

Before

Amir M. Khan Afridi, Director/Head of Department

In the matter of

Avanceon Limited

Date of Hearing

February 7, 2022

Order-Redacted Version

Order dated March 16, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Avanceon Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated December 24, 2021
2. Name of Company	Avanceon Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	The Company by not depositing the said contribution of EPF within the prescribed time period of fifteen days, <i>prima facie</i> , had contravened the provisions of Section 218 of the Act. Hence, proceedings under Section 218 of the Act read with Sections 219 and 479 thereof were initiated through the SCN against the Respondent.
5. Action Taken	Key findings are given as hereunder: I have gone through the facts of the case, submissions made by the Authorized Representative and relevant provisions of the Act and observed that the aforesaid delays in deposit of the contributions of EPF in the respective bank account is significant both in terms of amount and the overall time period. The Company made payment of Rs.15 million , Rs.14.5 million and Rs.20 million on January 25, 2021; December 30, 2021; and January 01, 2022 respectively. The reasons of delay i.e. COVID-19 Pandemic, cash flows shortage, and payments to suppliers, are not tenable. The contributions of EPF must have been deposited with in fifteen (15) days of the collection of the said amounts. The stance of the Respondent that as of December 31, 2021 all overdue amounts of contributions were paid to EPF, has been noted and considered but the fact is that non-compliance of Section 218 of the Act has been established which attracts applicability of the penal provisions contained in Section 219 of the Act. I, therefore, in exercise of powers conferred under Section 219 of the Act, hereby,

	<p>impose penalty of Rs.20,000/- (Rupees Twenty Thousand Only) on the Company.</p> <p>2. The Company is directed to deposit the amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue.</p> <p>3. Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act.</p>
6. Penalty Imposed	Rs. 20,000/-
7. Current Status of Order	No Appeal has been filed by the Company.