



Haydari Construction Company Ltd.

| | | |
|---|------------|-----------------------|
| Authorised Capital | ... | Rs. 50,000,000 |
| Issued, Subscribed & Paid-up Capital | ... | Rs. 32,000,000 |

**69th Annual Report
for the year ended
June 30, 2016**



Haydari Construction Company Limited.

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Haydari Construction Company Limited.

COMPANY INFORMATION

BOARD OF DIRECTORS

NON EXECUTIVE DIRECTORS

Mr. S.M. Vakil

Chairman

Mr. Ali Asghar Rajani

Chief Executive

Mr. Abdul Razzak

Mr. F.A. Subzwari

Mr. S. Qamar Ali Shah

Mr. Mumtaz Ali

Mr. Sohail Ahmed Qureshi

BOARD OF AUDIT COMMITTEE

Mr. S. Qamar Ali Shah

Chairman

Mr. Mumtaz Ali

Member

Mr. Sohail Ahmed Qureshi

Member

BOARD OF HR AND REMUNERATION COMMITTEE

Mr. Ali Asghar Rajani

Mr. Abdul Razzak

Mr. F.A. Subzwari

CHIEF EXECUTIVE OFFICER

Mr. Ali Asghar Rajani

CHIEF FINANCIAL OFFICER

Mr. F.A. Subzwari

COMPANY SECRETARY

Mr. Sohail Ahmed Qureshi

AUDITORS

M/s. Tanzeem & Co.

Chartered Accountants

REGISTERED & HEAD OFFICE

Mezzanine Floor,

UBL Building,

I.I. Chundrigar Road,

Karachi-74000 (Pakistan)

Telephone : 32411887

SHARE REGISTRAR

THK Associates (Pvt) Limited

2nd Floor, State Life Building-3,

Dr. Ziauddin Ahmed Road,

Karachi-75530

Phones : +92-21-111-000-322

Fax : +92-21-35666695

E-mail : secretariat@thk.com.pk



Haydari Construction Company Limited.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

It is with great sorrow that I place on record the passing away of our Senior Director, Mr. Abdul Razzak, on 14 July 2016.

During the period under review for the year ended June 30, 2016, the Company remained without any activity in the field of construction. Thus the Company was dormant during the year.

These financial statements, prepared by the management of the Company, with it present fair its state of affairs, the result of its operation, the statement of cash flows and the statement of changes in equity.

| | 2016 | 2015 |
|--------------------------|-----------|-----------|
| Other Income | 18,276 | 1,236 |
| Loss before Taxation | (516,254) | (516,369) |
| Taxation | (2,300) | 52,569 |
| Total Comprehensive Loss | (482,268) | (410,217) |

Since the company is dormant as such there is no material departure from the best practices of Corporate Governance as detailed in the listing regulation.

The present financial position of the Company does not permit to pay any dividend to the Shareholders.

However, the legal front of the Company also remained inactive during the year. The present status of the cases is as under.

H.E.C TAXILA CASE: Revision Appeal # 293/2007 is pending before the double bench in Sindh High Court. As stated earlier the court is still waiting for the paper book from the Registrar which is under preparation. The regular hearing will then commence.

WAPDA CASES:

The Suit # 481/89 (HCCL V/S Standard Chartered Bank - Formerly BCCI), The Case is in Sindh High Court where the case remain inactive during the year.

SUIT # 321/92 HCCL V/S WAPDA MANGLA. The case is still pending in Sindh High Court for concluding the evidence and waiting for date to be fixed for argument.

SINDH SUGAR CORPORATION CASE: There is no movement in the case since privatization commission has taken over Thatta Sugar Mill for the disposal. However, our decretal amount of Rs.4.6 million is included in the list of payment to the parties.

COMMENTS ON AUDITORS OPINION

The Auditors has modified his opinion on the following points:

- The auditors have expressed their reservation on the title documents of plant and machinery which are misplaced during relocation of the company's office from time to time during the life of the company.
- The auditors have expressed their reservation on verification of contract WIP and mobilization advance received there against. These documents are difficult to locate from the record relating to the years prior to 1986.
- Similarly in case the details of unclaimed dividends was provided in lump-sum as the break up was lost since it pertain to a periods of over forty years.

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

Karachi: Dated: August 31, 2016



Haydari Construction Company Limited.

DIRECTORS' REPORT CONTINUE

STATEMENTS ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a. The Financial Statements is prepared by the management of the Company, present fairly it's state of affairs and 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 Statement International Accounting Standards, as applicable in Pakistan, have been followed and non applicability, if any, has been adequately disclosed.
- e. The company is dormant over last 20 years and has no staff working in the company. Though system of internal control is available but it is not implemented.
- f. The Company is inoperative since long time and as such no more 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. No dividend or bonus shares have been declared during the year as the Company has not earned any profit and remains dormant.
- j. Pattern of shareholding of the company is shown on Page No. 6.
- k. Loss per share - basic (0.0754) 2016 (0.0641) 2015
- l. During the year (4) meeting of the Board of Directors were held. The attendance by each Directors is as follow:-

| Name of Directors | No of Meeting Attended |
|--------------------------|-----------------------------|
| Mr. S. M. Vakil | 4 |
| Mr .Ali Asghar Rajani | 4 |
| Mr .Abdul Razzak | 4 (Deceased 14 July 2016) |
| Mr .F. A Subzwari | 4 |
| Mr .S. Qamar Ali Shah | 4 |
| Mr. Mumtaz Ali | 4 |
| Mr. Sohail Ahmed Qureshi | 4 |
| Mr. Muhammad Yaseen | - (Co-opted 31 August 2016) |

AUDITORS

The Auditors Tanzeem & Co. Chartered Accountants retire and have offered themselves for the reappointment. The Board of Audit Committee of the Company has recommended their re-appointed for the Financial year ending June 30, 2017.

On behalf of the Board



Chairman

Karachi Dated : 31 August, 2016



Haydari Construction Company Limited.

