Chapter XI - Assessment, compliance and recovery

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

Review date: 2026-07-18Authors: CA Nikhil Gupta & Kajri SinghSections: 122-132Central Rules mapped: 1Local source-hashed Act text + linked Rules and implementation analysis
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On this page

> Code on Social Security, 2020 Assessment, compliance and recovery 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

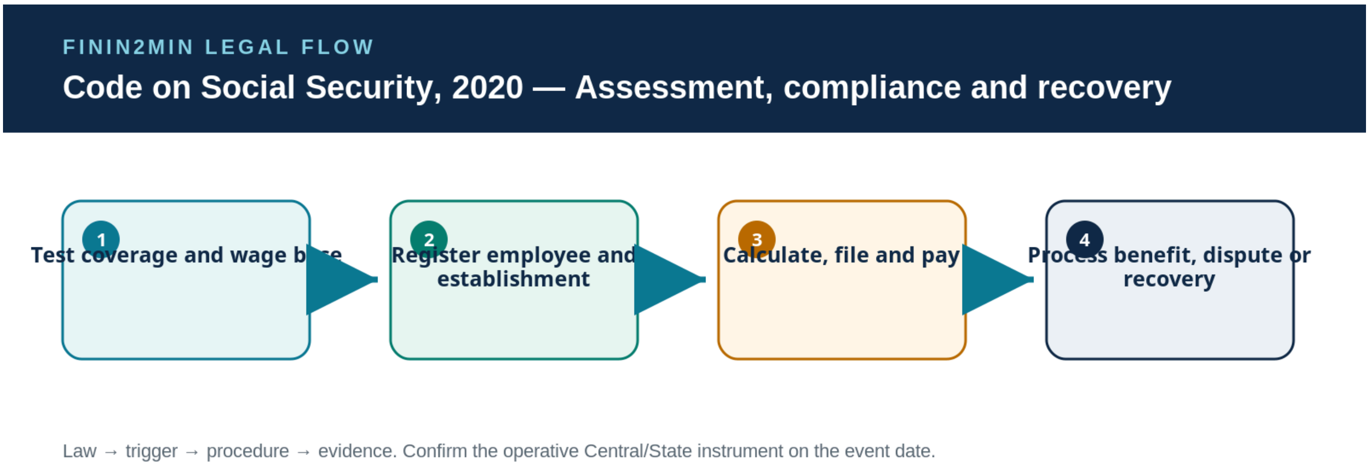
Classify establishment & person→Fix event date→Apply section and Rule→Complete form/record→Retain evidence & remedy file

Finin2min Summary - Chapter in 2 Minutes

This chapter turns assessment, compliance and recovery into an operational control file. It covers Appointment of Inspector-cum-Facilitators and their powers, Maintenance of records, registers, returns, etc., Employer not to reduce wages, etc., Assessment and determination of dues from employer; the practical sequence is to classify coverage and event date, apply the provision and mapped Rule,

FININ2MIN CHAPTER DECISION FLOWCHART

Chapter XI - Assessment, compliance and recovery



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 XI - Assessment, compliance and recovery

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter XI - Assessment, compliance and recovery: 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.

complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

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 122: Appointment of Inspector-cum-Facilitators and their powers
- Section 123: Maintenance of records, registers, returns, etc.
- Section 124: Employer not to reduce wages, etc.
- Section 125: Assessment and determination of dues from employer
- Section 126: Appeal against order of authorised officer relating to Chapter IV
- Section 127: Interest on amount due

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 assessment, compliance and recovery, 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 122	Appointment of Inspector-cum-Facilitators and their powers	Trigger, linked Rule/form, evidence, consequence and remedy
Section 123	Maintenance of records, registers, returns, etc.	Trigger, linked Rule/form, evidence, consequence and remedy
Section 124	Employer not to reduce wages, etc.	Trigger, linked Rule/form, evidence, consequence and remedy
Section 125	Assessment and determination of dues from employer	Trigger, linked Rule/form, evidence, consequence and remedy
Section 126	Appeal against order of authorised officer relating to Chapter IV	Trigger, linked Rule/form, evidence, consequence and remedy

