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**ALFALAH COOPERATIVE HOUSING SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2019**

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**1 THE SOCIETY AND ITS OPERATION**

The Alfalah Cooperative Housing Society Limited was registered with the Registrar Cooperatives Societies Punjab, Lahore on December 6, 2004 vide registration no. 1389, under the provisions of Cooperatives Societies Act, 1925. The main objects of the Society are to purchase land, develop it for onward allotment of Residential & Commercial plots to members as approved by the Managing Committee of the Society.

The registered office of the society is situated at 100-A, Gulberg-3, Lahore.

**2 POLICIES**

**2.1 Statement of Compliance**

These financial Statements have been prepared in accordance with the requirements of the Cooperative Societies Act, 1925 and Cooperative Societies Rules 1927.

**2.2 Basis of Preparation**

These financial Statements have been prepared in accordance with the requirements of the Cooperative Societies Act, 1925 and Cooperative Societies Rules 1927.

**2.3 Significant Accounting Policies:**

These Financial Statements have been prepared under the historical cost convention.

**2.4 Fixed Assets:**

These are stated at cost less accumulated depreciation. Depreciation is calculated on straight line method. Depreciation is charged on additions during the year. No depreciation is charged in year of disposal.

**2.5 Cost of Land**

The Cost of Land include Cost of purchase and other costs in bringing the Land to their present condition. Cost of land comprise the purchase price, other taxes, registry charges, legal charges (stamp papers), registry commission, costs directly attributable to the acquisition and other similar items in determining the costs of land.

**2.6 Member Deposit for Land**

Member deposit for land is recognized on cash basis. Any default payment due against deposit is not recognized in accounts.

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3 OPERATING FIXED ASSETS

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507,086

740,699

| 3.1 Particulars                   | Vehicle                     | Furniture and Fixture       | Office Equipment            | Computers                   | Sign Board                     | Software                       | Total operating assets |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|------------------------|
|                                   |                             |                             |                             |                             |                                |                                |                        |
| <b>At 30 June 2017</b>            |                             |                             |                             |                             |                                |                                |                        |
| Cost/WDV                          | 3,215,842                   | 1,413,800                   | 915,569                     | 1,206,375                   | 289,397                        | 20,134                         | 7,061,117              |
| Accumulated depreciation          | (3,144,017)                 | (1,362,933)                 | (831,795)                   | (1,059,865)                 | -                              | -                              | (6,398,610)            |
| Net book value                    | 71,825                      | 50,867                      | 83,774                      | 146,510                     | 289,397                        | 20,134                         | 662,507                |
| <b>Movement during the period</b> |                             |                             |                             |                             |                                |                                |                        |
| Net book value as on              |                             |                             |                             |                             |                                |                                | 321,485                |
| Additions                         | 150,000                     | 40,000                      | 11,500                      | 119,985                     | -                              | -                              | -                      |
| Disposals:                        |                             |                             |                             |                             |                                |                                |                        |
| Cost                              | -                           | -                           | -                           | -                           | -                              | -                              | -                      |
| Accumulated depreciation          | -                           | -                           | -                           | -                           | -                              | -                              | -                      |
| Depreciation charge               | 22,500                      | 18,776                      | 41,325                      | 98,786                      | 57,879                         | 4,027                          | 243,293                |
| <b>At 30 June 2018</b>            | 199,325                     | 72,091                      | 53,949                      | 167,709                     | 231,518                        | 16,107                         | 493,074                |
| <b>At 30 June 2018</b>            |                             |                             |                             |                             |                                |                                |                        |
| Cost/WDV                          | 3,365,842                   | 1,453,800                   | 927,069                     | 1,326,360                   | 231,518                        | 16,107                         | 7,320,696              |
| Accumulated depreciation          | (3,166,517)                 | (1,381,709)                 | (873,120)                   | (1,158,651)                 | -                              | -                              | (6,579,997)            |
| Net book value                    | 199,325                     | 72,091                      | 53,949                      | 167,709                     | 231,518                        | 16,107                         | 740,699                |
| <b>Movement during the period</b> |                             |                             |                             |                             |                                |                                |                        |
| Net book value as on              |                             |                             |                             |                             |                                |                                | -                      |
| Additions                         | -                           | -                           | -                           | -                           | -                              | -                              | -                      |
| Disposals:                        |                             |                             |                             |                             |                                |                                |                        |
| Cost                              | -                           | -                           | -                           | -                           | -                              | -                              | -                      |
| Accumulated depreciation          | -                           | -                           | -                           | -                           | -                              | -                              | -                      |
| Depreciation charge               | 35,175                      | 18,776                      | 31,350                      | 98,787                      | 46,304                         | 3,221                          | 233,613                |
| Closing Net Book Value            | 164,150                     | 53,315                      | 22,599                      | 68,922                      | 185,214                        | 12,886                         | 507,086                |
| <b>At 30 June 2019</b>            |                             |                             |                             |                             |                                |                                |                        |
| Cost/WDV                          | 3,365,842                   | 1,453,800                   | 927,069                     | 1,326,360                   | 185,214                        | 12,886                         | 7,271,171              |
| Accumulated depreciation          | (3,201,692)                 | (1,400,485)                 | (904,470)                   | (1,257,438)                 | -                              | -                              | (6,764,085)            |
| Net book value                    | 164,150                     | 53,315                      | 22,599                      | 68,922                      | 185,214                        | 12,886                         | 507,086                |
| Annual rate of depreciation (%)   | 15% on straight line method | 15% on straight line method | 15% on straight line method | 30% on straight line method | 20% on reducing balance method | 20% on reducing balance method |                        |