SIX YEARS AT A GLANCE

| Particulars | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------|------------|------------|------------|------------|------------|------------|
| Paid up Capital | 32,000,000 | 32,000,000 | 32,000,000 | 32,000,000 | 32,000,000 | 32,000,000 |
| Revenue Reserves | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Capital Reserve | 8,527,412 | 8,527,412 | 8,527,412 | 8,527,412 | 8,527,412 | 8,527,412 |
| Fixed Assets at Cost | 2,847,300 | 2,847,300 | 2,847,300 | 2,847,300 | 6,385,061 | 6,385,061 |
| Accumulated Depreciation | 575,787 | 403,583 | 212,390 | - | 5,769,331 | 5,726,917 |
| Fixed Assets revaluation | 1,788,999 | 1,294,886 | 1,380,954 | 1,475,479 | - | - |
| Long Term Investment | 170,610 | 134,324 | 80,741 | 53,326 | 38,241 | 74,773 |
| Current Assets | 3,557,811 | 3,878,948 | 4,208,488 | 6,087,737 | 15,022,289 | 25,766,482 |
| Current Liabilities | 2,903,223 | 2,878,009 | 2,882,244 | 2,859,644 | 2,883,397 | 8,102,174 |

Income

| | | | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Income from Contract | - | - | - | - | - | - |
| Other Income (Dividend & PLS Profit) | 18,276 | 1,236 | 1,236 | 1,236 | 1,236 | 1,460 |
| Gain on Investment in Shares | 36,286 | 53,583 | 27,415 | 15,085 | (36,532) | 24,339 |
| Capital Gain on Fixed Assets | - | - | - | - | - | - |
| Pre-Tax Loss Contract Income only | (516,254) | (516,369) | (2,114,115) | (8,936,460) | (5,558,094) | 173,196 |
| Taxation | (2,300) | 52,569 | 60,265 | (12,737) | (9,736) | (22,289) |
| (Loss) / Profit after Taxation | (518,554) | (463,800) | (2,053,850) | (8,949,197) | (5,567,830) | 150,907 |
| Unappropriated Loss | (41,477,198) | (41,102,310) | (40,745,501) | (38,808,876) | (29,859,679) | (24,291,849) |

Statistics and Ratios

| | | | | | | |
|----------------------------------|--------|--------|--------|--------|--------|------|
| Pre-Tax Profit to Sales % | - | - | - | - | - | - |
| Pre-Tax Profit to Capital % | - | - | - | - | - | - |
| Current Ratio | 1.23 | 1.35 | 1.46 | 2.13 | 5.21 | 3.18 |
| Paid up value per Share (Rs) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Earning after Tax per Share (Rs) | (0.08) | (0.07) | (0.32) | (1.40) | (0.88) | 0.02 |
| Cash Dividend | - | - | - | - | - | - |
| Bonus Shares % | - | - | - | - | - | - |
| Breakup value per Shares (Rs) | 0.49 | 0.25 | 0.30 | 0.60 | 0.64 | 1.52 |



Haydari Construction Company Limited.

PATTERN OF SHARE HOLDING AS ON JUNE 30, 2016

| NO. OF SHARE HOLDERS | SHAREHOLDING SIZE | | | NO. OF SHARES HELD | HOLDING PERCENTAGE OF TOTAL SHARES |
|----------------------|-------------------|----|---------|--------------------|------------------------------------|
| 821 | 0000001 | TO | 0000100 | 28,281 | 0.44% |
| 363 | 0000101 | TO | 0000500 | 120,543 | 1.88% |
| 183 | 0000501 | TO | 0001000 | 160,591 | 2.51% |
| 297 | 0001001 | TO | 0005000 | 858,169 | 13.41% |
| 89 | 0005001 | TO | 0010000 | 691,847 | 10.81% |
| 47 | 0010001 | TO | 0015000 | 601,826 | 9.40% |
| 20 | 0015001 | TO | 0020000 | 371,190 | 5.80% |
| 15 | 0020001 | TO | 0025000 | 348,500 | 5.45% |
| 10 | 0025001 | TO | 0030000 | 277,598 | 4.34% |
| 4 | 0030001 | TO | 0035000 | 125,650 | 1.96% |
| 11 | 0035001 | TO | 0045000 | 431,505 | 6.74% |
| 8 | 0045001 | TO | 0055000 | 400,500 | 6.26% |
| 2 | 0055001 | TO | 0070000 | 126,300 | 1.97% |
| 2 | 0070001 | TO | 0090000 | 149,000 | 2.33% |
| 3 | 0090001 | TO | 0105000 | 298,500 | 4.66% |
| 1 | 0105001 | TO | 0130000 | 110,000 | 1.72% |
| 4 | 0130001 | TO | 0250000 | 692,000 | 10.81% |
| 2 | 0250001 | TO | 0400000 | 608,000 | 9.50% |
| 1,882 | | | | 6,400,000 | 100.00% |

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2016

| S.NO | CATEGORIES OF SHAREHOLDERS | NUMBER OF SHAREHOLDERS | NUMBER OF SHARES HELD | PERCENTAGE OF ISSUED CAPITAL |
|------|----------------------------|------------------------|-----------------------|------------------------------|
| 1 | INDIVIDUALS | 1,863 | 6,218,193 | 97.1593% |
| 2 | INVESTMENT COMPANIES | 3 | 41,161 | 0.6431% |
| 3 | INSURANCE COMPANIES | 1 | 16,600 | 0.2594% |
| 4 | JOINT STOCK COMPANIES | 10 | 107,901 | 1.6860% |
| 5 | FINANCIAL INSTITUTIONS | 3 | 13,445 | 0.2101% |
| 6 | CHARITABLE TRUSTS | 1 | 2,400 | 0.0375% |
| 7 | CO-OPERATIVE SOCIETIES | 1 | 300 | 0.0047% |
| | TOTAL | 1,882 | 6,400,000 | 100% |

SHARE HOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

THERE IS NO SHARE HOLDER ABOVE FIVE PERCENT OR MORE VOTING INTEREST



Haydari Construction Company Limited.