Provision	Subject	Implementation focus
Section 127	Interest on amount due	Trigger, linked Rule/form, evidence, consequence and remedy
Section 128	Power to recover damages	Trigger, linked Rule/form, evidence, consequence and remedy
Section 129	Recovery of amount due	Trigger, linked Rule/form, evidence, consequence and remedy
Section 130	Validity of certificate and amendment thereof	Trigger, linked Rule/form, evidence, consequence and remedy
Section 131	Other modes of recovery	Trigger, linked Rule/form, evidence, consequence and remedy
Section 132	Application of certain provisions of Income-tax Act	Trigger, linked Rule/form, evidence, consequence and remedy

Section 122: Appointment of Inspector-cum-Facilitators and their powers

Current statutory text

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122. Appointment of Inspector-cum- Facilitators and their powers.—(1) The
for the purposes of Chapter III and Chapter IV and for the provisions in t
and the appropriate Government for the purposes of other provisions of thi
appoint Inspectorcum-Facilitators who shall discharge his duties under thi
conferred on them under sub-section (6) in accordance with the inspection
sub-section (2).

    (2) The Central Government for the purposes of Chapter III and Chapter
this Code relating to those Chapters and the appropriate Government in res
Code, may, by notification, lay down an inspection scheme which may provid
based inspection and calling of information relating to the inspection und
such scheme shall, inter alia, have provisions to cater to special circums
and calling for information from the establishment or any other person.

    (3) Without prejudice to the provisions of sub-section (2), the Centra
Chapter III and Chapter IV and the other provisions in this Code relating
appropriate Government in relation to other provisions of this Code, may,
jurisdiction of randomised selection of inspection for the purposes of thi
Facilitators as may be specified in such notification.
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(4) Without prejudice to the powers of the Central Government or the a
case may be, under this section, the inspection scheme may be designed tak
following factors, namely:—

(a) assignment of unique number to each establishment (which will number allotted to that establishment), each Inspector-cum-Facilitator manner as may be notified for the purposes of Chapter III and Chapter I this Code relating to those Chapters, by the Central Government, and this Code, by the appropriate Government;

(b) timely uploading of inspection reports in such manner and subj notified, for the purposes of Chapter III and Chapter IV and the other to those Chapters, by the Central Government, and in respect of other appropriate Government;

(c) provisions for special inspections based on such parameters a of Chapter III and Chapter IV and the other provisions of this Code re Central Government, and in respect of other provisions of this Code, b and

(d) the characteristics of employment relationships, the nature of workplaces based on such parameters as may be notified, for the purpos IV and the other provisions of this Code relating to those Chapters, by respect of other provisions of this Code, by the appropriate Governmen

(5) The Inspector-cum-Facilitator may—

(a) advice the employers and employees relating to compliance with and

(b) inspect the establishments as assigned to him under the provis

subject to the instructions or guidelines issued by the appropriate Govern

(6) Subject to the provisions of sub-section (4), the Inspector-cum-Fa

(a) examine any person who is found in any premises of the establi cum-Facilitator has reasonable cause to believe, is an employee of the

(b) require any person whom the Inspector-cum-Facilitator has reas employer of the establishment, to produce any document or to give any i power with respect to any of the purposes for which the inspection is m

(c) search, seize or take copies of such register, record of wage the Inspector-cum-Facilitator may consider relevant in respect of an o the Inspector-cum-Facilitator has reason to believe has been committed

(d) bring to the notice of the appropriate Government defects or a the time being in force; and

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        (e) exercise such other powers as may be prescribed by the approp

    (7) Any person required to produce any document or to give any informa
cum-Facilitator for the purposes of sub-section (6) shall be deemed to be
meaning of section 175 and section 176 of the Indian Penal Code (45 of 186

    (8) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974)
to the search or seizure for the purposes of sub-section (6), as they appl
the authority of a warrant issued under section 94 of the said Code.
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Finin2min clause-by-clause decode

1. Legal test 1
2. Inspection should follow notified web-based/randomised schemes where applicable; facilitate access while preserving privilege and an evidence log.
3. Implementation control
4. Trigger
5. Document the facts that activate section 122: appointment of inspector-cum-facilitators and their powers.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 122.

