

THE SINDH WORKERS WELFARE FUND ACT, 2014
SINDH ACT NO. XXXIII OF 2015.

CONTENTS

Preamble
Sections

1. Short title, extent and commencement.
2. Definitions.
3. Constitution of Board.
4. Constitution of Workers Welfare fund.
5. Mode of payment by and recovery from industrial establishment.
6. Payment of further amount.
7. Liability to be discharged by certain persons.
8. Purposes to which moneys in the Fund may be applied.
9. Appointment of Secretary and other staff of the Board.
10. Board to lay down procedure.
11. Functions of the Board.
12. Meetings of the Board.
13. Maintenance of books of account, etc.
14. Delegation of powers.
15. Power to remit or reduce amount due.
16. [Omitted].
17. Protection of persons acting under this Act.
18. Power of the Government to entrust functions to the Federal Government.
19. Powers to make rules.
20. Repeal and Saving.

THE SINDH WORKERS WELFARE FUND ACT, 2014
SINDH ACT NO. XXXIII OF 2015.

[04TH JUNE, 2015]

AN ACT to provide for the establishment of a Workers Welfare Fund in the Province of Sindh.

WHEREAS it is expedient to provide for the establishment of a Workers Welfare Fund in the Province of Sindh and for matters connected therewith or ancillary thereto;

Preamble.

It is hereby enacted as follows :—

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| <p>1. (1) This Act may be called the Sindh Workers Welfare Fund Act, 2014.</p> <p>(2) It shall extend to the whole of the Province of Sindh.</p> <p>(3) It shall come into force at once.</p> | <p>Short title, extent and commencement.</p> |
| <p>2. In this Act, unless there is anything repugnant in the subject or context –</p> <p>(a) "Board" means the Workers' Welfare Board constituted under section 3;</p> <p>(b) "Chairperson" means the Chairperson of the Board;</p> <p>(c) "Employer" in relation to an industrial establishment means any person or body of persons, whether incorporated or not, who or which employs worker in the industrial establishment under a contract of employment or is worker as defined in clause ¹[(m)] and includes –</p> <p style="padding-left: 40px;">(i) an heir, successor or assign, as the case may be, of such person or body as aforesaid;</p> <p style="padding-left: 40px;">(ii) any person responsible for the management, supervision and control of the establishment; and</p> <p style="padding-left: 40px;">(iii) in relation to any other establishment, the proprietor of such establishment and every director, manager, secretary, agent or other officer or person, concerned with the management of the affairs thereof.</p> <p>(d) "Fund" means the Fund constituted under section 4;</p> <p>(e) "Government" means the Government of Sindh;</p> <p>(f) ²***;</p> | <p>Definitions.</p> |

¹ Substituted alphabet by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

² Omitted clause by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

(g) "industrial establishment" means –

- (i) any concern owning or managing a factory, workshop or other establishment in which articles are produced, adapted or manufactured with the aid of electrical, mechanical, thermal, nuclear or any other form of energy transmitted mechanically and not generated by human or animal agency;
- (ii) any concern working in mine or quarry or natural gas or oilfield;
- (iii) any concern engaged in the carriage of worker and goods by inland mechanically propelled vessels;
- (iv) any concern engaged in the growing of tea, coffee; and
- (v) any concern engaged in the Banking or financial Institution except State Bank of Pakistan;
- (vi) any concern engaged in telecommunication;
- ¹[(vi-a) any establishment to which the Sindh Shops and Commercial Establishment Act, 2015 (Sindh Act No. XII of 2016), for the time being applies;]
- (vii) any other concern or establishment which Government, may by notification in the official Gazette, declare to be an industrial establishment for the purposes of this Act but does not include any concern or establishment which is owned by Government or by a corporation established by Government or where majority of its shares are owned by Government.

(h) "Income Tax Ordinance" means the Income-tax Ordinance, 2001 (XLIX of 2001);

² [(hh) "officer of the SRB" means a person appointed under section 34 of the Sindh Sales Tax on Services Act, 2011 (Act, No. XII of 2011);]

(i) "prescribed" means prescribed by rules and regulations made under this Act;

(j) "Secretary" means the Secretary of the Board;

(k) "Sindh Revenue Board" means the Board constituted under the Sindh Revenue Board Act, 2010.

