

## **REPORT ON THE WORKING OF THE WORKMEN'S COMPENSATION ACT, 1923 FOR THE YEAR 2009**

### **1. Introduction**

The Workmen's Compensation Act, 1923 (Employees' Compensation Act w.e.f. 31-5-2010), which aims at providing financial protection to the workmen and/or their dependents in case of accidents arising out of and in the course of employment and causing either death or disablement of workmen, came into force on 1st July, 1924. Besides, the Act has a provision of paying compensation to the workmen for some occupational diseases contracted by them during the course of their employment.

Labour Bureau has been bringing out reviews/reports on the working of the Act based on the returns received from State Governments /Union Territories every year. The present report is for the year 2009.

### **2. Main Provisions and Scope of the Act:**

2.1 The Act extends to the whole of India and applies to workers employed in any capacity specified in Schedule II of the Act which includes Factories, Mines, Plantations, Mechanically Propelled Vehicles, Construction Work and certain other hazardous occupations and specified categories of Railway Servants. There is no wage limit for coverage of workers under the Act. It does not, however, apply to (i) persons serving in Armed Forces and (ii) workers covered by the Employees' State Insurance Act, 1948.

2.2 The State Governments administer the provisions of this Act through the Commissioners appointed for specified areas. The Commissioners thus appointed are empowered for (i) settlement of disputed claims, (ii) disposal of cases of injuries involving death, and (iii) revision of periodical payments. They are also empowered to impose penalty on employers who fail to pay compensation due to the injured workers within one month.

2.3 Sub-section (3) of Section 2 of the Act, empowers the State Governments to extend the scope of the Act to any class of persons whose occupations are considered hazardous after giving three months' notice, to be published in the Official Gazette. Similarly, under Section 3(3) of the Act, the State Governments are also empowered to

add any other disease to the list mentioned in Parts A and B of Schedule-II, and the Central Government, in case of employments specified in Part C of Schedule III of the Act. Besides, the State Governments also make rules for ensuring that the provisions of the Act are complied with.

2.4 The amount of compensation payable to a workman depends on the nature of injury caused by accident, the monthly wages of the workman, and the age of the worker concerned. In case of death the minimum amount of compensation fixed is Rs.1,20,000 whereas it is Rs.1,40,000 in case of permanent total disablement. The maximum amount of compensation payable is Rs.4.56 lakh in the case of death and Rs.5.48 lakh in the case of permanent total disablement. Under the maximum compensation limit, the monthly wage limit of Rs. 4,000 has been increased to Rs. 8,000. These enhanced rates of compensation have come into force w.e.f. 31.05.2010.

2.5 Compensation is payable under Sub-section (i) of Section 3 of the Act by the employers in the case of injury, caused by an accident arising out of and in the course of employment, exceeding 3 days. In cases where the disablement prolongs for 28 days or more, compensation is payable from the date of disablement. No compensation is, however, payable if the injury, not resulting in death, is caused by the fault of the worker, arising from factors such as influence of alcoholic drinks and drugs, wilful disobedience of the workmen to an order or rule, willful removal or disregard by the workmen of any safety guard or other device, etc. Besides, under Sub-section (2) of Section 3 of the Act, compensation is also payable to such workers who contract occupational diseases in the course of their employment as specified in Schedule-III of the Act.

### **3. Number of Compensated Accidents and the Amount of Compensation Paid**

3.1 The total number of compensated accidents and the amount of compensation paid on the basis of States and Union Territories submitting returns at all-India level for the years 2007 to 2009 is presented in Table-1. During 2009 as many as 3,703 compensated accidents resulting in death, permanent disablement and temporary disablement were reported by the States and Union Territories and an amount of

Rs.3134.30 Lakh was paid as compensation. Out of the total compensated accidents 23.31 per cent were fatal accidents 13.42 per cent related to permanent disablement, and 63.27 per cent were temporary disablement cases. The compensation paid in case of these categories was Rs.2420.13 Lakh, Rs.554.32 Lakh and Rs.159.85 Lakh respectively.

