

# THE TAMIL NADU LABOUR WELFARE FUND RULES, 1973

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### **NADU LABOUR WELFARE FUND RULES, 1973**

(G.O. Ms. No. 569, Labour and Employment, 4th September, 1973)

<sup>1</sup>S.R.O. No. A-744 (a) of 1973 - In exercise of the powers conferred by sub-section (1) of section 41 of the Tamil Nadu Labour Welfare Fund Act, 1972 (Tamil Nadu Act 36 of 1972), the Governor of Tamil Nadu hereby makes the following rules:-

#### **1. Short title and extent**

(1) These rules may be called the Tamil Nadu Labour Welfare Fund Rules, 1973. (2)

These rules extend to the whole of the State of Tamil Nadu.

#### **2. Definitions**

In these rules, unless there is anything repugnant in the subject or

context- (a) "Act" means the Tamil Nadu Labour Welfare Fund Act, 1972;

(b) "Form" means a form appended to these rules;

(c) "Section" means a section of the Act;

(d) Words and expressions not defined in these rules shall have the meanings assigned to them under the Act.

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

(1) Within fifteen days from the date on which the Act shall come into force in this State, every employer shall pay by cheque, money order or cash to the Secretary, Labour Welfare Board-

(a) All fines including the amounts realised under Standing Order 20 of the Model Standing Orders issued under the Tamil Nadu Industrial Employment (Standing Orders) Rules, 1947, <sup>2</sup>[and under the certified standing orders of the establishment] from the employees before the said date and remaining un-utilised on that date; and

(b) all deductions made under the proviso to sub-section (2) of section 9 of the Payment of Wages Act, 1936 (Central Act IV of 1936) <sup>3</sup>[and the proviso to sub-section (2) of section 36 of the Tamil Nadu Shops and Establishments Act, 1947 (Tamil Nadu Act XXXVI of 1947)] from the wages of employees before the said date and remaining unutilised on that date; and

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

- (2) The employer shall along with such payment submit a statement to the Secretary of the Board giving full particulars of the amounts so paid.
- (3) Thereafter, all fines realised and deductions made from the wages of the employees and all unpaid accumulations during the quarters ending 31st March, 30th June, 30th September and 31st December shall be paid by the employer in the manner aforesaid to the Secretary of the Board on or before 15th April, 15th July, 15th October and 15th January succeeding such quarter and a statement giving particulars of the amounts so paid shall be submitted by him along with such payment to the Secretary of the Board.

#### **4. Notice for payment of fine and unpaid accumulation by the Secretary**

The Secretary may, after making such enquiries as he may deem fit and after calling for a report from the Inspector, if necessary, serve a notice as required under section 14 of the Act on any employer to pay any portion of fines realised or deductions made from the wages of the employees or unpaid accumulations held by him which the employer has not paid in accordance with rule 3.

#### **5. Particulars of unpaid accumulations to be published under section 13**

The notice referred to in sub-section (3) of section 13 shall contain the following particulars, namely:—

- (1) Name and address of the establishment in which the un-paid accumulation was earned;
- (2) Wage-period during which the unpaid accumulation was earned;
- (3) Amount of the unpaid accumulations;
- (4) A declaration that a list containing the names of employees and the amount due to them and paid to the Board has been pasted on the notice board of the factory or establishment in which the unpaid accumulation was earned.

#### **6. Remission of penalty**

- (1) Applications for remission of penalty shall be made to the Secretary within thirty days from the date of payment of penalty and shall clearly specify the grounds on which the remission is claimed.
- (2) Where the Secretary is satisfied that the penalty imposed is likely to cause undue hardship to the employer concerned or that the employer has suffered financially on account of riots, war or through natural calamities or that delay caused in the payment of un-aid accumulations or fines was due to circumstances beyond his control the Secretary may remit in part or whole the penalty payable under sub-section (2) of section 14:

Provided that if the amount of penalty to be remitted exceeds Rs. 500, the remission shall not be made without the prior sanction of the Board.

#### **7. Maintenance and audit of accounts**

The accounts of the funds shall be prepared and maintained by the Accounts Officer of the Board in such form as may be prescribed by the Examiner of Local Fund Accounts, Madras, and shall be audited by him once a year. The Secretary of the Board shall be responsible for the disposal of the audit note.

#### **8. Budget of the Board**

- (1) The Budget estimates for each financial year shall be prepared and laid before the Board on or before the 1st day of December, of the previous financial year and, after it is approved by the Board shall be forwarded to the State Government for approval on or before the 15th December. The State Government shall approve of the budget before the 15th January after making such amendment and alterations as it considers necessary.
- (2) The budget thus amended or altered and approved shall constitute the budget of the Board for ensuing financial year and shall be issued under the seal of the Board and signed by the officer or officers of the Board duly authorised in this behalf. An authenticated Copy of budget shall be forwarded to the State Government before the 28th February.

