



IN THE HIGH COURT OF ORISSA AT CUTTACK

A.F.R.

W.P.(C) No.39989 of 2023

(In the matter of an application under Articles 226 and 227 of the Constitution of India, 1950).

Sushant Behera *Petitioner(s)*

-versus-

The General Manager, ICICI *Opposite Party (s)*
Lombard General Insurance Co. Ltd.
and & Ors.

Advocates appeared in the case through Hybrid Mode:

For Petitioner(s) : *Mr. Bijaya Kumar Nayak (3), Adv.*

For Opposite Party (s) : *Mr. Shantanu Kumar Sarangi, Sr. Adv.*
along with associates
for O.Ps.1 & 2
Mr. Srinivas Patnaik, Adv.
for O.P.3

CORAM:

DR. JUSTICE S.K. PANIGRAHI

DATE OF HEARING:-10.07.2024

DATE OF JUDGMENT: -16.08.2024

Dr. S.K. Panigrahi, J.

1. The Petitioner in the present Writ Petition seeks a direction from this Court for payment of ex-gratia compensation amount for the injuries sustained by the Petitioner caused due to gas accident on account of the blast of LPG cylinder.



I. FACTUAL MATRIX OF THE CASE:

2. The brief facts of the case are as follows:
- (i) The petitioner is a daily labourer and was working in the house of late Santosh Kumar Sahoo of Village Khalisahi, Poibadi under Dasa palla police station in the district of Nayagarh. The wife of Late Santosh Kumar Sahoo was a domestic consumer before the Opp. Party No. 3 through dealer Opp. Party No. 4 having consumer No. 85401257, dated 4.7.2017. The family of late Santosh Kumar Sahoo have been using the gas by taking proper care and precaution.
- (ii) In the house of late Santosh Kumar Sahoo, there was fire accident on 27.9.2021 due to leakage of gas from the cylinder. Fire spread in the house of late Santosh Kumar Sahoo damaging the household properties. Late Santosh Kumar Sahoo and the petitioner while tried to extinguish the fire, were seriously injured. Both late Santosh Kumar Sahoo and the petitioner were shifted to Nayagarh hospital for treatment. Since the condition was serious, the doctor referred them to SCB Medical College, Cuttack for better treatment. While under treatment, late Santosh Kumar Sahoo passed away on 7.10.2021. After treatment, the petitioner was discharged from the hospital on 22.10.2021.
- (iii) The Opp. Party No. 3 i.e. Gas agency is the owner of the gas cylinder and it is distributing to the petitioner through the dealer-Opp. Party No. 4. There is insurance policy insured with the Opp. Party No. 1. The insurance policy number is 4008/220359545/00/000 and the coverage period is from 15.4.2021 to 31.3.2022. As the date of accident is 27.9.2021, the accident occurred during the insurance coverage period.



- (iv) As per the conditions of the insurance policy, ex- gratia compensation is to be paid to the victims of the accident, who sustained burn injuries caused due to leakage of gas from the cylinder. The petitioner is the victim of gas accident, hence, is entitled to receive the ex- gratia compensation amount of Rs. 2,00,000/- which is to be paid by the Opp. Party No. 1. Hence, the petitioner has submitted his application to the Opp. Party No. 3 on 16.8.2022 by Regd. Post.
- (v) Since no reply is received by the petitioner from the Opp. Parties, the petitioner sought for information from the Opp. Party No. 3 under the 'RTI Act' through her counsel. Vide letter dt. 23.12.2022, the Opp. Party No. 3 has supplied the information by stating that the claim of the petitioner has been forwarded to the Opp. Party No. 1 on 30.9.2022 by e-Mail.
- (vi) As per the policy of the Opp. Party No. 1, the petitioner has to apply to the Opp. Party No. 1 through the Opp. Party No. 3. Later on, the Opp. Party No. 3 will forward the same to the Opp. Party No. 1. In the present case, the petitioner has applied to the Opp. Party No. 3 in time. The Opp. Party No. 3 has forwarded the claim application to the Opp. Party No. 1 by e-Mail.
- (vii) It is submitted that as per the policy, the claim is to be considered by the Opp. Party No. 1 on being processed and recommended by the Opp. Party No. 3. The Opp. Party No. 1 is the competent authority to decide the entitlement of the petitioner. Since the claim has already been forwarded since long, without any reason, the Opp. Party No. 1 is



