

## **PERSONAL INJURIES (COMPENSATION INSURANCE) SCHEME, 1972**

### CONTENTS

1. Short title and commencement
2. Interpretation
3. Employers obligations
4. Application for insurance
5. Issue of Policy
6. Amount of premium
7. Manner of assessing final premium
8. Advance of premium
9. Value in lump sum of amounts payable under Personal Injuries (Emergency Provisions) Act, 1962
10. Amount of compensation
11. Title to compensation
12. Advance payment by employers
13. Application for compensation
14. Application for compensation by workman, employer or any person authorised in this behalf
15. Certification by employer
16. Duplicate copy of Form J to be sent to Government agent
17. Award for payment of compensation
18. Distribution of compensation
19. Payment by instalments
20. Place of payment
21. Power to withhold, etc., of award
22. Right of appeal
23. Exemption of employers
24. Submission of details by contractors
25. Penalties

## **PERSONAL INJURIES (COMPENSATION INSURANCE) SCHEME, 1972**

NOTIFICATION NO. S.O. 378(E), DATED 25-5-1972 In pursuance of section 8 of the Personal Injuries (Compensation Insurance) Act, 1963 (37 of 1963), the Central Government hereby makes the following Scheme, namely:-

### **1. Short title and commencement :-**

(1) This Scheme may be called the Personal Injuries (Compensation

Insurance) Scheme, 1972.

(2) It shall come into force on the 3rd December, 1971.

## **2. Interpretation :-**

In this Scheme, unless the context otherwise requires,-

(a) "Act" means Personal Injuries (Compensation Insurance) Act, 1963 ;

(b) "Annexure" means the annexure appended to the Scheme;

(c) "advance premium" means the advance payments against the total premium to be paid by an employer as required in clause 6;

(d) "Claims Officer" means the officer appointed as Claims Officer for the purposes of the Personal Injuries (Emergency Provisions) Scheme, 1971 made under the Personal Injuries (Emergency Provisions) Act, 1962 ;

(e) "clause" means a clause of this Scheme;

(f) "Commissioner" means a Commissioner for Workmen's Compensation appointed under section 20 of the Workmen's Compensation Act, 1923 (8 of 1923);

(g) "compensation" means compensation payable under section 4 and Section 7 of the Act;

(h) "dependant" has the meaning assigned to it in the Workmen's Compensation Act, 1923 (8 of 1923) ;

(i) "eligible member of a family" means:-

(i) a widow lawfully married,

(ii) a legitimate son,

(iii) a legitimate daughter,

(iv) father,

(v) mother, and

(vi) any other dependant to whom the Claims Officer thinks that compensation should be paid;

(j) "Form" means a form appended to this Scheme;

(k) "Government Agent" means any person employed under section

11 to act as the agent of the Central Government for any of the purposes of the Act;

(l) "Head of account" means head of account specified in sub-clause (2) of clause 4;

(m) "period of emergency" means the period beginning with the third day of December, 1971, and ending with such date as the Central Government may by notification in the Official Gazette, declare to be the date on which the emergency shall come to an end;

(n) "policy" means a policy of insurance issued under this Scheme;

(o) "qualifying injury" means a personal injury sustained by a gainfully occupied person in respect of which compensation is payable under section 4 of the Act;

(p) "quarter" means a period of three months, commencing on the first day of April, July, October or January;

(q) "section" means a section of the Act;

(r) all other words and expressions used in the Scheme but not defined herein shall have the meanings respectively assigned to them in the Act.

### **3. Employers obligations :-**

(1) Every employer shall take out in the manner indicated in this Scheme, a policy of insurance as laid down in section 9 and pay such advance premiums as may be notified under clause 8 and such final premium as may after the expiry of the period of the emergency be notified under clause 6.

(2) An employer who has fulfilled such of his obligations under sub-clause (1) as have fallen due shall be entitled to have any liability for the payment of compensation incurred by him under the Act discharged on his behalf by the Government out of the Fund.

(3) Where an employer has failed to fulfil such of his obligations under sub-clause (1) as have fallen due any compensation for the payment of which he is liable under the Act shall be paid out of the Fund, but any amount so paid shall be capable of being recouped from the employer in accordance with the procedure provided in that behalf in the Act.

#### **4. Application for insurance :-**

(1) Every employer required to take out a policy of insurance under section 9 shall apply to the Government Agent or to such officer as may be authorised by the Government Agent in this behalf, for insurance.

(2) Every such application shall be made in duplicate in Form A and shall be accompanied by a treasury challan evidencing payment of the requisite advance premium into a Government Treasury under the head LII Miscellaneous Receipts under Personal Injuries (Compensation Insurance) Scheme, 1972.

