

**REPORT ON THE WORKING OF THE EMPLOYEES' COMPENSATION
ACT, 1923 FOR THE YEAR 2010**

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 2010.

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. 18th 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 2008 to 2010 is presented in Table-1. During 2010 as many as 5,765 compensated accidents resulting in death, permanent disablement and temporary disablement were reported by the States and Union Territories and an amount of Rs.8783.32 lakh was paid as compensation. Out of the total compensated accidents

33.63% were fatal accidents 49.11% related to permanent disablement and 17.26% were temporary disablement cases. The compensation paid in case of these categories was Rs.5991.49 lakh, Rs. 2385.78 lakh and Rs.406.05 lakh respectively.

Table-1

Number of compensated accidents and the amount of compensation paid by the establishments submitting returns during 2008 to 2010

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
2008	1712127	1344	982	2697	5023	4327.05	1412.25	407.80	6147.10
		(26.76)	(19.55)	(53.69)	(100.00)				
2009	1662342	863	497	2343	3703	2420.13	554.32	159.85	3134.30
		(23.31)	(13.42)	(63.27)	(100.00)				
2010	1063802	1939	2831	995	5765	5991.49	2385.78	406.05	8783.32
		(33.63)	(49.11)	(17.26)	(100.00)				

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 2010 is given in Table-2. Of the total compensated accidents, Factories accounted for highest i.e. 49.19% followed by Miscellaneous 31.47% and Building & Construction 9.94%. Whereas in case of compensation paid, Miscellaneous has the maximum share of 49.65% followed by Factories 32.51% & Mines 7.53%.

Table-2**Number of compensated accidents and the amount of compensation paid by the establishments submitting returns during 2010**

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	668945 (62.88)	503 (25.94)	1477 (52.17)	856 (86.03)	2836 (49.19)	1774.86 (29.62)	944.83 (39.60)	135.66 (33.41)	2855.35 (32.51)
2. Plantations	95535 (8.98)	199 (10.26)	206 (7.28)	30 (3.02)	435 (7.54)	207.52 (3.46)	72.44 (3.04)	24.62 (6.06)	304.58 (3.47)
3. Mines	5792 (0.55)	60 (3.09)	42 (1.48)	-	102 (1.77)	264.61 (4.42)	397.03 (16.64)	-	661.64 (7.53)
4. Ports & Docks	14545 (1.37)	4 (0.21)	1 (0.04)	-	5 (0.09)	11.26 (0.19)	0.61 (0.03)	-	11.87 (0.13)
5. Tramways	..	..	..	..	..	..	..	..	..
6. Building and Construction	177594 (16.69)	265 (13.67)	301 (10.63)	7 (0.70)	573 (9.94)	503.96 (8.41)	81.43 (3.41)	3.60 (0.89)	588.99 (6.71)
7. Municipalities	20319 (1.91)	-	-	-	-	-	-	-	-
8. Railways	..	..	..	..	..	..	..	..	-
9. Miscellaneous	81072 (7.62)	908 (46.83)	804 (28.40)	102 (10.25)	1814 (31.47)	3229.28 (53.90)	889.44 (37.28)	242.17 (59.64)	4360.89 (49.65)
All Establishments	1063802 (100.00)	1939 (100.00)	2831 (100.00)	995 (100.00)	5765 (100.00)	5991.49 (100.00)	2385.78 (100.00)	406.05 (100.00)	8783.32 (100.00)
		(33.63)	(49.11)	(17.26)	(100.00)	(68.21)	(27.16)	(4.62)	(100.00)

'-' = 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 2010 are given in Table-3. It reveals that during 2010 accident rate per one thousand workers was highest in Miscellaneous 22.38 followed by Mines 17.61, Plantations 4.55, Factories 4.24, Buildings and Constructions 3.23 and Ports & Docks 0.34. Whereas the average

amount of compensation paid per case was the highest in Mines (Rs.6.49 lakh) followed by Miscellaneous (Rs.2.40 lakh) and Ports & Docks (Rs.2.37 lakh). The compensation paid per worker employed was highest in Mines (Rs.11,423) followed by Miscellaneous (Rs.5,380), Factories (Rs. 427), though the average of all establishments stood at Rs.826 only.