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| <b><u>CASH AND BANK BALANCES</u></b>   | <b>2019<br/>Rupees</b> | <b>Restated<br/>2018<br/>Rupees</b> |
|--|------------------------|-------------------------------------|
| <b>Cash in Hand</b>                    | 8,766                  | 2,338                               |
| <b>Cash at banks:</b>                  |                        |                                     |
| Bank Alfalah Ltd A/c # 0028-1003565557 | 34,912,990             | 298,706,164                         |
| Bank Alfalah Ltd A/c # 0157-1002854538 | 21,709                 | 20,080                              |
| Bank Balance a/c # 0708-03890000050    | 4,293,080              | -                                   |
| Bank Balance a/c # 0331-145900226347   | 1,172,871              | -                                   |
| Bank Balance a/c # 536705002           | 164,807,674            | -                                   |
| Habib Metro - TDR                      | 100,000,000            | -                                   |
|  | <b>305,217,090</b>     | <b>298,728,582</b>                  |

**ADVANCES AND OTHER RECEIVABLES**

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Advances against purchase of land | 8,480,321         | 10,206,801        |
| Other advances                    | 8,219,396         | 4,989,236         |
|                                   | <b>16,699,717</b> | <b>15,196,037</b> |
| <b>Other Advances</b>             |                   |                   |
| Advance to Staff against Salary   | 55,100            | 27,000            |
| Advance to Staff against Expenses | -                 | 46,000            |
| Advance to Staff against Imprest  | 125,000           | 125,000           |
| Advance Security Deposit          | 672,000           | 672,000           |
| Advance others                    | 1,357,398         | 1,357,398         |
| Advance Tax                       | 6,009,898         | 2,523,024         |
| Other Receivables                 | -                 | 235,679           |
| Prepaid Insurance                 | -                 | 3,135             |
|                                   | <b>8,219,396</b>  | <b>4,989,236</b>  |

Old outstanding advance of Ali Asghar Rs 1,657,398 is secured against Plot File

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|   | 2019<br>Rupees | Restated<br>2018<br>Rupees |
|---|----------------|----------------------------|
| <b>8 <u>SHARE CAPITAL</u></b>           |                |                            |
| Movements during the year is as under:  |                |                            |
| Opening balance                         | 3,766,000      | 3,740,000                  |
| Received during the year                | 783,000        | 26,000                     |
| Less: Refunded/Adjusted during the year | -              | -                          |
| Closing balance                         | 4,549,000      | 3,766,000                  |

