THE UTTAR PRADESH LABOUR WELFARE FUND ACT, 1965
(U.P. Act No. XIV of 1965)

(*Authoritative English Text of the Uttar Pradesh Shram Kalyan Nidhi Adhiniyam 1965)

AN

ACT

to consolidate and amend the law relating to the establishment and operation of a fund for promoting welfare of labour in Uttar Pradesh.

It is hereby enacted in the Sixteenth Year of the Republic of India as follows:

CHAPTER I
Preliminary
Short title, extent and commencement

1. This Act may be called the Uttar Pradesh Labour Welfare Fund (Amendment) Act, 1978.

It extends to the whole of Uttar Pradesh.

It shall be deemed to have come into force on 30th December, 1978.

2. **Definitions**-In this Act, unless there is anything repugnant in the subject or context,-

1- “Board” means the Uttar Pradesh Labour Welfare Board constituted under section 4;

2- “Employee” means any person, who is employed in an establishment for hire or reward to do any work skilled or unskilled manual or clerical and also includes a person so employed to do any
supervisory work if his wages do not exceed four hundred rupees per month;

3- “Employer” means any person who employs either directly or through another person either on behalf of himself or any person one or more employees in an establishment and includes-

(a) in a factory, any person named under section 7(1)(f) of the Factories Act, 1948 (Act No. LXIII of 1948) as a manager;

(b) in an establishment carried on by or under the authority of the Government, the person or authority appointed for the supervision and control of employees and where no person or authority is so appointed, the Head of the Department concerned;

(c) in any other establishment, any person responsible to the owner of the establishment for the supervision and control of the employees or for the payment of wages;

(4) “Establishment” means a factory, a plantation or any other establishment, other than an establishment (not being a factory) of the Central or the State Government, which carries on any business or trade or any work in connexion with or ancillary thereto and which employs or on any working day during the preceding twelve months employed such number of persons as may be prescribed from time to time;

(5) “Factory” means a factory as defined in section 2(m) of the Factories Act, 1948. (Act No. LXIII of 1948);

(6) “Fund” means the Uttar Pradesh Labour Welfare Fund established under section 3;

(7) “Inspector” means Inspector appointed under section 9;

(8) “Labour Welfare Commissioner” means the Labour Welfare Commissioner appointed under section 8;

(9) “Prescribed” means prescribed by rules made under this Act;

(10) “Regulation” and “rules” respectively mean the regulations and rules made under this Act;

(11) “State Government” means the Government of Uttar Pradesh;
“Unpaid accumulations” means all sums due to the employees but not paid to them within a period of two years from the date on which they become due, whether before or after the commencement of this Act, including wages gratuity and house allowance, if any payable to them by the employer, but not including the amount of contribution, if any, paid by an employer to a provident fund established under the Employees’ Provident Fund Act, 1952, and ;

“Wages” means all remuneration capable of being expressed in terms of money, which would, if the terms of contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, but does not include-

(a) the value of-

(i) any house accommodation, supply of light or medical facilities;

or

(ii) any other amenity or any service excluded in this behalf by a general or special order of the State Government;

or

(b) any contribution paid by the employer to any person, fund or provident fund or under any scheme of social insurance;

or

(c) any travelling allowance or any travelling concession;

or

(d) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment;

or

(e) any gratuity payable on discharge.

CHAPTER II

ESTABLISHMENT OF FUND AND BOARD

3. Establishment of U.P. Labour Welfare fund-
(1) As soon as may be after the commencement of this Act, the State Government shall establish a fund to be called the Uttar Pradesh Labour Welfare Fund.

(2) The Fund shall consist of –
(a) all fines realised from or payable by the employees;
(b) unpaid accumulations transferred to the Fund under section 6;
(c) any amount transferred to the Fund under sub-section (3);
(d) any grants made to the Fund by the State Government;
(e) any voluntary donation or contribution made to the Fund by any person;
(f) any sums borrowed under section 14; and
(g) any other money paid or payable into the Fund.

(3) If any amount is set apart or any fund is established by the employer of an establishment for the welfare of the employees thereof, the same may, on the request of the employer and with the approval of the State Government be transferred to the Fund.

(4) The sums specified in sub-section (2) shall be collected in such manner as may be prescribed.

4. **Constitution of Board and term of its members**

(1) As soon as may be after the commencement of this Act, the State Government shall, by notification in the Gazette, establish a Board to be called the Uttar Pradesh Labour Welfare Board.

(2) The Board shall be a body corporate with the name aforesaid having perpetual succession and a common seal with power to acquire and hold
property, both movable and immovable, and may sue and be sued by the name.

