Chapter X - Finance and accounts

Code on Social Security, 2020 | Detailed statutory, Rule, compliance, remedy and evidence guide.

Review date: 2026-07-18Authors: CA Nikhil Gupta & Kajri SinghSections: 115-121Central Rules mapped: 4Local source-hashed Act text + linked Rules and implementation analysis
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On this page

Code on Social Security, 2020 Finance and accounts four-step compliance flowchart
Finin2min decision flow — identify the law, complete the statutory process and preserve evidence.

Publication-source status: Every mapped section of the parent Code is embedded locally from the retained official India Code PDF and carries the source SHA-256. Linked 2026 Central Rules, forms, notifications and operational analysis remain subject to the official Gazette and subsequent amendments.

Chapter decision flow

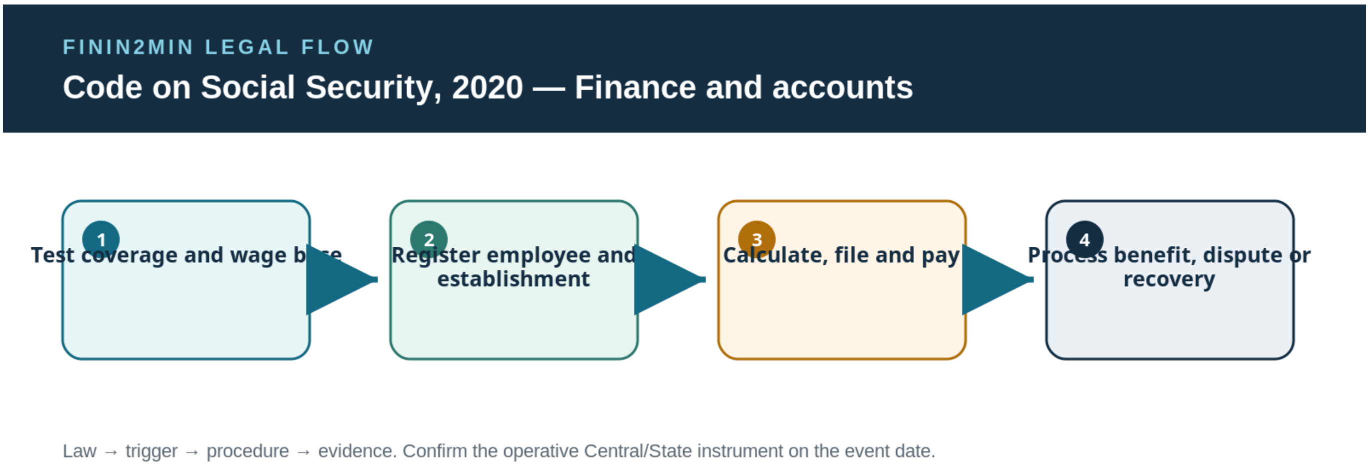
Classify establishment & person→Fix event date→Apply section and Rule→Complete form/record→Retain evidence & remedy file

Finin2min Summary - Chapter in 2 Minutes

This chapter turns finance and accounts into an operational control file. It covers Accounts, Audit, Budget estimates, Annual report; the practical sequence is to classify coverage and event date, apply the provision and mapped Rule, complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

FININ2MIN CHAPTER DECISION FLOWCHART

Chapter X - Finance and accounts



Use this flow with the chapter provision map, implementation controls, evidence checklist, limitation/forum review and remedy framework. Confirm the operative Central and State instruments on the event date.

Chapter X - Finance and accounts

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter X - Finance and accounts: coverage and event date, operative Central/State instrument, responsible owner, approval and authority, form/portal step, due date, calculation basis, supporting evidence, exception, escalation and closure proof. Reconcile payroll, HR, finance, contractor and legal records before sign-off.

Practical example

Classify the worker and establishment, identify the operative provision and notified instrument on the event date, compute the entitlement or exposure from source records, obtain approval, complete the filing/payment/action, and retain evidence. Do not use a portal value or payroll label as a substitute for the statutory test.