**Table-1 Number of Compensated Accidents and the Amount of Compensation Paid by the Establishments Submitting Returns During 2007 to 2009**

Year	Average daily number of workers employed in establishments submitting returns	Number of compensated accidents resulting in				Amount of compensation paid for (Rs. in Lakh.)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
2007	1825947	1670 (29.79)	1144 (20.41)	2792 (49.80)	5606 (100.00)	3767.90	1043.36	805.54	5616.80
2008	1712127	1344 (26.76)	982 (19.55)	2697 (53.69)	5023 (100.00)	4327.05	1412.25	407.80	6147.10
2009	1662342	863 (23.31)	497 (13.42)	2343 (63.27)	3703 (100.00)	2420.13	554.32	159.85	3134.30

Notes: The figures in brackets indicate percentage share to total.

3.2 Industry/Establishment wise break-up of number of compensated accidents and the amount of compensation paid during the year 2009 is given in Table-2. Of the total compensated accidents, Railways accounted for highest i.e. 45.47 per cent, followed by Factories (39.54 per cent) and Miscellaneous (9.69 per cent). Whereas in case of compensation paid, respective shares were to the tune of 48.89 per cent, 21.04 per cent and 19.15 per cent.

**Table-2 Number of Compensated Accidents and the Amount of Compensation Paid by the Establishments Submitting Returns During 2009**

Establishment	Average daily No. of workers employed in establishments submitting returns	Number of compensated accidents resulting in				Amount of compensation paid (Rs. in Lakh.)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
1. Factories	414833 (24.95)	175 (20.28)	198 (39.84)	1091 (46.56)	1464 (39.54)	470.24 (19.43)	144.36 (26.04)	44.93 (28.10)	659.53 (21.04)
2. Plantations	133930 (8.06)	11 (1.28)	4 (0.81)	98 (4.18)	113 (3.05)	38.57 (1.59)	7.10 (1.28)	3.99 (2.50)	49.66 (1.58)
3. Mines	5617 (0.34)	-	1 (0.20)	-	1 (0.03)	-	3.59 (0.65)	-	3.59 (0.12)
4. Ports & Docks	1005 (0.06)	4 (0.46)	2 (0.40)	-	6 (0.16)	24.37 (1.01)	12.07 (2.18)	-	36.44 (1.16)
5. Tramways	..	22 (2.55)	-	5 (0.22)	27 (0.73)	69.26 (2.86)	-	7.65 (4.79)	76.91 (2.45)
6. Building and Construction	94526 (5.69)	46 (5.33)	1 (0.20)	1 (0.04)	48 (1.30)	166.13 (6.87)	6.89 (1.24)	0.81 (0.51)	173.83 (5.55)
7. Municipalities	7997 (0.48)	-	1 (0.20)	-	1 (0.03)	-	1.69 (0.31)	-	1.69 (0.06)
8. Railways	911636 (54.84)	468 (54.23)	159 (31.99)	1057 (45.11)	1684 (45.47)	1226.26 (50.67)	268.51 (48.44)	37.60 (23.52)	1532.37 (48.89)
9. Miscellaneous	92798 (5.58)	137 (15.87)	131 (26.36)	91 (3.89)	359 (9.69)	425.30 (17.57)	110.11 (19.86)	64.87 (40.58)	600.28 (19.15)
<b>All Establishments</b>	<b>1662342 (100.00)</b>	<b>863 (100.00) (23.31)</b>	<b>497 (100.00) (13.42)</b>	<b>2343 (100.00) (63.27)</b>	<b>3703 (100.00) (100.00)</b>	<b>2420.13 (100.00) (77.21)</b>	<b>554.32 (100.00) (17.69)</b>	<b>159.85 (100.00) (5.10)</b>	<b>3134.30 (100.00) (100.00)</b>

'-' = Nil.      '..' = Not Reported

Note = Figures in brackets indicate percentage share to total of all Establishments.

