

Authorised Capital

Rs. 50,000,000

Issued, Subscribed & Paid-up Capital

Rs. 32,000,000

62nd Annual Report for the year ended June 30, 2009 \$

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COMPANY INFORMATION

BOARD OF DIRECTORS

NON EXECUTIVE DIRECTORS

Mr. S.M. Vakil

Mr. Ali Asghar Rajani

Mr. Abdul Razzak

Mr. F.A. Subzwari

Mr. S. Qamar Ali Shah

Mr. Mumtaz Ali

Mr. Sohail Ahmed Qureshi

AUDIT COMMITTEE

Mr. S. Qamar Ali Shah

Mr. Mumtaz Ali

Mr. Sohail Ahmed Qureshi

CHIEF EXECUTIVE OFFICER

Mr. Ali Asghar Rajani

CHIEF FINANCIAL OFFICER

Mr. F.A. Subzwari

COMPANY SECRETARY

Mr. Sohail Ahmed Qureshi

AUDITORS

M/s. Hyder Bhimji & Co. Chartered Accountants

REGISTERED & HEAD OFFICE

Mezzanine Floor,
UBL Building,
I.I. Chundrigar Road,
Karachi-74000 (Pakistan)
Telephone: 32411887

Chairman

Chief Executive

Chairman

Member

Member



DIRECTOR REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The period under review of the Company for the year ended June 30, 2009 has again passed without any related activity.

On the legal front, there is no remarkable movement during the year. The details of the cases are appended below:

- 1. HEC Taxila case: The case still yet to come for hearing in Sindh High Court.
- 2. WAPDA cases: The case # 481/89 and 321/92 are pending without any activity during the period.
- 3. Sindh Sugar Corporation case:

The Privatization commission is still undecided on future action about the case. As such the decretal amount of Rs. 4.6 million is pending for recovery for no fault of the Company.

4. Faisalabad Silos case:

The case in Lahore High court (Rawalpindi bench) is still pending without any activity since reported last.

In closing, please join me in my prayers to Allah The Beneficent, The Merciful, The Provider to Bless our efforts with ever increasing Bounties as Befits His Glory – Aameen.

On behalf of the Board

S.M. Vakil Chairman



OTHER NOTES

AUDITORS

The auditors Hyder Bhimji & Co., Chartered Accountants retire and have offered themselves for reappointment. The Board of Audit Committee of the Company has recommended their reappointment for the financial year ending June 30, 2009.

STATEMENTS ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a. The financial statements, cash flow and changes in equity, prepared by the management of the Company, present fairly it's state of affairs and the result of its operation.
- b. The Company has maintained proper books of accounts.
- c. In preparation of financial statements, appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment.
- d. In preparation of financial statements International Accounting Standards, as applicable in Pakistan, have been followed and non-applicability, if any, has been adequately disclosed.
- e. The existing system of internal control and other procedures are being continuously reviewed by internal auditor. The process of review will continue and any weakness in controls will have immediate attention of the management.
- f. There are no doubts about the Company's ability to continue as a going concern.
- g. The Corporate Governance regulations, as detailed in the listing regulations, have been fully implemented.
- h. Key operating and financial data for the last six years in summarized form is annexed.
- i. The following is the value of investment based on respective audited accounts as on 30 June 2009.

Provident Fund

Rs. 2.1 M

- pattern of shareholding of the Company is shown on Page No. 5
- k. During the year (4) meetings of the Board of Directors were held. Attendance by each Director is as follows:-

Name of Director	No. of Meeting Attended		
Mr. S. M. Vakil Mr. Ali Asghar Rajani Mr, Abdul Razzak Mr. F. A Subzwari Mr. S. Qamar Ali Shah Mr. Mumtaz Ali Mr. Sohail Ahmed Qureshi	4 4 4 4 4 4		

S.M. VAKIL Chairman



SIX YEARS AT A GLANCE

PARTICULARS	2009	2008	2007	2006	2005	2004
FINANCIAL POSITION			,			
PAID UP CAPITAL	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
RESERVES	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
FIXED ASSETS AT COST	6,385,061	6,993,336	7,109,103	7,109,103	7,109 ,103	6,790,735
ACCUMULATED DEPRECIATION LONG TERM INVESTMENT	5,628,261	6,126,619	6,163,252	6,088,651	6,006,393	5,920,686
CURRENT ASSETS	33,129	91,318	53,550	39,625	611	611
CURRENT LIABILITIES	25,418,587	25,442,890	25,448,566	25,648,733	25,90 6,276	26,817,066
OUTHERT LIABILITIES	7,766,896	7,766,896	7,784,918	7,770,863	7,768 ,245	7,754,753
INCOME						
INCOME FROM CONTRACT	-		_	_	145,189	1,324,176
OTHER INCOME (DIVIDEND & PLS PROFIT)	651	4,077	1,092	6,191	9,666	26,368
GÂIN ON INVESTMENT IN SHARES	_	-	-	-	_	-
CAPITAL GAIN ON FIXED ASSETS	177,087	126,574	-	-	-	-
PRE-TAX PROFIT CONTRACT INCOME ONLY TAXATION	(52,415)	(52,415)	(288,714)	(341,171)	(665,921)	373,954
(LOSS) / PROFIT AFTER TAXATION	65	(65)	(109)	(1,248)	(39,600)	231,644
UNAPPROPRIATED LOSS	52,480	(52,480)	(288,823)	(342,419)	(705,521)	142,310
ONAL I NOFFIATED LOSS	(24,205,810)	(24,205,810)	(24,004,802)	(23,715,979)	(23,373,560)	(22,668,039)
STATISTICS AND RATIOS						
PRE-TAX PROFIT TO SALES %	0.00%	0.00%	0.00%	0.00%	0.00%	8.57%
PRE-TAX PROFIT TO CAPITAL %	0.00%	0.00%	0.00%	0.00%	0.00%	1.16%
CURRENT RATIO	3.27	3.28	3.27	3.30	3.33	3.45
PAID UP VALUE PER SHARE (RS)	5.00	5.00	5.00	5.00	5.00	5.00
EARNING AFTER TAX PER SHARE (RS)	0.01	(0.01)	(0.05)	(0.05)	(0.11)	0.02
CASH DIVIDEND	-	-	•	-	-	NIL
BONUS SHARE %	-	-	-	-	-	NIL
BREAKUP VALUE PER SHARE (RS)	1.54	1.55	1.57	1.62	1.67	1.78