Section 123: Maintenance of records, registers, returns, etc.

Current statutory text

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123. Maintenance of records, registers, returns, etc.— An employer of an e

    (a) maintain records and registers in the form prescribed by the appro
or otherwise, containing such particulars and details with regard to perso
and such other particulars and details, in such manner, as may be prescrib
including—

          (i) number of days for which work performed by employees;

           (ii) number of hours of work performed by the employees;

           (iii) wage paid;

         (iv) leave, leave wages, wages for overtime work and attendance;

         (v) employees identification number, by whatever nomenclature it

         (vi) number of dangerous occurrences, accidents, injuries in resp
   been paid by the employer and the amount of such compensation relating
    Chapter VII, respectively;

          (vii) statutory deductions made by employer from the wages of an
    Chapter III and Chapter IV;

          (viii) details as to cess paid in respect of building and other



         (ix) total number of employees (regular, contractual or fixed ter
    specified;
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        (x) persons recruited during a particular period;

        (xi) occupational details of the employees; and

         (xii) vacancies for which suitable candidates were not available

    (b) display notices at the workplaces of the employees in such manner
by the appropriate Government;

    (c) issue wage slips to the employees, in electronic forms or otherwis

    (d) file such return electronically or otherwise to such officer or au
such periods as may be prescribed by the appropriate Government:

    Provided that matters to be provided under the rules required to be ma
Chapter III shall, instead of providing them in rules to be made by the Ce
the Provident Fund Scheme or the Pension Scheme or the Insurance Scheme, a