| S.NO | CATEGORY OF SHAREHOLDERS | NO. OF SHARES |
|-------------------------------|---|----------------|
| INVESTMENT COMPANIES | | |
| 1 | INVESTMENT CORPN. OF PAKISTAN | 41,025 |
| 2 | SHEERAZI INVESTMENT LTD. | 124 |
| 3 | HABIB INVESTMENT CO. LTD. | 12 |
| TOTAL | | 41,161 |
| INSURANCE COMPANIES | | |
| 1 | STATE LIFE INS. CORP. OF PAK. | 16,600 |
| TOTAL | | 16,600 |
| JOINT STOCK COMPANIES | | |
| 1 | M/S. CRESCENT CORP.(PVT) LTD., | 66,300 |
| 2 | SAAO CAPITAL (PVT) LIMITED | 32,500 |
| 3 | M/S. AL-HAMZA TRADING CO.LTD. | 2,000 |
| 4 | FIKREE'S (SMC-PVT) LTD. | 2,000 |
| 5 | M/S. EDULJEE DINSHAW LTD. | 1,700 |
| 6 | M/S. RAVI WOOLLEN & CARPET | 1,500 |
| 7 | CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED. | 1,300 |
| 8 | MAM SECURITIES (PVT) LIMITED | 500 |
| 9 | M/S ALLIED CORPORATION LTD | 100 |
| 10 | MAPLE LEAF CAPITAL LIMITED | 1 |
| TOTAL | | 107,901 |
| FINANCIAL INSTITUTION | | |
| 1 | MUSLIM COMMERCIAL BANK | 8,900 |
| 2 | UNITED BANK LIMITED | 2,800 |
| 3 | NATIONAL BANK OF PAKISTAN | 1,745 |
| TOTAL | | 13,445 |
| CHARITABLE TRUST | | |
| 1 | PAKISTAN MEMON EDUCATIONAL | 2,400 |
| TOTAL | | 2,400 |
| CO OPERATIVE SOCIETIES | | |
| 1 | NATIONAL INDUSTRIAL CO-OP | 300 |
| TOTAL | | 300 |

| DIRECTOR, C.E.O., THEIR SPOUSES | | NO. OF SHARES |
|--|----------------------|----------------------|
| | NAME | |
| 1 | S.M. VAKIL | 1,000 |
| 2 | ALI ASGHAR RAJANI | 1,000 |
| 3 | ABDUL RAZZAK | 1,000 |
| 4 | F.A. SUBZWARI | 1,000 |
| 5 | S. QAMAR ALI SHAH | 1,000 |
| 6 | MUMTAZ ALI | 1,000 |
| 7 | SOHAIL AHMED QURESHI | 1,000 |
| TOTAL | | 7,000 |



Haydari Construction Company Limited.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE Year Ended June 30, 2016

This statement is being presented to comply with the code of Corporate Governance contained in Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange 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.

Haydari Construction Co. Limited (The Company) has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent Non-Executive Directors and directors representing minority interests on its board of directors. At present the board constitutes of:

| Category | Names |
|-------------------------|---|
| Independent Director | None |
| Executive Director | None |
| Non-Executive Directors | S.M. Vakil Ali Asghar Rajani Abdul Razzak F.A. Subzwari S. Qamar Ali Shah Mumtaz Ali Sohail Ahmed Qureshi |

2. The Directors have confirmed that none of them is serving as a Director on more than Seven 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, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board of Directors during the current year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other Executive and Non-Executive Directors, have been taken by the Board/Shareholders.
8. 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 and the board met at least once in every quarter. 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.
9. None of the directors have gone through Training Program for the reason that Company did not have adequate funds.



Haydari Construction Company Limited.

10. No new appointment has been made during the year for Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. 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.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are Non-Executive Directors and the Chairman of the committee is also Non-Executive Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom all are Non-Executive Directors and the Chairman of the committee is also Non-Executive Director. Since there is no Staff and Company is dormant, the HR Committee is not effective.
18. The Board has set up an effective internal audit function.
19. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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 ethics as adopted by the ICAP.
20. 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 have observed IFAC guidelines in this regard.
21. The 'Closed Period', prior to the announcement of interim / final results, and business decision, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material / Price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with except for the following for the reason stated thereagainst :

Training program for the directors not arranged during the year for the reason stated in clause (9) above.

On behalf of the Board of Directors

Chief Executive Officer

Karachi: August 31, 2016

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Haydari Construction Company Limited.

TC TANZEEM & COMPANY
Chartered Accountants

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Kasbif Centre, Shahrah e Faisal,
Karachi- 75530

Email: tanzeemandco@accountant.com
Phone: 021-35640414-6
Web: www.tanzeemandco.tk

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the Code of Corporate Governance prepared by the Board of Directors of Haydari Construction Company Limited, to comply with the Listing Regulations of the Pakistan Stock Exchange (Formerly Karachi stock exchange) where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance (the Code) 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 Revised Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code 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 are not required to consider whether the Board's statement on internal control covers all risks and controls and to form an opinion on the effectiveness of such controls, the company's corporate governance procedures and risks.

There was no related party transactions undertaken by the Company during the year and as such the relevant listing regulations notified by the Pakistan Stock Exchange (Formerly Karachi stock exchange) do not apply to the Company.

Based on information provided to us by the management, the company has not complied with the requirements of the Code in the following cases:

- 1) The company has not appointed independent director.
- 2) The company has not arranged training programs for the directors as required by clause 9 of the Code.

Based on our review, with the exception of the matters discussed in the preceding paragraph, nothing has come to our attention which causes us to believe that the statement of compliance not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2016.

Karachi

Tanzeem & Co.
Tanzeem & Company
Chartered Accountants
Audit Engagement Partner
Asghar Imam Khalid



Haydari Construction Company Limited.

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of HAYDARI CONSTRUCTION COMPANY LIMITED as at June 30, 2016 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 purposes 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.

Except as stated in paragraphs (a) to (c) below, 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:-

- a) we were unable to verify the ownership of plant and machinery due to absence of title documents.
- b) Rs. 2.5 Million receivable against contract work in progress and mobilization advance Rs. 4.4 Million received from the same debtor (net payable Rs. 1.9 Million) are under litigation (see note 15). The adjustment of the amount is dependent on the outcome of the pending litigations. The amounts remain unverified due to lack of sufficient appropriate audit evidence.
- c) we were unable to verify unclaimed dividend amounting to Rs. 266,057 due to the absence of relevant records;
- d) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984
- e) in our opinion:
 - I. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - II. the expenditure incurred during the year was for the purpose of the company's business; and;
 - III. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- f) Except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves of the matters described in (a) to (c) above, 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, and the cash flow statement and the statement of changes in equity together with the notes forming part thereof,



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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 respectively give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the loss, its cash flows and changes in equity for the year then ended; and

- g) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion, we draw attention to note no 1 to the financial statements. The financial statements for the year ended June 30, 2016 have been prepared on a realization basis as the company has been inoperative since long and has accumulated losses of Rs. 41.5 million as at June 30, 2016, eroding its equity by the amount of Rs. 30.67 Million.

