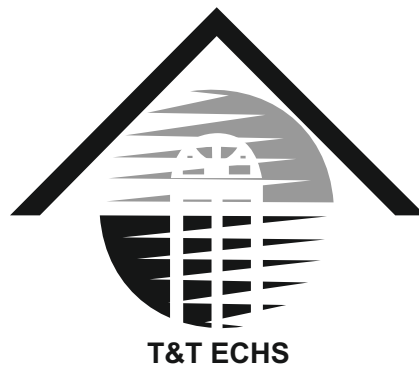


ANNUAL AUDIT REPORT 2012-2013



**TELEGRAPH AND TELEPHONE
EMPLOYEES CO-OPERATIVE HOUSING SOCIETY (REGD.)
ISLAMABAD**

INDEX

Annual Audit Report 2012-2013

| S. No. | Particulars | Page |
|---------------|------------------------------|-------------|
| 1. | List of Managing Committee | 05 |
| 2. | Balance Sheet | 06 |
| 3. | Income Expenditure Statement | 07 |
| 4. | Fixed Assets Schedule | 08 |
| 5. | Annex "A" | 09 |
| 6. | Annex "B" | 11 |
| 7. | Audit Report | 13 |

Special Audit Report 2011-2013

| S. No. | Particulars | Page |
|---------------|--------------------------------|-------------|
| 1. | Balance Sheet | 27 |
| 2. | Income Expenditure Statement | 28 |
| 3. | Fixed Assets Schedule | 29 |
| 4. | Annex "A" | 30 |
| 5. | Annex "B" | 32 |
| 6. | Annex "C", "D", "E" | 34 |
| 7. | Annex "F" | 35 |
| 8. | Annex "G" | 37 |
| 9. | Annex "H" | 38 |
| 10. | Annex "I" | 39 |
| 11. | Annex "J" | 40 |
| 12. | Special Audit Report 2011-2013 | 41 |

Special Audit Report 2010-2011

| S. No. | Particulars | Page |
|---------------|--------------------------------|-------------|
| 1. | Balance Sheet | 59 |
| 2. | Income Expenditure Statement | 60 |
| 3. | Fixed Assets Schedule | 61 |
| 4. | Special Audit Report 2010-2011 | 63 |

LIST OF MANAGING COMMITTEE AS ON 30 JUNE 2013

- | | | |
|----|--------------------------|----------------------------|
| 1. | Iftikhar A. Jomezai | President |
| 2. | Hassan Jan Khan | Vice President |
| 3. | Azher Ahmed Khan Balouch | General Secretary |
| 4. | Iftikhar Hussain | Finance Secretary |
| 5. | Azhar Jokhio | Member Executive Committee |
| 6. | Tariq Javed | Member Executive Committee |
| 7. | Masood M. Siddiqui | Member Executive Committee |
| 8. | Naveed Rauf Khan | Member Executive Committee |
| 9. | M. Tariq Malik Koria | Member Executive Committee |

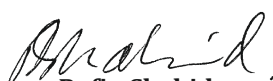


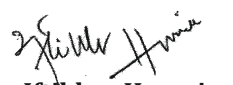
T&T EMPLOYEES CO-OPERATIVE HOUSING SOCIETY (REGD.) ISLAMABAD

BALANCE SHEET

(AS ON 30.06.2013)

| | (Rupees) | |
|-------------------------------------|--------------------|--------------------|
| | 2012-2013 | 2011-2012 |
| CAPITAL & LIABILITIES | | |
| Share Capital | 974,500 | 820,000 |
| Accumulated Surplus | 11,872,763 | 16,063,036 |
| | 12,820,263 | 16,883,036 |
| Interest in Suspense | 115,284,840 | 115,284,840 |
| Members Deposits | | |
| Cost of Land | 272,349,661 | 164,269,266 |
| Cost of Development | 410,031,712 | 367,007,382 |
| | 682,381,373 | 531,267,648 |
| Current Liabilities | | |
| Cost of Land Payable | - | 34,978,222 |
| Retention Money | 3,702,157 | 3,140,250 |
| Bills Payables | 118,212 | 118,212 |
| Taxes Payables | - | - |
| Other Liabilities | 22,353,990 | 22,353,990 |
| | 26,174,359 | 60,590,674 |
| | 836,660,835 | 724,035,198 |
| PROPERTY & ASSETS | | |
| Fixed Assets | | |
| Cost | 7,176,548 | 6,277,548 |
| Less Accumulated Depreciation | (2,633,949) | (2,171,110) |
| | 4,542,599 | 4,106,438 |
| Land Purchased | 325,554,867 | 243,677,404 |
| Development Cost | 58,216,869 | 40,101,227 |
| Investments | | |
| Short Term Investment | 190,827,670 | 190,827,670 |
| Long Term Investment | 37,500,000 | 37,500,000 |
| | 228,327,670 | 228,327,670 |
| Interest Accrued | 115,284,840 | 115,284,840 |
| Current Assets | | |
| Advance of Land | 93,887,490 | 88,877,490 |
| Advances, Prepayments & Receivables | 993,559 | - |
| Security Deposit | 240,000 | 240,000 |
| Suspense Account | 100,000 | 100,000 |
| Litigation Charges Receivable | 9,026,000 | - |
| | 104,247,049 | 89,217,490 |
| Cash and Bank Balance | | |
| Cash in Bank | 486,941 | 3,237,754 |
| Cash in Hand | - | 82,375 |
| | 486,941 | 3,320,129 |
| | 836,660,835 | 724,035,198 |


