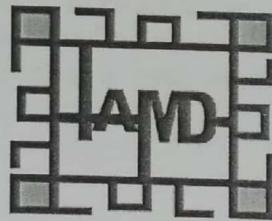


**AUDITOR'S REPORT**  
For the year ended 30 June 2023

**Engineers Co-operative Housing Society Ltd. Islamabad**

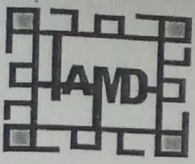
Submitted by:



**H.A.M.D & Co.**  
**Chartered Accountants**

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

July 11, 2024

**ENGINEERS COOPERATIVE HOUSING SOCIETY LIMITED ISLAMABAD**  
**AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2023**

In pursuance to our appointment as auditors of the named society vide your letter no-2419/CR/ICT/B dated August 30, 2023 we have completed audit of financial statements of this Society for the captioned period. We are now pleased to enclose one copy each of the Statement of Financial Position as at June 30, 2023 of the said society and the Statement of Income and Expenditure, Statement of Cash Flows and Notes to these financial statements for the year then ended.

Our comments / reservations on these Financial Statements and related affairs of the society are summarised 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 March 21, 1983 vide registration certificate no. 132, under the provisions of Cooperative Societies Act, 1925. (Annexure-A)

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 or loss basis along-with to provide 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 located at Sangjani, Sector D-18.

**1.2 No Objection Certificate (NOC) and Lay Out Plan (LOP)**

1.2.1 Zila Council Rawalpindi granted NOC/ Approval of LOP to ECHS on September 02, 2003. CDA also approved conditional LOP of ECHS vide its letter dated 28th May 2005. Case for grant of Final NOC has already been processed to RDA (relevant civic authority) vide ECHS letter No 4/5/NOC-RDA/4/2023/ECHS dated 28 Apr 2023 along with following supporting NOC's: -

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

1.2.3 Approval of Layout Plan (LOP) by Zila Nazim Rawalpindi was granted vide their letter no. DO (A)/ 190 date 2nd September 2003.

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

- 1.2.5 NOC by Environmental protection Department Punjab was granted on 13th September 2012.
- 1.2.6 NOC from Government of Pakistan Ministry of Defence was granted on 29th March 2019.
- 1.2.7 NOC from Civil Aviation Authority was granted on 26 April 2019.
- 1.2.8 NOC from Pakistan, Air Headquarter Islamabad was granted on 6th Feb 2020.
- 1.2.9 Feasibility study report of ground water investigation for grant of NOC from WASA was provided on 29 Aug 2019.
- 1.2.10 NOC from Small Dam Organization 'that site is not prone to flood' was granted on 18th Aug 2023.
- 1.2.11 During the inspection of documents provided by the Society's management and previous audit year report we identified following issues related NOC case submitted to concerned departments.
- 1.2.12 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.
- Transfer to the Authority the land for open spaces, parks, graveyard, right of way of roads, etc. in the LOP within 45 days w.e.f 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 members interests/ property remaining intact till date and thus had exceeded/ crossed the above stages without defaulting.

#### Observation:

We observed that society has successfully obtained all requisite supporting NOC's from above mentioned departments, and have processed them in accordance to obtain final NOC from relevant civic authority i-e RDA. However, final NOC is yet to be issued from RDA. Society is required to put more efforts to obtain final NOC from concerned department/ civic authority which is pending till date.

#### 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.

1.2.13 A copy of NOC/LOP is attached as **Annexure-B**.

### 1.3 Location and Area of Land

1.3.1 The society has total land measuring 4581 kanals 06 Marlas & 178 Square Feet as per certificate provided by management of society at Mouza Paswal, Tehsil Taxila & District Rawalpindi.

Further, land and related matters in details are enumerated below in para 3 of this report.

### 1.4 Sizes of Plots

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

Category	Size	Sq. Yard
Residential	10 marla	300
Residential	1 kanal	600

Category	Size
Commercial	33'-9" x 40'
Commercial	19'-4" x 44'
Commercial	20'-6" x 44'
Commercial	20'-7" x 44'
Commercial	20'-3" x 44'-6"
Commercial	10 Marlas
Commercial	5 Marlas
Commercial	25' x 40'
Commercial	29'-4" x 35'
Commercial	38' x 35'
Commercial	29'-4" x 35'
Commercial	30' x 35'
Commercial	30'-5" x 35'
Commercial	34' x 35'
Commercial	5 Marlas

Commercial	34'-5" x 33'
Commercial	40' x 30'
Commercial	27' x 40'
Commercial	28'-9" x 40'

## 1.5 Status of Plots

### 1.5.1 Allotment of Plots

No plot was allotted to any member of the society during the year under audit ending June 30, 2023.

Certificate of No allotment during the year ending June 30, 2023 is attached as **Annexure-C**.

### 1.5.2 Plots Cancelled and Amount Refunded

No plots have been cancelled during our audit period.

Certificate of no plots cancelled and restored during the year is attached as **Annexure-D**.

### 1.5.3 Plots Transferred During the Year

141 plots have been transferred during the audit period.

Certificate of transfer during the year is provided by management is attached as **Annexure-E**.

## 1.6 Membership Status

1.6.1 According to the list and record available with the society, there are total **2369** members to whom the memberships were issued.

1.6.2 The number of members as per preceding year was **2359**.

1.6.3 Certificate of new memberships issued during the year as well as total number of members registered as at 30<sup>th</sup> June, 2023 is attached as **Annexure-F & G**.

