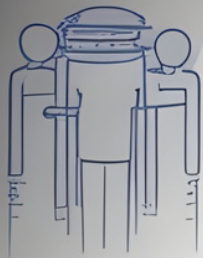




The Employees' Compensation Act, 1923



Corrida Legal presents the Bare Act Series, sourced from official texts and supported with an executive summary designed to help readers grasp the essence of the law with ease.

NOTE:

An Executive Summary of the Employees' Compensation Act, 1923 is included towards the end of this document, right after the full bare act of the statute. This summary helps professionals, business owners, compliance officers, HR managers, legal practitioners, and students quickly understand the key provisions relating to the liability of employers for compensation, determination of compensation amount, coverage of employees, procedures for claim and settlement, reporting of accidents, medical benefits, penalties for non-compliance, and enforcement mechanisms, without having to read the entire text.

The Employees' Compensation Act, 1923 Summary provides a clear, practical, and time-saving guide for anyone looking to understand India's labour welfare framework, ensure statutory compliance in workplace safety and compensation, manage employee injury claims effectively, and stay aligned with regulatory requirements under the Employees' Compensation Act bare act.

THE EMPLOYEE'S COMPENSATION ACT, 1923

[as amended through EC(Amendment)Act, 2017]

PREAMBLE.-

An Act to provide for the payment by certain classes of employers to their *[Employees] of compensation for injury by accident.

Whereas it is expedient to provide for the payment by certain classes of employers to their workmen of compensation for injury by accident;

It is hereby enacted as follows:--

1. Short title, extent and commencement.-(1) This Act may be called the *[Employee's] Compensation Act, 1923.

(2) It extends to the whole of India .

(3) It shall come into force on the first day of July, 1924.

2. Definitions.-(1) In this Act, unless there is anything repugnant in the subject or context,--

(a) Omitted by Act 8 of 1959

(b) "Commissioner" means a Commissioner for *[employee]'s Compensation appointed under section 20;

(c) "compensation" means compensation as provided for by this Act;

(d) "dependant" means any of the following relatives of deceased *[employee], namely:--

(i) a widow, a minor legitimate or adopted son, an unmarried legitimate or adopted daughter or a widowed mother; and

(ii) if wholly dependant on the earnings of the *[employee] at the time of his death, a son or a daughter who has attained the age of 18 years and who is infirm;

(iii) if wholly or in part dependant on the earnings of the *[employee] at the time of his death,--

(a) a widower,

(b) a parent other than a widowed mother,

(c) a minor illegitimate son, an unmarried illegitimate daughter or a daughter legitimate or illegitimate or adopted if married and a minor or if widowed and a minor,

(d) a minor brother or an unmarried sister or a widowed sister if a minor,

(e) a widowed daughter-in-law,

(f) a minor child of a pre-deceased son,

(g) a minor child of a pre-deceased daughter where no parent of the child is alive, or

(h) a paternal grandparent if no parent of the *[employee] is alive;

Explanation.--For the purposes of sub-clause (ii) and items (f) and (g) of sub-clause (iii), references to a son, daughter or child include an adopted son, daughter or child respectively.

*[(dd) "employee" means a person, who is--

(i) a railway servant as defined in clause (34) of section 2 of the Railways Act, 1989 (24 of 1989), not permanently employed in any administrative district or sub-divisional office of a railway and not employed in any such capacity as is specified in Schedule II; or

(ii) (a) a master, seaman or other members of the crew of a ship,

(b) a captain or other member of the crew of an aircraft,

(c) a person recruited as driver, helper, mechanic, cleaner or in any other capacity in connection with a motor vehicle,

(d) a person recruited for work abroad by a company, and who is employed outside India in any such capacity as is specified in Schedule II and the ship, aircraft or motor vehicle, or company, as the case may be, is registered in India; or

(iii) employed in any such capacity as is specified in Schedule II, whether the contract of employment was made before or after the passing of this Act and whether such contract is expressed or implied, oral or

in writing; but does not include any person working in the capacity of a member of the Armed Forces of the Union; and any reference to any employee who has been injured shall, where the employee is dead, include a reference to his dependants or any of them;]

(e) "employer" includes anybody of persons whether incorporated or not and any managing agent of an employer and the legal representative of a deceased employer, and, when the services of a *[employee] are temporarily lent or let on hire to another person by the person with whom the *[employee] has entered into a contract of service or apprenticeship, means such other person while the *[employee] is working for him;

(f) "managing agent" means any person appointed or acting as the representative of another person for the purpose of carrying on such other person's trade or business, but does not include an individual manager subordinate to an employer;

(ff) "minor" means a person who has not attained the age of eighteen years;

(g) "partial disablement" means, where the disablement is of a temporary nature, such disablement as reduces the earning capacity of a *[employee] in any employment in which he was engaged at the time of the accident resulting in the disablement, and, where the disablement is of a permanent nature, such disablement as reduces his earning capacity in every employment which he was capable of undertaking at that time: provided that every injury specified [in Part II of Schedule I] shall be deemed to result in permanent partial disablement;

(h) "prescribed" means prescribed by rules made under this Act;

(i) "qualified medical practitioner" means any person registered under any Central Act, Provincial Act, or an Act of the Legislature of a State providing for the maintenance of a register of medical practitioners, or, in any area where no such last-mentioned Act is in force, any person declared by the State Government, by notification in the Official Gazette, to be a qualified medical practitioner for the purposes of this Act;

(j) Omitted by Act 15 of 1933

(k) "seaman" means any person forming part of the crew of any ship, but does not include the master of the ship;

(l) "total disablement" means such disablement, whether of a temporary or permanent nature, as incapacitates a *[employee] for all work which he was capable of performing at the time of the accident resulting in such disablement:

Provided that permanent total disablement shall be deemed to result from every injury specified in Part I of Schedule I or from any combination of injuries specified in Part II thereof where the aggregate percentage of the loss of earning capacity, as specified in the said Part II against those injuries, amounts to one hundred per cent. or more;

(m) "wages", includes any privilege or benefit which is capable of being estimated in money, other than a travelling allowance or the value of any travelling concession or a contribution paid by the employer of a *[employee] towards any pension or provident fund or a sum paid to a *[employee] to cover any special expenses entailed on him by the nature of his employment;

(n) Omitted by Act 45 of 2009

(2) The exercise and performance of the powers and duties of a local authority or of any department acting on behalf of the Government shall, for the purposes of this Act, unless a contrary intention appears, be deemed to be the trade or business of such authority or department.

(3) The Central Government or the State Government, by notification in the Official Gazette, after giving not less than three months' notice of its intention so to do, may, by a like notification, add to Schedule II any class of persons employed in any occupation which it is satisfied is a hazardous occupation, and the provisions of this Act shall thereupon apply, in case of a notification by the Central Government, within the territories to which the Act extends, or, in the case of a notification by the State Government, within the State, to such classes of persons:

Provided that in making addition, the Central Government or the State Government, as the case may be, may direct that the provisions of this Act shall apply to such classes of persons in respect of specified injuries only

3. Employer's liability for compensation.- (1) If personal injury is caused to a *[employee] by accident arising out of and in the course of his employment, his employer shall be liable to pay compensation in accordance with the provisions of this Chapter:

Provided that the employer shall not be so liable --

- (a) in respect of any injury which does not result in the total or partial disablement of the *[employee] for a period exceeding three days;
- (b) in respect of any injury, not resulting in death or permanent total disablement caused by an accident which is directly attributable to—
 - (i) the *[employee] having been at the time thereof under the influence of drink or drugs, or
 - (ii) the wilful disobedience of the *[employee] to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of *[employees], or
 - (iii) the wilful removal or disregard by the *[employee] of any safety guard or other device which he knew to have been provided for the purpose of securing the safety of *[employee],
- (c) Omitted by Act 5 of 1929.

(2) If an *[employee] employed in any employment specified in Part A of Schedule III contracts any disease specified therein as an occupational disease peculiar to that employment, or if a *[employee], whilst in the service of an employer in whose service he has been employed for a continuous period of not less than six months (which period shall not include a period of service under any other employer in the same kind of employment) in any employment specified in Part B of Schedule III, contracts any disease specified therein as an occupational disease peculiar to that employment, or if a *[employee] whilst in the service of one or more employers in any employment specified in Part C of Schedule III for such continuous period as the Central Government may specify in respect of each such employment, contracts any disease specified therein as an occupational disease peculiar to that employment, the contracting of the disease shall be deemed to be an injury by accident within the meaning of this section and, unless the contrary is proved, the accident shall be deemed to have arisen out of, and in the course of, the employment:

Provided that if it is proved,--

- (a) that an *[employee] whilst in the service of one or more employers in any employment specified in Part C of Schedule III has contracted a disease specified therein as an occupational disease peculiar to that employment during a continuous period which is less than the period specified under this sub-section for that employment; and
- (b) that the disease has arisen out of and in the course of the employment, the contracting of such disease shall be deemed to be an injury by accident within the meaning of this section:

Provided further that if it is proved that a *[employee] who having served under any employer in any employment specified in Part B of Schedule III or who having served under one or more employers in any employment specified in Part C of that Schedule, for a continuous period specified under this sub-section for that employment and he has after the cessation of such service contracted any disease specified in the said Part B or the said Part C, as the case may be, as an occupational disease peculiar to the employment and that such disease arose out of the employment, the contracting of the disease shall be deemed to be an injury by accident within the meaning of this section.

(2A) If a *[employee] employed in any employment specified in Part C of Schedule III contracts any occupational disease peculiar to that employment, the contracting whereof is deemed to be an injury by accident within the meaning of this section, and such employment was under more than one employer, all such employers shall be liable for the payment of the compensation in such proportion as the Commissioner may, in the circumstances, deem just.

(3) The Central Government or the State Government, after giving, by notification in the Official Gazette, not less than three months' notice of its intention so to do, may, by a like notification, add any description of employment to the employments specified in Schedule III and shall specify in the case of employments so added the diseases which shall be deemed for the purposes of this section to be occupational diseases peculiar to those employments respectively, and thereupon the provisions of sub-section (2) shall apply,

in the case of a notification by the Central Government, within the territories to which this Act extends or, in case of a notification by the State Government, within the State as if such diseases had been declared by this Act to be occupational diseases peculiar to those employments.

(4) Save as provided by sub-sections (2), (2A)] and (3) no compensation shall be payable to a *[employee] in respect of any disease unless the disease is directly attributable to a specific injury by accident arising out of and in the course of his employment.

(5) Nothing herein contained shall be deemed to confer any right to compensation on a *[employee] in respect of any injury if he has instituted in a Civil Court a suit for damages in respect of the injury against the employer or any other person; and no suit for damages shall be maintainable by a *[employee] in any Court of law in respect of any injury--

(a) if he has instituted a claim to compensation in respect of the injury before a Commissioner; or

(b) if an agreement has been come to between the *[employee] and his employer providing for the payment of compensation in respect of the injury in accordance with the provisions of this Act.

4. Amount of compensation.- (1) Subject to the provisions of this Act, the amount of compensation shall be as follows, namely:--

(a) where death results an from the injury : an amount equal to fifty per cent. of the monthly wages of the deceased *[employee] multiplied by the relevant factor; or an amount of *[one lakh and twenty thousand rupees], whichever is more;

(b) where permanent total disablement results from the injury : an amount equal to sixty per cent. of the monthly wages of the injured *[employee] multiplied by the relevant factor; *[one lakh and twenty thousand rupees], whichever is more;

*[Provided that the Central Government may, by notification in the Official Gazette, from time to time, enhance the amount of compensation mentioned in clauses (a) and (b).]

Explanation I.--For the purposes of clause (a) and clause (b), "relevant factor", in relation to a *[employee] means the factor specified in the second column of Schedule IV against the entry in the first column of that Schedule specifying the number of years which are the same as the completed years of the age of the *[employee] on his last birthday immediately preceding the date on which the compensation fell due.

Explanation II .- Omitted by Act 45 of 2009.

(c) where permanent partial disablement result from the injury:

(i) in the case of an injury specified in Part II of Schedule I, such percentage of the compensation which would have been payable in the case of permanent total disablement as is specified therein as being the percentage of the loss of earning capacity caused by that injury; and

(ii) in the case of an injury not specified in Schedule I, such percentage of the compensation payable in the case of permanent total disablement as is proportionate to the loss of earning capacity (as assessed by the qualified medical practitioner) permanently caused by the injury;

Explanation I.--Where more injuries than one are caused by the same accident, the amount of compensation payable under this head shall be aggregated but not so in any case as to exceed the amount which would have been payable if permanent total disablement had resulted from the injuries.

Explanation II.--In assessing the loss of earning capacity for the purpose of sub-clause (ii), the qualified medical practitioner shall have due regard to the percentages of loss of earning capacity in relation to different injuries specified in Schedule I;

(d) where temporary disablement, whether total or partial, results from the injury : a half monthly payment of the sum equivalent to twenty-five per cent. of monthly wages of the *[employee], to be paid in accordance with the provisions of sub-section (2).

(1A) Notwithstanding anything contained in sub-section (1), while fixing the amount of compensation payable to a *[employee] is respect of an accident occurred outside India, the Commissioner shall take into account the amount of compensation, if any, awarded to such *[employee] in accordance with the law of the country in which the accident occurred and shall reduce the amount fixed by him by the amount of compensation awarded to the *[employee] in accordance with the law of that country.]

*[(1B) The Central Government may, by notification in the Official Gazette, specify, for the purposes of sub-section (I), such monthly wages in relation to an employee as it may consider necessary.]

(2) The half-monthly payment referred to in clause (d) of sub-section (1) shall be payable on the sixteenth day --

(i) from the date of disablement where such disablement lasts for a period of twenty-eight days or more, or

(ii) after the expiry of a waiting period of three days from the date of disablement where such disablement lasts for a period of less than twenty-eight days; and thereafter half-monthly during the disablement or during a period of five years, whichever period is shorter:

Provided that--

(a) there shall be deducted from any lump sum or half-monthly payments to which the *[employee] is entitled the amount of any payment or allowance which the *[employee] has received from the employer by way of compensation during the period of disablement prior to the receipt of such lump sum or of the first half-monthly payment, as the case may be; and

(b) no half-monthly payment shall in any case exceed the amount, if any, by which half the amount of the monthly wages of the *[employee] before the accident exceeds half the amount of such wages which he is earning after the accident.