(3) The Board shall consist of the following-

(a) a Chairman to be nominated by the State Government;

(b) such equal number of representatives of employees and employers as may be prescribed, to be nominated by the State Government in such manner and subject to such conditions as may be prescribed;

(c) such number of independent members including women members as may be prescribed, to be nominated by the State Government; and

(c) the Labour Welfare Commissioner or any other officer, nominated by the State Government, to act as ex officio Member Secretary to the Board.

(4) The term of the Chairman or any other members of the Board nominated under clause (b) or clause (c) of sub-section (3) shall be three years commencing on the date on which the nomination is notified in the Gazette:

provided that the term of office of a member nominated to fill a casual vacancy shall be the remainder of the term of the member against whose vacancy he is nominated.

(5) A Member may resign his office by giving notice thereof in writing to the State Government, and on such resignation being accepted, such member shall be deemed to have vacated his office.

(6) The allowances, if any, payable to the members of the Board shall be such as may be prescribed.

(7) The quorum to constitute a meeting of the Board shall be one-fifth of the total number of members of the Board for the time being.

Provided that, when it becomes necessary to postpone any business at the meeting for want of quorum, the chairman shall adjourn the meeting to another date, and the business postponed for want of the quorum shall be transacted on such date, or, in the event of a further adjournment of the meeting to a subsequent date, on such subsequent date, notwithstanding any deficiency in the number of members present.
5. **Disqualification and removal**-

(1) No Person shall be nominated or shall continue to be a member of the Board if he-

(a) is a salaried official of the Board; or

(b) has at any time been adjudged insolvent; or

(c) is of unsound mind; or

(d) has been convicted of an offence involving moral turpitude.

(2) The State Government may remove from office any member, who-

(a) is or has become subject to any of the disqualifications mentioned in sub-section

(1) or

(b) remains absent without leave of the Board at more than three consecutive meetings of the Board; or

(c) in the case of a member nominated under clause (b) of sub-section (3) of section 4, no more fulfills the conditions of his nomination.

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**CHAPTER III**

**UNPAID ACCUMULATIONS AND APPLICATION OF FUND**

6. **Unpaid accumulations and claims thereto**-

(1) Notwithstanding anything contained in any other law for the time being in force or in any contract or instrument, all unpaid accumulations shall be paid to the Board, which shall keep a separate account therefor until claims thereto have been decided under the succeeding provisions of this section.
(2) The unpaid accumulations paid to the Board under sub-section (1) shall discharge the employer of the liability in respect thereof but to the extent only of the amount so paid to the Board, and the liability to make that payment to the employees or their legal representative to the extent aforesaid shall, subject to the succeeding provisions of this section, be deemed to be transferred to the Board.

(3) As soon as may be after the payment of any unpaid accumulations to the Board under sub-section (1) the Board shall, by notice, which shall contain all such particulars as may be prescribed, and which shall be published in the manner laid down in sub-section 4, invite claims by employees or their legal representatives, as the case may be, for any payment due to them out of the unpaid accumulations so paid to the Board.

(4) At least once in three months, the notice under sub-section (3) shall, during a period of six months from the date of the payment of the
(a) unpaid accumulations to the Board, be exhibited on the notice Board of the establishment in which the unpaid accumulations were earned;

(b) sent the employee, by registered post at his permanent address; and

(c) given to the trade union, if any, of the concerned establishment, if the employee was member thereof;

(5) if any question arises whether the notice referred to in sub-section (3) was published as required by sub-section (4), a certificate of the Board that it was so published shall be conclusive.

(6) If a claim in respect of any amount of unpaid accumulations is received within one year from the date of the first notice in respect of such amount, the claim shall be transferred by the Board to the authority appointed under section 15 of the Payment of Wages Act 1936 (Act No. IX of 1936) having jurisdiction in the area in which the establishment is situated, which shall proceed to hear and determine the claim.

(7) The authority hearing any claim filed under sub-section (6) shall have the same powers as are vested in a Civil Court under the Code
of Civil Procedure, 1908 (Act No V of 1908), when trying a suit, in respect of the following matters, namely;

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents; and

(c) any other matters which may be prescribed.

(8) If the authority aforesaid is satisfied that a claim in respect of any amount out of the unpaid accumulations is valid it shall order that such amount shall be paid by the Board to the person or persons mentioned in such order and thereupon the Board shall make the payment accordingly. The decision of the authority, subject to the result of appeal, if any, under sub-section (9) shall be final.

(9) If a claim for payment out of the unpaid accumulations is refused the claimant shall have a right of appeal before the District Judge of the district in which the establishment is situate. The appeal shall lie within 60 days from the date of the order of the authority. The decision of the District Judge in such appeal shall be final.

(10) Out of the unpaid accumulations in respect of which claims have been invited under sub-section (3), the amount for which no claim has been made within the time specified in sub-section (6) or in respect of which the claims filed as aforesaid have been finally rejected, shall be deemed to be the abandoned property and shall vest in the State as bona vacantia and shall be deemed to be transferred to and form part of the Fund.