Table-3

Accident rate per one thousand workers employed, average amount of compensation paid and cost of compensated accidents per worker during 2010

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	4.24	100682	427
2. Plantations	4.55	70018	319
3. Mines	17.61	648667	11423
4. Ports & Docks	0.34	237400	81
5. Tramways	..	..	..
6. Building and Construction	3.23	102791	332
7. Municipalities	-	-	-
8. Railways	..	..	..
9. Miscellaneous	22.38	240402	5380
All Industries	5.42	152356	826

‘-’ = Nil ‘..’ = Not Reported

3.4 The number of compensated accidents and the amount of compensation paid during the year 2010 in the States and Union Territories which submitted returns except Railways are presented in Table - 4. Karnataka reported the largest number of compensated cases (3,012), followed by Andhra Pradesh (1,067) and Maharashtra (846). In all there were 1,939 fatal accidents, out of which the highest number (836 cases) occurred in Karnataka followed by Andhra Pradesh (657 cases). The average amount of compensation paid per case was highest in Chandigarh (Rs.4.90 lakh) followed by Andhra Pradesh (Rs. 3.95 lakh), Andaman & Nicobar Islands (Rs. 3.62 lakh) and Rajasthan (Rs. 3.46 lakh). The incidence rate of fatal accidents per one thousand workers employed was highest in Haryana (60.24) followed by Karnataka (23.02) and Rajasthan (10.92) as against all-India average of 1.82. In case of all accidents the incidence rate per

thousand workers employed was highest in Haryana (84.34) followed by Karnataka (82.95), Chhattisgarh (30.64), Rajasthan (15.72) and Maharashtra (7.10) as against all – India average of (5.42).

Table-4

Compensated accidents, amount of compensation paid and accident rate per 1000 workers except Railways during 2010

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	285099	657 (2.30)	349 (1.22)	61 (0.21)	1067 (3.74)	3423.32 (5.21)	589.91 (1.69)	198.50 (3.25)	4211.73 (3.95)
2. Chhattisgarh	4112	-	115 (27.97)	11 (2.68)	126 (30.64)	-	106.96 (0.93)	67.87 (6.17)	174.83 (1.39)
3. Haryana	249	15 (60.24)	5 (20.08)	1 (4.02)	21 (84.34)	14.80 (0.99)	2.46 (0.49)	0.27 (0.27)	17.53 (0.83)
4. Himachal Pradesh	19830	-	-	-	-	-	-	-	-
5. Karnataka	36311	836 (23.02)	2164 (59.60)	12 (0.33)	3012 (82.95)	1048.28 (1.25)	1229.42 (0.57)	13.41 (1.12)	2291.11 (0.76)
6. Kerala	184827	191 (1.03)	84 (0.45)	86 (0.47)	361 (1.95)	671.98 (3.52)	180.29 (2.15)	68.18 (0.79)	920.45 (2.55)
7. Maharashtra	119073	37 (0.31)	24 (0.20)	785 (6.59)	846 (7.10)	127.76 (3.45)	24.51 (1.02)	38.86 (0.05)	191.13 (0.23)
8. Mizoram	-	-	-	-	-	-	-	-	-
9. Nagaland	-	-	-	-	-	-	-	-	-
10. Odisha	26621	60 (2.25)	20 (0.75)	-	80 (3.01)	195.13 (3.25)	50.01 (2.50)	-	245.14 (3.06)
11. Rajasthan	8332	91 (10.92)	31 (3.72)	9 (1.08)	131 (15.72)	336.94 (3.70)	101.31 (3.27)	15.02 (1.67)	453.27 (3.46)
12. Tripura	53361	1 (0.02)	1 (0.02)	3 (0.06)	5 (0.09)	4.23 (4.23)	1.92 (1.92)	0.33 (0.11)	6.48 (1.30)
13. Uttar Pradesh	159880	16 (0.10)	4 (0.03)	-	20 (0.13)	14.71 (0.92)	30.30 (7.58)	-	45.01 (2.25)
14. West Bengal	35872	5 (0.14)	1 (0.03)	25 (0.70)	31 (0.86)	25.06 (5.01)	0.20 (0.20)	3.21 (0.13)	28.47 (0.92)
15. Andaman & Nicobar Islands	21735	6 (0.28)	1 (0.05)	-	7 (0.32)	21.52 (3.59)	3.84 (3.84)	-	25.36 (3.62)
16. Chandigarh	16769	9 (0.54)	3 (0.18)	-	12 (0.72)	49.59 (5.51)	9.20 (3.07)	-	58.79 (4.90)
17. Dadra & Nagar Haveli	62500	15 (0.24)	29 (0.46)	2 (0.03)	46 (0.74)	58.14 (3.88)	55.46 (1.91)	0.41 (0.20)	114.01 (2.48)
18. Puducherry	29231	-	-	-	-	-	-	-	-
Total	1063802	1939 (1.82)	2831 (2.66)	995 (0.94)	5765 (5.42)	5991.49 (3.09)	2385.78 (0.84)	406.05 (0.41)	8783.32 (1.52)

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

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

‘-’ = Nil.