Further the management of the company has no future plans to revive the operating activities of the company. All these and other factors have rendered the company as no more a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the ordinary course of business.

Karachi. Dated : 31 August, 2016

Tanzem & Co.
CHARTERED ACCOUNTANTS
Audit Engagement Partner
Asghar Imam Khalid



Haydari Construction Company Limited.

BALANCE SHEET AS AT JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 4 | 2,271,514 | 2,443,717 |
| Long term investments | 5 | 170,610 | 134,324 |
| Long term deposits | 6 | 12,500 | 12,500 |
| | | <u>2,454,624</u> | <u>2,590,541</u> |
| Current Assets | | | |
| Contract work in progress | 7 | - | - |
| Prepaid rent | | - | 630 |
| Other receivables | 8 | - | 100 |
| Advance tax | 9 | 22,720 | 19,790 |
| Tax refund due from Government | | 3,351,459 | 3,351,459 |
| Cash at bank - current account | | 183,632 | 506,969 |
| Total current assets | | <u>3,557,811</u> | <u>3,878,948</u> |
| Total assets | | <u>6,012,435</u> | <u>6,469,489</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised capital | | | |
| 10,000,000 Ordinary Shares of Rs.5/- each | | <u>50,000,000</u> | <u>50,000,000</u> |
| Issued, subscribed and paid up capital | 10 | 32,000,000 | 32,000,000 |
| Reserves | | | |
| Revenue reserve - General | | 2,100,000 | 2,100,000 |
| Capital reserve | 11 | 8,527,412 | 8,527,412 |
| Fair value adjustment reserve | 12 | 169,999 | 133,713 |
| Accumulated (losses) | | (41,477,198) | (41,102,310) |
| | | <u>(30,679,787)</u> | <u>(30,341,185)</u> |
| Total shareholders equity | | <u>1,320,213</u> | <u>1,658,815</u> |
| Surplus on revaluation of fixed assets | 13 | 1,788,999 | 1,294,886 |
| Non-current liability | | | |
| Deferred tax liability | 14 | - | 637,779 |
| Current Liabilities | | | |
| Mobilization advance | 15 | 1,923,365 | 1,923,365 |
| Trade and other payables | 16 | 708,305 | 683,091 |
| Provision for taxation | 17 | 271,553 | 271,553 |
| Total current liabilities | | <u>2,903,223</u> | <u>2,878,009</u> |
| Contingencies | 18 | - | - |
| Total equity and liabilities | | <u>6,012,435</u> | <u>6,469,489</u> |

The annexed notes 1 to 28 form an integral part of these financial statements.

ALI ASGHAR RAJANI
Chief Executive

S.M. VAKIL
Chairman



Haydari Construction Company Limited.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

| | Note | 2016 Rupees | 2015 Rupees |
|--|------|----------------|----------------|
| Income | | | |
| Dividend Income | 19 | 18,276 | 1,236 |
| Administrative and other expenses/losses | | | |
| Administrative | | | |
| Rent, rates and taxes | | 12,834 | 12,834 |
| Fees and subscription | | 159,930 | 130,840 |
| Members meeting expenses | | 13,528 | 15,054 |
| Office expenses | 20 | 70,447 | 61,971 |
| Professional tax | | 20,000 | 20,000 |
| | | 276,739 | 240,699 |
| Other expenses and losses | | | |
| Auditor's remuneration | 21 | 85,000 | 85,000 |
| Depreciation | | 172,203 | 191,193 |
| Bank Charges | | 588 | 713 |
| | | 257,791 | 276,906 |
| Total administrative and other expenses/ losses | | 534,530 | 517,605 |
| (Loss) before taxation | | (516,254) | (516,369) |
| Income tax expense/benefit | 22 | (2,300) | 52,569 |
| Net (loss) for the year | | (518,554) | (463,800) |
| Other comprehensive income | | | |
| Unrealized gain on remeasurement of available for sale investments | | 36,286 | 53,583 |
| Total comprehensive (loss) for the year | | (482,268) | (410,217) |
| (Loss) per share - basic & diluted | 23 | (0.0754) | (0.0641) |

The annexed notes 1 to 28 form an integral part of these financial statements.


ALI ASGHAR RAJANI
 Chief Executive


S.M. VAKIL
 Chairman



Haydari Construction Company Limited.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2016

| | 2016 Rupees | 2015 Rupees |
|--|-----------------------|-----------------------|
| Cash Flows From Operating Activities | | |
| Net (loss) before tax | (516,254) | (516,369) |
| Adjustments for non - cash charges and other items : | | |
| Depreciation | 172,203 | 191,193 |
| Investment Income | (18,276) | (1,236) |
| Finance charges | 588 | 713 |
| | 154,515 | 190,670 |
| Operating (loss) before working capital changes | <u>(361,739)</u> | <u>(325,699)</u> |
| Changes in working capital accounts: | | |
| (Increase)/decrease in current assets | | |
| Advance tax | (2,930) | - |
| Prepaid rent | 630 | 9,683 |
| Dividend receivable | 100 | - |
| Increase/(decrease) in current liabilities | | |
| Increase/(decrease) in trade and other payables | 25,214 | (4,250) |
| Cash (used in) operations | <u>(338,725)</u> | <u>(320,266)</u> |
| Finance charges paid | (588) | (713) |
| Taxes paid | (2,300) | (3,950) |
| Net cash (used) in operating activities | <u>(341,613)</u> | <u>(324,929)</u> |
| Cash Flows From Investing Activities | | |
| Dividend received | 18,276 | 1,022 |
| Net (decrease) in cash and cash equivalents | <u>(323,337)</u> | <u>(323,907)</u> |
| Cash and cash equivalents at beginning of year | 506,969 | 830,876 |
| Cash and cash equivalents at end of year | <u>183,632</u> | <u>506,969</u> |

The annexed notes 1 to 28 form an integral part of these financial statements.