#### **9. Additional Expenditure**

If during the course of the financial year it becomes necessary to incur expenditure over and above the provisions 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 modifications as it consider 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 to the Examiner of Local Fund Accounts, Madras.

#### **10. Application for grant from fund**

Any local authority or any other body may make an application to the Secretary for grant under sub-section (3) of section 17 of the Act. Such application shall be placed by the Secretary before the Board within a month its receipt with his remarks and the recommendations of the Boar shall be forwarded to the State Government by the Secretary for o training the approval of the State Government.

#### **<sup>4</sup>[10A. Conditions for payment of grants to the Organisations Institutions**

- (1) The Organisations/Institutions which a engaged in the organisation and development of Labour Welfare programmes and registered under an appropriate Act are eligible to apply for grant.
- (2) The Organisations/Institutions should utilise the amount only for the Labour Welfare Schemes approved by the Board for the benefit of employees covered under the Act.
- (3) The Organisations/Institutions shall be open to inspection by Financial Adviser and Chief Accounts Officer of the Board or any other person nominated by the Board.

(4) The Organisations/Institutions should maintain an account with a Scheduled/Nationalised Bank, or Post Office in the name of the Organisation/Institution. The accounts shall be operated jointly by two office bearers of the Organisations/Institutions.

(5) Accounts of the Organisations/Institutions should be audited by a Chartered Accountant or a Government Auditor immediately after the end of the financial year. If the accounts of the Institutions have not been audited by a Chartered Accountant or a Government Auditor, then the accounts of the Organisations/Institutions will be audited by Financial Adviser and Chief Accounts Officer of the Board and the following certificate shall be given:—

On verification of the accounts of..... in respect of the grant of Rs..... sanctioned by the Board for the year..... with the help of the vouchers, I certify that the accounts are correct and that the grant has been utilised or the purpose for which it was sanctioned, as far as could be made out from the records made available. It is further certified that on the basis of the records shown to me the total receipts and payments of the Organisations/Institutions during the years are as follows:-

Receipts Payments

Rs. Rs.

- (6) The accounts of the grant shall be maintained properly and separately as distinct from its normal activities and submitted to the Board monthly on the date specified by the Board. They shall always be open to check by Financial Advisor and Chief Accounts Officer or Member of the Board.
- (7) The Organisations/Institutions shall maintain a separate inventory for all assets acquired wholly or partly out of the grant
- (8) When the Board have reasons to believe that the grant is not being utilised for the approved purposes, the payment of grants shall be stopped and the earlier grants recovered.
- (9) In the case of defaulting Organisations/Institutions, it will have to refund the grant along with interest at 6 per cent. per annum from the date of release of the grant to the actual date of refund.
- (10) The Organisations/Institutions shall submit to the Board, as and when required, progress reports or any other information relevant to the implementation of the programme of Labour Welfare.
- (11) The Organisations/Institutions must exercise reasonable economy in the implementation of the programme.

## **11. Mode of payment**

All payments from the Fund amounting to

- (a) less than Rs. 50 may be made in cash

(b) Rs. 50 or more shall be made by cheque issued by the Secretary :  
Provided that the Board may, in any particular case for special reasons, authorise such payments also in cash.

#### <sup>5</sup>[11 -A. Rate of contribution

Every employee shall contribute a sum of <sup>6</sup>[rupees twenty] per year to the fund and every employer shall, in respect of each such employee, contribute a sum of <sup>7</sup>[rupees forty] per year to the fund. Government shall, in respect of each such employee contribute a sum of <sup>8</sup>[rupees twenty] per year to the fund.]

#### 12. Payment of contributions

(1) <sup>9</sup>[Every employer shall pay to the Board both the employer's contribution and the employee's contribution payable under section 15 of the Act for every year before the 31st January of the succeeding year. The employer shall recover from the employees whose names are borne on registers of establishment on the 31st December of the year and also from the employee who was discharged or dismissed or has resigned during the year ; the employee's contribution shall be recovered from his last wages paid, if he has worked for not less than 30 days during that year for which contribution is payable and such deduction shall be deemed to be deduction authorised by or under the Payment of Wages Act, 1936 (Central Act IV of 1936) :

Provided that no such deduction shall be made in excess of the amount of contribution payable to such employees nor shall it be made from any wages other than the wages for the month of December:

Provided further that if through inadvertence or otherwise no deduction has been made from the wages of an employee for the month aforesaid, such deduction may be made from the wages of such employee for any subsequent month or months with the permission in writing of the Inspector appointed under this Act.]

(2) Notwithstanding any contract to the contrary no employer shall deduct the employer's contribution from any wages payable to an employee or otherwise recover it from the employee.

