

REPORT ON THE WORKING OF THE EMPLOYEES' COMPENSATION ACT, 1923 FOR THE YEAR 2016

1. Introduction

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

Labour Bureau has been bringing out reviews/reports on the working of the Act based on the returns received from State Governments /Union Territories etc. every year. The present report is for the year 2016.

2. Main Provisions and Scope of the Act

2.1 The Act extends to the whole of India and applies to workers employed in any capacity specified in Schedule II of the Act which includes Factories, Mines, Plantations, Mechanically Propelled Vehicles, Construction Work and certain other hazardous occupations and specified categories of Railway Servants. It does not, however, apply to (i) persons serving in Armed Forces and (ii) workers covered by the Employees' State Insurance Act, 1948.

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

2.3 Sub-section (3) of Section 2 of the Act, empowers the State Governments to extend the scope of the Act to any class of persons whose occupations are considered hazardous after giving three months' notice, to be published in the Official Gazette. Similarly, under Section 3(3) of the Act, the State Governments are also empowered to add any other disease to the list mentioned in Parts A and B and the Central Government, in Part C of Schedule-III of the Act.

2.4 The amount of compensation payable to an employee depends on the nature of injury caused by accident, the monthly wage and the age of the employee concerned. In case of death, the minimum amount of compensation fixed is Rs.1,20,000 whereas it is Rs.1,40,000 in case of permanent total disablement. These enhanced rates of compensation have come into force w.e.f. 18th January 2010. The wage ceiling limit for working out compensation has been increased from Rs.4,000/- to Rs.8,000/- per month w.e.f. 31.05.2010.

2.5 Employer's liability for compensation: If personal injury is caused to a workman 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 the Chapter -II:

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 workman 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 the fault of the worker, arising from factors such as influence of alcoholic drinks and drugs, willful disobedience of the employees to an order or rule, willful removal or disregard by the employees of any safety guard or other device, etc. Besides, under Sub-section (2) of Section 3 of the Act, compensation is also payable to such workers who contract occupational diseases in the course of their employment as specified in Schedule-III of the Act.

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

3.1 The total number of compensated accidents and the amount of compensation paid on the basis of States and Union Territories submitting returns at all-India level for the years 2014 to 2016 is presented in Table-1. During 2016, as many as 5487 compensated accidents resulting in death, permanent disablement and temporary disablement were reported by the States and Union Territories and an amount of Rs. 15957.31 lakh was paid as compensation. Out of the total compensated accidents, 43.59% were fatal accidents, 30.09% related to permanent disablement and 26.32% were temporary disablement cases.

Table-1
Number of Compensated Accidents and the Amount of Compensation paid by the Establishments Submitting Returns

Year	Average daily number of workers employed in establishments submitting returns	Number of compensated accidents resulting in				Amount of compensation paid (Rs. in Lakh.)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
2014	4156885	2542 (33.50)	1801 (23.74)	3244 (42.76)	7587 (100.00)	10647.05	3619.49	1132.38	15398.92
2015	4118630	2302 (38.49)	1981 (33.13)	1697 (28.38)	5980 (100.00)	12815.80	4394.34	564.24	17774.38
2016	3538053	2392 (43.59)	1651 (30.09)	1444 (26.32)	5487 (100.00)	11465.51	3446.83	1044.97	15957.31

The figures in brackets indicate percentage share to total number of compensated cases

3.2 Industry/Establishment wise break-up of number of compensated accidents and the amount of compensation paid during the year 2016 is given in Table-2. Of the total compensated accidents, Miscellaneous accounted for highest i.e. 48.19% followed by Factories 26.46% and Railways 16.58%. Whereas in case of compensation paid, Miscellaneous has the maximum share of 51.29% followed by Factories 23.62% & Railways 13.75%.

Table 2
Number of Compensated Accidents and Compensation amount paid by the Establishments submitting returns during 2016