7. **Purposes for which Fund may be utilised**-

(1) The Fund shall vest in, and be held and applied by, the Board for Carrying out the purposes of this Act.

(2) Without prejudice to the generality of sub-section (1), the moneys in the Fund may be utilised by the Board for the benefit of the labour to defray expenditure on the following, namely-

(a) Community and social education centres including reading rooms and libraries;
(b) public baths and washing places;

(c) medical relief and convalescent homes;

(d) educational facilities for women and children and education of adults;

(e) games and sports;

(f) excursions, tours and holidays homes;

(g) entertainment and other forms of recreations;

(h) home industries and subsidiary occupations for women and unemployed persons;

(i) allowances of the members of the Board and the pay and allowances of the officers and other employees of the Board;

(j) setting up credit, consumers and muti-purpose co-operative societies;

(k) corporate activities of a social nature;

(l) facilities for preparation and processing of food materials;

(m) provision of housing facilities and their improvements;

(n) such other objects as would, in the opinion of the Board, improve the conditions of living of labour:

(o) subject to a maximum of such percentage as the State Government may be notification specify, on the service and publication of notice under sub-section (21 of section 6)

Provided that the fund shall not be utilised in financing any measure which any employer is required under any law, for the -time being in force, to carry out.

(3) The Board may, with the approval of the State Government make a grant out of the Fund to any employer, any Local Authority or any other body in aid of any such activity for the welfare of labour as may be approved by the State Government in the behalf.

(4) If any question arises whether any particular expenditure is or is not debitable to the Fund, the matter shall be referred to the State Government and the decision of the State Government thereon shall be final.
(5) It shall be lawful for the Board to continue, subject to approval of the State Government, any activity financed from any amount set apart by any employer, or from any fund established by him, for the welfare of the employees, if such amount or fund is transferred to the Board under sub-section (3) of section 3.

7-A The Board may with the previous approval of the State Government withdraw, out of the unpaid accumulations, an amount not exceeding five percent thereof for the purposes of defraying the expenditure in inviting claims of the employees on the publication of notice under sub-section (4) of Sec. 6.
CHAPTER IV
APPOINTMENT AND POWER OF OFFICERS AND STAFF

8. **Appointment and powers of Labour Welfare Commissioner and Additional or Deputy Labour Welfare Commissioner**-

(1) The Labour Welfare Commissioner shall be the principal executive officer of the Board and shall be appointed by the State Government.

(2) The Labour Welfare Commissioner shall ensure that the provisions of this Act and the rules made thereunder are duly carried out and for this purpose he shall have the power to issue such orders, not inconsistent with the provisions of this Act and the rules made thereunder, as he deems fit including any order implementing the decision taken by the Board under this Act or the rules made thereunder.

(3) The State Government may appoint one or more officers of Labour Welfare Department or any other person or persons as ex-officio or whole-time Additional or Deputy Labour Welfare Commissioner. Such Additional or Deputy Labour Welfare Commissioner shall, under the supervision and direction of the Labour Welfare Commissioners, exercise and discharge such powers and functions of the Labour Welfare Commissioner under this Act as the Board may, with the approval of the State Government, by order specify. The Board may define the local limits within which any such Additional or Deputy Labour Welfare Commissioner shall exercise and discharge the powers and functions so specified.

9. **Appointment of Inspectors**-

(1) The State Government may appoint one or more Inspector for the whole of the State or for any specified area or areas therein to inspect records in connection with the sums paid or payable in the Fund.

(2) The Inspector May-

(a) with such assistance, if any, as he things fit, enter at any reasonable time, any premises of an establishment for the purposes of inspection; and

(b) exercise such other powers as may be prescribed.
10. **Appointment of other officers and employees**- Subject to such conditions as may be prescribed in this behalf, the Board may appoint such other officers and employees as it considers necessary for the efficient performance of its functions.

11. **Conditions of service of employees**- The method of appointment and the conditions of service including the scales of pay of the officers and employees of the Board, shall-

(a) as respects the Labour Welfare Commissioner, Additional or Deputy Labour Welfare Commissioner and Inspectors, be such as may be prescribed; and

(b) as respects other officers and employees appointed under section 10, be such as may be determined by regulations.

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**CHAPTER V**

**ADMINISTRATION OF THE FUND AND ACCOUNTS AND AUDIT**

12. **Administration and management of the Fund**- The Fund shall be managed and administered in such manner as may be prescribed.

13. **Investment of Fund**- Where the moneys in the Fund are not required for being applied at an early date to the purposes of the Act, the same may be invested by the Board in any securities specified in clauses (a) to (d) and (f) of section 20 of the Indian Trusts Act, 1882 (Act No. II of 1882).