3.3 The details of Accident rate per one thousand workers employed, average amount of compensation paid and cost of compensated accidents per worker during 2009 are given in Table-3. It reveals that during 2009 accident rate per one thousand workers was highest in Ports & Docks (5.97), followed by Miscellaneous (3.87), Factories (3.53), Railways (1.85), Plantations (0.84), Building and Constructions (0.51) and Mines (0.18). Whereas the average amount of compensation paid per case was the highest in Ports & Docks (Rs.6.07 lakh), followed by Building and Constructions (Rs.3.62 lakh) and Mines

(Rs.3.59 lakh). The compensation paid per worker employed was highest in Ports & Docks (Rs.3,626) followed by Miscellaneous (Rs.647) and Building and Constructions (Rs.184), though the average of all establishments stood at Rs.189 only.

**Table-3 Accident Rate Per One Thousand Workers Employed, Average Amount of Compensation Paid and Cost of Compensated Accidents Per Worker During 2009**

Establishments	Accident rate per one thousand workers employed	Average amount of compensation paid per case (in Rs.)	Compensation paid per worker employed in the Industry (in Rs.)
1	2	3	4
1. Factories	3.53	45050	159
2. Plantations	0.84	43947	37
3. Mines	0.18	359000	64
4. Ports & Docks	5.97	607333	3626
5. Tramways	..	284852	-
6. Building and Construction	0.51	362146	184
7. Municipalities	0.13	169000	21
8. Railways	1.85	90996	168
9. Miscellaneous	3.87	167209	647
<b>All Industries</b>	<b>2.23</b>	<b>85269</b>	<b>189</b>

‘-’ = Nil      ‘..’ = Not Reported

3.4 The number of compensated accidents and the amount of compensation paid during the year 2009 in the States and Union Territories which submitted returns except Railways are presented in Table - 4. Maharashtra reported the largest number of compensated cases (1,103), followed by Kerala (331) and Delhi (265). In all there were 395 fatal accidents, out of which the highest number (142 cases) occurred in Delhi followed by Kerala (99 cases). The average amount of compensation paid per case was highest in Andaman and Nicobar (Rs.3.60 lakh) followed by Chandigarh (Rs.2.57 Lakh), Orissa (Rs.2.12 lakh) and Dadra & Nagar Haveli (Rs.1.97 lakh). The incidence rate of fatal accidents per one thousand workers employed was highest in Orissa (1.91) followed by Delhi (1.90), Chandigarh (1.24) and Tamil Nadu (0.78) as against all-India average of 0.53. In case of all accidents the incidence rate per thousand workers employed was highest in Maharashtra (8.43) followed by Delhi (3.55), Tamil Nadu (3.20), Orissa (2.44) and Kerala (1.87) as against all –India average of 2.69.

**Table-4 Compensated Accidents, Amount of Compensation Paid and Accident Rate Per 1000 Workers Except Railways During 2009**

