

**Bill No. 211 of 2016**

THE EMPLOYEE'S COMPENSATION (AMENDMENT) BILL, 2016

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BILL

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

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

1. (1) This Act may be called the Employee's Compensation (Amendment) Act, 2016.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

8 of 1923. 2. In the Employee's Compensation Act, 1923 (hereinafter referred to as the principal Act), after section 17, the following section shall be inserted, namely:—

Insertion of new section 17A.

10 "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."

Duty of employer to inform employee of his rights.

3. In the principal Act, in section 18A, in sub-section (1),—

Amendment of section 18A.

(i) in clause (d), for the word and figures "section 16," the words and figures "section 16, or" shall be substituted;

(ii) after clause (d), the following clause shall be inserted, namely:—

"(e) fails to inform the employee of his rights to compensation as required under section 17A,";

(iii) in the long line, for the words "which may extend to five thousand rupees", the words "which shall not be less than fifty thousand rupees but which may extend to one lakh rupees" shall be substituted. 5

Amendment of section 30.

**4.** In the principal Act, in section 30, in sub-section (1), in the first proviso, for the words "three hundred rupees", the words "ten thousand rupees or such higher amount as the Central Government may, by notification in the Official Gazette, specify" shall be substituted. 10

Omission of section 30A.

**5.** Section 30A of the principal Act shall be omitted.

## STATEMENT OF OBJECTS AND REASONS

The Employee's Compensation Act, 1923 provides for payment of compensation to the employees and their dependants in the case of injury by industrial accidents including certain occupational diseases arising out of and in the course of employment resulting in death or disablement.

2. The Law Commission of India, in its 62nd Report of 1974 and 134th Report of 1989, recommended to review or amend or repeal various provisions of the Employee's Compensation Act, 1923. Some recommendations made by the Law Commission of India have already been implemented.

3. Now, it has been decided to make the following further amendments to the Employee's Compensation Act, 1923 based on the other recommendations of the Law Commission contained in the above reports, namely:—

(a) making it obligatory on the employer to inform the employee of his rights to compensation under the Act, in writing as well as through electronic means;

(b) to enhance the penalty amount for various violations under the Act from the existing amount of five thousand rupees to fifty thousand rupees which may be extended to one lakh rupees;

(c) to make the employer liable to penalty for failure to inform the employee of his rights to compensation under the Act;

(d) to revise the minimum amount involved in the dispute for which appeal can be filed to the High Court, from the existing three hundred rupees to ten thousand rupees or such higher amount as the Central Government may, by notification, specify;

(e) to omit section 30A of the Act which empowers the Commissioner to withhold payment to an employee of any sum in deposit with him where an appeal is filed in the High Court by an employer. This omission will provide relief to the employees as the amount can now be withheld only when there is a stay or order to that effect by the High Court in cases where the appeal has been filed by the employer.

4. The Bill seeks to achieve the above objects.

NEW DELHI;  
The 29th July, 2016

BANDARU DATTATREYA

ANNEXURE

EXTRACTS FROM THE EMPLOYEE'S COMPENSATION ACT, 1923

(8 OF 1923)

*	*	*	*	*
Penalties.	<b>18A.</b>	<i>(1)</i>	Whoever—	
*	*	*	*	*
		<i>(d)</i>	fails to make a return which he is required to make under section 16,	
			shall be punishable with fine which may extend to five thousand rupees.	
*	*	*	*	*
Appeals.	<b>30.</b>	<i>(1)</i>	An appeal shall lie to the High Court from the following orders of a Commissioner, namely:—	
		<i>(a)</i>	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;	
		<i>(aa)</i>	an order awarding interest or penalty under section 4A;	
		<i>(b)</i>	an order refusing to allow redemption of a half-monthly payment;	
		<i>(c)</i>	an order providing for the distribution of compensation among the dependants of a deceased workman, or disallowing any claim of a person alleging himself to be such dependent;	
		<i>(d)</i>	an order allowing or disallowing any claim for the amount of an indemnity under the provisions of sub-section (2) of section 12; or	
		<i>(e)</i>	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 <i>(b)</i> , unless the amount in dispute in the appeal is not less than three hundred rupees:	
			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 <i>(a)</i> 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.	
*	*	*	*	*
Withholding of certain payments pending decision of appeal.	<b>30A.</b>		Where an employer makes an appeal under clause <i>(a)</i> of sub-section <i>(1)</i> of section 30, the Commissioner may, and if so directed by the High Court shall, pending the decision of the appeal, withhold payment of any sum in deposit with him.	
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**BILL**

further to amend the Employee's Compensation Act, 1923.

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*(Shri Bandaru Dattatreya, Minister of Labour and Employment)*