PATTERN OF SHARE HOLDING AS ON JUNE 30, 2009

NO. OF SHARE HOLDERS		SHAREHOLDING SIZE		NO. OF SHARES HELD	HOLDING PERCENTAGE OF TOTAL SHARES
	4	то	100	25,886	0.40%
492	404	ТО	500	113,344	1.77%
354	101	ТО	1000	157,865	2.47%
180	501	TO	5000	906,307	14.16%
317	1001	ТО	10000	806,462	12.60%
100	5001	ТО	15000	513,519	8.02%
40	10001	TO	20000	259,800	4.06%
14	15001	то	25000	256,500	4.01%
11	20001	TO	30000	341,243	
12	25001	ТО	40000	36,000	
1	35001	ТО	45000	216,524	3.38%
5	40001	ТО	50000	96,000	1
2	45001	ТО	55000	159,000	1
3	50001	ТО	65000	121,650	1.90%
2	60001	ТО	70000	66,400	1.04%
1	65001	ТО	85000	82,500	
	80001	ТО	105000	104,500	1.63%
. 1	100001	ТО	155000	151,000	2.36%
1	150001	TO	165000		1
1	155001	TO	600000		
1	575001	ТО	1250000		
<u> </u>	1200001			6,400,000	
1,540				0,400,000	

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2009

S.NO	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED CAPITAL
1	INDIVIDUALS	1,511	5,457,313	85.2705%
2	INVESTMENT COMPANIES	3	42,161	0.6588%
_	INSURANCE COMPANIES	1	16,700	0.2609%
3	JOINT STOCK COMPANIES	16	284,150	4.4398%
4	FINANCIAL INSTITUTIONS	5	596,945	9.3273%
5		1	2,400	0.0375%
6	CHARITABLE TRUSTS		300	0.0047%
7	CO-OPERATIVE SOCIETIES		3	0.0005%
8	GOVERNMENT INSTITUTIONS			100%
	TOTAL	1,540	6,400,000	100 /0

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S.NO	CATEGORY OF SHAREHOLDERS	NO. OF SHARES
	INVESTMENT COMPANIES	
1	M/s. Investment Corporation of Pakistan	42,025
2	M/s. Sherazi Investment Limited	124
3	M/s. Habib Investment Company Limited	12
	TOTAL	42,161
	INSURANCE COMPANIES	
1	M/s. State Life Corporation of Pakistan	16,700
	TOTAL	16,700
	JOINT STOCK COMPANIES	
1	M/s.Y.S. Securities & Services (Pvt) Limited	5,300
2	M/s. Darsons Securities (Pvt) Limited	12,500
3	M/s. ACE Securities (Pvt) Limited	151,000
4 5	M/s. Highlink Capital (Pvt) Limited	6,000
6	M/s. Excel Securities (Pvt) Limited M/s. Live Securities Limited	10,500
7	M/s. Darsons Securities (Pvt) Limited	3,500
8	M/s. HH Misbah Securities (Pvt) Limited	11,000
9	M/s. Capital Vision Securities (Pvt) Limited	3,000
10	M/s. Pasha Securities (Pvt) Limited	1,000
11	M/s. Darvesh Securities (Pvt) Limited	8,650
12	M/s. Eduljee Dinshaw Limited	1,700
13 14	M/s. Allied Corporation Limited M/s. Crescent Corporation (Pvt) Limited	100
15	M/s. Al-Hamza Trading Company Limited	66,400
16	M/s. Raysons (Pvt) Limited	2,000 500
1	TOTAL	284,150
	FINANCIAL INSTITUTION	204,150
1	M/s. Bank Ał - Falah Limited	500 500
	M/s. United Bank Limited	583,500 700
	M/s. National Bank of Pakistan	1,745
4	M/s. United Bank Limited	2,100
5	M/s. MCB Bank Limited	8,900
-	TOTAL	596,945
	CHARITABLE TRUST	
1	M/s. Pakistan Memon Educational	2,400
1	TOTAL	2,400
	CO OPERATIVE SOCIETIES	
1	M/s. National Industrial Co-Op	300
	TOTAL	300
	GOVERNMENT INSTITUTIONS	
	M/s. Corporate Law Authority	1
Í	M/s. The Administrator	30
	TOTAL	31

DIRECTOR, C.E.O., THEIR SPOUSES

	NAME	NO. OF SHARES
1	Mr. S. M. Vakil	1,000
2	Mr. Ali Asghar Rajani	1,000
3	Mr. Abdul Razzak	1,000
4	Mr. F. A. Şubzwari	1,000
5	Mr. S. Qamar Ali Shah	1,000
6	Mr. Mumtaz Ali	1,000
7	Mr. Sohail Ahmed Qureshi	1,000
	TOTAL	7,000



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE Year Ended June 30, 2009

This statement is being presented to comply with the code of Corporate Governance contained in Regulation No. 37 (Chapter XI) of Listing Regulations of Karachi Stock Exchange (Guarantee) Ltd. and Clause 40 (Chapter-XIII) of the Listing Regulations of Lahore Stock Exchange (Guarantee) Limited, for the purpose of establishing a framework of good governance, whereby a Listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

- The Company encourages representation of independent and Non-Executive Directors on its Board of Directors. At present the Board includes three Non-Executive Directors.
- The Directors have confirmed that none of them is serving as a Director in more than ten Listed Companies, including this Company.
- 3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, DFI or an NBFI. None of the Directors are members of any Stock Exchange in Pakistan.
- 4. No Casual vacancies occurred in the Board of Directors during the financial year ended 30 June 2009.
- 5. Statement of Ethics and Business Practices has been approved and signed by the Directors and has been communicated amongst the employees of the Company.
- The Board has developed a vision and mission statement and an overall corporate strategy and significant policies of the Company.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and terms and conditions of employment of the Chief Executive Officer (CEO) and other Executive Directors, wherever necessary, have been taken by the Board. The CEO and the Executive Directors are remunerated for their services by the Company.
- The meetings of the Board were presided over by the Chairman, and in his absence, by a Director elected by the Board for this purpose. The Board met at least once in every quarter during the year. Written notices of the Board Meetings, along with agenda and working papers, were circulated at least seven days before the Meetings. The Minutes of Meetings were appropriately recorded and circulated.
- The Board arranges orientation course for its Directors as and when needed to apprise them with their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them first hand knowledge on the working of the Company.
- The Directors' Report has been prepared in compliance with the requirements of the Code and describes the salient matters required to be disclosed.
- 11. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 13. The Company has complied with all the corporate and financial reporting requirements of the Code.



