

## **REPORT ON THE WORKING OF THE WORKMEN'S COMPENSATION ACT, 1923 FOR THE YEAR 2008**

### **1. Introduction**

The Workmen's Compensation Act, 1923 which came into force on 1<sup>st</sup> July, 1924 makes it obligatory for those employers who have been brought within the ambit of the Act to furnish to the State Governments / Union Territory Administrations annual returns containing statistics relating to the average number of workers covered under the Act, number of accidents in which compensation was paid and the amount of compensation paid. On the basis of these returns, Labour Bureau brings out report on the working of the Act every year. The present report is for the year 2008.

### **2. Objective of the Act**

The Workmen's Compensation Act is one of the important social security legislations to mitigate the perils of industrial and other specified employments by providing financial protection to workmen and their dependants in case of accidental injury by means of payment of compensation by the employers. Besides, compensation is also payable for some occupational diseases contracted by workmen during the course of their employment.

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

3.1 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 whose employment is of a casual nature and who are employed for purpose other than the employer's trade or business; (ii) persons serving in Armed Forces and (iii) workers covered by the Employees' State Insurance Act, 1948. Under the Act, the State Governments are empowered to appoint Commissioners for Workmen's Compensation 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 under the Act, to the injured workers within one month from the date it fell due.

3.2 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.

3.3 In case of death the minimum amount of compensation fixed is Rs.80,000 and in case of permanent total disablement it is Rs.90,000. The existing wage ceiling for computation of maximum amount of compensation is Rs.4,000. 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. These enhanced rates of compensation have come into force w.e.f. 8.12.2000.

3.4 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, wilful 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. The amount of compensation payable depends on the nature of injury, the average monthly wage of the worker injured and the age of the worker.

#### **4. Number of Compensated Accidents and the Amount of Compensation paid.**

4.1 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 2005 to 2008 is presented in Table-1. During 2008 as many as 5,023 compensated accidents resulting in death, permanent disablement and temporary

disablement were reported by the States and Union Territories submitting returns and an amount of Rs.61.47 crore was paid as compensation. Out of the total compensated accidents 26.76 per cent were fatal accidents 19.55 per cent related to permanent disablement, and 53.69 percent were temporary disablement cases. The compensation paid in case of these categories was Rs.43.27 crore, Rs.14.12 crore and Rs.4.08 crore respectively.

**Table-1 Number of Compensated Accidents and the Amount of Compensation paid by the Establishments submitting returns during 2005 to 2008**

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
2005	1334030	1780 (29.10)	1522 (24.89)	2814 (46.01)	6116 (100.00)	3805.10	1870.74	499.22	6175.06
2006	1540228	1514 (26.22)	1836 (31.79)	2425 (41.99)	5775 (100.00)	5761.60	2493.84	313.19	8568.63
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

Notes: 1.The figures may not be strictly comparable due to varying responses from State Govts./UT Administrations.

2. The figures in brackets indicate percentage share to total.

4.2 Industry-wise break-up of number of compensated accidents and the amount of compensation paid during the year 2008 is given in Table-2. Of the total compensated accidents, Railways accounted for 38.78 per cent, followed by Miscellaneous (27.87 per cent) and Factories (25.80 per cent). Whereas in case of compensation paid, Miscellaneous has the maximum share of 50.29 per cent, followed by Railways 32.22 per cent and Factories 10.36 per cent.

**Table-2 Number of Compensated Accidents and the Amount of Compensation paid by the establishments submitting returns during 2008**