(3) If no challan accompanies an application, or if the challan is not in order, the application shall be returned to the applicant for re-submission along with the required challan.

(4) If the challan accompanying an application is in order but the application for insurance is not received in Form A, the challan may be retained by the Government Agent and the application returned to the applicant for re-submission after being correctly made out.

(5) If the challan accompanying an application is for an amount which falls short of the premium due, the application, if otherwise in order may be kept in suspense, pending the receipt of a challan for the balance of the amount by which the original challan falls short.

(6) The Government Agent shall give a receipt in Form B for the application received from the employer.

#### **5. Issue of Policy :-**

If the application has been correctly made out in Form A and is accompanied by a treasury challan evidencing payment of the full advance premium required under clause 8 into a Government Treasury under the head of account the Government Agent shall issue a policy of insurance as soon as possible, after the receipt of the application.

#### **6. Amount of premium :-**

(1) The total premium due on a policy of insurance shall be determined by the Central Government by a notification in the Official Gazette within nine months after the termination of the period of emergency.

(2) The premium shall be expressed as a percentage of the wages bill of the employer or as the equivalent of all advance payments of premium already made by him.

(3)

(a) "This premium", less such advance premiums as may have been recovered, will be payable by employers in such instalments as may be fixed by the Central Government.

(b) Each such instalment shall be paid into a Government Treasury under the head of account through a challan and the challan evidencing such payment shall be forwarded to the Government Agent, within 30 days of the date fixed for payment by a notification in the Official Gazette.

**7. Manner of assessing final premium :-**

For the purpose of calculating the total premium due from any employer on a policy of insurance, the total wages bill of that employer for the four complete quarters preceding the date of termination of the period of emergency shall be the wages bill on which percentages will be charged : Provided that in respect of an employer who has gone out of business before that date, the period shall be the four complete quarters preceding the date on which he goes out of business.

**8. Advance of premium :-**

(1) The amount of the advance premium payable <sup>1</sup>[for the quarter ending 31st December, 1971], against the total premium to be determined under clause 6 shall be at the rate of three paise per one hundred rupees of the relevant wages bill.

(2) The amount of advance premiums payable during subsequent quarters which shall be expressed as a percentage of the relevant wages bill of each employer shall be payable at such rates as may be notified from time to time by the Central Government in the Official Gazette in this behalf.

(3) Advance premiums shall not be required to be paid more frequently than once in a quarter.

(4) The relevant wages bill for an advance premium shall be the wages bill for the quarter preceding the one in which the advance premium is required to be paid.

(5) If at any time the Central Government is of opinion that the balance in the fund is sufficient to meet the probable liabilities of the fund as foreseen at that time, the Central Government may waive or postpone the payment of advance of premium during the current or any future quarter.

(6) All advance premiums shall be paid by the employer into a Government treasury under the head of account and the treasury challan evidencing payment of the advance payments shall be forwarded by the employer to the Government Agent, to whom the application under clause 4 is required to be made within such time as may be specified by the Central Government in the Official Gazette in this behalf.

(7) The final premium and the advance premiums shall be rounded off to the nearest rupee.

**2** [(7A) The minimum final premium and the minimum advance premium payable by an employer shall be rupee one.]

(8) The Government Agent or his officer shall give a receipt in Form C for each advance premium after the first paid by the employer.

1. Substituted for "during the quarter ending 31st March, 1972" by the Personal Injuries (Compensation Insurance) (Amendment) Scheme, 1972.

2. Inserted by the Personal Injuries (Compensation Insurance) (Amendment) Scheme, 1972.

### **9. Value in lump sum of amounts payable under Personal Injuries (Emergency Provisions) Act, 1962 :-**

The value in lump sum of the pensions and allowances payable under Personal Injuries (Emergency Provisions) Act, 1962, and specified in column I of the Table below shall be the corresponding amount indicated in column 2 thereof-

Value in lump sum (1)	(2)
(i)	(ii)
Disability pension for 100% disablement	Family pension and children's allowance
\Rs. 6,900	Rs. 6,900

### **10. Amount of compensation :-**

(1) Subject to the provisions of section 7 read with clause 9 and sub-clause (2) of this clause, the amount of compensation payable shall be as follows :-

(a) Where death results from the injury and the deceased person has been in receipt of monthly wages falling within limits shown in

the first column of the Annexure-the amount shown against such limits in the corresponding entries in the second column thereof;

(b) Where permanent total disablement results from the injury and the injured person has been in receipt of monthly wages falling within the limits shown in the first column of the Annexure-the amount shown against such limits in the corresponding entries in the third column thereof;

(c) Where permanent partial disablement results from the injury:-

(i) in the case of an injury specified in the Schedule to the Act 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 the Injury, and

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

(d) Where temporary disablement, whether total or partial, results from the injury and the injured person has been in receipt of monthly wages falling within limits shown in the first column of the Annexure, a half monthly payment of the sum shown against such limits in the corresponding entries in the fourth column thereof payable on the sixteenth day :-

(i) from the date of the 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 the disablement where such disablement lasts for a period of less than twenty eight days, and thereafter half-monthly for so long as he receives any payment under the Scheme made under Personal Injuries (Emergency Provisions) Act, 1962 .