Rafiq Shahid
Manager Accounts


Iftikhar Hussain
Finance Secretary


Azher Ahmed Khan Balouch
General Secretary

T&T EMPLOYEES CO-OPERATIVE HOUSING SOCIETY (REGD.) ISLAMABAD

INCOME EXPENDITURE STATEMENT

For The Year Ended on 30.06.2013

(Rupees)

| | 2012-2013 | 2011-2012 |
|----------------------------------|-------------------|-------------------|
| INCOME | | |
| Operational Income | | |
| Membership Fee | 213,000 | 55,000 |
| Services Charges | 1,451,319 | 241,911 |
| Transfer Fee | 1,813,750 | 832,500 |
| Surcharge | 2,114,118 | 339,325 |
| Amineties Charges | 10,000 | |
| Possession Charges | 229,400 | 25,000 |
| | 5,831,586 | 1,493,736 |
| Financial Income | | |
| Bank Profit | 187,641 | 70,571 |
| | 187,641 | 70,571 |
| Other Income | | |
| Misc. Income | - | 6,317 |
| Gain on Sale of Vehicle | - | 377,944 |
| Gain on Land acquired by MPCHS | - | 14,609,719 |
| | - | 14,993,980 |
| Total Income | 6,019,227 | 16,558,287 |
| EXPENSES | | |
| Administration Expenses | | |
| Salaries | 3,085,073 | 2,443,753 |
| EOBI Contribution | 19,440 | 174,664 |
| Conveyance Expenses | 269,852 | 139,056 |
| Entertainment Expenses | 363,486 | 343,017 |
| Business Promotion Expenses | 74,118 | - |
| Postage Expenses | 73,993 | 44,878 |
| Telephone Expenses | 64,140 | 74,460 |
| Electricity Expenses | 108,671 | 220,529 |
| Computer & Photo Copies Expenses | 97,600 | 65,590 |
| Printing & Stationery | 1,123,420 | 202,794 |
| Vehicle Expenses | 39,973 | 386,069 |
| Petrol Expenses | 691,238 | 537,260 |
| Rent Rate & Taxes | 287,960 | 364,500 |
| CDA Fee | - | 1,048,250 |
| Site Office Expenses | - | 52,560 |
| Repair & Maintenance | 49,240 | - |
| Misc. Expenses | 188,799 | 881,450 |
| | 6,537,003 | 6,978,830 |
| Financial Expenses | | |
| Bank Charges | 21,617 | 5,001 |
| Withholding Tax | 61,321 | 31,905 |
| | 82,938 | 36,906 |
| Other Expenses | | |
| Advertisement Expense | 2,849,740 | 1,343,040 |
| AGM Expense | 601,329 | - |
| Audit Fee | 850,000 | 300,000 |
| Legal & Professional Expenses | 1,766,650 | 3,146,000 |
| Depreciation | 462,839 | 288,540 |
| Loss on Sale of Fixed Assets | - | 26,726 |
| | 6,530,558 | 5,104,306 |
| Total Expenses | 13,150,499 | 12,120,042 |
| Surplus/(Defecit) | (7,131,273) | 4,438,245 |
| Prior years adjustments | 2,941,000 | - |
| Balance B/f. | 16,063,036 | 11,624,791 |
| | 11,872,763 | 16,063,036 |

Rafiq Shahid
Rafiq Shahid
Manager Accounts

Iftikhar Hussain
Iftikhar Hussain
Finance Secretary

Azher Ahmed Khan Balouch
Azher Ahmed Khan Balouch
General Secretary



T&T EMPLOYEES CO-OPERATIVE HOUSING SOCIETY (REGD.) ISLAMABAD
FIXED ASSETS SCHEDULE
(AS ON 30.06.2013)

| Particulars | Building | Furniture & Fixture | Office Equipment | Vehicle | Total |
|-------------|----------|---------------------|------------------|---------|-------|
| | 5% | 10% | 20% | 20% | |

Cost

| | | | | | |
|---------------------------|-----------|-----------|---------|---------|-----------|
| Opening Balance | 4,589,172 | 1,264,805 | 423,571 | - | 6,277,548 |
| Addition during the year | - | 12,000 | 192,000 | 695,000 | 899,000 |
| Deletions during the year | - | - | - | - | - |
| Closing Balance | 4,589,172 | 1,276,805 | 615,571 | 695,000 | 7,176,548 |

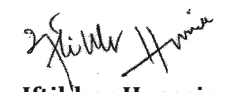
Accumulated Depreciation

| | | | | | |
|----------------------------|-----------|---------|---------|---------|-----------|
| Opening Balance | 1,695,311 | 235,113 | 240,686 | - | 2,171,110 |
| Depreciation or the year | 144,693 | 104,169 | 74,977 | 139,000 | 462,839 |
| Adjustment during the year | - | - | - | - | - |
| Closing Balance | 1,840,004 | 339,282 | 315,663 | 139,000 | 2,633,949 |

Written Down Value

| | | | | | |
|-------------|------------------|------------------|----------------|----------------|------------------|
| | | | | | - |
| 2013 | <u>2,749,168</u> | <u>937,523</u> | <u>299,908</u> | <u>556,000</u> | <u>4,542,599</u> |
| 2012 | <u>2,893,861</u> | <u>1,029,692</u> | <u>182,885</u> | <u>-</u> | <u>4,106,438</u> |


Rafiq Shahid
Manager Accounts


Iftikhar Hussain
Finance Secretary


Azher Ahmed Khan Balouch
General Secretary

Annex "A"

