

ILLUSTRATIVE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of(name of Holding Company)

Opinion

We have audited the annexed consolidated financial statements (or revised consolidated financial statements, if applicable)ⁱ of and its subsidiary(ies) (the Group), which comprise the consolidated statement of financial position as at, and the consolidated statement of profit or lossⁱⁱ and other comprehensive income or the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan/ the Institute of Cost and Management Accountants of Pakistanⁱⁱⁱ (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern (if applicable)

Emphasis of Matter (if any)

Key Audit Matter(s)^{iv}

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matter(s):^v

S.No.	Key Audit Matter(s)	How the matter was addressed in our audit

Information Other than the Financial Statements and Auditor's Report Thereon

[Reporting in accordance with the reporting requirements in ISA 720 (Revised)]

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 (or *Title of the statute under which SOE is formed*) and the State-Owned Enterprises (Governance and Operations) Act, 2023 for 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The board of directors (or *name the appropriate body charged with the governance responsibility*) is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors 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.^{iv}

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication^{iv}.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the consolidated financial statements and notes to the consolidated financial statements comply with the requirements of the SOE Act, 2023.

Other Matters

Prior Year Financial Statements Audited by Predecessor Auditor ^{viii}

The engagement partner on the audit resulting in this independent auditor's report is [name].

[Signature]

[Place/ location]

[Date]

[UDIN]

Notes:

ⁱ Where due to events occurring after the issuance of audit report an audit report is required to be revised, this fact along with specific justification and impact shall be conspicuously stated in the title and text of the report. For this, the following paragraph shall be included in an Emphasis of Matter Paragraph or Other Matter paragraph.

Reasons for Revision of the consolidated 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 ended on -----. The previous Audit Report was unqualified. Those consolidated 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 consolidated financial statements were revised and the Board of Directors approved it on -----.

ⁱⁱ Wherever applicable, substitute “income and expenditure statement” and “surplus or deficit” in case of association not for profit.

ⁱⁱⁱ Use the name of the relevant institute

^{iv} In the case of a non-listed Holding SOE, the section of key audit matter(s) in the report and the related last two paragraphs in the auditor's responsibilities section may be omitted.

^v In case there is no KAM following wording may be used:

‘We have determined that there are no key audit matters to communicate in our report.’

^{vi} With reference to explanation of Section 249 (3) and Section 249 (4) of the Companies Act, 2017 (XIX of 2017):

- Where any of the matters referred in the auditor's report is answered in negative or with a qualification the report shall state the reasons for such answers along with the factual position to the best of auditor's information.
- Where the auditor's report contains a reference to any other report, statement or remarks which they have made on the financial statements examined by them, such statement or remarks shall be annexed to the auditor's report and shall be deemed to be a part of the auditor's report.

^{vii} Modification in the audit reports will be made in accordance with the requirements of relevant ISAs.

^{viii} The paragraph is not required in cases where the auditor of the Holding Company is same in the previous year.

^{viii} In case a SOE is preparing a single statement, substitute “consolidated statement of profit or loss and other comprehensive income” or can interchangeably use “consolidated statement of comprehensive income”. Similarly substitute “consolidated profit or loss and consolidated other comprehensive income or loss” in the second paragraph of the opinion.

^{ix} Omit the component of financial statements which is not applicable in case of a particular company in accordance with applicable financial reporting framework.