## 1.7 Present and Ex-Managing Committee

### 1.7.1 Ex- Managing Committee

Ex management committee consisted of 9 members elected vide notification no. 3161/CR/ICT/B dated July 25, 2019 for 3 years to manage the business affairs of the society has completed their tenure. The particulars of that management committee are stated as below:

Sr. No.	Name	Membership no.	Designation
1	Engr Maj Gen Viqar Ul Haq Khan Khalid	1569	President
2	Engr Brig Nasrullah Abeer (Retd)	2187	Vice President
3	Engr Brig Zulfiqar Ali shah Bukhari (Late)	1501	Secretary
4	Tahir Pervaiz Dar	1496	Treasurer
5	Engr. Muhammad Sarfraz	812	Executive Member
6	Muhammad Saeed Qadir	4403	Executive Member
7	Brig Dr. Qaiser Hameed Malik	655	Executive Member
8	Brig. Altaf Hussain	249	Executive Member
9	Lt. Col (R) Javed Anwar	2375	Executive Member

1.7.2 Notification of the above managing committee is attached as **Annexure-H**.

1.7.3 Consequent upon completion of the tenure of the managing committee, the managing committee of the society is hereby dissolved under byelaws of the society and Mr. Awais Irshad Bhatti Assistant Commissioner (IA) ICT Islamabad is hereby appointed Administrator of the society for the period of 60 days or until holding of fresh elections of society vide notification no 2678/CR/ICT/B dated July 25, 2022.

#### 1.7.4 Present Managing Committee

Present Management Committee consisted of nine (9) members elected vide notification no.916/CR/ICT/B dated March 22, 2023 for 3 years to manage the business affairs of the society has completed their tenure. The particulars of that management committee are stated as below:

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

#### 1.8 Accounting system and books of accounts

1.8.1 The society has maintained books of accounts in Manual and in Microsoft Excel, such style of books of accounts may lead to absence of subsidiary accounting records. Compliance status of

maintaining mandatory books of accounts, registers / records, as required by the bye-laws 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	Not Applicable
7	41(7)	Pass book 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

1.8.2 The copy of bye-laws of the society is attached as **Annexure-I**.

**Recommendation:**

*It is recommended that the existing accounting system on Microsoft excel should be replaced with the proper and customized accounting software system to record and reconcile the financial transactions and generate relevant data for management information and decision-making purposes. Also recommended that the complete data in soft through data archiving related to all members record files.*

1.9 **Annual General Meeting (AGM)**

1.9.1 Management has provided the certificate of no AGM held during the audit period. **Annexure-J**.

1.9.2 Management has provided the certificate subject to conduction of meeting of managing committee during the audit period attached at **Annexure-K**.

**Recommendation:**

*As per rule CH II Clause 12 of the society act states that every society shall within a period of three months after the date fix for making up its accounts for the year under the rules for the time being in force call a general meeting of its members. It is therefore recommended to conduct AGM in accordance with the clause(s) of model by-laws of society.*

2. OPERATING FIXED ASSETS Rs.596,618,397/-

- 2.1 Fixed assets are stated at written down value. The breakup of addition made during the year which has been stated in a separate schedule.
- 2.2 Full year depreciation is charged for the year during which the asset was acquired while no depreciation was charged during the year in which the asset was disposed of.
- 2.3 Depreciation is charged on reducing balance method to write off the assets over their useful lives.
- 2.4 Proper fixed Assets Register is not maintained as per Technical Release (TR-6) issued by the Institute of Chartered Accountants of Accountants Pakistan (ICAP).

**Recommendation:**

*The Fixed Assets Register currently falls short of complying with the standards set forth in Technical Release (TR-6) by the Institute of Chartered Accountants of Pakistan (ICAP). It is advisable to maintain a thorough and detailed record of fixed assets.*

- 2.5 *The implementation of register will lead to improved record keeping for fixed assets.*

3. COST OF LAND Rs. 429,758,268 /-

- 3.1 During the year society has transferred land measuring 26 kanal 10 marlas to Twin City Housing (Pvt) ltd. (Right of way)
- 3.2 Certificate from the management regarding land purchased is attached as **Annexure-L.**

4. WORK IN PROGRESS Rs. 610,945,804/-

Work in progress	Note	2023	2022
		Rupees	Rupees
Balance as on July 01,		606,103,052	547,674,271
Add: expenditures incurred during the year		4,842,752	58,428,781
Balance as on June 30,		<b>610,945,804</b>	606,103,052

- 4.1 A certificate from management subject to development work (WIP) as at June 30, 2023 is attached as **Annexure-M.**

4.2 Development cost (WIP) includes the following:

Development cost	Note	2023	2022
		Rupees	Rupees
Development of sector M and commercial area		344,713,985	344,713,985
Corner shops		1,973,940	1,973,940
Balance works of sui gas		15,374,593	15,374,593
Pagoda at hill park		13,844,507	13,844,507
Govt primary school		1,097,408	1,097,408
Recarpeting of roads		182,662,285	182,662,285
Boundary wall		12,828,295	12,828,295
Sui gas sector M, A to K		23,054,673	22,994,848
Construction of pump room (sector C)		911,939	911,939
Community center		47,000	47,000
Gazebo at hill park		1,088,507	1,088,507
Steel Gate For South Avenue		252,030	252,030
Dev of café at Hill park		5,741,355	5,741,355
Development of underground water tank		4,782,927	-
Development of Toilet & Guard post		2,572,360	2,572,360
		<b>610,945,804</b>	<b>606,103,052</b>

4.3 There is movement of Rs. 4,842,752/- during the year.

4.4 It was observed through the detail of the development projects that most of the projects classified under this head are 100%. Details are as under: -