Explanation.--Any payment or allowance which the *[employee] has received from the employer towards his medical treatment shall not be deemed to be a payment or allowance received by him by way of compensation within the meaning of clause (a) of the proviso.

*[(2A) The employee shall be reimbursed the actual medical expenditure incurred by him for treatment of injuries caused during course of employment.]

(3) On the ceasing of the disablement before the date on which any half-monthly payment falls due there shall be payable in respect of that half-month a sum proportionate to the duration of the disablement in that half-month.

(4) If the injury of the *[employee] results in his death, the employer shall, in addition to the compensation under sub-section (1), deposit with the Commissioner a sum of *[not less than five thousand rupees] for payment of the same to the eldest surviving dependant of the *[employee] towards the expenditure of the funeral of such *[employee] or where the *[employee] did not have a dependant or was not living with his dependant at the time of his death to the person who actually incurred such expenditure.]

*[Provided that the Central Government may, by notification in the Official Gazette, from time to time, enhance the amount specified in this sub-section.]

4A. Compensation to be paid when due and penalty for default.- (1) Compensation under section 4 shall be paid as soon as it falls due.

(2) In cases where the employer does not accept the liability for compensation to the extent claimed, he shall be bound to make provisional payment based on the extent of liability which he accepts, and, such payment shall be deposited with the Commissioner or made to the *[employee], as the case may be, without prejudice to the right of the *[employee] to make any further claim.

(3) Where any employer is in default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner shall--

(a) direct that the employer shall, in addition to the amount of the arrears, pay simple interest thereon at the rate of twelve per cent. per annum or at such higher rate not exceeding the maximum of the lending rates of any scheduled bank as may be specified by the Central Government, by notification in the Official Gazette, on the amount due; and

(b) if, in his opinion, there is no justification for the delay, direct that the employer shall, in addition to the amount of the arrears and interest thereon, pay a further sum not exceeding fifty per cent, of such amount by way of penalty:

Provided that an order for the payment of penalty shall not be passed under clause (b) without giving a reasonable opportunity to the employer to show cause why it should not be passed.

Explanation.--For the purposes of this sub-section, "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

(3A) The interest and the penalty payable under sub-section (3) shall be paid to the *[employee] or his dependant, as the case may be.

5. Method of calculating wages.- In this Act and for the purposes thereof the expression "monthly wages" means the amount of wages deemed to be payable for a month's service (whether the wages are payable by the month or by whatever other period or at piece rates), and calculated as follows, namely:--

(a) where the *[employee] has, during a continuous period of not less than twelve months immediately preceding the accident, been in the service of the employer who is liable to pay compensation, the monthly wages of the *[employee] shall be one-twelfth of the total wages which have fallen due for payment to him by the employer in the last twelve months of that period;

(b) where the whole of the continuous period of service immediately preceding the accident during which the *[employee] was in the service of the employer who is liable to pay the compensation was less than one month, the monthly wages of the *[employee] shall be the average monthly amount which, during the twelve months immediately preceding the accident, was being earned by a *[employee] employed on the same work by the same employer, or, if there was no *[employee] so employed, by a *[employee] employed on similar work in the same locality;

(c) in other cases [including cases in which it is not possible for want of necessary information to calculate the monthly wages under clause (b)], the monthly wages shall be thirty times the total wages earned in respect of the last continuous period of service immediately preceding the accident from the employer who is liable to pay compensation, divided by the number of days comprising such period.

Explanation.--A period of service shall, for the purposes of this section be deemed to be continuous which has not been interrupted by a period of absence from work exceeding fourteen days.

(2)- omitted by Act 15 of 1933

6. Review.- (1) Any half-monthly payment payable under this Act, either under an agreement between the parties or under the order of a Commissioner, may be reviewed by the Commissioner, on the application either of the employer or of the *[employee] accompanied by the certificate of a qualified medical practitioner that there has been a change in the condition of the workman or, subject to rules made under this Act, on application made without such certificate.

(2) Any half-monthly payment may, on review under this section, subject to the provisions of this Act, be continued, increased, decreased or ended, or if the accident is found to have resulted in permanent disablement, be converted to the lump sum to which the workman is entitled less any amount which he has already received by way of half-monthly payments.

7. Commutation of half-monthly payments.- Any right to receive half-monthly payments may, by agreement between the parties or, if the parties cannot agree and the payments have been continued for not less than six months, on the application of either party to the Commissioner, be redeemed by the payment of a lump sum of such amount as may be agreed to by the parties or determined by the Commissioner, as the case may be.

8. Distribution of compensation.- (1) No payment of compensation in respect of a *[employee] whose injury has resulted in death, and no payment of a lump sum as compensation to a woman or a person under a legal disability, shall be made otherwise than by deposit with the Commissioner, and no such payment made directly by an employer shall be deemed to be a payment of compensation:

Provided that, in the case of a deceased *[employee], an employer may make to any dependant advances on account of compensation of an amount equal to three months' wages of such *[employee] and so much of such amount] as does not exceed the compensation payable to that dependant shall be deducted by the Commissioner from such compensation and repaid to the employer.

- (2) Any other sum amounting to not less than ten rupees which is payable as compensation may be deposited with the Commissioner on behalf of the person entitled thereto.
- (3) The receipt of the Commissioner shall be a sufficient discharge in respect of any compensation deposited with him.
- (4) On the deposit of any money under sub-section (1), as compensation in respect of a deceased *[employee] the Commissioner shall, if he thinks necessary, cause notice to be published or to be served on each dependant in such manner as he thinks fit, calling upon the dependants to appear before him on such date as he may fix for determining the distribution of the compensation. If the Commissioner is satisfied after any inquiry which he may deem necessary, that no dependant exists, he shall repay the balance of the money to the employer by whom it was paid. The Commissioner shall, on application by the employer, furnish a statement showing in detail all disbursements made.
- (5) Compensation deposited in respect of a deceased *[employee] shall, subject to any deduction made under sub-section (4), be apportioned among the dependants of the deceased *[employee] or any of them in such proportion as the Commissioner thinks fit, or may, in the discretion of the Commissioner, be allotted to any one dependant.
- (6) Where any compensation deposited with the Commissioner is payable to any person, the Commissioner shall, if the person to whom the compensation is payable is not a woman or a person under a legal disability, and may, in other cases, pay the money to the person entitled thereto.
- (7) Where any lump sum deposited with the Commissioner is payable to a woman or a person under a legal disability, such sum may be invested, applied or otherwise dealt with for the benefit of the woman, or of such person during his disability, in such manner as the Commissioner may direct; and where a half-monthly payment is payable to any person under a legal disability, the Commissioner may, of his own motion or on an application made to him in this behalf, order that the payment be made during the disability to any dependant of the *[employee] or to any other person, whom the Commissioner thinks best fitted to provide for the welfare of the *[employee].
- (8) Where, on application made to him in this behalf or otherwise, the Commissioner is satisfied that, on account of neglect of children on the part of a parent or on account of the variation of the circumstances of any dependant or for any other sufficient cause, an order of the Commissioner as to the distribution of any sum paid as compensation or as to the manner in which any sum payable to any such dependant is to be invested, applied or otherwise dealt with, ought to be varied, the Commissioner may make such orders for the variation of the former order as he thinks just in the circumstances of the case:
Provided that no such order prejudicial to any person shall be made unless such person has been given an opportunity of showing cause why the order should not be made, or shall be made in any case in which it would involve the repayment by a dependant of any sum already paid to him.
- (9) Where the Commissioner varies any order under sub-section (8) by reason of the fact that payment of compensation to any person has been obtained by fraud, impersonation or other improper means, any amount so paid to or on behalf of such person may be recovered in the manner hereinafter provided in section 31.

9. Compensation not to be assigned, attached or charged.- Save as provided by this Act no lump sum or half-monthly payment payable under this Act shall in any way be capable of being assigned or charged or be liable to attachment or pass to any person other than the *[employee] by operation of law nor shall any claim be set off against the same.

10. Notice and claim.- (1) No claim for compensation shall be entertained by a Commissioner unless notice of the accident has been given in the manner hereinafter provided as soon as practicable after the happening thereof and unless the claim is preferred before him within two years of the occurrence of the accident or in case of death within two years from the date of death:

Provided that where the accident is the contracting of a disease in respect of which the provisions of sub-section (2) of section 3 are applicable, the accident shall be deemed to have occurred on the first of

the days during which the *[employee] was continuously absent from work in consequence of the disablement caused by the disease:

Provided further that in case of partial disablement due to the contracting of any such disease and which does not force the *[employee] to absent himself from work, the period of two years shall be counted from the day the *[employee] gives notice of the disablement to his employer:

Provided further that if a *[employee] who, having been employed in an employment for a continuous period, specified under sub-section (2) of section 3 in respect of that employment, ceases to be so employed and develops symptoms of an occupational disease peculiar to that employment within two years of the cessation of employment, the accident shall be deemed to have occurred on the day on which the symptoms were first detected:

Provided further that the want of or any defect or irregularity in a notice shall not be a bar to the entertainment of a claim—

(a) if the claim is preferred in respect of the death of a *[employee] resulting from an accident which occurred on the premises of the employer, or at any place where the *[employee] at the time of the accident was working under the control of the employer or of any person employed by him, and the *[employee] died on such premises or at such place, or on any premises belonging to the employer, or died without having left the vicinity of the premises or place where the accident occurred, or

(b) if the employer or any one of several employers or any person responsible to the employer for the management of any branch of the trade or business in which the injured *[employee] was employed had knowledge of the accident from any other source at or about the time when it occurred:

Provided further that the Commissioner may entertain and decide any claim to compensation in any case notwithstanding that the notice has not been given, or the claim has not been preferred, in due time as provided in this subsection, if he is satisfied that the failure so to give the notice or prefer the claim, as the case may be, was due to sufficient cause.

(2) Every such notice shall give the name and address of the person injured and shall state in ordinary language the cause of the injury and the date on which the accident happened, and shall be served on the employer or upon any one of several employers, or upon any person responsible to the employer for the management of any branch of the trade or business in which the injured *[employee] was employed.

(3) The State Government may require that any prescribed class of employers shall maintain at their premises at which *[employees] are employed a notice book, in the prescribed form, which shall be readily accessible at all reasonable times to any injured *[employee] employed on the premises and to any person acting bona fide on his behalf.

(4) A notice under this section may be served by delivering it at, or sending it by registered post addressed to, the residence or any office or place of business of the person on whom it is to be served, or, where a notice-book is maintained, by entry in the notice-book.

10A. Power to require from employers statements regarding fatal accidents.- (1) Where a Commissioner receives information from any source that a *[employee] has died as a result of an accident arising out of and in the course of his employment, he may send by registered post a notice to the *[employee]'s employer requiring him to submit, within thirty days of the service of the notice, a statement, in the prescribed form, giving the circumstances attending the death of the *[employee], and indicating whether, in the opinion of the employer, he is or is not liable to deposit compensation on account of the death.

(2) If the employer is of opinion that he is liable to deposit compensation, he shall make the deposit within thirty days of the service of the notice.

(3) If the employer is of opinion that he is not liable to deposit compensation, he shall in his statement indicate the grounds on which he disclaims liability.

(4) Where the employer has so disclaimed liability, the Commissioner, after such inquiry as he may think fit, may inform any of the dependants of the deceased *[employee] that it is open to the dependants to prefer a claim for compensation, and may give them such other further information as he may think fit.

10B. Reports of fatal accidents and serious bodily injuries.- (1) Where, by any law for the time being in force, notice is required to be given to any authority, by or on behalf of an employer, of any accident occurring on his premises which results in death or serious bodily injury, the person required to give the notice shall, within seven days of the death or serious bodily injury, send a report to the Commissioner giving the circumstances attending the death or serious bodily injury:

Provided that where the State Government has so prescribed the person required to give the notice may instead of sending such report to the Commissioner send it to the authority to whom he is required to give the notice.

Explanation.--"Serious bodily injury" means an injury which involves, or in all probability will involve the permanent loss of the use of, or permanent injury to, any limb, or the permanent loss of or injury to the sight or hearing, or the fracture of any limb, or the enforced absence of the injured person from work for a period exceeding twenty days.

(2) The State Government may, by notification in the Official Gazette, extend the provisions of sub-section (1) to any class of premises other than those coming within the scope of that sub-section, and may, by such notification, specify the persons who shall send the report to the Commissioner.

(3) Nothing in this section shall apply to factories to which the Employees' State Insurance Act, 1948 (34 of 1948), applies.

11. Medical examination.- (1) Where a *[employee] has given notice of an accident, he shall, if the employer, before the expiry of three days from the time at which service of the notice has been effected offers to have him examined free of charge by a qualified medical practitioner, submit himself for such examination, and any *[employees] who is in receipt of a half-monthly payment under this Act shall, if so required, submit himself for such examination from time to time:

Provided that a *[employee] shall not be required to submit himself for examination by a medical practitioner otherwise than in accordance with rules made under this Act, or at more frequent intervals than may be prescribed.

(2) If a *[employee], on being required to do so by the employer under subsection (1) or by the Commissioner at any time, refuses to submit himself for examination by a qualified medical practitioner or in any way obstructs the same, his right to compensation shall be suspended during the continuance of such refusal or obstruction unless, in the case of refusal, he was prevented by any sufficient cause from so submitting himself.

(3) If a *[employee], before the expiry of the period within which he is liable under sub-section (1) to be required to submit himself for medical examination, voluntarily leaves without having been so examined the vicinity of the place in which he was employed, his right to compensation shall be suspended until he returns and offers himself for such examination.