- The Board has formed an Audit Committee comprising of three members, of which two, including the Audit Committee Chairman, are Non-Executive Directors. The meetings of the Audit Committee were held once every quarter prior to approval of the interim and final results of the Company as required by the Code. The terms of references of the committee have been formed and advised to the committee for compliance.
- The Board has set up an effective Internal Audit functional who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function as a full time basis.
- The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under quality control review programmed of the institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethic as adopted by Institute of Chartered Accountants of Pakistan.
- The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the Auditors have confirmed that they observed IFAC guidelines in this regard.
- 18. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board of Directors

Ani Arghan

Karachi: October 07, 2009

Chief Executive Officer

REVIEW REPORT TO THE MEMEBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2009 prepared by the Board of Directors of Haydari Construction Company Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter – XIII of the Lahore Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of Financial Statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls, and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, for the year under review.

HYDER BHIMJI & CO.
CHARTERD ACCOUNTANTS
ENGAGEMENT PARTNER
SHAIKH MOHAMMAD TANVIFI

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of HYDARI CONSTRUCITON COMPANY LIMITED, as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

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

- As also previously reported the Company has ceased its operations since past many years as more fully explained in note:2 of these financial statements and presently pursuing legal cases for realization of its long held up amounts being amounts of work done for the contractees and counter claims, consequently the company is short of necessary finances. Further more the Company has not yet envisaged my business plan for future. Despite of the above the Company's financial statements have been prepared on a going concern basis for the reason that the held up finances would eventually be realized. However, in view of no concrete business/restructuring plan and prolonged litigation the validity of pending legal cases and realization of claimed amount and the management assertion that the Company would be a going concern if the cases are decided in favor of the Company is also questionable as the quantum of financial impact would not let the Company to continue its business without further finances. These accounts and notes thereon do not disclose the adjustment to the recorded value of the assets and reclassification of the liabilities.
- It has been persistently reported that the Company's receivables as appearing in note 13 to 15 amounting to Rs. 12,723,740, Rs. 7,450,000 and Rs. 2,176,221 represents bills for work done, claims and margin amounts etc, which are being stuck up since past many years and all the matters are subjudice before various legal forums. (Please refer for the details in note no 9 of these financial statements). Delays in realization of receivables and claims and counter claims by the contractees, besides unclear confirmations of legal advisors contesting the litigations as well as non-disclosure of quantum of contingencies, did not facilitate the verification of the reported receivables and caused inherent limitation, hence the same remained un-verified. Further as a consequence of which the financial assets and liabilities disclosed in note 27 are also dependent on the outcome of cases.
- We have not been provided any corroborative evidence as to whether impairment of the carrying 3) amount of the assets at the financial year end and consequently we are unable to verify the impairment of assets of the Company. Subject to effect of above, we report that;
- In our opinion, proper books of account have been kept by the Company as required by the Companies **a**) Ordinance, 1984;
- In our opinion:
- b) the balance sheet and profit and loss account together with the notes theron have been drawn up in conformity with the Companies Ordinance 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
- the expenditure incurred during the year was for the purpose of the Company's business; and (ii) (iii) the business conducted, investments made and the expenditure incurred during the year were in
- accordance with the objects of the Company; Except for the effects of above reservation, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and in view of paragraphs 1 to 3 above, do not give a true and fair view of the state of the Company's affairs as at June 30, 2009 and of the loss and its cash flows and changes in equity for the year then ended; and
- In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 d)

HYDER BHIMJI & CO. CHARTERD ACCOUNTANTS



BALANCE SHEET AS

AUTHORISED SHARE CAPITAL	NOTE	2009 RUPEES	2008 RUPEES
10,000,000 Ordinary Shares of Rs.5/- each		50,000,000	50,000,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL 6,400,000 Ordinary Shares of Rs. 5/- each.	5	32,000,000	32,000,000
RESERVES AND SURPLUS:			
Revenue Reserve - General		2,100,000	2,100,000
Capital Reserve	6	8,527,412	8,527,412
Unrealized gain on remeasurement of long term inves	tment	32,518	90,707
Accumulated loss		(24,205,810)	(24,153,330)
		18,454,120	18,564,789
CURRENT LIABILITIES:			
Mobilization Advance	7	7,255,895	7,255,895
Trade and Other Payables	8	511,001	642,741
		7,766,896	7,898,636
Contingencies & Commitment	9	·	-
	` .	26,221,016	26,463,425

Note: The annexed notes 1 to 30 form an integral part of these Financial Statements.