ALI ASGHAR RAJANI
Chief Executive

S.M. VAKIL
Chairman



Haydari Construction Company Limited.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

| PARTICULARS | Issued, subscribed and paid up capital | Capital reserve | General reserve | Fair value Adjustment reserve | Accumulated losses | Total Rupees |
|--|---|--------------------|--------------------|----------------------------------|-----------------------|------------------|
| Balance as at July 1, 2014 | 32,000,000 | 8,527,412 | 2,100,000 | 80,130 | (40,745,501) | 1,962,041 |
| Changes in equity during the year: | | | | | | |
| Total Comprehensive (loss) for the year | - | - | - | 53,583 | (463,800) | (410,217) |
| Released from surplus on revaluation of fixed assets | - | - | - | - | 106,991 | 106,991 |
| Balance as at June 30, 2015 | <u>32,000,000</u> | <u>8,527,412</u> | <u>2,100,000</u> | <u>133,713</u> | <u>(41,102,310)</u> | <u>1,658,815</u> |
| Balance as at July 1, 2015 | 32,000,000 | 8,527,412 | 2,100,000 | 133,713 | (41,102,310) | 1,658,815 |
| Changes in equity during the year: | | | | | | |
| Total Comprehensive (loss) for the year | - | - | - | 36,286 | (518,554) | (482,268) |
| Released from surplus on revaluation of fixed assets | - | - | - | - | 143,666 | 143,666 |
| Balance as at June 30, 2016 | <u>32,000,000</u> | <u>8,527,412</u> | <u>2,100,000</u> | <u>169,999</u> | <u>(41,477,198)</u> | <u>1,320,213</u> |

The annexed notes 1 to 28 form an integral part of these financial statements.

ALI ASGHAR RAJANI
Chief Executive

S.M. VAKIL
Chairman



Haydari Construction Company Limited.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

1. STATUS AND ACTIVITIES

Haydari Construction Company Limited was incorporated as a Public Limited Company in Bombay on 9th. August 1946 and transferred the Head Office from Province of Bombay to Province of Sindh on August 12, 1947, and got registered itself under the Companies Act, 1913 (now Companies Ordinance 1984). The company is quoted on Pakistan Stock Exchange.

The registered office of the company is situated at Mezzanine Floor, UBL Building I.I.Chundrigar Road, Karachi. The principal activity of the company was to carry out all types of construction and contracting business. However, the company has become inoperative since 1986 due to crises in the construction industry and paucity of fund.

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 work done are being held up by the Government Department which forced the Company to move courts.

Although the company is not a going concern in the sense that it has ceased operating activities since long and its receivables are stuck up and has accumulated losses of Rs.41.5 million, the directors has no intention to liquidate the company and hopeful that the company would revive its operating activities once the stuck up funds are released and court cases are decided.

However, keeping in view the present status of the Company, the financial statements are being prepared on realization basis. Consequently fixed assets have been revalued to reflect current fair values and other assets also adjusted to their fair values where applicable. All the liabilities are also considered and stated at their present values.

The financial statements present fairly the company's financial position, financial performance and cash flows.

2. STATEMENT OF COMPLIANCE.

2.1 The financial statements are 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 provision of the Companies Ordinance, 1984.

In case the requirements differ, the provision or directives of the Companies Ordinance 1984 shall prevail.

The financial statements are presented in Pak rupee, being the company's functional currency.



Haydari Construction Company Limited.

2.2 Amendments to standards that became effective

Effective date
(accounting periods beginning

| Standards, interpretation and revision / amendments | on or after) |
|--|-----------------|
| IFRS 2 Share-based Payments (Amendments) | July 1, 2014 |
| IFRS 3 Business Segments (Amendments) | July 1, 2014 |
| IFRS 8 Operating Segments (Amendments) | July 1, 2014 |
| IAS 16 Property, Plant and Equipment (Amendments) | July 1, 2014 |
| IAS 19 Employee Benefits (Amendments) | July 1, 2014 |
| IAS 24 Related Party Disclosures (Amendments) | July 1, 2014 |
| IAS 27 Separate Financial Statements (Amendments) | January 1, 2014 |
| IAS 32 Financial Instruments: Presentation (Amendment) | January 1, 2014 |
| IAS 36 Impairment of assets (Amendments) | January 1, 2014 |
| IAS 38 Intangible Assets (Amendments) | July 1, 2014 |
| IAS 39 Financial instruments: Recognition and measurement (Amendments) | January 1, 2014 |
| IAS 40 Investments Property (Amendments) | July 1, 2014 |
| IFRIC 21 Levies | January 1, 2014 |

However, none of the above standards are either relevant or have significant impact on the Company's financial statements

2.3 Standards issued by IASB but not yet notified by SECP

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

- IFRS 1 First-time adoption of International Financial Reporting standards
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of interests in other entities
- IFRS 13 Fair value measurement

The following interpretations issued by the IASB have been waived of by SECP effective January 16, 2012:

- IFRIC 4 Determining whether an arrangement contains base
- IFRIC 12 Service concession arrangements

In addition to above, several other standards, revisions and amendments to standards that are in issue but not yet effective and which are not likely to impact the Company.

2.4 Significant accounting judgments and estimates:

- a 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 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



Haydari Construction Company Limited.

- b Property, plant and equipment:
The company has made certain estimation with respect to residual value, depreciation method and depreciable lives 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 affect the remaining amounts of respective items of property, plant and equipments with a corresponding effect on the depreciation charge and impairment.
- c Income tax:
In making the estimates for the income tax payable by the company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.
- d. Contract work in progress
The management has made estimation with respect to the recoverability of contract debtor. Any change in the estimates in future periods might effect results of that period.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 Accounting convention
The financial statements are prepared on an accrual basis, except for cash flow information. The financial statements are prepared on the historical cost basis, except for the revaluation of fixed assets and investment in quoted securities.
- 3.2 Property, plant and equipment
These are stated at revalued amounts less accumulated depreciation and impairment losses, if any. No amortization is provided on leasehold land since the lease is renewable at the option of lessee at nominal cost and its realizable value is expected to be higher than its carrying values.
Revaluation are performed with sufficient regularity such that book value does not differ materially from that which would be determined by qualified appraisor.

Depreciation is charged to income /(loss) 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 on the assets disposed of 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 or loss as and when incurred. Gains or losses on disposal of assets are included in profit or loss for the period.

- 3.3 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 any amount is no longer probable. Debts considered irrecoverable are written off when identified.
- 3.4 Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances in current accounts. Cash and cash equivalent are carried in the balance sheet at their nominal values.
- 3.5 Taxation
Current
Charge for current taxation is based on the taxable profit/gain for the year computed in accordance with the enacted tax laws or by the amount of tax deducted at source which is final tax liability. Current tax expense is also charged with the deferred tax liability attributable to incremental depreciation.



Haydari Construction Company Limited.