(4) Where a *[employee], whose right to compensation has been suspended under sub-section (2) or sub-section (3), dies without having submitted himself for medical examination as required by either of those sub-sections, the Commissioner may, if he thinks fit, direct the payment of compensation to the dependants of the deceased*[employee].

(5) Where under sub-section (2) or sub-section (3) a right to compensation is suspended, no compensation shall be payable in respect of the period of suspension, and, if the period of suspension commences before the expiry of the waiting period referred to in clause (d) of sub-section (1) of section 4, the waiting period shall be increased by the period during which the suspension continues.

(6) Where an injured *[employee] has refused to be attended by a qualified medical practitioner whose services have been offered to him by the employer free of charge or having accepted such offer has deliberately disregarded the instructions of such medical practitioner, then, if it is proved that the *[employee] has not thereafter been regularly attended by a qualified medical practitioner or having been so attended has deliberately failed to follow his instructions and that such refusal, disregard or failure was unreasonable in the circumstances of the case and that the injury has been aggravated thereby, the injury and resulting disablement shall be deemed to be of the same nature and duration as they might reasonably

have been expected to be if the *[employee] had been regularly attended by a qualified medical practitioner whose instructions he had followed, and compensation, if any, shall be payable accordingly.

12. Contracting.- (1) Where any person (hereinafter in this section referred to as the principal) in the course of or for the purposes of his trade or business contracts with any other person (hereinafter in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work which is ordinarily part of the trade or business of the principal, the principal shall be liable to pay to any *[employee] employed in the execution of the work any compensation which he would have been liable to pay if that *[employee] had been immediately employed by him; and where compensation is claimed from the principal, this Act shall apply as if references to the principal were substituted for references to the employer except that the amount of compensation shall be calculated with reference to the wages of the *[employee] under the employer by whom he is immediately employed.

(2) Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by the contractor, or any other person from whom the *[employee] could have recovered compensation and where a contractor who is himself a principal is liable to pay compensation or to indemnify a principal under this section he shall be entitled to be indemnified by any person standing to him in the relation of a contractor from whom the *[employee] could have recovered compensation] and all questions as to the right to and the amount of any such indemnity shall, in default of agreement, be settled by the Commissioner.

(3) Nothing in this section shall be construed as preventing a *[employee] from recovering compensation from the contractor instead of the principal.

(4) This section shall not apply in any case where the accident occurred elsewhere than on, in or about the premises on which the principal has undertaken or usually undertakes, as the case may be, to execute the work or which are otherwise under his control or management.

13. Remedies of employer against stranger.- Where a *[employee] has recovered compensation in respect of any injury caused under circumstances creating a legal liability of some person other than the person by whom the compensation was paid to pay damages in respect thereof, the person by whom the compensation was paid and any person who has been called on to pay an indemnity under section 12 shall be entitled to be indemnified by the person so liable to pay damages as aforesaid.

14. Insolvency of employer.- (1) Where any employer has entered into a contract with any insurers in respect of any liability under this Act to any *[employee], then in the event of the employer becoming insolvent or making a composition or scheme of arrangement with his creditors or, if the employer is a company, in the event of the company having commenced to be wound up, the rights of the employer against the insurers as respects that liability shall, notwithstanding anything in any law for the time being in force relating to insolvency or the winding up of companies, be transferred to and vest in the *[employee], and upon any such transfer the insurers shall have the same rights and remedies and be subject to the same liabilities as if they were the employer, so, however, that the insurers shall not be under any greater liability to the *[employee] than they would have been under the employer.

(2) If the liability of the insurers to the *[employee] is less than the liability of the employer to the *[employee], the *[employee] may prove for the balance in the insolvency proceedings or liquidation.

(3) Where in any case such as is referred to in sub-section (1) the contract of the employer with the insurers is void or voidable by reason of non-compliance on the part of the employer with any terms or conditions of the contract (other than a stipulation for the payment of premia), the provisions of that sub-section shall apply as if the contract were not void or voidable, and the insurers shall be entitled to prove in the insolvency proceedings or liquidation for the amount paid to the *[employee]:

Provided that the provisions of this sub-section shall not apply in any case in which the *[employee] fails to give the notice to the insurers of the happening of the accident and of any resulting disablement as soon as practicable after he becomes aware of the institution of the insolvency or liquidation proceedings.

(4) There shall be deemed to be included among the debts which under section 49 of the Presidency-towns Insolvency Act, 1909 (3 of 1909), or under section 61 of the Provincial Insolvency Act, 1920 (5 of 1920), or under section 530 of the Companies Act, 1956 (1 of 1956), are in the distribution of the property of an insolvent or in the distribution of the assets of a company being wound up to be paid in priority to all other debts, the amount due in respect of any compensation the liability wherefor accrued before the date of the order of adjudication of the insolvent or the date of the commencement of the winding up, as the case may be, and those Acts shall have effect accordingly.

(5) Where the compensation is a half-monthly payment, the amount due in respect thereof shall, for the purposes of this section, be taken to be the amount of the lump sum for which the half-monthly payment could, if redeemable, be redeemed if applications were made for that purpose under section 7, and a certificate of the Commissioner as to the amount of such sum shall be conclusive proof thereof.

(6) The provisions of sub-section (4) shall apply in the case of any amount for which an insurer is entitled to prove under sub-section (3), but otherwise those provisions shall not apply where the insolvent or the company being wound up has entered into such a contract with insurers as is referred to in sub-section (1).

(7) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

14A. Compensation to be first charge on assets transferred by employer.- Where an employer transfers his assets before any amount due in respect of any compensation, the liability wherefor accrued before the date of the transfer, has been paid, such amount shall, notwithstanding anything contained in any other law for the time being in force, be a first charge on that part of the assets so transferred as consists of immovable property.

15. Special provisions relating to masters and seamen.- This Act shall apply in the case of *[employees] who are masters of ships or seamen subject to the following modifications, namely:--

(1) The notice of the accident and the claim for compensation may, except where the person injured is the master of the ship, be served on the master of the ship as if he were the employer, but where the accident happened and the disablement commenced on board the ship, it shall not be necessary for any seaman to give any notice of the accident.

(2) In the case of the death of a master or seaman, the claim for compensation shall be made within one year after the news of the death has been received by the claimant or, where the ship has been or is deemed to have been lost with all hands, within eighteen months of the date on which the ship was, or is deemed to have been, so lost:

Provided that the Commissioner may entertain any claim to compensation in any case notwithstanding that the claim has not been preferred in due time as provided in this sub-section, if he is satisfied that the failure so to prefer the claim was due to sufficient cause.

(3) Where an injured master or seaman is discharged or left behind in any part of India or in any foreign country any depositions taken by any Judge or Magistrate in that part or by any Consular Officer in the foreign country and transmitted by the person by whom they are taken to the Central Government or any State Government shall, in any proceedings for enforcing the claim, be admissible in evidence--

(a) if the deposition is authenticated by the signature of the Judge, Magistrate or Consular Officer before whom it is made;

(b) if the defendant or the person accused, as the case may be, had an opportunity by himself or his agent to cross-examine the witness; and

(c) if the deposition was made in the course of a criminal proceeding, on proof that the deposition was made in the presence of the person accused,

and it shall not be necessary in any case to prove the signature or official character of the person appearing to have signed any such deposition and a certificate by such person that the defendant or the person accused had an opportunity of cross-examining the witness and that the deposition if made in a

criminal proceeding was made in the presence of the person accused shall, unless the contrary is proved, be sufficient evidence that he had that opportunity and that it was so made.

(4) No half-monthly payment shall be payable in respect of the period during which the owner of the ship is, under any law in force for the time being relating to merchant shipping, liable to defray the expenses of maintenance of the injured master or seaman.

(5) No compensation shall be payable under this Act in respect of any injury in respect of which provision is made for payment of a gratuity, allowance or pension under the War Pensions and Detention Allowances (Mercantile Marine, etc.) Scheme, 1939, or the War Pensions and Detention Allowances (Indian Seamen, etc.) Scheme, 1941, made under the Pensions (Navy, Army, Air Force and Mercantile Marine) Act, 1939 (2 & 3 Geo. 6, c. 83), or under the War Pensions and Detention Allowances (Indian Seamen) Scheme, 1942, made by the Central Government.

(6) Failure to give a notice or make a claim or commence proceedings within the time required by this Act shall not be a bar to the maintenance of proceedings under this Act in respect of any personal injury, if--

(a) an application has been made for payment in respect of that injury under any of the schemes referred to in the preceding clause, and

(b) the State Government certifies that the said application was made in the reasonable belief that the injury was one in respect of which the scheme under which the application was made makes provision for payments, and that the application was rejected or that payments made in pursuance of the application were discontinued on the ground that the injury was not such an injury, and

(c) the proceedings under this Act are commenced within one month from the date on which the said certificate of the State Government was furnished to the person commencing the proceedings.

15A. Special provisions relating to captains and other members of crew of aircrafts.- This Act shall apply in the case of *[employees] who are captains or other members of the crew of aircrafts subject to the following modifications, namely:--

(1) The notice of the accident and the claim for compensation may, except where the person injured is the captain of the aircraft, be served on the captain of the aircraft and if he were the employer, but where the accident happened and the disablement commenced on board the aircraft it shall not be necessary for any member of the crew to give notice of the accident.

(2) In the case of the death of the captain or other member of the crew, the claim for compensation shall be made within one year after the news of the death has been received by the claimant or, where the aircraft has been or is deemed to have been lost with all hands, within eighteen months of the date on which the aircraft was, or is deemed to have been, so lost:

Provided that the Commissioner may entertain any claim for compensation in any case notwithstanding that the claim had not been preferred in due time as provided in this sub-section, if he is satisfied that the failure so to prefer the claim was due to sufficient cause.

(3) Where an injured captain or other member of the crew of the aircraft is discharged or left behind in any part of India or in any other country, any depositions taken by any Judge or Magistrate in that part or by any Consular Officer in the foreign country and transmitted by the person by whom they are taken to the Central Government or any State Government shall, in any proceedings for enforcing the claim, be admissible in evidence--

(a) if the deposition is authenticated by the signature of the Judge, Magistrate or Consular Officer before whom it is made;

(b) if the defendant or the person accused, as the case may be, had an opportunity by himself or his agent to cross-examine the witness;

(c) if the deposition was made in the course of a criminal proceeding, on proof that the deposition was made in the presence of the person accused,

and it shall not be necessary in any case to prove the signature or official character of the person appearing to have signed any such deposition and a certificate by such person that the defendant or the person accused had an opportunity of cross-examining the witness and that the deposition if made in a

criminal proceeding was made in the presence of the person accused shall, unless the contrary is proved, be sufficient evidence that he had that opportunity and that it was so made.

15B. Special provisions relating to employees abroad of companies and motor vehicles.- This Act shall apply—

(i) in the case of *[employees] who are persons recruited by companies registered in India and working as such abroad, and

(ii) persons sent for work abroad along with motor vehicles registered under the Motor Vehicles Act, 1988 (59 of 1988) as drivers, helpers, mechanics, cleaners or other *[employees], subject to the following modifications, namely:--

(1) The notice of the accident and the claim for compensation may be served on the local agent of the company, or the local agent of the owner of the motor vehicle, in the country of accident, as the case may be.

(2) In the case of death of the *[employees] in respect of whom the provisions of this section shall apply, the claim for compensation shall be made within one year after the news of the death has been received by the claimant:

Provided that the Commissioner may entertain any claim for compensation in any case notwithstanding that the claim had not been preferred in due time as provided in this sub-section, if he is satisfied that the failure so to prefer the claim was due to sufficient cause.

(3) Where an injured *[employees] is discharged or left behind in any part of India or in any other country any depositions taken by any Judge or Magistrate in that part or by any Consular Officer in the foreign country and transmitted by the person by whom they are taken to the Central Government or any State Government shall, in any proceedings for enforcing the claims, be admissible in evidence—

(a) if the deposition is authenticated by the signature of the Judge, Magistrate or Consular Officer before whom it is made;

(b) if the defendant or the person accused, as the case may be, had an opportunity by himself or his agent to cross-examine the witness;

(c) if the deposition was made in the course of a criminal proceeding, on proof that the deposition was made in the presence of the person accused,

and it shall not be necessary in any case to prove the signature or official character of the person appearing to have signed any such deposition and a certificate by such person that the defendant or the person accused had an opportunity of cross-examining the witness and that the deposition if made in a criminal proceeding was made in the presence of the person accused shall, unless the contrary is proved, be sufficient evidence that he had that opportunity and that it was so made.

16. Returns as to compensation.- The State Government may, by notification in the Official Gazette, direct that every person employing *[employees], or that any specified class of such persons, shall send at such time and in such form and to such authority, as may be specified in the notification, a correct return specifying the number of injuries in respect of which compensation has been paid by the employer during the previous year and the amount of such compensation together with such other particulars as to the compensation as the State Government may direct.

17. Contracting out.- Any contract or agreement whether made before or after the commencement of this Act, whereby a *[employee] relinquishes any right of compensation from the employer for personal injury arising out of or in the course of the employment, shall be null and void in so far as it purports to remove or reduce the liability of any person to pay compensation under this Act.

****17A.** Every employer shall immediately at the time of employment of an employee, inform the employee of his rights to compensation under this Act, in writing as well as through electronic means, in English or Hindi or in the official language of the area of employment, as may be understood by the employee.

18. Proof of age (Repealed).- [Rep. by the Workmen's Compensation (Amendment) Act, 1959 (8 of 1959), section 11 (w.e.f. 1-6-1959).]

18A. Penalties.- (1) Whoever--

(a) fails to maintain a notice-book which he is required to maintain under sub-section (3) of section 10, or
(b) fails to send to the Commissioner a statement which he is required to send under sub-section (1) of section 10A, or

(c) fails to send a report which he is required to send under section 10B, or

(d) fails to make a return which he is required to make under section 16 or

******(e) fails to inform the employee of his rights to compensation as required under section 17A, shall be punishable with fine which ******shall not be less than fifty thousand rupees but which may extend to one lakh rupees.