<b>Development cost</b>	<b>2023</b>
	<b>Rupees</b>
Development of sector M and commercial area	344,713,985
Corner shops	1,973,940
Balance works of sui gas	15,374,593
Pagoda at hill park	13,844,507
Govt primary school	1,097,408
Recarpeting of roads	182,662,285
Boundary wall	12,828,295
Sui gas sector M, A to K	22,994,848
Construction of pump room (sector C)	911,939
Gazebo at hill park	1,088,507
Steel Gate for South Avenue	252,030
Dev of Café at Hill Park	5,741,355
Development of toilet / guard post	2,572,360
Development of sector M and commercial area	344,713,985
Corner shops	1,973,940
Balance works of sui gas	15,374,593
Pagoda at hill park	13,844,507
	<b>606,056,052</b>

**Recommendation:**

*We are of the view that under IAS-16 the projects that have been completed should capitalized.*

**5. ADVANCES, DEPOSITS AND PREPAYMENT**

**Rs. 51,057,293 /-**

<b>Advances, deposits &amp; Prepayments</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
Secure advances for material	5.1	48,261,678	13,261,678
Security deposits	5.2	600,000	600,000
Receivable against CVT from members	5.3	2,118,115	2,214,515
Other deposits (BOP)	5.4	2,500	2,500
Advance to staff		75,000	-
		<b>51,057,293</b>	<b>16,078,693</b>

5.1 Secure advances for material

Rs. 48,261,678/-

	2023	2022
	Rupees	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 Society	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 & Cmr Area	(2,014,741)	(2,014,741)
	<b>48,261,678</b>	<b>13,261,678</b>

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.**

- 5.2 This represents the amount paid to Small Dam Organization as per clause 9 of, the agreement between the society and Government of Punjab dated October 10, 1997 on account of water supply in bulk at the society site. Also, Rs 500,000 is deposited with PSO as security.
- 5.3 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.
- 5.4 This is carried forward balance and represents the deposit against the locker acquired by the society at Bank of Punjab.

6. RENT RECEIVABLE

Rs. 0/-

Description	2023	2022
Balance at the beginning of the year	9,073,164	8,812,226
Addition during the year	-	260,938
Received during the year	(1,655,453)	-
Adjustment during the year	(7,417,711)	-
<b>Total</b>	<b>-</b>	<b>9,073,164</b>

- 6.1 Roots school rental agreement with ECHS for a period of twenty five (25) years commencing from on July 01, 2015 and ending on June 30, 2040. Monthly Rent Rs. 450,000 through cross cheque and annual increase in rent 10%.

7. RECEIVABLES

Rs. 2,161,815 /-

Description	2023	Addition/(Deletion) during the year	2022
Receivable from M/s Suhail Taimur	2,161,815	-	2,161,815
<b>Total</b>	<b>2,161,815</b>	<b>-</b>	<b>2,161,815</b>

- 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 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/-. After this no steps have been taken by the management for the recovery of this amount.

Recommendation:

*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. ADVANCE WITHHOLDING TAX

Rs. 72,450,430 /-

Description	2023	Addition/(Deletion) during the year	2022
Advance tax	72,450,430	7,094,668	65,355,762
<b>Total</b>	<b>72,450,430</b>	<b>7,094,668</b>	<b>65,355,762</b>

- 8.1 This is a carried forward balance and it represents tax collected and deducted by the Society's bankers against Bank profit.
- 8.2 Further an amount of Rs. 2,442,533 has been deducted by Roots millennium school (rent) under section 155 of Income tax ordinance, 2001.
- 8.3 Tax provision of Rs. 822,093 has been recorded for the year ended June 30, 2023.

9. **SHORT TERM INVESTMENT**

Rs. 230,000,000 /-

Description	2023	Addition/(Deletion) during the year	2022
The BOP -Term Deposit Certificate	230,000,000	(20,000,000)	250,000,000
<b>Total</b>	<b>230,000,000</b>	<b>(20,000,000)</b>	<b>250,000,000</b>

This represents Short-term investments in Term Deposit Receipts (TDRs) in the Bank of Punjab for six-month's maturity period.

10. **CASH AND BANK BALANCES**

Rs. 77,349,494/-

Description	2023 Rupees	2022 Rupees
<b>Cash in hand</b>	<b>1,000,000</b>	<b>500,000</b>
<b>Cash at banks - saving accounts</b>		
Bank of Punjab (Peshawar road Rwp)	21,534,834	25,334,249
Allied Bank Limited (D-17)	54,073,727	5,664,791
UBL (kamran market saddar, Rwp)	340,920	311,717
<b>Cash at banks - current accounts</b>		
The BOP (taqwa islamic, chaklala, Rwp)	292,273	292,273
UBL Bank (tarnol Rwp)	107,740	107,740
<b>Grand total</b>	<b>77,349,494</b>	<b>32,210,770</b>

- 10.1 We couldn't physically verify the cash in hand as on June 30, 2023 as our appointment was made subsequent to the balance sheet date.
- 10.2 A certificate for cash in hand duly signed by the secretary of the society is provided by management is attached as **Annexure-N**.
- 10.3 List of Banks is provided by management is attached as **Annexure-O**.
- 10.4 Bank balances were duly verified from the bank statements and difference between the bank statement and the bank book had been found duly reconciled.
- 10.5 We also circulated balance confirmations to the banks for verification of the balances. We have not received confirmation from the banks.

