

# SHEHZAD MALIK & CO

Mgt. Accountants, Auditors, Income Tax, Sales Tax & Corporate Law, Consultants

**SHEHZAD MALIK  
& CO**  
Management Accountants  
& Tax Consultants

**FEDERATION OF EMPLOYEES COOPERATIVE HOUSING SOCIETY LTD,**  
**ISLAMABAD**  
**AUDIT REPORT**  
**FROM 1<sup>ST</sup> JULY 2012 TO 30<sup>TH</sup> JUNE 2013**

Submitted to:  
Circle Registrar  
Cooperative Societies  
Islamabad Capital Territory  
Islamabad.

The society was registered on February 06, 1985 against registration No.279 under section 10 of Cooperative societies Act 1925 and its area of operation was restricted to the Federal Territory Islamabad.

The audit includes examining on test basis evidence supporting the amounts in records and such test and auditing procedures and practices as were considered necessary in the circumstances. Our work however was restricted to the information stated and available in the records, which have been prepared and maintained by the society.

Our observations and comments are as follows:

**1. BOOKS OF ACCOUNTS**


Following is a list of the books required under bye-laws to be maintained and the level of compliance by the society:

SrNo.	Books Required as per Bye- Laws	Level of compliance
1	Members Register	Maintained
2	Cash Book	Maintained
3	Ledger	Maintained
4	Installment Register	Maintained
5	Minute book	Maintained
6	Stock Register	Maintained
7	Register Showing Property Held	Maintained
8	Supporting Invoices, Receipts etc.	Maintained

## 2. SHARE CAPITAL

- 2.1 There is no movement in this account Rupees  
Balance as on 30<sup>th</sup> June, 2013 86,200/-
- 2.2 Authorized share capital of the society consists of the unlimited number of shares of Rs.100/-and 1000/- each.
- 2.3 The liability of the members is limited to ten times of the value of share held.
- 2.4 Share certificates were not issued to the members during the year ended June 30<sup>th</sup>, 2013.

## 3. MEMBERS' DEPOSITS

- 3.1 **Movement in LohiBher is as under:** Rupees  
Opening balance as at July 1<sup>st</sup>, 2012 95,130,855/-  
Addition during the year 10,192,044/-  
Balance as on 30<sup>th</sup> June, 2013 105,322,899/-
- 3.2 **Movement in E-11 is as under:**  
Opening balance as at July 1<sup>st</sup>, 2012 503,873,483/-  
Addition during the year 225,000/-  
Balance as on 30<sup>th</sup> June, 2013 504,098,483/-
- 3.3 **Movement on E-11 Northern Commercial Area is as under:**  
Opening balance as at July 1<sup>st</sup>, 2012 12,277,252/-  
Addition during the year 7,233,043/-  
Balance as on 30<sup>th</sup> June, 2013 19,510,295/-
- 3.4 **There is no movement in Motorway City:**  
Balance as on 30<sup>th</sup> June, 2013 264,400/-
- 3.5 Movement in LohiBhair and E-11 scheme represent amounts received from members on account of cost of land and development charges. 

4. **MASJID FUND**

4.1 **Movement in E-11 is as under:**

**Rupees**

Opening balance as at July 1 <sup>st</sup> , 2012	1,414,074/-
Addition during the year	523,000/-
Payments during the year	(162,693/-)
Balance as on 30 <sup>th</sup> June, 2013	<u>1,774,381/-</u>

4.2 **Movement in LohiBher is as under:**

Opening balance as at July 1 <sup>st</sup> , 2012	220,500/-
Addition during the year	170,000/-
Balance as on 30 <sup>th</sup> June, 2013	<u>390,500/-</u>

5. **REFUNDABLE SECURTIES**

**Movement in this account is as under:**

**Rupees**

Opening balance as at July 1 <sup>st</sup> , 2012	713,420/-
Addition during the year	240,000/-
Refunded during the year	(30,000/-)
Balance as on 30 <sup>th</sup> June, 2013	<u>923,420/-</u>

6. **ACCOUNTS PAYABLE**

6.1 Break up of this account in given below:

Particulars	2013	2012
Diamond Boring and Co.	20,000/-	20,000/-
M/S Iqbal and Sons	3,042,876/-	3,042,876/-
M/S Karcon (Pvt) Ltd.	1,067,492/-	1,067,492/-
M/S Designman	23,600/-	23,600/-
M/S Town Planning	13,811/-	13,811/-
M/S Zoma (Pvt) Ltd.	190,000/-	190,000/-
Payable to AnjumAqeel	700,000/-	700,000/-
M/S Rabnawaz& Co.	0	333,537/-
M/S SKB Eng& Construction	2,250,000/-	0
<b>TOTAL</b>	<b>7,307,779/-</b>	<b>5,391,316/-</b>



- 6.1 10% security money of Rs.333,537/- deducted from M/S Rabnawaz& Co. was paid in the financial year under audit after the completion of work.