14. **Power of Board to borrow**- The Board may, from time to time, with the previous sanction of the State Government and subject to the provisions of this Act and the rules made thereunder and to such other conditions as may be fixed by the State Government in this behalf, borrow any sum required for the purposes of this Act.
15. **Accounts and Audit**-(1) The Board shall cause to be maintained such books of account and other records in relation to the Fund, as may be prescribed.

(2) The Board shall, as soon as may be after the closing of its annual accounts, prepare an annual statement of accounts in such form and manner as may be prescribed.

(3) The Fund shall be deemed to be a local fund of a Local Authority and be audited by the Examiner, Local Fund Accounts, Uttar Pradesh. The audit report and the action taken thereon shall be intimated by the Board to the State Government.

16. **Publication of accounts and expenditure**-The State Government shall publish in the Gazette, each year in the month of June or as early thereafter as may be, a statement of accounts and report of the activities of the Board relating to the previous financial year.

**CHAPTER VI**

**MISCELLANEOUS**

17. **Mode of recovery of sums payable into Fund**-Any sum payable into the Fund under this Act shall without prejudice to any mode of recovery, be recoverable on behalf of the Board as an arrear of land revenue.

18. **Directions by State Government to Board**-

(1) The State Government may, from time to time, issue to the Board such directions as, in its opinion, are necessary or expedient for carrying out the purposes of this Act.

(2) It shall be the duty of the Board to comply with the direction received by it from the State Government under sub-section(1).

19. **Supersession of Board in certain cases**-

(1) Where the State Government is satisfied that the Board has made default in performing any duty imposed on it by or under this Act or has abused its powers, the State Government may, by notification in the Gazette, supersede the Board.
Provided that before notifying the supersession of the Board the State Government shall give reasonable opportunity to it to show cause why it should not be superseded and shall consider the explanations and objection, if any, of the Board.

(2) After the supersession of the Board and until it is reconstituted, which shall be done in the prescribed manner, the powers, duties and functions of the Board under the Act shall be exercised or performed by such officer or officers as may be appointed by the State Government for the purpose.

20. Members of Board, Labour Welfare Commissioner and all other officers and servants of Board to be public servants-The members of the Board, the Labour Welfare Commissioner and all other officers and servants of the Board shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (Act No. XLV of 1860)

21. Protection to persons acting in good faith-No suit, prosecution or other legal proceedings shall lie against any person for anything, which is in good faith done or intended to be done under this Act or any rule or order made or deemed to be made thereunder.

22. Validity of the acts and proceedings of the Board-No act or proceeding of the Board shall be questioned or deemed to be invalid by reason merely of any vacancy in or any defect in the constitution of the Board or that it is discovered subsequently that some person, who was not entitled so to do, attended, voted or otherwise took part in the proceedings.

23. Amendment of Section 8 of Act IV of 1936-In sub-section (8) of section 8 of the Payment of Wages Act, 1936, the following proviso shall, in its application to Uttar Pradesh, be inserted before the Explanation:

“Provided that in the case of any factory or establishment to which the Uttar Pradesh Welfare Fund Act, 1965 applies all such realisations shall be paid into the Fund established under the said Act.”
24. **Power of State Government or authorised officer to call for records etc.** - The State Government or any officer authorised by the State Government in the behalf may, for supervising the working of the Board, call for the records of the Board, inspect the same and give such direction to Board as it may consider expedient.

(25) **Power to make rules** -

(1) The State Government may, by notification in the Gazette and subject to the condition of previous publication, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules may provide for all or any of the following matters, namely-

(a) manner of collection of sums specified in sub-section (2) of section 3;

(b) number of representatives of employers and employees on the Board and manner and conditions of their nomination;

(c) number of independent members, including women members, of the Board;

(d) allowances payable to the members of the Board;

(e) matters relating to powers of the authority referred to in section 6 in the investigation of claims to unpaid accumulations;

(f) terms and conditions of appointment of Labour Welfare Commissioner, Additional Labour Welfare Commissioner, Deputy Labour Welfare Commissioners and Inspectors;

(g) conditions subject to which other officer and employees may be appointed by the Board;

(h) the procedure for defraying expenditure incurred in administering the Fund;

(i) the duties and the powers of the Inspectors;

(j) delegation of powers and functions of the Board to the Labour Welfare Commissioner, Additional or Deputy Labour Welfare Commissioner and
conditions and limitations subject to which powers may be exercised or functions discharged by them;

(k) registers and records to be maintained under this Act;

(l) the publication of the annual statement of accounts and report of the activities financed from the Fund;

(m) any other matter which under this Act has to be or may be prescribed.

(3) All rules made under this Act shall, as soon as may be after they are made, be laid before each House of the State Legislature while it is in session, for a total period of fourteen days, extending in its session or more that one successive session and shall, unless some later date is appointed by the State Government take effect, from the date of their publication in the Gazette subject to such modification or annulments as the two House of the Legislature may agree to make, so, however, that any such modifications or annulments shall be without prejudice to the validity of anything previously done thereunder.