³[(kk) "Taxation Officer or officer of Inland Revenue" means

¹ New sub-clause added by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

² New clause added by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

³ New clause added by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT,2014

SINDH ACT NO. XXXIII OF 2015.

A person appointed as such under the Income Tax ordinance, 2001;]

(l) "total income" means -

- (i) where return of income is required to be filed under Income Tax Ordinance,2001, or under this Act, the profit as per accounts or the declared income as per the return of income, ¹[whichever is higher.]
- (ii) where return of income is not required to be filed, four percent of the receipt as per the statement filed under section 115 of the Income Tax Ordinance,2001.
- (iii) where both return and statement are filed under sub-clauses (i) and (ii), both the incomes would be clubbed to form the total income;
- (iv) the income tax and other taxes deducted at source or paid with income tax return should be considered as tax paid on taxable income.

(m) "worker" means any person not falling within the definition of employer who is employed in an industrial establishment or industry for hire or reward either directly or through a contractor whether the terms of employment be expressed or implied, and for the purpose of any proceeding under this Act in relation to an industrial dispute includes a person who has been dismissed, discharged, retrenched, laid off or otherwise removed from employment in connection with or as a consequence of that dispute or whose dismissal, discharge, retrenchment, lay-off, or removal has led to that dispute and shall include the family viz. spouse, unmarried sons, daughters and dependent parents but does not include any person—

- (a) who is employed mainly in a managerial or administrative capacity; or
- (b) any person responsible for direction, administration, management and control of the industrial establishment.

3. **(1) As soon as may be, after the commencement of this Act, Government shall constitute and establish a Board, by notification in the official gazette for the purposes of this Act to be called "Workers Welfare Board."** **Constitution of Board.**

(2) The Board shall consist of –

- (i) the Chairperson;
- (ii) ²[the Chairman, Standing Committee on Labour and Human Resources in the Provincial Assembly, Ex-officio.]

¹ Inserted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

² Substituted clause (ii) by Sindh Act No.XXI of 2018 Dated, 17th May, 2018.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

- (iii) Secretary, Labour Department, Government of Sindh;
- (iv) ¹[four] members from amongst the Employer; on the recommendation of Industrial Associations;
- (v) ²[four members to be appointed from amongst the persons who are representatives of workers and are either currently engaged with workers or have demonstrable experience as workers' representatives or activists, having actively worked for the welfare and interests of workers, or as may be prescribed;]
- (vi) a representative of the ³[finance] Department;
- (vii) ⁴[***];
- (viii) ⁵[***];
- (ix) ⁶[***];
- (x) a representative of the Sindh Revenue Board.

(3) The members of the Board other than the Chairperson and representatives of Government Departments, shall hold office for such period and on such terms and conditions as may be prescribed.

(4) The Minister to Government of Sindh, Labour Department shall be the Chairperson of the Board.

(5) No act or proceedings of the Board shall be invalid by reasons of existence of any vacancy in, or defect in the constitution of the Board.

4. (1) There shall be constituted for the purpose of this Act, a Workers Welfare Fund which shall consist of –

Constitution of Workers Welfare fund.

- (i) an initial contribution to be made by Government;
- (ii) the share of funds or assets, received from Workers Welfare Fund;
- (iii) such moneys as may, from time to time, be paid by the industrial establishments under sections 5 and 6;

¹ Substituted word by Sindh Act No. XXI of 2018 Dated, 17th May, 2018.

² Substituted by Sindh Act. No XXVI of 2026 Dated, 13th July, 2026.

³ Substituted word by Sindh Act No. XXI of 2018 Dated, 17th May, 2018.

⁴ Omitted clause by Sindh Act No. XXI of 2018 Dated, 17th May, 2018.

⁵ Omitted clause by Sindh Act No. XXI of 2018 Dated, 17th May, 2018.

⁶ Omitted clause by Sindh Act No. XXI of 2018 Dated, 17th May, 2018.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

- (iv) any amount transferred to the Fund from time to time under clause (d) of paragraph 4 of the scheme set out in the Schedule to the¹[Companies Profits (Workers Participation) Act, 2015 (Sindh Act, No. XVIII of 2016);]
- (v) voluntary contributions in the shape of money or building, land or other assets made to it from time to time by Federal Government, Provincial Government, local body or corporation established under law, or by any person, charitable institutions or philanthropists;
- (vi) income from the investments made and properties and assets acquired from out of the Fund;
- (vii) proceeds of loans raised by the Board; and
- (viii) all assets transferred and devolved by the Federal Government.