Establishments	Average daily No. of workers employed in establishments submitting returns +	Number of compensated accidents resulting in				Amount of compensation paid (Rs. in Lakh)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
Factories	1075685	603	695	154	1452 (26.46)	2963.18 (25.84)	608.12 (17.64)	197.19 (18.87)	3768.49 (23.62)
Plantations	296565	61	41	122	224 (4.08)	351.95 (3.07)	110.60 (3.21)	74.06 (7.09)	536.61 (3.36)
Mines	25224	17	1	8	26 (0.47)	103.22 (0.90)	2.32 (0.07)	0.16 (0.02)	105.71 (0.66)
Ports & Docks	20811	9	-	-	9 (0.16)	73.44 (0.64)	-	-	73.44 (0.46)
Tramways	-	-	-	-	-	-	-	-	-
Buildings and Constructions	725860	113	72	15	200 (3.64)	628.30 (5.48)	238.06 (6.91)	23.35 (2.23)	889.71 (5.58)
Municipalities	180230	16	6	-	22 (0.40)	175.91 (1.53)	27.72 (0.80)	-	203.63 (1.28)
Miscellaneous	381002	1366	764	514	2644 (48.19)	5355.27 (46.71)	2103.67 (61.03)	726.25 (69.50)	8185.19 (51.29)
Railways	832676	207	72	631	910 (16.58)	1814.24 (15.82)	356.34 (10.34)	23.96 (2.29)	2194.54 (13.75)
All Establishments	3538053	2392 (43.59)	1651 (30.09)	1444 (26.32)	5487 (100)	11465.51 (71.85)	3446.83 (21.60)	1044.97 (6.55)	15957.31 (100.00)

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

+ Partly received data, - Nil, Percentage total may not tally due to rounding of figures.

3.3 The number of compensated accidents and the amount of compensation paid during the year 2016 in the States and Union Territories which submitted returns are presented in Table -3. Gujarat reported the largest number of compensated cases (1215) followed by Karnataka (679) and Odisha (582). The average amount of compensation paid per case was highest in Telangana (Rs.9.52 lakh) followed by UT of Andaman & Nicobar Islands (Rs. 9.08 lakh) and Tripura (Rs. 7.54 lakh)

Table-3
Compensated accidents and amount of compensation paid during 2016

State/Union Territory	Average daily number of workers employed in establishments submitting returns +	Number of compensated cases of accidents resulting in				Amount of compensation paid (Rs. in Lakh)			
		Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total	Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total
1	2	3	4	5	6	7	8	9	10
1 Andhra Pradesh	738253	319	64	-	383	1770.51 (5.55)	142.11 (2.22)	-	1912.62 (4.99)
3 Assam	341539	121	48	35	204	753.39 (6.23)	142.91 (2.98)	40.99 (1.17)	937.29 (4.59)
3 Bihar	250476	22	2	-	24	85.71 (3.90)	18.55 (9.27)	-	104.26 (4.34)
4 Chhattisgarh +	-	36	8	13	57	306.08 (8.50)	17.08 (2.14)	13.90 (1.07)	337.06 (5.91)
5 Goa	4093	-	-	-	-	-	-	-	-
6 Gujarat +	-	490	633	92	1215	2161.06 (4.41)	518.25 (0.82)	184.41 (2.00)	2863.72 (2.36)
7 Haryana	66378	-	-	-	-	-	-	-	-
8 Himachal Pradesh	36756	-	-	-	-	-	-	-	-
9 Jammu & Kashmir	38408	107	110	16	233	692.45 (6.47)	356.83 (3.24)	18.79 (1.17)	1068.07 (4.58)
10 Karnataka +	-	178	265	236	679	711.14 (4.00)	387.57 (1.46)	168.74 (0.72)	1267.45 (1.87)
11 Kerala	141033	82	77	167	326	215.94 (2.63)	152.61 (1.98)	78.03 (0.47)	446.58 (1.37)
12 Madhya Pradesh +	93	221	71	1	293	581.68 (2.63)	300.09 (4.23)	0.87 (0.87)	882.64 (3.01)
13 Maharashtra	129157	36	4	22	62	273.92 (7.61)	5.14 (1.29)	2.63 (0.12)	281.69 (4.54)
14 Odisha	24879	295	216	71	582	612.56 (2.08)	805.74 (3.73)	244.19 (3.44)	1662.49 (2.86)
15 Punjab #	-	-	-	-	-	-	-	-	-
16 Rajasthan	18822	93	25	17	135	508.21 (5.46)	86.95 (3.48)	42.66 (2.51)	637.82 (4.72)
17 Tamil Nadu	419381	66	-	128	194	255.49 (3.87)	-	219.32 (1.71)	474.82 (2.45)
18 Telangana	692	16	4	-	20	146.25 (9.14)	44.21 (11.05)	-	190.46 (9.52)
19 Tripura	47881	4	-	-	4	30.16 (7.54)	-	-	30.16 (7.54)
20 Uttar Pradesh	224320	75	1	4	80	358.74 (4.78)	6.36 (6.36)	6.30 (1.58)	371.40 (4.64)
21 West Bengal	48066	2	3	11	16	11.22 (5.61)	5.39 (1.80)	0.17 (0.02)	16.78 (1.05)
22 A & N Islands	24063	5	-	-	5	45.41 (9.08)	-	-	45.41 (9.08)
23 Chandigarh +	-	4	-	-	4	27.05 (6.76)	-	-	27.05 (6.76)
24 D & N Haveli	108545	13	27	-	40	104.30 (8.02)	64.96 (2.41)	-	169.26 (4.23)
25 Daman & Diu	16863	-	21	-	21	-	35.75 (1.70)	-	35.75 (1.70)
26 Puducherry	25679	-	-	-	-	-	-	-	-
Total	2705377	2185	1579	813	4577	9651.27	3090.49	1021.01	13762.77
Railways	832676	207	72	631	910	1814.24	356.34	23.96	2194.54
Grand Total	3538053	2392	1651	1444	5487	11465.51	3446.83	1044.97	15957.31