11. **SHARE MONEY**

Rs. 2,695,600/-

- 11.1 Movement in this account is as under:

Particulars	2023	2022
	Rupees	Rupees
Balance as on July 01,	2,557,600	2,317,500
Received during the year	138,000	240,100
Balance as on June 30,	2,695,600	2,557,600

- 11.2 Authorized share capital of the society consists of unlimited number of shares of Rs.1000 each [Bye-law 17].
- 11.3 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.
- 11.4 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].
- 11.5 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

- 11.6 The maximum holding of a member is up to Rs. 20,000 or 1/5<sup>th</sup> of the total value of the shares capital of the Society, whichever is less. If an individual member, by inheritance or otherwise, come in possession of more than the maximum holding permitted by this rule, the Managing Committee shall have the power to sell the excess number or purchase it for the Society. [By-Laws-20]

Rs. 52,967,811/-

## 12. CAPITAL RESERVES

- 12.1 Movement in this account during the year is as follows;

Description	Balance as on 30-June-2023	Addition/(Deletion) during the year	Balance as on 01-July-2022
Community Fund	7,499,173	333,000	7,166,173
Masjid Fund	45,468,638	2,670,350	42,798,288
<b>Total</b>	<b>52,967,811</b>	<b>3,003,350</b>	<b>49,964,461</b>

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

### 13. ACCUMULATED DEFICIT

Rs. (416,492,457)/-

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

Particulars	2023 Rupees	Balance as on 01-July-2022 Rupees
Balance at July 01,	(351,476,717)	(292,107,850)
Add: Income during the year	77,368,049	67,291,411
Less: Expenditures during the year	(142,383,789)	- (126,660,278)
<b>Balance at June 30,</b>	<b>(416,492,457)</b>	<b>(351,476,717)</b>

13.2 The income during the year mostly comprises of operating income comprising of membership fee, transfer fee, rental income and profits. We have checked the same on test basis with the supporting documents and have found the same in order.

13.3 The expense's during the year comprises of administrative expenses that include, audit fee, depreciation, fuel expense, legal & professional, maintenance expense, electricity, Utility gas and water, Communication expenses, salaries expense, travel expense, security expense.

### 14. MEMBERS DEPOSIT

Rs. 2,384,966,783/-

Description	Ref	Balance as on 30-June-2023	Addition/(Deletion) during the year	Balance as on 01-July-2022
Members Deposit for cost of land	14.1	702,532,132	1,726,000	700,806,132
Members Deposit for Development	14.2	858,833,767	52,251,619	806,582,148
Members Deposit for Additional Development	14.2	602,596,214	4,181,880	598,414,334
Members Deposit for Additional Development(Escalation)	14.3	206,156,711	12,231,572	193,925,139
Members Deposit for Additional Development(Corner Plots)	14.4	12,131,624	920,670	11,210,954
Possession Charges	14.5	2,716,335	315,000	2,401,335
<b>Total</b>		<b>2,384,966,783</b>	<b>71,626,741</b>	<b>2,313,345,042</b>

- 14.1 This represents the amount received by the society in against of land, from the members. The addition during the year for development were checked on test basis with the supporting documents and found in order.
- 14.2 The addition during the year for development were checked on test basis with the supporting documents and found in order.
- 14.3 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.*

- 14.4 This represents the amount received from the members for corner plots at a rate of 10% of land cost. The addition during the year were checked on test basis with the supporting documents and found in order.
- 14.5 This represents possession charges which is wrongly included in member's deposits.

**15. CURRENT LIABILITIES**

**Rs 46,203,764 /-**

The break-up of this account is as follows:

Description	Ref	Balance as on 30-June-2023	Addition/(Deletion) during the year	Balance as on 01-July-2022
Gratuity payable	16.1	35,188	-	35,188
Trade and other Payable	16.2	5,436,694	1,287,438	4,149,256
Retention money payable	16.4	40,731,882	(883,292)	41,615,174
<b>Total</b>		<b>46,203,764</b>	<b>404,146</b>	<b>45,760,546</b>

Detail break-up of current liabilities is as follows:

**15.1 Gratuity payable:**

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.*

15.2 Trade and other Payable

Description	Ref	Balance as on 30-June-2023	Deletion	Additions	Balance as on 01-July-2022
Creditors	i	350,000	-	-	350,000
Audit Fee payable		400,000	-	-	400,000
WHT payable	ii	403,030	-	-	403,030
Vetting fee payable	iii	571,488	(807,629)	786,435	592,682
Ballot deposits	iv	223,900	-	-	223,900
Land possession charges	v	320,500	-	-	320,500
Surety money payable	Vi	2,306,918	(428,582)	1,222,756	1,512,744
House completion Fee (Refundable)		296,400	(50,000)	-	346,400
Deferred income	Vii	564,458	-	-	-
<b>TOTAL</b>		<b>5,436,694</b>	<b>(1,286,211)</b>	<b>2,009,191</b>	<b>4,149,256</b>

- I. 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.*

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

- III. 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% sharing from fee received, society also charge a fixed amount of Rs. 3,000.

- IV. It is long outstanding balance and we could not verify it.

**Recommendation:**

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

- V. 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.*

- VI. 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.
- VII. This represents rent amount received in advance. Due to adjustments of rent receivable excess amount paid by Roots Millennium school.

15.3 **RETENTION MONEY PAYABLE:**

Description	Ref	Balance as on 30-June-2023	Addition/(Deletion) during the year	Balance as on 01-July-2022
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		-	(917,296)	917,296
M/s. Abdul Qayyum Mandokhail		205,327		205,327
M/s. Real associates		268,568	(63,685)	332,253
M/s. Gulfam engineering		119,122	-	119,122
M/s. Banuu Mukhtar		532,876	-	532,876
M/s. Nauman brothers		59,828	(26,485)	86,313
M/s. Shaheen enterprises		148,528	-	148,528
M/s. Skylark engineering		15,750	-	15,750
M/s. Margalla transformer		31,460	31,460	-
M/s. Shumdil Builders		117	-	117
M/s. Wellspring		39,072	(170,009)	209,081
M/s. Thymas contractor		31,250	-	31,250
M/s. Mass enterprises		659,475	262,723	396,752
<b>Total</b>		<b>40,731,882</b>	<b>(883,292)</b>	<b>41,615,174</b>

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.

