



127

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**FAO No.3846 of 2015 (O&M)
Date of Decision : 01.04.2025**

M/s Kanwar Enterprises Pvt. Limited

.....Appellant

Versus

The Commissioner under the Workmen's Compensation Act, 1923, Circle-I,
Near Delite Hotel, Faridabad and others

.....Respondents

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. Amit Singh Sethi, Advocate
for the appellant.

Mr. Rajesh Lamba, Advocate with
Mr. Rahul Gugnani, Advocate and
Mr. Abhinav Kaushik, Advocate
for respondent No.2.

PANKAJ JAIN, J.(Oral)

Employer is in appeal aggrieved of the order dated 19.01.2015 passed by Commissioner, Faridabad, Circle-I under the Employee's Compensation Act, 1923 (hereinafter referred to as the 'Act of 1923').

2. Claimants/respondents approached Commissioner under the Act of 1923 seeking compensation on account of death of Anil Kumar, stated to have died in an accident arising out of and during the course of employment on 30.12.2003. It was claimed by the claimants that deceased Anil Kumar was working with the appellant as a driver on a monthly salary of Rs.5,000/-



per month. On 30.12.2003, he died in an accident while driving vehicle belonging to the employer.

3. Appellant-employer denied the relationship with the deceased claiming that deceased was never employed by the appellant.

4. On the basis of the pleadings, Commissioner framed the following issues:

- “1. Whether the applicants are entitled to the claimed amount?
2. Whether there was existed any relationship between employer & employee?
3. Relief.”

5. During the course of evidence, respondents relied upon an agreement claiming that the legal heirs of deceased Anil Kumar, accepted a sum of Rs.60,000/- as lump sum compensation and thus, the present claim petition was not maintainable. Co-employee Vinod Kumar was examined by the claimants as CW-3/A, who proved that on the fateful day, the owner of the company directed the deceased to check vehicle bearing No.RJ-27-G-4539. While the deceased was checking the vehicle, it got started accidentally and rolled over the deceased Anil Kumar. He was rushed to Batra Hospital, Delhi, where he succumbed. Accounts Manager of the appellant, appeared as RW-1 who claimed that the appellant/employer spent huge amount on the treatment of the deceased and paid an amount of Rs.60,000/- to the claimants. Compromise deed was executed. The same was produced as Exhibit RW-1/2. The Commissioner answered both the issues in favour of



the claimants and held them entitled to a compensation of Rs.4,19,840/- along with interest @ 9% per annum.

6. Counsel for the appellant while assailing the impugned order passed by the Commissioner, heavily relies upon compromise Exhibit RW-1/2 and affidavits of the claimants placed on record as Annexure P-3, to submit that the claimants having accepted an amount of Rs.60,000/- as lump sum compensation from the appellant, the present claim petition is not maintainable.

7. Counsel for respondent No.2 has supported the order passed by the Commissioner claiming that *dehors* the compromise, the claimants are entitled to compensation as awarded by the Commissioner.

8. Having heard counsel for the parties and after carefully going through records of the case, this Court finds that the argument raised by counsel for the appellant, sans merit and deserves to be rejected.

9. The only argument raised is that claimants accepted lump sum compensation and cannot maintain claim petition. The issue of contracting out has been addressed by the statute itself.

10. Section 17 of the Act of 1923 reads as under :

“17. Contracting out.- Any contract or agreement whether made before or after the commencement of this Act, whereby a *[employee] relinquishes any right of compensation from the employer for personal injury arising out of or in the course of the employment, shall be null and void in so far as it purports to remove or reduce the liability of any person to pay compensation under this Act.”



As per bare provision, any relinquishment of right of compensation by an employee shall be null and void. It does not effect the liability of any person to pay compensation under the Act.

11. In view of above, this Court finds that the contract relied upon by the appellant being null and void, cannot have any effect to remove or reduce the liability. Resultantly, finding no merit in the present appeal, the same is ordered to be dismissed.

12. Pending application, if any, shall also stand disposed off.

April 01, 2025
Dpr

(Pankaj Jain)
Judge

Whether speaking/reasoned	:	Yes/No
Whether Reportable	:	Yes/No