| S.No. | Particulars | Inteqaal No. | Quantity | | | Land | Possession | Mutation Fee | Zila Council | Others | Commission | Total | |
|-------|--|--------------|----------|--------|------|-----------|-------------|--------------|--------------|--------|------------|------------|-------------|
| | | | Kanals | Marlas | Feet | Amount | Amount | Amount | Amount | Amount | Amount | Amount | |
| 1 | Amjad Azam | 3446 | - | 16 | - | - | | | | | | | |
| | Payments | | | | | 1,120,000 | | 33,600 | 11,300 | 6,000 | | 1,170,900 | |
| | Plots | | | | | | | | | | | - | |
| | Postdated Cheques | | | | | | | | | | | - | |
| | Total | | - | 16 | - | 1,120,000 | - | 33,600 | 11,300 | 6,000 | - | 1,170,900 | |
| 2 | Rab Nawaz S/o Mansab Dar Liaqat Ali Allah Ditta | 3448 | 2 | 4 | - | | | | | | | | |
| | Payments | 3449 | 2 | 12 | | 7,540,000 | 1,178,000 | 223,200 | 74,600 | 48,000 | 228,000 | 9,291,800 | |
| | Plots | | | | | | 3,155,000 | | | | | 3,155,000 | |
| | Postdated Cheques | | | | | | | | | | | - | |
| | Total | | 4 | 16 | - | 7,540,000 | 4,333,000 | 223,200 | 74,600 | 48,000 | 228,000 | 12,446,800 | |
| 3 | Hafees Ahmed Etc. Noor Din S/o Nizam Din | 3472 | 3 | 3 | | | | | | | | | |
| | Payments | 3474 | 3 | 16 | | 3,858,000 | 787,500 | 253,920 | 84,840 | 70,000 | | 5,054,260 | |
| | Plots | | | | | 4,606,000 | | | | | | 4,606,000 | |
| | Postdated Cheques | | | | | | | | | | | - | |
| | Total | | 6 | 19 | - | 8,464,000 | 787,500 | 253,920 | 84,840 | 70,000 | - | 9,660,260 | |
| 4 | Bostan Khan-3484 & 3485 | 3485 | 2 | 18 | | | | | | | | | |
| | Payments | | | | | 1,805,000 | 795,500 | 159,300 | 53,300 | 50,000 | 120,000 | 2,982,600 | |
| | Plots | | | | | | 3,000,000 | | | | | | 3,000,000 |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | 6 | 19 | - | 8,464,000 | 787,500 | 253,920 | 84,840 | 70,000 | - | 9,660,260 | |
| 5 | Muhammad Muzaffar Etc. | 3486 | 2 | 18 | - | 4,805,000 | 795,000 | 159,300 | 53,300 | 50,000 | 120,000 | 5,982,600 | |
| | Payments | | | | | | 217,500 | | 6,525 | 2,275 | 4,300 | | 230,600 |
| | Plots | | | | | | | | | | | | - |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | 2 | 18 | - | 4,805,000 | 795,000 | 159,300 | 53,300 | 50,000 | 120,000 | 5,982,600 | |
| 6 | Naziran/Gulnaz C/o Amjad Azam | 3504 | - | 3 | - | 217,500 | | 6,525 | 2,275 | 4,300 | | 230,600 | |
| | Payments | | | | | | 2,320,000 | 240,000 | 69,000 | 23,300 | 16,000 | 40,000 | 2,708,300 |
| | Plots | | | | | | | | | | | | - |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | - | 3 | - | 217,500 | | 6,525 | 2,275 | 4,300 | | 230,600 | |
| 7 | Yasin | 3513 | 1 | 12 | - | 2,320,000 | 240,000 | 69,000 | 23,300 | 16,000 | 40,000 | 2,708,300 | |
| | Payments | | | | | | 500,000 | 2,675,000 | 15,000 | 5,100 | 4,000 | 68,125 | 3,267,225 |
| | Plots | | | | | | | | | | | | - |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | 1 | 12 | - | 2,320,000 | 240,000 | 69,000 | 23,300 | 16,000 | 40,000 | 2,708,300 | |
| 8 | Ilyas | 3155 | - | 5 | - | 500,000 | 2,675,000 | 15,000 | 5,100 | 4,000 | 68,125 | 3,267,225 | |
| | Payments | | | | | | 978,750 | | 29,363 | 9,890 | 10,000 | 16,875 | 1,044,878 |
| | Plots | | | | | | | | | | | | - |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | - | 5 | - | 500,000 | 2,675,000 | 15,000 | 5,100 | 4,000 | 68,125 | 3,267,225 | |
| 9 | Allah Ditta | | - | 13.50 | - | 978,750 | | 29,363 | 9,890 | 10,000 | 16,875 | 1,044,878 | |
| | Payments | | | | | | (1,005,500) | | | | | | (1,005,500) |
| | Plots | | | | | | 1,505,500 | | | | | | 1,505,500 |
| | Postdated Cheques | | | | | | | | | | | | - |
| | Total | | - | 13.50 | - | 500,000 | | | | | | 500,000 | |



Annex "A"

| S.No. | Particulars | Inteqaal No. | Quantity | | | Land | Possession | Mutation Fee | Zila Council | Others | Commission | Total |
|--------------------|---------------------------------------|--------------|-----------|-------------|----------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | | | Kanals | Marlas | Feet | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| 10 | Malik Manzoor through Farrukh Shahzad | 3525 | 11 | 3 | - | - | - | - | - | - | - | - |
| | Payments | | | | | 6,920,000 | 468,300 | 156,200 | 110,000 | 358,750 | 8,013,250 | |
| | Plots | | | | | 14,560,000 | | | | | 14,560,000 | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | 11 | 3 | - | 21,480,000 | - | 468,300 | 156,200 | 110,000 | 358,750 | 22,573,250 |
| 11 | Fazalur Rehman | 3544 | | | | | | | | | | |
| | Payments | | | | | 568,000 | 11,400 | 3,900 | | | 583,300 | |
| | Plots | | | | | | | | | | | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | - | 9.50 | - | 568,000 | - | 11,400 | 3,900 | - | - | 583,300 |
| 12 | Amin & Yousaf | 3557 | 3 | 6 | | | | | | | | |
| | Payments | | | | | 5,148,000 | 495,000 | 138,600 | 46,300 | 35,000 | 82,500 | 5,945,400 |
| | Plots | | | | | | | | | | | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | 3 | 6 | - | 5,148,000 | 495,000 | 138,600 | 46,300 | 35,000 | 82,500 | 5,945,400 |
| 13 | M. Jahangir | 3607 | 6 | 2 | | | | | | | | |
| | Payments | | | | | 877,500 | | | | | 152,500 | 1,030,000 |
| | Plots | | | | | 5,527,500 | | | | | | 5,527,500 |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | 6 | 2 | - | 6,405,000 | - | - | - | - | 152,500 | 6,557,500 |
| 14 | Shahzad Abbasi | 3602 | | 19.50 | | | | | | | | |
| | Payments | | | | | | | | | 6,000 | 6,000 | |
| | Plots | | | | | 1,500,000 | | | | | 1,500,000 | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | - | 20 | - | 1,500,000 | - | - | - | 6,000 | - | 1,506,000 |
| 15 | Mumtaz & Irshad | 3630 | | 16 | | | | | | | | |
| | Payments | | | | | 960,000 | | | | | 960,000 | |
| | Plots | | | | | | | | | | | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | - | 16 | - | 960,000 | - | - | - | - | - | 960,000 |
| 16 | Saghir S/o Noor Din | | | | | | | | | | | |
| | Payments | | | | | | 1,200,000 | | | | 1,200,000 | |
| | Plots | | | | | | 3,000,000 | | | | 3,000,000 | |
| | Postdated Cheques | | | | | | | | | | | |
| | Total | | - | - | - | 3,000,000 | 1,200,000 | - | - | - | - | 4,200,000 |
| Sub Total | Payments | | 40 | 19 | - | 31,807,250 | 7,370,500 | 1,408,208 | 471,005 | 359,300 | 1,066,750 | 42,483,013 |
| | Plots | | | | | 33,699,000 | 3,155,000 | - | - | - | - | 36,854,000 |
| | Postdated Cheques | | | | | - | - | - | - | - | - | - |
| | Sub Total - A | | 40 | 19 | - | 65,506,250 | 10,525,500 | 1,408,208 | 471,005 | 359,300 | 1,066,750 | 79,337,013 |
| Others * | Payments | | | | | - | 600 | 564,015 | 1,650,835 | 325,000 | - | 2,540,450 |
| | Plots | | | | | | | | | | | - |
| | Postdated Cheques | | | | | | | | | | | - |
| | Sub Total - B | | 40 | 19 | - | - | - | 600 | 564,015 | 1,650,835 | 325,000 | 2,540,450 |
| Grand Total | Payments | | | | | 31,807,250 | 7,370,500 | 1,408,808 | 1,035,020 | 2,010,135 | 1,391,750 | 45,023,463 |
| | Plots | | | | | 33,699,000 | 3,155,000 | - | - | - | - | 36,854,000 |
| | Postdated Cheques | | | | | - | - | - | - | - | - | - |
| | Grand Total | | 40 | 19 | - | 65,506,250 | 10,525,500 | 1,408,808 | 1,035,020 | 2,010,135 | 1,391,750 | 81,877,463 |