(2) Notwithstanding anything contained in sub-clause (1), the amount of compensation payable to a Government servant under this Scheme shall in accordance with section 6 of the Act be equal to the amount of compensation that would have been payable under sub-clause (1) plus the appropriate lump sum value of the payments under Personal Injuries (Emergency Provisions) Act, 1962 , specified in clause 9 reduced by the lump sum value of the

extraordinary pension, gratuity, compassionate payment or damages repayable to him under the rules regulating the conditions of his service.

**11. Title to compensation :-**

Compensation in respect of a qualifying injury sustained by a workman shall be admissible only if the injury was sustained at any time :-

(a) on a day on which he was on duty as such workman, or

(b) on a day on which he would have been on duty but for that day being a recognised holiday or day of rest or for his being casually absent from duty on account of illness, injury or other similar cause, or for any other reason which in the opinion of the Claims Officer was good and sufficient.

**12. Advance payment by employers :-**

(1) The employer of a workman sustaining a qualifying injury may grant to the workman himself or in the year of his death to any person to whom compensation would be payable under clause 18 an advance on account of compensation not exceeding two hundred rupees.

(2) Upon acceptance of an advance payment in accordance with sub-clause (1) the recipient thereof shall give to the employer a receipt in duplicate in Form D.

(3)

(a) An employer who wishes to claim a refund of the advance payment made by him to a workman or an eligible member of his family under sub-clause (1) shall, within two weeks of making such advance, make an application in Form E therefor to the Claims Officer having jurisdiction in the area where the injury was sustained.

(b) The application referred to in sub-clause (a) shall be accompanied by a copy of the receipt given by the workman or an eligible member of his family in Form D.

(4) So much of the amount paid under sub-clause (1) as does not exceed the compensation payable to the same person under an award made under this Scheme shall be repayable to the employer from the Fund.

(5) When making an award under this Scheme for an injury in respect of which the employer of the injured person has made an advance payment to the workman or an eligible member of his family under sub-clause (1), the Claims Officer shall, on receipt of an application under sub-clause (3), make an order in Form F requiring the repayment of the advance payment to the employer and shall reduce the award by the amount of such order.

### **13. Application for compensation :-**

(1) An application for compensation under this Scheme shall be made to the Claims Officer of the area where the injury was sustained within eight months after the date of sustaining the qualifying injury by any of the following persons in the manner laid down in clause 14, namely :-

(i) the workman, or

(ii) in case of workman's death, an eligible member of the workman's family.

(2) The Claims Officer may accept an application from the employer of the workman on behalf of the workman or his family, if such officer is satisfied that it is in the interest of the workman so to do or in the event of his death, of an eligible member of the workman's family.

(3) Where the Claims Officer is satisfied that a person by whom an application should be made is for sufficient reason incapable of making the same, the Claims Officer may entertain an application made on such person's behalf by any other person.

(4)

(a) An application made after the period of eight months of the date of the qualifying injury shall not be considered.

(b) but the Claims Officer may, in his discretion, if he is satisfied that the delay has been due to valid reasons, admit the application.

### **14. Application for compensation by workman, employer or any person authorised in this behalf :-**

(1) An application for compensation by the workman sustaining the qualifying injury shall be made in Form G to the Claims Officer through the person in charge of the hospital or dispensary where he last received or is receiving treatment, or if he has not been

treated in any hospital or dispensary, through the Medical Officer of Government or a registered medical practitioner, if any, who last treated him for the injury, and shall be countersigned by such person, officer or practitioner.

(2) An application for compensation made by an eligible member of the workman's family on behalf of the workman sustaining the qualifying injury shall be in Form H.

(3) An application in respect of compensation made under sub-clause (3) of clause 13 or by an employer under sub-clause (2) of clause 13 shall be in Form 1.

**15. Certification by employer :-**

(1) On receipt of an application for compensation in Form G,H,or I the Claims Officer shall require the employer to submit a return in duplicate in Form J within such time as may be prescribed by the Claims Officer.

(2) An advance payment made under clause 12 shall not be refundable if not recorded in Form J.

