

ENGINEERS COOPERATIVE HOUSING SOCIETY
LIMITED ISLAMABAD

AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2025

Ref. NSCO/ECHSL/Audit-25/302/2026
March 03, 2026

The Circle Registrar,
Co-operative Societies Department,
Islamabad Capital Territory (ICT),
Islamabad.

Dear Sir,

ENGINEERS COOPERATIVE HOUSING SOCIETY LIMITED, ISLAMABAD
AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2025

In pursuance to our appointment as auditors of the above-named society vide your letter No.3024/CR/ICT/B, dated September 16, 2025, we have completed the audit of the financial statements of **Engineers Co-Operative Housing Society Limited, Islamabad** for the year ended June 30, 2025. The responsibility for the preparation of financial statements is of the management of the Society. Our responsibility is to express an opinion on these financial statements.

We have conducted the audit in accordance with Provision of Section 22 of the Cooperative Societies Act, 1925 and Cooperative Societies Rules, 1927 subsequently amended rules 2018, approved By-Laws of the Society along with audit guidelines issued by the Registrar Cooperative Society Department, ICT, Islamabad, and generally accepted auditing standards

As an important secondary audit objective to provide constructive assistance to the management in the form of systems recommendations and advice on matters of financial management, by means of this report, we draw attention of the management towards certain weaknesses in accounting procedures and practices, alongside suggesting remedial action for modification / improvement and necessary compliance. However, our work was restricted to the information provided and available in the records which was prepared and maintained by the Society's management.

The Management of the Society was responsible for both accuracy and completeness of the information supplied to us for the purposes of this audit and is responsible for the preparation of financial statements. We examined the transaction on test basis with evidence supporting the amounts in records and applied such tests and procedures as were considered necessary in the circumstances.

As part of our examination of the financial statements, we have made a study and evaluation of the Society's system of internal accounting control to the extent we considered necessary to evaluate the system as required by International Auditing Guidelines along with audit guidelines issued by the Registrar Cooperative Society Department, ICT, Islamabad. The purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements and to assist us in planning and performing our examination of the financial statements.

Our comments / reservations on these financial statements and related affairs of the society are summarized in the following paragraphs:

1. THE SOCIETY AND ITS OPERATION

The Engineers Cooperative Housing Society Limited Islamabad was registered with the **Co-operative Societies Department ICT, Islamabad on 21st March 1983 vide Registration No. 132**, under the provisions of Cooperative Societies Act, 1925, attached as **Annexure-C**.

Society operates within the area of Capital Territory of Islamabad, later on extended to Rawalpindi Division as per Model Bye- Laws of society.

The main objective of society is to promote the economic interests of its members on the principles of cooperation, self-help and no profit or loss basis along-with providing housing facilities to its members by developing land, constructing infrastructure and development thereof.

1.1 OFFICE OF THE SOCIETY

The Registered Office of the society is situated at Sangjani, Sector D-18, Islamabad.

1.2 NO OBJECTION CERTIFICATE (NOC) AND LAY OUT PLAN (LOP)

1.2.1 NOC (conditional) by Zila Nazim Rawalpindi was granted on 24th October 2002.

1.2.2 Approval of Layout Plan (LOP) by Zila Nazim Rawalpindi was granted vide their letter no. DO (A)/ 190 date 02nd September 2003.

1.2.3 CDA's approval of Lay Out plan (LOP) of ECHS was granted on May 28, 2005.

1.2.4 NOC by Environmental protection Department Punjab was granted on September 13, 2012.

1.2.5 NOC from Government of Pakistan Ministry of Defense was granted on March 29, 2019.

1.2.6 NOC from Civil Aviation Authority was granted on April 26, 2019.

1.2.7 NOC from Pakistan, Air Headquarter Islamabad was granted on February 06, 2020.

1.2.8 Feasibility study report of ground water investigation for grant of NOC from WASA was provided on August 29, 2019.

1.2.9 NOC from Small Dam Organization 'that site is not prone to flood' was granted on August 18, 2023.

1.2.10 During the inspection of documents provided by the Society's management and previous audit report we identified following issues related to NOC case submitted to concerned departments.

1.2.11 Society deposited Rs. 980,000/- with Capital Development Authority Islamabad ("CDA") on November 1, 1983, towards the NOC and approval of layout plan ("LOP"). CDA **approved the LOP for total area of 4297.68 Kanals vide its letter dated May 28, 2005. However, Society was then required to fulfil following requirements of CDA for issuance of NOC:**

- Deposit the entire development cost of the scheme with the Authority. The amount of development cost was to be assessed by the authority on the prevailing cost of development.
- In case management did not feel inclined to deposit the development cost of the scheme, management was required to mortgage 30% of the saleable area in the approved detailed LOP with the authority as a guarantee for completing development works within the period.

NCS

- Transfer to the Authority the land for open spaces, parks, graveyard, right of way of roads, etc. in the LOP within 45 days with effect from the date of issue of this letter.
- However, it is opined from documentary record that society had substantially developed the infrastructure of required project by the year 2005 with member's interests/ property remaining intact till date and thus had exceeded/ crossed the above stages without defaulting.

Recommendations:

It is imperative for the management to set the priority to get No Objection Certificates (NOCs) from relevant department and authorities. NOCs serve as a critical legal document, affirming that the concerned departments have no objections to the proposed activities or operations of the society. The absence of such certificates can lead to regulatory hurdles, potential legal challenges, and may significantly hinder the progress of projects, ultimately affecting the Society's reputation.

- 1.2.12 Copies of above referred NOC are attached as **Annexure-D**.
Copy of Lay out plan is attached as **Annexure-E**.

1.3 LOCATION AND AREA OF LAND

The society is situated at Mouza Paswal, Tehsil Taxila & District Rawalpindi, having total land measuring 4577 kanals 02 Marlas 42 sqft at a total cost of Rs. 509,462,268 up to the year ended June 30, 2025. (Land cost includes land cost and land related fee).

1.3.1 Sizes of Plots

The sizes of residential and commercial plots were in following categories.

Statistics relating to allotment of plots as under:

Residential Plots:

Description and size of plot	Total Plots	No of Allotted Plots	No of Un-Allotted Plots	Under Litigation
1 KANAL	2461	2225	236	205
10 MARLAS	315	293	22	13
TOTAL	2776	2518	258	218

Commercial Plots:

Location	Total Plots	No. of allotted plots	No. of un-allotted plots	Under Litigation
North Avenue	241	142	99	99
Main Commercial	174	158	16	-
Site-1(Sector A & K)	28	28	-	-
Site-2 (Sector A & B)	34	34	-	-
Site-4 (Sector F)	17	17	-	-
TOTAL	494	379	115	99

As per the break up provided by the management, there are total of 317 plots, comprising 218 residential and 99 commercial plots, under litigation.

1.4 CURRENT MANAGING COMMITTEE

Consequence upon completion of electoral term of the Managing Committee, comprising President, Vice President, General Secretary, Treasurer and five Executive Members to Manage the business/affairs of the Society, a new Managing Committee has been elected and notification to this effect has been issued by the Registrar Cooperative Societies Departments, Islamabad vide its letter No. 916/CR/ICT/B, dated March 22, 2023 for the following office bearers:

Sr. No	Name	Membership No.	Designation
1	Engr. Maj Gen Viqar Ul Haq Khan Khalid (Retd)	1569	President
2	Engr Rukhsar Khan	15052	Vice President
3	Engr Lt. Col Mansoor Ahmed (Retd)	4051	General Secretary
4	Engr Lt. Commd Dr. Muhammad Yasin (Retd)	5080	Treasurer
5	Engr. Brig M Sarwar Jamal (Retd)	15350	Member Executive
6	Engr. Brig Dr. Qaiser Hameed Malik (Retd)	655	Member Executive
7	Engr. Brig M. Saeed Qadir (Retd)	4403	Member Executive
8	Engr. Ali Sher Rind Baloch	15109	Member Executive
9	Engr Shahid Khan	5060	Member Executive

Certificate of members of managing committee and notification of appointment of Managing committee is provided to us and is attached as Annexure "F".

