

FORM 35B

THE COMPANIES ORDINANCE, 1984

[See section 255(3) and rule 17B]

**AUDITORS' REPORT TO THE MEMBERS OR DIRECTORS
IN CASE OF BRANCHES OF FOREIGN BANKS**

We have audited the annexed balance sheet of ----- Bank as at the 31st December -----, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here in after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for----- branches which have been audited by us 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.

It is the responsibility of the Bank's Board of Directors/Management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, which in case of loans and advances covered more than sixty per cent of the total loans and advances of the bank, we report that:—

- (a) in our opinion, proper books of accounts have been kept by the ----- Bank/branches as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- (b) in our opinion—
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied *1(except for the changes as stated in note(s) with which we concur);
 - (ii) the expenditure incurred during the year was for the purpose of the Bank's/branches' business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank/branches and the transactions of the Bank/branches which have come to our notice have been within the powers of the Bank/branches;
- (c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform

with approved accounting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's/branches' affairs as at the 31st December, and its true balance of the profit or loss, its cash flows and changes in equity for the year then ended; and

- (d) in our opinion *2 Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank/branches and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Signature
[Name(s) of Auditors)

Date
Place

NOTES

Where applicable—

- *1. Where there is no change in the accounting policy or policies the portion “except for changes as stated in note(s)--- with which we concur” may be deleted.
- *2. Where no Zakat is deductible, substitute “no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)”.
- *3. Any other matter which the auditor considers should be brought to the notice of the Members or Directors in case of foreign banks, should also be stated in the report.

Where any of the matters referred to in the Auditor's Report is answered in the negative or with a qualification, the report shall state the reason for such answers alongwith the factual position to the best of auditors' information.