



CNR: KAHC010384092021

NC: 2026:KHC:46619
MFA No. 5234 of 2021

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAJESH RAI K

MISCELLANEOUS FIRST APPEAL NO. 5234 OF 2021 (ECA)

BETWEEN:

THE COMMISSIONER
DEPT. OF CENTRAL GOVT
INCOME TAX, QUEENS ROAD
BANGALORE-560 001

...APPELLANT

(BY SRI. Y.V. RAVI RAJ, ADVOCATE)

AND:

1. ASWATHANARAYANA RAO
S/O LATE VENKATANARASIAH
AGED ABOUT 78 YEARS
2. LALITHAMMA
W/O ASWATHANARAYANA
SINCE DECEASED REPRESENTED BY
LEGAL REPRESENTATIVE
- 2(A) NAGESH
S/O ASHWATHNARAYANA RAO
AGED ABOUT 37 YEARS
RESIDING AT NO.35, A3 BLOCK
SMIG, 4TH STAGE, YALAHANKA
UPANAGARA, BENGALURU-560 082.
3. NANAGOWDA
S/O LATE RAMACHANDRAPPA
AGED ABOUT 54 YEARS

Digitally signed by
PANKAJ S
Location: HIGH
COURT OF
KARNATAKA



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R/AT 342 SFS 407
SRINIVASAPPA BUILDING
MAHARASTRA BANK FORINT
4TH STAGE
YELAHANKA UPANAGARA
BENGALURU 560 082

4. GANESHA
S/O KARPAIAH
AGED ABOUT 61 YEARS
R/AT NO.328 SMIG A
21 BLOCK, IN FRONT OF VIVEKANANDA PARK
4TH STAGE, YALAHANKA UPANAGARA
BENGALURU 560 082
5. RAGHAVENDRA ELECTRICALS
R/AT 687 LAKSHMI TOWERS
7TH BLOCK, II PHASE
BANASHANKARI
III STAGE, BENGALURU 560 085

...RESPONDENTS

(BY SRI. VISHWAS BOOVANAHALLI, ADVOCATE FOR
SRI. LOKESH BOOVANAHALLI, ADVOCATE FOR R1 AND
ALSO FOR LR'S OF R2,
SRI. E.I. SANMATHI, ADVOCATE FOR R4
R5-VIDE ORDER DATED 11.02.2025, NOTICE HELD
SUFFICIENT, R3-SERVED, UNREPRESENTED)

THIS MFA IS FILED U/S.30(1) OF WORKMENS
COMPENSATION ACT, AGAINST THE JUDGMENT AND ORDER
DT.03.03.2021 PASSED IN ECA NO.111/2016 ON THE FILE OF
THE XVI ADDITIONAL JUDGE, COURT OF SMALL CAUSES,
MEMBER, MACT, BENGALURU, (SCCH-14), AWARDING
COMPENSATION OF RS.4,24,500/- WITH INTEREST AT 12
PERCENT P.A. FROM 27.09.2015 TILL REALIZATION OF ENTIRE
COMPENSATION.



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THIS APPEAL, COMING ON FOR FINAL HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE RAJESH RAI K

ORAL JUDGMENT

1. The Commissioner of Income Tax has preferred this appeal challenging the judgment passed in ECA No.111/2016 dated 03.03.2021 by the MACT, Bengaluru (for short, 'the Commissioner') whereby the Commissioner partly allowed the claim petition filed by the claimants i.e., respondent Nos.1 and 2 herein under the Employees' Compensation Act, 1923 (for short, 'the Act') and awarded a compensation of Rs.4,24,500/- with interest at 12% from 27.09.2015 till its realization.

2. The brief facts which are necessary for disposal of this appeal are, one Shankar (deceased in this case) was working in Raghavendra Electricals - respondent No.5 herein. On 27.08.2015 at about 04:00 p.m. while he was trying to remove electric meter board which immersed in the water tank of the office premises of the appellant-Income Tax Department, he fell down to the sump and died by drowning in the sump water. As such, the legal representatives i.e., respondent Nos.1 and 2



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herein filed a claim petition before the Commissioner seeking compensation for the death of deceased-Shankar against the appellant, one Nanagowda, who is the officer of appellant Department, one Ganesh who is the sub-contractor of Raghavendra Electrical and Raghavendra Electricals.

3. The Commissioner, upon assessment of oral and documentary evidence, partly allowed the claim petition as stated supra. Further, the Commissioner fastened the liability against respondent Nos.1 to 4 jointly and severally to make good the compensation. The said judgment is challenged by the appellant - Department disputing the liability.

4. Heard learned counsel for the respective parties.

5. Apart from urging several contentions, learned counsel for the appellant primary contended that the Commissioner grossly erred by saddling the liability against the appellant on the sole ground that the incident was caused in the premises of the appellant department i.e., SMIG, A 21 Block, situated at Yelahanka, Satellite Town, Bangalore. He contended that the appellant entrusted the maintenance work of said department



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to Central Public Works Department, Bangalore (for short, 'CPWD') as on the date of accident i.e., for the year 2014-15. In-turn, CPWD had entrusted the maintenance of the premises to Raghavendra Electricals, Bangalore i.e., respondent No.5 herein. That being the case, the appellant - Department is neither the employer of the deceased nor engaged his services for the work entrusted to him. Merely because the premises owned by the appellant - Department, liability cannot be fastened to make good the compensation against the department. With these submissions, he prays to allow the appeal.