16. **INCOME AND EXPENDITURE**

We have verified the Statement of income and expenditure by employing sampling techniques both statistical and judgmental, and found the result satisfactory. Our comments on major

fluctuations in the income and expenses for the year under audit, when compared with the last year, are summarized below:

16.1 The total income / receipts during the year were **Rs. 77,368,049** (2022: Rs. 67,291,411) against which the society has incurred expenses to the tune of **Rs. 134,966,078** (2022: Rs. 125,953,692) resulting into a deficit of **Rs. (56,775,936)** (2022: Rs. 58,662,281) for the year before provision for the income tax.

#### 16.2 **Rental Income**

This represents rental income from roots millennium school and a bank booth. We have verified rent from roots millennium school and verified rent from bank.

### 17. **GENERAL OBSERVATIONS**

#### 17.1 **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, due to having only few employees, the Society has not formulated such service Rules.

17.2 Compliance status of direction under section 44-D & 44-E of the Cooperative societies Act, 1925 has not been made yet with respect to updating society's website, submission of statements of accounts, returns and documents on quarterly basis.

#### **Recommendation:**

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

17.3 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 by-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; and provided further, that no part of be considered as an asset of the society.

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

#### **Recommendation:**

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

17.5 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.

- 17.6 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.

**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.*

**18. TAXATION MATTERS**

- 18.1 The society has obtained its national tax number as required under prevailing laws and governing rules. In this regard, the management has stated that the statements of withholding tax are being filed regularly as required under the provisions of ITO'2001.

**19. OTHER GENERAL MATTERS**

- 19.1.1 Bye-Law No 6 (f) of the society's Bye Law, on admission each member will be issued a membership certificate, which will be on prescribed form. In case it is misplaced or lost, a duplicate certificate will be issued on payment of the prescribed fee i.e Rs. 500. During course of audit it was observed that share certificates were not issued to the members.
- 19.1.2 Procedure laid down in the bye-laws for admission of members was followed by the society.
- 19.1.3 Society has ownership and possession of the land as per certified land records.
- 19.1.4 Delegation of powers to officials and segregation of duties of employees are in place.
- 19.1.5 The society maintained all books of accounts as per required and during the year.
- 19.1.6 No remuneration was paid to the members of the managing during the year.
- 19.1.7 Books of accounts of the society were maintained on double entry system by the finance department. The society prepared books accounts on "QuickBooks" and manually both.
- 19.1.8 Certificate of list of defaulters was provided to us by the managements which is attached as **Annexure P.**

20. ANNEXURES

We are also enclosing herewith the following documents for your record:

Sr.	Description	Annexure
1	Registration certificate	Annexure-A
2	LOP/NOC	Annexure-B
3	Certificate – Allotment of plot	Annexure-C
4	Certificate – Plots cancelled	Annexure-D
5	Certificate – Plots transferred	Annexure-E
6	Certificate – New membership issued	Annexure-F
7	Certificate – Total number of members	Annexure-G
8	Certificate – Members of managing committee	Annexure-H
19	Copy of Bye-laws	Annexure-I
10	Certificate – AGM	Annexure-J
11	Certificate – Managing Committee Meetings	Annexure-K
12	Certificate – Land purchased during the year	Annexure-L
13	Certificate – Development work (WIP)	Annexure-M
14	Certificate – Cash in hand	Annexure-N
15	Certificate – List of Bank as at June 30,2022	Annexure-O
16	Certificate – List of defaulters	Annexure-P

As per our verification and to the extent the record is provided to us, we are not aware of any other matter of importance that we feel should be reported to you but would be pleased to give any other information and explanations that you may require.

Yours truly,

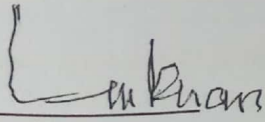


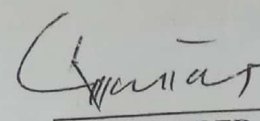
*H.A.M.D & Co.*  
H.A.M.D & Co  
Chartered Accountant  
Islamabad: July 11, 2024

M/s Engineers Co-operative Housing Society Ltd. Islamabad.  
Statement of Financial Position  
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	3	596,618,397	614,443,480
Cost of land	4	429,758,268	464,758,268
Work in progress	5	610,945,804	606,103,052
		1,637,322,469	1,685,304,800
<b>CURRENT ASSETS</b>			
Advance, deposits & prepayments	6	51,057,293	16,078,693
Rent receivable	7	-	9,073,164
Receivables	8	2,161,815	2,161,815
Advance withholding tax	9	72,450,430	65,355,762
Short term investment	10	230,000,000	250,000,000
Cash & bank balances	11	77,349,494	32,210,770
		433,019,032	374,880,204
<b>TOTAL ASSETS</b>		<b>2,070,341,501</b>	<b>2,060,185,004</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share money	12	2,695,600	2,557,600
Un-appropriated profit	13	(416,492,457)	(351,476,717)
Capital reserve	14	52,967,811	49,964,461
		(360,829,046)	(298,954,656)
<b>NON CURRENT LIABILITIES</b>			
Member's deposits	15	2,384,966,783	2,313,340,042
<b>CURRENT LIABILITIES</b>			
Current liabilities	16	46,203,764	45,799,618
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,070,341,501</b>	<b>2,060,185,004</b>
Contingencies and Commitments	17	-	-

The annexed notes 1 to 21 form an integral part of these financial statements.

