

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

**In the matter of Show Cause Notice issued to Ilyas Saeed & Co., Chartered Accountants**

Dates of Hearing

April 09, 2021

**Order-Redacted Version**

Order dated July 26, 2021 was passed by Director/Head of Department (Adjudication-I) in the matter of Ilyas Saeed & Co., Chartered Accountants. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 22, 2020.
2. Name of Respondent	Ilyas Saeed & Co., Chartered Accountants, (the Respondents and/or the Auditors)
3. Nature of Offence	<u>Alleged contraventions of Section 255(3) of the Companies Ordinance, 1984 (the Ordinance) (Section 249(3) of the Companies Act, 2017) and Section 48(4) of the Insurance Ordinance, 2000 (the Insurance Ordinance).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have carefully examined the facts of the case in light of the applicable provision of the law and have given due consideration to the written as well as verbal submissions of the Respondents/ Auditors. I am of the considered view that non-compliance with the requirements of Section 255 of the Ordinance and Section 48(4) of the Insurance Ordinance are established. Therefore, the Auditors are liable to be penalized under Section 260(1) of the Ordinance, which states that: -</p> <p><i>"If any auditor's report is made, or any document of the company is signed or authenticated otherwise than in conformity with the requirements of section 157, section 255 or section 257 or is otherwise untrue or fails to bring out material facts about the affairs of the company or matters to which it purports to relate, the auditor concerned and the person, if any, other than the auditor who signs the report or signs or authenticates the document, and in the case of a firm all partners of the firm, shall, if the default is willful, be punishable with fine which may extend to one hundred thousand rupees.."</i></p>

	In exercise of the powers conferred under Section 260(1) of Ordinance, I hereby, impose a penalty of Rs.100,000/- (Rupees one hundred thousand only) on the Auditors on account of the aforesaid established defaults of Section 255 of the Ordinance and Section 48(4) of the Insurance Ordinance. Furthermore, Supervision Division is advised to refer the noted conduct of the Audit Firm to the Audit Oversight Board for necessary action under their respective regulatory framework(s), if deemed appropriate.
5. Penalty Imposed	Rs. 100,000/-
6. Current Status of Order	Penalty not deposited and Appeal has been filed by the respondents.