26. **Regulations**-

(1) The Board may, with the previous sanction of the State, make regulations, by notification in the Gazette, consistent with the provisions of this Act and the rules made thereunder.

(2) In particular and without prejudice to the generality of the foregoing power, the Board may make regulations providing for-
(a) procedure in regard to the transaction of business of the Board;
(b) manner of publication of notices inviting claims to unpaid accumulations;
(c) method and terms and conditions of appointment of officers (other than Labour Welfare Commissioner, Additional Labour Welfare Commissioner, Deputy Labour Welfare Commissioner and Inspectors) and employees of the Board; and

(d) any other matter which has to be or may be provided for by regulations.
27. **Repeal**

(1) The Uttar Pradesh Labour Welfare Fund (Amendment) ordinance, 1977 is hereby repealed.

(2) Not with standing such repeal any thing done or any action taken under the principal Act as a mended by the ordinance referred to in sub-section(1) shall be deemed to havebeen done or taken under the corresponding provisions of the principal Act, as amended by this Act, were in force at all material times.
The Uttar Pradesh Labour Welfare Fund
(FIRST AMENDMENT) Rules, 1985

1. **Short title and Commencement**-
   
   (i) These rules may be called the Uttar Pradesh Labour Welfare Fund (First Amendment) Rules, 1985
   
   (ii) They shall come into force with effect from the date of their publication in the Gazette.

2. **Definitions**- In these rules, unless there is anything repugnant in the subject or context,-
   
   (i) “Accounts Officer” means the officer or official of the Board responsible for the proper maintenance of its accounts or any other servant of the Board whom the Labour Welfare Commissioner by an order in writing authorises to perform the duties and functions of an Accounts Officer;
   
   (ii) “Act” means the Uttar Pradesh Labour Welfare Fund Act, 1965;
   
   (iii) “Establishment” means a factory, a plantation or any other establishment, other than an establishment (not being a factory) of the Central or the State Government, which carry on any business or trade or any work in connection with ancillary thereto and which employs or on any working day during the preceding twelve months employed, fifty persons or more;
   
   
   (v) “Form” means a form appended to these rules;
   
   (vi) “Section” means a section of the Act;
   
   (vii) “Year” means a financial year beginning on April 1 and ending on March 31 each year;
(viii) Words and expressions not defined in these rules shall bear the meanings assigned to them under the Act.

3. **Payment of fines and unpaid accumulations by employer**-

(1) Within thirty days from the date on which the Act shall come into force, every employer of the establishment under the Act shall pay by demand draft, cheque or money order or in cash to the Labour Welfare Commissioner-

(a) all fines realised from the employees before the said date and remaining unutilized on that date; and

(b) all unpaid accumulations held by the employer on the aforesaid date.

(ii) The employer shall alongwith such payment submit a statement to the Labour Welfare Commissioner, giving full particulars of the amount so paid in the pro forma prescribed in Annexure I.

(iii) Thereafter, all fines, realised from the employers and all unpaid accumulation during the quarters ending March 31, June 30, September 30 and December 31, shall be paid by the employer in the manner aforesaid to the Labour Welfare Commissioner on or before 15th of April, 15th of July, 15th of October and 15th of January succeeding such quarter and a statement giving particulars of the amounts so paid shall be submitted in the pro forma prescribed in Annexure I to these rules along with such payment to the Labour Welfare Commissioner.

(iv) The above payments shall be made to the Labour Welfare Commissioner either in cash or by money order, demand draft or cheque. The demand drafts and cheques should be crossed and drawn on any Bank at Kanpur in favour of the Labour Welfare Commissioner, Uttar Pradesh, Kanpur.

(v) All other amounts received by the Board would be in the name of Labour Welfare Commissioner and shall be credited to the Bank or Banks approved by the State Government.

4. **Notice for payment of fines and unpaid accumulations by Labour Welfare Commissioner**- The Labour Welfare Commissioner may, after making such enquiries, as he may deem fit, and after calling for a report from the Inspector if necessary serve a notice on any employer to
pay all fines realised from the employees or unpaid accumulations held by him which the employer has not paid in accordance with rule 3. The employer shall comply with the notice within thirty days of the receipt thereof.

5. **Accounts and Administration of Fund**

(i) When money is tendered at the office of the Board by a person and there is no objection to its acceptance, a receipt in Form no. 1 shall be given to the person making the payment duly signed by the Labour Welfare Commissioner or an officer authorized by him in this behalf, and the amount shall be brought to account at once in the cash-book in Form no. 2.

   The office foil (upper foil) of the receipt shall be signed by the Cashier in token of having received the money and by the Accountant in token of the entry of the receipt having been made in the cash-book and also by the Labour Welfare Commissioner or an officer authorised by him in this behalf whoever signs the receipt (lower foil).