(3) An advance payment made after submission of Form J by the employer shall not be refundable.

**16. Duplicate copy of Form J to be sent to Government agent :-**

(1) The Claims Officer shall forward the duplicate copy of the return in Form J received under sub-clause (1) of clause 15, to the Government agent.

(2) The Government agent shall verify the corrections of the particulars given in the return by the employer regarding the policy taken out by him and if it is found that the policy quoted is not valid, the Government agent shall inform the Central Government accordingly and also at the same time forward the connected papers to that Government.

**17. Award for payment of compensation :-**

(1)

(a) When an application for compensation under this Scheme is received, the Claims Officer shall, after considering the reports and certificates pertaining to the case and after obtaining such other

evidence, if any, as he considers necessary, and in addition to the award under the Scheme made under the Personal Injuries (Emergency Provisions) Act, 1962 , make another award, or awards in Form K when there are several eligible members, under the provisions of this Scheme for the payment of compensation under the provisions of the Act.

(b) The Central Government may make a similar award in respect of cases in which relief has been granted under clause 46 of the Scheme made under the Personal Injuries (Emergency Provisions) Act, 1962 .

(c)

(i) A signed and sealed copy of the award shall be given to the person in whose favour the award is made or to his authorised agent;

(ii) A true copy shall be sent to the employer of the workman concerned together with attested specimens of thumb and finger impressions of the payee and his signature, if literate;

(iii) a true copy shall be sent to the Post Office where the payment is to be made, together with attested specimens of the thumb and finger impressions of the payee and his signature, if literate;

(iv) and another true copy shall be sent to the audit officer specified for this purpose by the Director General of Posts and Telegraphs.

(2) If an application for compensation is rejected, the reasons for such rejection shall be recorded in the Order passed and a copy of the Order shall be given free of cost to the applicant.

**18. Distribution of compensation :-**

The amount of compensation in respect of death shall be paid and distributed by the Claims Officer in like manner as compensation in respect of a workman whose injury has resulted in death is paid and distributed by a Commissioner under section 8 of the Workmen's Compensation Act, 1923, except that the payment shall be made through an award in Form K, under clause 17.

**19. Payment by instalments :-**

(1) When compensation admissible under the Act to any person is less than or equal to, five hundred rupees, it shall be paid as lump

sum.

(2) When the compensation admissible under the Act to a person exceeds five hundred rupees, a part of the admissible amount up to the extent of five hundred rupees shall be paid as a lump sum and the balance shall be paid in monthly or quarterly instalments at such rate as may be prescribed by the authority making the award under clause 17 or the authority issuing directions under clause 21 : Provided that the number of instalments shall not exceed 60 in the case of monthly instalments and 20 in the case of quarterly instalments.

**20. Place of payment :-**

(1) Compensation under this Scheme shall be payable at all head and sub- post offices and such branch post-offices in India as may be authorised in this behalf by the head of the circle or in the case of Nagaland by the Deputy Commissioner or the Sub-Divisional Officer.

(2) All such amounts shall be drawn within three months of the date when they are due.

(3) All such payment shall from time to time be endorsed on the award by the Post- master concerned.

**21. Power to withhold, etc., of award :-**

The Claims Officer may withhold, cancel, review or alter an award under this Scheme under the same conditions and circumstances as are specified for the withholding, cancellation, review or alteration, as the case may be, of an award made under the Personal Injuries (Emergency Provisions) Scheme, 1971, in respect of the same workman and in respect of the same injury : Provided that no such withholding, cancellation, review or alteration shall be made to recover any amounts already paid under this Scheme: Provided further that the amount of compensation shall not be increased beyond the limits specified in, or for the purposes of, this Scheme.

**22. Right of appeal :-**

An appeal against any order made by the Claims Officer under this Scheme shall lie to such authority as may be specified in this behalf by the Central or the State Government..

**23. Exemption of employers :-**

An employer desiring to be exempted from the provisions of the Act

under section 21 shall make an application to the Central Government in Form L.

**24. Submission of details by contractors :-**

The liabilities under this Scheme of the contractor and the principal as defined in section 10 , shall be as follows :- The Contractor:- (a) The contractor shall be under an obligation in like manner as if he were any other employer for insuring the workman working under him. (b) The contractor shall be responsible for informing the Principal of the number and date of the policy taken out by him from the Government Agent. The Principal:- The principal shall be responsible for bringing to the notice of the Government Agent the existence of any contractors working under him, but the principal will not be responsible for the accuracy of figures included in the applica- tion made by the contractor.

**25. Penalties :-**

Any person who contravenes any requirement of the scheme shall be punishable for every such contravention with fine which may extend to two thousand rupees.