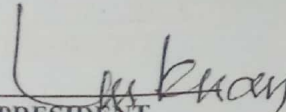
  
PRESIDENT

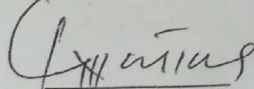
  
TREASURER

M/s Engineers Co-operative Housing Society Ltd. Islamabad.  
Statement of Income and Expenditure  
For the year ended June 30, 2023

	Note	2023	2022
		Rupees	Rupees
<b>INCOME</b>			
Membership fee		1,502,000	3,064,265
Admission fee		126,500	266,000
Transfer fee		4,305,855	6,241,842
Bank profit		35,097,824	29,553,696
Miscellaneous income		3,116,575	2,536,910
Vetting fee		507,211	612,396
Security charges received		10,708,454	9,120,550
Duplicate letter fee		130,000	221,000
Rental income		11,600,572	10,764,507
Restoration fee		5,000,000	800,000
Water charges received		1,704,867	1,158,420
Non-utilization charges		3,504,191	2,937,825
House completion fee		64,000	14,000
		<b>77,368,049</b>	<b>67,291,411</b>
<b>EXPENDITURES</b>			
Salaries, wages & other benefits		44,163,870	39,667,171
Security expense		9,164,185	8,831,174
Petrol, oil and lubricants		5,831,487	3,086,690
Miscellaneous expenses		735,238	983,499
Communication		497,488	466,420
Travelling and conveyance		1,968,626	3,618,284
Entertainment expenses		313,880	260,751
Bank charges		26,650	181,212
Advertisement expenses		930,894	450,358
Electricity, gas and water		20,489,572	11,182,391
Rent, rates and taxes		27,300	32,744
Printing and stationery		805,827	874,413
AGM expense		365,438	1,624,375
Legal and professional charges		4,209,915	9,076,590
Repair and maintenance		8,386,051	8,297,379
Garbage collection expense		284,000	216,000
Jamia masjid expenses		500,227	496,795
Gratuity expense		466,038	708,350
Punjab Social Security expenses		348,584	265,260
Honorarium		-	52,000
Insurance expense		-	49,180
EOBI		757,638	627,978
Depreciation		33,871,077	34,904,678
		<b>134,143,985</b>	<b>125,953,692</b>
		<b>(56,775,936)</b>	<b>(58,662,281)</b>
		<b>(822,093)</b>	<b>(706,586)</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(351,476,717)</b>	<b>(292,107,850)</b>
<b>PROVISION FOR INCOME TAX</b>		<b>(409,074,746)</b>	<b>(351,476,717)</b>
<b>PREVIOUS YEAR BALANCE BROUGHT FORWARD</b>			
<b>SURPLUS CARRIED FORWARD</b>			

The annexed notes 1 to 21 form an integral part of these financial statements.

  
PRESIDENT

  
TREASURER

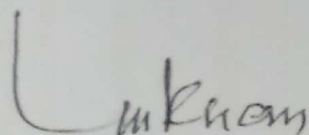
M/s Engineers Co-operative Housing Society Ltd. Islamabad.

Statement of Cash Flows

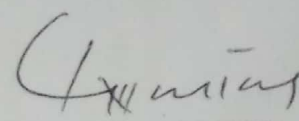
For the year ended June 30, 2023

	2023	2022
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(64,193,647)	(58,662,281)
<b>Adjustment for non-cash and other items:</b>		
Depreciation	33,871,077	34,904,678
<b>Operating deficit before working capital changes</b>	<b>(30,322,570)</b>	<b>(23,757,603)</b>
<b>Increase/decrease in current assets</b>		
Advance, deposits & prepayments	(34,978,600)	(1,154,743)
Rent receivable	9,073,164	(260,938)
Receivables	-	-
Advance withholding tax	(7,094,668)	(60,201,407)
Short term investment	20,000,000	105,000,000
	(13,000,104)	43,382,912
<b>Increase/decrease in current liabilities</b>	<b>404,146</b>	<b>(5,835,966)</b>
<b>Cash used in operation</b>	<b>(42,918,528)</b>	<b>13,789,343</b>
Income tax paid	(822,093)	(706,586)
<b>Net cash used in operating activities</b>	<b>(43,740,621)</b>	<b>13,082,757</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets	(16,045,994)	(33,154,042)
Cost of land	35,000,000	(8,233,700)
Work in progress	(4,842,752)	(58,428,781)
<b>Net cash used in investing activities</b>	<b>14,111,254</b>	<b>(99,816,523)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share money	138,000	240,100
Capital reserve	3,003,350	5,105,415
Members' deposits	71,626,741	85,682,534
<b>Net cash flows from financing activities</b>	<b>74,768,091</b>	<b>91,028,049</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents</b>	<b>45,138,724</b>	<b>4,294,283</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>32,210,770</b>	<b>27,916,487</b>
<b>Cash and cash equivalents at end of the year</b>	<b>77,349,494</b>	<b>32,210,770</b>

The annexed notes 1 to 21 form an integral part of these financial statements.



