

**RAJYA SABHA**

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**BILL**

**to give effect to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction and to provide for matters connected therewith or incidental thereto.**

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*(Shri Suresh P. Prabhu, Minister for Chemicals and Fertilizers.)*

**Bill No. XLVII of 2000**

**THE WORKMEN'S COMPENSATION (AMENDMENT)  
BILL, 2000**

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BILL

*further to amend the Workmen's Compensation Act, 1923.*

BE it enacted by Parliament in the Fifty-first Year of the Republic of India as follows:—

1. This Act may be called the Workmen's Compensation (Amendment) Act, 2000.

Short title.

8 of 1923.

2. In the Workmen's Compensation Act, 1923 (hereinafter referred to as the principal Act), in section 2, in sub-section (1), in clause (n), the following brackets and words shall be omitted, namely:—

Amendment of section 2.

"(other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business)".

3. In section 4 of the principal Act,—

Amendment of section 4.

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(a) in sub-section (1),—

(i) in clause (a), for the words "fifty thousand rupees", the words "eighty thousand rupees" shall be substituted;

(ii) in clause (b), for the words "sixty thousand rupees", the words "ninety thousand rupees" shall be substituted;

**(iii) in Explanation II, occurring after clause (b) and before clause (c), for the words "two thousand rupees" occurring at both the places, the words "four thousand rupees" shall respectively be substituted;**

**(b) in sub-section (4), for the words "one thousand rupees", the words "two thousand and five hundred rupees" shall be substituted.**

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Amendment of  
section 4A.

4. In section 4A of the principal Act, for sub-section (3A), the following sub-section shall be substituted, namely:—

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

## STATEMENT OF OBJECTS AND REASONS

The Workmen's Compensation Act, 1923 provides for payment of compensation to workmen or their dependants in case of personal injury caused by accident or certain occupational diseases arising out of and in the course of employment and resulting in disablement or death. The Act, at present, applies to railway servants and persons employed in certain hazardous employments specified in Schedule II of the Act.

2. Based on the recommendations of the Standing Committee of Parliament on Labour and Welfare, the Act is being made applicable to all casual workers by deleting the brackets and words "(other than a person whose employment is of casual nature and who is employed otherwise than for the purposes of the employer's trade or business)" from section 2(1)(n) of the Act.

3. The Act was last amended in 1995. Since then, there has been general increase in prices of goods and commodities. The Standing Committee of Parliament on Labour and Welfare has also made certain recommendations for enhancement in the amount of compensation payable under the Workmen's Compensation Act. These recommendations were examined in consultation with State Governments and Union territory Administrations. Keeping in view the recommendations of the Standing Committee of Parliament and suggestions received from the State Governments, it is proposed to carry out the following amendments in the Act, namely:—

(i) minimum amount of compensation for death is being enhanced from Rs. 50,000 to Rs. 80,000 and that for permanent total disablement from Rs. 60,000 to Rs. 90,000;

(ii) the ceiling on monthly wage prescribed in *Explanation II* below section 4(1)(b) for determining the maximum amount of compensation is being enhanced from Rs. 2,000 to Rs. 4,000.

(iii) the amount of funeral expenses payable under section 4(4) is being enhanced from Rs. 1,000 to Rs. 2,500.

4. In the case of undue delay in payment of compensation, the employer under section 4A(3) of the Act is also liable for payment of interest and penalty up to fifty per cent. of the amount of compensation. At present interest is payable to the workman or dependants and the penalty is being credited to State Government. There have been representations for making the penalty also payable to the workman or dependants. Accordingly, it is proposed to amend section 4A(3A) so as to make the penalty also payable to the workman dependants.

5. The Bill seeks to achieve the above objects.

NEW DELHI;  
The 20th July, 2000.

SATYA NARAYAN JATIYA.

## FINANCIAL MEMORANDUM

The Workmen's Compensation Act, 1923 covers a large number of persons employed by the Central Government in railways and in other departments such as Central Public Works Department, Ordnance factories, telecommunications, telegraph, etc.

2. Clause 3 of the Bill seeks to enhance the minimum amount of compensation for death from Rs. 50,000 to Rs. 80,000 and that for permanent total disablement from Rs. 60,000 to Rs. 90,000. It also seeks to enhance the ceiling on monthly wage for calculation of maximum amount of compensation from Rs. 2,000 to Rs. 4,000. Finally, it also seeks to enhance the amount of funeral expenses from Rs. 1,000 to Rs. 2,500. The proposed provisions will ensure payment of compensation on comparatively higher rates than existing rates.

3. The above-mentioned proposals in their application to the workmen employed by the Central Government will involve increased expenditure from the Consolidated Fund of India by way of payment of compensation. However, as compensation becomes payable only in the event of employment injury resulting in disablement or death, it is not possible to estimate in advance the amount of additional expenditure involved.

4. The Bill does not involve any other expenditure whether recurring or non-recurring nature.

ANNEXURE

EXTRACTS FROM THE WORKMEN'S COMPENSATION ACT, 1923

(8 OF 1923)

2. (1) In this Act, unless there is anything repugnant in the subject or context,— Definitions.  
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(n) "workman" means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business) who is—

24 of 1989.

(i) a railway servant as defined in clause (34) of section 2 of the Railways Act, 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

(ia) (a) a master, seaman or other member 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

(ii) 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 Union; and any reference to a workman who has been injured shall, where the workman is dead, include a reference to his dependants or any of them.

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

(a) Where death results from the injury an amount equal to fifty per cent. of the monthly wages of the deceased workman multiplied by the relevant factor;

or

an amount of fifty thousand rupees, whichever is more;

(b) Where permanent total disablement results from the injury an amount equal to fifty per cent. of the monthly wages of the injured workman multiplied by the relevant factor;

or

an amount of sixty thousand rupees, whichever is more;

*Explanation I.*—For the purposes of clause (a) and clause (b), "relevant factor", in relation to a workman 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 workman on his last birthday immediately preceding the date on which the compensation fell due;

*Explanation II.*—Where the monthly wages of a workman exceed two thousand rupees, his monthly wages for the purposes of clause (a) and clause (b) shall be deemed to be two thousand rupees only,

(c) Where permanent partial disablement results 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 purposes 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 the monthly wages of the workman, to be paid in accordance with the provisions of sub-section (2).

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(4) If the injury of the workman results in his death, the employer shall, in addition to the compensation under sub-section (1), deposit with the Commissioner a sum of one thousand rupees for payment of the same to the eldest surviving dependant of the workman towards the expenditure of the funeral of such workman or where the workman 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.

\* \* \* \* \*

4A. (1)

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(3A) The interest payable under sub-section (3) shall be paid to the workman or his dependant, as the case may be, and the penalty shall be credited to the State Government.

Compensation to be paid when due and penalty for default.