Deferred

The company accounts for deferred taxation on all significant temporary differences using the balance sheet liability method. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which these can be utilized.

Deferred tax is calculated at the rate that is expected to apply to the period when the differences reverse, based on tax rate that has been enacted or substantively enacted by the balance sheet date.

3.6 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 loss is recognized in the profit or loss for the period.

3.7 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 recognized 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.

3.8 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.

3.9 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.

Profit on bank deposit is recognized on accrual basis.

Sale of scrap is recognized on dispatch of material to the buyer.

3.10 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.

3.11 Long Term Investments

Investment intended to be held for undefined period, are categorized as available-for-sale. These are recognized on trade-date basis and are initially recorded at cost including transaction costs. Subsequently at each balance sheet date investment in quoted equity-securities are measured at fair value. Investments in un-quoted securities are stated at cost less impairment loss, if any. Gains and losses arising from changes in fair value are recognized directly in reserve until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in reserve is released to the statement of changes in equity.

3.12 Dividends and Appropriation to reserves

Dividends and appropriation to reserves are recognized in the financial statements in the period in which these are declared / approved.



Haydari Construction Company Limited.

4 Property, plant and equipment

| | Leasehold land | Godown on leasehold land | Plant and machinery | Furniture and fittings | Vehicle and tractors | Total Rupees |
|-------------------------------|----------------|--------------------------|---------------------|------------------------|----------------------|------------------|
| Year ended 30.6.16 | | | | | | |
| Opening net book value | 625,000 | 231,762 | 1,567,350 | 405 | 19,200 | 2,443,717 |
| Depreciation for the year | - | (11,588) | (156,735) | (41) | (3,840) | (172,204) |
| Closing net book value | 625,000 | 220,174 | 1,410,615 | 364 | 15,360 | 2,271,513 |
| As at june 30,2016 | | | | | | |
| Cost / revaluation | 625,000 | 256,800 | 1,935,000 | 500 | 30,000 | 2,847,300 |
| Accumulated depreciation | - | (36,626) | (524,385) | (136) | (14,640) | (575,787) |
| Net book value | 625,000 | 220,174 | 1,410,615 | 364 | 15,360 | 2,271,513 |
| Rate of depreciation | 0% | 5% | 10% | 10% | 20% | |
| Year ended 30.6.15 | | | | | | |
| Opening net book value | 625,000 | 243,960 | 1,741,500 | 450 | 24,000 | 2,634,910 |
| Depreciation for the year | - | (12,198) | (174,150) | (45) | (4,800) | (191,193) |
| Closing net book value | 625,000 | 231,762 | 1,567,350 | 405 | 19,200 | 2,443,717 |
| As at june 30,2015 | | | | | | |
| Cost / revaluation | 625,000 | 256,800 | 1,935,000 | 500 | 30,000 | 2,847,300 |
| Accumulated depreciation | - | (25,038) | (367,650) | (95) | (10,800) | (403,583) |
| Net book value | 625,000 | 231,762 | 1,567,350 | 405 | 19,200 | 2,443,717 |
| Rate of depreciation | 0% | 5% | 10% | 10% | 20% | |

Notes:

Plant and machinery and vehicle and tractors are idle and not in use since 1986 but not classified as held for sale for the reason stated in note No. 1 to the financial statements.

The fixed assets of the company were appraised by an independent professional valuer M/S Akbani & Javed Associates on September 23, 2013 (effective from june 30, 2013). The valuation was based on the current market value conditions and situations.

The revaluation produced the following surplus:

| | Leasehold land | Godown | Plant and machinery | Furniture & fittings | Vehicle and tractors | Total |
|------------------------------|----------------|----------------|---------------------|----------------------|----------------------|------------------|
| Written down value 30.6.2013 | 187,500 | 84,656 | 304,896 | 30 | 250 | 577,332 |
| Revaluation | 625,000 | 256,800 | 1,935,000 | 500 | 30,000 | 2,847,300 |
| Surplus | 437,500 | 172,144 | 1,630,104 | 470 | 29,750 | 2,269,968 |

Had the above assets not been revalued, their carrying amounts, under the cost model, would have been:

| | Leasehold land | Godown on leasehold land | Plant and machinery | Furniture and fittings | Vehicle and tractors | Total Rupees |
|--------------------------------|----------------|--------------------------|---------------------|------------------------|----------------------|------------------|
| COST | | | | | | |
| As at June 30, 2013 | 187,500 | 128,968 | 5,851,901 | 3,900 | 212,792 | 6,385,061 |
| DEPRECIATION | | | | | | |
| At July 01, 2015 | - | 52,566 | 5,604,936 | 3,876 | 212,792 | 5,874,169 |
| For the year 2016 | - | 3,820 | 24,697 | 2 | - | 28,519 |
| As at June 30, 2016 | - | 56,386 | 5,629,632 | 3,878 | 212,792 | 5,902,689 |
| W.D.V. at June 30, 2016 | 187,500 | 72,582 | 222,269 | 22 | - | 482,372 |
| Rate of depreciation | 0% | 5% | 10% | 10% | 20% | |



Haydari Construction Company Limited.

| | 2016 Rupees | 2015 Rupees |
|---|----------------|----------------|
| 5 Long term investments | | |
| Other investments: | | |
| (i) Available for sale | | |
| Fair value at beginning of year | 134,324 | 80,741 |
| Increase in fair value on remeasurement | 36,286 | 53,583 |
| Fair value at end of year | <u>170,610</u> | <u>134,324</u> |
| ii) At cost | | |
| Cost at beginning and at end of year | 122,117 | 122,117 |
| Less: Provision for diminution in the value | (122,117) | (122,117) |
| | <u>-</u> | <u>-</u> |
| | <u>170,610</u> | <u>134,324</u> |
| 5.1 Available for sale investment represents listed equity securities that are held to earn dividend income. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted prices. | | |
| 5.2 Cost of available for sale investment | 611 | 611 |
| Gross unrealised gain | 169,999 | 133,713 |
| Fair value | <u>170,610</u> | <u>134,324</u> |
| 40 number of Ordinary shares of Habib Sugar Mills Limited of Rs.5/-each ,costing Rs 19. The market value at 30th June, 2016 was Rs 1,673/- (2015: Rs.1,460/-) | | |
| 1136 number of Ordinary shares of Dawood Hercules Limited of Rs.10/- each, costing Rs 592. Their market value at 30th June, 2016 was Rs. 132,651/- (2015 : Rs. 79,281/-) | | |
| 6 Long term deposits - Interest free | | |
| Security Deposits with CDC | 12,500 | 12,500 |
| 7 Contract work in progress | | |
| Costs incurred for work done | 42,313,299 | 42,313,299 |
| Payments received for work done | (37,842,378) | (37,842,378) |
| | 4,470,921 | 4,470,921 |
| Transferred to mobilisation advance (note 15) | (2,517,530) | (2,517,530) |
| | 1,953,391 | 1,953,391 |
| Less: Provision for doubtful receivables | (1,953,391) | (1,953,391) |
| | <u>-</u> | <u>-</u> |

7.1 The above closing work in progress includes the following:

a) Rs. 1,953,391 in respect of construction of Thatta Sugar Mills (a project of Sindh Sugar Corporation) which is a subject matter of litigation.