1.5 ACCOUNTING SYSTEM AND BOOKS OF ACCOUNTS

1.5.1 The society has maintained books of accounts in Microsoft Excel.

Recommendations:

- Society may either start using the licensed Quick Books or as per our recommendations may consider any other suitable Accounting Software that has ability to integrate with the society's website for real-time updates visible to members as the same is required by the registrar through various correspondence with the society for implementation.
- Consider developing a GL customized accounting software tailored to the specific needs of the society. This will ensure that all unique requirements are met, and the software can be designed to integrate seamlessly with the society's website for real-time updates visible to members.
- The Society should design and implement a comprehensive chart of accounts for finalizing the accounts for the year 2026. This will enhance the accuracy and clarity of financial reporting, allowing for better tracking of income, expenses, assets, and liabilities.
- The Society should archive members' data in a digital format and integrate this data with the Society's website on a real-time basis. This will enable members to check their status online remotely without needing to visit the Society physically.

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1.5.2 Compliance status of maintaining mandatory books of accounts, registers / records, as required by the byelaws of the society, is as under:

Sr. No.	Bye laws clause	Name of books/registers	Status
1	41(1)	Members register	Maintained
2	41(2)	Cash book	Maintained
3	41(3)	Ledger account of each member	Maintained
4	41(4)	Minutes book	Maintained
5	41(5)	Share register	Maintained
6	41(6)	Bonds register	N/A
7	41(7)	Passbook to be provided to each member	Maintained
8	41(8)	Daily sale, purchase & balance register	Maintained
9	41(9)	Stock register	Maintained
10	41(10)	Property register	Maintained
11	41(11)	Development of land register*	Maintained
12	41(12)	Allotment register*	Maintained
13	41(13)	Construction design & Master plan	Maintained
14	41(14)	Members individual files	Maintained

The copy of bye-laws of the society is provided and is attached as **Annexure-G**. However, Certificate for no amendment in bye-laws is not provided to us.

1.6 ANNUAL GENERAL MEETING

AGM was held on February 22, 2025 & March 09, 2025. A certificate regarding AGM is provided along with minutes of meeting and is attached as **Annexure-H**.

1.7 STATUS OF PLOTS

1.7.1 Allotment of Plots

No plot was allotted to members during the year certificate that no new membership was issued is provided and is attached as **Annexure-I**.

1.7.2 Plots Cancelled

No plot was cancelled during the year, a certificate that no plot was cancelled during the year was provided and is attached as **Annexure-J**.

1.7.3 Plots Transferred During the Year

Total 159 plots were transferred during the year 2025, a certificate regarding the plots transferred during the year was provided by the management of ECHS and is attached as **Annexure-K**.

1.8 Membership Status

There are 2380 members of society as on June 30, 2025. A certificate of total number of members is provided by society and is attached as **Annexure-L**.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation of Accounts

These accounts have been prepared under the historical cost convention.

2.2 Deposits for Land

This represents the cost of land deposited by members/ applicants for acquisition of plots using the relevant rates.

2.3 Deposits for Development

This represents the cost deposited by member/ applicants' infrastructure development keeping in view the size of the plot.

2.4 Admission Fee/ Membership Fee

This represents the amount received "as per rules" from members/ applicants on account of grant of membership of the society.

2.5 Liabilities

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are contractual payable and accrued liabilities.

2.6 Provision

Provisions are recognized at times when the authority has a legal or constructive obligation as a result of past events, and it is probable that outflow of benefits will be required to settle the obligation and a reliable estimate can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

2.7 Trade and other Receivable

Trade receivables and other receivables are recognized at transaction prices.

2.8 Cash and Bank Balances

These represent the liquid cash available with the society in different forms in shape of Bank balances and cash in hand.

2.9 Transfer Fee

The amount of fee received from transferor/ transferee against transfer of plots.

2.10 Other Income

This represents that profit given by banks on savings accounts being operated by society.

NSCS

3. Property and equipment Rs. 587,433,980

- 3.1 Depreciation is charged on reducing balance method to write off the assets over their estimated useful lives.
- 3.2 Depreciation on additions was charged when the asset is available for use.
- 3.3 The addition made during the year is verified and found in order.
- 3.4 Although society has retained information on fixed assets, it lacks the proper maintenance of a Fixed Assets Register as per the guidelines set forth in Technical Release (TR-6) by the Institute of Chartered Accountants of Pakistan (ICAP).

Recommendations:

In compliance with TR-6 of Institute of Chartered Accountants of Pakistan (ICAP), it is suggested that adequate itemized record of fixed assets should be maintained. The implementation of register will lead to improved record keeping and management of fixed assets.

Conduct periodic physical verification of fixed assets to ensure that the recorded assets match the physical assets. This will help in identifying any discrepancies and taking corrective actions.

Implement an asset tagging system where each fixed asset is tagged with a unique identification number. This will aid in tracking and managing assets efficiently.

Benefits of Implementation:

- Ensures compliance with ICAP Technical Release TR-6 and IFRS;
- Improves asset management and financial reporting accuracy; and
- Enhances organizational credibility and operational efficiency

4. COST OF LAND Rs. 509,462,268

The movement in this account during the year is as under

Particulars	2025 Rupees	2024 Rupees
Balance at July 01,	509,462,268	429,758,268
Land purchased during the year	-	79,704,000
Adjustment/transferred during the year	-	-
Balance at June 30,	509,462,268	509,462,268

Total land measuring 4,577 kanals 02 Marlas and 42 sq ft has been acquired by the society. Certificate of total land and land purchased during the year is provided and is attached as **Annexure-M**. There is no movement during the year.

5. WORK IN PROGRESS Rs. 626,116,542

5.1 The movement in this account during the year is as under:

Particulars	2025 Rupees	2024 Rupees
Balance at July 01,	622,513,838	610,945,804
Development Expenditure incurred during the year	3,602,704	11,568,034
Balance at June 30,	626,116,542	622,513,838

Break up of work in progress is as follows:

WORK IN PROGRESS	2025 Rupees	2024 Rupees
Development of sector M and commercial area	345,328,979	345,328,979
Comer shops	1,973,940	1,973,940
Balance works of sui gas	15,374,593	15,374,593
Pagoda hill park	15,101,853	15,101,853
Government primary school	1,097,408	1,097,408
Recarpeting of roads	185,889,877	185,889,877
Boundary wall	17,115,846	17,115,846
Sui gas sector M, A to K	23,054,673	23,054,673
Construction of pump room (sector C)	1,032,633	911,939
Community center	47,000	47,000
Gazebo hill park	1,106,754	1,088,507
Steel gate for south avenue	252,030	252,030
Development of Café at Hill Park	5,819,655	5,741,355
Development of underground water tank	4,782,927	4,782,927
Development of toilet / guard post	2,572,360	2,572,360
Construction of sedimentation tank	215,201	215,201
Construction of vehicle service station	1,214,141	1,214,141
Family Park in sector-H	978,370	751,229
Development of Harrani Road Park	222,646	-
Water supply	423,774	-
Sewerage Line	2,021,682	-
Solar system-ECHS Complex	490,200	-
Total	626,116,542	622,513,838

- 5.2 Certificate of work in progress is provided and is attached as **Annexure-N**.
- 5.3 We have verified the development expenditures during the year on test basis with the supporting documents and found in order.
- 5.3 It was observed through the detail of development projects that most of the projects classified under this head are 100%. It is suggested that under IAS-16 the projects that have been completed should be capitalized.

6. ADVANCE, DEPOSITS AND PRE-PAYMENTS

Rs. 15,749,437

It is comprised of:

Description	Note	2025 Rupees	2024 Rupees
Secure advances for material	6.1	13,261,678	48,261,678
Security deposits	6.2	600,000	600,000
Receivable against CVT from members	6.3	1,835,259	1,973,515
Other deposits	6.4	2,500	2,500
Advance to staff		50,000	50,000
Total		15,749,437	50,887,693

6.1 **Secure advances for material**

Description	2025 Rupees	2024 Rupees
M/s. Shalimar company	4,154,076	4,154,076
M/s. Shafi sons	6,542,311	6,542,311
M/s. IBEX	1,543,500	1,543,500
M/s. Margalla View City	-	35,000,000
M/s. Al-karam enterprises	1,807,409	1,807,409
M/S. Akhtar brothers	1,229,123	1,229,123
Less Issued to sector M & Commercial Area	(2,014,741)	(2,014,741)
Total	13,261,678	48,261,678

An adjustment amounting to PKR 35,000,000 (Rupees Thirty-Five Million only) has been recorded to accurately reflect the financial position of the Company in accordance with applicable accounting standards and management's assessment for provision of Land measuring 26 Kanal and 10 Marla in khasra number 976/1/2 Moza Ahle Piswal filling under the road for construction and linkage of north Avenue Road, of ECHS (D-18) to North Service Road of Margallah View Housing Society (D-17). This adjustment is made against head Cost of land under Member's deposit.