7. **ACCRUED AND OTHER PAYABLE**

Break up of this account in given below:

Particulars	2013	2012
Accrued Expenses	945,732/-	1,141,297/-
Salaries and other benefits payable	1,541,959/-	755,065/-
Withholding Tax Payable	644,103/-	178,833/-
<b>TOTAL</b>	<b>3,131,794/-</b>	<b>2,075,195/-</b>

8. **FIXED ASSETS**

Break up of this account in given below:

Particulars	2013
Land	293,396,360/-
Buildings	663,383/-
Computer Equipment	32,557/-
Office Equipment	233,125/-
Furniture and Fixture	285,176/-
<b>TOTAL</b>	<b>294,610,601/-</b>

9. **LAND OF SCHOOL**

- 9.1 The Plot reserved for school was illegally converted into a commercial plot and allotted to Mr. Raja Abid Husain by the ex-management. Neither any payment received in the society accounts nor any record is available.
- 9.2 The above mentioned case was reported in audit report of 2008-09 and 2009-10. Finally the action has been taken by the Federal Investigation Agency and registered FIR on 08-05-2012. Furthermore it is also mentioned in the FIR that due to fraudulent sale of plot loss of Rs. 143.4 million has been caused to the society.
- 9.3 In 2009 new management committee of the society was elected by the members of the society. The new elected committee of society passed a resolution in its first annual general meeting held of 25<sup>th</sup> October, 2009. The resolution passed is as under:

“The president explained the position of commercial plot no. 19. It was allotted against land compensation and sold in the market as commercial plot. The present owner has offered Rs. 25 million and the full cost of construction of mosque on the land to be provided by the society. The cost would be used to buy land for the school campus.”

The objections raised in the last year audit report against the Management Committee elected in the year 2009 are justified by them through following points.

- 9.3.1 The President of the Committee explained that they issue show-cause notices to the owners of the plots for cancellation on 04-02-2009 but the “Registrar’s Nominee” Captain ® Farid-ud-Din Mustafa, Assistant Commissioner (Industrial Area), Islamabad directed the committee to seek remedy against the illegalities, irregularities of Ex-Management Committee at the appropriate forum and restored the plots to the owners by declaring them as “Bonafide Purchaser’s”. (Annexure attached)
- 9.3.2 So, in the light of above mentioned direction, the Committee withdraw the show-cause notice to cancel the ownership.
- 9.3.3 The President further explained that a plot of about 2.3 Kanal that was reserved for petrol pump has converted for school due to which the requirement of school plot has also been fulfilled.
- 9.3.4 The President also explained that a sum of Rs.5 Million has received from the said party for the construction of mosque as well. Committee of the society failed to receive the construction cost of the mosque from Mr. ShayanMehmood.

## 10. DEVELOPMENT COST E-11

- 10.1 Break up of this account in given below:

Particulars	2013	2012
Electrification	37,374,053/-	37,374,053/-
Sewerage	1,094,394/-	1,094,394/-
Gas Supply	1,128,504/-	724,304/-
Consultants	2,351,016/-	2,351,016/-
Surveyor Charges	72,000/-	72,000/-
Salaries site staff	3,389,962/-	3,389,962/-
Other Development Cost	156,682,086/-	155,862,111/-
<b>TOTAL</b>	<b>202,092,015/-</b>	<b>200,867,840/-</b>

- 10.2 Payments made on above mentioned accounts were checked with bank statements, vouchers and bills and found in order.



## **DEVELOPMENT COST LOHI BHAIR**

10.3 Break up of this account in given below:

Particulars	2013	2012
Electrification	14,564,065/-	14,564,065/-
Gas Supply	17,682,117/-	13,969,478/-
Consultants	1,445,638/-	1,445,638/-
Salaries site staff	1,411,231/-	1,411,231/-
Other Development Cost	56,067,179/-	55,243,129/-
<b>TOTAL</b>	<b>91,170,230/-</b>	<b>86,633,541/-</b>

10.4 Payments made on above mentioned accounts were checked with bank statements, vouchers and bills and found in order.

## **11. RECEIVABLES**

11.1 The movement in this accounts and breaks up of the account in given below:

Particulars	2013	2012
Col. (R) Aftabqbal	1,480,005/-	1,480,005/-
Khyber Estate Services	1,146,800/-	1,146,800/-
Mehmood Corporation	700,000/-	700,000/-
Omer Farooq Engineering	268,679/-	268,679/-
Electricity / Water Consumers – (E-11)	1,969,360/-	409,280/-
Advances to Staff	24,500/-	6,000/-
Tax Deducted at Source	910,118/-	832,451/-
<b>TOTAL</b>	<b>6,499,462/-</b>	<b>4,843,215/-</b>

## **12. DEPOSITS AND PREPAYMENTS**

The movement in this accounts and breaks up of the account in given below:

Particulars	2013	2012
Locker's Security	600/-	600/-
Security Deposits	35,000/-	635,000/-
Prepaid Rent (E-11)	488,000/-	407,000/-
<b>TOTAL</b>	<b>523,600/-</b>	<b>1,042,600/-</b>

13. **CASH AND BALANCES**

13.1 Break up of this account in given below:

Particulars	2013	2012
Cash in hand	40,513/-	22,673/-
ABL A/C 526170023	14,640,476/-	7,374,563/-
ABL A/C 526190021	52,638,846/-	45,533,834/-
ABL A/C 9343-2	100/-	100/-
NBP A/C 21790-3	216,485/-	216,485/-
NBP A/C 21789-6	34,512/-	34,512/-
PPCBL A/C 1177	59/-	59/-
MCFC A/C 269	79,810/-	79,810/-
MCFC A/C 267	35,037/-	35,037/-
<b>TOTAL</b>	<b>67,685,838/-</b>	<b>53,297,073/-</b>

Place: Rawalpindi  
Date: April 7, 2014

Shehzad Malik & Co  
Cost & Management Accountants