Calculation / control template

Control calculation: verified population or transaction base × applicable notified rate/amount × eligible period, adjusted for statutory inclusions, exclusions, ceilings, interest, compensation and prior payments. Reperform the calculation from retained source data.

Current-law control: verify the operative Central/State instrument, notification, form, portal and binding judgment on the event date. Numerical amounts in examples are illustrative unless expressly sourced.

Who is covered

Employers, employees, unorganised workers, gig/platform workers, beneficiaries and social-security authorities must identify the applicable chapter, establishment threshold and scheme.

Main obligations and rights

- Section 115: Accounts
- Section 116: Audit
- Section 117: Budget estimates
- Section 118: Annual report
- Section 119: Valuation of assets and liabilities
- Section 120: Holding of property, etc., by Social Security Organisation

Key thresholds and timelines

- Use only the threshold, rate and limitation period effective on the event date; verify the Central/State instrument before acting.

Forms, registers and evidence

- Applicable form/register, calculation file, approval and acknowledgement evidence
- Retain classification, calculation, approval, communication, acknowledgement and payment/filing proof.

Employer risk snapshot

Highest practical risks: misclassification, missed filing/notice, unsupported calculation, incomplete records and use of the wrong Central/State instrument.

Employee/worker remedy snapshot

Core protection: the substantive protection in this chapter, access to the prescribed authority/forum and a documented remedy within limitation. Confirm the authority, limitation and appeal route stated in this chapter.

Old law / transition

Map the event date and savings position against: Employees' Compensation Act, 1923; Employees' State Insurance Act, 1948; EPF and MP Act, 1952; Employment Exchanges Act, 1959; Maternity Benefit Act, 1961.

Five-point professional checklist

1. Freeze the event date, establishment, location and person/worker classification.
2. Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.
3. Reperform the calculation or decision test and document every exception or approval.
4. Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
5. Record the remedy, forum, limitation, appeal path and State variation before sign-off.

Finin2min takeaway: for finance and accounts, the defensible answer is not a policy label - it is the event-date law, the mapped procedure, the calculation and a complete evidence trail.

Download one-page Finin2min cheat sheet

Section-by-section provision map

Provision	Subject	Implementation focus
Section 115	Accounts	Trigger, linked Rule/form, evidence, consequence and remedy
Section 116	Audit	Trigger, linked Rule/form, evidence, consequence and remedy
Section 117	Budget estimates	Trigger, linked Rule/form, evidence, consequence and remedy
Section 118	Annual report	Trigger, linked Rule/form, evidence, consequence and remedy
Section 119	Valuation of assets and liabilities	Trigger, linked Rule/form, evidence, consequence and remedy
Section 120	Holding of property, etc., by Social Security Organisation	Trigger, linked Rule/form, evidence, consequence and remedy
Section 121	Writing off of losses	Trigger, linked Rule/form, evidence, consequence and remedy

Section 115: Accounts

Current statutory text

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115. Accounts.—Each of the Social Security Organisations shall maintain pr
income and expenditure in such form and in such manner as the appropriate
consultation with the Comptroller and Auditor-General of India, specify.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for accounts within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 115: accounts.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 30: Rule 30 — Administration of Fund

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 52: Rule 52 — Account and annual report

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 30, Rule 52 | Official source: section 115.