According to the management, these advances were intended for material procurement, and the materials were indeed supplied by the respective vendors. These supplied materials were utilized in development projects.

Recommendation:

It is highly recommended to allocate materials used against advances to the appropriate account, such as development costs.

6.2 It represents amount paid to Small Dam Organization as per clause 9 of the agreement between ECHS and the Government of Punjab dated October 10, 1997 on account of water supply in bulk at ECHS site and Rs. 500,000 paid to PSO as security.

6.3 This is a carry forward balance and represents receivable from members against CVT. The society has sent letters to members for recovery as early as possible.

6.4 This is carried forward balance and represents the deposit against the locker acquired by the society at Bank of Punjab.

As part of our audit procedures and in accordance with ISA 505 (External Confirmations), we provided management with a request to authorize the issuance of a balance confirmation to these parties against advances, deposits and pre-payments. However, as of the date of this report, no confirmation has been received, and it remains unclear whether management has acted on the request.

Some balances are long-outstanding and very low movement is shown in accounts since 2023. Management should take steps to recover these balances or may consider writing off these balances if recovery of these balances is no longer probable.

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7 RECEIVABLE **Rs. 2,221,815**

Description	Ref. no.	2024 Rupees	Addition / (Deletion) during the year	2025 Rupees
Receivable from M/s Suhail Taimur	7.1	2,161,815	-	2,161,815
Rent receivable	7.2	-	60,000	60,000
TOTAL		2,221,815	60,000	2,221,815

7.1 There is no movement in this account for many years. It represents amount receivable from M/S. Suhail Taimur on account for advance for land. As per the management, a contract with M/S. Suhail Taimur was signed on February 14, 1988 then amended on January 16, 1989 with further amendments on April 11, 1993 to purchase and transfer of land measuring 1500 to 2000 Kanals which was defaulted by the land provider. Further on January 7, 1999 the land provider has been furnished legal notice to pay sum of Rs. 2,161,815/-.

7.2 This represents the rent receivable against space rented out to Quetta Café.

Recommendation:

The funds in question are associated with the contributions made by the members of the housing society. As custodians of these resources, the management has a fiduciary responsibility to ensure their proper utilization and protection. It is imperative that the management takes proactive measures to recover this outstanding amount in a timely manner. Timely recovery will not only safeguard the financial interests of the housing society but also contribute to the overall financial health and sustainability of the organization.

8 RECEIVABLE FROM MEMBERS **Rs. 1,102,047**

Particulars	2025 Rupees	2024 Rupees
Balance at July 01,	2,151,439	2,327,892
Less: collections from members during the year	(1,049,392)	(176,453)
Balance at June 30,	1,102,047	2,151,439

According to management, adjustment during the year relates to payment made to FBR under section 236K and society will recover this amount from members.

9 ADVANCE WITHHOLDING TAX **Rs. 54,171,220**

Particulars	2025 Rupees	2024 Rupees
Balance at the beginning of the year	85,326,421	72,450,430
Addition during the year	8,224,341	14,193,071
Adjustment/ refund during the year	(37,782,625)	-
Provision for taxation for the year	(1,596,917)	(1,317,080)
Balance at the end of the year	54,171,220	85,326,421

This addition includes amount deducted on rent under section 155 of the Income Tax Ordinance, 2001 from Roots Millennium school amounting to 3,107,979 and advance withholding tax deducted on profit amounting to Rs. 5,116,362. Tax provision of Rs. 1,596,917 has been recorded for the year ended June 30, 2025.

During the year Rs. 37,782,625 was received during the year from FBR under section 170 of Income Tax Ordinance 2001. We have been provided with the copy of order. According to which total refund created was Rs. 40,730,81/-. Out of which Rs. 2,948,188/- was deducted against tax liability for tax year 2018, 2019 and 2020.

Although, management has claimed refund of Rs. 40 million approximately during the year. An amount of 54 million is still reflected as advance tax at year end. Management should take vigorous steps to pursue recovery of this amount as advance tax may lapse and become non-refundable after expiry of three years.

10 CASH AND BANK BALANCE

Rs. 233,115,767

It comprised of:

Particulars	2025 Rupees	2024 Rupees
Cash in hand	1,000,000	1,000,000
Cash in bank:		
Bank of Punjab (Peshawar Road Rawalpindi)	15,933,214	11,856,793
United bank Limited (Kamran Market Saddar, Rawalpindi)	423,647	387,452
Bank of Punjab (Taqwa Islamic, Chaklala, Rawalpindi)	292,273	292,273
Allied Bank Limited (D-17)	215,358,893	216,820,122
United Bank Limited (Tarnol Rawalpindi)	107,740	107,740
Balance as on June 30,	233,115,767	230,464,380

10.1 Physical verification of cash in hand as at June 30, 2025 could not be performed due to our appointment after the year-end. In lieu thereof, a management-certified cash-in-hand certificate was obtained and relied upon for audit purposes. The said certificate, together with the certificate confirming the list of bank accounts, is attached herewith

Bank balances have been duly verified from bank statements and cashbooks. Bank reconciliations have been obtained from management in case of any difference arisen in balances.

10.2 Certificate for cash in hand is attached as Annexure "O" & List of banks is attached as per Annexure "P".

As part of our audit procedures and in accordance with ISA 505 (External Confirmations), we provided management with a request to authorize the issuance of a bank balance confirmation to all banks. However, as of the date of this report, no confirmation has been received, and it remains unclear whether management has acted on the request.

11 SHARE MONEY

Rs. 3,215,600

11.1 The movement in this of account is as under

Particulars	2025 Rupees	2024 Rupees
Balance at July 01,	2,970,600	2,695,600
Received for the year	245,000	275,000
Balance as at June 30,	3,215,600	2,970,600

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11.2 Authorized share capital of the society consists of undetermined number of shares of Rs. 1,000/- each under section 17 of the bye-laws of the society.

Share certificates have not been issued to the members, since issuance of shares certificates is not in practice of the society. Instead, membership letters were issued to the members of the society.

All shares are fully paid up and liability of each member is limited to ten times of the value of shares purchased by them, [Bye-law 9].

Members desiring to have a plot in the society will have to purchase shares at the following rates [Bye-law 18 and 19]:

In case of Residential Plots	
Size of plot	Shares to be purchased
Up to 5 Marlas	One share
From 6 to 10 Marlas	Two shares
From 11 Marla to 1 Kanal	Four shares
More than 1 Kanal but less than 2 Kanals	Eight shares
2 Kanals or more	Ten shares

In case of Commercial Plots	
Size of plot	Shares to be purchased
Up to 3 Marlas	Two shares
From 3 to 5 Marlas	Three shares
More than 5 Marlas	Five shares

12 CAPITAL RESERVES

Rs. 63,735,105

Balance at year end under this head is as follows:

Particulars	2025 Rupees	2024 Rupees
Community fund	8,653,173	8,116,173
Masjid fund	55,081,932	50,456,194
Total Balance as at June 30,	63,735,105	58,572,367

This head includes the member's deposits toward the community center and masjid funds of the society.

During the year amount of Rs. 537,000 and 4,625,738/- was received from members against Community fund and Masjid fund respectively. We have verified these additions on sample basis and found them in order.

13 UN APPROPRIATED PROFIT / (LOSS)

Rs. (526,441,949)

13.1 The movement in this head of account is as under:

Particulars	2025 Rupees	2024 Rupees
Balance at the beginning of the year	(465,489,492)	(416,492,457)
Deficit for the year	(59,355,540)	(47,679,955)
Provision for income tax	(1,596,917)	(1,317,080)
Balance at the end of the year	(526,441,949)	(465,489,492)

Income generated and expenditure incurred during the year were in accordance with the rules of the society.

13.2 Income:

Income for the year primarily comprises bank profit, security charges, rental income, transfer fees, non-utilization charges, as well as membership-related receipts including membership and admission fees. Other income streams include water charges, vetting fees, miscellaneous income, duplicate letter fees, and house completion fees.

We have verified the income recorded during the year on a test-check basis, with reference to supporting documentation and relevant records, and found the results to be satisfactory.