sitting over the said claim application. Hence, the Opp. Party No. 1 is to be directed to settle the claim immediately.

- (viii) It is submitted that the accident is within the insurance coverage period. Hence, the claim of the petitioner is coming within the insurance coverage period, as such, the same is to be considered and settled by the Opp. Party No. 1.
- (ix) It is submitted that the petitioner being the victim of gas accident, is entitled to get the benefit. The authorities are not taking any step for payment of the compensation amount. The authorities are forcing the petitioner to run from pillar to post for her legitimate dues, hence, the compensation amount of Rs. 2,00,000/- is to be paid to the petitioner immediately by disposing of the claim application under Annexure-4.
- (x) It is submitted that due to the accident, the petitioner has lost his physical ability of earning. The consumer had taken every precaution at the time of accident. The petitioner while tried to save the owner/consumer, became the victim of accident. The fire was accidental for which the petitioner is no way responsible. The accident occurred due to the negligent act of the Opp. Parties. The accident covers the insurance policy coverage period which has been insured with the Opp. Party No. 1. Hence, the claim is required to be settled by the Opp. Party No. 1 immediately.
- (xi) It is submitted that after due inquiry done by the facts finding authority, i.e. the Opp. Party No.3, the claim has been forwarded to the Opp. Party No. 1 for settlement of the claim. Hence, without any further delay, the



Opp. Party No. 1 is to be directed to dispose of the claim of the petitioner within a stipulated period.

II. SUBMISSION OF OPPOSITE PARTY NO.3:

3. This Court takes the matter seriously as the petitioner deserve to get his due compensation from the insurance company after duly recommended by the OP No.3. But the larger picture which required to be addressed is the safety awareness among the consumers and the role of the oil companies in generating such awareness. This Court in its order dated 22.03.2024 had directed the Bharat Petroleum Corporation Ltd., Bhubaneswar/Opposite Party No.3 to apprise this Court on steps being taken by the Opposite Party No.3 creating awareness among the people about the expiry period of the Cylinder and the consequent accident due to such expiry. In this regard, the Opposite Party No.3 has brought forward the following submissions:

- (i) It is submitted that Liquefied Petroleum Gas (LPG) cylinders are made of low carbon steel complying with the (BIS) Bureau of Indian Standards IS 3196 standards. Cylinder manufacturers require approval from the Petroleum and Explosives Safety Organisation (PESO) and obtain BIS license for authorized manufacturing and sale of cylinders. The LPG cylinders are being pressure tested as per 'Gas cylinder Rules- 2016. As per PESO Circular No R 4(2) 100/2007 dt 20/08/2007 all the cylinders required to be taken to the first Statutory Testing and Painting after 10 years and it must be followed by every 5 years



- (ii) The serviceable age of cylinders depends on various external factors such as atmospheric conditions, usage and cylinder rotation, wear and tear due to impacts, rusting, etc. It is further stated that LPG cylinders, thus, do not have any expiry date but have a *Statutory Testing Due Date*. Statutory Testing is done after every 5 years wherein the cylinders are tested for usability and are stamped with the new test due date and sent for circulation in the market.
- (iii) It is further contended that the Opposite party Corporation while receiving empty cylinders at LPG bottling plant, checks each and every cylinder for their pressure testing due period (DPT) before these empty cylinders go for filling operations. Cylinders whose pressure testing is due, are removed from the line and sent to the separate shed which is meant for pressure testing activity.
- (iv) The bottling plant the LPG gas cylinder is periodically tested as per Rule 35 of the Gas Cylinder Rules 2016 & other tests specified in IS 15975 issued by the Bureau of Indian Standards to check its durability and some common tests are performed on the cylinder for quality checking which are hydrostatic tests, burst tests, ultimate tensile strength tests, impact tests and pressure tests. Once pressure testing of the cylinders is completed, next due date is being printed on the designated place on the cylinder as per the rules of PESO. Further proper care is taken so that LPG cylinders which are for the due date do not end up in the market. If the