LITIGATION CHARGES RECEIVABLE

Annex "B"

| S.No. | Case Title | Payee | Date | Cheug No. | Amount |
|-------|--|--------------------------|------------|-----------|------------------|
| 1 | M. Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 14.07.2011 | 9918651 | 76,500 |
| 2 | Kamran Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 14.07.2011 | 9918651 | 146,500 |
| 3 | Criminal Mis. No.301-B of Mr. Nabi ul Hassan Baqri (& others) Vs State | Raja Inaam Amin Minhas | 02.07.2011 | 5304508 | 200,000 |
| 4 | M. Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 01.09.2011 | 9918658 | 125,000 |
| 5 | Kamran Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 01.09.2011 | 9918658 | 125,000 |
| 6 | T&T ECHS Vs Ch. Masood & Others u/s 50-A Dep. Registrar/ AC City Islamabad | Raja Inaam Amin Minhas | 01.12.2011 | 5304539 | 250,000 |
| 7 | T&T ECHS Vs Ch. Masood & Others u/s 50-A Dep. Registrar/ AC City Islamabad | Raja Inaam Amin Minhas | 01.12.2011 | 5304540 | 250,000 |
| 8 | Legal Opinion | Akram Sheikh | 01.12.2011 | Cash | 50,000 |
| 9 | Bail Application Kamran Jamil Malik, Supreme Court of Pakistan | Syed Arshad Hussain Shah | 04.04.2012 | 3575513 | 450,000 |
| 10 | Bail Application Kamran Jamil Malik, Supreme Court of Pakistan | Ch. M. Aslam Warriach | 04.04.2012 | 3575514 | 350,000 |
| 11 | Bail Application Kamran Jamil Malik, Supreme Court of Pakistan | Raja Inaam Amin Minhas | 12.04.2012 | 3575519 | 250,000 |
| 12 | SUO-MOTO Writ petition of 184(3) | Syed Arshad Hussain Shah | 17.04.2012 | 3575525 | 250,000 |
| 13 | SUO-MOTO Writ petition of 184(3) | AOR Mehmood A Sheikh | 30.04.2012 | Cash | 50,000 |
| 14 | Criminal Petition No.291/2012 Supreme Court of Pakistan | Police file copies | 30.04.2012 | Cash | 25,000 |
| 15 | Criminal Petition No.291/2012 Supreme Court of Pakistan | Photo Copies etc | 30.04.2012 | Cash | 4,000 |
| 16 | SUO-MOTO Writ petition of 184(3) | Syed Arshad Hussain Shah | 09.05.2012 | 9739837 | 250,000 |
| 17 | Constitution petition 58/2012 Supreme Court of Pakistan | Misc. Expense | 31.05.2012 | Cash | 20,000 |
| 18 | Constitution petition 58/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 28.06.2012 | 10667983 | 65,000 |
| 19 | Constitution petition 58/2012 Supreme Court of Pakistan | Copies of case Petition | 30.06.2012 | Cash | 4,000 |
| | Sub Total | | | | 2,941,000 |
| 20 | Constitution petition 58/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 13.07.2012 | 10951880 | 250,000.00 |
| 21 | Constitution petition 58/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 17.07.2012 | 10951881 | 250,000 |
| 22 | Constitution petition 58/2012 Supreme Court of Pakistan | Misc. Expenses | 31.07.2012 | Cash | 15,000 |
| 23 | Bail Application Kamran Jamil Malik, High Court of Pakistan | Raja Inaam Amin Minhas | 02.08.2012 | 1178478 | 250,000 |
| 24 | Constitution petition 61/2012 Supreme Court of Pakistan | Iftikhar Hussain Gillani | 31.08.2012 | 11718497 | 1,000,000 |
| 25 | Constitution petition 61/2012 Supreme Court of Pakistan | Iftikhar Hussain Gillani | 31.08.2012 | Cash | 500,000 |
| 26 | Constitution petition 61/2012 Supreme Court of Pakistan | Iftikhar Hussain Gillani | 31.08.2012 | Cash | 30,000 |
| 27 | Constitution petition 61/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 22.10.2012 | 13607658 | 500,000 |
| 28 | Constitution petition 61/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 22.10.2012 | 13607659 | 1,250,000 |
| 29 | Constitution petition 61/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 03.10.2012 | 12601833 | 280,000.00 |
| 30 | Constitution petition 61/2012 Supreme Court of Pakistan | AOR Mehmood A Sheikh | 31.10.2012 | Cash | 25,000 |
| 31 | Constitution petition 61/2012 Supreme Court of Pakistan | Copies of Documents | 31.10.2012 | Cash | 20,000 |
| 32 | Constitution petition 61/2012 Supreme Court of Pakistan | Syed Arshad Hussain Shah | 14.03.2013 | 15240527 | 15,000 |
| 33 | M. Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 31.05.2013 | Plot | 250,000 |
| 34 | Kamran Jamil Malik Vs State, Islamabad High Court | Raja Inaam Amin Minhas | 31.05.2013 | Plot | 250,000 |
| 35 | T&T ECHS Vs Ch. Masood & Others u/s 54-A AC (Rural) Islamabad | Raja Inaam Amin Minhas | 31.05.2013 | Plot | 350,000 |
| 36 | Bail Application Ch.Masood Vs State High Court Islamabad | Raja Inaam Amin Minhas | 31.05.2013 | Plot | 250,000 |
| 37 | T&T ECHS Vs Ch. Masood & Others u/s 50-A Dep. Registrar/ AC City Islamabad | Tariq Mehmood | 19.06.2013 | 16531253 | 100,000 |
| 38 | T&T ECHS Vs Ch. Masood & Others u/s 50-A Dep. Registrar/ AC City Islamabad | Raja Inaam Amin Minhas | 01.06.2013 | 16531240 | 250,000 |
| 39 | T&T ECHS Vs Ch. Masood & Others u/s 50-A Dep. Registrar/ AC City Islamabad | ABS & Company | 01.06.2013 | 16531245 | 250,000 |
| | Sub Total | | | | 6,085,000 |
| | Grand Total | | | | 9,026,000 |

