

UTTAR PRADESH INDUSTRIAL PEACE (TIMELY PAYMENT OF
WAGES) ACT, 1978¹

(U. P. ACT No. 5 OF 1978)

Amended by

(U. P. ACT No. 33 OF 2021)

[Passed in Hindi by the Uttar Pradesh Legislative Assembly
on March 30, 1978 and by the Uttar Pradesh Legislative Council
on April 11, 1978.

Received the assent of the Governor on April 16, 1978
under Article 200 of the Constitution of India and was published
in the *Uttar Pradesh Gazette Extraordinary*, dated April 18,
1978.]

AN

ACT

*to provide, in the interests of maintenance of industrial
peace, for timely payment of wages in bigger industrial
establishments and for matters connected therewith ;*

It is hereby enacted in the Twenty-ninth Year of the Republic of
India as follows : —

**Short title,
extent and
commencement**

1. (1) This Act may be called the Uttar Pradesh Industrial Peace
(Timely Payment of Wages) Act, 1978.

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

(3) It shall be deemed to have come into force on December 12,
1977.

Definitions

2. In this Act, —

(a) “industrial establishment” means any factory, workshop or
other establishment in which articles are produced, processed,
adopted or manufactured with a view to their use, transport or sale ;

(b) “Labour Commissioner” includes an officer, not below the
rank of an Assistant Labour Commissioner, authorized by him to
discharge, exercise and perform the duties, powers and functions of a
Labour Commissioner under this Act ;

(c) “occupier” in relation to an industrial establishment, means
the employer of workmen employed in such establishment, and
includes in the case where the employer is a company the Managing
Director and where it is a firm the partner designated in that behalf by
the firm and in case of any other employer an officer designated in that
behalf by the employer with his consent and whose name is intimated
by the employer to the Labour Commissioner in the prescribed form by
the prescribed date ;

(d) “wage-bill” means the total amount of wages payable by an
industrial establishment to its workmen ;

1. For SOR see at the end of this Act.

(e) “wages” shall have the meaning assigned to it in the Payment of Wages Act, 1936 ;

(f) “workmen” shall have the meaning assigned to it in the U. P. Industrial Disputes Act, 1947 ;

(g) an occupier of an industrial establishment shall be deemed to be in “default” of payment of wages if such wages are not paid within time as provided in section 5 of the Payment of Wages Act, 1936.

Recovery of wages in certain industrial establishments as arrear of land revenue

3. (1) Where the Labour Commissioner is satisfied that the occupier of an industrial establishment is in default of payment of wages and that the wage-bill in respect of which such occupier is in default exceeds fifty thousand rupees, he may, without prejudice to the provisions of sections 5 and 6, forward to the Collector, a certificate under his signature specifying the amount of wages due from the industrial establishment concerned.

(2) Upon receipt of the certificate referred to in sub-section (1), the Collector shall proceed to realize, from the industrial establishment, the amount specified therein, besides recovery charges at the rate of ten percent, as if such amount were an arrear of land revenue.

(3) The amount realized under sub-section (2) shall, after deducting the recovery charges, be placed at the disposal of the Labour Commissioner who shall disburse the same or cause it to be disbursed among the workmen entitled thereto.

(4) Where the amount so realized falls short of the wage-bill in respect of which the occupier has been in default, the Labour Commissioner may arrange for disbursement of such proportion of respective proportions of the wages due to various categories of workmen as he may think fit.

(5) The liability of the occupier towards each workman in respect of payment of wages, shall, to the extent of the amount paid to such workmen under this section stand discharged.

Power of Labour commissioner

4. For the purposes of ascertaining the wage-bill of an establishment in respect of which default has been committed the Labour Commissioner shall have all the powers of a Civil Court, while trying a suit, under the Code of Civil Procedure, 1908 in respect of enforcing the attendance of witnesses and examining them on oath and compelling the production of documents and shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.

Penalties

5. (1) No occupier of an industrial establishment shall at any time, be in default of a wage-bill exceeding rupees one lakh.

(2) Every occupier who contravenes the provisions of sub-section (1) shall be punishable with ¹[fine which shall not be less than rupees fifty thousand but may extend to rupees one lakh].

[1. Sub. By Sec. 2 \(i\) of the U.P. Act no. 33 of 2021.](#)

Provided that the Court may for any adequate and special reasons to be recorded impose a ¹[penalty of less than rupees fifty thousand].

Offences by companies

6. (1) If the person committing an offence under this Act is a company, the company as well as every person in charge of and responsible to the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1) where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of offence is attributable to any neglect on the part of any managing agent, secretaries and treasurers, director, manager, or other officer of the company, such managing agent, secretaries and treasurers, director, manager or other officer of the company shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation — For the purpose of this section, —

(a) “company” means any body corporate and includes a firm or other association of individuals, and

(b) “director” in relation to a firm, means a partner in the firm.

Protection for action taken in good faith

7. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or purported or intended to be done in pursuance of the provisions of this Act or any rule or order made thereunder.

Rule-making power

8. The State Government may, by notification, make rules for carrying out the purposes of this Act.

Repeal and saving

9. (1) The Uttar Pradesh Industrial Peace (Timely Payment of Wages) Ordinance, 1977 is hereby repealed.

U. P. Ordinance no. 20 of 1977

(2) Notwithstanding such repeal, anything done or any action taken under the aforesaid Ordinance shall be deemed to have been done or taken under this Act as if the provisions of this Act were in force at all material times.

[1. Sub. By Sec. 2 \(ii\) of the U.P. Act no. 33 of 2021.](#)

STATEMENT OF OBJECTS AND REASONS

Delays in payment of wages of workmen lead to simmering discontent among them. Sometimes a grave threat to law and order is also posed on this account.

2. The provisions of the Payment of Wages Act, 1936 have been found to be inadequate to ensure timely payment of wages. The incidence of disturbance of industrial peace being greater in comparatively bigger establishments, it was considered necessary to provide that if the wage bill in default exceeds fifty thousand rupees the amount should be recoverable as arrears of land revenue. Further, in order to curb the tendency of the employers to keep large amounts of wages in arrears, it was also considered necessary to make it a penal offence to be in default of a wage bill exceeding rupees one lakh. Since the State Legislature was not in session and the situation warranted immediate action, the Governor of Uttar Pradesh promulgated the Uttar Pradesh Industrial Peace (Timely Payment of Wages) Ordinance, 1977 on December 12, 1977.

3. The Uttar Pradesh Industrial Peace (Timely Payment of Wages) Bill, 1978 is accordingly being introduced to replace the said Ordinance.