13.3 Expenses:

Expenses incurred during the year primarily comprise salaries, wages and other staff benefits, security expenses, utilities (electricity, gas and water), depreciation, travelling and conveyance, legal and professional charges, repair and maintenance, as well as administrative and general expenses such as advertisement, communication, printing and stationery, AGM expenses, fuel and lubricants, entertainment, and bank charges.

Other significant expenses include security services, staff-related statutory contributions (gratuity, Punjab Social Security and EOBI), Jamia Masjid expenses, and garbage collection charges.

We have examined the above expenses on a test-check basis, with reference to supporting documentation, and found them to be properly recorded and in order.

13.4 It was observed that expenses are higher as compare to the income of the society during the year under audit. It is suggested that the management may take necessary steps to recover the charges from members along with implementation of new funds generation plan to bring society's affairs in order.

14 MEMBER'S DEPOSITS

Rs. 2,438,053,245

14.1 The movement in this account is as under:

Description	Ref	Balance as on 01-July-2024	Addition/(Deletion) during the year	Balance as on 30-June-2025
For cost of land	14.2	708,602,707	(34,004,000)	674,598,707
For development	14.3	897,389,718	7,854,400	905,244,118
For additional development	14.4	607,433,214	3,354,700	610,787,914
For additional development (escalation)	14.4	220,174,430	7,701,2855	227,875,715
For additional development (corner plots)	14.5	14,008,290	1,222,166	15,230,456
Possession charges	14.6	3,461,335	855,000	4,316,335
Total		2,451,069,694	(13,016,449)	2,438,053,245

14.2 This addition represents the amount received by the society in against of land, from the members. The additions during the year for development were checked on test basis with the supporting documents and found in order.

An adjustment amounting to PKR 35,000,000 (Rupees Thirty-Five Million only) has been recorded to accurately reflect the financial position of the Company in accordance with applicable accounting standards and management's assessment for provision of Land measuring 26 Kanal and 10 Marla in khasra number 976/1/2 Moza Ahle Piswal filling

N/S or

under the road for construction and linkage of north Avenue Road, of ECHS (D-18) to North Service Road of Margallah View Housing Society (D-17). This adjustment is non-cash in nature.

- 14.3 The addition during the year for development were checked on test basis with the supporting documents and found in order.
- 14.4 This represents fines /penalties imposed on the members due to late payments against development. The addition during the year were checked on test basis with the supporting documents and found in order.

Recommendations:

These fines, which are currently debited to member deposits, should be reclassified to income. This pertains to fines or penalties imposed on members for delayed payments related to development.

- 14.5 This represents the amount received from the members for corner plots at a rate of 10% of land cost. The addition during the year was checked on test basis with the supporting documents and found in order.
- 14.6 This represents possession charges. It should be reclassified in income and expenditure account under the head income.

15 CURRENT LIABILITIES

Rs. 50,811,075

The breakup in the accounts grouped under this main heading is given below:

Particulars	Ref. no.	2024 Rupees	Addition during the year	2025 Rupees
Gratuity payable (Staff retirement benefits payable)	15.1	35,188	-	35,188
Trade and other Payable	15.2	7,074,937	2,490,280	9,565,217
Retention money payable	15.3	41,150,082	60,588	41,210,670
Balance as of June 30,		48,260,207	2,550,868	50,811,075

15.1 Gratuity payable:

Rs. 35,188

There is no movement in this account. It is brought forward balance from the last many years and represents the staff gratuity payable at the end of the year. Further, No provision for Staff provident fund in violation of Section-41 of Cooperative Society's Act was made.

Recommendation:

It is strongly recommended that management should follow the rules as per Cooperative Society's Act 1925.

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15.2 Trade and other Payable

Movement under this head is as follows:

Description	Ref	Balance as on 01-July-2024	Addition/ (Deletion)	Balance as on 30-June-2025
Creditors	15.2.1	350,000	-	350,000
Audit fee payable		400,000	-	400,000
Accounts payable (WHT payable)	15.2.2	403,030	-	403,030
Vetting fee payable	15.2.3	852,638	(2,892)	849,746
Ballot deposits	15.2.4	223,900	50,000	273,900
Land possession charges	15.2.5	320,500	-	320,500
Surety money payable	15.2.6	3,147,584	73,172	3,220,756
House completion fee (refundable)	15.2.7	796,394	2,250,000	3,046,394
Deferred income	15.2.8	564,458	-	564,458
Security deducted payable		16,433	120,000	136,433
TOTAL		7,074,937	2,490,280	9,565,217

- 15.2.1 As pointed out in previous Audit report, this represents possession charges payable to Mr. Saleem Khan in accordance with the agreement dated March 4, 1993 (since 1996).

Recommendation:

As it is long-outstanding balance and in our opinion, it should be written off after due procedure and approval by the Circle Registrar Cooperatives Societies, Islamabad.

- 15.2.2 This represents the Withholding tax payable on account of vendors' payments.

Observation

Under the provisions of the Income Tax Ordinance 2001, entities, including societies, are required to withhold tax on various transactions, including development expenditures and other expenses. The critical compliance aspect for societies is the obligation to deposit the withheld tax amount to the Federal Board of Revenue (FBR) within a stipulated period, which is within 7 days of the deduction of the tax.

Delay in the submission of the withholding tax to the FBR is a matter of significant concern. It is imperative to understand that any failure to comply with the tax deposit deadlines will invariably lead to the imposition of a default surcharge by the FBR. This surcharge serves as a penalty for late payment and can significantly increase the financial burden on the society, affecting its financial health adversely.

Recommendation

To mitigate the risk of incurring penalties and to ensure compliance with the Income Tax Ordinance 2001, it is highly recommended that the society adopts a proactive approach towards its tax obligations.

- 15.2.3 This represents the vetting fee payable to the architects at the end of the year against the certification of housing plan / maps as per the building by-laws of the society submitted by the members. Society made agreements with different architects for which society has liability to pay 62.5% of income received to architects. Other than this agreed 37.5% share from fee received, society also charge a fixed amount of Rs. 3,000.

- 15.2.4 This represents balance against ballot deposit received from members.

Nadeem Safdar

15.2.5 This represents carry forward balance on the account of Land possession charges payable.

Recommendation:

In our opinion it should be written off after due procedure and approval by the Circle Registrar Cooperative Societies, Islamabad.

15.2.6 This represents surety money payable, as per employment policy the society has to keep one salary of an employee as token of security and is refundable in the society accounts.

15.2.7 This represents the house completion fee received in advance at time of possession of plot to the members and will be refundable, net off penalties in case of any violation, after completion of house.

15.2.8 This represents rent amount received in advance. Due to adjustments of rent receivable excess amount paid by Roots Millennium School.

This is carried forward balance from previous year. Management should review the underlying reconciliation and make appropriate adjustments to clear the outstanding balance on a timely basis to ensure accurate presentation of receivables.

15.3 RETENTION MONEY PAYABLE:

Movement under this head is as follows:

Description	Balance as on 01-July-2024	Addition/ (Deletion) during the year	Balance as on 30-June-2025
M/s. Niazi engineering	496,500	-	496,500
M/s. Forte construction	148,575	-	148,575
M/s. FWO	16,352,000	-	16,352,000
M/s. MYB	145,124	-	145,124
M/s. IBEX	14,450,000	-	14,450,000
M/s. Ikran & sons	3,750	-	3,750
M/s. M. Iqbal	41,515	-	41,515
M/s. Allah dad	5,948,717	-	5,948,717
M/s. High mark	10,888	-	10,888
M/s. Haji Abdul Bari	58,940	-	58,940
M/s. AGECO	964,500	-	964,500
M/s. Abdul Qayyum Mando Khail	205,327	-	205,327
M/s. Real associates	393,390	(63,526)	329,864
M/s. Gulfam engineering	119,122	-	119,122
M/s. Banuu Mukhtar	532,876	-	532,876
M/s. Nauman brothers	59,828	-	59,828
M/s. Shaheen enterprises	148,528	-	148,528
M/s. Skylark engineering	15,750	-	15,750
M/s. Tech mind	41,794	(41,794)	-
M/s. Margalla transformer	56,743	-	56,743
M/s. Shumdil Builders	117	-	117
M/s. Wellspring	39,072	-	39,072
M/s. Thymas contractor	31,250	(31,250)	-
M/s. Mass enterprises	98,549	-	98,849

M/s Arbab Malik	16,877	-	16,877
M/s Ahmed & Company	28,075	-	28,075
M/s Al-Badar	18,036	-	18,036
M/s Alloudin & Brothers	10,020	18,781	28,801
M/s Al-Sadaat Traders	38,430	-	38,430
M/s Hammad Transformer	19,480	-	19,480
M/s Jawad	459,016	(59,783)	399,233
M/s Khawaj Abbasi	34,720	-	34,720
M/s Mega Engineering	5,388	(5,388)	-
M/s MS enterprises	23,439	(23,439)	-
M/s Nasir Khan & Brothers	133,746	20,966	154,712
M/s Abdul Wahab Associates		82,309	82,309
M/s Gulberg Constructions	-	6,552	6,552
M/s Subhan Transformer	-	7,400	7,400
M/s Tatar Engineering	-	149,760	149,760
TOTAL	41,150,082	60,588	41,210,670

This account Retention money payable represents security deduction from the running bills of the contractors against the work done and payable by the society upon the successful completion of the project in accordance with the terms and condition of the contracts executed. Confirmation to these parties is pending till terminal date.

