To,

All Addl CPFCs (Zones),
All RPFCs–In Charge of Regions

Subject: - Attachment of bank accounts for enforcing appearance.

Sir,

Instances have been noticed in which the officers conducting inquiries u/s 7A have issued orders to attach/freeze bank accounts of the establishments/ personal accounts of the employers for alleged non-appearance in such inquiries. Such practices have attracted a lot of adverse observations from Constitutional Courts and other quarters.

In so far as the power to impose fines for non-appearance, by invocation of section 32 CPC is concerned, it may be noted that the power of a Civil Court, and consequently an officer exercising jurisdiction under section 7A, in imposing a pecuniary fine for willful absence of a party summoned, is restricted to the amount of Rupees Five thousand only by virtue of section 32, ibid.

The power to attach and sell property for non-appearance is also subject to limitations prescribed in rule 10 of Order XVI of the CPC which circumscribes the
power so available to the limit of fine imposable under rule 12. Alternatively stated, when the power to attach and sell property of the employer is sought to be exercised for non-appearance, the value of property so attached has to be within the quantum of fine that could be levied under the relevant provision.

It has been observed, in a number of cases, that the officers issue attachment orders without specifying any amount to the extent of which the attachment is intended to be made. It is important to note that the power to make attachments of unlimited value or to freeze operation of bank accounts is not relatable to any provision of the Act or Code of Civil Procedure. Such actions are evidently illegal and amount to blatant misuse of authority besides causing unwarranted harassment to the employers concerned.

All adjudicating officers are, therefore, advised to take note of the legal provisions. Any violation will invite strict disciplinary action.

(This issues with the approval of CPFC)

Yours faithfully,

(Amit Vashist)
Regional PF Commissioner-I[Legal]

Copy to:
1. RPFC (NDC) for web-upload.