

The Employee's Compensation Act, 1923

This act applies to employees working in factories, mines, docks, construction establishments, plantations, oilfields, and other establishments listed in Schedule II of this Act.

3. Employer's liability for compensation. If an employee is injured due to an accident during work, the employer is liable to pay compensation. However, the employer is not liable if the injury does not result in total or partial disablement lasting more than three days or for non-fatal injuries resulting from an accident directly linked to the employee being under the influence of alcohol or drugs, willful disobedience to safety rules, or deliberate removal of safety equipment by the employee.

4. Amount of compensation. Compensation shall be paid as soon as it falls due, and the amount of compensation shall be as follows;

(a) In a case where the injury leads to death	An amount equal to fifty percent of the monthly wages of the deceased employee multiplied by the relevant factor specified in schedule IV or one lakh and twenty thousand rupees, whichever is more.
(b) In a case where the injury leads to permanent total disablement	An amount equal to sixty percent of the monthly wages of the injured employee multiplied by the relevant factor specified in schedule IV or one lakh and forty thousand rupees, whichever is more.
(c) In a case where the injury leads to permanent partial disablement	Compensation for injuries listed in Part II of Schedule I is a percentage of what is payable for permanent total disablement, determined by the loss of earning capacity. For injuries not listed in Schedule I, compensation is a percentage of what would be paid for permanent total disablement, determined by the loss of earning capacity, assessed by a qualified medical practitioner.
(d) In a case where the injury leads to temporary disablement	A half-monthly payment of twenty-five percent of the monthly wages of the employee, to be paid on the sixteenth day from the date of disablement if it lasts for twenty-eight days or more. If the disablement is for less than twenty-eight days, the payment will begin after a waiting period of three days from the date of disablement. After the initial payment, subsequent half-monthly payments will continue for the duration of the disablement or up to five years, whichever is shorter.

8. Distribution of compensation. Compensation for a deceased employee, a woman, or a person with a legal disability must be deposited with the Commissioner. Employers cannot directly pay such compensation; it must go through the Commissioner. In the case of an employee's death, the employer can give advances to dependents up to three months' wages. The Commissioner will later subtract this from the total compensation owed to the dependents and refund it to the employer.

10. Notice and claim. Any defects in a notice shall not prevent a claim if the claim is about an employee's death from an accident on the employer's premises or while working under their control, or the employer knew about the accident from another source around the time it happened.

10A. Power to require from employers statements regarding fatal accidents. If an employee dies at work, the Commissioner can notify the employer. The employer must respond within 30 days of receiving such notice, explaining the circumstances of the employee's death and indicating whether they believe that they are liable to provide compensation for the death or not. If the employer admits liability for compensation, they must deposit it within 30 days. If the employer denies liability, they must state the reasons for their denial in their response.

10B. Reports of fatal accidents and serious bodily injuries. If there's an accident causing death or serious injury on the employer's premises, the employer must notify the Commissioner. Within seven days of the incident, they must also send a report to the Commissioner detailing the circumstances of the death or injury.

11. Medical examination. If an employee reports an accident, the employer must offer a free medical examination within three days. The employee, especially if receiving compensation, must undergo such medical examinations whenever requested. However, the medical examinations must comply with rules and not be more frequent.

12. Contracting. If an employer outsources workers for some work then he is responsible for compensating the workers involved as those workers were his own employees. This applies even though the workers are employed by a contractor.

14A. Compensation to be the first charge on assets transferred by employer.— If an employer transfers assets before paying owed compensation, and the liability for that compensation existed before the transfer, the unpaid amount becomes a top priority claim on the part of the assets transferred

that includes immovable property.

17A. Duty of employer to inform employee of his rights.—Every employer shall immediately at the time of employment of an employee, inform the employee of his rights to compensation, 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.

Notice book. Employers must maintain a notice book, which shall be easily accessible at every time to any injured employee employed on the premises and to any person acting *bona fide* on his behalf.

18A. Penalties. Employers may face penalties for various offenses under this act, including failing to maintain a notice book, neglecting to submit a statement about an incident, or not sending a report of a fatal accident within seven days to the commissioner, and failing to inform employees about their compensation rights. The punishment for such violations shall be a fine, which shall not be less than fifty thousand rupees but may extend to one lakh rupees.