

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

নং-বিএসইসি/এনফোর্সমেন্ট/৩০৩৭/২০২১/১৬৪

তারিখঃ জানুয়ারী ২৫, ২০২২ ইং

আদেশ

যেহেতু, as per Section 2 (cc) of the Securities and Exchange Ordinance, 1969, Commission means Bangladesh Securities and Exchange Commission constituted under the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩;

যেহেতু, as per the Commission’s decision, in the public interest, the Commission has decided to conduct a special audit on the matter of utilization of initial public offering (IPO) proceeds and audited financial statements for the year ended on June 30, 2019 of Aman Cotton Fibrous Ltd. and appointed M/s. Howlader Yunus & Co., Chartered Accountants as special auditor. The special auditor has submitted their special audit report to the Commission. The issues which are cited on the special audit report and the Commission’s comments are furnished below:

**Findings on the utilization of IPO proceeds**

SL	Auditors’ findings on audited financial statements for the year ended on June 30, 2019	Corporate Finance Department’s Comments
1	<p>In the audit report issued by ATA Khan &amp; Co., an unmodified opinion is provided, stating that <i>“In our opinion, the accompanying financial statements present fairly, In all material respects, of the financial position of the Aman Cotton Fibrous Ltd., as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation”</i>.</p> <p>However, as detailed, we have found several non-compliances with the applicable IFRSs and IASs, Labor Act 2006 and BSEC guidelines.</p> <p>In addition to this, we observed various discrepancies in the supporting data obtained from ACFL, which may mean that the Financial Statement presented does not provide a <i>“True and Fair”</i> view.</p> <p>As per ISA 500, <i>“Audit Evidence”</i>, it is mentioned in Para 4, <i>“The objective of the auditor is to design and perform audit procedures in such a way as to enable the auditor to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the auditor’s opinion.”</i></p> <p>Later in Para A8, <i>“More assurance is ordinarily obtained from consistent audit evidence obtained from different sources or of a different nature than from items of audit evidence considered individually. For example, corroborating information obtained from a source independent of the entity may increase the assurance the auditor obtains from audit evidence that is generated internally, such as evidence existing within the accounting records, minutes of meetings, or a management representation”</i></p> <p>During our audit, not only we faced difficulty in obtaining data for the relevant accounting period, but we also observed inconsistencies in data obtained from different sources. Also, no direct balance confirmations were received from third parties and even from the related parties also.</p> <p>The opening trial balance as on 01 July 2018 shows a mismatched of Tk. 35.28 crore and 10.00 crore respectively. These mismatches were not investigated and</p>	<p>It is evident from special auditors’ findings that statutory auditors’ M/s. ATA Khan &amp; Co., Chartered Accountants did not perform his duty perfectly. ATA Khan &amp; Co., Chartered Accountants ignored many material issues and opined unqualified/clean audit report for the year ended on June 30, 2019 financial statements.</p> <p>Hence, auditor ATA Khan &amp; Co., Chartered Accountants provided false and misleading information to the investors and the Commission and violated Section 18 of the Securities and Exchange</p>

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<p>financial statement for the year ended June 30, 2018.</p> <p>As a result, “sufficient appropriate audit evidence” was never gathered. Therefore, it is doubtful whether the statutory auditors could have obtained evidence as per the criteria mentioned in ISA 500, upon which they provided an “unmodified opinion” in their Audit report.</p> <p>Also mentioned in ISA 200, “Overall objectives of the Independent auditor and the conduct of an audit in accordance with international standards on auditing”, Para 11, “In conducting an audit of financial statements, the overall objectives of the auditor are, (a) To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework”</p> <p>Also, in ISA 300, “The auditor’s responses to assessed risks”, Para 25, “Based on the audit procedures performed and the audit evidence obtained, the auditor shall evaluate before the conclusion of the audit whether the assessments of the risks of material misstatement at the assertion level remain appropriate”</p> <p>Later in Para 27, “If the auditor has not obtained sufficient appropriate audit evidence as to a material financial statement assertion, the auditor shall attempt to obtain further audit evidence. If the auditor is unable to obtain sufficient appropriate audit evidence, the auditor shall express a qualified opinion or disclaim an opinion on the financial statements.”</p> <p>The above ISA references show the extent to which the gathering of sufficient audit evidence is, to express an audit opinion other than unmodified opinion.</p>	
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**Contraventions:**