**TELEGRAPH AND TELEPHONE EMPLOYEES
CO-OPERATIVE HOUSING SOCIETY (REGD.) ISLAMABAD**

AUDIT REPORT

FROM 1st JULY 2012 TO 30th JUNE 2013

Submitted to
Circle Registrar,
Co-operative Societies,
Islamabad Capital Territory,
Islamabad.

- 1.1 The society was registered on 25th January 1981 against Registration No. 4 under section 10 of Cooperative Societies Act 1925 and its area of operation was restricted to the Federal Territory Islamabad.
- 1.2 The audit includes examining on test basis evidence supporting the amounts in record 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.

BOOKS OF ACCOUNTS

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

| Sr. No. | Books Required as per Bye-Laws | Level of Compliance |
|---------|--------------------------------------|--------------------------------|
| 1 | Members Register | Maintained |
| 2 | Cash Book | Maintained |
| 3 | Ledger | Maintained |
| 4 | Installment/Members Deposit Register | Computerized Record Maintained |
| 5 | Minute Book | Maintained |
| 6 | Fixed Assets Register | Maintained |
| 7 | Register Showing Property Held | Reference Para 1.3 |
| 8 | Supporting Invoices, Receipts etc. | Maintained |

- 1.3 The Society maintains a comprehensive computerized record of all the members of the society and clearly updates the amounts deposited by the individual members in conformity with the books of accounts. Beside this the record of land (property) acquired by the society against members deposit for the current and previous financial year is also maintained in conformity with the figures of the relevant years



appearing in the books of accounts. However the memorandum record of land acquired prior to year 2011-12 by the previous management of the society was not maintained as a subsidiary of the General Ledger Land Control Account and is not authenticated, as such the society is of the view that in the absence of any opening balance of land break up the same could not be brought forward and combined into one place.

2. SHARE CAPITAL**Rupees**

2.1 The movement in this account is as under:

| | |
|---|-----------------------|
| Opening Balance as on 1 st July 2012 | 820,000 |
| Addition during year | 127,500 |
| Less Refunded during the year | - |
| Closing Balance as on 30th Jun 2013 | <u>947,500</u> |

2.2 Authorized share capital of the society consists of unlimited number of shares of Rs.1,000/- each.

2.3 Share certificates were not issued to the members.

3. INTEREST IN SUSPENSE**Rupees**

Balance as on 30th June 2013 **115,284,840**

No movement has been made during the year:

| | |
|---|---------------------------|
| M/S Telecom Support Services (Pvt) Ltd. | 71,795,964 |
| M/S Green Acers | 43,488,876 |
| | <u>115,284,840</u> |

3.1 No change has been made during current year.

3.2 The society has stopped application of interest/ markup on these investments since 30.06.2011 as no amount has been recovered even against principal investments. Up to date interest/ markup shall be applied upon actual realization after decision of the court.

3.3 This effect has however, been approved, with the approval of accounts for year 2011-12 in the AGM.

3.4 Also refer Para 13 of Accrued Income.

4. MEMBER'S DEPOSITS**4.1 COST OF LAND****Rupees**

4.1.1 The movement in this account is as under:

| | |
|---|---------------------------|
| Opening Balance as on 1 st July 2012 | 164,269,266 |
| Addition during year | 108,180,395 |
| Less Refunded during the year | - |
| Amount received in excess returned | 100,000 |
| Closing Balance as on 30th June 2013 | <u>272,349,661</u> |

| Particulars | No. | Amount |
|---------------------|-----|--------------------|
| Members | | 66,495,395 |
| Adjustment of bills | 13 | 8,233,500 |
| Land Owners | 30 | 33,451,500 |
| Total | | 108,180,395 |

Detail as per Para 4.2.3**4.2 DEVELOPMENT CHARGES****Rupees**

4.2.1 The movement in this account is as under:

| | |
|---|---------------------------|
| Opening Balance as on 1st July 2012 | 367,007,382 |
| Addition during year | 43,024,330 |
| Less: Refunded during the year | -- |
| Closing Balance as on 30th June 2013 | <u>410,031,712</u> |

| Particulars | No. | Amount |
|---------------------|-----|-------------------|
| Members | | 32,730,830 |
| Adjustment of bills | 13 | 3,000,000 |
| Land Owners | 30 | 7,293,500 |
| Total | | 43,024,330 |

Detail as per Para 4.2.3

4.2.2 Members' receipts were checked with bank books, bank statements and society's receipts on test check basis and found the same in order.