**Notes**

(1) The receipt books shall contain foils in duplicate. All receipts issued in token of money received shall be written in indelible pencil with the help of sided carbon paper. The lower foil of the receipt (carbon copy) shall be given to the payer and the upper foil of receipt shall be retained in the receipt book.

(2) Duplicate copies of receipts shall be issued in any case. However, if necessity arises, a certificate of payment signed by the Labour Welfare Commissioner or an officer authorized by him in this behalf may be given.

(ii) When the money is received by means of cheque or demand draft, the Accounts Officer or such other Officer as may be authorised by the Labour Welfare Commissioner shall cause an entry of the cheque or demand draft to be made in the register in Form No. 3 under his own signature and shall issue a letter to the person sending the cheque or demand draft, acknowledging receipt of the same stating therein that the letter shall not be treated in any way as a receipt for the amount and formal receipt will follow after the encashment of the cheque or demand draft. When the cheque is honoured by the Bank, columns 7 to 10 of the register shall be filled in by the Accounts Officer or such other officer authorised by the Labour welfare Commissioner and a receipt in form No. 1 shall be issued to
The payer giving the reference to the number and date of cheque therein and the amount shall be brought to account by making necessary entry in the cash-book.

(iii) All money payable to the Fund shall be credited to the Bank or Banks approved by the State Government for the purpose and not utilised directly for the purpose. The entry of remittance of income to the bank shall be attested by the Accounts Officer daily in token of has having verified the remittance from the pay-in-slip of the Bank.

(iv) At the end of every calendar month the Labour Welfare Commissioner, or such other officer as may be authorised by the Labour Welfare Commissioner, shall obtain from the bank or banks a statement of the amounts deposited in and withdrawn from the fund during the month.

(v) The accounts of the Fund shall be operated upon by the Labour Welfare commissioner or any other officer of the Board other than the Accounts Officer who may be authorised by the Labour Welfare Commissioner on his behalf.

(vi) The Labour Welfare Commissioner or an officer of the Board other than Account Officer authorised by him on his behalf shall draw cheques on Banks, maintaining the accounts of the Fund.

(vii) Any payment in excess of Rs. 100 shall be made by means of a cheque signed as aforesaid and not in any other way.

6. **Closing of the cash-book**

(1) The cash-book shall be closed and balanced daily and signed by the Accountant, the Accounts Officer and the Labour Welfare Commissioner or a responsible officer authorised by him in this behalf in token of their having checked the correctness of the entries therein.

(2) At the end of each month the receipts and expenditure entered in the cash-book shall be compared item by item with the Bank Pass Book by the Accountant and the balances agreed.

Any differences shall be explained by the Accountant in a foot-note in the cash-book giving the following details:

Cash-book closing balance-
Deduct-
(a) Income not yet credited in the Bank,
Add-
(b) Amount of uncashed cheques.
(c) Amounts credited in the Bank but not accounted for in cash-book.

Balance as per Bank Pass Book:
Details of (a)
Details of (b)
Details of (c)

The cash-book shall then be laid before the Accounts Officer and the Labour welfare Commissioner or such other officer as may be authorised in this behalf for their scrutiny, review and signature.

7. **Accounts of unpaid accumulations**—The accounts of the unpaid accumulations paid to the Board shall be kept in Form No. 8. Separate pages shall be allotted for each payment.

8. **Particulars to be contained in the notice inviting claims from the employees or the legal representatives in respect of unpaid accumulations**—The Board, while inviting claims by the employees or their legal representatives for payment due to them out of unpaid accumulations paid to the Board, shall issue notice to the employees or other legal representatives containing particulars as prescribed in Annexure II, which shall also be published in the manner laid down in sub-section (4) of section 6 of the Act.

9. **Register of loans**—All loans, which are borrowed under section 14 of the Act and are received by the Board, shall be recorded in a register of loans in Form No. 6. Each instalment of the loan as it is taken shall be recorded in column 4. Each entry of the register shall be attested by the Accounts Officer or such other Officer authorised by the Labour Welfare Commissioner. A separate page shall be allotted for each loan and loans from Government shall be kept distinct from other sources.

10. **Register of investments**—A record of all investments shall be maintained in a register of investment in Form No. 7. Each entry therein shall be attested by the Accounts Officer or such other officer of the Board as may be authorised by the Labour Welfare Commissioner. Government security shall be kept distinct from other investments.

11. **Budget of the Board**—The budget estimates of each financial year (i.e., the following financial year) shall be prepared and laid before the Board by the first day of December each year in Form No. 5. An authenticated copy of the budget, as approved by the Board, shall be forwarded to the State Government before the 15th January after making such amendments and alterations as it considers necessary.