(2) No prosecution under this section shall be instituted except by or with the previous sanction of a Commissioner, and no Court shall take cognizance of any offence under this section, unless complaint thereof is made within six months of the date on which the alleged commission of the offence came to the knowledge of the Commissioner.

19. Reference to Commissioners.- (1) If any question arises in any proceedings under this Act as to the liability of any person to pay compensation (including any question as to whether a person injured is or is not a *[employee]) or as to the amount or duration of compensation (including any question as to the nature or extent of disablement), the question shall, in default of agreement, be settled by a Commissioner.

(2) No Civil Court shall have jurisdiction to settle, decide or deal with any question which is by or under this Act required to be settled, decided or dealt with by a Commissioner or to enforce any liability incurred under this Act.

20. Appointment of Commissioners.- (1) The State Government may, by notification in the Official Gazette, appoint any person *[who is or has been a member of a State Judicial Service for a period of not less than five years or is or has been for not less than five years an advocate or a pleader or is or has been a Gazetted officer for not less than five years having educational qualifications and experience in personnel management, human resource development and industrial relations] to be a Commissioner for *[employees'] Compensation for such area as may be specified in the notification.

(2) Where more than one Commissioner has been appointed for any area, the State Government may, by general or special order, regulate the distribution of business between them.

(3) Any Commissioner may, for the purpose of deciding any matter referred to him for decision under this Act, choose one or more persons possessing special knowledge of any matter relevant to the matter under inquiry to assist him in holding the inquiry.

(4) Every Commissioner shall be deemed to be a public servant within the meaning of the Indian Penal Code (45 of 1860).

21. Venue of proceeding and transfer.- (1) Where any matter under this Act is to be done by or before a Commissioner, the same shall, subject to the provisions of this Act and to any rules made hereunder, be done by or before the Commissioner for the area in which--

(a) the accident took place which resulted in the injury; or

(b) the *[employee] or in case of his death, the dependant claiming the compensation ordinarily resides; or

(c) the employer has his registered office:

Provided that no matter shall be processed before or by a Commissioner, other than the Commissioner having jurisdiction over the area in which the accident took place, without his giving notice in the manner

prescribed by the Central Government to the Commissioner having jurisdiction over the area and the State Government concerned:

Provided further that, where the *[employee], being the master of a ship or a seaman or the captain or a member of the crew of an aircraft or a *[employee] in a motor vehicle or a company, meets with the accident outside India any such matter may be done by or before a Commissioner for the area in which the owner or agent of the ship, aircraft or motor vehicle resides or carries on business or the registered office of the company is situate, as the case may be.

(1A) If a Commissioner, other than the Commissioner with whom any money has been deposited under section 8, proceeds with a matter under this Act, the former may for the proper disposal of the matter call for transfer of any records or moneys remaining with the latter and on receipt of such a request, he shall comply with the same.

(2) If a Commissioner is satisfied that any matter arising out of any proceedings pending before him can be more conveniently dealt with by any other Commissioner, whether in the same State or not, he may, subject to rules made under this Act, order such matter to be transferred to such other Commissioner either for report or for disposal, and, if he does so, shall forthwith transmit to such other Commissioner all documents relevant for the decision of such matter and, where the matter is transferred for disposal, shall also transmit in the prescribed manner any money remaining in his hands or invested by him for the benefit of any party to the proceedings:

Provided that the Commissioner shall not, where any party to the proceedings has appeared before him, make any order of transfer relating to the distribution among dependants of a lump sum without giving such party an opportunity of being heard:

(3) The Commissioner to whom any matter is so transferred shall, subject to rules made under this Act, inquire there into and, if the matter was transferred for report, return his report thereon or, if the matter was transferred for disposal, continue the proceedings as if they had originally commenced before him.

(4) On receipt of a report from a Commissioner to whom any matter has been transferred for report under sub-section (2), the Commissioner by whom it was referred shall decide the matter referred in conformity with such report.

(5) The State Government may transfer any matter from any Commissioner appointed by it to any other Commissioner appointed by it.

22. Form of application.- (1) Where an accident occurs in respect of which liability to pay compensation under this Act arises, a claim for such compensation may, subject to the provisions of this Act, be made before the Commissioner.

(1A) Subject to the provisions of sub-section (1), no application for the settlement of any matter by Commissioner, other than an application by a dependant or dependants for compensation, shall be made unless and until some question has arisen between the parties in connection therewith which they have been unable to settle by agreement.

(2) An application to a Commissioner may be made in such form and shall be accompanied by such fee, if any, as may be prescribed, and shall contain, in addition to any particulars which may be prescribed, the following particulars namely:--

(a) a concise statement of the circumstances in which the application is made and the relief or order which the applicant claims;

(b) in the case of a claim for compensation against an employer, the date of service of notice of the accident on the employer and, if such notice has not been served or has not been served in due time, the reason for such omission;

(c) the names and addresses of the parties; and

(d) except in the case of an application by dependants for compensation a concise statement of the matters on which agreement has and of those on which agreement has not been come to.

(3) If the applicant is illiterate or for any other reason is unable to furnish the required information in writing, the application shall, if the applicant so desires, be prepared under the direction of the Commissioner.

22A. Power of Commissioner to require further deposit in cases of fatal accident.- (1) Where any sum has been deposited by an employer as compensation payable in respect of a *[employee] whose injury has resulted in death, and in the opinion of the Commissioner such sum is insufficient, the Commissioner may, by notice in writing stating his reasons, call upon the employer to show cause why he should not make a further deposit within such time as may be stated in the notice.

(2) If the employer fails to show cause to the satisfaction of the Commissioner, the Commissioner may make an award determining the total amount payable, and requiring the employer to deposit the deficiency.

23. Powers and procedure of Commissioners.- The Commissioner shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 (5 of 1908), for the purpose of taking evidence on oath (which such Commissioner is hereby empowered to impose) and of enforcing the attendance of witnesses and compelling the production of documents and material objects, and the Commissioner shall be deemed to be a Civil Court for all the purposes of section 195 and of Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

24. Appearance of parties.- Any appearance, application or act required to be made or done by any person before or to a Commissioner (other than an appearance of a party which is required for the purpose of his examination as a witness) may be made or done on behalf of such person by a legal practitioner or by an official of an Insurance Company or a registered Trade Union or by an Inspector appointed under sub-section (1) of section 8 of the Factories Act, 1948 (63 of 1948), or under sub-section (1) of section 5 of the Mines Act, 1952 (35 of 1952), or by any other officer specified by the State Government in this behalf, authorised in writing by such person, or, with the permission of the Commissioner, by any other person so authorised.

25. Method of recording evidence.- The Commissioner shall make a brief memorandum of the substance of the evidence of every witness as the examination of the witness proceeds, and such memorandum shall be written and signed by the Commissioner with his own hand and shall form part of the record:

Provided that, if the Commissioner is prevented from making such memorandum, he shall record the reason of his inability to do so and shall cause such memorandum to be made in writing from his dictation and shall sign the same, and such memorandum shall form part of the record:

Provided further that the evidence of any medical witness shall be taken down as nearly as may be word for word.

***[25A. Time limit for disposal of cases relating to compensation.-** The Commissioner shall dispose of the matter relating to compensation under this Act within a period of three months from the date of reference and intimate the decision in respect thereof within the said period to the employee.]

26. Costs.- All costs, incidental to any proceedings before a Commissioner, shall, subject to rules made under this Act, be in the discretion of the Commissioner.

27. Power to submit cases.- A Commissioner may, if he thinks fit, submit any question of law for the decision of the High Court and, if he does so, shall decide the question in conformity with such decision.

28. Registration of agreements.- (1) Where the amount of any lump sum payable as compensation has been settled by agreement whether by way of redemption of a half-monthly payment or otherwise, or where any compensation has been so settled as being payable to a woman, or a person under a legal

disability a memorandum thereof shall be sent by the employer to the Commissioner, who shall, on being satisfied as to its genuineness, record the memorandum in a register in the prescribed manner:

Provided that--

- (a) no such memorandum shall be recorded before seven days after communication by the Commissioner of notice to the parties concerned;
- (b) Omitted by Act 5 of 1929;
- (c) the Commissioner may at any time rectify the register;
- (d) where it appears to the Commissioner that an agreement as to the payment of a lump sum whether by way of redemption of a half-monthly payment or otherwise, or an agreement as to the amount of compensation payable, to a woman or a person under a legal disability ought not to be registered by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence or other improper means, he may refuse to record the memorandum of the agreement and may make such order, including an order as to any sum already paid under the agreement, as he thinks just in the circumstances.
- (2) An agreement for the payment of compensation which has been registered under sub-section (1) shall be enforceable under this Act notwithstanding anything contained in the Indian Contract Act, 1872 (9 of 1872), or in any other law for the time being in force.

29. Effect of failure to register agreement.- Where a memorandum of any agreement the registration of which is required by section 28, is not sent to the Commissioner as required by that section, the employer shall be liable to pay the full amount of compensation which he is liable to pay under the provisions of this Act, and notwithstanding anything contained in the proviso to sub-section (1) of section 4, shall not, unless the Commissioner otherwise directs, be entitled to deduct more than half of any amount paid to the *[employee] by way of compensation whether under the agreement or otherwise.

30. Appeals.- (1) An appeal shall lie to the High Court from the following orders of a Commissioner, namely:--

- (a) an order awarding as compensation a lump sum whether by way of redemption of a half-monthly payment or otherwise or disallowing a claim in full or in part for a lump sum;
- (aa) an order awarding interest or penalty under section 4A;
- (b) an order refusing to allow redemption of a half-monthly payment;
- (c) an order providing for the distribution of compensation among the dependants of a deceased *[employee], or disallowing any claim of a person alleging himself to be such dependant;
- (d) an order allowing or disallowing any claim for the amount of an indemnity under the provisions of sub-section (2) of section 12; or
- (e) an order refusing to register a memorandum of agreement or registering the same or providing for the registration of the same subject to conditions:

Provided that no appeal shall lie against any order unless a substantial question of law is involved in the appeal, and in the case of an order other than an order such as is referred to in clause (b), unless the amount in dispute in the appeal is not less than **ten thousand rupees or such higher amount as the Central Government may, by notification in the Official Gazette, specify :

Provided further that no appeal shall lie in any case in which the parties have agreed to abide by the decision of the Commissioner, or in which the order of the Commissioner gives effect to an agreement come to by the parties:

Provided further that no appeal by an employer under clause (a) shall lie unless the memorandum of appeal is accompanied by a certificate by the Commissioner to the effect that the appellant has deposited with him the amount payable under the order appealed against.

(2) The period of limitation for an appeal under this section shall be sixty days.

(3) The provisions of section 5 of the Limitation Act, 1963 (36 of 1963)], shall be applicable to appeals under this section.

30A. omitted by Act 11 of 2017

31. Recovery.- The Commissioner may recover as an arrear of land-revenue any amount payable by any person under this Act, whether under an agreement for the payment of compensation or otherwise, and the Commissioner shall be deemed to be a public officer within the meaning of section 5 of the Revenue Recovery Act, 1890 (1 of 1890).

32. Power of the State Government to make rules.- (1) The State Government may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:--

(a) for prescribing the intervals at which and the conditions subject to which an application for review may be made under section 6 when not accompanied by a medical certificate;

(b) for prescribing the intervals at which and the conditions subject to which a *[employee] may be required to submit himself for medical examination under sub-section (1) of section 11;

(c) for prescribing the procedure to be followed by Commissioners in the disposal of cases under this Act and by the parties in such cases;

(d) for regulating the transfer of matters and cases from one Commissioner to another and the transfer of money in such cases;

(e) for prescribing the manner in which money in the hands of a Commissioner may be invested for the benefit of dependants of a deceased *[employee] and for the transfer of money so invested from one Commissioner to another;

(f) for the representation in proceedings before Commissioners of parties who are minors or are unable to make an appearance;

(g) for prescribing the form and manner in which memoranda of agreements shall be presented and registered;

(h) for the withholding by Commissioners, whether in whole or in part of half-monthly payments pending decision on applications for review of the same;

(i) for regulating the scales of costs which may be allowed in proceedings under this Act;

(j) for prescribing and determining the amount of the fees payable in respect of any proceedings before a Commissioner under this Act;

(k) for the maintenance by Commissioners of registers and records of proceedings before them;

(l) for prescribing the classes of employers who shall maintain notice-books under sub-section (3) of section 10, and the form of such notice-books;

(m) for prescribing the form of statement to be submitted by employers under section 10 A;

(n) for prescribing the cases in which the report referred to in section 10B may be sent to an authority other than the Commissioner;

(o) for prescribing abstracts of this Act and requiring the employers to display notices containing such abstracts;

(p) for prescribing the manner in which diseases specified as occupational diseases may be diagnosed;

(q) for prescribing the manner in which diseases may be certified for any of the purposes of this Act;

(r) for prescribing the manner in which, and the standards by which, incapacity may be assessed.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before the State Legislature.

33. Power of Local Government to make rules (Repealed).- [Rep. by the A.O. 1937.]

34. Publication of rules.- (1) The power to make rules conferred by section 32 shall be subject to the condition of the rules being made after previous publication.

(2) The date to be specified in accordance with clause (3) of section 23 of the General Clauses Act, 1897 (10 of 1897) as that after which a draft of rules proposed to be made under section 32 will be taken into consideration, shall not be less than three months from the date on which the draft of the proposed rules was published for general information.

(3) Rules so made shall be published in the Official Gazette, and on such publication, shall have effect as if enacted in this Act.

35. Rules to give effect to arrangements with other countries for the transfer of money paid as compensation.- (1) The Central Government may, by notification in the Official Gazette, make rules for the transfer to any foreign country of money deposited with a Commissioner under this Act which has been awarded to or may be due to, any person residing or about to reside in such foreign country and for the receipt, distribution and administration in any State of any money deposited under the law relating to *[employees]'s compensation in any foreign country, which has been awarded to, or may be due to any person residing or about to reside in any State:

Provided that no sum deposited under this Act in respect of fatal accidents shall be so transferred without the consent of the employer concerned under the Commissioner receiving the sum has passed orders determining its distribution and apportionment under the provisions of sub-sections (4) and (5) of section 8.