    Provided further that the forms of records and registers and that of t
Chapter IV shall be specified in the regulations instead of providing them
```

Finin2min clause-by-clause decode

1. Legal test 1
2. Electronic registers and returns must reconcile payroll, contractor, ESI, PF, gratuity, maternity and BOCW source systems.
3. Implementation control
4. Trigger
5. Document the facts that activate section 123: maintenance of records, registers, returns, etc..
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

Central Rule 53: Rule 53 — Form and manner for maintenance of records and registers, etc.

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

Practical example

The establishment creates a trigger ticket when coverage changes, assigns the authorised signatory, uploads the prescribed attachments, captures the acknowledgement and retains a versioned copy of the form, payment and approval.

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 53 | Official source: section 123.

Section 124: Employer not to reduce wages, etc.

Current statutory text

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124. Employer not to reduce wages, etc.— No employer in relation to an est
Code or any scheme framed thereunder applies shall, by reason only of his
contribution under this Code, or any charges thereunder reduce whether dir
any employee to whom the provisions of this Code or any scheme framed ther
quantum of benefits to which such employee is entitled under the terms of
implied.
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Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for employer not to reduce wages, etc. within the Authorities, Assessment, Compliance And Recovery 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 124: employer not to reduce wages, etc..
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

Practical example

A payroll team tests the employee category, wage period, notified rate, permitted exclusions and documentary proof before releasing payroll. It records the calculation, approval, bank output and wage slip so that every disputed limb can be reconstructed.

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: No direct Central Rule mapped in the repository concordance | Official source: section 124.

Section 125: Assessment and determination of dues from employer

Current statutory text

125. Assessment and determination of dues from employer.—(1) The Central G
notification, authorise, such officers of the Central Board or the Corpora
the rank of Group 'A' officer of that Government, to function as the Autho
Chapter III or Chapter IV, as the case may be, who may, by order—

(a) in a case where a dispute arises regarding the applicability o
case may be, to an establishment, decide such dispute; and

(b) determine the amount due from any employer under any provision
as the case may be, or the schemes, or rules, regulations made under s

(c) for any of the purposes relating to clause (a) and clause (b)
deem necessary for such purposes:

Provided that no proceeding under this sub-section shall be initiated
five years from the date on which the dispute referred to in clause (a) is
the case may be, the amount referred to in clause (b) is alleged to have b

(2) Notwithstanding anything contained in the Code of Civil Procedure,
under sub-section (1), as far as practicable, shall be held on day-to-day
to ensure that the inquiry is concluded within a period of two years:

Provided that where the inquiry is not concluded within the said perio
Officer conducting such inquiry shall record the circumstances and reasons
and submit the circumstances and reasons so recorded to the Central Provid
Director General of the Corporation, as the case may be, or such other off
behalf:

Provided further that the Central Provident Fund Commissioner or the D
Corporation, as the case may be, after considering the circumstances and t
submitted by the Authorised Officer may grant an extension for a period up
inquiry:

Provided also that the inquiries which are pending immediately before
this Code shall be concluded by the Authorised Officer within a period not
date of such commencement.

(3) The Authorised Officer conducting the inquiry under sub-section (1
inquiry have the same powers as are vested in a court under the Code of Ci
for trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person or examining him on oat

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit; and

(d) issuing commissions for the examination of witnesses,

and any such inquiry shall be deemed to be a judicial proceeding within th
228, and for the purpose of section 196 of the Indian Penal Code (45 of 18

(4) No order shall be made under sub-section (1), unless the employer
opportunity of representing his case.

(5) Where the employer, employee or any other person required to atten
sub-section (1) fails to attend such inquiry without assigning any valid r
document or to file any report or return when called upon to do so by the
the inquiry, such inquiry officer may decide the applicability of the rele
determine the amount due from any employer, as the case may be, on the bas
during such inquiry and other documents available on record.

(6) Where an order under sub-section (1) is passed against an employer
months from the date of communication of such order, apply to the Authoris
such order and if the Authorised Officer is satisfied that the show cause
such employer was prevented by any sufficient cause from appearing when th
Authorised Officer shall make an order setting aside his earlier order and
with the inquiry:

Provided that no such order shall be set aside merely on the ground th
in the service of the show cause notice if the Authorised Officer is satis
the date of hearing and had sufficient time to appear before the Authorise

Explanation.—Where an appeal has been preferred under this Code against
and such appeal has been disposed of otherwise than on the ground that the
appeal, no application shall lie under this sub-section for setting aside

(7) No order passed under this section shall be set aside on any appli
notice thereof has been served on the opposite party.

Finin2min clause-by-clause decode

1. Legal test 1
2. Assessment requires notice, opportunity, quantified period and evidence; limitation and completion timelines must be diarised.
3. Implementation control
4. Trigger
5. Document the facts that activate section 125: assessment and determination of dues from employer.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner

9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 125.

Section 126: Appeal against order of authorised officer relating to Chapter IV

Current statutory text

