

STATEMENT OF ACCOUNTS OF
**INMOL EMPLOYEES COOPERATIVE
HOUSING SOCIETY, LIMITED, LAHORE.**
FOR THE YEAR ENDING 30TH JUNE 2006

AMC

AHMED MUSHIR & CO.
CHARTERED ACCOUNTANTS

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AMCL/ /2007

April 23, 2007

The Chief Auditor,
Cooperative Societies,
Punjab, Lahore.

**REG: AUDIT OF ACCOUNTS OF INMOL COOPERATIVE HOUSING
SOCIETY LIMITED, LAHORE FOR THE YEAR ENDED
30TH JUNE, 2006.**

Dear Sir,

In compliance to your letter No.RCS/CA/3182 dated 07.11.2006. We have completed the audit of above referred society and enclose the followings:

ANNEXURES:

- a. A letter of weakness and our comments on financial statements.
- b. Auditor report as at 30th June 2006.
- c. Balance sheet as at 30th June 2006.
- d. Income & Expenditure Account for the year ended 30th June 2006.
- e. Receipt & Payment Account for the year ended 30th June 2006.
- f. Audit memo performa.
- g. List of members / certificate of number of members.
- h. Land performa.
- i. List of members of managing committee.
- j. List of managing committee meeting and annual general meeting.
- k. List of staff.
- l. Certified copy of by- laws.
- m. Copy of registration certificate.
- n. Certificate of legal cases.
- o. List of defaulters of society.



16-Bank Square,
Lahore.

Tel: (042) 7243845, 7322981, 7239983
Fax: (042) 7320797

E-mail: amcl1970@hotmail.com
P.O.Box No. 1373

- p. Certificate of cash in hand.
- q. Certificate of no advance to staff.

Thanking you,
Yours faithfully,


AHMED MUSHIR AND CO.
CHARTERED ACCOUNTANTS.



c. c. to

AMCL/ /2007
The Circle Registrar,
Cooperative Societies,
Punjab, Lahore.

AMCL/ /2007
The District Officer,
Cooperative Societies,
Punjab, Lahore.

AMCL/ 0343/2007
INMOL Cooperative Housing
Society Limited,
Near Sheikh Zayed Hospital,
Punjab, Lahore.



AMCL/0347/2007

April 23, 2007

The Chief Auditor,
Office of the Registrar,
Co-operative Societies (Punjab)
Lahore.

**REG: AUDIT OF ACCOUNTS OF THE INMOL EMPLOYEES
 CO-OPERATIVE HOUSING SOCIETY FOR THE YEAR ENDED
 30TH JUNE, 2006.**

Dear Sir,

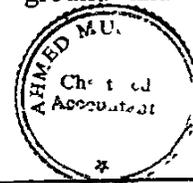
We have completed the audit of accounts of the Inmol Employees Co-operative Housing Society Lahore for the year ended June 30, 2006 in compliance to your letter No.RCS/CA/3182 dated 07.11.2006. Our audit was conducted on test check basis and we applied such audit test, which were considered necessary under the circumstances. Our comments and observation are as under;

1. **REGISTRATION, OBJECTS AND LOCATION OF THE SOCIETY:**

- 1.1 This society was registered vide certificate of registration no.1290 dated 25th January 1989 under Cooperative Societies Act, 1925.
- 1.2 The objects of the society are to establish and develop a residential colony for its members in Lahore and to acquire land, houses, buildings or other property whether moveable or immovable by sale, lease or mortgage.
- 1.3 The land is located at Moza Deo-Khurd-o-Klan Cantt, Lahore.

2. **OPERATIONAL PLAN VERIFICATION:**

Title of land measuring 69 Kanal 10 Marlas purchased during the year was not transferred in the name of society, as the same was not registered so far. 50000 gallon overhead water tank was completed. Bricks boundary wall around the society was completed. Fencing work and leveling of hockey ground and plantation on Main Boulevard has also been completed.



3. **LITIGATION POSITION:**

10 cases were pending against the society at the end of the last audit. However 5 cases were disposed off during the year. No fresh case was referred during the year. Hence no. of cases pending at the end of this year were 5. Amount partially recovered during the period of audit, through the award was Rs.654,250/-.