6. Learned counsel appearing for respondent No.4 contended that the Commissioner was not justified in saddling equal liability against respondent No.4 who was an electrician who did not know about the contract between the appellant - Department and CPWD or the further understanding between CPWD and Raghavendra Electricals or between Raghavendra Electricals and deceased. He also submits that he do not know about the ownership of place of occurrence/premises. According to him, he has nothing to do with the alleged incident or the



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employer-employee relationship. Though a criminal case has been registered against him along with others, he has been acquitted in the said case by the jurisdictional Court vide judgment dated 04.03.2021 in C.C.No.209/2016. Accordingly, he prays to exonerate respondent No.4 from the liability.

7. Learned counsel for the claimants contended that in view of Section 12 of the Act, the appellant being the principal employer, liable to make good the compensation since the incident was caused at his premises and he is at liberty to recover the same from his contractor i.e., CPWD. Further, the CPWD is also entitled to recover from his contractor i.e., respondent No.5 - Raghavendra Electricals, since the deceased was engaged under Raghavendra Electricals and its contractor - CPWD. Accordingly, he prays to modify the finding of the Commissioner in respect of liability.

8. I have given my anxious consideration to the contentions of learned counsel for the respective parties and perused the material on record.



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9. As could be gathered from records, the death of deceased-Shankar due to immersion in the sump belonging the department of the appellant on 27.08.2015 while he was making an attempt to remove the meter fixed inside the sump is not in dispute. The document produced by the appellant - Department at Ex.R2 dated 31.03.2015 reads that the maintenance and operation, electric and mechanical service for IT Department at KHB colony, Yelahanka, Bangalore, was undertaken by Executive Engineer (E) Bangalore Central Electrical Division - II, Central Public Works Department, Bangalore. The another document at Ex.R4 reveals that the CPWD has authorized Raghavendra Electricals i.e., respondent No.4 before the Commissioner for maintenance and operation of electrical and mechanical service for staff (4 blocks) in KHB Colony at IT Department, Yelahanka, Bangalore - providing daily maintenance service as per agreement No.31/EE(E)/VCED-II/2014-15. Thus, it is clear that the said Raghavendra Electricals in-turn engaged the service of respondent No.3 - Ganesh and the deceased - Shankar.

10. Section 12 of the Act, 1923, reads as under:



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12. Contracting.— —

(1)Where any person (hereinafter in this section referred to as the principal) in the course of or for the purposes of his trade or business contracts with any other person (hereinafter in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work which is ordinarily part of the trade or business of the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by him; and where compensation is claimed from the principal, this Act shall apply as if references to the principal were substituted for references to the employer except that the amount of compensation shall be calculated with reference to the wages of the employee under the employer by whom he is immediately employed.

(2) Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by the contractor , or any other person from whom the employee could have recovered compensation and where a contractor who is himself a principal is liable to pay compensation or to indemnify a principal under this section he shall be entitled to be indemnified by any person standing to him in the relation of a contractor from whom the employee could have recovered compensation and all questions as to the right to and the amount of any such indemnity shall, in default of agreement, be settled by the Commissioner.

(3)Nothing in this section shall be construed as preventing a an employee from recovering



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compensation from the contractor instead of the principal.

(4) This section shall not apply in any case where the accident occurred elsewhere than on, in or about the premises on which the principal has undertaken or usually undertakes, as the case may be, to execute the work or which are otherwise under his control or management.

11. On plain reading of the above provision, it is clear that the appellant becomes the principal since the employee died during the maintenance work of the appellant - Department, which was being entrusted to the CPWD and the CPWD, for execution of said work, engaged the services of other person i.e., Raghavendra Electricals, who had engaged the employee. Thus, primarily the appellant is liable to pay the compensation to the employee, if the employee sustained any injury or death during the execution of the work of the principal. However, after making good of such compensation, the appellant is at liberty to recover the same from the CPWD, who in turn, is at liberty to recover the same from the contractor i.e., respondent No.5. Further, this position of law is clarified by the Co-ordinate Bench of this Court in MFA No.7464/2019 dated 23.08.2025 in



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the case of ***Smt. Lakshmi vs. Bangalore Metro Rail Corporation and Others.***

12. In the above view of the matter, I am of the considered opinion that the order of the Commissioner on liability i.e., the joint and several liability of all the respondents is required to be modified. Since respondent Nos.3 and 4 are no way connected to alleged incident, they are exonerated from the liability. The appellant, the CPWD and respondent No.5 herein are jointly and severally liable to pay the compensation. However, the appellant - Department shall make good the compensation initially to the claimants and is at liberty to recover the said amount from CPWD and the CPWD, in-turn is at liberty to recover the said amount from respondent No.5 - Raghavendra Electricals.

13. The appellant is directed to deposit, if not already deposited, the amount awarded by the Commissioner along with accrued interest as per the impugned judgment and award, within six weeks from the date of receipt of a copy of this judgment and shall thereafter recover the same from



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CPWD, who in turn, shall recover the same from respondent No.5 - Raghavendra Electricals in a separate proceeding.

14. The amount in deposit, if any, shall be transferred to the Tribunal.

The appeal is accordingly ***allowed in part.***

**SD/-
(RAJESH RAI K)
JUDGE**

PKS
List No.: 1 Sl No.: 12