सत्यमेव जयते

कर्मचारी भविष्य निधि संगठन

Employees Provident Fund Organisation

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

(MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA)

मुख्य कार्यालय/Head Office

प्लेट ए, ग्राउंडफ्लोर, ब्लॉक-II, ईस्ट किदवई नगर,नई दिल्ली-110023

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Website: www.epfindia.gov.in, www.epfindia.nic.in

Ref: REC/SOM/ATR/ActionPoints/2026/1320

Date: 18.11.2026

18 NOV 2026

CIRCULAR

To

All ACC/ACC(HQ) (Zones),
All RPFC-In-Charge of ROs.

Subject: Guidelines regarding attachment of bank accounts/property in proceedings for enforcement of attendance and production of records and recovery of arrear dues under the EPF & MP Act, 1952 and the Code on Social Security, 2020 – reg.

In order to ensure uniformity and adherence to the prescribed statutory procedure in the matter of attachment of bank accounts, in continuation to Head Office Circular no-LC/4(42)2020/E-26035/797 dated 14.09.2020, the following instructions are reiterated for strict compliance by all field offices.

1. Attachment for enforcement of attendance and production of records

1.1 Section 125 of the Code on Social Security, 2020 empowers the authorised officer conducting an inquiry to exercise specified powers of a Civil Court, including enforcing attendance and requiring production of documents. For this purpose, the relevant provisions of Sections 30 to 32 of the Code of Civil Procedure, 1908, read with Order XVI Rules 10 to 12 thereof, shall be followed.

1.2 Such attachment is procedural in nature and is intended only to secure attendance of a person or production of records/documents. It shall not be treated as a measure for recovery of provident fund dues. The prescribed procedure, including issuance and service of summons and recording of reasons for non-compliance, shall be duly followed before resorting to any coercive measure.

1.3 The statutory ceiling of ₹5,000 prescribed under Section 32(c) of the CPC in respect of fine shall be adhered to. Attachment under Order XVI Rules 10 to 12 shall remain subject to the limitations prescribed therein. .

2. Attachment for recovery of arrear dues

2.1 Attachment of bank accounts or other properties for recovery of provident fund dues shall be initiated only after the dues have been duly assessed/determined by the competent authority and have become recoverable in accordance with law.

2.2 In cases under the EPF & MP Act, 1952, recovery was governed by Sections 8B to 8G, particularly Section 8F relating to other modes of recovery. Under the Code on Social Security,

2020, the corresponding provisions contained in Sections 129 to 132, particularly Section 131, shall be followed.

2.3 Before initiating attachment, the concerned authority shall verify the actual outstanding demand after giving due credit to all payments, recoveries and adjustments already made. The attachment shall be restricted to the residual recoverable amount as on the date of issuance of the notice.

3. Attachment under Section 131 of the Code:

3.1 Notices to banks or other persons holding money belonging to the defaulting establishment/employer shall be issued strictly in accordance with Section 131 of the Code.

3.2 The proforma prescribed for issuance of notices under Section 131 of the Code has been examined by the Head Office. The format as Annexure-I shall invariably be used by all field offices.

3.3 It is specifically clarified that no blanket attachment order covering all bank accounts or all properties of an establishment/employer shall be issued. Every attachment order shall be specific and shall clearly indicate the bank account no. and/or PAN or property sought to be attached, the amount of outstanding demand and the statutory provision under which the action is being taken.

4. Attachment in certificate recovery proceedings

4.1 In cases where recovery is initiated through certificate proceedings under Section 129 of the Code, the applicable provisions of the Second and Third Schedules to the Income-tax Act and the Income-tax (Certificate Proceedings) Rules, 1962, as applied through Section 132 of the Code, shall be followed.

4.2 The prescribed EPF-CP-3 and EPF-CP-5 formats, corresponding to the relevant forms under the Income-tax (Certificate Proceedings) Rules, 1962, shall be used, as applicable, depending upon the nature of the property sought to be attached. These formats shall be used only in certificate recovery proceedings and not as a substitute for notices under Section 8F/Section 131.

4.3 Before issuance of attachment orders, the Recovery Officer shall verify the amount already recovered or paid and the balance remaining recoverable. The attachment shall be confined to the residual amount under the certificate.

5. Withdrawal of Attachment order:

5.1 It needs to be clearly specified in the attachment order that immediately after remittance of the attached value, the attachment shall be deemed to have been withdrawn.

5.2 In the event of partial or full recovery, the attachment(s) shall be suitably modified or withdrawn without delay. Upon full satisfaction of the demand, the concerned bank/person shall immediately be informed of the release of attachment.

6. Judicious Exercise of Powers in Recovery Proceedings:

It has come to notice that, in certain cases, recovery proceedings, owing to the nature or extent of the recovery measures adopted, have resulted in the disruption of the essential functioning of the establishment. In some instances, such actions have had the unintended consequence of bringing the operations of the establishment to a standstill, thereby adversely affecting the livelihood of employees, including those whose interests the recovery proceedings are intended to safeguard.

These instances are illustrative in nature and underscore the need for a balanced and judicious approach, while enforcing recovery measures, including attachment of the assets of the establishment. Accordingly, the Recovery Officer shall exercise due care, discretion and prudence, and take a conscious, reasoned and judicious decision before resorting to attachment, keeping in view the objective of recovery, the proportionality of the proposed action, and the potential impact on the employment and livelihood of its workforce.

All field offices are directed to strictly adhere to these instructions and any action in violation of the instant instructions shall be viewed seriously.

(This issues with the approval of the CPFC)

18/11/2026.