4. **LAND DOCUMENTS:**

Documents of land measuring 69 Kanal 10 Marlas purchased could not be verified as the documents were sent to the legal advisor to transfer the title of land in the name of the society.

5. **LIST OF MEMBERS CERTIFIED BY THE SOCIETY:**

Register of members was maintained and produced for our verification. List of members showed total strength of 664 members.

6. **SHARE MONEY:**

Rs.1,112,500/-

The movement in this head of account was as under:

Opening Balance	1,088,500
Add: Shares issued during the year	24,000

	1,112,500
	=====

As per the clause 17 of the Bye-Laws, each member has to purchase at least one share of Rs.500/- at the time of the admission. The share money of the society consists of undetermined number of shares. Society was charging the share money according to the land area upto 20.12.2005 which was breach of the clause 17 of the Bye-Laws as detailed below:

<u>AREA</u>	<u>SHARES TO BE OBTAINED</u>
1 Kanal	Rs.4,000/-
10 Marla	Rs.2,000/-
5 Marla	Rs.1,000/-

However Rs.500/- has been determined now as share money for each member.



The liability of each member is limited to 10 times the value of shares.

7. **MASJID FUND:** **Rs.54,000/-**

The movement in this head of account was as under:

Opening Balance	---
Add: Received from the members	54,000

	<u>54,000</u>

In the 11th Annual General Meeting held on September 18, 2005, it was decided that while submitting the documents for transfer of a plot the purchaser would pay Rs.2,000/- as Masjid Fund.

8. **MEMBERS DEPOSIT:**

i **AGAINST COST OF LAND:** **Rs.46,143,922/-**

The movement in this account was as under;

Opening Balance	38,206,542
Add Received during the year	8,017,380

	46,223,922
Less Refunded Back	80,000

Balance as on 30.06.2006	<u>46,143,922</u>

The amount received by the society from its members against plots at following rates:

PLOT SIZE	AMOUNT
1 Kanal	150,000
10 Marla	75,000
5 Marla	37,500



ii. **AGAINST LAND DEVELOPMENT CHARGES** **Rs.48,256,548/-**

The movement in this account was as under:

Opening Balance	46,568,173
Add Received from the members	1,815,400

	48,383,573
Less Refunded Back	127,025

Balance as on 30.06.2006	<u>48,256,548</u>

The amount received by the society from its members for land development. The rates of development charges as per land area are as under:

PLOT SIZE	AMOUNT
1 Kanal	200,000
10 Marla	100,000
5 Marla	50,000

iii. **AGAINST ADDITIONAL DEVELOPMENT CHARGES:** **Rs.15,226,740/-**

The land development charges received by the Society from its members were not enough to meet the actual cost of land development. So, in the 6th Annual General Meeting which was held on 29.03.1998, it was decided that further development charges would be received from the members to meet the development cost, which were termed as additional development charges. The rates applied were as follows:

PLOT SIZE	AMOUNT
1 Kanal	40,000
10 Marla	20,000
5 Marla	10,000



iv. AGAINST 2ND ADDITIONAL DEVELOPMENT CHARGES:

Rs.23,605,625/-

The movement in this account was as under:

Opening Balance	23,004,425
Add Received from the members	601,200

Balance as on 30.06.2006	23,605,625

The land development charges and additional development charges received by the society were also not enough to meet the actual cost of land development. So in 8th Annual General Meeting which was held on 21.10.2001 it was decided that further development charges would be received from the members to meet the development cost, which were termed as 2nd Additional Development Charges. The rates applied were as follows:

PLOT SIZE	AMOUNT
1 Kanal	60,000
10 Marla	30,000
5 Marla	15,000

v. CORNER PLOT:

Rs.1,462,007/-

The movement in this account was as under;

Opening Balance	1,394,865
Add: Received during the year	67,142

	1,462,007

This is an excess amount received by the society from those members who had plots situated at the corner of the blocks. The rates were applied as follows:

PLOT SIZE	AMOUNT
1 Kanal	15,000
10 Marla	7,500
5 Marla	3,750



vi. **COMMERCIAL PLOT CHARGES:** **Rs.250,000/-**

This was the amount received by the society from Mr. Afzal Pervaiz, membership no.744 against 2.5 Marla Commercial Plot in 1997-98. It was found that allotment in his name was not made because the society has not made any plan for commercial plots. However management was unable to tell us if no plan has been made about commercial plots, then what were the basis on which payment was received from Mr. Afzal Pervaiz.

