



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

114

FAO-568-1997

Date of decision : 20.01.2026

M/s. Omega Commercial (P.) Ltd.

..... Appellant

versus

Smt. Keshar Devi and others

..... Respondents

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. Shrenik Jain, Advocate
for the appellant.

Ms. Muskan, Advocate and
Mr. Himanshu Arora, Advocate
for respondent No.4.

PANKAJ JAIN, J. (Oral)

1. Deceased employee is proved to have been employed through contractor. The principal employer is before this Court disputing his liability claiming that the deceased being employee of contractor, principal employer cannot be held liable.

2. The precise issue raised by counsel for the appellant stands answered by the bare provision as contained under Section 12 of Workman's Compensation Act, 1923 Act which reads as under:-

“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 workman



employed in the execution of the work any compensation which he would have been liable to pay if that workman 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 workman 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 workman 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 workman 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 workman from recovering 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.”

3. As per the mandate of the statute, it is the principal employer who has to pay compensation to the workman, but he has a right to recover the same from the contractor.

4. In view thereof, the impugned order is modified to the extent that the appellant shall pay the compensation to the LRs of the



deceased workman at the first instance and shall have right to recover the same from the Contractor.

5. In view of above, the present appeal is disposed off with the aforesaid modification.

(PANKAJ JAIN)
JUDGE

20.01.2026
Dinesh

Whether speaking/reasoned :	Yes
Whether Reportable :	No