Industry	Average daily No. of workers employed in establishments submitting returns	Number of Compensated Accidents resulting in				Amount of Compensation paid (Rs. in Lakh.)			
		Death	Perma- nent disabl- ement	Temp- orary disabl- ement	<b>Total</b>	Death	Perma- nent disabl- ement	Tempo- rary disable- ment	<b>Total</b>
1. Factories	432703 (25.27)	136 (10.12)	175 (17.82)	985 (36.52)	1296 (25.80)	368.69 (8.52)	215.18 (15.24)	52.91 (12.97)	636.78 (10.36)
2. Plantations	122641 (7.16)	10 (0.74)	64 (6.52)	180 (6.67)	254 (5.06)	23.43 (0.54)	88.44 (6.26)	20.74 (5.09)	132.61 (2.16)
3. Mines	51530 (3.01)	16 (1.19)	-	5 (0.19)	21 (0.42)	59.81 (1.38)	-	2.97 (0.73)	62.78 (1.02)
4. Ports & Docks	14430 (0.84)	4 (0.30)	2 (0.20)	-	6 (0.12)	13.80 (0.32)	16.90 (1.19)	-	30.70 (0.50)
5. Tramways	-	-	-	-	-	-	-	-	-
6. Building and Construction	166668 (9.74)	33 (2.46)	38 (3.87)	19 (0.70)	90 (1.79)	122.33 (2.83)	65.65 (4.65)	9.55 (2.34)	197.53 (3.21)
7. Municipalities	61278 (3.58)	2 (0.15)	6 (0.61)	-	8 (0.16)	5.04 (0.12)	9.87 (0.70)	-	14.91 (0.24)
8. Railways	761133 (44.46)	471 (35.04)	192 (19.55)	1285 (47.65)	1948 (38.78)	1739.14 (40.19)	147.09 (10.42)	94.23 (23.11)	1980.46 (32.22)
9. Miscellaneous	101744 (5.94)	672 (50.00)	505 (51.43)	223 (8.27)	1400 (27.87)	1994.81 (46.10)	869.12 (61.54)	227.40 (55.76)	3091.33 (50.29)
<b>All Industries</b>	<b>1712127 (100.00)</b>	<b>1344 (100.00) (26.76)</b>	<b>982 (100.00) (19.55)</b>	<b>2697 (100.00) (53.69)</b>	<b>5023 (100.00) (100.00)</b>	<b>4327.05 (100.00) (70.39)</b>	<b>1412.25 (100.00) (22.98)</b>	<b>407.80 (100.00) (6.63)</b>	<b>6147.10 (100.00) (100.00)</b>

- = Nil.

Note = Figures in brackets indicate percentage share to totals of All Industries

4.3 The details of Accident rate per one thousand workers employed, Average amount of Compensation paid and Cost of Compensated Accidents per worker during 2008 are given in Table-3. It reveals that during 2008 accident rate per one thousand workers was highest in Miscellaneous industry (13.76), followed by Factories (3.00), Railways (2.56), Plantations (2.07), Building & Construction (0.54), Ports & Docks (0.42) and Mines (0.41). The average amount of compensation paid per case was the highest in Ports & Docks (Rs.5.12 lakh), followed by Mines (Rs.2.99 lakh), Miscellaneous (Rs.2.21 lakh), Building & Construction (Rs.2.19 lakh), Municipalities (1.86 lakh), Railways (Rs.1.02 lakh), Plantations (Rs.0.52 lakh) and Factories (Rs.0.49 lakh). The compensation paid per worker employed was highest in Miscellaneous

(Rs.3,038) followed by Railways (Rs. 260) and Ports & Docks (Rs.213), though the average of all industries stood at Rs.359 only.

**Table-3 Accident rate per one thousand workers employed, Average amount of Compensation paid and Cost of Compensated Accidents per worker during 2008**

Industry	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	3.00	49134	147
2. Plantations	2.07	52209	108
3. Mines	0.41	298952	122
4. Ports & Docks	0.42	511667	213
5. Tramways	-	-	-
6. Building and Construction	0.54	219478	119
7. Municipalities	0.13	186375	24
8. Railways	2.56	101666	260
9. Miscellaneous	13.76	220809	3038
<b>All Industries</b>	<b>2.93</b>	<b>122379</b>	<b>359</b>

‘-‘ = Nil

4.4 The number of compensated accidents and the amount of compensation paid during the year 2008 in the States and Union Territories which submitted returns except Railways are presented in Table - 4. Maharashtra reported the largest number of compensated cases (959), followed by Andhra Pradesh (699) and Tamil Nadu (534). In all there were 873 fatal accidents, out of which the highest number (464 cases) occurred in Andhra Pradesh followed by Tamil Nadu (163 cases). The average amount of compensation paid per case was highest in Andaman and Nicobar (Rs.5.10 lakh) followed by Andhra Pradesh (Rs.2.97 lakh), Rajasthan (Rs.2.32 Lakh), Kerala (Rs.1.57 lakh) and Tamil Nadu (Rs.1.48 lakh). The incidence rate of fatal accidents per one thousand workers employed was highest in Rajasthan (8.49) followed by Tamil Nadu (2.70), Orissa (2.09) and Andhra Pradesh (1.42) as against all-India average of 0.92. In case of all accidents the incidence rate per thousand workers employed was again highest in Maharashtra (9.07) followed by Tamil Nadu (8.85), Orissa (8.20), Kerala (2.60) and Andhra Pradesh (2.14) as against all –India average of 3.23.

