

## **REPORT ON THE WORKING OF THE EMPLOYEES' COMPENSATION ACT, 1923 FOR THE YEAR 2011**

### **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 employee's and/or their dependents in case of accidents arising out of and in the course of employment and causing either death or disablement of employee's, came into force on 1st July, 1924. Besides, the Act has a provision of paying compensation to the employee's 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 2011

### **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 an employee depends on the nature of injury caused by accident, the monthly wage and the age of the employee 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. These enhanced rates of compensation have come into force w.e.f. 18<sup>th</sup> January 2010. The wage ceiling limit for working out compensation has been increased from Rs.4,000/- to Rs.8,000/- per month 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, willful disobedience of the employees to an order or rule, willful removal or disregard by the employees 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 2009 to 2011 is presented in Table-1. During 2011 as many as 5247 compensated accidents resulting in death, permanent disablement and temporary disablement were reported by the States and Union Territories and an amount of Rs.11280.49 lakh was paid as compensation. Out of the total compensated accidents 39.16% were fatal accidents 41.36% related to permanent disablement and 19.48% were temporary disablement cases. The compensation paid in case of these categories was Rs.6865.08 lakh, Rs. 4130.03 lakh and Rs. 285.38 lakh respectively.

**Table-1**

**Number of Compensated Accidents and the Amount of Compensation paid by the Establishments Submitting Returns During 2009 to 2011**

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	Perma- nent disable- ment	Temp- orary disable- ment	Total	Death	Perma- nent disable- ment	Temp- orary disable- ment	Total
2009	1662342	863 (23.31)	497 (13.42)	2343 (63.27)	3703 (100.00)	2420.13	554.32	159.85	3134.30
2010	1063802	1939 (33.63)	2831 (49.11)	995 (17.26)	5765 (100.00)	5991.49	2385.78	406.05	8783.32
2011	1191653	2055 (39.16)	2170 (41.36)	1022 (19.48)	5247 (100.00)	6865.08	4130.03	285.38	11280.49

Note: 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 2011 is given in Table-2. Of the total compensated accidents, Miscellaneous accounted for highest i.e. 66.34% followed by Factories 22.54% and Plantation 5.41%. Whereas in case of compensation paid, Miscellaneous has the maximum share of 59.51% followed by Factories 30.41% & Building & Construction 6.51%.

**Table-2**  
**Number of Compensated Accidents and the Amount of Compensation**  
**paid by the Establishments Submitting Returns During 2011**

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	Perma- nent disable- ment	Tempo- rary disable- ment	Total	Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total
1. Factories	619939 (52.02)	333 (16.20)	647 (31.48)	191 (18.69)	1171 (22.32)	1881.04 (27.40)	1426.20 (34.53)	123.06 (43.12)	3430.29 (30.41)
2. Plantations	146015 (12.25)	35 (1.70)	99 (4.82)	147 (14.38)	281 (5.36)	82.34 (1.20)	101.08 (2.45)	12.65 (4.43)	196.07 (1.74)
3. Mines	6363 (0.53)	8 (0.39)	1 (0.05)	9 (0.88)	18 (0.34)	21.20 (0.31)	16.83 (0.41)	0.00 (0.00)	38.03 (0.34)
4. Ports & Docks	15770 (1.32)	4 (0.19)	0 (0.00)	2 (0.20)	6 (0.11)	26.65 (0.39)	0.00 (0.00)	1.24 (0.43)	27.89 (0.25)
5. Tramways	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Building and Construction	250980 (21.06)	190 (9.25)	56 (2.73)	24 (2.35)	270 (5.15)	632.94 (9.22)	92.02 (2.23)	9.02 (3.16)	733.98 (6.51)
7. Municipalities	21629 (1.82)	3 (0.15)	0 (0.00)	0 (0.00)	3 (0.06)	21.85 (0.32)	0.00 (0.00)	0.00 (0.00)	21.85 (0.19)
8. Railways	31637 (2.65)	15 (0.73)	5 (0.24)	31 (3.03)	51 (0.97)	110.16 (1.60)	5.34 (0.13)	3.48 (1.22)	118.98 (1.05)
9. Miscellaneous	99320 (8.33)	1467 (71.39)	1362 (66.28)	618 (60.47)	3447 (65.69)	4088.89 (59.56)	2488.57 (60.26)	135.94 (47.63)	6713.40 (59.51)
<b>All Establish- ments</b>	<b>1191653</b>	<b>2055</b> <b>(39.16)</b>	<b>2170</b> <b>(41.36)</b>	<b>1022</b> <b>(19.48)</b>	<b>5247</b> <b>(100.00)</b>	<b>6865.08</b> <b>(60.86)</b>	<b>4130.03</b> <b>(36.61)</b>	<b>285.38</b> <b>(2.53)</b>	<b>11280.49</b> <b>(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 2011 are given in Table-3. It reveals that during 2011 accident rate per one thousand workers was highest in Miscellaneous 34.71 followed by Mines 2.83 and Plantations 1.92. Whereas the average amount of compensation paid per case was the highest in Municipalities (Rs.728333) followed by Port & Docks (Rs.464833) and Factories (Rs 292937). The compensation paid per worker employed was highest in Miscellaneous (Rs.6759) followed by Mines (Rs. 598) and Factories (Rs 553) though the average of all establishments stood at Rs. 947 only.