vii. **SURCHARGE ON OUTSTANDING DUES:** **Rs.3,095,111/-**

The movement in this account was as under;

Opening Balance	2,393,765
Add: Received during the year	705,746

	3,099,511
Less: Refunded Back	4,400

	<u>3,095,111</u>

In the 11th Annual General Meeting, held on 18.09.2005 it was decided that members who have not yet paid 2nd additional charges would clear their dues with three months of receipt of letter sent by society with 1% surcharge per month and a penalty of Rs.5,000/-. After three months they will be given a grace period of three months to pay their dues with 2% surcharge per month + 5,000/- penalty and afterwards their plots will be treated as cancelled. However society was only charging 1% on the monthly basis.

viii. **DEPOSIT BY DEFAULTED MEMBERS:** **Rs.18,251,750/-**

The movement in this head was as under;

Opening Balance	18,001,750
Add: Received from defaulted members	250,000

	18,251,750
	=====

In the 11th Annual General Meeting, held on 18.09.2005 it was decided that the members who have not paid 1st additional charges as per decision of DOC dated 08.12.2004 upto 07.03.2004 and have not paid their dues by the above mentioned dates should stand cancelled. It was also decided that



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the amount received from defaulters may be refunded after deducting 10% of the amount or Rs.5,000/- whichever is higher.

However the society neither cancelled the membership of the defaulted members nor refunded the amount received from them. The society has recovered Rs.250,000/- from the defaulters during the year.

We have not been provided the amount in default.

9. **SECURITY DEPOSITS:** **Rs.80,000/-**

The movement in this account was as under:

	Opening Balance	45,000
Add	Received during the year	80,000
		125,000
Less	Security Refunded	45,000
		80,000

Society received security deposits of Rs.50,000/- from M/s Home Developers Associates for the construction of Water Tank and Rs.30,000/- from M/s Ali Hassan Associates for the construction of boundary wall. Society refunded Rs.45,000/- during the year to M/s Home Developers.

10. **RETENTION MONEY:** **Rs.421,745/-**

The movement in this account was as under:

	Opening Balance	523,421
Add	Received during the year	417,668
		941,089
Less	Released during the year	519,344
		421,745

During the year society retained the amounts of Rs.176,293/- against the running bill of M/s Home Developers for construction of 50,000 Gallons Water Tank,



amount of Rs.34,863/- against the final bill of M/s Ammar engineering for construction of fence at park and amount of Rs.206,512/- against the running bill of M/s Ali Hassan Associates for construction of boundary wall.

Society refunded Rs.237,383/- to M/s Soan Valley, Rs.191,850/- to M/s Home Developers Associates and Rs.90,111/- to M/s Ali Hassan Associates during the year.

11. **OTHER LIABILITIES:** **Rs.50,480/-**

The movement in this account was as under:

Salaries Payable	49,870
Income Tax Payable	610

	<u>50,480</u>

The balance includes salary payable for the month of June and Income Tax Deducted on the salaries but not deposited in the bank till the end of reporting period.

12. **FIXED ASSETS:** **Rs.285,812/-**

Itemwise schedule of assets in annexed with the balance sheet. Depreciation has been written off at the prescribed rates. Fixed assets register has been maintained which was examined. During the year addition to fixed assets amounted to Rs.105,508/- which was properly supported. Depreciation on addition is now charged from the month the asset is available for use. Previously full year depreciation was charged in the year of acquisition.

13. **LAND PURCHASED ACCOUNT:** **Rs.69,407,500/-**

During the year society has purchased land measuring 69 kanal 10 Marlas from Mr. Akhtar Ali S/o Safdar Jhang in February 2006.



14. **DEVELOPMENT EXPENDITURE:** **Rs.67,749,904/-**

The movement in this account was as under:

	Opening Balance	58,038,244
Add	Addition during the year	9,711,660
	Balance as on 30.06.2006	<u>67,749,904</u>

The above amount has been incurred on the development work. 50000 gallon overhead water tank was completed. Bricks boundary wall around the society was completed. Fencing work and leveling of hockey ground and plantation on Main Boulevard has also been completed.