(2) Where money deposited with a Commissioner has been so transferred in accordance with the rules made under this section, the provisions elsewhere contained in this Act regarding distribution by the Commissioner of compensation deposited with him shall cease to apply in respect of any such money.

36. Rules made by Central Government to be laid before Parliament.- Every rule made under this Act by the Central Government shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

***substituted/amended/inserted by Act 45 of 2009**

****substituted/amended/inserted by Act 11 of 2017**

SCHEDULE I :
[See sections 2(1) and (4)]

PART I :
LIST OF INJURIES DEEMED TO RESULT IN PERMANENT TOTAL DISABLEMENT

Serial No.	Description of Injury	Percentage of loss of earning capacity
1.	Loss of both hands or amputation at higher sites.	100
2.	Loss of a hand and a foot .	100
3.	Double amputation through leg or thigh, or amputation through leg or thigh on one side and loss of other foot	100
4.	Loss of sight to such an extent as to render the claimant unable to perform any work for which eye-sight is essential	100
5.	Very severe facial disfigurement	100
6.	Absolute deafness	100

PART II :
LIST OF INJURIES DEEMED TO RESULT IN PERMANENT PARTIAL DISABLEMENT

Serial No.	Description of Injury	Percentage of loss of earning capacity
	Amputation cases--upper limbs (either arm)	
1.	Amputation through shoulder joint .	90
2.	Amputation below shoulder with stump less than 20.32 Cms. from tip of acromion	80
3.	Amputation from 20.32 Cms. from tip of acromion to less than 11.43 Cms. below tip of olecranon	70
4.	Loss of a hand or of the thumb and four fingers of one hand or amputation from 11.43 Cms. below tip of olecranon	60
5.	Loss of thumb	30
6.	Loss of thumb and its metacarpal bone	40
7.	Loss of four fingers of one hand	50
8.	Loss of three fingers of one hand	30
9.	Loss of two fingers of one hand	20
10.	Loss of terminal phalanx of thumb	20

10A.	Guillotine amputation of tip of thumb without loss of bone	10
	Amputation cases--lower limbs	
11.	Amputation of both feet resulting in end bearing stumps .	90
12.	Amputation through both feet proximal to the metatarsophalangeal joint	80
13.	Loss of all toes of both feet through the metatarso-phalangeal joint	40
14.	Loss of all toes of both feet proximal to the proximal inter-phalangeal joint	30
15.	Loss of all toes of both feet distal to the proximal inter-phalangeal joint	20
16.	Amputation at hip	90
17.	Amputation below hip with stump not exceeding 12.70 Cms. in length measured from tip of great trochanter ..	80
18.	Amputation below hip with stump exceeding 12.70 Cms. in length measured from tip of great trochanter but not beyond middle thigh	70
19.	Amputation below middle thigh to 8.89 Cms. below knee	60
20.	Amputation below knee with stump exceeding 8.89 Cms. but not exceeding 12.70 Cms.	50
21.	Amputation below knee with stump exceeding 12.70 Cms	50
22.	Amputation of one foot resulting in end bearing .	50
23.	Amputation through one foot proximal to the metatarsophalangeal joint ...	50
24.	Loss of all toes of one foot through the metatarsophalangeal joint	20
	Other injuries	
25.	Loss of one eye, without complications, the other being normal ...	40
26.	Loss of vision of one eye, without complications or disfigurement of eye-ball, the other being normal .	30
26A.	Loss of partial vision of one eye ... Loss of--	10
	A--Fingers of right or left hand Index finger	
27.	Whole	14

28.	Two phalanges	11
29.	One phalanx ...	9
30.	Guillotine amputation of tip without loss of bone .	5
	Middle finger	
31.	Whole	12
32.	Two phalanges ...	9
33.	One Phalanx ...	7
34.	Guillotine amputation of tip without loss of bone .	4
	Ring or little finger	
35.	Whole	7
36.	Two phalanges ...	6
37.	One phalanx ...	5
38.	Guillotine amputation of tip without loss of bone.	2
	B--Toes of right or left foot Great toe	
39.	Through metatarso-phalangeal joint .	14
40.	Part, with some loss of bone	3
	Any other toe	
41.	Through metatarso-phalangeal joint .	3
42.	Part, with some loss of bone	1
	Two toes of one foot, excluding great toe	
43.	Through metatarso-phalangeal joint .	5
44.	Part, with some loss of bone	2
	Three toes of one foot, excluding great toe	
45.	Through metatarso-phalangeal joint .	6
46.	Part, with some loss of bone	3
	Four toes of one foot, excluding great toe	
47.	Through metatarso-phalangeal joint	9
48.	Part-with some loss of bone	3

[Note.--Complete and permanent loss of the use of any limb or member referred to in the Schedule shall be deemed to be the equivalent of the loss of that limb or member.]

SCHEDULE II

See section 2(1)(dd)

LIST OF PERSONS WHO, SUBJECT TO THE PROVISIONS OF SECTION 2(1)(DD), ARE INCLUDED IN THE DEFINITION OF EMPLOYEES

The following persons are employees within the meaning of section 2(1)(dd) and subject to the provisions of that section, that is to say, any person who is--

(i) employed in railways, in connection with the operation, repair or maintenance of a lift or a vehicle propelled by steam or other mechanical power or by electricity or in connection with the loading or unloading of any such vehicle; or

(ii) employed, in any premises wherein or within the precincts whereof a manufacturing process as defined in clause (k) of section 2 of the Factories Act, 1948 (63 of 1948), is being carried on, or in any kind of work whatsoever incidental to or connected with any such manufacturing process or with the article made whether or not employment in any such work is within such premises or precincts, and steam, water or other mechanical power or electrical power is used; or

(iii) employed for the purpose of making, altering, repairing, ornamenting, finishing or otherwise adapting for use, transport or sale any article or part of an article in any premises

Explanation.--For the purposes of this clause, persons employed outside such premises or precincts but in any work incidental to, or connected with, the work relating to making, altering, repairing, ornamenting, finishing or otherwise adapting for use, transport or sale of any article or part of an article shall be deemed to be employed within such premises or precincts; or

(iv) employed in the manufacture or handling of explosives in connection with the employer's trade or business; or

(v) employed, in any mine as defined in clause (j) of section 2 of the Mines Act, 1952 (35 of 1952), in any mining operation or in any kind of work, incidental to or connected with any mining operation or with the mineral obtained, or in any kind of work whatsoever below ground; or

(vi) employed as the master or as a seaman of.--

(a) any ship which is propelled wholly or in part by steam or other mechanical power or by electricity or which is towed or intended to be towed by a ship so propelled; or

(b) Omitted

(c) any sea going ship not included in sub-clause (a) provided with sufficient area for navigation under sails alone; or

(vii) employed for the purpose of --

(a) loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting any ship of which he is not the master or a member of the crew, or handling or transport within the limits of any port subject to the Ports Act, 1908 (15 of 1908), or the Major Port Trusts Act, 1963 (38 of 1963)], of goods which have been discharged from or are to be loaded into any vessel; or

(b) warping a ship through the lock; or

(c) mooring and unmooring ships at harbour wall berths or in pier; or

(d) removing or replacing dry dock caissons when vessels are entering or leaving dry docks; or

(e) the docking or undocking of any vessel during an emergency; or

(f) preparing splicing coir springs and check wires, painting depth marks on lock-sides, removing or replacing fenders whenever necessary, landing of gangways, maintaining life-buoys up to standard or any other maintenance work of a like nature; or

(g) any work on jolly-boats for bringing a ship's line to the wharf; or

(viii) employed in the construction, maintenance, repair or demolition of --

(a) any building which is designed to be or is or has been more than one storey in height above the ground or twelve feet or more from the ground level to the apex of the roof; or

(b) any dam or embankment which is twelve feet or more in height from its lowest to its highest point; or

- (c) any road, bridge, tunnel or canal; or
- (d) any wharf, quay, sea-wall or other marine work including any moorings of ships; or
- (ix) employed in setting up, maintaining, repairing or taking down any telegraph or telephone line or post or any overhead electric line or cable or post or standard or fittings and fixtures for the same; or
- (x) employed, in the construction, working, repair or demolition of any aerial ropeway, canal, pipeline or sewer; or
- (xi) employed in the service of any fire brigade; or
- (xii) employed upon a railway as defined in clause (31) of section 2 and subsection (1) of section 197 of the Railways Act, 1989 (24 of 1989), either directly or through a sub-contractor, by a person fulfilling a contract with the railway administration; or
- (xiii) employed as an inspector, mail guard, sorter or van peon in the Railway Mail Service or as a telegraphist or as a postal or railway signaller, or employed in any occupation ordinarily involving outdoor work in the Indian Posts and Telegraphs Department; or
- (xiv) employed, in connection with operation for winning natural petroleum or natural gas; or
- (xv) employed in any occupation involving blasting operations; or
- (xvi) employed in the making of any excavation or explosives have been used, or whose depth from its highest to its lowest point exceeds twelve feet; or
- (xvii) employed in the operation of any ferry boat capable of carrying more than ten persons; or
- (xviii) employed on any estate which is maintained for the purpose of growing cardamom, cinchona, coffee, rubber or tea; or
- (xix) employed, , in the generating, transforming transmitting or distribution of electrical energy or in generation or supply of gas; or
- (xx) employed in a lighthouse as defined in clause (d) of section 2 of the Indian Lighthouse, Act 1927 (17 of 1927); or
- (xxi) employed in producing cinematograph pictures intended for public exhibition or in exhibiting such pictures; or
- (xxii) employed in the training, keeping or working of elephants or wild animals; or
- (xxiii) employed in the tapping of palm-trees or the felling or logging of trees, or the transport of timber by inland waters, or the control or extinguishing of forests fires; or
- (xxiv) employed in operations for the catching or hunting of elephants or other wild animals; or
- (xxv) employed as a diver; or
- (xxvi) employed in the handling or transport of goods in, or within the precincts of,--
 - (a) any warehouse or other place in which goods are stored, or,
 - (b) any market; or
- (xxvii) employed in any occupation involving the handling and manipulation of radium or X-rays apparatus, or contact with radioactive substances; or
- (xxviii) employed in or in connection with the construction, erection, dismantling, operation or maintenance of an aircraft as defined in section 2 of the Indian Aircraft Act, 1934 (22 of 1934); or
- (xxix) employed in horticultural operations, forestry, bee-keeping or farming by tractors or other contrivances driven by steam or other mechanical power or by electricity; or
- (xxx) employed, in the construction, working, repair or maintenance of a tube-well; or
- (xxxi) employed in the maintenance, repair or renewal of electric fittings in a building; or
- (xxxii) employed in a circus.
- (xxxiii) employed as watchman in any factory or establishment; or
- (xxxiv) employed in any operation in the sea for catching fish; or
- (xxxv) employed in any employment which requires handling of snakes for the purpose of extraction of venom or for the purpose of looking after snakes or handling any other poisonous animal or insect; or
- (xxxvi) employed in handling animals like horses, mules and bulls; or
- (xxxvii) employed for the purpose of loading or unloading any mechanically propelled vehicle or in the handling or transport of goods which have been loaded in such vehicles; or
- (xxxviii) employed in cleaning of sewer lines or septic tanks within the limits of a local authority; or

(xxxix) employed on surveys and investigation, exploration or gauge or discharge observation of rivers including drilling operations, hydrological observations and flood forecasting activities, ground water surveys and exploration; or

(xl) employed in cleaning of jungles or reclaiming land or ponds; or

(xli) employed in cultivation of land or rearing and maintenance of live-stock or forest operations or fishing; or

(xlii) employed in installation, maintenance or repair of pumping equipment used for lifting of water from wells, tube-wells, ponds, lakes, streams and the like; or

(xliii) employed in the construction, boring or deepening of an open well or dug well, bore well, bore-cum-dug well, filter point and the like; or

(xliv) employed in spraying and dusting or insecticides of pesticides in agricultural operations or plantations; or

(xlv) employed in mechanised harvesting and threshing operations; or

(xlvi) employed in working or repair or maintenance of bulldozers, tractors, power tillers and the like; or

(xlvii) employed as artist for drawing pictures on advertisement boards at a height of 3.66 metres or more from the ground level; or

(xlviii) employed in any newspaper establishment as defined in the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and engaged in outdoor work;

SCHEDULE III

(See section 3)

