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

**FAO No.6731 of 2019 (O&M)
Date of decision : 18.02.2026**

SUBHASH CHHABRA

....Appellant

Versus

UHBVN LTD AND ANOTHER

...Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present : Mr. Ashwani Gaur, Advocate
for the appellant.

Mr. S.K. Mahajan, Advocate for
respondent No.1.

Mr. Samrit Gill, Advocate for
Mr. Sandeep Sigal, Advocate
for respondent No.2.

PANKAJ JAIN, J. (ORAL)

CM-23017-CII-2019

This is an application filed under Section 5 of Limitation Act seeking condonation of delay of 290 days in filing the instant appeal.

Counsel for the respondents plead no objection.

For the reasons recorded in the application, this Court is satisfied that the applicant/appellant has made out a sufficient cause for condonation of delay.

Consequently, the present application is allowed.



The delay of 290 days in filing the instant appeal is hereby condoned.

FAO No.6731 of 2019 (O&M)

Contractor is in appeal aggrieved of the order passed by the Commissioner, under the Employee's Compensation Act, 1923 (hereinafter referred to as '1923 Act').

2. Claim application has been filed under Section 22 of the 1923 Act by the claimant seeking compensation on account of injuries suffered by him in an accident arising out of and during the course of employment.

3. The appellant is a Contractor. The claimant was employed through appellant and was working for respondent No.1-UHBVN, the principal employer.

4. Mr. Gaur has relied upon Section 2(1)(e) of 1923 Act to submit that in terms of the definition of 'employer' enumerated under the Act, it is the principal employer, who will fall within the definition of 'employer' and is thus liable to pay compensation.

5. On being asked a specific query, Mr. Gaur does not dispute that the claimant was working for UHBVN i.e., respondent No.1 through the appellant.

6. In view thereof, the fact of appellant being contractor and respondent No.1 being principal employer is not in dispute.

7. The precise situation has been answered by Section 12 of 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 [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 [employee] 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.



8. In view of mandate of Section 12(2), the ‘Contractor’ is under statutory obligation to indemnify the ‘Principal Employer’. Thus the argument raised by Msr. Gaur, cannot be accepted and is hereby rejected.
9. In view of above, finding no merit in the present appeal, the same is ordered to be dismissed.
10. Pending application, if any, shall also stands disposed off.

February 18, 2026

Dpr

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No

(Pankaj Jain)

Judge