16 **INCOME AND EXPENDITURE ACCOUNT**

We have examined the income and expenditure account of the Society using statistical and judgmental sampling techniques and found the results to be satisfactory. During the year under audit, the Society has earned Rs. 101,096,319 (2024: Rs. 118,235,781) incurred expenditure of Rs. 160,451,859 (2024: Rs.165,915,736), resulting in a deficit of 59,355,540 (2024: Rs. 47,679,955). In order to improve the financial position, it is essential that the Managing Committee undertakes prudent and effective measures to control costs and enhance revenues with the objective of achieving a surplus in future periods.

The Society is advised to strengthen its accounting and internal control framework by introducing proper receipt vouchers supported by relevant documentation, ensuring that all vouchers are duly prepared and approved by both the preparer and an authorized signatory, and implementing basic segregation of duties in the recording and authorization of transactions. Where staffing limitations exist, appropriate compensating controls, such as periodic review and oversight by the Internal Audit Committee, should be established to further enhance and strengthen the transparency, accountability, and reliability of financial records.

17 **COMPLIANCES TO AUDIT GUIDELINES AND DIRECTIONS**

Compliance of guidelines issued by the registrar for statutory audit of the cooperative were checked and found that:

17.1 **Internal Audit Committee**

As per section 22(B) of The Cooperate Society Act 1925, Every housing and producers" society, in addition to the audit of accounts under section 22, shall also get the accounts audited by an internal audit committee comprising at least three members of the society other than the members of its managing committee as may be appointed by the general body with their consent. The report of the internal audit committee shall be submitted by the society or the committee to the Registrar within one month of the receipt or compilation of such report.

Observations:

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During course of audit, it was observed that no internal audit committee was formed and hence no internal audit was constituted in accordance with the provision of relevant section. Lack of internal audit committee and internal audits indicates non-compliance with statutory requirements. Absence of an internal audit process may lead to undetected errors, fraud, and inefficiencies. The society may face penalties or other regulatory actions due to non-compliance.

Recommendation:

In adherence to Section 22(B) of the Cooperative Society Act 1925, it is imperative to prioritize the establishment of an internal audit committee. The steps to be taken include:

- **Formation of Internal Audit Committee:** The general body of the society should appoint an internal audit committee comprising at least three members who are not part of the managing committee. This ensures compliance with statutory requirements and enhances internal control mechanisms.
- **Conducting Internal Audits:** The internal audit committee should perform audits on the society's accounts and operations regularly. Regular internal audits help in identifying and mitigating risks, ensuring accurate financial reporting, and improving operational efficiency.
- **Reporting to Registrar:** Ensure that the internal audit committee's report is compiled and submitted to the Registrar within one month of its completion. Timely submission of the report ensures compliance with legal requirements and provides the Registrar with necessary oversight on the society's financial health and governance practices.

17.2 Service Rules

Service rules, as per the directive of the Office of Registrar, Co-operative Societies Department ICT, Islamabad, are required to be formulated for the employees, the Society has not formulated such service Rules.

The society has not complied with the directives under Sections 44-D & 44-E of the Cooperative Societies Act, 1925, regarding updating the society's website and submitting statements of accounts, returns, and documents on a quarterly basis.

Recommendation:

We strongly suggest that society should look into these matters with serious concern and take necessary steps to comply with the aforesaid requirements regardless of their number.

This will ensure consistency in employee management, provide a clear framework for employee rights and responsibilities, and help avoid potential legal issues.

17.3 Provident fund

As per section 41 of the Cooperative Society Act 1925, any society may establish a provident fund for its members out of contributions from such members in accordance with bye-laws made by the society. In this behalf and may contribute to such provident fund from its net profits, after the prescribed payments have been made to the reserve fund, provided that such provident fund shall not be used in the business of the society but shall be Invested under the provisions of section 37 of Cooperative Society Act 1925; and provided further, that no part of be considered as an asset of the society.

We have observed that society has not established contributory provident fund and gratuity for its employees.

Recommendation:

We suggest that the society should look into these matters with serious concern and take necessary steps to comply with aforesaid requirements.

17.4 Procedure laid down in the bye-laws for admission of members was followed by the society.

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- 17.5 Society has ownership and possession of the land as per certified land records.
- 17.6 Delegation of powers to officials and segregation of duties of employees are not in place. Certificate in this regard is attached as **Annexure-Q**.
- 17.7 Notifications of important information for the benefit of members are duly advertised in print media.
- 17.8 No details of remuneration paid to managing committee has been provided to us.
- 17.9 List of defaulters was not provided to us by the managements.
- 17.10 Details of legal cases have been provided to us and is attached as **Annexure-R**.

18 CIRCULAR - GUIDELINES/SOPS FOR STATUTORY AUDIT OF COOPERATIVES

As per circular No.3316/CR/ICT/B dated October 14, 2025, following are the guidelines/SOPs for statutory audit.

DUTIES OF THE AUDITOR

- a) The Auditor or the person authorized by him shall at all times have access to all the books, accounts, documents, papers, securities, cash and other properties belonging to, or in the custody of the cooperative and may summon any person in possession or responsible for the custody of any such books, accounts, documents, paper, securities, cash or other properties, to produce the same at any public office at the headquarters of the society or any branch thereof. (Refer point 1.5.1)
- b) The auditor shall verify the cash balance and transactions in respect of purchase/possession of land, development and other charges levied by the Society. value assets and liabilities of the society, and in addition to the complete financial audit statement. (Refer point-4)

The auditor shall make specially comment on the following things:

- I. Whether the business of the society has been conducted according to the Cooperative principles and sound business practices.
- II. Whether procedure laid down in the bylaws of admission of members is followed and deviations, if any, are placed for ratification by the AGM. (Refer point- 1.6).
- III. Whether the AGMs are held regularly and cover all areas of importance and the minutes are maintained properly. (Refer point-1.6).
- IV. Whether the society has ownership and possession of land as per certified land record. (Refer point-1.3).
- V. Whether the development work in society is being carried out in a transparent manner and PPRA rules and guidelines are strictly adhered to in this regard. (Refer point- 5).
- VI. Whether the society is abiding by the Layout Plan approved by the concerned Development/Municipal Authority. (Refer point- 1.2).
- VII. Whether there are any committees, if so their composition and scope of activity. In case of such committees, how their functioning is reported to and overseen by the AGM.
- VIII. Remuneration paid to members of Managing Committee viz-a-viz bylaws. (Refer point- 17.8).
- IX. Delegation of powers to officials and employees and manner of oversight over the exercise of the same. (Refer point- 17.6).
- X. Suits filed against the cooperative including disputes raised under the Act. (Refer point-13.2).
- XI. The auditor should also clearly mention the total number of members of society, number of members having possession of plots, number of remaining awaiting members and members who are defaulters along with details of their dues. (Refer point-1.8).

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- c) The Auditor should satisfy himself that the Cooperative has kept all account books and registers in connection with the business and the functioning of the Cooperative as per Cooperative Societies Act, 1925. (Refer point-1.5.2).
- d) Among other things the Auditor should verify:
- I. Purchase of land / acquisition of land with approval of Registrar under Rules 27 & 54 of Cooperative Societies Act, 1925 verification of the revenue record as per available with the Society indicating ownership and possession over the land.
 - II. Allotment of residential & commercial plots to the members of the Society and mode and method of allotment & auction procedure in accordance with the business rules contained in the bylaws of a Society. (Refer point-1.7.1)
 - III. Agreements pertaining to purchase of land and other relevant documentation.
Status of LOP & NOC of the development work of the Society. (Refer point- 1.2).