12. **Classification and Classified Abstract**—
(a) For the purpose of classifying the income and expenditure, a classified abstract in Form No. 4 shall be kept in 2 volumes (i) for income and (ii) for expenditure. A separate page shall be opened for each item of budget and the receipts and charges pertaining to those items for each day shall be taken either as they occur or in the aggregate for the day from the Cashbook or from the vouchers and entered in the appropriate column of Abstract. At the end of each month, the totals and progressive totals shall be made under each of the heads of Abstract.

(b) At the close of each month a monthly account shall be drawn up and signed by the Accountant, Account officer and Labour Welfare Commissioner. The account shall be laid before the Board along with the certificate of the Agent/Manager of the Bank in the following form. It shall be the responsibility of the Accountant and the Accounts Officer that the monthly accounts are prepared by the 10th of month following that to which the monthly account relates:
**Certificate**

Abstract of..........................Board fund account for the month of...................................in bank at:

1 Balance brought forward from last month.
2 Credited into each account of this month.
3 Debited in each account for this month.
4 Balance at the end of this month.

Total : Total :

The monthly account shall be drawn in the Form N0. 5 prescribed for the budget with the following modifications;

(i) Column 3 shall contain the budget estimate for the current year ( column 6 of budget form);

(ii) Column 4 shall contain the actuals (of income and expenditure) up to the end of the month. preceding that for which the statement is prepared;

(iii) Column 5 shall contain the actuals(of income and expenditure) for the month for which the statement is prepared;

(iv) Column 6 shall contain the totals of columns 4 and 5;

(v) Column 7 shall be added containing the actuals(of income and expenditure) for the corresponding period of the preceding year.

The balance shall be struch and agreed with closing balance shown in the cash-book for the last day of the month. When expenditure has exfeed the budget allotment, the item shall be marked in red ink.

13. **Additional expenditure**-

(a) No payments shall be made out of the fund unless the expenditure is covered by a current budget grant.

(b) If during the course of the financial year it becomes neccessary to incur expenditure over and above the provision made in the budget the Board shall immediately submit to the State Government the details of the proposed expenditure, and specify the manner in which it is proposed to
meet the additional expenditure. The State Government may either approve the proposed expenditure after making such modification, as it considers necessary, or reject it. A copy of the order passed by the State Government on every such proposal to incur additional expenditure shall be communicated to the Board and the Examiner. Local Fund Accounts, Uttar Pradesh.

14. **Embezzlement**-Whenever and embezzlement of the Board’s fund or property is discovered or suspected the Chairman of the Board shall at once institute an enquiry with the help of the Accounts officer and on being convinced of the embezzlement having been committed, shall inform the State Government and the Examiner, Local Fund Accounts Uttar Pradesh of the embezzlement and ask the District Magistrate of the District for a regular Police investigation sending him the file of the case. The District Magistrate will then decide whether the police should be asked to investigate the matter or not. The matter shall also be brought to the notice of the Board at the first meeting held after the date the embezzlement is discovered or suspected and also after the enquiry is over. The State Government shall also be informed of the result of the enquiry and legal action taken in the matter.

15. **Audit of Board’s Account**-The accounts of the Board shall be audited annually under the orders of the Examiner. Local Fund Account, Uttar Pradesh. The Chairman shall see that all account registers and papers are put up before the auditors whenever demanded without the least possible delay. The Labour Welfare Commissioner shall see that cashiers and other officials entrusted with custody of cash or Government securities produce their cash balances and Government securities produce their if any before the auditors on demand by the auditors for physical verification by them. The audit shall consist of a test audit of two month’s accounts in a year selected at random in detail and a general review of all important financial matters.

In case the Board or the State Government consider it necessary to get the accounts of any particular period or any particular head of account audited in full, a special audit shall be arranged by the Examiner, Local Fund Accounts, Uttar Pradesh. The Examiner, Local Fund Accounts, Uttar Pradesh may-

(a) by summons in writing require production of any document, the perusal or examination of which he believes necessary for the elucidation of the accounts;
(b) by summons in writing require by person who has the custody or control of any such document or who is accountable therefor to appear in person before him; and

(c) require any person so appearing to make and sign a declaration with respect to such document or to answer any question or to prepare and furnish any statement relating thereto.

The objection statements issued by the auditors in the course of audit shall be returned to them promptly before the close of the audit with the replies of the Labour Welfare Commissioner. The Auditors shall collect all the objection statements with replies thereon and shall drop the objections wherein they are satisfied with the replies. Where the auditor is not satisfied with the replies or the action taken, he shall discuss the matter with the Labour Welfare Commissioner in the first instance.

Thereafter he shall, before leaving the station, bring to the personal notice of the Chairman those matters which have not been disposed of. The Banker shall on demand by the Auditors intimate to them direct the balances at the credit of the Board on any particular date or dates specified by the auditors.