15. **ADVANCE TAX:** **Rs.248,464/-**

The movement in this account was as under:

	Opening Balance	241,414
Add	Addition during the year	7,050
	Balance as on 30.06.2006	<u>248,464</u>

Addition comprises of tax deducted on electricity bills.

16. **PETTY CASH ADVANCE:** **Rs.50,504/-**

- i) The balance includes Rs.50,256/- given to Mr. Mohsin, Site Engineer in shape of advance to meet the expenses at site. The amount was still receivable at the end of the year.
- ii) The amount of Rs.248/- is receivable from Mr. Akram, treasure of the society against the advance given to him of Rs.10,000/- to meet the office expenses.



18. **INCOME:**

i) **PROFIT ON INVESTMENT** **Rs.1,846,604.52/-**

Society has earned profit of Rs.1,846,604.52/- on different TDR's. The profit was verified from the bank statement and found to be in order.

ii) **ADMISSION FEE:** **Rs.3,300/-**

The amount was received from members at the time of their admission. We checked the receipts with cash book and verified it with bank statement and found them in order.

iii) **MEMBERSHIP FEE:** **Rs.104,000/-**

We checked the receipts with cash book and verified them with the bank statement and found them in order.

iv) **TRANSFER FEE:** **Rs.279,500/-**

We checked the receipts of above income with cash book and verified it with the bank statement. The amount is received on account of transferring plots from old members to new members.

19. **GENERAL REMARKS:**

- i) As per clause 18 of the Bye-Laws of the society no individual members shall hold share value of which exceeds Rs.20,000/- or 1/5th of the total capital of society whichever is less. This is in contravention of cooperative societies Act 1925, which prescribed such limit as per section 6 of this act at Rs.10,000/- instead of Rs.20,000/- Therefore it is advisable that necessary amendment shall be made in the Bye-Laws of the society to meet the requirements of Cooperative Societies Act 1925.
- ii) Land purchased by the society in 2004-2005 but title of same was not transferred in the name of the society at the end of the reporting year as pointed out by the previous auditors.
- iii) As per clause 39(2) of the Bye-Laws, the society shall keep 1/10th of net profit in reserve fund which will be indivisible but society did not create any such Reserve Fund.



- iv) As per amended clause the society has to get approval of Annual General Meeting and Registrar for appointment of staff exceeding salary of Rs.15,000/-, previously the amount was Rs.5,000/-.
- v) Salary register was not maintained for last so many years. The society should maintain the salary registry. The payments of salary are being made through vouchers.

In the end, we appreciate for the cooperation extended to us by the staff of the society during the course of audit.

Thanking you,
Yours faithfully,


AHMED MUSHIR & CO.,
CHARTERED ACCOUNTANTS.



