**[Islamabad]**

**Before Dr. Sajid Qureshi, Executive Director (Company Law Division)**

**In the matter of**

**M/s Hafizullah & Co. Chartered Accountants**

**Under Sub-Section (1) of Section 260 Read With Section 255 and 476 of the Companies Ordinance 1984**

| | |
|---|---|
| Number and date of Show Cause Notice: | EMD/233/249/2002-11411-13 dated June 16, 2005 |
| Date of final hearing: | February 21, 2006 |
| Present: | Mr. Tanwir Arif FCA, Partner |
| Date of Order: | March 2, 2006 |

## ORDER

This order shall dispose of the proceedings initiated under Section 260 of the Companies Ordinance, 1984 (hereinafter referred to as the "Ordinance") against the partners of M/s Hafizullah & Co., Chartered Accountants (hereinafter referred to as the "Auditors") for making report to the members of M/s Fateh Sports Wear Limited (hereinafter referred to as the "Company") on the accounts and books of accounts and balance sheet and profit and loss account otherwise than in conformity with the requirements of Section 255 of the Ordinance.

2. M/s Hafizullah & Co., Chartered Accountants, is a partnership firm and the partners are Syed Hafizullah, FCA, Mr. Badrur Rehman, FCA and Mr. Tanwir Arif, FCA. All these partners are practicing members of the Institute of Chartered Accountants of Pakistan (the "ICAP").

3. In order to fully appreciate the issues involved in this case brief narration of the background facts is necessary. M/s Hafizullah & Co., has audited the accounts and books of accounts of the Company and has made audit report on the financial statement of the Company for the year ended June 30, 2004 (the "Accounts"). The said report was signed on September 20, 2004.

4. The Enforcement Department conducted an examination of the financial statements of the Company for the year ended June 30, 2004 to determine, among other things, whether Auditors' report

pertaining to the aforesaid financial year had been made in conformity with the requirements of Section 255 of the Ordinance, is otherwise true, contains no such statement which is materially false and there is no omission of material facts about the affairs of the company.

5. The examination of the audited accounts of the Company for the year ended June 30, 2004 revealed that audit report on the accounts of the Company for the aforesaid year included an emphasis of matter paragraph on the going concern issue in the following manner:

> *"Without qualifying our report we draw attention to the fact that the company has incurred loss at Rs.11.395 million mainly due to depreciation and interest expenses incurred. The accumulated loss up to June 30, 2004 is Rs.76.029 million. The current liabilities exceeded current assets by Rs.37.815 million. The accounts have been prepared this year on the going concern basis validity of which depends on the support from the directors of the company towards providing working capital and other finance in absence of which the basis would not be valid and adjustment would have to be made for any gain or loss arising on realization of company's assets."*

6. The examination of the audited accounts of the Company further revealed that the manufacturing activity of the Company is closed since the year 2003; the company has laid off all its employees (Note 30 the Accounts). These factors create doubts about the affairs of the company.

7. The company has failed to discuss the going concern issue in the financial statements and disclose the management plans to deal with the events and conditions which cast significant doubt about the entity's ability to continue as a going concern and the Auditors have failed to report the same.

8. The directors in their report to the members attached with the accounts under review states the following on the going concern issue:

> *"During the year under review there were no operational activities of the Company for want of working capital. The Company incurred loss of Rs.11.395 million mainly due to financial expenses and charge of depreciation. The accumulated loss carried to balance sheet amounts to Rs.76.029 million.*
>
> *"The Accounts of the company are prepared on the going concern basis as the management intends to revive its production activities after realization of stuck up funds from abroad and the management will support the company financially till the recovery of outstanding debts and for revival of its operational activities."*

9. The Accounts do not reflect any financial support from the directors. Moreover, the directors had not given any reasonable indication of future prospects for profits and the revival of the Company in their report to the members. These circumstances gave rise to significant doubt regarding the Company's ability to continue as a going concern.

10. In view of the above, the Enforcement Department got concerned with regard to the quality of audit of the Company conducted by the Auditors and the audit report given by them on the Accounts of


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
Phones: 9207091-4, Fax: 9218592, E-mail: secphq@isb.paknet.com.pk

the Company for the year ended June 30, 2004. It was observed that the Company had not justifiably explained the appropriateness of using Going Concern assumption in preparation of the Accounts and the Auditors failed to qualify the opinion regarding validity of going concern assumption as per International Standards on Auditing applicable in Pakistan.