**Table-3****Accident Rate Per One Thousand Workers Employed, Average Amount of Compensation Paid and Cost of Compensated Accidents Per Worker During 2011**

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	1.89	292937	553
2. Plantations	1.92	69776	134
3. Mines	2.83	211278	598
4. Ports & Docks	0.38	464833	177
5. Tramways	-	-	-
6. Building and Construction	1.08	271844	292
7. Municipalities	0.14	728333	101
8. Railways	1.61	233294	376
9. Miscellaneous	34.71	194761	6759
<b>All Industries</b>	<b>4.40</b>	<b>214989</b>	<b>947</b>

‘-’ = Nil

‘..’ = Not Reported

3.4 The number of compensated accidents and the amount of compensation paid during the year 2011 in the States and Union Territories which submitted returns except Railways are presented in Table - 4. Karnataka reported the largest number of compensated cases (2546) followed by Andhra Pradesh (808) and Kerala (611). In all there were 2040 fatal accidents, out of which the highest number (841) occurred in Karnataka followed by Andhra Pradesh (425) and Kerala (228). The average amount of compensation paid per case was highest in Haryana (Rs.26.18 lakh) followed by Chandigarh (Rs. 3.61 lakh) and Andhra Pradesh (Rs 3.60). The incidence rate of fatal accidents per one thousand workers employed was highest in Karnataka (15.81) followed by Jammu & Kashmir (12.71) and Assam (7.40) as against all-India average of 1.76. In case of all accidents the incidence rate per thousand workers employed was highest in Karnataka (47.88) followed by Jammu & Kashmir (21.27) and Assam (18.04) as against all-India average of (4.48).