4.2.3 During the year memberships were issued with the approval of the AGM against purchase of land, settlement of developer's first running bill, legal bills and financial irregularity by previous management on account of Nihaal Ahmed to generate funds for purchase of land and settlement of bills.

There is a deficit of land and funds for which these memberships were issued on current market rate to purchase land in order to meet this shortfall. (Reference Para 7.2)

5. CURRENT LIABILITIES

Rupees

| | | |
|------------|---|--------------------------|
| 5.1 | Balance as on 30th June 2013 | <u>26,174,359</u> |
| | Opening balance as on 1st July 2012 | <u>60,590,674</u> |
| | Addition during the year | |
| | Retention money against CPE Pvt. Limited | 561,907 |
| | Less: Adjustment of Cost of land payable | <u>34,978,222</u> |
| | Closing Balance as on 30th June, 2013 | <u>26,174,359</u> |

Detail is given below

| Particulars | Amount |
|-------------------|-------------------|
| Retention Money | 3,702,157 |
| Bills Payable | 118,212 |
| Other Liabilities | 22,353,990 |
| Total | 26,174,359 |

5.1.1 Retention Money

| Particulars | Amount |
|------------------------|------------------|
| M/S Saddat Enterprises | 3,108,427 |
| Town Planning | 31,823 |
| M/S CPE (Pvt.) Ltd. | 561,907 |
| Total | 3,702,157 |

5.1.2 Bills Payable

| Particulars | Amount |
|------------------------|----------------|
| M/S Saddat Enterprises | 118,212 |
| Total | 118,212 |

5.1.3 Cost of Land Payable

| | | |
|--|---|-----------------------------|
| | Opening Balance as on 1st July 2012 | 34,978,222 |
| | Addition during the year | - |
| | Less: Payment made during the year | 30,928,222 |
| | In lieu of payment plots issued to land owners | <u>4,050,000</u> |
| | Closing Balance as on 30th June 2013 | <u>-----NIL-----</u> |

| Particulars | No. of Files | Size | Amount |
|----------------------------------|--------------|-------|------------------|
| Raja Maqsood Inteqal No. 3345 | 3 | 30X60 | 1,550,000 |
| Allah Ditta Inteqal No. 3351 | 1 | 50x60 | 2,500,000 |
| Total | 4 | | 4,050,000 |

5.2 Retention money is the amount deducted from the running bills at certain fixed rates from the bills of the contractor and town planner which stands as security for the work done by the contractors. It is to be released after the completion of the maintenance period of the contracts.

5.2.1 The amount of bills payable pertaining to M/s. Saadat Enterprises relates to Ex-developer of the society as such it needs to be settled accordingly. The Society vide its letters No. T&TECHS:SE/12/71 dated 20th August 2012 and T&TECHS:SE/12/82 dated 28th September 2012 has asked M/s. Sadaat Enterprises, Ex-Developer for settlement of account but no response has been received there from. However all outstanding entries should be adjusted as early as possible.

5.3 Other Liabilities

Balance as on 30th June 2013

22,353,990

No change has been made during the year. The Society in its efforts to reconcile the Land Account in 2011-12 has revealed that the effect of land acquired (Rs.23,645,790/-) in previous years have not been accounted for in the books of accounts. Out of Rs.23,645,790/- an amount of Rs. 1,291,800/- was identified and balance Rs.22,353,990/- is still un identified. The society is of the view that the amount so determined is not identify able as to whom the credit should be given, because different receivable amounts are appearing under "Advance for Purchase of Land" in the books and it is difficult for the society to identify the exact person against whom the advance should be adjusted.

6. **FIXED ASSETS**

Rupees

Balance/WDV as on 30th June, 2013

4,542,599

6.1 The society should maintain a register for the significance grouping of fixed assets. The following information should be maintained as the minimum, for each asset.

- Identification number (if available)
- A Description
- Date of acquisition / date of placed into operation
- Original cost
- Accumulated Depreciation
- Custodian
- Depreciation method to be applied
- Depreciation rate
- Estimated surrender value



- 6.2 The implementation of register will lead to improve accuracy of accounting records for fixed assets and for the efficiency of the operation.

7. LAND**Rupees****Balance as on 30th June, 2013** **325,554,867****Opening Balance as on 1st July 2012** **243,677,404**Purchased during the year (Annex A) **81,877,463****Closing Balance as on 30th June 2012** **325,554,867**

- 7.1 During the year, Society has purchased land measuring 40 Kanals 19 Marlas for Rs.81,877,463/- as per detail below:

| Particulars | Amount |
|-----------------------------|-------------------|
| Land | 65,506,250 |
| Possession Charges | 10,525,500 |
| Mutation & Zila Council Fee | 2,443,828 |
| Other Charges | 3,401,885 |
| Total | 81,877,463 |

- 7.2 The society has purchased land against Payments and issuance of plots of the society to the land owners, as per detail below:

| Particulars | Amount |
|--------------------|-------------------|
| Payments | 45,023,463 |
| Post dated Cheques | - |
| Plots | 36,854,000 |
| Total | 81,877,463 |

- 7.3 26 Plots for Rs.36, 854,000/- were issued against purchase of land and possession obtained along with 4 plots for Rs.4,050,000/- against cost of land payable.

| Size | No. | Amount |
|--------------|-----------|-------------------|
| 30X60 | 17 | 19,493,500 |
| 35X70 | 5 | 7,855,000 |
| 50X90 | 1 | 1,505,500 |
| 50X60 | 3 | 8,000,000 |
| Total | 26 | 36,854,000 |