5.

(1) Every industrial establishment located in the Province of Sindh and the total income of which in any year of account commencing on or after the date of closing of account on or after 31st December, 2013, in this behalf is not less than five hundred thousand rupees, shall pay to the Fund in respect of that year a sum equal to two per- cent ²[***] of its total income declared and the difference based on the assessed total income, if any, made at the higher or lower side of such total income at the time the difference in tax is paid, or total income ³[***] based on the return of income or statement in respect of total income or before the date of filing of Return and the additional amount on assessment of income by the Taxation Officer or Officer of Inland Revenue ⁴[or officer of the SRB, whichever of the assessment is higher.]

Mode of payment by and recovery from industrial establishment.

(2) Every industrial establishment, which is liable under sub-section (1), shall pay the amount due from it to the Sindh Revenue Board for the purpose of this Act. ⁵[The provisions

relating to manner and mode of payment and also for recovery of arrears, as prescribed in sub-section (4) of section 17 and section 66 of the Sindh Sales Tax on Services Act, 2011 and the rules made thereunder, shall mutatis mutandis apply for the purposes of this Act.]

(3) The industrial establishment shall, on or before the date on which it is required to furnish a return of income, pay the amount due from it under sub-section (1) calculated with reference to the total income reported in the Tax Return⁶[;]

¹ Substituted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

² Omitted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

³ Omitted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

⁴ Inserted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

⁵ Words added by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

⁶ Full stop replaced colon by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

¹[Provided that where the industrial establishment does not file its return of income under the Income Tax ordinance, 2001 by the date prescribed under the said ordinance, the amount payable under this Act shall be paid by the industrial establishment provisionally on the basis of its accounting profit before tax, within thirty days from the date of the closure of accounts.]

²[(4) The officer of the SRB shall, by order in writing, determine the amount due, if any, from an establishment under this Act, after taking into consideration the amount deposited by the establishment in respect of the period under assessment and the amount or any difference so determined, shall be paid by that establishment.]

(5) Any change by way of enhancement or reduction in the assessed income subsequent to the assessment made under the Income Tax Ordinance shall be given effect to by adjustment of the amount due under sub-section (1).

(6) Any amount paid by an industrial establishment under sub-section (3) which is found, on the basis of an order in appeal or revision under the Income Tax Ordinance, to have been paid in excess shall be refunded or to be adjusted as the case may be.

(7) The payment made by an industrial establishment to the Fund under sub-section(1) shall be treated as an expenditure for purposes of assessment of Income Tax.

(8) Where any industrial establishment fails to pay³[,whether willfully or otherwise] the amount due from it as required under this section, it shall, without prejudice to any other liability to which it may be subject under this Act or

any other law, ⁴[pay default surcharge] equal to fifteen per-cent per annum of the amount due from it, from the date on which it was originally payable to the date on which it is paid.

(9) ⁵[***].

(10) Where any amount of Fund charge was due from the industrial establishment, under the Workers Welfare Ordinance, 1971 (Ordinance as XXXVI of 1971) for that particular income or the tax year, as the case may be, for which notice to the effect has been issued, or where demand

notice has been issued or communicated but the amount is outstanding, such charge or contribution so due or found due or found payable shall be collected, recovered, determined or assessed, as the case may be, under the provisions of this sub-section.

¹ Added proviso by *ibid*.

² Substituted sub-section (4) by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

³ Inserted comma and words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

⁴ Substituted words by *ibid*.

⁵ Omitted sub-section (9) by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

Provided that the action to assess, determine, collect or recover tax shall be, where no assessment has been made, or return of income was not filed, shall be based on declared income or income as per books.

Provided further that no action shall be taken, without providing an opportunity of hearing, and such action would not be taken prior to five tax or income years, from the end of financial year 2013-2014; however, where demand has been raised already or amount of charge in sub-section is due on the basis of return of income or assessment, limitation of five years shall not apply in such case.

(11) ¹[***].

(12) The Taxation Officer or the officer of Inland Revenue shall provide the relevant information of assessment of any Employer made by the Income Tax Department under the Income Tax Ordinance as and when called by the Officer of Sindh Revenue Board and shall also provide any other information as may be required from time to time.