Section 116: Audit

Current statutory text

```
116. Audit.—(1) The accounts of each of the Social Security Organisations
by the Comptroller and Auditor-General of India and any expenditure incurr
such audit shall be payable by the respective Social Security Organisation
General of India.

    (2) The Comptroller and Auditor-General of India and any person appoin
the audit of the accounts of a Social Security Organisation shall have the
authority in connection with such audit as the Comptroller and Auditor-Gen
with the audit of Government accounts and, in particular, shall have the r
books, accounts, connected vouchers, documents and papers and to inspect a
Security Organisation.


    (3) The accounts of a Social Security Organisation as certified by the
of India or any other person appointed by him in this behalf together with
forwarded to the Social Security Organisation which shall along with its c
the Comptroller and Auditor-General of India forward the same to the appro
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Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for audit within the Finance And Accounts Chapter.
3. Legal test 2

4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 116: audit.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 30: Rule 30 — Administration of Fund

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 52: Rule 52 — Account and annual report

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 30, Rule 52 | Official source: section 116.

Section 117: Budget estimates

Current statutory text

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117. Budget estimates.— (1) Each of the Social Security Organisations shal
budget showing the probable receipts and the expenditure which it proposes
year and shall submit a copy of the budget for the approval of the appropr
as may be fixed by it in that behalf.

    (2) The budget shall contain provisions adequate in the opinion of the
discharge of the liabilities incurred by the Social Security Organisation
working balance.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for budget estimates within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 117: budget estimates.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 30: Rule 30 — Administration of Fund

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 52: Rule 52 — Account and annual report

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 30, Rule 52 | Official source: section 117.

Section 118: Annual report

Current statutory text

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118. Annual report.— (1) Each of the Social Security Organisations shall s
Government an annual report of its work and activities and the budget fina
Organisation.

    (2) The appropriate Government shall cause a copy of the annual report
accounts together with the report of the Comptroller and Auditor-General o
the respective Social Security Organisation thereon to be laid before each
legislature, as the case may be.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for annual report within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.

5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 118: annual report.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 30: Rule 30 — Administration of Fund

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 52: Rule 52 — Account and annual report

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 30, Rule 52 | Official source: section 118.

Section 119: Valuation of assets and liabilities

Current statutory text

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119. Valuation of assets and liabilities.— Each of the fund maintained by
Organisation or by an establishment under this Code shall have a valuation
by a valuer or actuary, as the case may be, appointed, with the prior appr
by such Social Security Organisation or the establishment, as the case may
namely:—

      (a) in case of Central Board, annually;

      (b) in case of Corporation, once in every three years;

       (c) in case of any other Social Security Organisation or establishm
   Government, by order:

    Provided that the appropriate Government, if it considers necessary, m
made at such intervals other than provided in this section.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for valuation of assets and liabilities within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 119: valuation of assets and liabilities.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 30: Rule 30 — Administration of Fund

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 30 | Official source: section 119.

Section 120: Holding of property, etc., by Social Security Organisation

Current statutory text

```
120. Holding of property, etc, by Social Security Organisation.—(1) A Soci
(except Corporation) may, subject to such conditions as may by Social Secu
by the appropriate Government, acquire and hold property, both movable and
transfer any movable or immovable property which may have become vested in
it and do all things necessary for such purposes and for the purposes for 
Organisation is established.

    (2) Subject to such conditions as may be prescribed by the appropriate
Organisation may, from time to time invest any moneys vested in it, which 
for expenses properly defrayable and may, subject to as aforesaid, from ti
such investments:

    Provided that in case of Provident Fund, Pension Fund or Insurance Fun
investment or realisation shall be specified in the Provident Fund Scheme 
Scheme, as the case may be.
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    (3) Each of the Social Security Organisations (except Corporation) may
the appropriate Government and on such terms as may be prescribed by such
take measures for discharging such loans.

    (4) Each of the Social Security Organisations (except Corporation) may
the appropriate Government and on such terms as may be prescribed by such


the benefit of its officers and staff or any class of them, such provident
fit:

    Provided that in case of officers and staff of the Central Board, such
Provident Fund Scheme.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for holding of property, etc., by social security organisation within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 120: holding of property, etc., by social security organisation.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 50: Rule 50 — Rules under section 120

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 50 | Official source: section 120.

Section 121: Writing off of losses

Current statutory text

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121. Writing off of losses.—Subject to the conditions as may be prescribed
Government, where any of the Social Security Organisations  is of the opin
contribution, cess, interest and damages due to it, under this Code, is ir
Security Organisation may sanction the writing off of the said amount in s
by the appropriate Government:

    Provided that in the case of Provident Fund, Pension Fund or Insurance
specified in the Provident Fund Scheme or Pension Scheme or Insurance Sche


                                   CHAPTER XI
                           AUTHORITIES, ASSESSMENT, COMPLIANCE AND RECOVERY
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for writing off of losses within the Finance And Accounts Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.