Rs. 4.6 million was awarded to the company in 1982 but pending recovery as the Mill was transferred subsequently to the Privatization Commission for disposal which has not yet taken place. However, the receivable has been fully provided for.

b) Rs. 2,517,530 in respect of State Engineering Corporation (Textile Project) which is a subject matter of litigation. The Company has filed a suit against SEC before the Double Bench in Sindh High Court which is pending.

However, SEC has filed a counter claim against the Company.

The Company has received Rs. 4,490,895 as mobilization advance against which the Rs. 2,517,530 has been adjusted by reclassification.



Haydari Construction Company Limited.

| | | 2016 Rupees | 2015 Rupees |
|---|---|-------------------|-------------------|
| 8 Other Receivables | | | |
| Dividend receivable - considered good | | - | 100 |
| Claim against - MCB Bank | | 7,450,000 | 7,450,000 |
| Retention money | | 1,000,000 | 1,000,000 |
| Considered doubtful | | 8,450,000 | 8,450,000 |
| Provison against doubtful receivables | | (8,450,000) | (8,450,000) |
| | | <u>-</u> | <u>100</u> |
| 9 Advance tax | | | |
| Balance at beginning of year | | 19,790 | 15,840 |
| Withholding tax on electricity | | 2,930 | 3,950 |
| Balance at end of year | | <u>22,720</u> | <u>19,790</u> |
| 10 Issued ,subscribed and paid up capital | | | |
| Number of Ordinary Shares of Rs.5 each | | | |
| 2016 | 2015 | | |
| 5,900,000 | 5,900,000 | 29,500,000 | 29,500,000 |
| 500,000 | 500,000 | 2,500,000 | 2,500,000 |
| <u>6,400,000</u> | <u>6,400,000</u> | <u>32,000,000</u> | <u>32,000,000</u> |
| | | <u>8,527,412</u> | <u>8,527,412</u> |
| 11 Capital reserve | | | |
| This represents capital gain arised on sale of lands and godowns in the past. | | | |
| 12 Fair value adjustment reserve | | | |
| Balance at beginning of year | | 133,713 | 80,130 |
| Increase in fair value on remeasurement of available-for-sale investment | | 36,286 | 53,583 |
| | | <u>169,999</u> | <u>133,713</u> |
| 13 Surplus on revaluation of fixed assets | | | |
| Balance at beginning of year | | 1,294,886 | 1,380,954 |
| Effect of reduction in tax rate | | - | 20,923 |
| | | 1,294,886 | 1,401,877 |
| Released to Other Comrehensive Income | | (143,666) | (159,689) |
| Related deferred tax liability reversed | | - | 52,698 |
| Net released | | (143,666) | (106,991) |
| Balance deferred tax liability reversed as no more required (13.1) | | 637,779 | - |
| Balance at end of year | | <u>1,788,999</u> | <u>1,294,886</u> |
| 13.1 | This represented remaining balance of the deferred tax liability originated on the surplus on revaluation of fixed assets in 2013. As the company's tax expense comprised of final tax liability on its dividend income only there will be no taxable temporary differences in future hence the balance is eliminated by transferring back to surplus on revaluation of fixed assets. | | |
| 14 Deferred tax liability | | | |
| Balance at beginning of year | | 637,779 | 711,400 |
| Adjustment resulting from reduction in tax rate | | - | (20,923) |
| Adjusted against surplus on revaluation (13.1) | | (637,779) | (52,698) |
| | | <u>-</u> | <u>637,779</u> |
| 15 Mobilization advance for construction contracts | | | |
| State Engineering Corporation (H.E.C. Taxila project) | | 4,440,895 | 4,440,895 |
| Reclassified from contract work in progress (note 7) | | (2,517,530) | (2,517,530) |
| | | <u>1,923,365</u> | <u>1,923,365</u> |

The company has furnished bank guarantee for a sum of Rs. 4,450,000/- in respect of mobilization advance and bid bonds etc, against construction contract. The above advance was received at the time of commencement of work and is adjustable from installment of running bills. The matters are in litigation. (see note 18)



Haydari Construction Company Limited.

| | 2016 Rupees | 2015 Rupees |
|------------------------------------|----------------|----------------|
| 16 Trade and other payables | | |
| Creditors - Others | 178,684 | 178,684 |
| Accrued expenses | 263,564 | 238,350 |
| Unclaimed dividend | 266,057 | 266,057 |
| | <u>708,305</u> | <u>683,091</u> |
| 17 Provision for taxation | | |
| Balance as at end of year | 271,553 | 271,538 |
| Provided during the year | - | 15 |
| | <u>271,553</u> | <u>271,553</u> |

Balance at the beginning of the year represents demand for tax for the years 1992, 1994 and 2001. The liability shall be adjusted against tax refund due from Government on settlement.

18 Contingencies

The company has filed suits against State Engineering Corporation and WAPDA for recovery of amount for work done which are pending. In case of HEC Taxila there is no movement in the case except fixing of dates of hearing and adjournment thereof. The case was filed before the double bench in Sindh High Court. The earlier appeal was adjourned by single bench.

State Engineering Corporation has however, filed a counter claim against the Company.

Since Thatta Sugar Mill was transferred to Privatization Commission for the disposal of the 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.

M.C.B. paid performance bond of Rs. 4.45 million for H.E.C. Taxila while Bank Al - Falah (formerly B.C.C.I.) paid bid bond of Rs. 3 million for WAPDA for Mangla project.

