

THE DISPUTES BRIEFING

Delhi High Court clarifies that accident during lunch break at worksite falls within the course of employment and reiterates the limited scope of appellate review under the Employees' Compensation Act

IN BRIEF

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In *National Insurance Co. Ltd v. Yashpal & Ors.* (FAO 493/2016, order dated 23 July 2026), the Hon'ble Delhi High Court dismissed an appeal filed by National Insurance Co. Ltd. against an award of compensation under the Employees' Compensation Act, 1923 ("Act"), holding that an accident occurring during a temporary lunch break at the worksite may arise out of and in the course of employment where the employee remains at the workplace in connection with his employment.

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The Court reiterated that an appeal under Section 30 of the Act lies only on a substantial question of law. Findings of fact recorded by the Commissioner cannot ordinarily be interfered with unless they are perverse, unsupported by evidence or suffer from patent illegality.

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The Court further held that an employee's designation is not determinative of coverage under the Act. The nature of duties actually performed, rather than the designation assigned, is relevant for determining whether a person falls within the definition of "employee".

Case Summary & Factual Background

The appeal arose from an Award dated April 28, 2016, passed by the Commissioner, Employees' Compensation, Delhi in Case No. WC/113/NW/11/1175 titled *Yashpal v. Ram Pukar Shah & Ors.*, whereby compensation of Rs. 7,86,492/- together with interest at 12% per annum was awarded to the claimant. The insurer challenged the Award under Section 30 of the Act, raising, *inter alia*, objections including whether the accident arose out of and in the course of employment, whether the claimant qualified as an "employee" within the meaning of Section 2(dd), the assessment of loss of earning capacity, the computation of compensation, and the fastening of liability upon the insurer (hereby the Appellant).

Mr. Yashpal (*hereinafter* "Respondent") was employed as a supervisor at a construction site in Bhalswa, Delhi. On June 22, 2010, after completing his assigned work, he went for lunch while remaining at the worksite. During this interval, an iron rod being carried by a mobile crane fell upon him, causing grievous injuries and ultimately resulting in amputation of his left leg. He subsequently instituted proceedings under the Act, seeking statutory compensation while contending that the injuries were sustained during the course of employment.



Limited Scope of Appellate Jurisdiction under Section 30

The Court reiterated that an appeal under Section 30 of the Act lies only where a substantial question of law arises. Findings of fact recorded by the Commissioner upon appreciation of evidence are ordinarily not open to interference unless shown to be perverse, based on no evidence or suffering from patent illegality. Re-appreciation of evidence is outside the scope of Section 30 appellate jurisdiction.

Accident during lunch break continue to fall within the Course of Employment

The Court observed that the accident admittedly occurred at the construction site while the Respondent remained present there in connection with his employment. A temporary interruption for taking meals constitutes a normal and incidental part of employment and does not, by itself, sever the relationship between employment and the accident.

Employee Status Depends on Actual Duties, Not Designation

The Court held that the mere designation as a ‘supervisor’ assigned to a workman is not conclusive and that the nature of duties actually discharged is relevant. In the present case, apart from a bald assertion in the written statement, the insurer produced no material establishing that the claimant performed managerial or administrative functions so as to exclude him from the Act. The Commissioner’s finding that the claimant was engaged at the construction site was therefore a finding of fact that did not warrant interference under Section 30.

Assessment of Disability and Liability of the Appellant

The Appellant also challenged the Commissioner’s assessment of the Respondent’s loss of earning capacity, contending that the disability certificate had not been duly proved. The Court noted that the Respondent had suffered amputation of his left leg and that the competent Medical Board had assessed his permanent disability at 75%. Having regard to the nature of the injuries suffered, the Commissioner had rightly relied upon the medical evidence while determining the Respondent’s loss of earning capacity. The Court further held that the Appellant failed to demonstrate that these findings were unsupported by evidence or suffered from perversity.



Practical Implications

For Employers and Insurers:

The decision reiterates that the expression “arising out of and in the course of employment” is to be applied pragmatically and is not confined to the precise moments during which an employee is actively performing assigned duties. Where an employee remains at the workplace in connection with his employment and is engaged in activities ordinarily incidental thereto, such as taking a temporary meal break, the employment nexus may continue to subsist. Workplace safety measures should therefore extend throughout the employee’s presence at the worksite.

The judgment also reiterates that an employee's designation cannot, by itself, be relied upon to dispute statutory coverage. Evidence concerning the employee's actual duties is necessary to establish that the person performed managerial or administrative functions.

This update has been prepared for general informational purposes only and does not constitute legal advice. We would be pleased to discuss the implications of this judgment as they may pertain to any specific manner.