LIST OF OCCUPATIONAL DISEASES

Serial No.	Occupational disease	Employment
	PART A	
1.	Infectious and parasitic diseases contracted in an occupation where there is a particular risk of contamination.	(a) All work involving exposure to health or laboratory work; (b) All work involving exposure to veterinary work; (c) Work relating to handling animals, animal carcasses, part of such carcasses, or merchandise which may have been contaminated by animals or animal carcasses; (d) Other work carrying a particular risk of contamination.
2.	Diseases caused by work in compressed air.	All work involving exposure to the risk concerned.
3.	Diseases caused by lead or its toxic compounds.	All work involving exposure to the risk concerned.
4.	Poisoning by nitrous fumes.	All work involving exposure to the risk concerned.
5.	Poisoning by organo phosphorus compounds.	All work involving exposure to the risk concerned.
	PART B	
1.	Diseases caused by phosphorus or its toxic compounds.	All work involving exposure to the risk concerned.
2.	Diseases caused by mercury or its toxic compounds.	All work involving exposure to the risk concerned.
3.	Diseases caused by benzene or its toxic homologues.	All work involving exposure to the risk concerned.
4.	Diseases caused by nitro and amido toxic derivatives of benzene or its homologues.	All work involving exposure to the risk concerned.
5.	Diseases caused by chromium or its toxic compounds.	All work involving exposure to the risk concerned.
6.	Diseases caused by arsenic or its toxic compounds.	All work involving exposure to the risk concerned.
7.	Diseases caused by radioactive substances and	All work involving exposure to

	ionising radiations.	the action of radioactive substances or ionising radiations.
8.	Primary epitheliomatous cancer of the skin caused by tar, pitch, bitumen, mineral oil, anthracene, or the compounds, products or residues of these substances.	All work involving exposure to the risk. concerned.
9.	Diseases caused by the toxic halogen derivatives of hydrocarbons (of the aliphatic and aromatic series),	All work involving exposure to the risk. concerned.
10.	Diseases caused by carbon disulphide.	All work involving exposure to the risk. concerned.
11.	Occupational cataract due to infra-red radiations.	All work involving exposure to the risk. concerned.
12.	Diseases caused by manganese or its toxic compounds.	All work involving exposure to the risk. concerned.
13.	Skin diseases caused by physical, chemical or biological agents not included in other items.	All work involving exposure to the risk. concerned.
14.	Hearing impairment caused by noise.	All work involving exposure to the risk. concerned.
15.	Poisoning by dinitrophenol or a homologue or by substituted dinitrophenol or by the salts of such substances.	All work involving exposure to the risk. concerned.
16.	Diseases caused by beryllium or its toxic compounds.	All work involving exposure to the risk. concerned.
17.	Diseases caused by cadmium or its toxic compounds.	All work involving exposure to the risk. concerned.
18.	Occupational asthma caused by recognised sensitising agents inherent to the work process.	All work involving exposure to the risk. concerned.
19.	Diseases caused by fluorine or its toxic compounds.	All work involving exposure to the risk. concerned.
20.	Diseases caused by nitroglycerin or other nitroacid esters.	All work involving exposure to the risk. concerned.
21.	Diseases caused by alcohols and ketones.	All work involving exposure to the risk. concerned.
22.	Diseases caused by asphyxiants, carbon monoxide, and its toxic derivatives, hydrogen sulphide.	All work involving exposure to the risk. concerned.
23.	Lung cancer and mesotheliomas caused by asbestos.	All work involving exposure to the risk. concerned.
24.	Primary neoplasm of the epithelial lining of the urinary bladder or the kidney or the ureter.	All work involving exposure to the risk. concerned.
25.	Snow blindness in snow bound areas.	All work involving exposure to the risk concerned.
26.	Disease due to effect of heat in extreme hot climate.	All work involving exposure to the risk concerned.

27.	Disease due to effect of cold in extreme cold climate.	All work involving exposure to the risk concerned.
	PART C	
1.	Pneumoconioses caused by sclerogenic mineral dust (silicosis, anthracosis-silicosis, asbestosis) and silico-tuberculosis provided that silicosis is an essential factor in causing the resultant incapacity or death.	All work involving exposure to the risk concerned.
2.	Bagassosis	All work involving exposure to the risk concerned.
3.	Bronchopulmonary diseases caused by cotton, flax hemp and sisal dust (Byssinosis),	All work involving exposure to the risk concerned.
4.	Extrinsic allergic alveolitis caused by the inhalation of organic dusts.	All work involving exposure to the risk concerned.
5.	Bronchopulmonary diseases caused by hard metals.	All work involving exposure to the risk concerned.
6.	Acute Pulmonary oedema of high altitude.	All work involving exposure to the risk concerned.

SCHEDULE IV
(See section 4)

**FACTORS FOR WORKING OUT LUMP SUM EQUIVALENT OF COMPENSATION
AMOUNT IN CASE OF PERMANENT DISABLEMENT AND DEATH**

	Completed years of age on the last birthday of the workman immediately preceding the date on which the compensation fell due	Factors
Not more than	16	228.54
	17	227.49
	18	226.38
	19	225.22
	20	224.00
	21	222.71
	22	221.37
	23	219.95
	24	218.47
	25	216.91
	26	215.28
	27	213.57
	28	211.79
	29	209.92
	30	207.98
	31	205.95
	32	203.85
	33	201.66
	34	199.40
	35	197.06
	36	194.64
	37	192.14
	38	189.56
	39	186.90
	40	184.17
	41	181.37
	42	178.49
	43	175.54
	44	172.52
	45	169.44

	46	166.29
	47	163.07
	48	159.80
	49	156.47
	50	153.09
	51	149.67
	52	146.20
	53	142.68
	54	139.13
	55	135.56
	56	131.95
	57	128.33
	58	124.70
	59	121.05
	60	117.41
	61	113.77
	62	110.14
	63	106.52
	64	102.93
	65 or more	99.37

The Employee's Compensation Act, 1923 Executive Summary

1. Introduction to the Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923 (formerly known as the Workmen's Compensation Act) stands as one of the earliest and most important labour welfare legislations in India. It was introduced to ensure that employees injured during the course of employment are not left without financial support. Before this law, workers often faced hardship after workplace accidents, with little or no recourse to justice. The Act changed that landscape by introducing a system where employers are legally bound to compensate employees or their dependents in case of injury or death arising out of and during employment.

The Employee's Compensation Act 1923 Bare Act PDF Download highlights that this statute was India's first structured step towards formal employee protection, providing a foundation for all later labour and social security laws. Its purpose is not only to grant financial relief but also to encourage safer working conditions and responsible industrial practices.

Purpose and Evolution of the Act

Originally enacted as the Workmen's Compensation Act, 1923, the law was designed to protect workers engaged in manual, industrial, and hazardous jobs. Over time, as the nature of employment evolved, the term "workmen" was replaced by "employee" to make the legislation inclusive of both manual and non-manual workers.

The Workmen Compensation Act Executive Summary Corrida Legal explains that this change symbolised a shift from a factory-based framework to a modern employment system, where protection extends across sectors including manufacturing, construction, transport, mining, and corporate services.

Importance of Workplace Injury Laws

Industrial growth in India brought economic prosperity but also led to increased occupational hazards. Workers in mines, factories, and transport sectors faced frequent accidents, often resulting in permanent disability or death. This Act ensures that such losses do not lead to financial ruin for employees or their families.

By fixing employer liability, the law promotes workplace accountability and safety, reinforcing that profit cannot come at the cost of human welfare.

Objectives of the Employee's Compensation Act, 1923

The core objectives of the Act can be summarised as follows:

- To provide monetary compensation for injury or death arising from employment.
- To ensure financial security for dependents of deceased employees.
- To promote safe and humane working conditions in all establishments.
- To encourage timely reporting and settlement of injury claims.
- To create a legal framework for determining liability and compensation fairly.

The Employee's Compensation Act 1923 Bare Act PDF Download clearly establishes that the duty to compensate does not depend on fault — meaning that even if the employer is not negligent, compensation is still payable if the injury occurred during the course of employment.

Relevance in Modern Employment

Although enacted in the early 20th century, the law continues to play a central role in modern workplaces. It applies to industrial labourers, drivers, construction workers, and even employees in smaller establishments not covered under the Employees' State Insurance Act.

Today, its provisions are invoked not only in factories and mines but also in corporate offices and field operations where occupational injuries may occur. The Workmen Compensation Act Executive Summary Corrida Legal notes that the Act bridges the gap between traditional labour laws and modern occupational safety frameworks.

Broader Impact and Corrida Legal's Summary

The Act represents the idea that every worker's life and livelihood deserve protection under law. By setting out clear responsibilities for employers and legal rights for employees, it balances industrial productivity with human dignity.

The Corrida Legal executive summary on the Employee's Compensation Act, 1923, provides a concise and accessible interpretation of this important statute — helping employers, HR professionals, lawyers, and employees understand its relevance and application in everyday workplace scenarios.

Key Points to Remember

- The Act provides compensation for injuries, disablement, or death arising out of employment.
- It applies to both manual and non-manual employees across diverse sectors.
- Employer liability arises even without proven negligence.
- Dependents of deceased workers are legally entitled to compensation.
- The Act forms the foundation of India's social security and labour protection system.

In essence, the Employee's Compensation Act, 1923 serves as a cornerstone of labour justice — ensuring that when a worker suffers, the law stands beside them, turning injury into entitlement and vulnerability into legal protection.

2. Objectives, Scope, and Applicability of the Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923 was enacted with a clear humanitarian objective — to provide financial relief to employees or their families in cases of injury, disability, or death arising out of employment. It seeks to balance the relationship between employers and employees by ensuring that the cost of industrial and occupational hazards does not fall solely on the worker. The Act makes compensation a legal right and not a favour, thereby establishing the principle of social justice in employment relationships.

The Employee Compensation Law India PDF Corrida Legal explains that the law's purpose goes beyond mere financial relief — it is designed to promote safer workplaces, encourage employer responsibility, and protect the dignity of every employee, irrespective of the nature of their job.

Purpose and Core Objectives

The key purposes of the Employee's Compensation Act, 1923 can be summarised as follows:

- To ensure financial protection for employees and their dependents against accidents or occupational diseases.

- To impose legal responsibility on employers to provide compensation in case of injury or death at work.
- To encourage preventive measures and safer working environments.
- To ensure speedy and just settlement of compensation claims.
- To promote social security in the absence of comprehensive insurance coverage.

The Workmen Compensation Act Executive Summary Corrida Legal highlights that this legislation embodies the idea that employees contribute to industrial growth, and hence, their safety and welfare must be an integral part of that progress.

Scope of the Act

The Act applies to almost every sector where workers face the risk of physical or occupational injury. It covers employees working in factories, mines, plantations, construction sites, transport services, docks, and various commercial establishments. Over time, courts have interpreted its scope broadly to include workers employed in temporary or contractual capacities as well.

This wide applicability ensures that even those who work outside traditional employer–employee structures receive legal protection.

Who is Covered under the Act

The Employee's Compensation Act, 1923 applies to:

- Employees engaged in manufacturing, construction, mining, loading, transport, or similar work.
- Workers hired through contractors or sub-contractors.
- Employees working outside India for Indian companies (under specific conditions).
- Apprentices and temporary staff exposed to occupational risks.

However, it does not apply to members of the Armed Forces and employees covered under the Employees' State Insurance Act, 1948, since ESI already provides similar benefits.

The Employee's Compensation Act 1923 Bare Act PDF Download clarifies that the Act's inclusive nature ensures protection for both formal and informal sector employees.

Circumstances Under Which Compensation is Payable

An employer becomes liable to pay compensation when:

- The injury or death arises out of and in the course of employment.
- The employee suffers permanent or temporary disablement due to a workplace accident.
- The death of the employee results from an occupational disease or exposure during employment.

Compensation is not payable if the injury occurs due to:

- The employee's deliberate disobedience of safety rules.
- Intoxication or wilful misconduct.
- Injuries not connected with employment duties.

Even so, courts have consistently interpreted the Act in favour of workers, ensuring that minor negligence or non-compliance by the employee does not deprive them of their right to compensation.

Territorial and Jurisdictional Applicability

The law extends to the whole of India, including both urban and rural regions, where industrial or commercial activities are conducted. The jurisdiction for filing and adjudicating claims lies with the Commissioner for Employee's Compensation, appointed by the state government.

The Employer Liability for Compensation Bare Act India notes that this decentralised system allows workers from all backgrounds to access justice without needing to approach higher courts for initial relief.

Interaction with Other Labour Laws

The Act complements other social welfare laws such as:

- The Employees' State Insurance Act, 1948.
- The Factories Act, 1948.
- The Industrial Disputes Act, 1947.
- The Mines Act, 1952.

Together, these laws create a comprehensive network of protection for workers, ensuring fair compensation, safety, and dispute resolution.

Key Points to Remember

- The Act provides compensation for injuries, disabilities, or death arising from employment.
- Coverage extends to permanent, temporary, and contractual employees.
- Employers are bound to pay compensation even without proven negligence.
- The Act does not apply to those already covered under ESI.
- Jurisdiction lies with the Commissioner for Employee's Compensation.

In essence, the Employee's Compensation Act, 1923 ensures that no employee or their family suffers silently due to workplace accidents. By establishing clear liability and quick remedies, the law continues to uphold one of the most important principles of employment — that human welfare must stand above profit, and justice must reach even the most vulnerable worker.

3. Key Definitions under the Employee's Compensation Act, 1923

To understand the Employee's Compensation Act, 1923 clearly, it is essential to interpret the legal definitions it contains. These definitions shape the scope of the law and determine when and how compensation is payable. The Act uses specific terms that have precise meanings, ensuring that disputes over eligibility or liability are resolved on consistent legal grounds.

The Employee's Compensation Act 1923 Key Provisions and Summary Corrida Legal explains that these terms are not just technical expressions—they form the foundation of every compensation claim, guiding employers, employees, and the Commissioner in assessing rights and responsibilities.

Definition of "Employee"

The word “employee” under this Act refers to any person employed directly or through a contractor in any work connected with the trade, business, or occupation of the employer. This includes workers in factories, mines, construction sites, docks, and transport services.

It covers:

- Permanent, temporary, and casual workers.
- Employees hired through contractors or agencies.
- Apprentices and trainees performing hazardous duties.
- Indian employees working abroad under Indian companies.

The law ensures that even those not directly under an employer's payroll but still contributing to the employer's business are protected under the Act.

Definition of “Employer”

The term “employer” includes any person, company, or managing agent who engages employees directly or indirectly and is responsible for their supervision, safety, and payment. It also includes government bodies, local authorities, and contractors.

This wide interpretation ensures that liability cannot be avoided through delegation. If the work benefits the employer's business, the obligation to compensate remains intact.

Definition of “Wages”

“Wages” mean the total monetary payment earned by an employee under their employment contract, including overtime, allowances, and any other benefits calculated in money. However, it does not include:

- Travelling allowance or concessions.
- Employer's contribution to pension or provident fund.
- Value of non-cash benefits.

The inclusion of actual earnings ensures fair compensation that reflects the true financial loss suffered due to an accident or disablement.

Definition of “Dependent”

A “dependent” means a family member of the deceased employee who was financially reliant on them. This includes:

- The widow or widower.
- Minor children, including adopted ones.
- Dependent parents.
- Widowed daughters or infirm adult children unable to earn.