Through the aforesaid activities Ata Khan & Co., Chartered Accountants has violated

- Section 18 of the Securities and Exchange Ordinance 1969; by providing false and misleading information to the investors and the Commission,

যেহেতু, Ata Khan & Co., Chartered Accountants কর্তৃক উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক ১৬ জুন ২০২১ ইং তারিখের নং- বিএসইসি/এনফোর্সমেন্ট/৩০৩৭/২০২১/৪১৩ নম্বর স্মারকমূলে Ata Khan & Co., Chartered Accountants-কে নির্ধারিত তারিখে উপরোক্ত ব্যর্থতার কারণ প্রদর্শনসহ শুনানীতে উপস্থিত হতে বলা হয় এবং Mr. Maqbul Ahmed, FCA, Managing Partner উক্ত শুনানীতে ২২ আগস্ট ২০২১ তারিখে উপস্থিত হয়ে নিম্নলিখিত বক্তব্য দাখিল করেন;

1.0 “We would like to inform you that we conducted our audit in accordance with International Standards on Auditing (ISAs) to be independent of the company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We expressed our opinion after obtaining sufficient and appropriate audit evidence.

2.0 As part of an audit in accordance with ISAs, we exercised professional judgment and maintained professional skepticism throughout the audit.

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- 3.01 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 3.02 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 3.03 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 3.04 Assess the appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained.
- 3.05 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 3.06 Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements.
- 3.07 We have obtained management representation letter sending external confirmation etc.
- 3.08 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.
- 3.09 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 4.0 We did not ignore any material issue, BSEC also did not point out any special issue that we ignored. Had BSEC, so pointed out, we could explain the same specifically.
- 5.0 From the above clarification, we want to conclude that we did not provide false and misleading information to the investors and the commission.”

যেহেতু, উক্ত ইস্যুয়ার কোম্পানীতে জনসাধারণের শেয়ার রয়েছে যা স্টক এক্সচেঞ্জে তালিকাভুক্ত, কিন্তু— ইস্যুয়ার কর্তৃক কমিশনের প্রাথমিক গণ প্রস্তাব (IPO) সংক্রান্ত অনুমোদন পত্রের শর্ত অনুযায়ী প্রাথমিক গণ প্রস্তাব এর মাধ্যমে উত্তোলিত অর্থের যথাযথ ব্যবহার না করা এবং কমিশনে এ সংক্রান্ত মিথ্যা তথ্য প্রদান করার ফলে বিনিয়োগকারীদের স্বার্থ ক্ষুণ্ণ হয়েছে, যা পুঁজিবাজারের উন্নয়নেরও পরিপন্থী, বিধায় উপরোক্ত ব্যাখ্যা কমিশনের নিকট গ্রহণযোগ্য হিসেবে বিবেচিত হয়নি;

যেহেতু, উক্ত ইস্যুয়ার কোম্পানীতে বিনিয়োগকারীদের স্বার্থ রক্ষা সহ পুঁজিবাজারের উন্নয়ন ও শৃঙ্খলা রক্ষা করা কমিশনের অন্যতম উদ্দেশ্য তথা কর্তব্য;

যেহেতু, Ata Khan & Co., Chartered Accountants –এর উল্লিখিত কর্মকান্ড তথা সিকিউরিটিজ আইন পরিপালনে ব্যর্থতার জন্য দায়ী যা Securities and Exchange Ordinance, 1969 এর Section 22 এর অধীন শাস্তিযোগ্য অপরাধ;

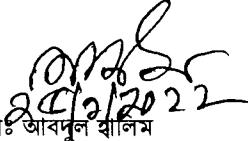
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যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে Ata Khan & Co., Chartered Accountants -কে জরিমানা করা প্রয়োজন ও সমীচীন; এবং

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর Section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] এ প্রদত্ত ক্ষমতাবলে:

- Ata Khan & Co., Chartered Accountants - এর উপর ১০ (দশ) লক্ষ টাকা জরিমানা ধার্য্য করল যা অত্র আদেশের ৩০ (ত্রিশ) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশনের আদেশক্রমে,

  
২৫/১২/২০২২  
মোঃ আবদুল হালিম  
কমিশনার

বিতরণঃ

Ata Khan & Co.,  
Chartered Accountants  
৬৭ মতিঝিল (২য় তলা), ঢাকা-১০০০