11. Consequently, a show cause notice was issued to all the partners of M/s Hafizullah & Co., Chartered Accountants, on June 16, 2005 pointing out their responsibilities under the Ordinance, International Accounting and Auditing Standards and non-compliance observed in the Accounts. A period of 14 days was given to respond to the aforesaid notice. Subsequently the Auditors sought extension and were finally advised to submit reply by July 13, 2005. The reply was finally received on July 12, 2005. In order to provide an opportunity of personal hearing, the case was fixed for February 21, 2006 on which date Mr. Tanwir Arif FCA, Partner appeared before me at the time of hearing and argued the case. The submission made by him against the SCN are summarized as under:

a. The Auditors have stated that they in their report to the members in addition to certain other qualifications have pointed out that:

- the company has incurred loss of Rs.11.395 million.
- the accumulated losses up to 30.06.2004 are Rs.76.029 million.
- the current liabilities exceeded the current assets by Rs.37.815 million.
- validity of going concern concept depends on support from Directors towards providing working capital and other finances, in absence of which the basis would not be valid.

b. The Auditors have stated that the material point regarding the validity of going concern concept was pointed out by them, but were tone down by adding the words ‘without qualifying” which in fact is qualification, as it was reported at appropriate place and not at the end of the report for the following reasons as stated by them:

- They discussed with the Directors and found that the crux of the whole situation was the shortage of finance, which was stuck up with Russian buyers. This position compelled the Directors to close down manufacturing operation, lay off personnel who were transferred to associated organizations, to stop further financial deterioration.
- Continuous efforts of the Directors by running about to Islamabad and Moscow have ultimately created strong hopes of recovery of huge stuck up balances as would be evident from the draft protocol which is awaiting signature in the near future by the two Governments.
- Once the protocol is signed, the frozen funds of the Russian Government


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
Phones: 9207091-4, Fax: 9218592, E-mail: secphq@isb.paknet.com.pk

with National Bank of Pakistan would be released, result of which would be as follows:-

- the wheels of machines would start rotating.
- key personnel transferred to associated concern would be transferred back.
- working capital would immediately become positive.
- the recovery of interest would convert the equity into a positive balance.

c. The Auditors have submitted that in accordance with paragraph 33 of International Standard on Auditing-570 on Going Concern, management's use of going concern was considered appropriate, based on their findings as under:

- Company's manufacturing activities were temporarily closed during the year which fact is disclosed in Note No. 1 to the accounts that states that presently manufacturing activity is substantially closed.
- On their enquiry concerning laying off of the company's employees (Note No.30 to the Accounts), the management has informed them that the key management personnel are retained by them in other associated companies but to be transferred back as soon as the operations are re-started. The manufacturing facilities are properly maintained.
- Concerning accumulated losses of Rs.76.029 million, the negative equity is only Rs.2.53 million for the first time. The management informed them that they strongly expect recovery of stuck up debtors with interest from the Russian Federation. This would convert the negative equity into a positive balance.
- Since the matter was under negotiations between the Russian Federation and Government of Pakistan, at that time it was thought imprudent by them to disclose the fact in the accounts, as it would caste repercussions on the management's premature statement.
- As regard to negative working capital of Rs.37.815 million, it is pointed out that in current liabilities under short term running finances an amount of Rs.63.16 million is due to Fateh International Limited, a family concern that is interest free and is repayable on demand (Note No. 6.2 to the Accounts). The management has represented that this loan would not be demanded back for repayment until the recovery of the stuck up debtors. After excluding this liability, the favourable working capital of the company works out to Rs.25.35 million.

d. The Auditors have stated that the above events or conditions were not considered in the aggregate as material uncertainty that may cast significant doubts on the entity's ability to


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continue as a going concern and that the management has informed them that they are continuously following up the recovery of stuck up foreign debtors. In support of their statements they have provided photocopies of draft minutes and various correspondence of negotiations between the Russian Federation and the Islamic Republic of Pakistan on the matters of stuck up funds of Pakistani Exporters.

The auditors further submitted that since the efforts for recovery of the stuck up funds were evident from the circumstances and correspondence in files, the following disclosure in the report of the directors to the members in the published accounts was considered sufficient.