The Employee Compensation Law India PDF Corrida Legal notes that dependents have the right to claim compensation even if the employer or insurer disputes liability, making the Act a strong tool for family protection.

Definition of “Disablement”

“Disablement” refers to the loss of physical capacity to work. It can be:

- **Temporary partial disablement:** where the worker can still perform some tasks.
- **Permanent partial disablement:** where the worker’s earning capacity is reduced for life.
- **Permanent total disablement:** where the worker is unable to engage in any work for which they are qualified.

The Act specifies schedules that list injuries considered to cause permanent disablement and their corresponding compensation amounts.

Definition of “Accident”

An “accident” under this Act is any unexpected event arising out of and in the course of employment that results in injury, disablement, or death. The phrase “arising out of and in the course of employment” means there must be a direct connection between the job and the incident.

Examples include:

- Injuries while performing job duties.
- Accidents during official travel or while using work equipment.
- Death due to exposure to workplace hazards.

The Employer Liability for Compensation Bare Act India clarifies that even if the employee was not physically at the employer’s premises, an accident related to job duties still qualifies for compensation.

Definition of “Occupational Disease”

The Act recognises certain diseases as work-related when contracted due to the nature of employment. Examples include lung diseases in miners, hearing loss among factory workers, or chemical poisoning among workers in hazardous industries.

Compensation for occupational diseases is payable even if the illness develops over time rather than through a single event.

Importance of Clear Definitions

These definitions ensure consistency and fairness. They prevent employers from avoiding liability through vague interpretations and allow employees to establish claims with clarity.

The Employee’s Compensation Act 1923 Bare Act PDF Download highlights that these terms together form the foundation for every claim and adjudication under the law.

Key Points to Remember

- The law protects all employees, whether permanent, temporary, or contractual.
- Dependents have an independent right to claim compensation.
- Disablement and occupational diseases are treated with equal seriousness.
- Compensation is linked to wages and the nature of injury.
- Liability extends to both direct and indirect employers.

By defining every important term with precision, the Employee's Compensation Act, 1923 eliminates ambiguity and ensures that justice under the law is not lost in interpretation. It transforms the idea of employee protection from a moral duty into a clear legal right, ensuring that every worker's safety and livelihood are secured within a well-defined legal framework.

4. Employer's Liability for Compensation under the Employee's Compensation Act, 1923

The foundation of the Employee's Compensation Act, 1923 rests on the principle that an employer is legally responsible for compensating an employee who suffers injury, disability, or death during the course of employment. This liability is automatic—it does not depend on the employer's fault or negligence. The idea is simple yet powerful: when a worker is injured while serving the employer's business, the employer must bear the financial burden of that loss.

The Employer Liability for Compensation Bare Act India highlights that this legal obligation ensures fairness and security in the employment relationship. It transforms moral responsibility into a statutory duty, guaranteeing that employees and their families receive justice and stability in times of hardship.

When Liability Arises

An employer's liability arises in the following circumstances:

- When an employee sustains personal injury caused by an accident arising out of and in the course of employment.
- When the employee dies as a result of such injury.
- When the employee contracts an occupational disease specified in the Act's schedule.
- When disablement—temporary or permanent—reduces the employee's earning capacity.

The Employee Compensation Law India PDF Corrida Legal explains that the employer is required to provide compensation even if the injury was not due to direct negligence, provided it occurred during official duties or because of job-related risks.

When Liability Does Not Arise

There are limited situations where an employer is exempt from paying compensation. These include:

- Injury resulting from the employee's wilful disobedience of safety rules.
- Injury caused by the employee's intoxication or drug influence.
- Self-inflicted injuries or deliberate negligence.
- Injury not connected to employment duties or occurring outside working hours.

However, if the injury results in death, the employer remains liable even if the employee was partly at fault. The Workmen Compensation Act Executive Summary Corrida Legal notes that this clause protects dependents from being deprived of compensation due to minor employee errors.

Employer's Responsibility to Maintain Safety

The Act implies a duty of care on employers to maintain safe working conditions, provide protective equipment, and ensure proper supervision. Although compensation is payable regardless of negligence, employers who fail to ensure safety may also face penalties under other laws such as the Factories Act,

1948.

By enforcing this responsibility, the law encourages employers to adopt preventive safety measures rather than face liability after an accident.

Concept of “Arising Out of and in the Course of Employment”

For compensation to be payable, the injury must occur both “out of” and “in the course of” employment:

- “Arising out of employment” refers to a direct connection between the work and the accident.
- “In the course of employment” refers to the time, place, and circumstances of the incident.

For example, if a driver meets with an accident while transporting goods for the employer, the injury is considered to arise out of and in the course of employment.

The Employee’s Compensation Act 1923 Bare Act PDF Download provides several illustrations and judicial interpretations confirming that even off-site or travel-related injuries may qualify if connected to employment duties.

Employer’s Liability for Occupational Diseases

Certain occupations expose workers to continuous health risks, such as chemical exposure, dust inhalation, or prolonged noise. The Act recognises this and provides compensation for diseases directly linked to the nature of employment. Examples include:

- Silicosis or asbestosis among miners.
- Skin diseases in chemical or dye industries.
- Hearing impairment among machine operators.

The law considers these diseases equivalent to injuries and provides compensation once their occupational nature is medically established.

Notification and Reporting Duties

Employers are required to report every accident or occupational injury to the Commissioner for Employee’s Compensation within the prescribed time. They must also:

- Maintain a register of accidents and injuries.
- Notify dependents in case of death.
- Assist employees or their families in filing claims.
- Deposit compensation amounts promptly with the Commissioner.

The Employee Compensation Law India PDF Corrida Legal emphasises that timely reporting prevents delays and ensures transparency in the claims process.

Legal Consequences of Non-Compliance

If an employer fails to pay or deposit compensation within the prescribed period, they become liable to:

- Pay interest on the delayed amount.
- Pay an additional penalty up to 50% of the due compensation.

- Face prosecution under relevant sections of the Act.

This ensures that employers cannot avoid or postpone their legal responsibility.

Key Points to Remember

- Liability arises automatically once injury or death is linked to employment.
- Compensation is payable even if the employer was not negligent.
- Occupational diseases are treated the same as physical injuries.
- Employers must report accidents and deposit compensation on time.
- Delays attract interest and penalty.

The Employer Liability for Compensation Bare Act India confirms that this law does not seek to punish employers but to create accountability and social justice. It reminds every organisation that behind every task or machine stands a human being whose safety and livelihood must be protected. Through this balance of duty and fairness, the Employee's Compensation Act, 1923 continues to strengthen the bond between labour, law, and humanity in the modern workplace.

5. Calculation and Distribution of Compensation under the Employee's Compensation Act, 1923

The calculation and distribution of compensation under the Employee's Compensation Act, 1923 are designed to ensure that employees and their dependents receive fair and timely financial relief. The law provides a clear framework for how compensation is to be determined, taking into account the nature of the injury, the worker's wages, and the extent of disability or loss of earning capacity.

The Employee's Compensation Act 1923 Bare Act PDF Download explains that this system ensures consistency and fairness across all cases, preventing disputes and delays in settlement. The Act focuses on both precision and equity—ensuring that compensation truly reflects the damage suffered by the worker or their family.

Guiding Principles for Compensation

The amount of compensation is based on three key factors:

- The nature of injury (death, permanent or temporary disablement).
- The monthly wages of the employee.
- The age of the employee at the time of the accident.

These factors together determine the total amount of compensation payable under the Act's schedules, which provide specific formulas for calculation.

Compensation in Case of Death

When an employee dies due to a workplace accident or occupational disease, the employer must pay compensation to the dependents. The amount is calculated as:

50% of the monthly wages multiplied by the relevant factor (based on the employee's age) or a fixed minimum amount, whichever is higher.

The minimum compensation ensures that families of low-wage workers are not left destitute. Employers must

deposit this amount with the Commissioner for Employee's Compensation, who distributes it among dependents based on their entitlement.

Compensation for Permanent Total Disablement

If the injury permanently incapacitates the employee from performing any work, the amount payable is:

60% of the monthly wages multiplied by the relevant age factor or a fixed minimum amount, whichever is greater.

This ensures that the worker's long-term loss of earning capacity is adequately compensated.

The Workmen Compensation Act Executive Summary Corrida Legal clarifies that permanent total disablement includes the complete loss of sight, both hands, or both legs—conditions that prevent the employee from engaging in any gainful employment.

Compensation for Permanent Partial Disablement

For partial disablement, the compensation amount depends on the percentage of loss of earning capacity as listed in Schedule I of the Act. For example, loss of a thumb may result in a 30% loss of earning capacity, while loss of a leg may be 50%. The compensation is calculated proportionately.

This schedule-based approach maintains uniformity in awards across different industries.

Compensation for Temporary Disablement

Temporary disablement, whether total or partial, entitles the employee to periodic payments equal to 25% of their monthly wages, payable every half-month until recovery or for a maximum of five years.

This provision is meant to ensure immediate financial support while the worker is unable to earn.

The Employee Compensation Law India PDF Corrida Legal notes that even temporary injuries can severely disrupt a family's income, making such interim relief vital.

Medical Expenses and Reimbursement

In addition to monetary compensation, employers are required to provide or reimburse medical treatment expenses arising from the injury. This includes:

- Hospitalisation and medicine costs.
- Rehabilitation or physiotherapy expenses.
- Transport costs for treatment.

Failure to provide medical aid can attract penalties under the Act and related health and safety laws.

Distribution of Compensation

The process of distributing compensation is strictly regulated to ensure that dependents receive their due share. The Commissioner for Employee's Compensation supervises the distribution and may apportion the amount among dependents as per their dependency level.

In the case of minors, the Commissioner may hold the amount in trust or invest it securely until the beneficiary attains majority.

Deposit of Compensation

Employers must deposit the compensation amount directly with the Commissioner, not with the dependents. The Commissioner verifies the claim and disburses payment only after ensuring its correctness.

If the employer fails to deposit the amount promptly, they are liable for:

- Interest on the delayed payment (12% per annum).
- A penalty of up to 50% of the compensation amount.

This prevents employers from avoiding or delaying their financial responsibility.

Dispute Resolution

If there is any disagreement regarding the amount of compensation, the nature of injury, or dependency status, the matter is referred to the Commissioner for Employee's Compensation. The Commissioner acts as a quasi-judicial authority, hearing both sides and deciding based on medical and documentary evidence.

The Employee's Compensation Act 1923 Key Provisions and Summary Corrida Legal points out that this system ensures accessibility and fairness, as employees do not need to approach civil courts for such claims.

Key Points to Remember

- Compensation is calculated based on wages, age, and type of injury.
- Dependents receive payment in cases of death, based on statutory formulas.
- Medical expenses must be reimbursed in addition to monetary compensation.
- Employers must deposit compensation with the Commissioner within the prescribed time.
- Delayed payments attract interest and penalties.

The Compensation for Workplace Injuries Act 1923 PDF highlights that the true essence of this law lies in ensuring dignity and financial security for those who sustain injuries while building the nation's industries and enterprises. The law ensures that every worker's sacrifice is recognised not by sympathy, but by justice—swift, fair, and legally binding.

6. Role and Powers of the Commissioner under the Employee's Compensation Act, 1923

The Commissioner for Employee's Compensation is the central authority responsible for ensuring that claims under the Employee's Compensation Act, 1923 are resolved quickly, fairly, and without unnecessary hardship to the employee or their dependents. Acting as both an adjudicator and a protector of workers' rights, the Commissioner's role is to bridge the gap between legal entitlement and practical access to justice.

The Employee Compensation Law India PDF Corrida Legal explains that the Commissioner functions as a quasi-judicial officer, combining administrative and judicial powers to deliver relief efficiently. The office of the Commissioner symbolises the state's commitment to protecting those whose livelihoods are affected by workplace accidents or diseases.

Appointment and Jurisdiction

Each state government appoints Commissioners for Employee's Compensation and defines their territorial jurisdiction. Typically, one or more Commissioners are assigned to each district to ensure accessibility for workers in all regions.

Their jurisdiction covers:

- Claims for compensation due to injury, disablement, or death.
- Disputes regarding the amount of compensation.
- Determination of dependents eligible for compensation.
- Settlement of liability between employers and insurers.

This decentralised structure ensures that even workers in remote areas can access justice without approaching higher courts.

Core Functions of the Commissioner

The Commissioner's main responsibilities include:

- Receiving and processing compensation claims.
- Conducting inquiries and hearings to determine the facts of each case.
- Supervising deposit and distribution of compensation.
- Ensuring dependents and minors receive their rightful share.
- Reviewing medical evidence and assessing loss of earning capacity.
- Imposing penalties on employers for non-compliance or delay.

The Employee's Compensation Act 1923 Bare Act PDF Download highlights that the Commissioner's office is designed to provide a simple and affordable forum for workers, eliminating the complexities of civil litigation.

Powers of the Commissioner

The Commissioner has the authority to:

- Summon witnesses and require production of documents.
- Administer oaths and record evidence.
- Conduct local inspections or medical examinations.
- Direct employers to submit relevant registers and wage records.
- Enforce appearance and compel cooperation during proceedings.
- Review and revise previous orders in certain situations.

These powers mirror those of a civil court, ensuring that inquiries are conducted with full legal authority and transparency.

The Workmen Compensation Act Executive Summary Corrida Legal notes that such powers allow the Commissioner to balance procedural fairness with compassion, ensuring that justice is not delayed by technicalities.

Adjudication of Claims

When a compensation claim is filed, the Commissioner conducts an inquiry similar to a court proceeding. Both employer and employee (or dependents) are given opportunities to present their cases. Medical evidence plays a key role in determining:

- The extent of injury or disability.
- The percentage of loss of earning capacity.
- Whether the injury arose out of and during employment.

After reviewing all evidence, the Commissioner issues a written order stating the amount of compensation and the mode of payment.

Powers in Cases of Dispute

In case of disputes over:

- The liability of the employer.
- The adequacy of compensation amount.
- The identification of dependents.
- The existence or extent of disablement.