7. Implementation control
8. Trigger
9. Document the facts that activate section 121: writing off of losses.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 51: Rule 51 — Conditions for writing off irrecoverable dues

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 51 | Official source: section 121.

Rules, forms, registers, portals and due dates

Rule	Subject	Text/control status
30	Rule 30 — Administration of Fund	Source-controlled mapping
52	Rule 52 — Account and annual report	Source-controlled mapping

Rule	Subject	Text/control status
50	Rule 50 — Rules under section 120	Source-controlled mapping
51	Rule 51 — Conditions for writing off irrecoverable dues	Source-controlled mapping

Forms and registers must be confirmed from the appended 2026 Central Rules and the live portal applicable to the appropriate Government. A form is not treated as current merely because an earlier law used the same number.

Notifications and effective-date history

Control	Required action
Enactment	Record Act number, assent and Gazette publication.
Commencement	Use the provision-specific commencement notification; the four Codes became broadly operative from 21 November 2025 subject to earlier partial commencement and corrigenda.
Central Rules	Read the applicable 2026 Central Rules from their Gazette date and verify subsequent amendments.
State instrument	Check final State Rules, authority notifications, forms and rates where the State is appropriate Government.

Old-law/new-Code concordance

Predecessor law	Transition control
Employees' Compensation Act, 1923	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Employees' State Insurance Act, 1948	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
EPF and MP Act, 1952	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Employment Exchanges Act, 1959	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Maternity Benefit Act, 1961	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.

Predecessor law	Transition control
Payment of Gratuity Act, 1972	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Cine Workers Welfare Fund Act, 1981	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
BOCW Welfare Cess Act, 1996	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Unorganised Workers' Social Security Act, 2008	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.

Practical calculations and control file

Calculation sequence

1. Freeze the employee/worker population and event date.
2. Apply the statutory wage/benefit base and notified threshold.
3. Reconcile attendance, service, payroll and contractor records.
4. Calculate principal amount, interest/damages and any statutory compensation separately.
5. Obtain legal/payroll approval and retain the versioned worksheet.

Three-owner sign-off

- **Employer/HR:** facts, classification, communication and workflow.
- **Employee/worker:** notice, records, nomination/claim and acknowledgement.
- **Professional:** source, formula, forum, limitation and evidence reconciliation.

Binding and highly relevant case-law principles

Older cases are included for principles only. Their continued application must be tested against the current Code wording, repeal-and-savings clause and later judgments.

Decision	Principle and present-use caution
Regional Director, ESI Corporation v. Ramanuja Match Industries	Social-security legislation is beneficial, but coverage and contribution liability still turn on statutory definitions and evidence.

Decision	Principle and present-use caution
Organo Chemical Industries v. Union of India	Social-security defaults may attract compensatory and deterrent consequences; separate principal contribution, interest, damages and prosecution.
Jeewanlal (1929) Ltd. v. Appellate Authority	Gratuity is a statutory terminal benefit; eligibility and forfeiture require strict application of the governing text.
Municipal Corporation of Delhi v. Female Workers	Maternity protection is interpreted purposively, while present claims must be tested under the Code and current Rules.

State-law variation alerts

- Confirm whether the Central or State Government is the appropriate Government.
- Central Rules do not automatically displace valid State Rules, rates, registers, authorities or portal procedures.
- Minimum-wage rates, holidays, working-hours permissions, licences and local welfare obligations require State-specific verification.
- Record Gazette number, effective date and supersession status in the location compliance register.

Practical transaction application

Use the chapter in hiring, payroll migration, contractor onboarding, M&A diligence, business transfer, employee exits, death/injury claims, gratuity, maternity, gig/platform arrangements and benefit-fund reconciliations. Test coverage and contribution periods at employee and establishment level.

