TREATMENT

Source checked 2026-10-05. The bounded Mangalore Refinery comparison is a non-official judicial transcription with the stated authentication limit. It flags a potentially material temporal qualification; no comprehensive citator search or later Supreme Court affirmation/reversal of that qualification is certified. Tulsyan is earlier, not later treatment.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 14](#)

SHA-256: 2fe476203e4fefe3799a638814d4e13c3864d24b2da15c4b0dd41e23a2dc3d9d

[reported judgment bounded earlier comparison - PDF pages: 21](#)

SHA-256: 17738c28e5e4d5dcf39f387ed8efc35ce85d340f927318689202cba876f1bb49

[Income-tax Act, 1961, departmental 2021 edition, section 115JB](#)

[Principal Commissioner of Income-tax v. Mangalore Refinery and Petrochemicals Ltd.](#)

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.

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