The Commissioner acts as the final authority, subject only to appeal before the High Court. This ensures timely resolution of claims without multiple layers of litigation.

Deposit and Distribution Supervision

Employers are required to deposit compensation amounts directly with the Commissioner. The Commissioner verifies the correctness of the amount and then disburses it among eligible dependents according to law.

In cases involving minors or incapacitated beneficiaries, the Commissioner may:

- Hold the amount in trust until the beneficiary attains majority.
- Invest the funds securely for regular interest-based payments.

The Employee Compensation Law India PDF Corrida Legal highlights that this function ensures protection from exploitation or misuse of funds, especially for vulnerable dependents.

Power to Impose Penalties and Interest

The Commissioner can direct employers to pay interest on delayed payments and impose penalties up to 50% of the compensation amount if the delay is unjustified. This power enforces discipline among employers and ensures prompt compliance with the law.

Appeals and Final Orders

Either party may appeal to the High Court against the Commissioner's order within sixty days, but only on substantial legal questions. Minor disputes regarding facts or evidence are not subject to appeal, ensuring finality and reducing delays.

The Employee's Compensation Act 1923 Key Provisions and Summary Corrida Legal points out that this appeal mechanism maintains fairness while preventing misuse of the legal process.

Record Maintenance and Reporting

The Commissioner maintains a detailed record of all claims, deposits, payments, and orders passed. These records serve as official evidence and can be used in future references or audits.

This meticulous documentation ensures accountability and transparency in every transaction.

Key Points to Remember

- The Commissioner functions as a quasi-judicial authority with civil court powers.
- They ensure quick and fair resolution of claims without excessive formalities.
- Employers must deposit compensation directly with the Commissioner.
- Dependents and minors are protected through supervised disbursement.
- Appeals are permitted only on substantial legal grounds.

The Employee Compensation Law India PDF Corrida Legal concludes that the Commissioner's role represents the human face of labour law—ensuring that justice is not confined to courtrooms but reaches those who need it most. Through efficiency, integrity, and compassion, the office of the Commissioner turns the promise of the Employee's Compensation Act, 1923 into a living reality for thousands of workers and their families across India.

7. Penalties, Offences, and Legal Consequences under the Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923 imposes clear legal duties on employers, and with those duties come serious consequences for neglect or violation. The law ensures that failure to comply with its provisions — whether through delay, denial, or deception — results in legal action. The Act uses its penalty framework not as a punishment alone, but as a way to uphold justice and deter negligence in matters affecting workers' lives and livelihoods.

The Employee's Compensation Act 1923 Key Provisions and Summary Corrida Legal notes that these penalties are designed to maintain fairness, accountability, and discipline among employers while protecting employees and their families from exploitation or delay in receiving compensation.

Objective of the Penalty Provisions

The penalty system in this Act serves three important purposes:

- To ensure that employers discharge their legal obligations promptly and honestly.
- To prevent fraudulent activities or misuse of the compensation process.
- To protect the rights of injured employees and dependents from being undermined.

These objectives reinforce the law's fundamental principle — that justice delayed is justice denied, especially for those whose survival depends on timely compensation.

Penalty for Failure to Pay Compensation

When an employer fails to deposit or pay compensation within the prescribed time, the Commissioner has the authority to:

- Direct payment of interest at 12% per annum (or higher as notified).
- Impose a penalty up to 50% of the due amount for unreasonable delay or willful default.

This dual measure ensures both restitution for the worker and deterrence for the employer. The Commissioner for Employee's Compensation evaluates the reasons for delay and imposes penalties where

negligence is clear.

Penalty for False Statements and Misrepresentation

If any employer, employee, or other person deliberately makes a false statement, conceals material facts, or misrepresents details in a compensation claim, they can be prosecuted under the Indian Penal Code for fraud or perjury.

Common examples include:

- Employers falsifying wage details to reduce compensation.
- Claimants submitting forged medical certificates.
- Contractors hiding the actual employment relationship.

The Workmen Compensation Act Executive Summary Corrida Legal explains that honesty in documentation is crucial, as the Act's framework is built on trust between all parties involved.

Penalty for Non-Reporting of Accidents

Employers are required by law to report all fatal or serious workplace accidents to the Commissioner within the prescribed time. Failure to do so is treated as an offence, inviting monetary fines and possible prosecution.

This requirement ensures that no accident goes unreported or uninvestigated, maintaining transparency in the system.

Penalty for Tampering with Records

Tampering, falsifying, or destroying registers or documents related to compensation cases is a serious offence. Any person, including employers or staff, who manipulates official records to conceal facts can face imprisonment or fines under both this Act and the Indian Penal Code.

Such offences are viewed as attacks on public trust, as they directly affect legal entitlements of injured workers or dependents.

Liability of Employers and Agents

In cases where the employer acts through contractors or agents, the principal employer remains liable for compliance. If a contractor fails to pay or report compensation, the primary employer bears the penalty.

This principle prevents employers from escaping responsibility through outsourcing or delegation. The Employer Liability for Compensation Bare Act India reinforces that accountability always rests with the person or entity that benefits from the employee's labour.

Penalty for Obstruction of the Commissioner

Obstructing the Commissioner or refusing to produce records during an inquiry constitutes a punishable offence. Such acts include withholding information, refusing to appear when summoned, or influencing witnesses.

These provisions ensure that the Commissioner's authority remains unquestioned and that the inquiry process is conducted smoothly and fairly.

Protection Against Malicious Prosecution

While the Act enforces penalties strictly, it also ensures fairness. Employers cannot be prosecuted without the Commissioner's written sanction. This prevents misuse of penalty provisions and ensures that only genuine cases of negligence or misconduct are pursued.

The Employee Compensation Law India PDF Corrida Legal explains that this balance between enforcement and fairness is what makes the law effective in practice.

Recovery and Enforcement

Penalties imposed under the Act are recoverable as arrears of land revenue. This gives the Commissioner wide powers to enforce compliance — including attachment of property, deduction from business accounts, or recovery through the district collector.

This ensures that compensation awards and penalties are not merely theoretical but are actually realised by employees and dependents.

Key Points to Remember

- Employers must pay compensation promptly and deposit it with the Commissioner.
- Delays attract interest and penalties up to 50% of the payable amount.
- False statements and forged documents are punishable offences.
- Failure to report accidents or tampering with records leads to prosecution.
- The Commissioner can recover penalties as arrears of land revenue.
- Sanction is required before initiating prosecution, ensuring procedural fairness.

The Employee's Compensation Act 1923 Key Provisions and Summary Corrida Legal concludes that the penalty framework gives the law its strength. It ensures that compliance is not optional and that justice for employees is neither delayed nor denied. By combining deterrence with fairness, the Act reinforces the principle that the value of human life and labour cannot be compromised — and any attempt to do so will invite firm legal consequence.

8. Rights and Remedies of Employees and Dependents under the Employee's Compensation Act, 1923

The Employee's Compensation Act, 1923 was designed not only to fix employer liability but also to empower employees and their dependents with clear, enforceable rights. It ensures that when injury, disablement, or death occurs during the course of employment, the affected individuals have straightforward legal remedies to claim compensation and other entitlements.

The Workmen Compensation Act Executive Summary Corrida Legal highlights that this legislation is among the earliest in India to give workers direct access to justice without needing to approach civil courts. It replaces lengthy and costly litigation with a simpler, faster, and more humane process.

Rights of Employees under the Act

Every employee covered by the Act enjoys the following legal rights:

- The right to receive compensation for any personal injury caused by an accident arising out of and in the course of employment.

- The right to free medical treatment or reimbursement for medical expenses.
- The right to prompt payment without needing to prove employer negligence.
- The right to fair assessment of injury and disablement based on medical evaluation.
- The right to appeal before the Commissioner in case of disputes.

These rights ensure that employees are not left vulnerable after an injury, and that their dignity and livelihood are protected under law.

The Employee Compensation Law India PDF Corrida Legal explains that the compensation process is intentionally employee-centric, prioritising accessibility and fairness over rigid technicalities.

Rights of Dependents

In the event of an employee's death due to a work-related accident or occupational disease, their dependents are entitled to receive compensation. Dependents include:

- The widow or widower.
- Minor children, including adopted ones.
- Dependent parents.
- Unmarried or widowed daughters.
- Infirm adult children unable to earn a living.

The Act allows dependents to claim directly, ensuring that the employer's legal duty does not end with the employee's death.

Remedies Available to Employees and Dependents

The law provides several remedies for enforcing these rights:

- 1. Filing a Claim with the Commissioner:**
The injured employee or dependents of the deceased can submit a written claim to the Commissioner for Employee's Compensation. No court fees or formal pleadings are required.
- 2. Medical Certification and Examination:**
The claimant must provide a medical certificate confirming the nature and extent of the injury. The Commissioner may also refer the employee for a government medical assessment.
- 3. Notice of Accident:**
Employees are required to inform the employer about the accident as soon as possible, preferably within a few days. However, failure to give notice is not fatal to the claim if the employer was already aware of the incident.
- 4. Hearing and Inquiry:**
The Commissioner conducts an inquiry, examines witnesses, and reviews documents to determine the facts. Both the employer and employee have the opportunity to be heard.
- 5. Award and Payment:**
Once the claim is proved, the Commissioner issues an order specifying the compensation amount and directs the employer to deposit it within a fixed period.

The Employee's Compensation Act 1923 Bare Act PDF Download provides that all such proceedings must be completed with minimum delay and that the amount must be disbursed promptly to avoid financial hardship.

Legal Protection Against Retaliation

Employees are legally protected from dismissal, demotion, or discrimination for filing compensation claims. Any such act by the employer is treated as an unfair labour practice and can attract legal action.

This safeguard ensures that workers can assert their rights without fear of losing their jobs or being targeted at the workplace.

Access to Legal and Administrative Support

The Commissioner's office assists claimants in understanding procedures, filling forms, and securing medical certificates. Legal representation is optional, ensuring that even workers from economically weaker backgrounds can seek justice independently.

The Compensation for Workplace Injuries Act 1923 PDF notes that the simplicity of this process has made it one of the most accessible legal remedies in India's labour law framework.

Appeals and Revisions

If either party is dissatisfied with the Commissioner's order, an appeal may be filed before the High Court within sixty days. The appeal must be based on substantial legal questions rather than factual disagreements.

This two-tier system ensures fairness while maintaining efficiency in resolving cases.

Time Limits for Claims

While the Act encourages prompt filing, delayed claims are still entertained if the claimant can show valid reasons such as ignorance of law, delayed medical reports, or non-availability of dependents.

The Commissioner has the discretion to condone such delays to ensure that justice is not denied due to technical lapses.

Key Points to Remember

- Employees have the right to claim compensation without proving negligence.
- Dependents can claim directly in case of an employee's death.
- Employers cannot penalise workers for filing compensation claims.
- The Commissioner provides a simplified process for hearings and payments.
- Appeals can be made to the High Court only on legal grounds.
- The system ensures fast, affordable, and accessible justice for all workers.

The Workmen Compensation Act Executive Summary Corrida Legal concludes that this legislation turns the principle of social justice into daily practice. It ensures that every worker's contribution is recognised not only in productivity but also in protection. By combining empathy with enforceability, the Employee's Compensation Act, 1923 continues to uphold the dignity of labour — guaranteeing that no injury, loss, or sacrifice goes unacknowledged or uncompensated under the law.

Conclusion

The Employee's Compensation Act, 1923 stands as one of the most compassionate and enduring pieces of social welfare legislation in India. Enacted at a time when industrialisation was growing rapidly, the law recognised that workers are not just units of labour but human beings whose safety and wellbeing must be legally protected. Over a century later, its principles remain as relevant as ever — ensuring fairness, accountability, and dignity in the world of work.

The Employee's Compensation Act 1923 Executive Summary Corrida Legal explains that this Act is more than a compensation mechanism; it is a statement of social responsibility. It acknowledges that accidents are sometimes unavoidable, but the suffering that follows must not be borne by the worker alone. By making compensation a legal right, the Act transformed workplace justice from a moral duty into a binding obligation.

Key Takeaways

- **Humanitarian Purpose:**
The Act was designed to provide financial relief and legal security to employees or their families in case of injury, disability, or death arising out of employment.
- **Employer Accountability:**
It ensures that employers are legally responsible for compensating affected workers, thereby promoting workplace safety and responsibility.
- **Clear Legal Structure:**
The Act defines rights, obligations, and procedures in a simple and accessible manner, allowing even low-income or illiterate workers to seek justice without complex litigation.
- **Comprehensive Coverage:**
It applies across various industries — manufacturing, construction, mining, transportation, and others — protecting both permanent and temporary workers.
- **Protection for Dependents:**
Dependents of deceased employees have the right to claim compensation directly, ensuring that families are not left helpless after a tragedy.
- **Role of the Commissioner:**
The Commissioner for Employee's Compensation provides an efficient, worker-friendly platform for filing claims and resolving disputes without lengthy court processes.
- **Strict Penalty Provisions:**
Employers who delay or deny payments face penalties, interest, and legal consequences, reinforcing the seriousness of compliance.
- **Alignment with Modern Labour Reforms:**
The Act continues to complement newer social security laws like the Employees' State Insurance Act and the Code on Social Security, 2020, keeping worker welfare at its core.
- **Accessible and Affordable Justice:**
The law ensures that workers receive justice without needing costly legal representation, making it one of India's most accessible welfare mechanisms.

Final Reflection

The Employee's Compensation Act, 1923 reflects the essence of labour welfare — that the strength of an economy depends on the protection of those who build it. Through its balance of empathy and enforcement, the law continues to uphold every worker's right to safety, respect, and security.

As summarised in the Employee's Compensation Act 1923 Bare Act PDF Download by Corrida Legal, this statute remains a guiding pillar of India's employment law system, reaffirming that justice for the working class is not a privilege but a guaranteed legal right. It is a reminder that while machines and markets may drive progress, it is the protection of people that sustains it.



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