17
INMOL EMPLOYEES CO-OPERATIVE HOUSING SOCIETY
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2006.

RECEIPTS	2006 (RUPEES)	2005 (RUPEES)	PAYMENTS	2006 (RUPEES)	2005 (RUPEES)
Opening Balance:					
Habib Bank Limited New Muslim Town Branch, Lahore Account No.1694-9	14,933.00	14,933.00	TDR Investment	53,000,000.00	-
National Bank of Pakistan New Muslim Town Branch, Lahore Account No.2464-4	1,880,375.00	23,010,901.00	Land Development Expenditure	9,806,723.00	21,647,447.00
National Bank of Pakistan Sheikh Zayed Hospital Branch, Lahore Account No.1651-8	33,371,434.00	27,740,366.00	Retention Money	519,344.00	431,520.00
National Bank of Pakistan New Muslim Town Branch, Lahore Term Deposit Account	23,000,000.00	-	Security Deposits	45,000.00	-
Saudi Pak Commercial Bank Badami Bagh Branch, Lahore. Account No.1072-01	1,000.00	-	Salaries,Wages & Other Benefits	709,167.00	343,540.00
	58,267,742.00	50,766,200.00	Printing & Stationery	34,217.00	36,604.00
TDR Encashment	53,000,000.00	-	Postage & Telegram	12,412.00	64,154.00
Profit on Short Term Investment	1,846,604.52	459,741.00	Entertainment	86,663.00	150,789.00
Profit NBP	201,087.00	-	Travelling & Conveyance	13,489.00	8,995.00
Share Capital	24,000.00	290,500.00	Refund Land Cost	80,000.00	-
Admission Fee	3,300.00	6,300.00	Refund LDC	127,025.00	-
Deposits by Members	10,751,122.00	30,531,100.00	Refund Surcharge	4,400.00	-
Retention Money	417,668.00	480,558.00	Vehicle Running & Maintenance	49,013.00	15,162.00
Masjid Fund	54,000.00	-	Legal & Professional Charges	163,155.00	37,800.00
Transfer Fee	279,500.00	537,500.00	Subscription & Donation	51,800.00	-
Other Income	50,500.00	234,000.00	Land For Plots	32,031,850.00	3,168,750.00
Membership Fee	104,000.00	31,500.00	Misc.Expenses	8,359.00	30,031.00
Surcharges On Outstanding Dues	705,746.00	1,071,365.00	Bank Charges	4,013.73	1,650.00
Possession Charges	-	3,200.00	Markup	147,833.53	-
Salaries Payable	49,870.00	-	Advertisement	68,500.00	131,019.00
Income Tax Payable	610.00	-	Telephone	6,517.00	1,384.00
Security Deposit	80,000.00	-	Repair & Maintenance	41,829.00	2,943.00
	125,835,749.52	84,411,964.00	Electricity Expenses	51,831.00	58,691.00
			With-Holding Tax	7,050.00	-
			Income Tax On Profit	185,470.67	-
			Advances & Receivables	50,504.00	-
			Office Appliances	42,000.00	400.00
			Vehicle	26,000.00	-
			Furniture & Fixture	37,325.00	-
			Tax Paid	-	13,343.00
				97,411,490.93	26,144,222.00
			Closing Balances:		
			Habib Bank Limited		
			New Muslim Town Branch, Lahore Account No.1694-9	20,631.88	14,933.00
			National Bank of Pakistan		
			New Muslim Town Branch, Lahore Account No.2464-4	7,906.00	24,880,375.00
			National Bank of Pakistan		
			Sheikh Zayed Hospital Branch, Lahore Account No.1651-8	22,914.00	33,371,434.00
			Saudi Pak Commercial Bank		
			Badami Bagh Branch, Lahore. Account No.1072-01	28,348,321.07	1,000.00
			Saudi Pak Commercial Bank		
			Badami Bagh Branch, Lahore. Account No.1072-03	24,485.64	-
				28,424,258.59	58,267,742.00
	125,835,749.52	84,411,964.00		125,835,749.52	84,411,964.00

PRESIDENT

SECRETARY



**AUDIT MEMO PERFORMA UNDER ITEM NO.23 OF INSTRUCTIONS FOR
 AUDIT OF CO-OPERATIVE SOCIETIES.**

A.	District	Lahore
B.	Name of Society/Bank	INMOL Employees Cooperative Housing Society Limited.
C.	Date of its Registration	25.01.1989
D.	Classification, with authority	Housing Society – Deputy Registrar Lahore
E.	No. of Members	664
F.	Date on which audit was completed	23.04.2007
1.	From what date upto what date has the audit now been made.	01.07.2005 to 30.06.2006
2.	Have any important points in the last audit not been neglected by the society?	Para 19 (ii)
3.	Does the society/Bank posses a copy of the Act, Rules and its bylaws?	Yes
4.	Has the Bank/Society acquired membership of Punjab Co-Operative Union Limited, Lahore and paid its annual contribution?	Yes
5.	i. Have new members been duly admitted & enrolled?	Yes
	ii. Are their written applications in order?	Yes
	iii. Have the nomination under rule 21 of the Co-Operative Societies Rules 1927, been made?	Yes
6.	i. Does the Society maintain register of members?	Yes
	ii. Does the cash book show that all members have paid their share money and entrance fee?	Yes
	iii. How many defaulters are there list them with the amount of default?	36 – Para 8(viii)
7.	i. Are resignations of the members in order?	N/A
	ii. Are any resignations due to dissatisfaction with the working or management of the society?	N/A