18 ANNEXURES

<u>Sr.</u>	<u>Description</u>	<u>Annexure</u>
1	Financial statements	Annexure-A
2	Fixed assets schedule	Annexure-B
3	Registration certificate	Annexure-C
4	Copies of NOCs	Annexure-D
5	Copy of Lay out plan	Annexure-E
6	Certificate –Managing Committee	Annexure-F
7	Copy of Byelaws	Annexure-G
8	Certificate – AGM	Annexure-H
9	Certificate – Allotment of plot	Annexure-I
10	Certificate – Plots cancelled	Annexure-J
11	Certificate –Plot transferred	Annexure-K
12	Certificate – Total number of members	Annexure-L
13	Certificate of total land and new land purchased during the year	Annexure-M
14	Certificate- Development work	Annexure-N
15	Certificate- Cash in Hand as at 30 th June 2025	Annexure-O
16	Certificate- List of bank accounts as at 30 th June 2025	Annexure-P
17	Certificate - Delegation of powers to officials and employees	Annexure-Q
18	List of cases under litigations.	Annexure-R

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Subject to the effects of the matters and except for the effects of adjustments as stated in the preceding Paragraphs we state that: -

- a) We have obtained all the information and explanations which we require.
- b) In our opinion, proper books of accounts have been kept by the Society as required by Cooperative Societies Act, 1925 and the Rules of the Society.
- c) Such statements of financial position and income & expenditure exhibit a true and fair view of the state of the affairs of society according to the information given to us and as shown by the books of accounts.
- d) In our opinion, the activities carried out, and expenditures incurred during the year were in accordance with the bye laws of society.

We would be pleased to provide any further information or clarification, which you may require in connection with this audit.

Finally, we wish to place on record our appreciation for the cooperation extended to us by the management and staff of the society during the course of our audit.

Yours truly,


Nadeem Safdar & Co.
Chartered Accountants

Place: Islamabad


M/s Engineers Co-operative Housing Society Ltd. Islamabad.

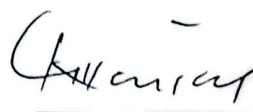
Statement of Financial Position

As at June 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	587,433,980	592,415,522
Cost of land	4	509,462,268	509,462,268
Work in progress	5	626,116,542	622,513,838
		1,723,012,790	1,724,391,628
CURRENT ASSETS			
Advance, deposits & prepayments	6	15,749,437	50,887,693
Receivables	7	2,221,815	2,161,815
Receivables from members	8	1,102,047	2,151,439
Advance withholding tax	9	54,171,220	85,326,421
Cash & bank balances	10	233,115,767	230,464,380
		306,360,286	370,991,748
TOTAL ASSETS		2,029,373,076	2,095,383,376
EQUITY AND LIABILITIES			
EQUITY			
Share money	11	3,215,600	2,970,600
Un-appropriated profit	12	(526,441,949)	(465,489,492)
Capital reserve	13	63,735,105	58,572,367
		(459,491,244)	(403,946,525)
NON CURRENT LIABILITIES			
Member's deposits	14	2,438,053,245	2,451,069,694
CURRENT LIABILITIES			
Current liabilities	15	50,811,075	48,260,207
TOTAL EQUITY AND LIABILITIES		2,029,373,076	2,095,383,376
Contingencies and Commitments	16		

The annexed notes 1 to 20 form an integral part of these financial statements.


PRESIDENT


TREASURER

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M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Statement of Income and Expenditure

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Membership fee		2,194,400	2,584,403
Admission fee		158,000	185,000
Transfer fee		7,881,882	8,359,393
Bank profit		34,109,077	66,436,145
Miscellaneous income		7,011,625	6,577,262
Vetting fee		1,734,780	1,123,858
Security charges		19,946,711	12,407,104
Duplicate letter fee		80,000	130,000
Rental income		14,031,811	12,869,351
Water charges		3,607,168	3,290,240
Non-utilization charges		10,140,865	4,003,025
House completion fee		200,000	270,000
		101,096,319	118,235,781
EXPENDITURES			
Salaries, wages & other benefits		50,229,015	51,180,995
Security expense		16,055,879	16,297,689
Petrol, oil and lubricants		4,657,499	5,688,509
Miscellaneous expenses		1,310,435	1,256,686
Communication		625,415	683,294
Travelling and conveyance		7,114,152	7,484,395
Entertainment expenses		500,995	490,560
Bank charges		65,090	30,601
Advertisement expenses		1,488,023	340,210
Electricity, gas and water		25,053,965	27,204,860
Rent, rates and taxes		-	21,300
Printing and stationery		1,090,046	811,361
AGM expenses		2,933,408	-
Legal and professional charges		7,836,106	6,613,404
Repair and maintenance		3,455,909	4,688,988
Garbage collection expense		252,000	391,800
Jamia masjid expenses		1,242,937	851,852
Gratuity expense		2,189,413	873,001
Punjab Social Security expenses		519,389	535,337
EOBI		1,055,886	976,002
Tax expense		-	5,530,268
Depreciation		32,776,297	33,964,624
		160,451,859	165,915,736
SURPLUS/(DEFICIT) FOR THE YEAR		(59,355,540)	(47,679,955)
PROVISION FOR INCOME TAX		(1,596,917)	(1,317,080)
PREVIOUS YEAR BALANCE BROUGHT FORWARD		(465,489,492)	(416,492,457)
SURPLUS/ (DEFICIT) CARRIED FORWARD		(526,441,949)	(465,489,492)

The annexed notes 1 to 20 form an integral part of these financial statements.

PRESIDENT

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M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Statement of Cash Flows

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	(59,355,540)	(47,679,955)
Adjustment for non-cash and other items:		
Depreciation	32,776,297	33,964,624
Operating deficit before working capital changes	(26,579,243)	(13,715,331)
Increase/decrease in current assets		
Advance, deposits & prepayments	35,138,256	169,600
Receivables	(60,000)	-
Receivable from members	1,049,392	(2,151,439)
Advance withholding tax	31,155,201	(12,875,991)
Short term investment	-	230,000,000
	67,282,849	215,142,170
Increase/decrease in current liabilities	2,550,868	2,056,443
Cash used in operation	43,254,474	203,483,282
Income tax paid	(1,596,917)	(1,317,080)
Net cash used in operating activities	41,657,557	202,166,202
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets	(27,794,755)	(29,761,749)
Cost of land	-	(79,704,000)
Work in progress	(3,602,704)	(11,568,034)
Net cash used in investing activities	(31,397,459)	(121,033,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share money	245,000	275,000
Capital reserve	5,162,738	5,604,556
Members' deposits	(13,016,449)	66,102,911
Net cash flows from financing activities	(7,608,711)	71,982,467
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	2,651,387	153,114,886
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	230,464,380	77,349,494
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	233,115,767	230,464,380

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The annexed notes 1 to 20 form an integral part of these financial statements.

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PRESIDENT

TREASURER

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

1 BACK GROUND AND LEGAL STATUS

The Engineers Cooperative Housing Society Limited, Islamabad ("the Society") is registered under the Societies Act 1925, vide certificate no. 132 dated 21st March 1983. Its territorial jurisdiction is restricted to Capital Territory Islamabad and Rawalpindi districts. The main objective of the society is to promote the economic interests of its members on the principles of cooperation, self-help and no profit & loss basis along-with to provide housing facilities to its members by developing land, constructing infrastructure and development thereof.

The registered office of the Society is situated at Sangjani, Sector D-18, Islamabad.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2 A preview of the significant accounting policies is given below.

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting Standard for Not-for-Profit Organisations (NPO's) and Revised Accounting and Financial Reporting Standard for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as well as the Act and Rules prevalent to the Cooperative Societies Act in Pakistan and guidelines issued by Registrar Co-operative Societies Islamabad.

2.2 BASIS OF PREPARATION OF ACCOUNTS

These accounts have been prepared under historical cost convention.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rs./Rupees) which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest Rs. / Rupees, unless otherwise indicated.

2.4 DEPOSITS FOR LAND

This represents the cost of land deposited by members/applicants for acquisition of plot using the relevant rates.

2.5 DEPOSITS FOR DEVELOPMENT

This represents the cost deposited by members/applicants for infrastructure development keeping in view the size of plot.

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M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

2.6 ADMISSION FEE

This represents the amount received "as per rules" from members/applicants in lieu of giving them the membership of the Society.