cylinder fails in any of the tests, it is discarded and ends up in scrap.

- (v) The issue of due date of testing marked on LPG Gas cylinders has been covered by various newspapers / social media and they have conducted the aforesaid aspect mentioned in the preceding paragraph regarding due date for statutory testing mentioned on the LPG gas cylinders which are being adhered by the Oil Marketing Companies. Oil Marketing Company (OMC) on industry basis have in media has addressed the aforesaid aspect as and when raised.
- (vi) In respect of the second aspect of break cylinders after expiry, the cylinders are rejected (rather using the term expiry) based on the criterion of rejection as per GCR-2016 or after reaching the age of 30 years whichever is earlier.
- (vii) The common modalities adopted by the Oil Companies for this purpose:
- a. Identification of non-circulation cylinders Oil Companies maintain records of cylinder test due dates and conduct period inspections to identify cylinders which cannot be used for filling of LPG.
 - b. Marking or Tagging - Cylinders which fails the pressure testing and other tests are marked or tagged with clear indicators to denote their status, making it easy for handlers to identify them during collection or disposal



- c. Segregation Such cylinders which fails tests are segregated from active inventory to prevent them from being inadvertently refilled or distributed to customers.
- d. Depressurization and Degassing - Before disposal, such cylinders are emptied of any remaining gas, de-pressurized and degassed to ensure that pose minimal risk during handling and transportation,
- e. Valve unscrewing - The SC valves of such cylinders are removed or disabled to prevent any attempt to refill it.
- f. Physical Destruction - Cylinders which have failed the test are sent to scrap. Oil Marketing Company often employ methods to physically destroy the cylinder, rendering it unusable. This may involve crushing, cutting or puncturing the cylinder to ensure it cannot hold gas or be refilled.
- g. Disposal in Authorized facilities - Once decommissioned, such cylinders are disposed of in accordance with local regulations and environmental guidelines. They are also sent to authorized recycling or scrap metal facilities for proper disposal.
- h. Documentation and Reporting - Oil Companies maintain detailed records of the decommissioning process, including the identification, handling, and disposal of expired cylinders. This documentation ensures accountability and compliance with regulations.



- i. Training and Awareness - Employees and contractors involved in handling of expired cylinders, receive training on proper procedures to ensure safety and compliance with company policies.

It is submitted that the aforementioned modalities being adhered to by the Oil Companies effectively manage the disposal of Cylinders which fails tests carried out on LPG Gas cylinders, minimizing safety risks and environmental impact while adhering to regulatory requirements.

(viii) It is further submitted that the Opposite party Bharat Petroleum Corporation is taking all steps to spread awareness in LPG consumer right from the enrolment till usage of the LPG cylinder and a few initiated are enumerated below:

- a) At the time of enrollment of the customer, safety cards are being handed over to the customer making the consumer aware about the safe usage of LPG and ways to reduce consumption.
- b) After every 5 years, mandatory inspections are required to be conducted at the customer end to ensure the health of the installation.
- c) Safety clinics are being conducted at regular intervals in the delivery area of the distributor where training is being given to the customers on the safe handling of LPG cylinders and equipment is being imparted. Customers of any Oil Marketing Company can attend such safety clinics. During such training, customers are also being appealed to perform basic activities like



lighting LPG stove, fixing Domestic Pressure Regulator (DPR), removing DPR etc. The Corporation has been getting quite a good response during the safety clinic where participants were advised regarding various queries on handling of LPG cylinders and ways to reduce consumption.