AT JUNE 30, 2009

	NOTE	2009 RUPEES	2008 RUPEES
Non-Current Assets	ſ		
PROPERTY, PLANT AND EQUIPMENT	10	756,800	866,717
INVESTMENTS IN SHARES : (Available for sale)	11	33,129	91,318
LONG TERM DEPOSITS	12	12,500	12,500
	1	802,429	970,535
CURRENT ASSETS:			
Contract Work-In-Progress	13	12,723,740	12,723,740
Claim against Bond (Under Litigation) Paid by Banks	14	7,450,000	7,450,000
Cash Margin & Retention Money	15	2,176,221	2,176,221
Income Tax Refundable Net of Provision	16	1,071	568
Tax Refund Due from Government	17	3,062,440	3,061,872
Cash and bank balances	18	5,115	80,489
		25,418,587	25,492,890
	•	00.004.046	26 462 425
		26,221,016	26,463,425

ALI ASGHAR RAJANI
Chief Executive

S.M. VAKIL Chairman



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009

	NOTE	2009 RUPEES	2008 RUPEES
INCOME:			
Dividend Income Profit on PLS Account	19 20	650	4,075 2
		651	4,077
Liabilities written back		-	56,750
EXPENDITURES:			
Rent, Rates & Taxes Auditors Remuneration Fees & Subscription Administrative Expenses Directors Fee Members Meeting Expenses Depreciation Bank Charges	21 22 23	2,520 30,000 60,465 50,923 - 25,601 60,004 640	9,785 30,000 66,983 111,516 135 43,729 69,924 2,477
Operating Loss		(229,502)	(273,722)
Less: Other Operating Charges Loss on Sale of property, plant and equipment (Add) Other Operating Income		<u>(9,864)</u> (239,366)	(273,722)
Profilt on Sale of Property, Plant and equipment		(186,951)	(126,574)
(Loss) before Taxation		(52,415)	(147,148)
Provision fot taxation	24	(65)	(408)
(Loss) after Taxation		(52,480)	(147,556)
Earning Per Share (Basic & Diluted) - (Loss)	25	(0.01)	(0.02)

Note: The annexed notes 1 to 30 form an integral part of these Financial Statements.

ALI ASGHAR RAJANI

Chief Executive

S.M. VAKIL Chairman



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 RUPEES	2008 RUPEES
Cash flows from Operating Activities	•		·
Cash Generated from Operations Financial Charges Paid Taxes Paid	26	(300,598) (640) (1,136)	(87,603) (2,477) (976)
Net Cash Generated from Operating Activities		(302,374)	(91,056)
Cash flows from Investing Activities			<u> </u>
Sale proceed from disposal of Property, Plant & Equipme	nt .	227,000	135,784
Net Cash flows available from Operating & Investing Activ	/ities	227,000	135,784
Net Increase / Decrease in Cash Flows	•	(75,374)	44,728
Cash and Bank Balance at the beginning of the Year		80,489	35,761
Cash and Bank Balance at the end of the Year	•	5,115	80,489

Note: The annexed notes 1 to 30 form an integral part of these Financial Statements.

Karachi: October 07, 2009

ALI ASGHAR RAJANI

Chief Executive

Chairman



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2009

PARTICULARS	SHARE	CAPITAL RESERVED	REVENUE RESERVED GENERAL	UNREALIZED GAIN ON REMEASUREMENT OF LONG TERM INVESTMENT	ACCUMULATED LOSS	TOTAL
Balance as at July 1, 2007	32,000,000	8,527,412	2,100,000	52,939	(24,005,774)	18,674,577
Net (Loss) for the year ended June 30, 2008	-	-	-	-	(147,556)	(147,556)
Unrealized gain due to change in fair Market value of long term investment	, -	•	-	37,768	_	37,768
Balance as at June 30, 2008	32,000,000	8,527,412	2,100,000	90,707	(24,153,330)	18,564,789
Net (Loss) for the year ended June 30, 2009		-		-	(52,480)	(52,480)
Unrealized gain due to change in fair Market value of long term investment	-	-	-	(58,189)	-	(58,189)
Balance as at June 30, 2009	32,000,000	8,527,412	2,100,000	32,518	(24,205,810)	18,454,120

Note: The annexed notes 1 to 30 form an integral part of these Financial Statements.

ALI ASGHAR RAJANI

Karachi: October 07, 2009 Chief Executive

S.M. VAKIL Chairman



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

1 THE COMPANY AND ITS OPERATION:

Haydari Construction Company Limited was incorporated as a Public LimitedCompany in Bombay on 9th. August 1946, and transfer the Head Office from Province of Bombay to Province of Sindh on August 12, 1947,

The Company is quoted on Stock Exchanges in Karachi and Lahore.
The Registered Office of the Company is situated at Mezzanine Floor, UBL Building,
I.I. Chundrigar Road, Karachi. The Principal activity of the Company
is to carry out all types of construction and contracting business.

2 GOING CONCERN

These account have been prepared on Going Concern basis despite the fact that the Company has incurred after tax loss during the year Rs. 0.052 Million as compare to Rs. 0.147 Million in the last year and its accumulated loss stood at Rs. 24.206 Million and also no business activities has been carried out for many years.

The suspension of business and loss is attributable towards the worsening situation faced by the locally organized construction companies as a whole, which are in trouble for lack of or no business, which invariably awarded to Government-backed or foreign Parties.

Furthermore the Company's bills for workdone are being heldup by the Government Department which forced the Company to move courts.

However, the Directors are of the opinion that if the amount stuck up in cases is realized, the Company will have sufficient funds to revive its business.

Hence the Directors consider the use of Going Concern assumption as appropriate.

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards, (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provision of directive of the Companies Ordinance 1984 shall prevail.

3.2 Significant Accounting Judgments and Estimates:

The preparation of Financial Statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgment which are significant to the Financial Statements.

Property, Plant and Equipment:

The Company has made certain estimation with respect to residual value, depreciation method and depreciablelives of property, plant and equipment. Further, the Company reviews the value of assets for possible impairment on each financial year end. Any change in the estimates in future years might effect the remaining amounts of respective items of Property, plant and equipments with a corresponding effect on the depreciation charge and impairment.



Income Taxes:

In making the estimates for the income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in past.