Figures in brackets indicate average compensation paid per case.

+ Data not reported/ Partly received information, - Nil, # Covered under ESIC.

4. Occupational Diseases

As stated earlier, the Employees' Compensation Act, 1923 also has provision for paying compensation in cases of certain occupational diseases. The data is partly reported. The details are presented in Table 4:

Table 4
Occupational disease, compensated cases and amount of compensation paid during 2016

State	Nature of Disease	Number of compensated cases of occupational diseases resulting in				Amount of compensation paid @ (Rs in Lakh.)			
		Death	Permanent disablement	Temporary disablement	Total	Death	Permanent disablement	Temporary disablement	Total
1	2	3	4	5	6	7	8	9	10
Assam	+	4	-	-	4	16.02 (4.00)	-	-	16.02 (4.00)
Madhya Pradesh	+	144	65	28	237	643.78 (4.47)	79.08 (1.22)	22.01 (0.79)	744.87 (3.14)
Uttar Pradesh	+	11	15	12	38	2.50 (0.23)	71.94 (4.80)	19.20 (1.60)	93.64 (2.46)
Total		159	80	40	279	662.30 4.17	151.01 1.89	41.21 1.03	854.53 3.06

@ Figures in brackets indicate average compensation paid per case.

+Nature of disease not reported by the States, - Nil.

5. Cases dealt by the Commissioners for Employee's Compensation

5.1 The Act is administered by the Commissioners for Employee's Compensation appointed by respective State Governments/Union Territories Administrations under section 20 of the Act. Table-5 shows the number of cases handled under different sections of the Employees' Compensation Act, 1923 by the Employee's Compensation Commissioners during 2016. During the year under section 7, 8 and 10 of the Act, total 62692 cases were pending at the end of the year and 26265 cases were registered and 24383 cases were disposed off during the year. The total number of cases pending from previous year were 60810.

Table-5
Number of Cases Handled by the Commissioners for Workmen's Compensation during 2016

Item	Number of cases pending at the beginning of the year	Number of cases filed during the year including those received from other Commissioners for disposal	Total number of cases disposed of during the year including those transferred to others for disposal	Number of cases pending at the end of the year
1	2	3	4	5
(a) Compensation U/s 7	2479	1896	1727	2648
(b) Deposits U/s 8	8524	2873	4082	7315
(c) Award of Compensation U/s 10	49807	21496	18574	52729
Total	60810	26265	24383	62692

Figures, over the years, may not strictly comparable due to varying response from States/UT's.

Opening Balance may not tally with last year closing balance due to inclusion/revision/omission of data

5.2 Section 8 of the Act makes it obligatory for the employers to deposit the amount of compensation payable in cases of fatal accidents or a lump sum compensation payable to a woman or a person under legal disability for disbursement with the Commissioners. Data relating to such deposits and disbursements submitted by the various States/Union Territories excluding Railways for the year 2016 are presented in Table-6. It may be seen from the table that highest **deposits** (Rs.737303188) was from Maharashtra followed by Tamil Nadu (Rs. 693297300) and Uttar Pradesh (Rs. 518487086) and highest **disbursements** (Rs.881240212) was in Maharashtra followed by Tamil Nadu (Rs. 674646694) and Gujarat (Rs. 668205393).

