

**THE PERSONAL INJURIES  
(COMPENSATION INSURANCE) ACT,  
1963**

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# Object of the Act

- An Act to impose on employers a liability to pay compensation to workmen sustaining personal injuries and to provide for the insurance of employers against such liability.
- Total sections in the Act. 24.

# 1. Short title, extent and commencement

- **1. Short title, extent and commencement.**—  
(1) This Act may be called the Personal Injuries (Compensation Insurance) Act, 1963.  
(2) It extends to the whole of India. (3) It shall come into force on such date as the Central Government may by notification appoint.
- 8<sup>th</sup> October, 1963.

## 2. Definitions

- (a) **“employer”** includes any body of persons whether incorporated or not and any managing agent of an employer and the legal representative of a deceased employer, and when the service of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, means the later person while the workman is working for that other person;
- (b) **the “Fund” means** the Personal Injuries (Compensation Insurance) Fund constituted under section 13;
- (c) **“gainfully occupied person”** and “personal injury” have the meanings respectively assigned to those expressions in the Personal Injuries (Emergency Provisions) Act, 1962 (59 of 1962);
- (d) **“notification” means** a notification published in the Official Gazette;
- (e) **“partial disablement”** means, where the disablement is of a temporary nature, such disablement as reduces the earning capacity of a workman in any employment in which he was engaged at the time the injury was sustained, and where the disablement is of a permanent nature, such disablement as reduces his earning capacity in any employment which he was capable of undertaking at that time:

(k) “**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 employed in any of the employments specified in section 3.

### 3. Workmen to whom the Act applies.

- **The workmen to whom this Act applies are—** (a) workmen employed in any employment or class of employment which is, or has been declared to be **an essential service under rule 126AA of the 1 [Defence of India Rules, 1962 or under rule 119 of the Defence of India Rules, 1971]**;
- (b) the workmen employed in any factory as defined in clause (m) of section 2 of the Factories Act, 1948 (63 of 1948);
- (c) workmen employed in any mine within the meaning of the Mines Act, 1952 (35 of 1952);
- (d) workmen employed in major port;
- (e) workmen employed in any plantation as defined in clause (f) of section 2 of the Plantations Labour Act, 1951 (69 of 1951);
- (f) workmen employed in any employment specified in this behalf by the Central Government by notification.

## 4. Compensation payable under the Act, by whom and how payable

- (1) There shall, subject to such conditions as may be specified in the Scheme, be payable by an employer in respect of personal injury sustained by a gainfully occupied person who is a workman to whom this Act applies, **compensation, in addition to any relief provided under the Personal Injuries (Emergency Provisions) Act, 1962 (59 of 1962)**, of the amount and kind provided by section 7.
- (2) The compensation payable under this Act shall be payable in accordance with the provisions made in this behalf in the Scheme.
- (3) This section shall be binding on the Government

## 7. Amount of compensation.

- 1) The compensation payable under this Act shall be as follows:—
  - (a) where death results from the injury, the amount payable in a like case under the Workmen’s Compensation Act, 1923 (8 of 1923), reduced by the value in lump sum of the amount payable under the Personal Injuries (Emergency Provisions) Act, 1962 (59 of 1962);
  - (b) where permanent total disablement results from the injury, the amount payable in a like case under the Workmen’s Compensation Act, 1923 (8 of 1923), reduced by the value in lump sum of the amount payable under the Personal Injuries (Emergency Provisions) Act, 1962 (59 of 1962);
  - (c) where permanent partial disablement results from the injury—
    - (i) in the case of an injury specified in the Schedule—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 disablement;
    - (ii) in the case of an injury not specified in the Schedule—the percentage of such compensation specified in the Schedule for disablement held by a competent medical authority acting under the Scheme made under the Personal Injuries (Emergency Provisions) Act, 1962 (59 of 1962), to be of corresponding degree;

## 9. Compulsory insurance

- 1) Every employer of workmen to whom this Act applies or is subsequently made applicable **except an employer whose total wages bill for any quarter after the commencement of this Act has never exceeded fifteen hundred rupees**, shall, before such date as may be prescribed, or before the expiry of such period as may be prescribed after his having first become such an employer, take out a policy of insurance issued in accordance with the Scheme.
- (2) Whoever contravenes the provisions of sub-section (1), or, having taken out a policy of insurance as required by that sub-section, fails to make any payment by way of premium thereon which is subsequently due from him in accordance with the provisions of the Scheme, **shall be punishable with fine which may extend to two thousand rupees and shall also be punishable with a further fine which may extend to one thousand rupees for every day after having been so convicted on which the contravention or failure continues.**
- (3) This section shall not bind the Government.