

GRC BULLETIN

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Case Law

Madhya Pradesh HC Clarifies Burden Of Proof in
Employment Cases: Employers Must Disprove
Worker's Continuous Service Claim

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JUDICIAL INSIGHT

Case Title

Goverdhan v. Chief
Municipal Officer,
Nagar Parishad,
Pipalya Mandi

MADHYA PRADESH HC CLARIFIES BURDEN OF PROOF IN EMPLOYMENT CASES: EMPLOYERS MUST DISPROVE WORKER'S CONTINUOUS SERVICE CLAIM

Facts of the Case:

- The case arose when Goverdhan, a daily wage worker employed by the Chief Municipal Officer, was terminated without receiving proper notice or compensation as mandated under Section 25F of the Industrial Disputes Act.
- Goverdhan contended that he had been employed continuously for more than 240 days, making him eligible for the protections guaranteed under the Act. Specifically, Section 25F requires that workers who have served for 240 days in a year cannot be terminated without providing one month's notice and compensation.
- Goverdhan alleged that his termination was unlawful because he had met the threshold of continuous service.
- On the other hand, the employer argued that Goverdhan had not completed the requisite number of days and, therefore, did not qualify for the protections under Section 25F.
- The dispute centered around the burden of proof — whether it was Goverdhan's responsibility to prove that he had worked continuously for 240 days, or the employer's duty to disprove this claim.

ISSUE:

Whether the assessing officer possessed the authority to entertain a claim for deduction made in a revised return filed after the expiration of the statutory time limit set by Section 139(5) of the Income Tax Act.

SUPREME COURT'S VERDICT:

- The appellant's counsel argued that the Tribunal was correct in stating that the assessing officer could consider the claim for deduction of deferred revenue expenditure, as it was permissible while the assessment proceedings, regardless of the timing of the revised return.
- The counsel referenced the Supreme Court decision in Wipro Finance Ltd. v. Commissioner of Income Tax, emphasizing that the Tribunal did not direct the assessing officer to consider the revised



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return but rather allowed the claim to be assessed according to the law.

- The learned Additional Solicitor General (ASG) argued that based on the precedents set by the Supreme Court in *Goetz (India) Ltd. vs. Commissioner of Income Tax & Principal Commissioner of Income Tax & Anr. vs. Wipro Limited*, the assessing officer could not consider claims made in a revised return if that return was barred by limitation.
- The ASG contended that the High Court correctly concluded that the assessing officer had no jurisdiction to entertain claims made in a revised return that was time-barred.
- The Supreme Court observed the provisions of Sec 139(5) of the IT Act, which allowed the submission of a revised return under certain conditions. At the relevant time, the section stipulated that a revised return could be filed within one year from the end of the relevant assessment year or before the assessment was completed.
- The Court emphasized that once the deadline for filing a revised return has passed, any claims made in that return become inadmissible.
- The Supreme Court ultimately dismissed the appeal, affirming the High Court's ruling that the assessing officer lacked the jurisdiction to consider the claim made in the time-barred revised return.
- The Court emphasized the importance of compliance with statutory limitations in tax law, reinforcing that procedural adherence is crucial in the assessment process.



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