The matter is subjudice for unlawful encashment of above bonds in Sindh High Court.

19 Dividend income

| | | |
|-----------------------|---------------|--------------|
| | 18,176 | 1,136 |
| Dawood Hercules Ltd | 100 | 100 |
| Habib Sugar Mills Ltd | <u>18,276</u> | <u>1,236</u> |

20 Office expenses

| | | |
|---------------------------------|---------------|---------------|
| | 49,984 | 38,950 |
| Stationery & printing | - | 1,000 |
| Postage, telegram and telephone | 20,463 | 22,021 |
| Electricity | <u>70,447</u> | <u>61,971</u> |

21 Auditor's remuneration

| | | |
|------------------------|---------------|---------------|
| | 75,000 | 75,000 |
| Annual audit fee | 10,000 | 10,000 |
| Half yearly review fee | <u>85,000</u> | <u>85,000</u> |

22 Income tax expense/(benefit)

| | | |
|----------|--------------|-----------------|
| | 2,300 | 129 |
| Current | - | (52,698) |
| Deferred | <u>2,300</u> | <u>(52,569)</u> |

The current income tax of the company relates to tax deducted at source on dividend income which is final tax liability within the meaning of section 169 of the Income Tax Ordinance, 2001. No other tax liability arises as the company has suffered taxable loss for the year.

Current deferred tax attributable to incremental depreciation at the rate of Nil% (2015: 33%).

23 (Loss) per share - basic & diluted

| | | |
|--|-----------------|-----------------|
| | (482,268) | (410,217) |
| (Loss) after tax | 6,400,000 | 6,400,000 |
| Weighted average number of ordinary shares | <u>(0.0754)</u> | <u>(0.0641)</u> |
| (Loss) per share- Basic (Rupee) | | |

No figure for diluted loss per share has been presented as the company has not issued any instruments carrying options which would have an impact on loss per share when exercised.



Haydari Construction Company Limited.

24 Remuneration of directors and chief executive

2016
Rupees

2015
Rupees

There were six directors and a chief executive in the years 2016 and 2015

No remuneration was paid during the years 2016 and 2015 as the company remained inoperative.

25 Related parties

The related parties are directors and chief executive only with whom no transaction was carried out during the year.

26 Financial instruments and related disclosures

26.1 Categories of financial instruments

| | | |
|------------------------------|------------------|------------------|
| Financial assets | 183,632 | 506,969 |
| Cash at bank | | |
| Financial liabilities | 1,923,365 | 1,923,365 |
| Mobilization advance | 708,305 | 683,091 |
| Trade and other payable | <u>2,631,670</u> | <u>2,606,456</u> |

26.2 Financial instruments and related risk

As the the company is currently not performing any activities it is not exposed to any financial risk.

26.3 Capital risk management

The primary objectives 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 the shareholders and benefits to other stakeholders and to maintain an optimal structure.

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

27 Approval of financial statements

These financial statements were approved by the board of directors and authorised for issue on 31 August 2016.

28 General

- 28.1 Figures have been rounded off nearest to the rupee.
28.2 Number of employees at end of the year and during the year none (2015: none)
28.3 Creditors amounting to Rs. 178,684/- have been reclassified from accrued liabilities for better presentation.


ALI ASGHAR RAJANI
Chief Executive


S.M. VAKIL
Chairman



Haydari Construction Company Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 69th Annual General Meeting of the members of the Company will be held on Friday, September 30, 2016 at 09:00 a.m. at Mezzanine Floor, UBL Building, I.I. Chundrigar Road, Karachi.

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Body Meeting held on 09 October, 2015.
2. To receive and adopt the Director's Report and Audited Financial Statements of the Company for the year ended June 30, 2016.
3. To appoint Auditors for the year ending on June 30, 2017 and fix their remuneration. M/s Tanzeem & Company, Chartered Accountants, being eligible offer themselves for re-appointment.
4. To transact such other business as may be placed before the meeting with the permission of the Chairman.

SPECIAL BUSINESS:

5. To authorize the Company, subject to the approval of the Securities and Exchange Commission of Pakistan, to transmit its quarterly accounts by placing the same on the Company's website instead of circulating by post to the Shareholders, as and by way of passing the following ordinary resolution: **RESOLVED THAT** subject to all prior necessary approvals as stipulated by the regulatory authorities, the Company be and is hereby authorised to transmit its quarterly accounts by placing the same on the Company's website instead of circulating by post to the Shareholders. **FURTHER RESOLVED** that the Company Secretary be and is hereby authorised to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.

Karachi: 31 August, 2016.

BY ORDER OF THE BOARD
SOHAIL AHMED QURESHI
COMPANY SECRETARY

NOTES:

- i. The share transfer books of the Company will remain closed from September 23, 2016 to September 30, 2016 (both days inclusive).
- ii. A member of the company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies must be received at the Company's Share Registrar office not later than 48 hours prior to the meeting.
- iii. The CDC account / Sub account holders are requested to bring with them their Computerized National Identity Cards (CNIC) along with the participant(s) ID number and their account numbers at the time of attending the AGM in order to facilitate identification of the respective shareholders. In case of corporate entity, the Board of Directors Resolution / Power of attorney with specimen signature must be produced at the time of meeting.
- iv. The shareholders are requested to send their CNIC Photocopy and also to communicate any change in their address to the Company's Share Registrar : THK Associates (Pvt) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi.



Haydari Construction Company Limited.

PROXY FORM

I/We _____

of _____

being a member(s) of HAYDARI CONSTRUCTION COMPANY LIMITED, and a holder of _____

Ordinary Shares as per Share Register Folio Number _____

and/or CDC Account and participant's I.D. Numbers _____

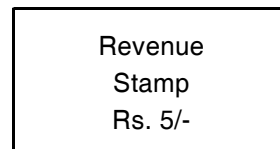
hereby appoint _____ Folio No. _____ of _____

or failing him/her _____ Folio No. _____ of _____

another member of HAYDARI CONSTRUCTION COMPANY LIMITED,

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on September 30, 2016, and at any adjournment thereof.

Signed this _____ Day of _____



SIGNATURE OF MEMBER(S)

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

BOOK POST
PRINTED MATTER

TO



If undelivered please return to :

Haydari Construction Company Ltd.

Mezzanine Floor, UBL Building,

I.I. Chundrigar Road, Karachi-74000 (Pakistan)

Telephone : 32411887