Table-4

## Compensated Accidents, Amount of Compensation Paid and Accident Rate Per 1000 Workers Except Railways During 2011

Sl. No	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 Lakhs)			
			Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total	Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total
1	2	3	4	5	6	7	8	9	10	
1	Andhra Pradesh	276439	425 (1.54)	383 (1.39)	0 (0.00)	808 (2.92)	2075.30 (4.88)	831.36 (2.17)	0.00 (0.00)	2906.66 (3.60)
2	Assam	2162	16 (7.40)	9 (4.16)	14 (6.48)	39 (18.04)	44.63 (2.79)	9.64 (1.07)	10.20 (0.73)	64.47 (1.65)
3	Haryana	2803	1 (0.36)	2 (0.71)	0 (0.00)	3 (1.07)	78.55 (78.55)	0.00 (0.00)	0.00 (0.00)	78.55 (26.18)
4	Himachal Pradesh	18710	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5	Jammu & Kashmir	11096	141 (12.71)	65 (5.86)	30 (2.70)	236 (21.27)	468.15 (3.32)	150.93 (2.32)	21.61 (0.72)	640.69 (2.71)
6	Karnataka	53179	841 (15.81)	1171 (22.02)	534 (10.04)	2546 (47.88)	2111.27 (2.51)	2497.67 (2.13)	89.15 (0.17)	4698.09 (1.85)
7	Kerala	209967	228 (1.09)	243 (1.16)	140 (0.67)	611 (2.91)	759.92 (3.33)	336.15 (1.38)	76.60 (0.55)	1172.68 (1.92)
8	Maharashtra	98466	8 (0.08)	17 (0.17)	98 (1.00)	123 (1.25)	44.17 (5.52)	11.55 (0.68)	1.87 (0.02)	57.59 (0.47)
9	Mizoram	0	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
10	Nagaland	0	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
11	Odisha	13447	59 (4.39)	14 (1.04)	0 (0.00)	73 (5.43)	157.46 (2.67)	4.02 (0.29)	0.00 (0.00)	161.48 (2.21)
12	Rajasthan	22728	111 (4.88)	42 (1.85)	11 (0.48)	164 (7.22)	447.48 (4.03)	60.94 (1.45)	17.82 (1.62)	526.23 (3.21)
13	Tamil Nadu	46080	1 (0.02)	3 (0.07)	93 (2.02)	97 (2.11)	0.00 (0.00)	1.62 (0.54)	1.20 (0.01)	2.82 (0.03)
14	Tripura	610	0 (0.00)	1 (1.64)	2 (3.28)	3 (4.92)	0.00 (0.00)	2.62 (2.62)	0.00 (0.00)	2.62 (0.87)
15	Uttar Pradesh	42855	74 (1.73)	21 (0.49)	46 (1.07)	141 (3.29)	187.97 (2.54)	50.21 (2.39)	56.93 (1.24)	295.11 (2.09)
16	Uttarakhand	102350	7 (0.07)	1 (0.01)	2 (0.02)	10 (0.10)	8.08 (1.15)	1.35 (1.35)	0.00 (0.00)	9.43 (0.94)
17	West Bengal	32930	1 (0.03)	0 (0.00)	9 (0.27)	10 (0.30)	4.99 (4.99)	0.00 (0.00)	0.55 (0.06)	5.53 (0.55)
18	A & N Islands	22022	8 (0.36)	0 (0.00)	3 (0.14)	11 (0.50)	31.60 (3.95)	0.00 (0.00)	1.24 (0.41)	32.85 (2.99)
19	Chandigarh	16286	15 (0.92)	3 (0.18)	0 (0.00)	18 (1.11)	64.98 (4.33)	0.00 (0.00)	0.00 (0.00)	64.98 (3.61)
20	Dadar & Nagar Haveli	73115	14 (0.19)	40 (0.55)	4 (0.05)	58 (0.79)	72.70 (5.19)	72.70 (1.82)	0.59 (0.15)	145.98 (2.52)
21	National Capital Delhi	87309	90 (1.03)	150 (1.72)	5 (0.06)	245 (2.81)	197.68 (2.20)	93.94 (0.63)	4.17 (0.83)	295.78 (1.21)
22	Lakshadweep	0	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
23	Puducherry	27462	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total		1160016	2040 (1.76)	2165 (1.87)	991 (0.85)	5196 (4.48)	6754.92 (3.31)	4124.69 (1.91)	281.91 (0.28)	11161.52 (2.15)

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

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

'-' = Nil.

#### 4. Cases Dealt With by the Commissioners for Employee's Compensation

4.1 The Act is administered by the Commissioners for Employee'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 Employee's Compensation Act, 1923 by the Employee's Compensation Commissioners during 2011. During the year 2011, under section 7, 8 and 10 of the Act, 22441 cases were registered. Of the total cases registered 20537 cases were disposed of during the year. The total number of the cases pending were 65707 at the end of the year as against 63803 at the beginning of the year.

**Table-5**

**Number of Cases Handled by the Commissioners for Workmen's Compensation during 2011**

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	3209	677	784	3102
(b) Deposits under Section 8	6876	3172	1896	8152
(c) Award of Compensation under Section 10	53718	18592	17857	54453
<b>Total</b>	<b>63803</b>	<b>22441</b>	<b>20537</b>	<b>65707</b>

Note: Figures, over the years, may not be strictly comparable due to varying response from State Govts./UT Administrations.

4.2 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 2011 are presented in Table-6. It may be seen from the table that both deposits (Rs.1332620135) and disbursements (Rs.415988613) were highest in Rajasthan while deposits and disbursement was lowest in Tripura (Rs 26205).