State/Union Territory	Average daily number of workers employed in establishments submitting returns	Number of compensated cases of accidents resulting in*				Amount of compensation paid @ (Rs in Lakh.)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
1	2	3	4	5	6	7	8	9	10
1. Delhi	74624	142 (1.90)	118 (1.58)	5 (0.07)	265 (3.55)	389.31 (2.74)	43.05 (36.48)	7.65 (1.53)	440.01 (1.66)
2. Himachal Pradesh	15711	-	-	-	-	-	-	-	-
3. Kerala	177276	99 (0.56)	127 (0.72)	105 (0.59)	331 (1.87)	356.66 (3.60)	127.40 (1.00)	68.21 (64.10)	552.27 (1.69)
4. Maharashtra	130916	31 (0.24)	25 (0.19)	1047 (8.00)	1103 (8.43)	101.45 (3.27)	23.56 (0.94)	42.70 (4.08)	167.71 (0.15)
5. Orissa	22548	43 (1.91)	12 (0.53)	-	55 (2.44)	104.94 (2.44)	11.80 (0.98)	-	116.74 (2.12)
6. Tamil Nadu	42124	33 (0.78)	14 (0.33)	88 (2.09)	135 (3.20)	92.11 (2.79)	12.86 (0.91)	0.63 (0.72)	105.60 (0.78)
7. Tripura	62767	3 (0.05)	2 (0.03)	1 (0.02)	6 (0.10)	3.00 (1.00)	3.53 (1.77)	0.25 (0.25)	6.78 (1.13)
8. Uttarakhand	54668	-	-	-	-	-	-	-	-
9. West Bengal	32396	2 (0.06)	4 (0.12)	35 (1.08)	41 (1.27)	4.91 (2.46)	4.59 (1.15)	0.84 (0.24)	10.34 (0.25)
10. Andaman & Nicobar	21157	6 (0.28)	5 (0.24)	2 (0.09)	13 (0.61)	26.19 (4.37)	19.57 (3.91)	1.09 (0.54)	46.85 (3.60)
11. Chandigarh	16920	21 (1.24)	9 (0.53)	-	30 (1.77)	61.27 (2.92)	15.69 (1.74)	-	76.96 (2.57)
12. Dadra & Nagar Haveli	51071	15 (0.29)	22 (0.43)	3 (0.06)	40 (0.78)	54.04 (3.60)	23.74 (1.08)	0.85 (0.28)	78.63 (1.97)
13. Lakshadweep	-	-	-	-	-	-	-	-	-
14. Puducherry	48528	-	-	-	-	-	-	-	-
<b>Total</b>	<b>750706</b>	<b>395</b> <b>(0.53)</b>	<b>338</b> <b>(0.45)</b>	<b>1286</b> <b>(1.71)</b>	<b>2019</b> <b>(2.69)</b>	<b>1193.88</b> <b>(3.02)</b>	<b>285.79</b> <b>(0.85)</b>	<b>122.22</b> <b>(0.10)</b>	<b>1632.77</b> <b>(0.79)</b>

\* = Figures in brackets indicate accident rates per 1000 workers employed.

@ = Figures in brackets indicate average compensation paid per case.

'-' = Nil.

### 13. Occupational Diseases

As stated earlier, the Workmen's Compensation Act, 1923 also provides for the payment of compensation in cases of certain occupational diseases listed under Schedule-III of the Act. No case of occupational disease was reported from any of the States/Union Territories, during the period under reference.

#### 14. Cases Dealt With by the Commissioners for Workmen's Compensation

5.1 The Act is administered by the Commissioners for Workmen's Compensation appointed by respective State Governments/Union Territory Administrations under section 20 of the Act. Table-5 shows the number of cases handled under different sections of the Workmen's Compensation Act, 1923 by the Workmen's Compensation Commissioners during 2009. During the year 2009, under section 7, 8 and 10 of the Act, 10,200 cases were registered. Of the total cases registered, 9,451 cases were disposed of during the year. The total number of the cases pending was 31,721 at the end of the year as against 30,972 at the beginning of the year.

**Table-5 Number of Cases Handled by the Commissioners for Workmen's Compensation During 2009**

Item	Number of cases pending at the beginning of the year	Number of cases filed during the year including those received from other Commissioners for disposal	Total number of cases disposed of during the year including those transferred to others for disposal	Number of cases pending at the end of the year
1.	2.	3.	4.	5.
(a) Compensation under Section 7	1799	922	613	2108
(b) Deposits under Section 8	332	66	28	370
(c) Award of Compensation under Section 10	28841	9212	8810	29243
<b>Total</b>	<b>30972</b>	<b>10200</b>	<b>9451</b>	<b>31721</b>

Note: Figures, over the years, may not be strictly comparable due to varying response from State

Govts./UT Administrations.

5.2 Section 8 of the Act makes it obligatory for the employers to deposit the amount of compensation payable in cases of fatal accidents or a lump sum compensation payable to a woman or a person under legal disability for disbursement with the Commissioners. Data relating to such deposits and disbursements submitted by the various States/Union Territories excluding Railways for the year 2009 are presented in Table-6. It may be seen from the table that both deposits (Rs.58,37,59,458) and disbursements (Rs.54,09,20,926) were highest in Maharashtra while deposit was lowest in Puducherry (Rs.4,58,777) and disbursement was lowest in Tripura (Rs.6,78,068).