> *"The management of your company is continuously making efforts for recovery of the stuck up funds from abroad thereby to come out of the financial constraints and start production activities. As soon as funds are realized the company intends to start its business anew. It is expected that the efforts of the management will be materialized shortly."*
>
> *"The accounts of the company are prepared on going concern basis as the management intends to revive its production activities after realization of the stuck up funds from abroad. The management will support the company financially till the recovery of outstanding debts and for revival of its operational activities."*

e. The Auditors have informed that during the year the Company has received a sum of Rs.17.43 million from its associated undertakings, as under:

| | **Rupees (In Million)** |
|---|---|
| Interest recovered from associated undertakings (Note No.15 to the Accounts) | 25.36 |
| Due to associated undertakings (Note No. 7 to the Accounts) | 7.93 |
| **Net recovery from associated undertakings** | **17.43** |

The above shows the efforts of the management in improving the financial position of the company and cannot be treated as a negative action.

f. The Auditors have further submitted that the management is responsible for making a specific assessment about the going concern judgment, at a particular point of time which is based on the information available at that time at which the judgment is made. This judgment is affected by external factors, which affects the outcome of events or conditions.

They stated that their responsibility as Auditors is to consider the appropriateness of management's use of going concern assumption and consider whether there are events or


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
Phones: 9207091-4, Fax: 9218592, E-mail: secphq@isb.paknet.com.pk

conditions which are casting significant doubts on the entity's ability to continue as a going concern.

The Auditors are required to evaluate management's assessment of the entity's ability to continue as a going concern. ISA 570 on going concern appropriately referred to by your good self lays emphasis on management's judgment and its evaluation by the Auditors where going concern assumption may be considered doubtful.

The Auditors have stated that they were alert and enquired the management about the reasons, which have been attributed as valid by them for preparation of these accounts on going concern basis.

The Auditors have drawn the Commission's attention to paragraph 23 and 24 of IAS 1 which allows preparation of financial statements on going concern basis unless management intends to liquidate the enterprise or cease the trading. In this connection, the Auditors contended that the management has confirmed based on the available information that it has no intention to cease operation permanently. In an industry if an entity ceases operation or makes loss for one year/years then by any implication it does not necessarily mean that company is not a going concern. Sometimes staff is laid off or company ceases production for the time being till the clearance of accumulated stock of finished goods and/or recovery of its stuck up funds with the debtors.

The directors' support is evident from the photocopies of the draft agreement dated Moscow March 15, 2005 between Government of Pakistan and Government of the Russian Federation showing the progress in recovery of stuck up debtors of Pakistani Exporters and State Bank of Pakistan letter dated June 29, 2005 granting extension of maturity date for repatriation of export proceeds of Sundry debtors of the company till December 31, 2005. Eventually on realization of these proceeds the company will not only be operative but will be vibrant in very near future.

In these circumstances, the Auditors believe that the management of the company were within their rights as allowed by law to prepare these accounts on Going Concern basis.

However, the Auditors of the company have reiterated that they were alert to the appropriateness of this going concern assumption and, therefore, reported the matter accordingly.

In the light of above submission, the Auditors believe that they have elaborated the issue and objections raised by the Commission to entire satisfaction. In case, however, if the


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
Phones: 9207091-4, Fax: 9218592, E-mail: secphq@isb.paknet.com.pk

Commission still feels any lapse on Auditors' part they would request for a lenient view.

12. I have taken into consideration the submissions, made in writing as well as those at the time of hearing of this case and am of the view that most of the grounds taken by the Auditor are not convincing due to the following reasons:

a. The Auditors' report has been reviewed and has been noted that it includes the submissions made by the Auditor in their reply. It appears from the Accounts that there is no support from directors towards providing working capital and other finance to the Company and in its absence the going concern would become invalid as also reported by Auditors in their report.

In view of the above, the financial position appears to be deteriorating further especially due to non productive expenses like interest charge on short term finance which would have been avoided had the directors financially supported towards providing working capital and other finances.

b. The Auditors' reservation on the going concern matter is a modification in the form of emphasis of matter paragraph as per Para 33 of ISA 700 that does not affect the Auditors' opinion. The said modification is wrongly contended by the Auditor as a qualification which is proved incorrect by the statement given by the Auditors in their report as follows:

*"……………except for paras 2 to 4 above………"*

In view of the above, the qualified opinion give by the Auditors is only applicable to the reservations stated in the said Para 2 to 4, whereas, it is not applicable to the one stated in Para 1 which relates to the going concern issue.

Reporting matter in the middle of audit report or at the end of the said report as stated by the Auditors does not differentiate a qualification from an emphasis of matter paragraph. The words used *"Without qualifying our report"* in Para 1 of audit report endorses the fact that it was not a qualification but a modification in form of emphasis of matter in the said report.