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126. Appeal against order of Authorised Officer relating to Chapter IV.—If
satisfied with the order referred to in section 125 and relates to Chapter
appellate authority not below the rank of the Joint Director of the Corpor
regulations, within sixty days from the date of such order after depositin
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contribution so ordered or the contribution as per his own calculation, wh
Corporation:

    Provided that the appellate authority shall decide the appeal within a
of preferring the appeal:

    Provided further that if the employer finally succeeds in the appeal,
deposit to the employer together with such interest as may be specified in
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Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for appeal against order of authorised officer relating to chapter iv within the Authorities, Assessment, Compliance And Recovery 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 126: appeal against order of authorised officer relating to chapter iv.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 126.

Section 127: Interest on amount due

Current statutory text

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127. Interest on amount due.— Except where expressly provided otherwise in
shall be liable to pay simple interest at such rate as may be notified fro



Government, from the date on which any amount has become due under this Co
payment.
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Finin2min clause-by-clause decode

1. Legal test 1
2. Interest is compensatory and generally follows the statutory due date; later payment does not erase exposure.
3. Implementation control
4. Trigger
5. Document the facts that activate section 127: interest on amount due.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 127.

Section 128: Power to recover damages

Current statutory text

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128. Power to recover damages.—Where an employer makes default in the paym
contribution which he is liable to pay in accordance with the provisions o
case may be, or any scheme framed thereunder or in the transfer of accumul
the payment of any charges payable under any other provision of this Code,
Commissioner or the Director General of the Corporation, as the case may b
be authorised, by notification, by the appropriate Government, may levy on
by way of damages, an amount not exceeding the amount of arrears, in such 
the regulations for the purposes of Chapter IV and in respect of Provident
and Insurance Scheme, such levy and recovery shall be in the manner as may
schemes framed by the Central Government:
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    Provided that before levying and recovering such damages, the employer
of being heard:

    Provided further that the Central Board or the Corporation, as the cas
the damages levied under this section in relation to an establishment for
repayment plan recommending such waiver has been approved by the adjudicat
under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) subject to the
be specified by notification, by the Central Government.
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Finin2min clause-by-clause decode

1. Legal test 1
2. Damages require the notified scale/process and a speaking decision after opportunity.
3. Implementation control
4. Trigger
5. Document the facts that activate section 128: power to recover damages.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 128.

Section 129: Recovery of amount due

Current statutory text

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129. Recovery of amount due.— (1) Any amount due from an employer or any o
to an establishment including any contribution or cess payable, charges, i
other amount may, if the amount is in arrear, be recovered in the manner s
sections 130 to 132.

    (2) Where any amount is in arrear under this Code, the Authorised Offi
as the case may be, shall issue to the Recovery Officer referred to in sub
electronically or otherwise, specifying the amount of arrears and the Reco
certificate, shall proceed to recover the amount specified therein from th
be, the employer by one or more of the modes mentioned below, namely:—

        (a) attachment and sale of the movable or immovable property of th
   may be, of the employer;

        (b) arrest of the employer and his detention in prison;

         (c) appointing a receiver for the management of the movable or im
    defaulter:

    Provided that the attachment and sale of any property under this secti
the properties of the establishment and where such attachment and sale is
whole of the amount or arrears specified in the certificate, the Recovery
against the property of the employer for recovery of the whole or any part

    (3) The Authorised Officer or the competent authority, as the case may
sub-section (2), notwithstanding that proceeding for recovery of the arrea
taken.

    (4) The Authorised Officer or the competent authority, as the case may
issued under this section, to the Recovery Officer within whose jurisdicti

        (a) carries on his business or profession or within whose jurisdic
    establishment is situate; or

        (b) resides or any movable or immovable property of, the establish
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    (5) Where an establishment or the employer has property within the jur
Recovery Officer and the Recovery Officer to whom a certificate is sent by
competent authority, as the case may be—


      (a) is not able to recover the entire amount by the sale of the prop
    his jurisdiction, or

      (b) is of the opinion that, for the purpose of expediting or securin
    part of the amount, it is necessary so to do,

he may send the certificate or, where only a part of the amount is to be r
certified by him, specifying the amount to be recovered, to the Recovery O
the establishment or the employer has property or the employer resides, an
Officer shall proceed to recover the amount due under this section as if t
had been the certificate sent to him by the Authorised Officer or the comp
be.
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Finin2min clause-by-clause decode

1. Legal test 1
2. Recovery can proceed through certificate and statutory recovery machinery; maintain appeal/stay status centrally.
3. Implementation control
4. Trigger
5. Document the facts that activate section 129: recovery of amount due.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for inspection, records, assessment, interest, damages and recovery; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 129.

Section 130: Validity of certificate and amendment thereof

Current statutory text