PRESIDENT

  
TREASURER

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

Notes to the Financial Statements  
For the year ended June 30, 2023

3 OPERATING FIXED ASSETS

PARTICULARS	COST			Rate % age	DEPRECIATION			WDV As at June 30, 2023
	As at July 01, 2022	Additions	Deletions		As at June 30, 2023	For the year	Deletions	
Furniture & Fixture	2,004,582	306,624	-	2,311,206	121,201	-	1,220,398	1,090,808
Office Equipment	4,753,445	568,865	-	5,322,310	374,698	-	1,950,024	3,372,286
Computers	1,086,415	265,650	-	1,352,065	140,523	-	1,024,177	327,888
Vehicles	12,518,652	650,051	-	13,168,703	911,690	-	9,521,944	3,646,759
Furniture & Fixture	1,042,712	-	-	1,042,712	49,225	-	599,686	443,026
Office Equipment	5,947,654	733,797	-	6,681,451	544,940	-	1,776,994	4,904,457
Building	57,767,674	-	-	57,767,674	1,944,457	-	40,267,565	17,500,109
Machinery	2,732,082	-	-	2,732,082	37,964	-	2,580,224	151,858
Developed Works	1,081,022,686	13,521,007	-	1,094,543,693	29,746,379	-	529,362,487	565,181,206
<b>Rupees - 2023</b>	<b>1,168,875,902</b>	<b>16,045,994</b>	<b>-</b>	<b>1,184,921,896</b>	<b>33,871,077</b>	<b>-</b>	<b>588,303,499</b>	<b>596,618,397</b>
PARTICULARS	COST			Rate % age	DEPRECIATION			WDV As at June 30, 2022
	As at July 01, 2021	Additions	Disposal		As at June 30, 2022	For the year	Disposal	
Furniture & Fixture	1,987,482	17,100	-	2,004,582	100,598	-	1,099,197	905,385
Office Equipment	2,707,039	2,046,406	-	4,753,445	353,124	-	1,575,326	3,178,119
Computers	1,086,415	-	-	1,086,415	86,898	-	883,654	202,761
Vehicles	9,790,029	2,728,623	-	12,518,652	977,099	-	8,610,254	3,908,398
Furniture & Fixture	1,042,712	-	-	1,042,712	54,695	-	550,461	492,251
Office Equipment	2,513,321	3,434,333	-	5,947,654	523,956	-	1,232,054	4,715,600
Building	57,767,674	-	-	57,767,674	2,160,507	-	38,323,108	19,444,566
Machinery	2,732,082	-	-	2,732,082	47,455	-	2,542,260	189,822
Developed Works	1,056,095,106	24,927,580	-	1,081,022,686	30,600,346	-	499,616,108	581,406,578
<b>Rupees - 2022</b>	<b>1,135,721,860</b>	<b>33,154,042</b>	<b>-</b>	<b>1,168,875,902</b>	<b>34,904,678</b>	<b>-</b>	<b>554,432,422</b>	<b>614,443,480</b>

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

Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>4 COST OF LAND</b>			
Balance at the beginning of the year		464,758,268	456,524,568
Addition during the year		-	8,233,700
Adjustment/transferred during the Year		(35,000,000)	-
		<u>429,758,268</u>	<u>464,758,268</u>
<b>5 WORK IN PROGRESS</b>			
Balance at the beginning of the year		606,103,052	547,674,271
Addition during the year		4,842,752	58,428,781
	5.1	<u>610,945,804</u>	<u>606,103,052</u>
<b>5.1 DEVELOPMENT COST (WIP)</b>			
Development of sector M and commercial area		344,713,985	344,713,985
Corner shops		1,973,940	1,973,940
Balance works of sui gas		15,374,593	15,374,593
Pagoda at hill park		13,844,507	13,844,507
Govt primary school		1,097,408	1,097,408
Recarpeting of roads		182,662,285	182,662,285
Boundry wall		12,828,295	12,828,295
Sui gas sector M, A to K		23,054,673	22,994,848
Construction of pump room (sector C)		911,939	911,939
Community center		47,000	47,000
Gazebo at hill park		1,088,507	1,088,507
Steel Gate for South Avenue		252,030	252,030
Dev of Café at Hill Park		5,741,355	5,741,355
Development of under ground water tank		4,782,927	-
Development of toilet / guard post		2,572,360	2,572,360
		<u>610,945,804</u>	<u>606,103,052</u>
<b>6 ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Secure advances fr	6.1	48,261,678	13,261,678
Security deposits	6.2	600,000	600,000
Receivable against CVT from members		2,118,115	2,214,515
Other deposits		2,500	2,500
Advance to staff		75,000	-
		<u>51,057,293</u>	<u>16,078,693</u>

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

Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>6.1 SECURE ADVANCES FOR MATERIAL</b>			
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
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 & Cmr Area		(2,014,741)	(2,014,741)
		<u>48,261,678</u>	<u>13,261,678</u>
<b>6.2 SECURITY DEPOSITS</b>			
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.			
<b>7 RENT RECEIVABLE</b>			
Balance at the beg	7.1	9,073,164	8,812,226
Addition during the year		-	260,938
Received during the year		(1,655,453)	-
Adjustment during the year		(7,417,711)	-
		<u>-</u>	<u>9,073,164</u>
<b>7.1</b> Roots school rental agreement with ECHS for a period of twenty five (25) years commencing from on July 01, 2015 and ending on June 30, 2040. Monthly Rent Rs. 450,000 through cross cheque and annual increase in rent 10%.			
<b>8 RECEIVABLES</b>			
Suhail Taimur		<u>2,161,815</u>	<u>2,161,815</u>
		<u>2,161,815</u>	<u>2,161,815</u>
<b>8.1</b> 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.			