It has also been noted in the directors' report dated September 20, 2004 that only two of the four observations of Auditors in audit report are explained by directors under the heading of *"Auditors' Observation"* which shows that the directors have not explained the going concern observation under the said heading, of Auditors in Para 1 of audit report and also the other one in Para 4 of the said report.


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
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c. Para 24 of IAS-1 (Presentation of Financial Statements) states:

> *"In assessing whether the going concern assumption is appropriate, management takes into account all available information for the foreseeable future, which is at least, but is not limited, to twelve months from the balance sheet date. The degree of consideration depends on the facts in each case. When an enterprise has a history of profitable operations and ready access to financial resources, a conclusion that the going concern basis of accounting is appropriate maybe reached without detailed analysis. In other cases, management may need to consider a wide range of factors surrounding current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy that the going concern is appropriate."*

The assessment made by the management of the available information of 12 months from the balance sheet date appears to be inappropriate as the Company has not reported any sales for the year ended June 30, 2005 and the directors in their report dated September 26, 2005 have stated:

> *"The operational activities remain suspended due to lack of working capital"*

In this regard, Para 23 of IAS-1 states:

> "Financial statements should be prepared on going concern basis unless management either intends to liquidate the enterprise or to cease trading,……."

In view of the above, it appears from the Accounts that the Company has currently ceased trading and therefore going concern basis is not appropriate to be used in the preparation of the Accounts of the Company.

Short term finance of Rs.63.16 million from Fateh International Limited which has been stated as finance repayable on demand by the Company had already been received in the year ended June 30, 2003 however; the subject audit report was given on the Accounts for the year ended June 30, 2004.

d. It appears that the matter of recovery of trade debtors is in the preliminary stages and there appears to be no solid ground for recovery as the draft agreement is not signed by Russian Government. The economic conditions of Russia are not stable which adds to the uncertainty in the matter of recovery of the foreign trade debtors by the Company.


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
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Furthermore, the draft agreement is dated March 16, 2005 which is a date after the date, September 20, 2004 of audit report. This shows that the draft agreement may have not been made a basis while assessing going concern assumption at the time of signing audit report.

e. The recovery of interest receivable from associated undertakings of Rs.17.43 million as stated by Auditors is in fact a recovery of receivable balance outstanding by the Company's associated undertakings and is not a directors' financial support. Furthermore, the said recovery from associated undertakings has not led to any revival of business so far.

f. (i) It appears from Auditors' submissions that they have not properly considered the appropriateness of management's use of going concern assumption. It has been more than 12 months since the balance sheet date June 30, 2004 on which the said audit report was issued and the operations of the Company have not revived as yet, therefore, the going concern assumption seems to be invalidly used by the Company.

In this connection attention is drawn to Section 305 (c) of the Ordinance which states that the company may be wound up by the court if the company suspends its business for a whole year. In this connection, the company has closed down its operations since 2003 and thus it appears that the company has suspended its business for more than a whole year.

(ii) The directors' support (by providing working capital and other finances) as highlighted in the auditors report was used as basis for adopting going concern assumption. However, the Accounts and directors' report do not disclose any such support by the directors.

(iii) The Company has suspended its operations since 2003 and the Directors in the directors' report dated September 20, 2004 have stated that:

> *"The management of your Company is continuously making efforts for recovery of the stuck up funds from abroad thereby to come out of the financial constraints and start production activities. As soon as the funds are realized the company intends to start its business anew. It is expected that the efforts of the management will be materialized shortly."*
>
> *"During the year under review there were no operational activities of the Company for want of working capital. The Company incurred loss of Rs.11.395 million mainly due to financial expenses and charge of depreciation. The accumulated loss carried to balance sheet amounts to Rs.76.029 million."*


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*"The accounts of the Company are prepared on going concern basis as the management intends to revive its production activities after realization of the stuck up funds from abroad. The management will support the company financially till the recovery of outstanding debts and for revival of its operational activities."*

The above statement is clear indicative of the fact that the operations of the Company were dependent upon the recovery of stuck up funds from Russia. In the subsequent year 2005 no revival was seen in the Company due to the fact that the stuck up funds from abroad have not been recovered as yet.

(iv) The directors of the Company did not give any future prospect of revival of the Company and a reasonable indication of future prospects of profit, if any, as required under Section 236 (2) (g) of the Ordinance in their report to the members. Non discussion of such important matters required auditors' special attention.