The result of each audit shall be communicated in two parts: (1) the objection statement containing outstanding objections dealing with technical irregularities and (2) the audit note dealing with general and important matters, which require the particular attention of the Board.

On receipt of the audit note and the objection statement of the Board, the Labour Welfare Commissioner shall take immediate action and record replies within one month against each point raised therein showing the action taken or proposed to be taken thereon. Thereafter the Labour Welfare Commissioner shall submit the audit note and the objection statement along with his comments to the Chairman for the consideration of the Board.

The Board shall consider the audit note and the objection statement at a special meeting, in which the audit note shall be the only item on the agenda, held not more than three months after the receipt of the audit note together with replies recorded against each point raised therein. The Board shall also pass a resolution or resolutions expressing its official opinion on each of the points.

An annotated copy of the audit note along with the comments and decisions of the Board on each point shall be sent to the Examiner within a fortnight of the meeting referred to in this rule. A copy of the Board’s reply shall at the same time be sent to Government and the office copy signed by the Chairman shall be kept
in the Board’s Office for the use of inspecting officers. Further correspondence regarding disposal of audit objections shall be conducted directly between the Board and the Examiner. A separate file for each audit objection showing the action taken thereon shall be maintained in the Board’s Office till the objection is settled. These files shall be shown to the audit officers whenever demanded.

The administrative action taken by the Board or its executive authorities on the audit note shall be reviewed by the Government.

The Board shall pay a fee for the audit of its accounts according to the scale laid down from time to time by the State Government.

16. **Publication of the Annual Report of the Board**- The Board shall within two months of the date of the closing of the financial year, submit to the State Government, statement of receipts and expenditure together with an annual report giving its activities for the year for publication in the Gazette, as required under section 16 of the Act.

The statement of accounts, receipt and expenditure will be in Form No. 5 with the following modifications:

(i) Column 3 shall contain actuals of past year.

(ii) Column 4 shall contain budget estimate of the year under report.

(iii) Column 5 shall contain the actuals of the year under report.

(iv) Column 6 shall be omitted.

This statement shall be accompanied by a certificate signed by the Agent/Manager of the Bank showing the amount at the credit of the Board in the Bank at the close of the year.

17. **Application for grant from Fund**- Any employer, Local Authority or any other body may make an application to the Labour Welfare Commissioner for grant under sub-section (3) of section 7 of the Act. Such application may be submitted to the Labour Welfare Commissioner (in triplicate) in the form as may be prescribed by the Board. All such applications shall be placed by the Labour Welfare Commissioner before the Board within sixty days from the date of its receipt with his remarks and the recommendations of the Board shall be forwarded to the State Government by the Labour welfare Commissioner for obtaining the approval of the State Government.

18. **Constitution of Board**- The Board shall consist of ten members including the Chairman out of which three shall be the representatives of
employers and employees each, two independent members including one representative of women.

The Labour Welfare Commissioner or any other officer nominated by the State Government will act as ex officio Member-Secretary to the Board.

19. **Allowances of Members**—The members shall hold their offices in an honorary capacity, provided that each member shall be eligible to an honorarium of Rs. 10 for attending each meeting of the Board and to travelling and daily allowances admissible to class I Officers of the State Government.

20. **Other powers of Inspector**—Every Inspector shall, for carrying out the purposes of the Act, also have the powers to require any employer to produce any document in connection with the sums paid or payable in the Fund for his inspection, to supply a true copy of any such document and to give him a statement in writing.

21. **Maintenance of registers by certain employers**—

(i) Every employer or an establishment to which the payment of Wages Act, 1936, does not apply shall maintain (a) a register of wages in Annexure I. (b) a consolidated register of unclaimed wages and fines in Annexure III.

(ii) Such employer shall by the 31\textsuperscript{st} January every year forward to the Labour Welfare Commissioner a copy of the abstract from the register in Annexure II pertaining to the previous year.

22. **Appointment and conditions of services of officers of the Board**—The method of appointment and conditions of service including scales of pay of the Labour Welfare Commissioner, Additional Labour Welfare Commissioner, Deputy Labour Welfare Commissioner and Inspectors shall be such as are specified by the State Government from time to time.

23. **Delegation of Powers and functions of the Board**—The Board by resolution, may delegate such of its powers and functions to the Labour Welfare Commissioner, Additional or Deputy Labour Welfare Commissioner, regarding appointment of staff, expenditure of funds for carrying out the purposes of the Act as it deems fit. A copy of such resolution would be forwarded to Government within thirty days of its being passed by the Board.

24. **Reconstitution of the Board**—Where the Board has been superseded by the State Government under section 19 of the Act, it shall be
reconstituted in the same manner as provided in section 4 of the Act and rule 18.
THE UTTAR PRADESH LABOUR WELFARE FUND ACT, 1965

As Amended

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