Table - 6
Deposits and Disbursements Under Section 8 of the Employee's Compensation Act, 1923
during 2016

State/Union Territory	Deposits and Disbursements (in Rs.)				
	Opening balance	Deposits	Disbursements	Amount refunded to employers	Closing balance (Col. 2+3-4-5)
1	2	3	4	5	6
1 Andhra Pradesh	194998939	232087828	276846198	-	150240569
2 Assam	91746163	114020921	124513334	-	81253750
3 Bihar	28599079	107434298	90647882	-	45385495
4 Chhattisgarh	62148474	110567847	112926519	505233	59284569
5 Goa	1041423	2291642	1327486	-	2005579
6 Gujarat	628692331	418966369	668205393	-	379453307
7 Haryana	136819023	325466030	271138603	-	191146450
8 Himachal Pradesh	36194900	1759552	12696039	-	25258413
9 Jammu & Kashmir	47975300	94403190	106805000	789060	34784430
10 Karnataka	132747663	362581730	304937341	464887	189927165
11 Kerala	311941771	128159245	117783963	7503346	314813707
12 Madhya Pradesh	72906287	271156664	226761803	-	117301148
13 Maharashtra	604298219	737303188	881240212	3640603	456720592
14 Odisha	296208448	357489330	285720234	41120511	326857033
15 Punjab	66212649	69072899	73789244	-	61496304
16 Rajasthan	182705654	403543694	398231628	589604	187428116
17 Tamil Nadu	525782830	693297300	674646694	855630	543577806
18 Telangana	366031681	337449158	366250654	394610	336835575
19 Tripura	-	3015635	3015635	-	-
20 Uttar Pradesh	12368685	518487086	444386314	86469457	-
21 West Bengal	73815435	165163016	155491541	-	83486910
22 A & N Islands	2213393	4230920	4540720	-	1903593
23 Chandigarh	2646927	3090815	2705228	-	3032514
24 Dadar & Nagar Haveli	6592875	17429687	16926540	-	7096022
25 Daman & Diu	2505405	5322971	4668274	-	3160102
26 Puducherry	5869471	-	2854237	-	3015234
Total	3893063025	5483791015	5629056716	142332941	3605464383

Previous year closing balance of many States/UT may not tally with the current year opening balance due to revision/addition/deletion of data.

- Nil.

5.3 The information regarding the number of appeals and disposal thereof during the year 2016, is shown in Table-7. Maximum number of appeals filed were in Karnataka (709) as well as appeals disposed of were also in the State of Karnataka (906). Out of 11201 number of appeals pending at the end of the year, Karnataka has the highest number (3402) followed by Madhya Pradesh (2968) and Odisha (926).

Table – 7
Disposal of appeals in all establishments except Railways during 2016

State/Union Territory	Pending at the beginning of the year	Filed during the year	Disposed off during the Year	Pending at the end of the year
1	2	3	4	5
1 Andhra Pradesh	61	1	3	59
2 Assam	-	-	-	-
3 Bihar	215	8	17	206
4 Chhattisgarh	165	43	31	177
5 Goa	-	-	-	-
6 Gujarat	398	67	133	332
7 Haryana	155	44	32	167
8 Himachal Pradesh	53	-	-	53
9 Jammu & Kashmir	149	56	51	154
10 Karnataka	3599	709	906	3402
11 Kerala	397	22	24	395
12 Madhya Pradesh	2880	273	185	2968
13 Maharashtra	655	-	-	655
14 Odisha	744	651	469	926
15 Punjab	4	1	-	5
16 Rajasthan	137	34	41	130
17 Tamil Nadu	645	77	177	545
18 Telangana	828	44	134	738
19 Tripura	-	-	-	-
20 Uttar Pradesh	163	37	44	156
21 West Bengal	91	11	7	95
22 A & N Islands	-	-	-	-
23 Chandigarh	31	18	17	32
24 Dadar & Nagar Haveli	-	-	-	-
25 Daman & Diu	-	-	-	-
26 Puducherry	8	-	2	6
Total	11378	2096	2273	11201

Previous year closing balance of some State/UT may not tally with the current year opening balance due to revision/ addition/deletion of data.

- Nil.

6. Limitations of Statistics

Number of States despite repeated reminders did not submit their annual returns while some States submitted defective return and/or could not submit clarifications to the Labour Bureau despite vigorous efforts. The States with deficient response are cited below:

Annual returns not received from

1. Manipur
2. Sikkim
3. Uttarakhand and
4. NCT Delhi

Annual returns received but defective/partial/inconsistent

1. Jharkhand (Entire return defective)
2. Chhattisgarh
3. Gujarat
4. Karnataka
5. West Bengal and
6. UT Chandigarh

The States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland and UT Lakshadweep submitted Nil (-) data in annual returns. In view of this, all India figures in the report may not be truly comparable over the years as the responding States/UT's vary from year to year.