(v) The Para 8 of ISA 23 gives examples which may cast significant doubt about the going concern. Based on the facts in the said Accounts and submissions made by the Auditors, the current case is among such models as below:

(i) Net liability or net current liability position.
(ii) Excessive reliance on short-term borrowings to finance long-term assets.
(iii) Indications of withdrawal of financial support by debtors.
(iv) Adverse key financial ratios.
(v) Substantial operation losses.
(vi) Arrears or discontinuance of dividends.
(vii) Loss of major market.

The above should have raised concerns of the Auditors and accordingly they should have qualified the report.

(vi) The directors in the following directors' report had stated:

**Directors' report dated December 1, 1997:**

*"Due to some unforeseen delays in payments of foreign receivables your company has to bear 45 % higher financial cost in comparison with the last year figures."*

**Directors' report dated November 30, 1998:**

*"During the Year 1997-98 the Export Sales were down by 6.52%. This shortfall was due to many factors including downward trend in the international market."*


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*"The management of the Company is however reviewing the situation and new strategies will be applied to improve the sales of your company."*

*"The previous year's impact of late payments from the buyers had still have influence on Company's cash flow which has increased the financial cost."*

**Directors' report dated November 20, 2000:**

*"Directors of your Company are confident that the collection of outstanding amounts from the foreign buyers will improve in the next year. The impact of this induction of liquidity, which is quite sizeable, will help reducing the Financial Expenses to the tune of at least half and it is also estimated that company's turnover will increase. Both of these effect are going to boost the profitability of our operations."*

**Directors' report dated November 12, 2001:**

*"Due to the financial constraints the Company could operate for the half year only. The settlement of stuck up funds in the former USSR could not be materialized in the year under review."*

*"Despite the above problems, during the year 2000-2001, the Company however, made sales of Rs.150 million i.e.49% less then the year and managed to earned a Gross profit of 23% as compared to 26% last year. But could not absorbed the fixed over heads resulting in a pretax loss of Rs.12 million."*

*"In view of the loss, Board of Directors has not recommended any dividends this year and the accumulated loss of Rs.12.8 million has been carried over to Balance Sheet."*

*"The directors of your Company are confident that the settlement of Russian debt will be finalized in the following year. And as explained in the last year report the impact of this induction of liquidity, which is quite sizeable, will help reducing the Financial Expenses and it is also estimated that Company's turnover will increase. Both of these effects are going to boost the profitability of our operations."*

**Directors' report dated September 16, 2002:**

*"The financial constraints on the Company as indicated in the last Annual Report still persist, as the funds receivable from Russia could not be settled during the year under review. During the year 2001-2002, the Company sales were of Rs.10.41 million and recorded gross loss of Rs.9.4 million as compared to gross profit of Rs.35.9 million last year."*

*"The management has decided to lay off the work force due to financial constraints on the company and suspended its production activities except for few running orders in hand."*

*"In view of the loss, Board of Directors has not recommended any dividend in this year and the accumulated loss of Rs.62 million has been carried over to Balance Sheet."*

*"Directors of your company are hopeful for settlement of Russian Debts in the following year, which will help reducing the financial expenses*


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
Phones: 9207091-4, Fax: 9218592, E-mail: secphq@isb.paknet.com.pk

*and sales of the company will increase. These factors are going to boost the profitability of our operations."*

**Directors' report dated September 22, 2003:**

*"Management is making all out efforts to receive stuck up funds from abroad so that it could come out of financial constraints and to start production activities. The company intends to revive its production activities soon after realization of funds and efforts are being made to receive the funds in forth coming year."*

**Directors' report dated September 20, 2004:**

*"The management of your company is continuously making efforts for recovery of the stuck up funds from abroad thereby to come out of the financial constraints and start production activities. As soon as the funds are realized the company intends to start its business anew. It is expected that the efforts of the management will be materialized shortly."*

*"During the year under review there were no operational activities of the Company for want of working capital. The company incurred loss of Rs.11.395 million mainly due to financial expenses and charge of depreciation. The accumulated loss carried to balance sheet amounts to Rs.76.029 million."*

*"The accounts of the Company are prepared on going concern basis as the management intends to revive its production activities after realization of the stuck up funds from abroad. The management will support the company financially till the recovery of outstanding debts and for revival of its operational activities."*

This above shows that, the recoverability of funds from abroad is a long term and uncertain issue and its intensity cannot be ignored by the Auditors while expressing opinion in their report.