**AUDIT MEMO PERFORMA UNDER ITEM NO.23 OF INSTRUCTIONS FOR
 AUDIT OF CO-OPERATIVE SOCIETIES.**

A.	District	Lahore
B.	Name of Society/Bank	INMOL Employees Cooperative Housing Society Limited.
C.	Date of its Registration	25.01.1989
D.	Classification, with authority	Housing Society – Deputy Registrar Lahore
E.	No. of Members	664
F.	Date on which audit was completed	23.04.2007
1.	From what date upto what date has the audit now been made.	01.07.2005 to 30.06.2006
2.	Have any important points in the last audit not been neglected by the society?	Para 19 (ii)
3.	Does the society/Bank possess a copy of the Act, Rules and its bylaws?	Yes
4.	Has the Bank/Society acquired membership of Punjab Co-Operative Union Limited, Lahore and paid its annual contribution?	Yes
5.	i. Have new members been duly admitted & enrolled?	Yes
	ii. Are their written applications in order?	Yes
	iii. Have the nomination under rule 12 of the Co-Operative Societies Rules 1927, been made?	
6.	i. Does the Society maintain register of members?	Yes
	ii. Does the cash book show that all members have paid their share money and entrance fee?	Yes
	iii. How many defaulters are there list them with the amount of default?	36 – Para 8(viii)
7.	i. Are resignations of the members in order?	N/A
	ii. Are any resignations due to dissatisfaction with the working or management of the society?	N/A



8.	Are repayments of outside borrowing made punctually? If not, give details of default.	Yes
9.	a. Verify the calculation of mark up in, at least, ten cases and report its results	Yes
	b. Deposit Account.	N/A
	c. Loan Account.	Yes
10.	i. What is the extent of liability of members and of the Bank/Society under the Bye-Laws?	10 times of the normal value of shares held by members.
	ii. Has it been exceeded and, if so what extent?	N/A
11.	Has the maximum credit limit of members and the society approved by the competent authority been exceeded in any case?	N/A
12.	Give a list of loans granted to members of the Managing Committee and the staff of the Bank/Society. Are recoveries correctly made?	N/A
13.	Does the Bank/Society keep register of loan applications and is it correctly written up?	N/A
14.	Are bonds in order and registered, where necessary?	N/A
15.	Are repayments punctual? When extensions are given, are they granted for valid reason after proper inquiry?	N/A
16.	Examine the loan register and prepare a list, under section 22(2) of the Act, showing debts overdue for more than one month, without permission of Managing Committee.	N/A
17.	What is the amount of overdue mark up? Is it taken into consideration while calculating profits?	N/A



18.	Give the following details of arbitration cases under section 54 of the Act: -	
a.	No. of cases outstanding at the close of last audit.	10
b.	No. of fresh cases referred to Arbitration during the course of audit.	Nil
c.	No. of cases disposed off during the period of audit.	5
d.	Amount partially recovered during the period of audit, through the award may yet be pending.	Rs.654,250/-
e.	No. of cases pending at the close of audit.	5
f.	No. of awards remaining to be executed at the close of the audit.	Nil
g.	Has any case become time barred?	No
19.	Enclose a list of estimated doubtful and bad debts of the Bank/Society, Have debts been adequately provided in bad debts reserve?	N/A
20.	i. Count the cash in hand and sign the cash book.	Para 17 (a)
	ii. Are daily balances correctly struck? Is the cash book signed regularly by a person authorized by the Bye-Laws.	Yes
	iii. Has an unduly large balance been kept in hand for an unnecessarily long period? If so, what is the explanation of the managing Committee Manger and the Custodian of the Cash.	N/A
21.	i. What was the total profit earned in previous year.	Rs.318,671/-
	ii. How was it allocated.	No Allocation
	1. Statutory Reserve	
	2. Bad Debts.	
	3. Building Fund.	



	4. Depreciation Reserve.	
	5. Dividend.	
	6. Income Tax.	
	7. Common Good Fund.	
	8. Any other Fund/ General Reserve	
22.	See that any Securities of script held by the society are in order and its bank pass books up to date?	N/A
23.	Has any breach of the law, Rules or Bye-Laws occurred?	Para 19(i)
24.	Have any amendment, in Bye-Laws of the Bank/Society been made without approval of the Competent Authority.	Para 19 (iv)
25.	What is the date of last Annual General Meeting and Special General Meeting?	September 18, 2005 No special general meeting
26.	i. How may Committee Meetings have been held since the last audit and are minutes duly recorded?	13 – Minutes duly recorded.
	ii. When the present Managing Committee was elected? Discuss about the eligibility and validity of the election or continuance under Bye-Laws of the Bank/Society.	30.05.2005. 3 Years.
27.	1. Do the receipt of shares and debentures shown in the share and debenture register, correspond to the entries in the cash book?	N/A
	2. What rate of dividend was last declared?	N/A
	3. Have certificates been issued for all shares and debentures?	Yes.