2.7 MEMBERSHIP FEE

This represents the amount received from members/applicants in lieu of giving them the membership of the Society.

2.8 LIABILITIES

These are recognized when it is probable that an economic outflow of benefits will occur and the quantification of that benefit can be done.

2.9 PROVISION

Provisions are recognized at the time when the authority as a legal or constructive obligation as a result of past events and it is probable that out flow of economics benefits will be required to settle the obligation and a reliable estimate can be made. However, provision are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.10 PROPERTY AND EQUIPMENT

Depreciation is charged so as to write off the cost of assets, except land, over their estimated useful lives, using the reducing balance method at rates specified in Note 3 to the financial statements. Major repairs / additions are capitalized while others are expensed out.

Depreciation on additions to property and equipment is charged when the asset is available for use.

2.11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

These represents the balances available with receivable by the Society in different forms.

2.12 CASH AND BANK BALANCES

These represents the liquid cash available with the Society in different forms.

2.13 TRANSFER FEE

The amount of fee received from transferor/transferee in lieu of transfer of plot.

2.14 OTHER INCOME

This represents the profit given by banks on PLS accounts being operated by Society.

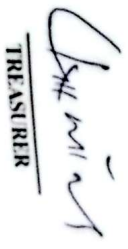
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3 PROPERTY AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION			WDV As at June 30, 2025		
	As at July 01, 2024	Additions	Deletions	As at June 30, 2025	Rate	As at July 01, 2024		For the year	Deletions
Furniture and Fixture (Head Office)	2,453,120	251,539	-	2,704,659	10	1,343,670	129,810	-	1,473,480
Office Equipment (Head Office)	8,413,886	196,100	-	8,609,986	10	2,596,410	594,821	-	3,191,231
Computers	1,352,065	122,500	-	1,474,565	30	1,122,543	91,195	-	1,213,738
Vehicles	15,184,528	-	-	15,184,528	20	10,654,461	906,013	-	11,560,474
Furniture and Fixture (Site Office)	2,328,753	-	-	2,328,753	10	772,593	155,616	-	928,209
Office Equipment (Site Office)	7,045,045	966,743	-	8,011,788	10	2,303,799	516,518	-	2,820,317
Building	58,037,049	-	-	58,037,049	10	42,044,513	1,599,254	-	43,643,767
Machinery	3,187,542	311,180	-	3,498,722	20	2,701,688	143,848	-	2,845,536
Developed Works	1,116,681,657	25,946,693	-	1,142,628,350	5	558,728,446	28,639,222	-	587,367,668
Rupees - 2025	1,214,683,645	27,794,755	-	1,242,478,400		622,268,123	32,776,297	-	655,044,420
									587,433,980

PARTICULARS	COST			DEPRECIATION			WDV As at June 30, 2024		
	As at July 01, 2023	Additions	Disposal	As at June 30, 2024	Rate	As at July 01, 2023		For the year	Disposal
Furniture and Fixture (Head Office)	2,311,206	141,914	-	2,453,120	10	1,220,398	123,272	-	1,343,670
Office Equipment (Head Office)	5,322,310	3,091,576	-	8,413,886	10	1,950,024	646,386	-	2,596,410
Computers	1,352,065	-	-	1,352,065	30	1,024,177	98,366	-	1,122,543
Vehicles	13,168,703	2,015,825	-	15,184,528	20	9,521,944	1,132,517	-	10,654,461
Furniture and Fixture (Site Office)	1,042,712	1,286,041	-	2,328,753	10	599,686	172,907	-	772,593
Office Equipment (Site Office)	6,681,451	363,594	-	7,045,045	10	1,776,994	526,805	-	2,303,799
Building	57,767,674	269,375	-	58,037,049	10	40,267,565	1,776,948	-	42,044,513
Machinery	2,732,082	455,460	-	3,187,542	20	2,580,224	121,464	-	2,701,688
Developed Works	1,094,543,693	22,137,964	-	1,116,681,657	5	529,362,487	29,365,959	-	558,728,446
Rupees - 2024	1,184,921,896	29,761,749	-	1,214,683,645		588,303,499	33,964,624	-	622,268,123
									592,415,522

PROVISION



 TREASURER

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
4 COST OF LAND			
Balance at the beginning of the year		509,462,268	429,758,268
Addition / Adjustment during the year		-	79,704,000
Balance at the end of the year		<u>509,462,268</u>	<u>509,462,268</u>
5 WORK IN PROGRESS			
Balance at the beginning of the year		622,513,838	610,945,804
Addition during the year		3,602,704	11,568,034
Balance at the end of the year	5.1	<u>626,116,542</u>	<u>622,513,838</u>
5.1 Break up of work in progress is as follows:			
Development of sector M and commercial area		345,328,979	345,328,979
Corner shops		1,973,940	1,973,940
Balance works of sui gas		15,374,593	15,374,593
Pagoda hill park		15,101,853	15,101,853
Government primary school		1,097,408	1,097,408
Recarpeting of roads		185,889,877	185,889,877
Boundary wall		17,115,846	17,115,846
Sui gas sector M, A to K		23,054,673	23,054,673
Construction of pump room (sector C)		1,032,633	911,939
Community center		47,000	47,000
Gazebo hill park		1,106,754	1,088,507
Steel gate for south avenue		252,030	252,030
Development of Café at Hill Park		5,819,655	5,741,355
Development of under ground water tank		4,782,927	4,782,927
Development of toilet / guard post		2,572,360	2,572,360
Construction of sedimentation tank		215,201	215,201
Construction of vehicle service station		1,214,141	1,214,141
Family park at sector H		978,370	751,209
Development of Harrani Road Park		222,646	-
Water supply		423,774	-
Sewerage Line		2,021,682	-
Solar system-ECHS Complex		490,200	-
		<u>626,116,542</u>	<u>622,513,838</u>
6 ADVANCES, DEPOSITS AND PREPAYMENTS			
Secure advances for material	6.1	13,261,678	48,261,678
Security deposits	6.2	600,000	600,000
Receivable against CVT from members		1,835,259	1,973,515
Other deposits		2,500	2,500
Advance to staff		50,000	50,000
		<u>15,749,437</u>	<u>50,887,693</u>

NCS

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
6.1 Secure advances for material			
M/s. Shalimar company		4,154,076	4,154,076
M/s. Shafi sons		6,542,311	6,542,311
M/s. IBEX		1,543,500	1,543,500
M/s. Margalla View City		-	35,000,000
M/s. Al-karam enterprises		1,807,409	1,807,409
M/S. Akhtar brothers		1,229,123	1,229,123
Less Issued to sector M & Commercial Area		(2,014,741)	(2,014,741)
		<u>13,261,678</u>	<u>48,261,678</u>

6.2 It represents amount paid to Small Dam Organization as per clause 9 of the agreement between ECHS and the Government of Punjab dated 10th October 1997 on account of water supply in bulk at ECHS site and Rs 500,000 paid to PSO (petrol pump) as security

	Note	2025 Rupees	2024 Rupees
7 RECEIVABLES			
Suhail Taimur	7.1	2,161,815	2,161,815
Rent receivable		60,000	-
		<u>2,221,815</u>	<u>2,161,815</u>

7.1 A contract with M/s. Suhail Taimur was signed on 14th February 1988 then amended on 16th January 1989 with further amendments on 11th April 1993 to purchase and transfer a land measuring 1500 to 2000 Kanals which was defaulted by the contractor. Further on 07th January 1999 the contractor has been furnished with a legal notice to pay a sum of Rs. 2,161,815/- (after all adjustment). But still he has neither paid any amount nor contacted with ECHS.