²[(13) Where any industrial establishment is not registered under the Income Tax ordinance, 2001 (Ordinance No. XLIX of 2001) or has not filed the prescribed return under the said ordinance, the officer of the SRB shall issue a notice together with a form of statement of income for the purposes of assessing, determining, and requiring such establishment to make payment under this Act.]

³[(14) Notwithstanding anything contained in this Act or any other law for the time being in force, all provisions of the Sindh Sales Tax on Services Act, 2011 (Sindh Act, No XII of 2011) and rules, notifications, other and instructions issued thereunder shall, mutatis mutandis, apply for the collection and payment of contribution under this Act in so far as they relate to-

- (a) registration and de-registration;
- (b) manner and mode of payment;
- (c) assessment, audit, adjudication and enforcement including imposition of penalty;
- (d) appeals and prosecution;
- (e) exemption of penalty and default surcharge; and
- (f) other allied and ancillary matters.]

¹ Omitted sub-section (11) by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

² Substituted sub-section (13) by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

³ Substituted sub-section (14) by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

6. (1) Every industrial establishment referred to in sub-section (1) of section 5 shall, in addition to the amount payable by it under that sub-section in respect of any year of account, pay such amount as the ¹[Board] or the Sindh Revenue Board may determine. **Payment of further amount.**
- (2) Government may appoint one or more committees in the Province and, where it appoints more than one committees, shall specify the area or class of industrial establishments in relation to which each such committee shall perform its functions.
- (3) A committee appointed under sub-section (2) shall consist of an officer of Government who shall be its Chairperson and three members from private sector to be appointed by Government, or as the case may be, in the area or class of industrial establishments in relation to which the committee is to perform its functions.
- (4) The Committee shall examine the financial and other circumstances of each of the industrial establishments and make recommendations to the Sindh Revenue Board as to the amount, if any, to be paid by such establishment in addition to the amount payable by it under section 5.
- (5) The committee shall submit its recommendations to Government, which shall determine the amount to be paid under this section.
- (6) The committee shall have power to ask any industrial establishment to furnish such information, as it may consider necessary for the performance of its functions under sub-section (4).
- (7) If an industrial establishment fails to furnish the required information under sub-section (6), the committee shall make its recommendations under sub-section (4) to the Sindh Revenue Board on the basis of such information as may be available to it.
7. Any liability imposed on an industrial establishment by this Act shall be deemed to be the liability of the person who is liable to pay income tax in respect of the income relatable to such industrial establishment. **Liability to be discharged by certain persons.**
8. Moneys in the fund constituted under section 4 shall be applied to – **Purposes to which moneys in the Fund may be applied.**
- (a) the financing of the projects connected with the establishment of housing estates or construction of houses, flats or development of plots for the workers;
 - (b) the financing of other measures for the welfare of workers;
 - (c) to meet the expenditure in respect of the cost of management and administration of

¹ Substituted words by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

the Fund shall not be more than 10% of the total fund.

- (d) the repayment of loans raised by the Board and the financing of other welfare measures including education, training, reskilling and apprenticeship for the welfare of the workers; and
 - (e) investment in securities approved for this purpose by Government.

- 9. (1) The Board may, with the previous approval of Government appoint a Secretary who shall be the Chief Executive officer of the Board. **Appointment of Secretary and other staff of the Board.**
- ¹[(2) The Secretary shall be appointed from amongst the officers of PAS, Secretariat Group, Ex-PCS, PMS or PSS, not below the rank of BPS-19 or BPS-20.]
 - (3) The Board may appoint such other employees, as it may deem necessary for the efficient administration and management of the Fund.
 - (4) The Board shall determine the terms and conditions of services of the employees of the Board with prior approval of the Government.
 - (5) The Board may also adopt the existing employees of the Board or Fund other than those who are on deputation from other departments, corporations, as the employees of the Board after commencement of this Act.
 - (6) The Secretary and other employees of the Board shall be deemed to be the public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

- 10. The Board shall, immediately after its constitution with the previous approval of Government, lay down the procedure for making the application for grant and the information to be furnished in the application and the principles to be followed by the Board in the disbursements of the grants including assigning the priorities for such disbursements. **Board to lay down procedure.**