```
130. Validity of certificate and amendment thereof.—(1) When the Authorise
competent authority, as the case may be, issues a certificate to a Recover
shall not be open to the employer to dispute before the Recovery Officer t
no objection to the certificate on any other ground shall be entertained b

    (2) Notwithstanding the issue of a certificate to a Recovery Officer,
competent authority, as the case may be, shall have power to withdraw the
or arithmetical mistake in the certificate by sending intimation to the Re

    (3) The Authorised Officer or the competent authority, as the case may
Recovery Officer any orders of withdrawing or cancelling a certificate or
respect of the said certificate under sub-section (2).

    (4) Notwithstanding that a certificate has been issued to the Recovery
amount, the Authorised Officer or the competent authority, as the case may
employer for payment of the amount recoverable under the certificate and t
shall stay the proceedings until the expiry of the time so granted.

    (5) Where a certificate for the recovery of amount has been issued, th
competent authority, as the case may be, shall keep the Recovery Officer i
time granted for payment, subsequent to the issue of such certificate.

    (6) Where the order giving rise to a demand of amount for which a cert
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issued under section 129 has been modified in appeal or other proceeding u
reduction of the demand but the order is the subject matter of further pro
Authorised Officer or the competent authority, as the case may be, shall s
the amount of the certificate as pertains to the said reduction for the pe
proceeding remains pending.

    (7) Where a certificate for the recovery of amount has been issued and
outstanding demand is reduced as a result of an appeal or other proceeding
Officer or the competent authority, as the case may be, shall, when the or
such appeal or other proceeding becomes final and conclusive, amend the ce
case may be in consonance with such finality or conclusion.
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for validity of certificate and amendment thereof within the Authorities, Assessment, Compliance And Recovery 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 130: validity of certificate and amendment thereof.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 130.

Section 131: Other modes of recovery

Current statutory text

```
131. other modes of recovery.— (1) Notwithstanding the issue of a certific
under section 129, the Central Provident Fund Commissioner or the Director
as the case may be, or any other officer of such Social Security Organisat
behalf, may, recover the amount by any one or more of the modes provided i

    (2) If any amount is due from any person to any employer who is in arr
Commissioner or the Director General of the Corporation, as the case may b
Social Security Organisation authorised by it in this behalf, may, require
said amount the arrears so due, and such person shall comply with any such
sum so deducted to the credit of the Central Provident Fund Commissioner o
Corporation, as the case may be, or any other officer of such Social Secur
it in this behalf:


    Provided that nothing in this sub-section shall apply to any part of t
in execution of a decree of a civil court under section 60 of the Code of

    (3) (a) The Central Provident Fund Commissioner or the Director Genera
case may be, or any other officer of such Social Security Organisation aut
at any time or from time to time, by notice in writing, require any person
become due to the employer or, as the case may be, the establishment or an
subsequently hold money for or on account of the employer or, as the case
pay to the Central Provident Fund Commissioner or the Director General of
may be, or any other officer authorised by it in this behalf either forthw
or being held at or within the time specified in the notice (not being bef
held) so much of the money as is sufficient to pay the amount due from the
or the whole of the money when it is equal to or less than that amount.

    (b) A notice under this sub-section may be issued to any person who ho
any money for or on account of the employer jointly with any other person
```

section, the shares of the joint holders in such account shall be presumed
equal.

(c) A copy of the notice shall be forwarded to the employer at his las
Provident Fund Commissioner or the Director General of the Corporation, as
officer of such Social Security Organisation authorised by it in this beha
to all the joint holders at their last addresses so known.

