

THE UTTAR PRADESH LABOUR WELFARE FUND ACT, 1965¹

(U.P. Act No. XIV of 1965)

Amended by

U.P. Act No. 17 of 1978

U.P. Act No. 23 of 2024

[Passed in Hindi by the Uttar Pradesh Legislative Council on April 21, 1965 and by the Uttar Pradesh Legislative Assembly on April 29, 1965.]

Received the assent of the President on July 20, 1965 under Article 201 of the Constitution of India and was published in the *Uttar Pradesh Gazette Extraordinary*, dated July 26, 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. (1) This Act may be called the Uttar Pradesh Labour Welfare Fund Act, 1965.

(2) It extends to the whole of Uttar Pradesh.

(3) It shall come into force on such date as the State

Government may, by notification in the *Gazette*, appoint in this behalf.

Definitions

2. 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, ³[semi-skilled] or unskilled, manual or clerical and also includes a person so employed to do any supervisory work if his wages do not exceed ⁴[twenty four thousand] 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—

2. The Act came into force w. e. f. November 15, 1965 in the whole of Uttar Pradesh vide notification no. 1698 (LL)/XXXVI(D)—263(LL)-65, dated Nov. 10, 1965.

3. Ins. by sec. 2(i) of U.P. Act No. 23 of 2024.

4. Subs. by sec. 2(ii) of U.P. Act No. 23 of 2024.

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

Factories Act, 1948, as amended;

(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;

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

Factories Act, 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) “Regulations” and “rules” respectively mean the regulations and rules made under this Act;

(11) “State Government” means the Government of Uttar Pradesh;

(12) “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

Act No. XIX (13) “Wages” means all remuneration capable of being expressed of 1952

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—

[1. Subs. by sec. 2 of U.P. Act no. 17 of 1978.](#)

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(a) the value of—

(i) any house accommodation, supply of light, or water 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 pension 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

Establishment

Act, the of U.P.
 Labour

esh Welfare Fund

3.(1) As soon as may be after the commencement of this

State Governments shall establish a fund to be called the Uttar Pradesh Labour Welfare Fund.

(2) The Fund shall consist of—

- (a) all fines realized 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 sum specified in sub-section (2) shall be collected in such manner as may be prescribed.

Constitution

of Board, and
 term of its

Board members

4.(1) As soon as may be after the commencement of this Act, the

State Governments shall by notification in the Gazette, establish a 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

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to acquire and hold property, both movable and immovable, and may sue and be sued by that name.

(3) The Board shall consist of the following;

(a) a Chairperson 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

(d) 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 members 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.]

Disqualifications

5.(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

[1.Ins.bysec.3ofU.P.Actno.17of1978.](#)

[The Uttar Pradesh Labour Welfare Fund Act, 1965]

(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 disqualification 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 fulfil the condition of his nomination.

CHAPTER III

UNPAID ACCUMULATIONS AND APPLICATION OF FUND

Unpaid accumulations and claims thereto 6.(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 amounts 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 accumulation 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.

¹ [(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 unpaid accumulation to the Board, be—

(a) exhibited on the notice board of the establishment in which the unpaid accumulations were earned;

(b) sent to 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;]

¹ [Subs. by sec. 4\(1\) of U.P. Act no. 17 of 1978.](#)

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(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 ¹ [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 **Act No. IV of 1936** authority appointed under section 15 of the Payment of Wages Act, 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 **1908** Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely—

Civil Court under the **Act No. V of**

(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 to appeal before the District Judge of the district in which the establishment is situate. The appeal shall lie within sixty 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 bonavacantia and shall be deemed to be transferred to and form part of the Fund.

Purposes for which Fund may be utilized

7.(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 utilized by the Board for the benefit of the labour to defray expenditure on the following, namely—

(a) community and social education centers including reading rooms and libraries;

[1.Subs.by sec.4\(ii\) of U.P. Act no.17 of 1978.](#)

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- (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 holiday homes;
 (g) entertainment and other forms of recreations;
 (h) home industries and subsidiary occupations for women and unemployed persons;

- (i)allowancesofthemembersoftheBoardandthepay
and
allowancesoftheofficersandotheremployeesoftheBoard;
- (j)settingupcredit,consumersandmultipurposeco-
operative societies;
- (k)corporateactivitiesofasocialnature;
- (l)facilitiesforpreparationandprocessingoffeedmaterials;
- (m)provisionofhousingfacilitiesandtheirimprovements;
- (n)suchotherobjectsaswould,intheopinionoftheBo
ard, improvetheconditionsoflivingoflabour;
- 1[(o)Subjecttoamaximumofsuchpercentageasthe
State
Governmentmaybynotificationsspecify,ontheserviceandpu
blication ofnoticeundersub-section(4)ofsection6.]

Providedthatthefundshallnotbeutilizedinfinancin
gany
measurewhichanyemployerisrequiredunderanylaw,forthet
ime beinginforce,tocarryout.

(3)TheBoardmay,withtheapprovaloftheStateGov
ernment,
makeagrantoutoftheFundtoanyemployer,anyLocalAuthori
tyor
anyotherbodyinaidofanysuchactivityforthewelfareoflabou
ras maybeapprovedbytheStateGovernmentinthisbehalf.