	Note	2025 Rupees	2024 Rupees
8 RECEIVABLE FROM MEMBERS			
Balance at the beginning of the year		2,151,439	-
Addition during the year		-	2,327,892
Adjustment/transferred during the year		(1,049,392)	(176,453)
Balance at the end of the year		<u>1,102,047</u>	<u>2,151,439</u>

	Note	2025 Rupees	2024 Rupees
9 ADVANCE WITHHOLDING TAX			
Balance at the beginning of the year		85,326,421	72,450,430
Addition during the year		8,224,341	14,193,071
Adjustment/transferred during the year		(37,782,625)	-
Provision for taxation		(1,596,917)	(1,317,080)
Balance at the end of the year		<u>54,171,220</u>	<u>85,326,421</u>

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M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
This Addition includes amount deducted on rent under section 155 from Roots Millennium school amounting to 3,079,811 ,and advance withholding tax deducted on profit amounting to Rs. 5,108,139.			
	Note	2025 Rupees	2024 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		1,000,000	1,000,000
Cash With Banks			
Bank of Punjab (Peshawar Road Rawalpindi)		15,933,214	11,856,793
United bank Limited (Kamran Market Saddar, Rawalpindi)		423,647	387,452
Bank of Punjab (Taqwa Islamic, Chaklala, Rawalpindi)		292,273	292,273
Allied Bank Limited (D-17)		215,358,893	216,820,122
United Bank Limited (Tarnol Rawalpindi)		107,740	107,740
		<u>233,115,767</u>	<u>230,464,380</u>
11 SHARE MONEY			
Balance at the beginning of the year		2,970,600	2,695,600
Issued during the year		245,000	275,000
Balance at the end of the year		<u>3,215,600</u>	<u>2,970,600</u>
11.1	Authorized capital of the society consists of shares of the value of Rs. 100 each under Clause 13(a) of the bye-Laws of the Society.		
11.2	The liability of each member on liquidation shall be limited to ten times of the value of shares held by him under Clause 9 of the bye-Laws of the Society.		
12 UN APPROPRIATED PROFIT / (LOSS)			
Balance at the beginning of the year		(465,489,492)	(416,492,457)
Income during the year		101,096,319	118,235,781
Expense during the year		(160,451,859)	(165,915,736)
Provision for income tax		(1,596,917)	(1,317,080)
Balance at the end of the year		<u>(526,441,949)</u>	<u>(465,489,492)</u>
13 CAPITAL RESERVE			
Community fund	13.1	8,653,173	8,116,173
Masjid fund	13.2	55,081,932	50,456,194
		<u>63,735,105</u>	<u>58,572,367</u>

NSA

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
13.1 Community fund			
Balance at the beginning of the year		8,116,173	7,499,173
Addition during the year		537,000	617,000
Balance at the end of the year		<u>8,653,173</u>	<u>8,116,173</u>
13.2 Masjid fund			
Balance at the beginning of the year		50,456,194	45,468,638
Addition during the year		4,625,738	4,987,556
Balance at the end of the year		<u>55,081,932</u>	<u>50,456,194</u>
14 MEMBERS DEPOSITS			
Land cost	14.1	674,598,707	708,602,707
Development charges	14.2	905,244,118	897,389,718
Additional development charges	14.3	610,787,914	607,433,214
Additional development escalation	14.4	227,875,715	220,174,430
Additional development corner plot	14.5	15,230,456	14,008,290
Possession charges	14.6	4,316,335	3,461,335
		<u>2,438,053,245</u>	<u>2,451,069,694</u>
14.1 Land cost			
Balance at the beginning of the year		708,602,707	702,532,132
Addition during the year		996,000	6,070,575
Adjustments during the year		(35,000,000)	-
Balance at the end of the year		<u>674,598,707</u>	<u>708,602,707</u>
14.2 Development charges			
Balance at the beginning of the year		897,389,718	858,833,767
Addition during the year		7,854,400	38,555,951
Balance at the end of the year		<u>905,244,118</u>	<u>897,389,718</u>
14.3 Additional development charges			
Balance at the beginning of the year		607,433,214	602,596,214
Addition during the year		3,354,700	4,837,000
Balance at the end of the year		<u>610,787,914</u>	<u>607,433,214</u>

NCS

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
14.4 Additional development escalation			
Balance at the beginning of the year		220,174,430	206,156,711
Addition during the year		7,701,285	14,017,719
Balance at the end of the year		<u>227,875,715</u>	<u>220,174,430</u>
14.5 Additional development corner plot			
Balance at the beginning of the year		14,008,290	12,131,624
Addition during the year		1,222,166	1,876,666
Balance at the end of the year		<u>15,230,456</u>	<u>14,008,290</u>
14.6 Possession charges			
Balance at the beginning of the year		3,461,335	2,716,335
Addition during the year		855,000	745,000
Balance at the end of the year		<u>4,316,335</u>	<u>3,461,335</u>
15 CURRENT LIABILITIES			
Gratuity payable	15.1	35,188	35,188
Trade and other payable	15.2	9,565,217	7,074,937
Retention money payable	15.4	41,210,670	41,150,082
		<u>50,811,075</u>	<u>48,260,207</u>
15.1 Gratuity payable			
Staff retirement benefits payable		35,188	35,188
		<u>35,188</u>	<u>35,188</u>
15.2 Trade and other payable			
Creditors		350,000	350,000
Audit fee payable		400,000	400,000
Accounts payable (WHT payable)		403,030	403,030
Vetting fee payable		849,746	852,638
Ballot deposits		273,900	223,900
Land possession charges		320,500	320,500
Surety money payable		3,220,756	3,147,584
House completion fee (refundable)		3,046,394	796,394
Deferred income	15.3	564,458	564,458
Security deducted payable		136,433	16,433
		<u>9,565,217</u>	<u>7,074,937</u>
15.3 This represent rental income recived in advance from roots millenium school.			
Retention money payable			
Balance at the beginning of the year		41,150,082	40,731,882
Addition during the year		410,088	1,454,985
Deletion during the year		(349,500)	(1,036,785)
Balance at the end of the year		<u>41,210,670</u>	<u>41,150,082</u>

MSCS

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

Note	2025 Rupees	2024 Rupees
15.4 Breakup is as follows:		
M/s. Niazi engineering	496,500	496,500
M/s. Forte construction	148,575	148,575
M/s. FWO	16,352,000	16,352,000
M/s. MYB	145,124	145,124
M/s. IBEX	14,450,000	14,450,000
M/s. Ikran & sons	3,750	3,750
M/s. M. Iqbal	41,515	41,515
M/s. Allah dad	5,948,717	5,948,717
M/s. High mark	10,888	10,888
M/s. Haji Abdul Bari	58,940	58,940
M/s. AGECO	964,500	964,500
M/s. Akhtar brothers	-	-
M/s. Abdul Qayyum Mandokhail	205,327	205,327
M/s. Real associates	329,864	393,390
M/s. Gulfam engineering	119,122	119,122
M/s. Banuu Mukhtar	532,876	532,876
M/s. Nauman brothers	59,828	59,828
M/s. Shaheen enterprises	148,528	148,528
M/s. Oriental quality engr	-	-
M/s. Skylark engineering	15,750	15,750
M/s. Tech mind	-	41,794
M/s. Margalla transformer	56,743	56,743
M/s. Shumdil Builders	117	117
M/s. Wellspring	39,072	39,072
M/s. Shamandar & sons	-	-
M/s. Thymas contractor	-	31,250
M/s. Mass enterprises	98,549	98,549
M/s. Jit int. eng. & cont.	-	-
M/s Arbab Malik	16,877	16,877
M/s Ahmed & Company	28,075	28,075
M/s Al-Badar	18,036	18,036
M/s Alloudin & Brothers	28,801	10,020
M/s Al-Sadaat Traders	38,430	38,430
M/s Hammad Transformer	19,480	19,480
M/s Jawad	399,233	459,016
M/s Khawaj Abbasi	34,720	34,720
M/s Mega Engineering	-	5,388
M/s MS enterprises	-	23,439
M/s Nasir khan & Brothers	154,712	133,746
M/s Abdul Wahab Associates	82,309	-
M/s Gulberg Constructions	6,552	-
M/s Subhan Transformer	7,400	-
M/s Tataru Engineering	149,760	-
	<u>41,210,670</u>	<u>41,150,082</u>

MSCU

M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Notes to the Financial Statements

For the year ended June 30, 2025

Note	<u>2025</u> Rupees	<u>2024</u> Rupees
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16 CONTINGENCIES AND COMMITMENTS

Contingencies

In ordinary course of business various parties have filed cases against the society which have not been admitted as liability; accordingly, no provision has been considered necessary against these cases till the final verdict from the court/authorities.

Commitments

There are no commitments as at balance sheet date (2024- Nil)

17 NUMBER OF STAFF MEMBERS

Average number of employees during the year	<u>137</u>	<u>130</u>
Number of employees at end of the year	<u>137</u>	<u>130</u>

18 FIGURES

Figures has been rounded-off to the nearest rupee.

19 GENERAL

Corresponding figures have been adopted from the audited financial statements of the Society, which have been further re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.

20 AUTHORIZATION

These financial statements has been authorised for issue on _____.

NSA

PRESIDENT

TREASURER