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257. Explain the employer's liability for compensation under Section 3 of the Employee's Compensation Act, 1923, including the exceptions where the employer is not liable.

Section 3 of the Employee's Compensation Act, 1923, outlines the circumstances under which an employer is liable to pay compensation for injuries sustained by an employee due to an accident arising out of and in the course of employment. It also lists exceptions where the employer is not liable and provides guidance on occupational diseases that are deemed compensable.

(1) Employer's General Liability for Compensation

If an employee suffers personal injury due to an accident that occurs while performing work-related duties, the employer is liable to compensate the employee as per the Act.

Example:

A factory worker operating a machine gets his hand caught in the machine, leading to a serious injury. Since this injury occurred during work and was caused by the work process, the employer is liable to pay compensation.

Exceptions to Employer's Liability

The employer is **not liable** to pay compensation if:

(a) Minor Injuries (Less than 3 Days of Disablement)

If the injury does not cause total or partial disablement for more than three days, the employer does not have to compensate the employee.

Example:

A delivery driver falls from a two-wheeler and suffers a minor bruise on his elbow, missing two days of work. Since the disablement does not exceed three days, no compensation is required.

(b) Employee's Own Fault (Exemptions from Liability)

The employer is not liable if the injury does not result in death or permanent total disablement and is caused by:

(i) Employee under the influence of alcohol or drugs

If the accident happens while the employee is intoxicated, the employer does not have to pay compensation.

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Example: A factory worker operates a crane while intoxicated, leading to an accident. If proven, the employer will not be liable for compensation.

(ii) **Wilful Disobedience of Safety Rules**

If an employee ignores explicit safety instructions, the employer is not liable.

Example: A construction worker is instructed to wear a safety harness but refuses and falls from scaffolding. Since the worker ignored a direct safety order, the employer is not liable.

(iii) **Wilful Removal or Disregard of Safety Devices**

If an employee removes safety equipment and gets injured, the employer is not liable.

Example: A machine operator removes a safety guard from a cutting machine and suffers a hand injury. Since he deliberately removed the guard, the employer is not responsible for compensation.

(2) Occupational Diseases & Compensation

If an employee contracts an occupational disease related to the nature of their work, it is considered an injury by accident and is compensable under this Act.

Conditions for Occupational Disease Claims

If an employee develops an occupational disease listed in Schedule III, it is presumed that the disease was caused due to employment unless proven otherwise.

Three Categories of Occupational Diseases:

Part A: If the employee works in the specified industry and contracts the disease, it is automatically considered work-related.

Part B: If the employee has worked in the specified industry for at least 6 months, the disease is presumed to be work-related.

Part C: The Central Government sets a required work duration. If the disease is contracted after working for the specified period, it is presumed to be work-related.

Example:

- A coal mine worker develops pneumoconiosis (lung disease caused by coal dust exposure). Since it is listed as an occupational disease in Schedule III, the disease is presumed to have been caused by employment, and compensation must be paid.
- A textile worker contracts byssinosis (lung disease caused by cotton dust). If the worker has been in the industry for over six months, the disease is considered work-related, and compensation must be paid.

(2A) Liability in Case of Multiple Employers

- If an employee works for multiple employers and contracts an occupational disease, all employers share liability for compensation.
- The Commissioner decides how much each employer must pay.

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Example:

A welder working for three different shipbuilding companies over five years contracts lead poisoning (due to exposure to lead fumes). The Commissioner may decide that each company should pay compensation in proportion to the time worked.

(3) Adding New Occupational Diseases

The Central or State Government can add new industries or diseases to Schedule III after giving three months' notice.

(4) No Compensation for Non-Work-Related Diseases

If a disease is not work-related, the employer is not liable to pay compensation.

Example: An office employee develops diabetes. Since diabetes is not directly caused by office work, no compensation is payable.

(5) No Dual Claims (Civil Court vs. Compensation Claim)

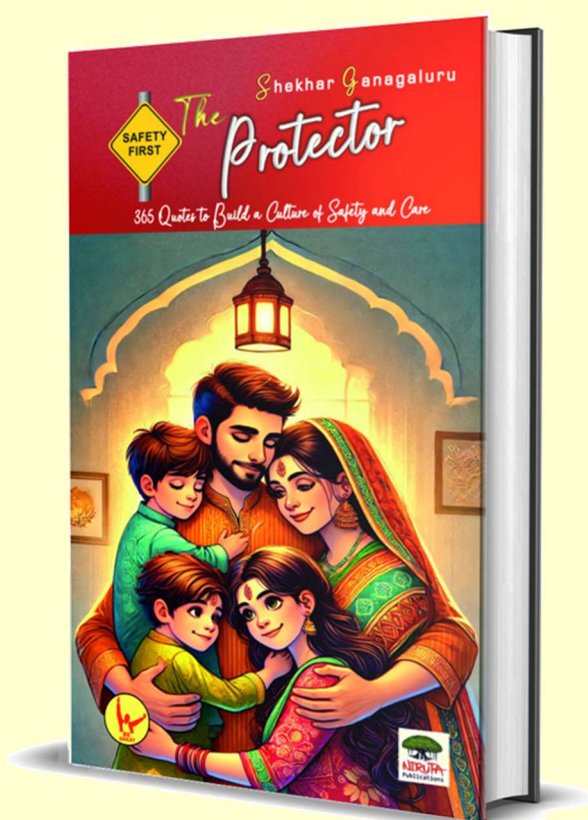
- If an employee files a compensation claim, they cannot also file a civil suit for damages.
- If an agreement for compensation is reached with the employer, the employee cannot sue separately.

Example:

A truck driver is injured in an accident. He files for compensation under this Act. Later, he tries to sue the employer in a Civil Court for damages.

Conclusion

Section 3 of the Employee's Compensation Act, 1923 ensures that employees receive financial protection for work-related injuries and occupational diseases. However, the Act also safeguards employers by excluding liability in cases of employee negligence, intoxication, or minor injuries. The inclusion of occupational diseases and provisions for multiple employers ensures fair compensation in various work environments.



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