(4)Ifanyquestionariseswhetheranyparticularexpe
nditureis
orisnotdebitabletotheFund,themattershallbereferredtotheS
tate
GovernmentandthedecisionoftheStateGovernmentthereon
shallbe final.

(5)ItshallbelawfulfortheBoardtocontinue,subject
o
approvaloftheStateGovernment,anyactivityfinancedfroma
ny
amountsetapartbyanyemployer,orfromanyfundestablished
byhim,
forthewelfareoftheemployees,ifsuchamountorfundistranf
erredto theBoardundersub-section(3)ofsection3.

[1.Ins.bysec.5ofU.P.Actno.17of1978.](#)

[TheUttarPradeshLabourWelfareFundAct,1965]

1[Advancefrom 1[7-A.TheBoardmaywiththepreviousapprovaloftheState
unpaidan Governmentwithdraw,outoftheunpaidaccumulations,anamount
accumulations.]
notexceedingfivepercentthereofforthepurposesofdefrayingthe
expenditureininvitingclaimsoftheemployeesonpublicationofnotice
undersub-section(4)ofsection6.]

CHAPTER IV

APPOINTMENT AND POWERS OF OFFICERS AND STAFF

Appointment 8.(1)TheLabourWelfareCommissionershallbethprincipal
andpowersof
LabourWelfare executiveofficeroftheBoardandshallbeappointedbytheState
Commissioner Government.

**and Additional
or Deputy
Labour Welfare
Commissioner**

(2) The Labour Welfare Commissioners 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 ² [or Assistant] Labour Welfare Commissioner. Such Additional or Deputy ² [or Assistant] Labour Welfare Commissioners 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 ² [or Assistant] Labour Welfare Commissioners shall exercise and discharge the powers and functions so specified.

**Appointment of
Inspectors**

9. (1) The State Government may appoint one or more Inspectors

for the whole of the State or for any specified area or areas thereinto inspect records in connection with the sums paid or payable in the Fund.

(2) The Inspector may—

(a) with assistance, if any, as he thinks fit, enter at any reasonable time, any premises of an establishment for the purposes of

inspection; and

(b) exercises such other powers as may be prescribed.

**Appointment of
other officers
and employees**

10. 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.

**Conditions of
service of
employees**

11. The method of appointment and the conditions of service

including the scales of pay of the officers and employees of the Board,

shall—

[1. Ins. by sec. 6 of U.P. Act no. 17 of 1978.](#)

[2. Ins. by sec. 3 of U.P. Act no. 23 of 2024](#)

[The Uttar Pradesh Labour Welfare Fund Act, 1965]

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

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

CHAPTER V

ADMINISTRATION OF THE FUND AND ACCOUNTS AND AUDIT

**Administration
and**

**management
of the Fund**

Investment of

Act No. II of 1882

d) and

Power of Board

to borrow

f this

may

Accounts and

Audit

the Fund, as may be prescribed.

12. The Fund shall be managed and administered in such manner as may be prescribed.

13. Where the moneys in the Fund are not required for being Fund applied at a nearly date to the purposes of the Act, the same may be

invested by the Board in any securities specified in clauses (a) to (f) of section 20 of the Indian Trusts Act, 1882.

14. The Board may, from time to time, with the previous

sanction of the State Government and subject to the provision so

Act and the rules made thereunder and to such other conditions as be fixed by the State Government in this behalf, borrow any sum required for the purposes of this Act.

15. (1) The Board shall cause to be maintained such books of

account and other records in relation to

(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.

Publication of

**accounts and
expenditure**

ent

16. 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

Mode of

**recovery of
sums payable**

of the into Fund

Directions by

**State
Government to**

dient Board

17. Any sum payable into the Fund under this Act shall, without

prejudice to any other mode of recovery, be recoverable on behalf of the Board as an arrear of land revenue.

18. (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.

[The Uttar Pradesh Labour Welfare Fund Act, 1965]

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

**Supersession
of Board in
certain cases**

19.(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 a reasonable opportunity to it to show cause why it should not be superseded and shall consider the explanations and objections, 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.

Members of

20. The members of the Board, the Labour Welfare

**Board, Labour
Welfare
Commissioner
and all other
officers and
servants of
Board to be
public
servants Act
No. XLV of**

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.

**Protection to
persons
acting in good
faith**

made thereunder.

21. 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

**Validity of
the acts and
proceedings
of the Board**

22. 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 to do, attend, vote or

otherwise took part in the proceedings.

**Amendment
of section 8
of Act IV of
1936**

23. 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.

**Power of
State
Government
or authorized
officer to call
for records
etc.**

24. The State Government or any officer authorized by the State

Government in this 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.

**Power to
make rules**

25.(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.

[The Uttar Pradesh Labour Welfare Fund Act, 1965]

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

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

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

(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 officers 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 one session or more than 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 Houses 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.

Regulations 26. (1) The Board may, with the previous sanction of the State Government, make regulations, by notification in the *Gazette*, consistent with the provisions of this Act and the rules made thereunder.

[The Uttar Pradesh Labour Welfare Fund Act, 1965]

(2) In particular and without prejudice to the generality of the foregoing power, the Board may make regulation providing for—

(a) procedure in regard to the transaction of business of the Board;

(b) manner of publication of notices inviting claimstounpaid 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.

Repeal of

**y U.P. Act
XXXVII of**

27. The Uttar Pradesh Labour Welfare Fund Act, 1956 is hereby repealed.