4. Occupational Diseases

As stated earlier, the Employee'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.

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

5.1 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 2010. During the year 2010, under section 7, 8 and 10 of the Act, 20,580 cases were registered. Of the total cases registered 19,165 cases were disposed of during the year. The total number of the cases pending was 50,598 at the end of the year as against 49,183 at the beginning of the year.

Table-5
Number of Cases Handled by the Commissioners for Employee's Compensation During 2010

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	1819	982	792	2009
(b) Deposits under Section 8	4069	2431	1689	4811
(c) Award of Compensation under Section 10	43295	17167	16684	43778
Total	49183	20580	19165	50598

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 2010 are presented in Table-6. It may be seen from the table that both deposits (Rs.65,90,10,565) and disbursements (Rs.60,58,94,317) were highest in Karnataka while deposits and disbursement was lowest in Tripura (Rs.2,14,562).

Table – 6
Deposits and Disbursements Under Section 8 of the Employee’s Compensation Act, 1923 (except Railways) during 2010

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	277034619	298542886	387022407	9983630	178571468
2. Chhattisgarh	54352578	73376404	66675202	916100	60137680
3. Haryana	65824592	187473584	170023030	398600	82876546
4. Himachal Pradesh	25037900	26272629	27134320	-	24176209
5. Karnataka	119533108	659010565	605894317	2764384	169884972
6. Kerala	136962975	223341858	140008936	38634	220257263
7. Maharashtra	296371683	533323437	603108863	2652355	223933902
8. Mizoram	-	-	-	-	-
9. Nagaland	-	-	-	-	-
10. Odisha	206884866	187864709	176836931	8802131	209110513
11. Rajasthan	230074768	276052921	300975030	336704	204815955
12. Tripura	-	214562	214562	-	-
13. Uttar Pradesh	153343074	269085949	177110308	-	245318715
14. West Bengal	43217486	151818098	153083599	-	41951985
15. Andaman & Nicobar Islands	1689393	2535200	3575380	-	649213
16. Chandigarh	2604652	6274674	5878768	-	3000558
17. Dadra & Nagar Haveli	1988762	10861210	11401281	509551	939140
18. Puducherry	3552592	2309508	2252609	180712	3428779
Total	1618473048	2908358194	2831195543	26582801	1669052898

‘-’ = Nil

5.3 The information regarding the number of appeals and disposal thereof during the year 2010 is shown in Table-7. Maximum number of appeals filed (771) as well as appeals disposed of (668) were in the State of Karnataka. Out of 4,619 number of appeals

pending at the end of the year 2010, Karnataka has the highest number (1437) followed by Andhra Pradesh (895) and Odisha (658). However, in the State of Mizoram, Nagaland and Union Territories of Andaman & Nicobar Islands, Dadra & Nagar Haveli, there were neither any appeal pending at the beginning of the year nor any filed during the year.

Table – 7

Disposal of Appeals during 2010 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	638	431	174	895
2. Chhattisgarh	153	102	255	-
3. Haryana	60	34	28	66
4. Himachal Pradesh	253	23	8	268
5. Karnataka	1334	771	668	1437
6. Kerala	332	121	111	342
7. Maharashtra	424	267	117	574
8. Mizoram	-	-	-	-
9. Nagaland	-	-	-	-
10. Odisha	876	163	381	658
11. Rajasthan	138	23	29	132
12. Tripura	1	-	-	1
13. Uttar Pradesh	199	43	48	194
14. West Bengal	48	29	49	28
15. Andaman & Nicobar Islands	-	-	-	-
16. Chandigarh	18	22	20	20
17. Dadra & Nagar Haveli	-	-	-	-
18. Puducherry	5	-	1	4
Total	4479	2029	1889	4619

‘-’ = Nil

6. 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, Assam, Jharkhand, Madhya Pradesh, Manipur, Tamil Nadu, Uttarakhand, Union Territory of Daman & Diu and Railways. Similarly, the data received from the States of Bihar, Goa, Gujarat, Jammu & Kashmir, Punjab and Lakshadweep 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/UT's vary from year to year.