- 7.4 According to the Cooperative Societies Act, prior approval of the registrar through Annual General Meeting is necessary to purchase, sale and exchange of land. Registrar is the authority who fix rate for the purchase and sale of land. So the land purchased, sold and exchanged without getting approval from the competent authority is the violation of the Cooperative Societies Act. However the society has duly obtained approval of the Circle Registrar for purchase of land and sale of Commercial/Mixed used area vide Circle Registrar letter No. 2009/CR/ICT/B dated 27.11.2012 and No. 573/CR/CT/B dated 21.03.2013.
- 7.5 During the year four plots (2 mixed used area and 2 general commercial) of Size 50X60 were issued against purchase of land and possession obtained from land owners as per detail below. The society is in the process of purchasing more land from the same land owners and the amount receivable against these plots will be utilized there against.

| Land Owner | Particulars | Value |
|----------------------------|------------------------------|------------|
| Farrukh Shahzad MS No.2324 | Inteqaal No.3525 11K 13M | 21,480,000 |
| Farrukh Shahzad MS No.2323 | Inteqaal No.3525 11K 13M | |
| Allah Ditta MS No.2312 | Inteqaal No.3351 | 24,072,000 |
| Noor Din MS No.2305 | Inteqaal No.3472, 3474, 3352 | 28,894,222 |

- 7.6 During the course of audit on test check basis, it is observed that approvals are available in the shape of resolutions duly passed by the managing committee, supported by mutation record sheets/ inteqaal and agreements with the land owners. Payments are made through cross cheques for which pre disbursement note sheets are prepared and approved.

8. DEVELOPMENT EXPENDITURES

| | | |
|-----|--|--------------------------|
| 8.1 | The movement in this account is as under: | Rupees |
| | Opening Balance as on 1 st July, 2012 | 40,101,227 |
| | Development related work at site during the year | 18,115,642 |
| | Closing Balance as on 30th June, 2013 | <u>58,216,869</u> |

- 8.2 The Society has hired following new Consultant and Developer for the development work of the society after obtaining approval from the AGM vide agenda item No.5.
1. M/s. Designmen Consulting & Engineers Pvt. Limited Islamabad.
 2. M/s. Consolidated Perfect Engineers Pvt. Limited.
- 8.3 Beside core development cost the site office expenses along with salaries of guards at site have been accounted for in the development cost as being part of the development activities at site.



9. ADVANCE FOR LAND

| | | |
|-----|--|--------------------------|
| 9.1 | The movement in this account is as under: | Rupees |
| | Opening Balance as on 1 st July, 2012 | 88,877,490 |
| | Advances made during the year | 6,510,000 |
| | Adjustments made during the year | <u>(1,500,000)</u> |
| | Closing Balance as on 30th June 2013 | <u>93,887,490</u> |

9.2 Breakup of this account is given below:

| Particulars | Advances | Adjustment | Addition | Balance |
|--|-------------------|------------------|------------------|-------------------|
| Advances by Previous Management | | | | |
| Advance to Ghulam Hussain | 28,125,000 | -- | -- | 28,125,000 |
| Advance to Zaigham | 600,000 | -- | -- | 600,000 |
| Advance to M.A Bokhari | 10,169,000 | -- | -- | 10,169,000 |
| Advance to Sher Bahadar | 6,686,814 | -- | -- | 6,686,814 |
| Advance to Ashaba Power | 1,000,000 | -- | -- | 1,000,000 |
| Advance to Mr. Sikandar | 500,000 | -- | -- | 500,000 |
| Advance to Mr. Malik Jamil | 31,796,676 | -- | -- | 31,796,676 |
| Total | 78,877,490 | | | 78,877,490 |
| Advances by Present Management | | | | |
| Advance to Siddique Khan | 4,000,000 | -- | -- | 4,000,000 |
| Advance to Asif Randhawa | 4,000,000 | -- | -- | 4,000,000 |
| Advance to Faisal Nawaz | 500,000 | -- | -- | 500,000 |
| Advance to Khalid & Others | 1,500,000 | 1,500,000 | -- | -- |
| Advance to Haq Nawaz | -- | -- | 4,000,000 | 4,000,000 |
| Advance to Noor Din etc | -- | -- | 2,000,000 | 2,000,000 |
| Advance to Rustam | -- | -- | 400,000 | 400,000 |
| Advance to Nazir | -- | -- | 110,000 | 110,000 |
| Total | 10,000,000 | 1,500,000 | 6,510,000 | 15,010,000 |
| TOTAL | 88,877,490 | 1,500,000 | 6,510,000 | 93,887,490 |

Detail of addition during the year

| S. No. | Name | Cheque No. | Date | Amount |
|--------|---|------------|------------|------------------|
| 1 | Haq Nawaz, Agreement No.262 dated 12.09.2012 | 12601827 | 15.09.2012 | 4,000,000 |
| 2 | Saghir S/o Noor Din, Agreement No.439 dated 14.06.2013 | 16531252 | 14.06.2013 | 2,000,000 |
| 3 | Rustam Khan & Shiraz Khan Agreement No.405 & 406 dated 31.05.3012 | 16531243 | 01.06.2013 | 400,000 |
| 4 | Nazir Agreement No.199 dated 06.04.2013 | 16531193 | 06.04.2013 | 110,000 |
| | | | | 6,510,000 |

- 9.3 During the audit, it was observed that an FIR in Police Station Kohsar, Islamabad bearing no 117/11, Dated 12-03-2011 has got registered against the Ex-management and a case under section 50-A of the Cooperative Societies Act, 1925 has been filed for recovery of the embezzled/misappropriated amounts of the Society from the Ex-Managing Committee as per orders of the Additional Deputy Commissioner (Revenues exercising powers of Registrar Cooperative Societies) ICT, Islamabad, vide letter No. 2256/CR/ICT/B dated 21 December, 2010.

The present management is facing shortage of funds and has entered into agreements with different land owners for purchase of land by issuing token money, by virtue of which the land owners are bound not to sell their land to any other party. As soon as the funds are generated the society will settle these advances against purchase of land.

It is recommended that efforts should be expedited for the recovery of stuck up advances of previous management and fresh advances/Token money given by the present management against purchase of land be settled at the earliest.

- 9.4 The management should take necessary steps to timely recover the advance for land so that the cost of money given as an advance to the land owner can be justified and developed land can be handed over to the members.
- 9.5 Heavy amounts should not be paid to dealers for the purpose of land without bank guarantee in favor of society.