3.3 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a) Standard effective in 2008-2009

In the current year, IFRS 7, Financial Instruments: disclosure was required to be followed by the company. Application of this standard only impacts the format and extent of disclosures as presented in the financial statements.

b)	Standard	ds, amendments and interpretations issued but not yet effective :	Effective for period beginning on or after
	IFRS 1	First time adoption of IFRS (Revised)	July 1, 2009
	IFRS 2	Share-based payment (Amendments)	January 1, 2009
	IFRS 2	Group Cash Settled Share-based payment	January 1, 2010
	IFRS 3	Business combinations (Revised)	July 1, 2009
	i IFRS 4	Insurance contracts (Amendments)	January 1, 2009
	IFRS 5	Non-current assets held-for-sale and	
		discontinued operations (Amendments)	January 1, 2009
	IFRS 7	Financial instruments : Disclosure (Amendments)	January 1, 2009
	IFRS 8	Operating segments	
			January 1, 2009
	IAS 1	Presentation of financial statements (Revised)	January 1, 2009
	IAS 7	Statement of cash flows (Amendments)	January 1, 2009
	IAS 12	Income taxes (Amendments)	January 1, 2009
	IAS 16	Property, plant and equipment (Amendments)	January 1, 2009
	IAS 18	Revenue (Amendments)	January 1, 2009
	IAS 19	Employee benefits (Amendments)	January 1, 2009
	IAS 20	Government grants and disclosure of	
		government assistance	January 1, 2009
	IAS 21	The effects of changes in foreign exchange	January 1, 2009
		rates (Amendments)	January 1, 2009
	IAS 23	Borrowing costs (Revised)	January 1, 2009
	IAS 27	Consolidated and separate financial statements	
		(Amendments)	July 1, 2009
	IAS 28	Investments in associates (Amendments)	January 1, 2009
	IAS 31	Interest in joint ventures (Amendments)	January 1, 2009
	IAS 32	Financial Instruments: Presentation (Amendments)	January 1, 2009

January 1, 2009

IAS 33 Earnings per share (Amendments)



IAS 34	Interim financial reporting (Amendments)	January 1, 2009
IAS 36	Impairment of assets (Amendments)	January 1, 2009
IAS 38	Intangible assets (Amendments)	January 1, 2009
IAS 39	Financial Instruments: Recognition and	
	measurement (Amendments)	January 1, 2009
IAS 40	Investment property (Amendments)	January 1, 2009
IAS 41	Agriculture (Amendments)	January 1, 2009
IFRIC 1	Changes in existing decommissioning, restoration	
	and similar liabilities (Amendments)	January 1, 2009
IFRIC 2	Member's share in corporate entities and similar	
	liabilities (Amendments)	January 1, 2009
IFRIC 4	Determining whether an Arrangement contains a lease	July 1, 2009
IFRIC 1	2 Service Concession Arrangements	July 1, 2009
IFRIC 1	4 The limit on defined benefit asset, minimum	
	funding requirements and their interaction	•
	(Amendments)	January 1, 2009
IFRIC 1	5 Agreements for the construction of real estate	January 1, 2009
IFRIC 1	6 Hedges of a net investment in a foreign operation.	October 1, 2009
IFRIC 1	7 Distribution of non-cash assets to owners	July 1, 2009
IFRIC 1	8 Transfer of Assets from Customer	July 1, 2009

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements except for additional disclosures.



4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting Convention

These Financial Statements have been prepared under the historical cost convention, except as otherwise specifically disclosed in the accounting policies below.

4.2 Property, Plant and Equipment

These are stated at cost less accumulated depreciation, except lease hold land which is stated cost. No amortization is proved out lease hold land since the leases are renewable at the option of lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Depreciation is charged to income applying the Reducing Balance Method, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation is charged including on additions on quarterly basis, whereas no depreciation is charged charged on the assets disposed off during the quarter. Assets, residual values and useful lives are reviewed, and adjusted, if appropriate at each balance sheet date.

Maintenance and normal repairs are charged to profit & loss account as and when incurred.

Gains or losses on disposal of assets are included in income currently.

4.3 Contract Work in Progress

These are recognized and carried at original invoice amount which is the fair consideration. An estimate for doubtful debts is made when collection of the any amount is no longer probable. Debts considered irrecoverable are written off when identified.

4.4 Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, Cash and Cash Equivalents consist of Cash and with Bank on current accounts.

4.5 Taxation

Current

Provision for Current Taxation is computed in accordance with the provisions of The Income Tax Ordinance, 2001.

Deferred

The Company accounts for Deferred Taxation on all temporary differences using liability Method. Deferred Tax debit balances are recognized only to the extent that it is probable that future taxable profit will be available against which these can be utilized, consequently deffered tax is nil.

Deferred Tax is calculated at the rate that are expected to apply to the period when the differences reverse, based on tax rated that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is charged or credited to income.

4.6 Impairment

The carrying amounts of the assets are reviewed at each financial year end to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the Profit and Loss Account.



4.7 Construction Contracts:

The Company accounts for construction contract by applying the "Percentage of completion method" treating all the expenses incurred on incomplete contracts plus profit recognised on this basis and shows the same in the balance sheet under the head of "Contract work in progress" after deducting there-from the payment received against running bills. Advances received upon commencement of contract work are adjusted against installments of running bills.

4.8 Offsetting of Financial Assets and Liabilities

A Financial Asset and Financial Liability is offset and net amount is reported in the Balance Sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets value and settle the liability simultaneously.

4.09 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies. Dividend Income is recorded when the right to receive payment is established. PLS Income is recognized on accrual basis.

4.10 Provisions

A provision is recognized in the Balance Sheet when the Company has a legal constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.11 Dividend & Appropriation to reserves

Dividend and appropriation to reserves are recognised in the Financial Statements in the period in which these are approved.

4.12 Functional and Presentation Currency

These Financial Statements are presented in Pakistani Rupee which is the Company's Functional and Presentation Currency.



		2009	2008	2009	2008
5	ISSUED SUBSCRIBED AND PAID UP CAPITAL	No. of	Shares	RUPEES	RUPEES
	5,900,000 Ordinary Shares of Rs. 5 each allotted for consideration paid in Cash.	5,900,000	5,900,000	29,500,000	29,500,000
	amende for detroided and para in odding	0,000,000	0,000,000	20,000,000	20,000,000
	500,000 Ordinary Shares of Rs. 5 each allotted as Fully Paid Bonus Shares.				
		500,000	500,000	2,500,000	2,500,000
		6,400,000	6,400,000	32,000,000	32,000,000
6	CAPITAL RESERVE				
	Balance as per Last Balance Sheet			8,527,412	8,527,412
	Dalance as per Last Dalance Sheet				
7	MOBILIZATION ADVANCE FOR				
	CONSTRUCTION CONTRACTS:	•			
	Balance as per Last Balance Sheet.		,	7,255,895	7,255,895
_	The Company has furnished bank guarantee for etc, against construction contract.	a sum of Rs. 8	,050,000/- in res	pect of Mobilization ad	vance and bid bonds
	The above advance was received at the time of The matters are in litigation.	commencemen	nt of work and is	adjustable from installr	ment of running bills.
8	TRADE AND OTHER PAYABLES				
	Advance against sale of Property, Plant & Equipmer	nt	•	•	150,000
	Accrued Expenses	•		244,944	226,684
	Unclaimed Dividend			266,057	266,057
			•	<u></u>	040.744

9 CONTINGENCIES & COMMITMENTS

The company has filed suits against State Engineering Corp, WAPDA and National Logistic cell for recovery of amount for workdone which are pending.