(d) Save as otherwise provided in this sub-section, every person to wh
sub-section shall be bound to comply with such notice, and, in particular,
to a post office, bank or an insurer, it shall not be necessary for any pa
any other document to be produced for the purpose of any entry, endorsemen
payment is made notwithstanding any rule, practice or requirement to the c

(e) Any claim respecting any property in relation to which a notice un
issued arising after the date of the notice shall be void as against any d

(f) Where a person to whom a notice under this sub-section is sent ob
that the sum demanded or any part thereof is not due to the employer or th
for or on account of the employer, then, nothing contained in this sub-sec
such person to pay any such sum or part thereof, as the case may be, but i
statement was false in any material particular, such person shall be perso
Fund Commissioner or the Director General of the Corporation, as the case
such Social Security Organisation authorised by it in this behalf, to the
employer on the date of the notice, or to the extent of the employer's lia
Code, whichever is less.

(g) The Central Provident Fund Commissioner or the Director General of
may be, or any other officer of such Social Security Organisation authoris
any time or from time to time, amend or revoke any notice issued under thi
for making any payment in pursuance of such notice.

(h) The Central Provident Fund Commissioner or the Director General of
may be, or any other officer of such Social Security Organisation authoris
a receipt for any amount paid in compliance with a notice issued under thi
paying shall be fully discharged from his liability to the employer to the

(i) Any person discharging any liability to the employer after the re
sub-section shall be personally liable to the Central Provident Fund Commi
of the Corporation, as the case may be, or any other officer of such Socia
by it in this behalf, to the extent of his own liability to the employer s
employer's liability for any sum due under this Code, whichever is less.

(j) If the person to whom a notice under this sub-section is sent fai
thereof to the Central Provident Fund Commissioner or the Director General
may be, or any other officer of such Social Security Organisation authoris
deemed to be an employer in default in respect of the amount specified in
may be moved against him for the realisation of the amount as if it were a
manner provided in sections 129 to 132 and the notice shall have the same
in arrears by the Recovery Officer in exercise of his powers under section

```
    (4) The Central Provident Fund Commissioner or the Director General of
may be, or any other officer of such Social Security Organisation authoris
to the court in whose custody there is money belonging to the employer for
amount of such money, or if it is more than the amount due, an amount suff
due.

    (5) The Central Provident Fund Commissioner or the Director General of
may be, or any other officer of such Social Security Organisation authoris
authorised by the Central Government by general or special order, recover
an employer or, as the case may be, from the establishment by distraint an
property in the manner laid down in the Third Schedule to the Income-tax A
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for other modes of recovery within the Authorities, Assessment, Compliance And Recovery 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 131: other modes of recovery.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 131.

Section 132: Application of certain provisions of Income-tax Act

Current statutory text

```
132. Application of certain provisions of Income-tax Act.—The provisions o
and the Third Schedule to the Income-tax Act, 1961 and the Income-tax (Cer
1962, as in force from time to time, shall apply with necessary modificati
the rules referred to the amount in arrears of the amount mentioned in sec
to the income-tax:

    Provided that any reference in the said provisions and the rules to th
a reference to an employer or establishment, as the case may be.

                                            CHAPTER XII
                                              OFFENCES AND PENALTIES
```

Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for application of certain provisions of income-tax act within the Authorities, Assessment, Compliance And Recovery 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 132: application of certain provisions of income-tax act.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: section 132.

Rules, forms, registers, portals and due dates

Rule	Subject	Text/control status
53	Rule 53 — Form and manner for maintenance of records and registers, etc.	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.
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.

Predecessor law	Transition control
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.
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.

Decision	Principle and present-use caution
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 122 - Appointment of Inspector-cum-Facilitators and their powers?

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 123 - Maintenance of records, registers, returns, etc.?

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 124 - Employer not to reduce wages, etc.?

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 125 - Assessment and determination of dues from employer?

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 126 - Appeal against order of authorised officer relating to Chapter IV?

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 127 - Interest on amount due?

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 128 - Power to recover damages?

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 129 - Recovery of amount due?

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.