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

Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>9 ADVANCE WITHHOLDING TAX</b>			
Balance at the beginning of the year		65,355,762	5,154,355
Addition during the year		7,916,761	60,907,993
Adjustment/transferred during the Year provision for taxation		(822,093)	(706,586)
		<u>72,450,430</u>	<u>65,355,762</u>
This include amount deducted on rent under section 155 from Roots Millennium school amounting 1 2,442,533 and advance tax on profit.			
<b>10 SHORT TERM INVESTMENT</b>			
The BOP -Term Deposit Certificate		230,000,000	250,000,000
		<u>230,000,000</u>	<u>250,000,000</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		1,000,000	500,000
<b>Cash With Banks</b>			
Bank of Punjab (peshawar road rawalpindi)		21,534,834	25,334,249
UBL (kamran market saddar, rawalpindi)		340,920	311,717
The BOP (taqwa islamic, chaklala, rawalpindi)		292,273	292,273
Allied Bank Limited (D-17)		54,073,727	5,664,791
UBL Bank (tarnol rawalpindi)		107,740	107,740
		<u>77,349,494</u>	<u>32,210,770</u>
<b>12 SHARE MONEY</b>			
Balance at the beginning of the year		2,557,600	2,317,500
Issued during the year		138,000	240,100
		<u>2,695,600</u>	<u>2,557,600</u>
12.1	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.		
12.2	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.		
<b>13 UN APPROPRIATED PROFIT / (LOSS)</b>			
Balance at the beginning of the year		(351,476,717)	(292,107,850)
Addition during the year		77,368,049	67,291,411
Deletion during the year		(142,383,789)	(126,660,278)
		<u>(416,492,457)</u>	<u>(351,476,717)</u>

M/s Engineers Co-operative Housing Society Ltd. Islamabad.  
Notes to the Financial Statements  
For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>14 CAPITAL RESERVE</b>			
Community fund	14.1	7,499,173	7,166,173
Masjid fund	14.2	45,468,638	42,798,288
		<u>52,967,811</u>	<u>49,964,461</u>
<b>14.1 COMMUNITY FUND</b>			
Balance at the beginning of the year		7,166,173	6,480,173
Addition during the year		333,000	686,000
		<u>7,499,173</u>	<u>7,166,173</u>
<b>14.2 MASJID FUND</b>			
Balance at the beginning of the year		42,798,288	38,378,873
Addition during the year		2,670,350	4,419,415
		<u>45,468,638</u>	<u>42,798,288</u>
<b>15 MEMBERS DEPOSITS</b>			
Land cost	15.1	702,532,132	700,806,132
Development charges	15.2	858,833,767	806,582,148
Additional development charges	15.3	602,596,214	598,414,334
Additional development charges	15.4	206,156,711	193,925,139
Additional development charges	15.5	12,131,624	11,210,954
Possession charges	15.6	2,716,335	2,401,335
		<u>2,384,966,783</u>	<u>2,313,340,042</u>
<b>15.1 LAND COST</b>			
Balance at the beginning of the year		700,806,132	692,390,582
Addition during the year		1,726,000	8,415,550
Refund during the year		-	-
		<u>702,532,132</u>	<u>700,806,132</u>
<b>15.2 DEVELOPMENT CHARGES</b>			
Balance at the beginning of the year		806,582,148	754,023,059
Addition during the year		52,251,619	53,810,221
Deletion during the year		-	(1,251,132)
		<u>858,833,767</u>	<u>806,582,148</u>

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

Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>15.3 ADDITIONAL DEVELOPMENT CHARGES</b>			
Balance at the beginning of the year		598,414,334	589,907,280
Addition during the year		4,181,880	8,507,054
Deletion during the year		-	-
		<u>602,596,214</u>	<u>598,414,334</u>
<b>15.4 ADDITIONAL DEVELOPMENT ESCALATION</b>			
Balance at the beginning of the year		193,925,139	178,482,618
Addition during the year		12,231,572	15,442,521
Deletion during the year		-	-
		<u>206,156,711</u>	<u>193,925,139</u>
<b>15.5 DEVELOPMENT CORNER PLOT</b>			
Balance at the beginning of the year		11,210,954	10,837,634
Addition during the year		920,670	373,320
Deletion during the year		-	-
		<u>12,131,624</u>	<u>11,210,954</u>
<b>15.6 POSSESSION CHARGES</b>			
Balance at the beginning of the year		2,401,335	2,016,335
Addition during the year		315,000	385,000
Deletion during the year		-	-
		<u>2,716,335</u>	<u>2,401,335</u>
<b>16 CURRENT LIABILITIES</b>			
	16.1	35,188	35,188
Gratuity payable	16.2	5,436,694	4,149,256
Trade and other pa	16.4	40,731,882	41,615,174
Retention money F		<u>46,203,764</u>	<u>45,799,618</u>
<b>16.1 GRATUITY PAYABLE</b>			
		35,188	35,188
Staff retirement benefits payable		<u>35,188</u>	<u>35,188</u>

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

Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>16.2 TRADE AND OTHER PAYABLE</b>			
Creditors			
Audit fee payable		350,000	350,000
Accounts payable (WHT payable)		400,000	400,000
Vetting fee payable		403,030	403,030
Ballot deposits		571,488	592,682
Land possession charges		223,900	223,900
Surety money payable		320,500	320,500
House completion fee (refundable)		2,306,918	1,512,744
Deferred income	16.3	296,400	346,400
		564,458	-
		<b>5,436,694</b>	<b>4,149,256</b>

16.3 This represent rental income recived in advance from roots millenium school.

**16.4 RETENTION MONEY PAYABLE**

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	-	917,296
M/s. Abdul Qayyum Mandokhail	205,327	205,327