Table - 6  
**Deposits and Disbursements Under Section 8 of the Employee's Compensation Act, 1923 (except Railways)**

	State/Union Territory	Deposits and Disbursements (in Rs.)				Closing balance (Col. 2+3-4-5)
		Opening balance	Deposits	Disbursements	Amount refunded to employers	
	1	2	3	4	5	6
1	Andhra Pradesh	246403703	508700015	408227895	856469	346019354
2	Assam	5817460	86595448	66390633	0	26022275
3	Haryana	82876546	208203727	209629635	457080	80993558
4	Himachal Pradesh	25037900	0	0	0	25037900
5	Jammu & Kashmir	28400400	80337900	74574300	493000	33671000
6	Karnataka	172982889	670500845	172095365	4572261	666816108
7	Kerala	220257263	238238525	188711535	82783	269701470
8	Maharashtra	223933902	321512170	314264081	555114	230626877
9	Mizoram	0	0	0	0	0
10	Nagaland	0	0	0	0	0
11	Odisha	209110513	220546080	204197470	4381027	221078096
12	Rajasthan	204815955	1332620135	415988613	210807	1121236670
13	Tamil Nadu	313352188	330843768	327992585	4448245	311755126
14	Tripura	0	262055	262055	0	0
15	Uttar Pradesh	245318715	365031769	350570682	0	259779802
16	Uttrakhand	4280538	21370277	18124468	0	7526347
17	West Bengal	41951986	128851635	123651829	0	47151792
18	A & N Islands	649212	3040684	2396944	0	1292952
19	Chandigarh	3000558	13471492	6497654	0	9974396
20	Dadar & Nagar Haveli	1448691	13751670	12692466	0	2507895
21	National Capital Delhi	29812231	69745348	72703764	0	26853815
22	Lakshadweep	0	0	0	0	0
23	Puducherry	3428779	470945	1232790	0	2666934
	<b>Total</b>	2062879429	4614094488	2970204764	16056786	3690712367

4.3 The information regarding the number of appeals and disposal thereof during the year 2011 is shown in Table-7. Maximum number of appeals filed (848) as well as appeals disposed of (868) were in the State of Karnataka. Out of 5563 number of appeals pending at the end of the year 2011, Karnataka has the highest number (1575) followed by Andhra Pradesh (935) and Tamil Nadu (718). However, in the States/U.T's of Assam, Himachal, Mizoram, Nagaland, Tripura, Andaman & Nicobar Islands, Dadar & Nagar Haveli, NCT Delhi and Lakshadweep neither any appeal was pending at the beginning of the year nor any filed during the year.

**Table – 7**

**Disposal of Appeals 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	Andhra Pradesh	801	226	92	935
2	Assam	0	0	0	0
3	Haryana	66	39	22	83
4	Himachal Pradesh	0	0	0	0
5	Jammu & Kashmir	260	68	161	167
6	Karnataka	1595	848	868	1575
7	Kerala	342	232	147	427
8	Maharashtra	574	64	14	624
9	Mizoram	0	0	0	0
10	Nagaland	0	0	0	0
11	Odisha	658	234	273	619
12	Rajasthan	132	41	28	145
13	Tamil Nadu	703	80	65	718
14	Tripura	0	0	0	0
15	Uttar Pradesh	197	50	78	169
16	Uttarakhand	11	0	4	7
17	West Bengal	38	36	5	69
18	A & N Islands	0	0	0	0
19	Chandigarh	20	22	25	17
20	Dadar & Nagar Haveli	0	0	0	0
21	National Capital Delhi	0	0	0	0
22	Lakshadweep	0	0	0	0
23	Puducherry	4	4	0	8
	<b>Total</b>	<b>5401</b>	<b>1944</b>	<b>1782</b>	<b>5563</b>

**5. Limitations of statistics**

A large number of States/UT's despite repeated reminders did not submit their annual returns to the Labour Bureau. The States/UT's not submitting returns are Arunachal Pradesh, Jharkhand, Madhya Pradesh and Manipur. Similarly, the data received from the States of Bihar, Chhattisgarh, Goa, Gujarat, Meghalaya, Punjab and Daman & Diu were also not included in the report due to their incompleteness or inconsistencies. In view of this, all-India figures in the report may not be truly comparable over the years as the responding States/UT's vary from year to year.