**Table-4 Compensated Accidents, Amount of Compensation paid and Accident rate per 1000 workers except Railways during 2008**

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. Andhra Pradesh	326570	464 (1.42)	154 (0.47)	81 (0.25)	699 (2.14)	1490.23 (3.21)	422.33 (2.74)	164.30 (2.03)	2076.86 (2.97)
2. Himachal Pradesh	16378	-	-	-	-	-	-	-	-
3. Kerala	169203	70 (0.41)	272 (1.61)	98 (0.58)	440 (2.60)	267.92 (3.83)	320.68 (1.18)	100.64 (1.03)	689.24 (1.57)
4. Maharashtra	105784	18 (0.17)	28 (0.26)	913 (8.63)	959 (9.07)	38.15 (2.12)	35.81 (1.28)	41.50 (0.05)	115.46 (0.12)
5. Orissa	19143	40 (2.09)	25 (1.31)	92 (4.81)	157 (8.20)	0.91 (0.02)	18.84 (0.75)	-	19.75 (0.13)
6. Rajasthan	11068	94 (8.49)	55 (4.97)	4 (0.36)	153 (1.38)	229.84 (2.45)	122.58 (2.23)	2.07 (0.52)	354.49 (2.32)
7. Tamil Nadu	60305	163 (2.70)	209 (3.47)	162 (2.69)	534 (8.85)	494.57 (3.03)	293.43 (1.40)	2.21 (0.01)	790.21 (1.48)
8. Tripura	10416	1 (0.10)	-	-	1 (0.10)	1 (0.10)	-	-	1 (0.10)
9. Uttarakhand	97637	-	-	-	-	-	-	-	-
10. West Bengal	37002	4 (0.11)	12 (0.32)	54 (1.46)	70 (1.89)	8.71 (2.18)	7.14 (0.60)	0.45 (0.01)	16.30 (0.23)
11. Andaman & Nicobar	20840	3 (0.14)	1 (0.05)	1 (0.05)	5 (0.24)	9.60 (3.20)	14.75 (14.75)	1.15 (1.15)	25.50 (5.10)
12. Chandigarh	16991	4 (0.24)	6 (0.35)	-	10 (0.59)	7.86 (1.97)	3.45 (0.58)	-	11.31 (1.13)
13. Dadra & Nagar Haveli	50071	12 (0.24)	28 (0.56)	7 (0.14)	47 (0.94)	40.11 (3.34)	26.15 (0.93)	1.25 (0.18)	67.51 (1.44)
14. Puducherry	9586	-	-	-	-	-	-	-	-
<b>Total</b>	<b>950994</b>	<b>873 (0.92)</b>	<b>790 (0.83)</b>	<b>1412 (1.48)</b>	<b>3075 (3.23)</b>	<b>2587.91 (2.96)</b>	<b>1265.16 (1.60)</b>	<b>313.58 (0.22)</b>	<b>4166.65 (1.36)</b>

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

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

'-' = Nil.

## 5. 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.

## 6. Cases Dealt with by the Commissioners for Workmen's Compensation

6.1 The Act is administered by the Commissioners for Workmen's Compensation appointed by respective State Governments 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 2008. During the year 2008, under section 7, 8 and 10 of the Act under section, 16,089 cases were registered. Of the total cases registered, 14,677 cases were disposed of during the year. The total number of the cases pending were 35,861 at the end of the year as against 34,449 at the beginning of the year.

**Table-5 Number of cases handled by the Commissioners for Workmen's Compensation during 2008**

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	1393	637	358	1672
(b) Deposits under Section 8	2029	3965	3174	2820
(c) Award of Compensation under Section 10	31027	11487	11145	31369
<b>Total</b>	<b>34449</b>	<b>16089</b>	<b>14677</b>	<b>35861</b>

6.2 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 but not including Railways for the year 2008 are presented in Table-6. It may be seen from the table that both deposits (Rs.52.34 crore) and disbursements (Rs.45.74 crore) were highest in Maharashtra while deposit was lowest in Puducherry (Rs.14.67 lakh) and disbursement was lowest in Chandigarh (Rs. 11.31 lakh).