	4. What is the total amount of unpaid dividends?	N/A
	a. For previous year	N/A
	b. For current year	N/A
	c. What action is being taken to reduce (a)?	N/A
	5 i. Is a General Ledger maintained.	Yes
	ii. Are all necessary accounts kept there in?	Yes
	6. Are any installments from shares or debenture holders overdue for payment? What action is being taken?	N/A
28.	Has the institution some housing project for its members? If so, give the following information: -	Yes
	a. Name of the Housing Project. /Colony with location>	INMOL Employees Cooperative Housing Society, Village Deo-Khurd-o-Kalan, District Lahore.
	b. Total area of land purchased with cost.	1100 Kanal 17 Marlas Rs.69,407,500/-
	c. Total No. of residential plots planned.	888
	d. No. of plots allotted to Members with their size.	750 612 Kanals 15 Marlas
	e. No. of plots left to be allotted to Members with their size.	138 67 Kanal 10 Marlas
	f. Average cost of land per Kanal with end without Development charges separately.	Rs.124,592/- with development charges, Rs.63,049/- without development charges.
	g. No. of houses constructed by the members.	Nil
	h. Indicate problems faced or being face by provision of residential colony.	N/A
29.	General remarks and suggestion by the Auditors, including with section 50-A, of Co-Operative societies Act, 1925.	Para 19



AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE

We have audited the annexed Balance Sheet of the "INMOL EMPLOYEES COOPERATIVE HOUSING SOCIETY LIMITED, LAHORE", as at 30th June, 2006, and the related income and expenditure account, receipt and payment account forming part thereof (hereinafter referred to as these financial statements) for the year then ended under Section 22 of The Co-operative Societies Act 1925 and we state that subject to our observations and comments communicated in our letter of weakness.

These financial statements are the responsibility of the Management Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) The payments made and / or the expenditure incurred during the year was for the purpose of the approved objects of the organization;
- b) Where funds were received for a specific stated purpose, these have been spent for that purpose only; and
- c) The financial statements give a true and fair view of the Society's affairs as at 30th June, 2006, and of the results of its operations for the year then ended.

Dated: 23.04.2007
Place: 16-Bank Square,
Lahore 4+1

AHMED MUSHIR & CO.
CHARTERED ACCOUNTANTS.



INMOL EMPLOYEES CO-OPERATIVE HOUSING SOCIETY
INCOME & EXPENDITURE ACCOUNT.
FOR THE YEAR ENDED 30TH JUNE, 2006

	<u>2006</u> <u>(RUPEES)</u>	<u>2005</u> <u>(RUPEES)</u>		<u>2006</u> <u>(RUPEES)</u>	<u>2005</u> <u>(RUPEES)</u>
<u>EXPENDITURE</u>			<u>INCOME:</u>		
Salaries, Allowances & Other Benefits	709,167.00	343,540.00	Admission Fee	3,300.00	6,300.00
Printing & Stationery	34,217.00	36,604.00	Membership Fee	104,000.00	31,500.00
Postage & Telegrams	12,412.00	64,154.00	Profit on TDR's	1,846,604.52	424,554.00
Travelling & Conveyance	13,489.00	8,995.00	Transfer Fee	279,500.00	537,500.00
Vehicle Running & Maintenance	49,013.00	15,162.00	Possession Charges	-	3,200.00
Repair & Maintenance	41,646.00	2,943.00	Other Income	50,500.00	234,000.00
Entertainment	86,663.00	150,789.00			
Legal & Professional Charges	163,155.00	37,800.00			
Fee & Subscription	51,800.00	-			
Telephone Expenses	6,517.00	1,384.00		2,283,904.52	1,237,054.00
Electricity	51,831.00	58,691.00			
Markup	147,833.53	-			
Income Tax On Profit	185,470.67	13,343.00			
Advertisement	68,500.00	131,019.00			
Miscellaneous Expenses	8,359.00	30,031.00			
Bank Charges	4,013.73	1,650.00			
Depreciation	27,790.00	22,278.00			
	1,661,876.93	918,303.00			
Excess of Income over Expenditure	622,027.59	318,671.00			
	<u>2,283,904.52</u>	<u>1,237,054.00</u>		<u>2,283,904.52</u>	<u>1,237,054.00</u>