- d) Few workshops were carried out in schools (including boys & girls) during the safety campaign to make the next level awareness of the safety of LPG installation.
- e) Senior officials of the Corporation have also participated in safety clinics towards the commitment of safety of LPG customers, all such safety clinics were carried out in remotest part of the districts.
- f) Senior officials visit the customers' premises to check the health of the installation to spread awareness among the network and customers to give due importance to healthiness of LPG installation.
- g) BPCL played safety videos in cinema theatres in few cities on safe handling of LPG in 2023.
- h) BPCL is actively promoting LPG safety on social media like twitter, LinkedIn etc.
- i) Print Media coverage was also given by BPCL on LPG safety in one of the leading Odia Newspaper Pragatiwadi.

III. COURT'S REASONING AND ANALYSIS:

- 4. This Court vide order dated 22.03.2024 had directed that "considering the submissions of the Parties and looking to the factual scenario of the



case, this Court directs the Bharat Petroleum Corporation Ltd., Bhubaneswar/ Opposite Party No.3 to communicate the Insurance Company/Opposite Party Nos.1 & 2 about the incident along with all the relevant documents, if not submitted yet, within a period of fifteen working days hence and the Insurance Company/Opposite Party No.1 & 2 shall do the needful within a period of two months thereafter.”

5. In light of the above circumstances, it is evident that despite clear directives from this Court in its order dated 22.03.2024, there has been no compliance or even a basic acknowledgment from the Insurance Company. The lack of any response, clarification, or affidavit from the concerned parties regarding the compliance of this Court's order demonstrates a disregard for the judicial process.
6. This prolonged inaction has caused unnecessary delays, which not only hinders the administration of justice but also prejudicial to the interests of the party's awaiting resolution. Given this scenario, it is imperative to proceed with an ex-parte judgment.
7. In the present case, on September 27, 2021, a tragic fire accident occurred at the residence of the late Santosh Kumar Sahoo due to a gas leak from a cylinder. The fire quickly spread throughout the house, causing extensive damage to the household belongings. In a desperate attempt to contain the flames and prevent further destruction, both late Santosh Kumar Sahoo and the petitioner bravely intervened to extinguish the fire. Unfortunately, the petitioner's efforts resulted in serious injuries to him and death of Santosh Kumar Sahoo.



8. Recognizing the severity of their injuries, they were immediately shifted to Nayagarh Hospital for medical treatment. However, due to the critical nature of their conditions, the attending doctor referred them to SCB Medical College and Hospital, Cuttack for advanced care. Despite receiving treatment at SCB Medical, late Santosh Kumar Sahoo succumbed to his injuries and met his tragic end on October 7, 2021. The petitioner, after undergoing extensive medical care, was eventually discharged from the hospital on October 22, 2021.
9. Given the dire circumstances of this incident, it is evident that the petitioner not only did suffer severe physical injuries but also endured significant emotional trauma. Moreover, the petitioner has faced substantial medical expenses and the long-term consequences of the injuries sustained during the incident.
10. Considering the physical, emotional, and financial toll on the petitioner, it is only just and fair that compensation be granted. In light of the facts and circumstances of the present case, this Court hereby directs the Opposite Party No.1 to pay ex-gratia compensation Rs.2,00,000 for the injuries sustained by the petitioner caused due to gas accident within a period of two months. The writ petition is accordingly allowed.
11. However, this Court is of the view that the Oil/LPG companies in the cases like this where human cost of LPG cylinder explosion is incalculable behave like a hardcore litigant ignoring the fact that the matter does not fall in the realm of adversarial litigation. One can imagine as to how the thick flames engulfs the surroundings and



human beings just reduce to ashes or sometime escape death and end up with deformities.