(3) An employer shall pay the employer's and the employees' contribution to the Board by cheque, money order or in cash, and he shall bear the expenses of remitting to the Board such contributions.

(4) The employer shall along with such payment submit a statement in Form A to the Secretary giving full particulars of the amounts so paid.

(5) The Secretary of the Board shall submit to the State Government as soon as possible after the end of January every year in the prescribed form a statement showing the total amount of the employer's contribution in respect of each establishment.

#### 13. Constitution of Board

(1) The Board shall consist of twenty members including the Chairman who shall be the Minister-in-charge of Labour and the following members appointed by the Government:—

- (a) five representatives of employers appointed by the State Government in consultation with such organisations of employers in the State;
- (b) five employees' representatives to be appointed by the State Government in consultation with such organisations of employees in the State;
- (c) three members of the State Legislature;
- (d) four Government Officials;
- (e) two independent members:

Provided that if there is no other woman representative in the Board, the question of including woman representative as an independent member would be considered by the Government.

(2) The Board shall elect a Vice-Chairman to perform the duties of the Chairman in his absence.

#### **14. Allowance of the members**

The members of the Board other than Government Officers shall receive travelling allowance and dearness allowance at the rates admissible to members of I Class Committees whenever they attend the meetings of the Board.

#### **15. Allowances of Members of Committees**

The members of the Committees constituted under Sec. 10 shall receive travelling allowance and dearness allowance at the rates admissible to members of I Class Committees whenever they attend the meetings of the Committees.

#### **16. Meetings of the Board**

- (1) The Board shall meet at-least once in every quarter and as often as may be necessary.
- (2) The Secretary shall, in consultation with the Chairman fix the date, time and place of, and also draw up Agenda for every meeting. Notice of not less than seven clear days shall be given for every member of such meeting. No matter, other than that included in the Agenda, shall be considered except with the permission of the Chairman:

Provided that, seven clear days' notice shall not be necessary when, in the opinion of the Chairman, business of an emergent nature has to be transacted

#### **17. Quorum**

No business shall be transacted at any meetings of the Board unless there is a quorum of not less than one-third of the number of the members of the Board including the Chairman:

Provided that if at any meeting less than one-third of the total number of members are present, the Chairman may adjourn the meeting to a date not later than seven days from the date of the original meeting and it shall thereupon be lawful to dispose of the business at such adjourned meeting irrespective of the number of members

present. <sup>10</sup>[17A. \*\*\*]

#### **18. Chairman to preside**

(1) The Chairman shall preside over the meetings of the Board.

(2) In the absence of the Chairman at any meeting, the Vice-Chairman shall preside.

If both the Chairman and the Vice-Chairman are not present at any meeting the members present shall elect one among them to preside over that meeting. **19. Disposal of business**

All matters at the meeting of the Board shall be decided by a majority of votes of the members present and voting, and in case of equality of votes, the Chairman shall have a casting vote or a second vote.

#### **20. Method of voting**

Votes shall be taken by show of hands and the names of persons voting in favour and against any proposition shall be recorded only if any member requests the Chairman to do so.

#### **21. Proceedings of the meeting and minutes book**

(1) The proceedings of each meeting showing inter alia the names of the members present thereat shall be forwarded to each member of the Board, as soon after the meeting as possible.

(2) The minutes of proceedings of the meeting shall be kept in a separate book and shall be signed by the Chairman at the meeting at which the proceedings are confirmed.

#### **22. Confirmation of the proceedings**

The proceeding of each meeting shall be confirmed with such modifications, if any, as may be considered necessary at the new meeting of the Board and a copy thereof shall be submitted by the Board to the Government after such confirmation.

#### **23. Salaries, allowances and conditions of service of the Secretary**

The Secretary shall receive such salary and allowances as may be fixed by the Board with the approval of the Government.

#### **24. Administrative and financial powers of the Secretary**

(1) The Secretary may, without reference to the Board sanction expenditure on contingencies, supplies and services and purchase of articles required subject to the financial provision in the budget and subject to the limits up to which the Secretary may be authorised to sanction expenditure on any single item from time to time by the Board with the approval of the Government.

- (2) The Secretary may also exercise such administrative and financial powers other than those specified in sub-rule (1) above, as may be delegated to him from time to time by the Board with the approval of the Government.
- (3) The Secretary may delegate from time to time the administrative and financial powers delegated to him by the Board to any officer under his control or superintendence to the extent considered suitable by him for the administration of the Fund. A statement of such delegation shall be placed before the next meeting of the Board for information.

## **25. Duties and functions of the Committee**

The Board shall determine the qualifications and terms of office of the members of the Committees appointed under section 10 of the Act and may delegate such of its powers and functions to such Committee or Committees subject to such conditions and limitations as may be specified in the resolution of the Board constituting the Committee.