**Table – 6 Deposits and Disbursements Under Section 8 of the Workmen’s Compensation Act, 1923 (except Railways) During 2009**

State/Union Territory	Deposits and Disbursements (in Rs.)				
	Opening balance	Deposits	Disbursements	Amount refunded to employers	Closing balance (Col. 2+3-4-5)
1	2	3	4	5	6
1. Delhi	2,34,08,729	5,23,32,768	4,63,19,005	2,77,719	2,91,44,773
2. Himachal Pradesh	2,30,88,089	3,22,99,481	3,03,49,670	-	2,50,37,900
3. Kerala	9,57,30,192	15,09,26,918	10,90,32,004	6,62,131	13,69,62,975
4. Maharashtra	25,55,09,388	58,37,59,458	54,09,20,926	19,76,237	29,63,71,683
5. Orissa	18,15,05,310	16,33,51,789	13,17,18,132	62,54,101	20,68,84,866
6. Tamil Nadu	22,21,74,511	31,23,26,933	29,05,30,834	65,75,245	23,73,95,365
7. Tripura	-	6,78,068	6,78,068	-	-
8. Uttarakhand	43,62,412	2,37,26,908	2,40,52,014	-	40,37,306
9. West Bengal	6,40,45,731	8,65,92,531	10,74,20,769	-	4,32,17,493
10. Andaman & Nicobar Islands	10,81,933	59,59,526	53,52,066	-	16,89,393
11. Chandigarh	47,62,964	55,38,412	76,96,724	-	26,04,652
12. Dadra & Nagar Haveli	4,53,241	93,98,978	78,63,457	-	19,88,762
13. Lakshadweep	-	-	-	-	-
14. Puducherry	39,58,882	4,58,777	8,02,584	62,483	35,52,592
<b>Total</b>	<b>88,00,81,382</b>	<b>1,42,73,50,547</b>	<b>1,30,27,36,253</b>	<b>1,58,07,916</b>	<b>98,88,87,760</b>

‘-’ = Nil

5.3 The information regarding the number of appeals and disposal thereof during the year 2009 is shown in Table-7. Maximum number of appeals filed (265) as well as appeals disposed of (216) were highest in the State of Orissa. Out of 2,695 number of appeals pending at the end of the year 2009, Orissa has the highest number (876) followed by Tamil Nadu (730) and Maharashtra (424). However, in the NCT Delhi and Union Territories of Andaman & Nicobar Islands, Dadra & Nagar Haveli and Lakshadweep, there was neither any appeal pending at the beginning of the year nor any filed during the year.



**Table – 7 Disposal of Appeals During 2009 in All Establishments**

State/Union Territory	Pending at the beginning of the year	Filed during the year	Disposed off during the Year	Pending at the end of the year
1. Delhi	-	-	-	-
2. Himachal Pradesh	264	23	34	253
3. Kerala	416	86	170	332
4. Maharashtra	395	55	26	424
5. Orissa	827	265	216	876
6. Tamil Nadu	725	143	138	730
7. Tripura	1	-	-	1
8. Uttarakhand	8	1	1	8
9. West Bengal	45	11	8	48
10. Andaman & Nicobar Islands	-	-	-	-
11. Chandigarh	37	22	41	18
12. Dadra & Nagar Haveli	-	-	-	-
13. Lakshadweep	-	-	-	-
14. Puducherry	4	1	-	5
<b>TOTAL</b>	<b>2722</b>	<b>607</b>	<b>634</b>	<b>2695</b>

‘-’ = Nil

### 15. Limitations of statistics

A large number of States/UTs, despite repeated reminders, did not submit their annual returns to the Labour Bureau. The States/UTs not submitting returns are Andhra Pradesh, Arunachal Pradesh, Assam, Jharkhand, Madhya Pradesh, Manipur, Rajasthan, Uttar Pradesh and Union Territory of Daman & Diu. Similarly, the data received from the States of Bihar, Chattisgarh, Goa, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Meghalaya, Punjab and Mizoram were also not included in the report due to their incompleteness or inconsistencies. In view of this, the report may not be truly representative in nature. Moreover, all-India figures in the report may not be truly comparable over the years as the responding States/UTs vary from year to year.