(P. B. Verma)
Additional Central PF Commissioner (Recovery)

Copy to:

1. PS to CPFC for information.
2. PS to FA & CAO/CVO for information.
3. All ACC HQ/ACC (Head Office/ZTIs).
4. Web-admin for uploading on the EPFO website.
5. RPFC (ASD) for uploading on e-office notice board.

Annexure-I

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Plate A, Ground Floor, Block II, East Kidwai Nagar, New Delhi-110023

Website: www.epfindia.gov.in, www.epfindia.nic.in

No...../RO/---/----/----/------ Date:

ORDER U/S 131 OF THE CODE ON SOCIAL SECURITY, 2020

(in case of Banks)

Whereas M/s ..... (herein after referred to as the establishment) is covered under the provisions of the Code on Social Security, 2020 (herein after referred to as 'the Code') with Code No. .....

Whereas the establishment has defaulted in payment of Provident Fund contributions and other dues for the period from ..... to ..... and an amount of Rs. ..... /- (Rupees .....) assessed under section 125/128/or ..... of the Code is due from the above noted establishment.

As per the information held by the office, Bank Account no. ..... and/or PAN ..... relates to the defaulting establishment and /or the employer/certificate debtor.

Now, therefore, in exercise of the powers conferred under Section 131 of the Code on Social Security, 2020, it is hereby directed to immediately attach the said sum of Rs. ..... /- (Rupees .....) from the bank account(s) / FD / Current Account / Deposit Account linked with PAN: ..... held by you for or on account of the said establishment.

It is clarified that the restraint/freeze on outgoing transactions shall be limited to the extent of the aforementioned recoverable amount of Rs. ..... /- only. Transactions, withdrawals, or operations in the said account(s) beyond or in excess of this specific amount shall not be restricted or hindered by virtue of this order.

It is further directed that no outgoing transaction shall be allowed out of the amount payable to the above establishment to any person except the [.....Insert Designation of the Officer], [.....Insert Office Location/Place] till the entire amount of arrears mentioned above is paid.

It is further directed to remit the said amount through Demand draft/banker's cheque in favour of the Regional P. F. Commissioner, Regional Office, ... payable at ..... or handover the Demand Draft to the officer so authorized to collect it.

This order shall remain in force till the entire amount of arrears mentioned above is remiited to EPFO and shall be treated as withdrawn immediately after remittance of the entire amount so attached.

Notwithstanding anything contained in any other law for the time being in force, it is also informed that the Provident Fund dues are to be paid on priority over all other debts in terms of Section 19 of the Code.

Failure to comply with the above noted direction shall attract action under Section 131(3)(j) of the Code .

Specific attention is invited to following provisions of the Code on Social Security, 2020 for information:

Section 131(2) of the Code:- If any amount is due from any person to any employer who is in arrears, the Central Provident Fund Commissioner or any other officer authorized by the Central Board in this behalf may require such person to deduct from the said amount the arrears due from such employer under this Code, and such person shall comply with any such requisition and shall pay the sum so deducted to the credit of the Central Provident Fund Commissioner or the officer so authorized, as the case may be.

Section 131(3)(a) of the Code:- The Central Provident Fund Commissioner or any other Officer authorized by the Central Board in this behalf may, at any time or from time to time, by notice and writing, require any person from whom money is due or may become due to the employer or, as the case may be, the establishment or any person who subsequently, hold money for or on any account of the employer or, as the case may be, the establishment or any person who holds or may subsequently hold money for or on account of the employer or as the case may be, the establishment, to pay to the Central Provident Fund Commissioner either forthwith upon the money becoming due or being held or at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due from the employer in respect of arrears or the whole of the money when it is equal to or less than that amount.

Section 131(3)(b) of the Code- A notice under this sub-section may be issued to any person who holds or may subsequently hold any money for or on account of the employer jointly with any other person and for the purpose of this sub-section, the shares of the joint holders in such account shall be presumed, until the contrary is proved, to be equal.

In the case of joint holders, the percentage of each joint holder's holdings shall also be furnished to the Recovery Officer by the bank.

Section 131(3)(d) of the Code- Every person to whom a notice is issued under this sub-section shall be bound to comply with such notice, and, in particular, where any such notice is issued to a post office, bank or an insurer, it shall not be necessary for any pass book, deposit receipt, policy or any other document to be produced for the purpose of any entry, endorsement or the like being made before payment is made notwithstanding any rule, practice or requirement to the contrary.

Section 131(3)(i) of the Code: Any person discharging any liability to the employer after the receipt of a notice under this sub-section shall be personally liable to the Central Provident

Fund Commissioner or the Officer so authorized to the extent of his own liability to the employer so discharged or to the extent of the employer's liability for any such due under this Code, whichever is less.

Section 131(3)(j) of the Code:- If the person to whom a notice under this sub-section is sent fails to make payment in pursuance thereof to the Central Provident Fund Commissioner or the officer so authorized he shall be deemed to be an employer in default in respect of the amount specified in the notice and further proceedings may be taken against him for the realization of the amount as if it were an arrear due form him, in the manner provided in Sections 129 to 132 of the Code and the notice shall have the same effect as an attachment of amount in arrears by the Recovery Officer in exercise of his powers under Section 129 of the Code.

Issued under my signature and seal on the ..... day of ..... (MM/YYYY)

[Insert Signature and Seal]
[Insert Designation of the Assessing Officer / Authorized Officer]

To:

_____

_____

[Insert Name and Address of the Bank / Branch / Person or Entity holding the funds]