Authority, consent and execution controls

Assign responsibility among the employer, principal employer, payroll owner, authorised officer, nominee/claimant, social-security organisation and competent authority. Board approval or employee consent does not replace statutory registration, contribution, nomination, deposit or claim procedure.

Stamp duty and registration alerts

Contribution records and statutory returns ordinarily do not require registration, but nominations, settlements, assignments, security documents and business-transfer instruments may have separate State stamp or registration implications. Preserve the distinction between benefit filing and instrument validity.

Evidence and document-retention checklist

Retain the operative law/rule version, classification note, approvals, signed instruments, statutory forms, portal acknowledgements, registers, calculations, bank proof, correspondence, inspection records, service proof, decision and appeal file. Apply the longer of the statutory retention rule, litigation hold, tax/audit need and contractual requirement; restrict access to personal and sensitive data.

Performance, delivery and payment controls

Reconcile employee master, wage base, contribution file, challan, bank debit, return, nomination and benefit claim. For exits, deaths, injuries and transfers, create an event-date checklist with owner, statutory clock, documentary dependency and payment evidence.

Breach, loss, mitigation and remedy framework

On detecting a breach, stop continuing exposure, preserve evidence, quantify employee and government dues, identify affected persons, make lawful corrective payment/filing, notify the authorised decision-maker, assess self-disclosure or compounding where available, and reserve contractual recovery against responsible vendors without delaying statutory remediation.

Limitation and forum controls

Use the designated social-security authority, competent authority, tribunal or appellate forum. Track assessment, determination, recovery, benefit rejection and appeal dates independently; a contractual forum clause cannot defeat the statutory remedy.

Arbitration and mediation interface

Mediation may narrow factual or computation disputes but cannot waive mandatory contributions, statutory benefit eligibility, recovery powers or offences. Any settlement must identify what remains subject to authority approval or statutory adjudication.

Company, partnership, GST and tax overlays

For a company, align board/delegation and officer-in-default controls; for an LLP or partnership, identify the designated partner/partner and authorised employer representative. Labour dues can affect transaction price, indemnities, director/partner exposure and insolvency claims. Salary/TDS, perquisite, contractor TDS, GST on outsourced services and accounting provisions must be reconciled without treating tax treatment as proof of labour-law classification.

Finin2min Q&A

Which law and version should be applied?

Use the current text of Code on Social Security, 2020, the commencement notification, the applicable Central or State Rules and any later instrument effective on the event date.

How is the appropriate Government identified?

Classify ownership/control, sector, establishment and contractor relationship before selecting the Central or State authority.

Can a company policy override the statutory protection?

No. A policy may improve a benefit or control, but it cannot contract out of a mandatory statutory floor.

What evidence should be retained?

Retain the classification memo, source instrument, form/portal record, calculation, approval, employee communication, acknowledgement and payment or authority proof.

Do the Central Rules apply to every establishment?

No. They govern the Central sphere. State Rules and State notifications must be checked where the State is the appropriate Government.

How should a historical event be tested?

Apply the law and subordinate instrument effective on the event date, then use the repeal-and-savings provision for pending rights and proceedings.

What happens when portal practice conflicts with the statute?

Record the conflict, follow the higher legal instrument, seek authority clarification where necessary and preserve screenshots and correspondence.

Can criminal and monetary consequences arise together?

They may. Separate wages/benefits, interest, damages, civil penalty, prosecution, compounding and director/officer liability.

Is a contractor arrangement enough to shift liability?

No. Principal-employer and contractor liabilities depend on the specific provision and facts; the contract should allocate evidence and recovery without diluting worker rights.

What is the first professional review step?

Freeze the event date and facts, identify the applicable provision, then map Rules, forms, notification status, authority, limitation and evidence.

What is the operational focus of section 115 - Accounts?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 116 - Audit?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 117 - Budget estimates?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 118 - Annual report?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 119 - Valuation of assets and liabilities?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 120 - Holding of property, etc., by Social Security Organisation?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 121 - Writing off of losses?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is review control 18 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

← Previous: Unorganised, gig and platform workersNext: Assessment, compliance and recovery →