INMOL EMPLOYEES CO-OPERATIVE HOUSING SOCIETY
INCOME & EXPENDITURE APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2006.

<u>PARTICULARS</u>	<u>(RUPEES)</u>	<u>PARTICULARS</u>	<u>(RUPEES)</u>
Carried Forward to the Balance Sheet	8,156,014.59	Balance Brought Forward	3,392,956.00
		Surplus for the year	622,027.59
		Gain on sale of land (Previous Year)	4,141,031.00
	<u>8,156,014.59</u>		<u>8,156,014.59</u>

PRESIDENT

SECRETARY



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INMOL EMPLOYEES CO-OPERATIVE HOUSING SOCIETY
FIXED ASSETS SCHEDULE
FOR THE YEAR ENDED 30TH JUNE, 2006.

PARTICULARS	COST			RATE	DEPRECIATION			W.D.V. AS ON 30.06.2006
	AS ON 01.07.2005	ADDITION/ (DELLETION)	AS AT 30.06.2006		AS ON 01.07.2005	FOR THE YEAR	AS AT 30.06.2006	
SITE OFFICE	150,000	-	150,000	5	83,983	3,301	87,284	62,716
FURNITURE & FIXTURE	36,533	37,325	73,858	10	23,287	3,381	26,668	47,190
ELECTRIC APPLIANCES	35,715	-	35,715	20	104,557	4,103	108,660	(72,945)
OFFICE EQUIPMENTS	158,800	42,000	200,800	10	15,203	9,274	24,477	176,323
VEHICLE	207,913	26,000	233,913	10	155,039	7,454	162,493	71,420
CYCLE	4,850	183	5,033	20	3,648	277	3,925	1,108
2006	593,811	105,508	699,319		385,717	27,790	413,507	285,812
2005	555,711	37,700	593,411		338,235	25,204	363,439	229,972



**INMOL EMPLOYEES CO-OPERATIVE HOUSING SOCIETY
BALANCE SHEET AS AT 30TH JUNE, 2006**

	<u>2006</u> <u>(RUPEES)</u>	<u>2005</u> <u>(RUPEES)</u>	<u>2006</u> <u>(RUPEES)</u>	<u>2005</u> <u>(RUPEES)</u>
Share Money	1,112,500.00	1,088,500.00	285,812.00	208,094.00
Surplus	8,156,014.59	3,392,956.00	69,407,500.00	33,139,556.00
Masjid Fund	54,000.00	-	67,749,904.00	58,038,244.00
<u>DEPOSITS FROM MEMBERS:</u>				
Cost of Land	46,143,922.00	38,206,542.00	248,464.00	241,414.00
Land Development	48,256,548.00	46,568,173.00	50,504.00	-
Additional Development	15,226,740.00	15,226,740.00	-	201,087.00
2nd Additional Development	23,605,625.00	23,004,425.00	28,424,258.59	58,267,742.00
Corner Plot	1,462,007.00	1,394,865.00	28,723,226.59	58,710,243.00
Commercial Plot	250,000.00	250,000.00		
Surcharge	3,095,111.00	2,393,765.00		
Deposited By Defaulters	18,251,750.00	18,001,750.00		
	156,291,703.00	145,046,260.00		
Security Deposits	80,000.00	45,000.00		
<u>CURRENT LIABILITIES:</u>				
Retention Money	421,745.00	523,421.00		
Other Liabilities	50,480.00	-		
	<u>166,166,442.59</u>	<u>150,096,137.00</u>	<u>166,166,442.59</u>	<u>150,096,137.00</u>

CURRENT ASSETS:

- With-Holding Tax
- Petty Cash Advance
- Markup Receivable
- Cash & Bank Balances



PRESIDENT

SECRETARY