## **26. Powers to the Inspectors**

In addition to the powers conferred by sub-section (3) of section 22 of the Act, an Inspector shall for the purposes of giving effect to the provisions of the Act, have power to do all or any of the following things, that is to say:-

- (i) to prosecute, conduct or defend before a Court any complaint or other proceedings arising under the Act;
- (ii) to require any employer to supply or send any return or true copy of any document or information relating to the provisions of the Act;
- (iii) to satisfy himself at each inspection that-
  - (a) the provisions of the Act and the rules regarding the payment of contribution and unpaid accumulations and fines are observed;
  - (b) the prescribed registers are properly maintained;
  - (c) the returns required under the rules are sent to the Secretary of the Board;
- (iv) to note how far the defects pointed out at previous inspections have been removed and how far orders previously issued have been complied with; and
- (v) to point out all such defects or irregularities as he may have observed and to give orders for their rectification and to record and furnish to the employer a summary of the defects or irregularities and of his orders.

## **27. Percentage of annual income of fund towards staff**

The Board shall ensure that the expenses of the staff including the staff employed for carrying out the programmes of the Board and other administrative expenses shall not exceed fifty percent of the annual income of the fund.

## **28. <sup>11</sup>[Publication of Annual Report of Board**

The Board shall prepare and submit to the State Government for approval an audited statement of receipt and expenditure together with an Annual Report giving its activities of the Board in the year and the activities of the Board in the next year within a period of three months from the date of receipt of the audited report. The statement and Report shall be laid as soon as they are approved by the State Government before each House of the Legislature. <sup>12</sup>[After they are so laid, the Board shall send a copy of the Report to all the Central Trade Unions Organisations and Employers' Federation.]].

## **29. Maintenance of registers by employers**

(1) Every employer of an establishment shall maintain the following registers:—

(a) a register of wages in Form B;

<sup>13</sup>["Provided that no separate register in Form B need be maintained if the particulars required to be maintained therein are contained in any other records maintained by the employer under any other labour Law.";]

(b) a consolidated register of unpaid accumulations and fines and other deduction in Form 'C';

<sup>14</sup>["Provided that no separate register in Form C need be maintained if the particulars required to be maintained therein are contained in any other records maintained by the employer under any other labour law.".]

(c) a visit book in which the Inspector the establishment may record his remarks regarding any defects that may come to light at the time of inspection. It shall be produced whenever required to do so by the Inspector:

Provided that no separate visit book need be maintained where the employer maintains such a book in compliance with any other labour legislation.

(2) The registers to be maintained under these rules shall be in English or Tamil.

(3) The registers shall be preserved for a period of ten years from the date of last entry made therein.

(4) The employer shall by the 31st January every year forward to the Secretary a copy of the extract from the register in Form 'B' pertaining to the previous year.

## **30. <sup>15</sup>[Exemption**

The Government may, by notification exempt any establishment or class of establishments from all or any of the provisions of these rules subject to conditions as may be specified in the notification.]

<sup>1</sup>Vide Pt. V of the Tamil Nadu Government Gazette, Extraordinary, dated the 6th September, 1973, at p. 1.

<sup>2</sup> Ins. By G.O. Ms. No. 1933, Labour and Employment, dated the 14th September, 1982.

<sup>3</sup> Ins. by G.O. Ms. No. 1933, Labour and Employment, dated the 14th September, 1982.

<sup>4</sup> Ins. By G.O. Ms. No. 202, Labour and Employment, dated the 28th January, 1981.

<sup>5</sup> Ins. by G.O. Ms. No. 159, Labour and Employment (G-2), dated 7-12-1998.

<sup>6</sup> Substituted by Notification No. G.O.(Ms) No. 161, dated 02-12-2022.

7 Substituted by Notification No. G.O.(Ms) No. 161, dated 02-12-2022.  
8 Substituted by Notification No. G.O.(Ms) No. 161, dated 02-12-2022.  
9 ins. by GO. Ms. No. 1765, Labour and Employment, dated the 7th August, 1984.  
10 Rule 17A omitted by G.O. Ms. No. 2271, Labour, dated the 11th November, 1986.  
11 Subs. by C.O. Ms. No. 1400, Labour and Employment, 14th November, 1978.  
12 Subs. by G.O. Ms. No. 2048, Labour and Employment, dated the 2nd September, 1980.  
<sup>13</sup>Ins. By No. SRO A-14/2020. Dated 25-02-2020.  
<sup>14</sup>Ins. By No. SRO A-14/2020. Dated 25-02-2020.  
15 Added by G.O. Ms. No. 2990, Labour, dated the 11th November, 1983.