State Engineering Corporation has however, filed a counter claim against the Company. (see note no. 7,14 & 15).

511,001

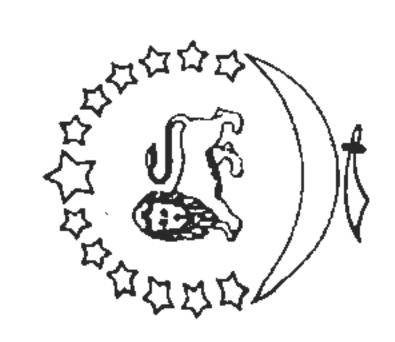
642,741

9.2 Legal cases - Since the Thatta Sugar Mill was transferred to Privatization Commission for the disposal of Mill, the matter is still pending. However, our decretal amount of Rs. 4.6 million is included in the list for payment by Sindh Sugar Corporation.

In case of HEC Taxila, there is no movement in it, except date for initial hearing were fixed which were adjourned later on after the filling of the case before the double bench in Sindh High court. The earlier appeal was ismissed by Single Bench. While in Faisalabad Silos case, our appeal has been admitted for hearing in Lahore High Court (Pindi bench).

9.3 M.C.B. paid performance bond of Rs. 4.45 million for H.E.C. Texila while Bank Al-Falah (FORMERLY B.C.C.I) paid Bid Bond of Rs. 3 Million for WAPDA to Mangla project.

The Matter is Subjudice for unlawful encashment of above bonds in Sindh High Court.



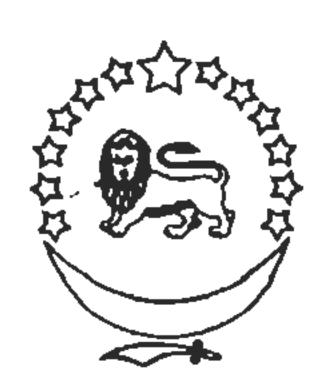
10 PROPERTY, PLANT AND EQUIPMENT

		COST			DEPRE	CIATIO	Z		
PARTICULARS OF ASSETS	As at 01-07-2008	Disposals	As at 30-06-2009	Rate %	Up to 30-06-2008	For The Year	On Disposals And Adjustments	Total Upto June 30 2009	Written Down Value As at 30.06.2009
LAND (lease hold)	187,500	,	187,500	•		•	•	•	187,500
GODOWN	128,968	•	128,968	2%	19,562	5,470		25,032	103,936
PLANT & MACHINERY	6,433,826	581,925	5,851,901	10 %	5,880,737	53,580	547,126	5,387,191	464,710
FURNITURE & FIXTURE	3,900		3,900	10 %	3,850	2		3,855	45
OFFICE EQUIPMENT	26,350	26,350		10 %	10,440	962	11,236	•	
VEHICLES & TRACTORS	212,792	· •	212,792	20 %	212,030	153	•	212,183	609
TOTAL RUPEES 2009	6,993,336	608,275	6,385,061		6,126,619	60,004	558,362	5,628,261	756,800

•

		COST			DEPREC	CIATIO	Z		
PARTICULARS OF ASSETS	As at 01-07-2007	Addition/ (Disposals)	As at 30-06-2008	Rate %	Up to 30-06-2007	For The Year	On Disposals And Adjustments	Total Upto June 30 2008	Written Down Value As at 30.06.2008
AND (lease hold)	187,500		187,500						187,500
GODOWN	128,968	•	128,968	2 %	13,804	5,758	•	19,562	109,406
PLANT & MACHINERY	6,549,593	115,767	6,433,826	10 %	5,925,093	62,201	106,557	5,880,737	553,089
FURNITURE & FIXTURE	3,900	•	3,900	, 10 %	3,844	9	•	3,850	
OFFICE EQUIPMENT	26,350	•	26,350	10 %	8,672	1,768	•	10,440	15,910
VEHICLES & TRACTORS	212,792		212,792	20 %	211,839	191	•	212,030	762
TOTAL RUPEES 2008	7,109,103	115,767	6,993,336		6,163,252	69,924	106,557	6,126,619	866,717

•



10.1 Carrying Value of Property, Plant & Equipment

PARTICULARS OF ASSETS	Carrying value As at beginning of the year	Carrying value of disposals during the year	Depreciation for the year	Written Down Value As at 30.06.2009
LAND (lease hold)	187,500	-	_	187,500
GODOWN	109,406		5,470	103,936
PLANT & MACHINERY	553,089	34,799	53,580	464,710
FURNITURE & FIXTURE	50		5	45
OFFICE EQUIPMENT	15,910	15,114	796	_
VEHICLES & TRACTORS	762	-	153	609
TOTAL RUPEES 2009	866,717	49,913	60,004	756,800

PARTICULARS OF ASSETS	Carrying value As at beginning of the year	Carrying value of disposals during the year	Depreciation on remaining Assets for the year	Written Down Value As at 30.06.2008
LAND (lease hold)	187,500	· -	_	187,500
GODOWN	115,164	•	5,758	109,406
PLANT & MACHINERY	624,500	9,210	62,201	553,089
FURNITURE & FIXTURE	56		6	50
OFFICE EQUIPMENT	17,678	-	1,768	15,910
VEHICLES & TRACTORS	953	· , =	191	762
TOTAL RUPEES 2008	. 945,851	9,210	69,924	866,717