On the foregoing, I am convinced that the going concern assumption was not appropriately used by the management and the Auditors in spite of having sufficient audit evidence have failed to qualify their report accordingly.

13. The Auditors during the hearing on February 21, 2006, submitted copy of a letter dated September 9, 2004 addressed to Mr. Saeed Alam, Director of the Company wherein they have asked reasons for preparing the said accounts on going concern basis together with management assessment of Company's ability to continue as a going concern and its future plans for revival of the Company. The company in its reply to the Auditors dated September 12, 2004 stated that the accounts are prepared on going concern assumption since management has no intention to liquidate the Company and to cease its trading. Whereas the Company has already ceased to trade, as it has not reported any sales in the Accounts for the years ended June 30, 2004 and 2005. Furthermore, in both the letters discussed above, neither the Auditor nor the Company has discussed about the financial support from the directors as stated in the emphasis of matter paragraph given by the Auditors in their said report.


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
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14. Before deciding this case, I deem it necessary to make some observations on the role of Auditors of a Company. The auditors being the ultimate watchdog of the shareholders interest are required to give a report on the accounts and books of account after conducting the audit in accordance with the prescribed procedures and requirements of the Ordinance, International Accounting and Auditing Standards. If they find any irregularity, which is material with regard to those accounts, they are required to issue a qualified report. The shareholders are the ultimate entity to whom the Auditors are responsible and they must keep this fact in mind while auditing the books of accounts and reporting thereon. It has, however, been noticed in several cases that Auditors are not performing their statutory duties with due care and in accordance with the legal requirements. They must realize their true role and restrain themselves from performing their duties indulgently.

15. The duties and responsibilities of an Auditor appointed by the shareholders under Section 252 of the ordinance can best be understood if we look at the place of an auditor in the scheme of the company law. The capital required for the business of a company is contributed by its shareholders who may not necessarily be the persons managing the company. In the case of a listed company, the general public also contributes towards the equity of the company. Such persons do not have any direct control over the company except that they elect directors for a period of three years and entrust the affairs of the company to them in the hope that they will manage the company to their benefits. The shareholders are, therefore, the stakeholders and the ultimate beneficiaries. Practically, however, the shareholders have no control over the way their Company is managed by the directors appointed by them. It was, therefore, necessary that there must be some arrangement in place whereby the shareholders who are the real beneficiaries must get some independent view as to how the directors have managed the affairs of the company. The law, therefore, recognizing this situation, has provided that the shareholders should appoint an auditor who shall be responsible to audit the accounts and books of account and make out a report to them at the end of each year. This is the only safeguard provided by law to the shareholders to ensure that the business is carried on by the directors in accordance with sound business principles and prudent commercial practices and no money of the company is wasted or misappropriated. The law, therefore, make the auditors responsible in case they failed to make out a report in accordance with the legal requirements. It is, therefore, extremely important for the auditors to be vigilant and perform their duties and obligation with due care while auditing the accounts and books of accounts.

16. It is clear from the above discussion that the Auditors had failed to perform their statutory obligations by not giving fullest information to the members. It was incumbent on the auditor to have drawn attention to the members of the Company towards the non-compliances/ contraventions in their Audit Report to the members. In the circumstances, it was clear that the Auditor had failed to perform their professional duties with reasonable degree of care and skill. They knowingly and recklessly ignored their observations and gave a clean bill of health to the Company's accounts.

17. For the reasons stated above, and taking a lenient view for this time and instead of imposing maximum penalty, I impose a fine of Rs.15,000 (Rupees fifteen thousand) each under Sub-section (1) of Section 260 of the Ordinance on all partners of M/s Hafizullah & Co., namely, Syed Hafizullah, FCA, Mr. Badarur Rehman, FCA and Mr Tanwir Arif, FCA for making report otherwise than in conformity with the requirements of Section 255 of the Ordinance on the financial statements of the Company for the year ended June 30, 2004.

18. The above referred partners of Hafizullah & Co., are directed to deposit the above stated fine in the Bank Account of Securities and Exchange Commission of Pakistan maintained with Habib Bank Limited within 30 days of the date of this Order and furnish a receipted challan to the Securities and Exchange Commission of Pakistan.

**Dr Sajid Qureshi**
Executive Director (CLD)

Announced:
March 2, 2006
ISLAMABAD


7th Floor, NIC Building, 63-Jinnah Avenue, Islamabad
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