**10. ADVANCES PREPAYMENTS & RECEIVABLES****Rupees****Balance as on 30th June 2013****993,559**

| NAME | PARTICULARS | AMOUNT |
|------------------|--|----------------|
| Muhammad Miskeen | Advance against salary | 42,000 |
| Israr Ahmed | Advance against salary | 30,000 |
| Amir Hashmi | Advance against salary | 30,000 |
| Azhar Hussain | Advance for transfer of shop in society's name | 100,000 |
| CPE Pvt. Limited | Difference amount of first running bill of development | 78,759 |
| Ihsan ul haq | Un expired portion of advance office rent | 712,800 |
| Total | | 993,559 |

11. SHORT TERM INVESTMENT**Rupees****Closing Balance as on 30th June 2013****190,827,670**

- 11.1 No movement has been made in this account. The agreement between Telecom Support Services (Pvt) Ltd. and Society for investment is on letterhead pad of Telecom Support Services (Pvt) Ltd. instead of stamp paper. The agreement should be made on stamp paper and be got registered with notary public.
- 11.2 The agreement was made on 26th July, 2001 but the amount was not mentioned in the agreement.
- 11.3 The basic objective of the society is to provide the plots to its members; it is not a private limited company therefore the society can't invest in such kind of investment.
- 11.4 If a society invests the amount in private companies then according to the income tax ordinance 2001, the society will be treated as private limited company, and higher rate of tax will be charged on society. So, to secure the society from taxes, such kind of investment should be avoided.
- 11.5 The ex-management committee of the society was not authorized to make such agreements without the approval of AGM and Circle Registrar.
- 11.6 The amount invested in Telecom Support Services (Pvt) Ltd. without bank guarantee shows that Ex-Management Committee of the society did not run the affairs of the society fairly.
- 11.7 In the light of the explanation given above, legal action against the guilty committee to recover the amount along with interest has already been initiated by the society.
- 11.8 The amount should be recovered on priority basis from Telecom Support Services (Pvt) Ltd. to secure the future of the members of the society.

12. LONG TERM INVESTMENT**Rupees****Closing Balance as on 30th June 2013****37,500,000**

- 12.1 There is no movement in this account. During the audit it was observed that the ex-managing committee of the society paid 37.5 million to Green Acers an AOP for farm housing Project in zone IV of Islamabad without the approval of Circle Registrar.
- 12.2 This heavy amount paid to Green Acers without bank guarantee
- 12.3 The ex- management committee made this agreement without the approval from AGM
- 12.4 Copy of the agreement was not available for audit verification but the proposal submitted by AGM by Green Acers to the president of the society provided us as an agreement.
- 12.5 Green Acers neither transferred the land nor return the amount to the society due to which society suffered loss and failed to deliver plots to their members.
- 12.6 So in the light of the explanation given, we recommend to recover the amount along with interest at the earliest and legal action is also required against the guilty committee with the parameters of the Cooperative Societies Act.

13. INTEREST ACCRUED**Rupees****Balance as on 30th June 2013****115,284,840**

- 13.1 No movement has been made in this account:
- 13.2 A sum of Rs. 43,488,876 has been charged @ 16% P.A. In terms of agreement between M/s. Green Acers and the society however does not specify any single rate where as "prevailing rate" phrase has been used. As such the society has taken the same rate of 16% which could have been applied to Society in case of premature withdrawal.
- 13.3 An FIR in Police Station Kohsar, Islamabad bearing no 117/11, Dated 12-03-2011 has got registered and a case under section 50-A of the Cooperative Societies Act, 1925 has been filed for recovery of the embezzled/misappropriated amounts of the Society from the Ex-Managing Committee as per orders of the Additional Deputy Commissioner (Revenues exercising powers of Registrar Cooperative Societies) ICT, Islamabad, vide letter No. 2256/CR/ICT/B dated 21 December, 2010.
- 13.4 As both the investments have gone bad, the Society has stopped application of markup on investments.



14. SUSPENSE ACCOUNT

Rupees

Balance as on 30th June 2013

100,000

14.1 It represents the pre-emption fee paid by the Society in Court case T&T vs. Maqsood.

15. LITIGATION CHARGES RECEIVABLE

Rupees

Closing Balance as on 30th June 2013

9,026,000

15.1 The members of the society in AGM 2012 approve that all the legal charges incurred against litigations cases of ex-management, like cases filed under section 50-A, criminal case u/s 406/409 and Supreme Court SUO MOTO Constitution Petition No.61/12 should not be charged to society's expenses account rather it should be made recoverable from the delinquents. As such all the legal charges paid in connection with litigation against the Ex-Management have since been reversed and charged as receivable. The cases are being represented by following Advocates:

| S.No. | Legal Firms/Advocates | Amount |
|-------|--|--------------------|
| 1 | Raja Inaam Amin Minhas, Advocate High Court | 3,023,000/- |
| 2 | Syed Arshad Hussain Shah, Advocate Supreme Court | 3,560,000/- |
| 3 | Iftikhar Hussain Gillani, Advocate Supreme Court | 1,530,000/- |
| 4 | Ahmer Bilal Soofi & Co. | 250,000/- |
| 5 | Akram Sheikh, Advocate Supreme Court | 50,000/- |
| | Other allied expenses | 613,000/- |
| | Total | 9,026,000/- |

15.2 Prior year's adjustment of Rs.2,941,000/- have also been made in this regard.

15.3 The detail of Rs.9,026,000/- is annexed at "B".

16. CASH AND BANK BALANCES

Rupees

The detail of this account is as under:

| | |
|---|-----------------------|
| Allied Bank Limited F-7 Branch Account No. 8404-9 | 486,904 |
| Summit Bank F-6 Account No. 144-20610-714-106811 | - |
| Punjab Provincial Co-operative Bank Ltd. Rawalpindi | 36 |
| Cash in Hand | - |
| Balance as on 30th June 2013 | <u>486,940</u> |

16.1 Bank Balances were checked with bank statements and the bank book and found in order.

16.2 Summit Bank F-6 Account No. 144-20610-714-106811 has been closed during the year 2012-13 on administrative grounds.