12. It may so happen that LPG Companies are often contended with supplying their cylinders and accessories but the question of safety related training or insurance coverage etc. are the least discussed topic. The knowledge of insurance coverage, in case of any mishaps occur due to LPG cylinder blasts, are unknown to thousands of customers. The response mechanism in case of any blast is also not delineated properly by the LPG supplying companies. It is also often observed the staff handling the LPG cylinders are with little knowledge as to how to safely handle gas cylinders to mitigate the risks of ruptured cylinders, ignition, gas leaks and related human harms.
13. It is imperative that the training for staff is essential to ensure health and safety onsite especially when they are carrying dangerous goods, such as gas bottles and cylinders. It is very common in urban and semi-urban areas that a staff of the LPG dealer carries four to five cylinders loaded in a bicycle or in a two-wheeler moped which seem to be hugely unsafe from the point of view of transportation and danger of leakage of the chemical. The applicable safety regulations and the responsibilities of the worker/contactor is of paramount importance. The hazard training like how fires start, ignition sources, asphyxiation hazards, toxic and corrosive gases, how oxidizers create fires and explosions, chemical reactions and incompatible substances are hardly imparted to workers as well as the consumer of the LPG. Further, the first aid measures - location of first aid equipment and emergency



showers, how to treat at the time of emergency, who to notify in the event of an accident etc. are some of the essential elements of training to the LPG handling workers as well as the LPG customers. There is hardly any gas cylinder safety awareness with staff handling the cylinders on regular basis nor is there any training to the customers in the form of regular gas bottle safety talks/ discussion or mock drill or regular safety clinics or training on emergency response in case of blast.

14. The Opposite Party Company herein has stated so many things in its argument regarding the safety training etc. but at the ground level it seems that the flowery contents in the presentation of the Opposite Party company is totally missing in action. It is, therefore, imperative that the the Ministry of Petroleum and Natural Gas should issue detailed advisories to the public sectors oil companies regarding proper generation of public awareness about the provisions of insurance for the victims of gas burn due to LPG cylinder blast and the importance of safety training to the LPG cylinder handling personnel and to LPG customers. The training should essentially incorporate the understanding of the contain the inherent dangers of compressed gas cylinders at the end of the LPG handling staff and customers, knowledge of how to properly move, handle and store cylinders, troubleshooting and emergency procedure in case of leak and emergency response in case of blasts.
15. More importantly, Oil Marketing Companies take comprehensive Insurance Policy under 'Public Liability Policy for Oil Industries' to provide relief to the affected persons in case of LPG related accidents.



As per the Ministry of Petroleum & Natural Gas, the policy provides for:

- a. *Personal accident cover of Rs 6,00,000 per person in case of death*
- b. *Covers medical expenses of Rs 30 lakh per event with a maximum of Rs 2,00,000 per person*
- c. *In case of property damage, it covers maximum of Rs 2,00,000 per event at authorized customer's registered premises.*

But, many victims of gas leakage mishaps are unaware of the norm that gas companies are liable to compensate them for their loss under the aforementioned scheme. The ignorance about the insurance cover often makes the accident victim or their family members lose the benefit of claim. It is, therefore, imperative that the Ministry being the guiding angel of the OMCs should ensure that the information about the insurance coverage be circulated properly through mass media and the said insurance coverage related information can be printed at the back side of the money receipt issued to the customers.

16. The Writ Petition is, accordingly, allowed.
17. A free copy of this judgment/ order be shared with the learned DSGI for onward transmission to the Secretary, Ministry of Petroleum and Natural Gas, Government of India for framing a robust advertisement policy for the Oil Marketing Companies with respect to the safety Norms in handling the LPG cylinders and awareness regarding the insurance coverage in case of LPG cylinder blast.

(Dr. S.K. Panigrahi)
Judge

Orissa High Court, Cuttack,
Dated the 16th August, 2024/