**Table – 6 Deposits and Disbursements under Section 8 of the Workmen’s Compensation Act, 1923 (except Railways) during 2008**

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. Andhra Pradesh	20,63,70,678	35,43,53,551	28,76,57,021	1,17,972	27,29,49,236
2. Himachal Pradesh	2,06,90,097	5,40,17,936	5,16,19,944	-	2,30,88,089
3. Kerala	6,88,73,500	10,57,95,915	7,82,83,774	6,55,449	9,57,30,192
4. Maharashtra	18,98,54,071	52,34,61,046	45,74,21,694	6,84,035	25,52,09,388
5. Orissa	12,01,84,334	20,62,73,159	14,23,51,576	26,00,607	18,15,05,310
6. Rajasthan	8,51,95,916	41,23,41,613	36,89,58,236	1,97,870	12,83,81,423
7. Tamil Nadu	18,71,44,196	31,60,77,650	30,60,99,179	31,25,617	19,39,97,050
8. Uttarakhand	15,98,775	3,11,13,939	2,17,43,455	-	1,09,69,259
9. West Bengal	5,02,24,909	13,58,97,505	12,20,76,683	-	6,40,45,731
10. Andaman & Nicobar Islands	14,66,359	25,49,862	25,49,862	3,84,426	10,81,933
11. Chandigarh	20,31,651	38,62,475	11,31,162	-	47,62,964
12. Dadra & Nagar Haveli	2,94,997	69,08,922	1,06,36,135	-	-34,32,216
13. Puducherry	46,16,515	14,67,640	21,25,273	-	39,58,882
<b>Total</b>	<b>93,85,45,998</b>	<b>2,15,41,21,213</b>	<b>1,85,26,53,994</b>	<b>77,65,976</b>	<b>1,23,22,47,241</b>

‘-‘ = Nil

6.3 The information regarding the number of appeals and disposal thereof during the year 2008 is shown in Table-7. Maximum number of appeals filed (235) and also the appeals disposed of (171) were highest in the State of Andhra Pradesh. Out of 3,408 number of appeals pending at the end of the year 2008, Orissa has the highest number (827) followed by Andhra Pradesh (682) and Tamil Nadu (625). However, in the Union territories of Andaman & Nicobar Islands and Dadra & Nagar Haveli, there was neither any appeal pending at the beginning of the year nor any filed during the year.



**Table – 7 Disposal of Appeals during 2008 in all Industries**

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. Andhra Pradesh	618	235	171	682
2. Himachal Pradesh	184	81	65	200
3. Kerala	366	132	82	416
4. Maharashtra	341	89	35	395
5. Orissa	921	192	286	827
6. Rajasthan	186	96	114	168
7. Tamil Nadu	598	220	193	625
8. Uttarakhand	14	10	15	9
9. West Bengal	38	9	2	45
10. Andaman & Nicobar Islands	-	-	-	-
11. Chandigarh	36	23	22	37
12. Dadra & Nagar Haveli	-	-	-	-
13. Puducherry	6	-	2	4
<b>TOTAL</b>	<b>3308</b>	<b>1087</b>	<b>987</b>	<b>3408</b>

‘-‘ = Nil

## 7. Limitations of statistics

**7.1** A large number of establishments covered under the Act, notwithstanding the statutory obligation, fail to submit the returns to the State Governments / Union Territory Administrations which in turn could not submit their annual returns to the Bureau. The States of Jharkhand, Madhya Pradesh, Manipur and Delhi were among the States which did not submit annual returns. Hence, the data relating to these States could not be included in the present report. Similarly, the data received from the States of Assam, Arunachal Pradesh, Bihar, Chattisgarh, Goa, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Meghalaya, Uttar Pradesh and Punjab also could not be included in the report due to their incompleteness or inconsistencies despite the fact that Labour Bureau gave necessary clarifications to the respective State Governments from time to time.

7.2 The workers covered under the Employees' State Insurance Act, 1948 are not entitled to get compensation under the Workmen's Compensation Act, 1923. With the gradual extension of the Employees' State Insurance Scheme, the coverage under the Workmen's Compensation Act, 1923 is getting reduced as the former is more comprehensive and has additional features for the welfare of the workers.