

G/06-1087-2

October 27, 2006

The Chief Auditor,
Office of the Registrar Cooperatives Punjab,
Bank Square, The Mall,
Lahore.

Dear Sir,

INMOL EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED LAHORE
AUDIT OF ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2005

In pursuance of our appointment as auditors of the above named society vide your letter no. RCS/CA/770 dated March 18, 2006; we have completed the audit of accounts of this Society for the captioned period. We are now pleased to enclose one copy each of the balance sheet as at June 30, 2005 of the said society and income and expenditure account for the year then ended. Our comments on these accounts and related affairs of the society are summarized in the following paragraphs:

1. THE SOCIETY AND ITS OPERATION

The society is registered under the Co-operative Societies Act, 1925 since January 25, 1989 vide Certificate of Registration No. 1290. The principal object of the society is to lay out, establish and maintain a residential colony and arrange to buy or other-wise acquire land, houses, building or other property whether movable or immovable by sale, lease, mortgage or otherwise for the purpose of carrying out the objects of the Society. In this connection the society had setup/commenced housing projects at Moza Deo-Khurd-o-Kalan Cantt., Lahore. A copy of Certificate of Registration is placed at **Annexure – A**.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting cost convention

These financial statements have been prepared under the historical cost convention.