10.2 Disposal of Plant and Equipment

PARTICULARS OF ASSETS	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Sale	Sold to
VIBRATORS	94,716	91,049	3,667	25,000	21,333	By Negotiation	Usman Ali Kabari Bazar, Karachi
WEIGHING DIAL	24,133	23,198	935	4,750	3,815	By Negotiation	Do
BORING EQUIPMENT	128,251	118,903	9,348	100,000	90,652	By Negotiation	Do
DEWATERING PLANT	27,000	26,236	764	15,000	14,236	By Negotiation	Do
						•	
DONKY DUMPERS	307,825	287,740	20,085	77,000	56,915	By Negotiation	Do
	581,925	547,126	34,799	221,750	186,951		
OFFICE EQUIPMENT					·		
TYPEWRITER & FAX MACHINE	26,350	11,236	15,114	5,250	(9,864)	By Negotiation	Do
TOTAL RUPEES 2009	608,275	558,362	49,913	227,000	177,087		

11	INVESTMENTS IN SHARES (Available for sale)	NO. OF SHARES	FACE VALUE RUPEES	FAIR MARKET VALUE AS ON 30.06.09	AMOUNT As on 2009	FAIR MARKET VALUE AS ON 30.06.08	AMOUNT As on 2008
	A) Quoted:		•				
	HABIB SUGAR MILLS LTD	26	. 5	603	19	798	19
	DAWOOD HERCULES LTD.	259	10	32,526	592	90,520	592
				33,129	611	91,318	611
	B) UNQUOTED		•		2009	2008	
	OTHERS:				RUPEES	RUPEES	
	FATIMA TEXTILE MILLS LTD (DE-LISTED BY STOCK EXCHANGE)	14,520	5		122,117	122,117	
	Less: Provision for diminution in the value.				122,117	122,117	
					611	- 611	
			•	_	611	611	



12	LONG TERM DEPOSITS	2009 RUPEES	2008 RUPEES
12			40.50
	Security Deposits with CDC	12,500	12,500
13	CONTRACT WORK IN PROGRESS:		
	Total expenses for workdone	79,249,743	79,249,743
	Less: Payment received for workdone	66,526,003	66,526,003
		12,723,740	12,723,740
14	CLAIM AGAINST BOND (UNDER LITIGATION) PAID BY BANKS		
	See Note 9.3	7,450,000	7,450,000
15	CASH MARGIN AND RETENTION MONEY:		
•	Cash Margin	1,176,221	1,176,221
	Retention Money .	1,000,000	1,000,000
		2,176,221	2,176,221
16	INCOME TAX REFUNDABLE NET OF PROVISION		
	Payment made during the year	1,136	976
	Less: Provision for the year	(65)	(408)
		1,071	568
17	TAX REFUND DUE FROM GOVERNMENT		
	Balance as per last Balance Sheet	3,061,872	3,061,152
	Add: Refund for the year	568	720
4.0	CACLLAND DANK DALANICEO.	3,062,440	3,061,872
18	CASH AND BANK BALANCES:	E 1 1	
	Cash in hand Balance with Banks :	514	403
	In Current Accounts.	4,552	80,039
404	In PLS Accounts.	49	47
18.1	It Carries mark-up running from 2% to 3% per annum	5,115	80,489



		2009 RUPEES	2008 RUPEES
19	DIVIDEND INCOME:	TIOI LLO	,
	Habib Sugar Mills Ltd.	25	16
	Dawood Hercules Ltd.	625	4,059
		650	4,075
20	Profit on Pls Account Faysal Bank Limited	1	2
21	AUDITORS REMUNERATION:		
	Annual Audit Fee	25,000	25,000
	Half Yearly Fee	5,000	5,000
	Other Expences		3,200
22	ADMINISTRATIVE EXPENSES	30,000	33,200
	Stationery & Printing	22,365	58 ,365
	Postage telegram and Telephone	21,860	21 ,150
	Conveyance & Traveling	-	560
	Professional Tax	-	20,000
	Miscellaneous Expenses	-	1,394
	Electricity	6,698	6,847
		50,923	108,316

23 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES:

Particulars	Directors	Chief Executive	TOTAL
Meeting Fee	_	-	-
Managerial Remuneration	_		-
Contribution to P.F.	-	-	-
Rupees 2009	_	-	-
Rupees 2008	115	20	135
No. of Persons 2008-2009	6	1	7
No. of Persons 2007-2008	6	1	7

24 . PROVISION FOR TAXATION

Income Tax	•	65	408

Since the Dividend Income is the only income of the Company which is taxable and also falls under Final Tax Regime. Therefore 10 % of this amount actually deducted for Income Tax purpose is taken as final Tax provision for the year, as a result no reconciliation of tax with accounting Loss is required.



25 EARNINGS PER SHARE

Basic Earnings per Share are calculated by dividing the net profit for the year by the number of Shares outstanding during the year as follows

		2009 RUPEES	2008 RUPEES
	(Loss) for the year	(52,480)	(147,556)
	The number of shares outstanding during the year	6,400,000	6,400,000
	Basic and Diluted earning per share are calculated by dividing the net (loss)for the year by the number of shares outstanding for the year	(0.01) ar.	(0.02)
26	CASH GENERATED FROM OPERATIONS		
	Loss before taxation	(52,415)	(147,148)
	ADJUSTMENT FOR NON CASH CHARGES & OTHERS		
	Depreciation	60,004	69,924
	(Profit) on Disposal of Property, Plant & Equipment Financial Charges Working Capital Changes - Trade & Other payables	9,864 640 (131,740)	(126,574) 2,477 113,718
	Net Cash Generated from Operating Activities	(113,647)	(87,603)



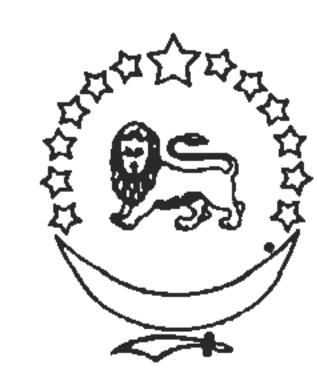
27 Financial Instrument and related disclosure