The Share Capital of the Society consists of undertermined number of share of Rs 1,000 each. Every member will have to purchase at least one full share amounting to Rs 1,000/- which will be Paid in lumpsum at the time admission

Members desiring to have a residential plot will have to purchase shares as follows [as per Bye-Law 31]

| <b>Size of Plot</b> | <b>Share to be Purchased</b> |
|---------------------|------------------------------|
| Up to 15 Marlas     | One Share                    |
| 16 to 30 Marlas     | Two Sares                    |
| 31 to 60 Marlas     | Four Shares                  |
| More than 60 Marlas | Five Shares                  |

Members desiring to have a Commercial plot will have to purchase shares as follows [as per Bye-law 31].

| <b>Size of Plot</b>        | <b>Share to be Purchased</b> |
|----------------------------|------------------------------|
| Up to 3 Marlas             | Five Share                   |
| Above 3 Marlas to 5 Marlas | Seven Shares                 |
| More than 5 Marlas         | Ten Shares                   |

**ACCUMULATED SURPLUS**

The movement in this account head is as under:

|                                      |            |              |
|--------------------------------------|------------|--------------|
| Opening balance                      | 65,764,855 | 51,338,748   |
| Transfer/Admission fee - Prior years | -          | 29,095,600   |
| <b>Opening balance restated</b>      | -          | 80,434,348   |
| Deficit for the year                 | (505,934)  | (14,669,493) |
| Closing balance                      | 65,258,921 | 65,764,855   |

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## Note 12 CONTINGENCIES AND COMMITMENTS

### 1- ACHS VS. Global Infrastructure (Pvt) Limited

(Suit for declaration, Permanent Injunction, cancellation of documents, possession of property and rendition of Accounts along-with consequential relief)

Contingent loss amount Rs 69,154,791

During 2007 ACHS issued a General Power of Attorney in favor of Global Infrastructure (Pvt) Limited concerning 25-acre land. Objective was to get 25-acre Society land exchanged with unacquired pockets within the proposed housing scheme through Global Infrastructure (Pvt) Limited as per their promise. M/s Global Infrastructure (Pvt) Limited misused this General Power of Attorney and transferred 25-acre land through a sale deed. Neither title nor possession of these 25 acres is with the Society. The Society has filed a civil suit for cancellation of the sale deed etc. on 17-5-2014. Contingent loss relates to 25 Acre of land amounts to Rs 69,154,791.

### 1.A Appeal in High Court against confirmation of stay in case ACHS Vs. Global Infrastructure

In Civil Suit ACHS VS. Global Infrastructure (Pvt) Limited, the civil court confirmed status quo issued in favor of M/s Global Infrastructure and the Society has gone in appeal before Lahore High Court against confirmation of status quo. High Court has suspended the order of lower court and case is pending for regular hearing.

### 2- ACHS Vs. Mst. Nazia Tajammal Farooq

Suit for declaration and permanent Injunction

Contingent loss amount Rs 4,000,000.

Initially Society purchased land in the name of MC members so that the public might not know that a Society was purchasing land for its housing scheme. This was in order to avoid false escalation in the price. About 15 kanal land was purchased through a sale deed in the name of Mr. Tajammal Farooq, the then General Secretary of the Society. Before this land could be mutated in the name of Mr. Tajammal Farooq a third party went in the civil court claiming they had made an agreement to sell with the land owner prior to this transaction and thus they had a priority right. The case is pending in the court. Meanwhile M/s Tajammal Farooq passed away and his family has refused to acknowledge any right of the Society on that land. Thus the Society filed this case against legal heirs of Mr. Tajammal Farooq and got a stay order so that legal heirs of Mr. Tajammal Farooq might not make a compromise with the litigants in the other suit against them. Neither the title of land nor the possession is with the Society. Contingent loss relates to 15 Kanal of land amount to Rs 4,000,000.