- 11. The functions of the Board shall be - **Functions of the Board.**
 - (a) to sanction expenditure in respect of administration and management of the Board;
 - (b) to invest money held in the Fund of the Board in Securities approved for the purpose by Government or in any financial institution being run under the control of Government;

¹ Substituted sub-section (2) by Sindh Act No.XXI of 2023 Dated, 17TH July, 2023.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

- (c) to raise loans and to make measures for discharging such loans;
- (d) to do or cause to be done all acts and things necessary or desirable for the proper administration of the Board;
- (e) to do or cause to be done all things ancillary or incidental to any of the above functions;
- (f) to regulate the matters connected with allotment, cancellation of allotment and fixation of rent, cost of the houses or flats financed by the money allocated from the Fund and external maintenance and repairs;
- (g) to take any other measures for the welfare of workers financed by the money allocated from the Fund;
- (h) to incur the expenditure in respect of the cost of management and administration of such scheme;
- (i) to recover the rent, cost and arrears of rent or cost of such houses, flats in the manner laid down by the Board;
- (j) to do other things necessary for, connected with, or incidental to the discharge of its functions under this Act or the rules or scheme made thereunder;
- (k) to get its accounts annually audited in the prescribed manner; and
- (l) to make regulations to regulate its procedure.

12. (1) The Board shall meet as often as necessary but not less than every quarter in a calendar year. **Meetings of the Board.**
- (2) Half of the total membership of the Board shall form a quorum for the meeting of the Board.
- (3) The Chairperson shall preside all meetings of the Board.
- (4) The members shall have reasonable notice of the time and place of the meeting and the agenda for such meeting.
- (5) The decision of the Board shall be taken by majority vote and in case of a tie, the Chairperson shall have a casting vote.
- (6) The decisions taken by the Board shall be in writing and signed by the Secretary of the Board.

THE SINDH WORKERS WELFARE FUND ACT, 2014

SINDH ACT NO. XXXIII OF 2015.

(7) The minutes of the meeting shall be circulated amongst all the members of the Board within one week's time.

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| 13. | <p>The Board shall –</p> <ul style="list-style-type: none"> (a) cause to be maintained such books of account as may be prescribed; (b) cause to be prepared in the prescribed manner an annual statement of account; (c) cause the accounts of the Board to be audited annually by the Director General Audit Sindh; and (d) submit to Government the statement referred to in clause (b) together with the report of the auditor thereon. | <p>Maintenance of books of account, etc</p> |
| 14. | <p>The Board may direct in writing that any of its powers and functions Chairperson under this Act may, subject to such limitations, restrictions, or conditions, if any, as may be imposed by it from time to time, be also exercised or performed by the Secretary of the Board.</p> | <p>Delegation of powers.</p> |
| 15. | <p>Government may, by notification in the official Gazette, remit or reduce the amount due from any industrial establishment or class of industrial establishments under the provisions of section 5:</p> <p>Provided that two percent contribution under section 5 and the additional contribution under section 6 due from any class of industrial establishment may be remitted or reduced by Government at its discretion on the merits of each case.</p> | <p>Power to remit or reduce amount due.</p> |
| 16. | <p>¹[***].</p> | |
| 17. | <p>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.</p> | <p>Protection of persons acting under this Act.</p> |
| 18. | <p>Government may, with the consent of the Federal Government, by notification in the official gazette, entrust, its functions either conditional or unconditional to the Federal Government or to its officers in relation to any matter under this Act.</p> | <p>Power of the Government to entrust functions to the Federal Government.</p> |
| 19. | <p>Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.</p> | <p>Powers to make rules.</p> |
| 20. | <p>(1) The provisions of the Workers Welfare Ordinance, 1971, hereinafter referred to as the repealed Ordinance, in its application to the Province of Sindh, are hereby repealed.</p> | <p>Repeal and Saving.</p> |

¹ Omitted section 16 by Sindh Act No. XV of 2022 Dated, 03rd October, 2022.

THE SINDH WORKERS WELFARE FUND ACT,2014**SINDH ACT NO. XXXIII OF 2015.**

(2) Notwithstanding the repeal of the provisions of the repealed Ordinance under sub-section(1), all orders, rules or regulations made, notifications issued, actions and proceedings taken under the repealed Ordinance shall continue to remain in force until altered, amended or repealed under the provisions of this Act.

**THE SINDH CODE**