7.1 Financial Assets and Liabilities 2008-2009

•	INTEREST / MARKUP BEARING			NON-INTEREST / MARKUP BEARING			-
PARTICULARS	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	TOTAL 2009
Financial Assets :							
Contract Work in Progress	_	· •-	•	12,723,740		12,723,740	12,723,740
Investments	_	-	_	-	33,129	33,129	33,129
Deposits	_	_	_	-	12,500	12,500	12,500
Claim against Bond	-	_	-	7,450,000	· _ ·	7,450,000	7,450,000
Cash Margin & Retention	_		-	2,176,221	-	2,176,221	2,176,221
Cash & Bank Balances	49	-	49	∙ 5,066	-	5,066	5,115
Total Financial Assets 2009	49	-	49	22,355,027	45,629	22,400,656	22,400,705
Financial Liabilities :							
Mobilization Advance	_	-	-	7,255,895	- '	7,255,895	7,255,895
Accrued Expenses &						1	
Other Liabilities	-	~	-	244,944	-	244,944	244,944
Unclaimed Dividend	-	-	-	266,057	-	266,057	266,057
Total Financial Liabilities 2009	-	-	-	7,766,896	-	7,766,896	7,766,896

Financial Assets and Liabilities 2007-2008

	INTEREST / MARKUP BEARING			NON-INTEREST / MARKUP BEARING			
PARTICULARS	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	TOTAL 2008
Einanaial Accata :		··· ·					,
Financial Assets: Contract Work in Progress		_	_	12,723,740	_	12,723,740	12,723,740
Investments		_		-	91,318	91,318	91,318
Deposits	_ {	_	_	_	12,500	12,500	12,500
Claim against Bond	-	_	· · ·	7,450,000	-	7,450,000	7,450,000
Cash Margin & Retention	-	-	-	2,176,221	-	2,176,221	2,176,221
Cash & Bank Balances	47	-	47	80,442	- `	80,442	80,489
Total Financial Assets 2008	47	-	47	22,430,403	103,818	22,534,221	22,534,268
Financial Liabilities :							
Mobilization Advance	-	-	-	7,255,895	-	7,255,895	7,255,895
Accrued Expenses & Other Liabilities		-	_ 1	376,684	_	376,684	376,684
Unclaimed Dividend	-	-	-	266,057	-	266,057	266,057
T-A-1 (C:22-21-11) (-1-11)				7 000 000		7 000 000	7.000.00
Total Financial Liabilities 2008		-	-	7,898,636	-	7,898,636	7,898,63



27.2 Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Company's overall risk management programs focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk Management is carried out under direction of the Board of Directors.

All Treasury related transactions are carried out within the parameters of these Directions.

27.2.1 Market Risk:

Market risk refers to fluctuation in value of financial instruments as a result of changes in market prices. The Company manages market risk as follows:

Price Risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial traded in the market. The Company is presently not exposed to any significant price risk,

27.2.2 Credit Risk

Credit Risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted.

All Current Assets except cash & bank and income tax refundable are exposed to this risk.

27.2.3 Bank Balances

The Company limits its exposure to credit risk by maintaining bank account only with counterparties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

27.4 Fair value of Financial Assets and Liabilities

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values except those which are described in policy notes.

28 CAPITAL RISK MANAGEMENT

The primary objective of the Company when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders or issue new shares.



29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 07, 2009 by the Board of Directors of the company.

- 30 General
- a) Re-classification.

 The figure of income tax refundable as appearing in notes 16 & 17 and also on the face of the balance sheet was previously reported under a single head which is now splitted.
- b) Figures have been rounded off to the nearest rupee.

• -• • • • • • . . . •



PROXY FORM

I/We			
of			
being a member(s) of HAYDAI	RY CONSTRUCTION CO	MPANY LIMITED	, and a holding
Ordinary Shares	s, as per Share Register Folio	Number	
and/or CDC Account and Participant's	s I.D. Numbers	<u> </u>	
hereby appoint	Folio No	of.	
or failing him/her	Folio No	of .	
another member of HAYDARI CON	STRUCTION COMPANY LIN	IITED, as my/our p	proxy to vote for
me/us on my/our behalf at the Annual	General Meeting of the Comp	any to bě held on C	october 31, 2009,
and at any adjournment thereof.			
Signed this		Day of	<u> </u>
			enue
		Rev	enue

Stamp Rs. 5/-

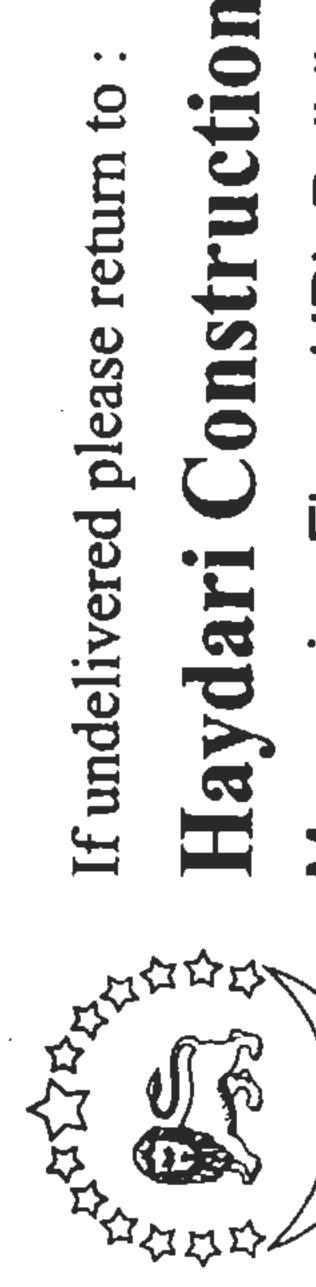
SIGNATURE OF MEMBER(S)

(Signature should agree with specimen signature registered with the Company)

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BOOK



Haydari Construction

Mezzanine Floor, UBL Building, I.I. Chundrigar Road, Karachi-74000 (Pakistan) Telephone: 32411887