

PART –II
Statutory Notification (S.R.O)

GOVERNMENT OF PAKISTAN

FINANCE DIVISION

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad the, 25th May, 2015

NOTIFICATION

S.R.O. 446 (I)/2015.- The following draft of certain further amendments in the Companies (General Provisions and Forms) Rules, 1985, are proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of powers conferred by section 506 of the Companies Ordinance, 1984 (XLVII of 1984), read with clause (b) of section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), is hereby published for the information of all persons likely to be affected thereby and notice is hereby given that the draft shall be taken into consideration after fourteen days of its publication in the official Gazette.

Any suggestion or objection that may be received from any person before the expiry of the said period shall be considered by the Commission.

DRAFT AMENDMENTS

In the aforesaid Rules, for Form 35-A and Form 35-C, the following Forms shall be substituted, namely:-

“Form 35-A

THE COMPANIES ORDINANCE, 1984

[Section 255(3) and rule 17A]

AUDITORS’ REPORT TO THE MEMBERS

Report on the Financial Statements

We have audited the accompanying financial statements (or revised financial statements) (if applicable)*³ of, which comprise the balance sheet as at, and the profit and loss account*¹, the statement of comprehensive income (if applicable)*², the statement of changes in equity (if applicable)*² and the cash flow statement (if applicable)*² for the year then ended and a summary of significant accounting policies and other explanatory notes and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Management's Responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at and of the **profit/loss***¹, the **comprehensive income (if applicable)***², the **changes in equity (if applicable)***² and its **cash flows (if applicable)***² for the year then ended.

Report on Other Matters required by the Companies Ordinance, 1984

Based on our audit, we further report that in our opinion:

- (a) Proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change(s) as stated in note(s) with which we concur;

- (c) the expenditure incurred during the year was for the purpose of the company's business;
- (d) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company; and
- (e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Prior Year Financial Statements Audited by a Predecessor Auditor*⁴

Audit firm's signature

Name of the engagement partner

Place of signing and date of the auditors' report

NOTES:

*¹ Substitute with "income and expenditure account" in case of section 42 companies.

*² Only balance sheet, income statement and explanatory notes in case of Small Sized Entities (SSEs).

*³ If the report has been revised by the auditor than following paragraph shall be included before 'Management Responsibilities for the Financial Statements'

Reasons for Revision of Financial Statements and the Audit Report (If Applicable)

*We have issued the previous Audit Report to the members for audit of the financial statements for the year ending June 30, 20X1 on -----. The previous Audit was unqualified. Those financial statements were approved by the Board of Directors on-----
-.Subsequent to issuing of the audit report, material changes in the reported value of-----
were discovered due to which the reported amount of ----- and the profit is reduced/
increased by Rs. -----. As a result the financial statements were revised and the Directors approved it on -----.*

*⁴ The disclosure regarding previous year's audit performed by another may be disclosed after "Other Matter" paragraph as per the requirements of para 13 of ISA-710. The paragraph is not required in cases where the auditor of the Company is same in the previous year or if it is the first audit report of the Company.

THE COMPANIES ORDINANCE, 1984

[rule 17C]

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements (**or revised consolidated financial statements**) (if applicable)*³ ofand its subsidiaries, which comprise the consolidated balance sheet as at, and the **consolidated profit and loss account***¹, **the consolidated statement of comprehensive income (if applicable)***², **the consolidated statement of changes in equity***² and **the consolidated cash flow statement***² for the year then ended and a summary of significant accounting policies and other explanatory notes. We have also expressed separate opinions on the financial statements ofand its subsidiary companies except for.....and whose financial statements reflect total assets of Rs.____ as at (insert date) and total revenue of Rs. ____ for the year then ended which were audited by another/other firm(s) of auditors whose report(s) has/have been furnished to us and our opinion, in so far as it relates to the amounts included for such company(ies) is based on the report(s) of such other auditors.

Management's responsibility

Holding Company's management is responsible for the preparation of these consolidated financial statements that give true and fair view in accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the holding company and its subsidiaries as at, and **its profit/loss^{*1}**, the **comprehensive income (if applicable)^{*2}**, the **changes in equity^{*2}** and the **cash flows^{*2}** for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

*Prior Year Financial Statements Audited by a Predecessor Auditor^{*4}*

Audit firm's signature

Name of the engagement partner

Place of signing and date of the auditors' report

NOTES:

*¹ Substitute with "income and expenditure account" in case of section 42 companies.

*² Only balance sheet, income statement and explanatory notes in case of Small Sized Entities (SSEs)

*³ If the report has been revised by the auditor than following paragraph shall be included before 'Management Responsibilities for the Financial Statements'

Reasons for Revision of Financial Statements and the Audit Report (If Applicable)

We have issued the previous Audit Report to the members for audit of the consolidated financial statements for the year ending June 30, 20X1 on ----- . The previous Audit was unqualified. Those financial statements were approved by the Board of Directors on----- . Subsequent to issuing of the audit report, material changes in the reported value of-----were discovered due to which the reported amount of ----- and the profit is reduced/ increased by Rs. ----- . As a result the financial statements were revised and the Directors approved it on ----- .

*⁴ The disclosure regarding previous year's audit performed by another may be disclosed after "Opinion paragraph". The paragraph is not required in cases where the auditor of the Company is same in the previous year or if it is the first audit report of the Company".

[NO.EMD/D-II (NL)/2014]

Bushra
25/5/15

(BUSHRA ASLAM)
SECRETARY TO THE COMMISSION