

LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIUM BALANCE SHEET (UN-AUDITED)  
AS ON DECEMBER 31, 2009

	Note	December 31, 2009 Rupees	June 30, 2009 Rupees
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Property , Plant and Equipment - ( At Cost Less Accumulated Depreciation )		240,560,099	240,562,796
LONG TERM DEPOSITS		25,000	25,000
<b>CURRENT ASSETS</b>			
Loan & Advances		38,688	38,688
Trade Deposits and Prepayments		474,980	474,980
Cash and Bank Balances		73,318	75,575
		586,986	589,243
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		331,414	1,455,549
		331,414	1,455,549
		255,572	(866,306)
Contingencies	5.		
		240,840,671	239,721,490
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED CAPITAL</b>			
15,000,000 (June 30, 2009 : 15,000,000) Ordinary Shares of Rs.10/- each		150,000,000	150,000,000
<b>ISSUED SUBSCRIBED &amp; PAID UP CAPITAL</b>			
12,123,700 (June 30, 2009 : 12,123,700 ) Ordinary Share of Rs.10/- each fully paid in cash		121,237,000	121,237,000
Accumulated Loss		(169,586,125)	(169,121,708)
		(48,349,125)	(47,884,708)
Surplus on Revaluation of Property, Plant & Equipments		87,713,358	87,713,358
<b>NON CURRENT LIABILITIES</b>			
Long Term Loans - Unsecured , Interest Free	6.	201,476,437	199,892,840
		240,840,671	239,721,490

The annexed notes 1 to 10 form an integral part of these accounts.

Akber Ali Hashwani  
Chief Executive

Amin A.Hashwani  
Director

Place: Karachi

LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIUM PROFIT & LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	For the Half Year Ended Dec. 31, 2009 Rupees		For the Quarter Ended Dec. 31, 2009 Rupees	
SALES - NET	-	-	-	-
COST OF SALES	-	-	-	-
GROSS (LOSS)	-	-	-	-
<b>OPERATING EXPENSES</b>				
Administrative Expenses	463,485	504,201	320,770	253,800
OPERATING (LOSS)	(463,485)	(504,201)	(320,770)	(253,800)
Financial Charges	(932)	(1,320)	(174)	(825)
	(464,417)	(505,521)	(320,944)	(254,625)
Taxation	-	-	-	-
LOSS FOR THE YEAR	(464,417)	(505,521)	(320,944)	(254,625)
LOSS PER SHARE-BASIC	(0.04)	(0.04)	(0.03)	(0.02)

The annexed notes 1 to 10 form an integral part of these accounts.

Akber Ali Hashwani  
Chief Executive

Amin A.Hashwani  
Director

Place: Karachi

Dated: February 26,2010

LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIUM CASH FLOW STATEMENT (UN-AUDITED)  
AS ON DECEMBER 31, 2009

	December 31, 2009 Rupees	December 31, 2008 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(464,417)	(505,521)
Adjustment of non-fund items:		
Depreciation	2,698	3,042
Financial Charges	932	1,320
	3,630	4,362
	(460,787)	(501,159)
<b>WORKING CAPITAL CHANGES</b>		
(Increase)/Decrease in current assets		
Advances & Deposits	-	-
Increase/(decrease) in current liabilities		
Trade and Other Payables	(1,124,135)	8,003
Cash generated from operation	(1,584,922)	(493,156)
Financial Charges Paid	(932)	(1,320)
Net cash flow from operating activities	(1,585,854)	(494,476)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term Deposit	-	-
Long term loans	1,583,597	493,656
Net cash flow from financing activities	1,583,597	493,66
Net Increase /(decrease) in cash & bank balances	(2,257)	(820)
Cash and Balances at the beginning of the period	75,575	72,350
Cash and Balances at the end of the period	73,318	71,530

The annexed notes 1 to 10 form an integral part of these accounts.

Akber Ali Hashwani  
Chief Executive

Amin A.Hashwani  
Director

Place: Karachi

Dated: February 26,2010

FEROZ SHARIF TARIQ & CO  
AUDITORS' REVIEW REPORT TO THE MEMBERS ON  
REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying Condensed balance sheet of Landmark Spinning Industries Limited ("the company") as at December 31, 2009 and the related Condensed profit and loss account, Condensed cash flow statement and Condensed statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the 'Condensed interim financial statements') for the six months period then ended. Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this Condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and December 31, 2008 have not been reviewed as we are required to review only the cumulative figures for the Six month ended December 31, 2009.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of Condensed interim financial statements performed by the independent Auditor of the Entity". A review of Condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

b) The depreciation has not been charged on fixed assets of the company except on vehicle and Hut at sandspit since the date of commercial operation has been suspended by the company in 2002-2003. Had the company charged depreciation on all the assets with taking effect of revaluation the written down value of the fixed assets would have been reduced by Rs. 91,017,523 and consequently the accumulated losses of the company as at balance sheet date would have been increased by Rs. 91,017,523.

Conclusion

a) The company has incurred a net loss of Rs. 464,417/- during the period ended December 31, 2009; and as of that date it has accumulated losses of Rs. 169,586,125 which have eroded its capital and its total liabilities exceeded its total assets by Rs. 48,349,125/=-, the company has not started its production for last many years despite representation made by the management to revive the production. Continuous breakdowns in electricity and non availability of gas line for gas generator are a major problem to run the factory at winder Baluchistan. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

b) The depreciation has not been charged on fixed assets of the company except on vehicle and Hut at sandspit since the date of commercial operation has been suspended by the company in 2002-2003. Had the company charged depreciation on all the assets with taking effect of revaluation the written down value of the fixed assets would have been reduced by Rs. 91,017,523 and consequently the accumulated losses of the company as at balance sheet date would have been increased by Rs. 91,017,523.

b) The depreciation has not been charged on fixed assets of the company except on vehicle and Hut at sandspit since the date of commercial operation has been suspended by the company in 2002-2003. Had the company charged depreciation on all the assets with taking effect of revaluation the written down value of the fixed assets would have been reduced by Rs. 91,017,523 and consequently the accumulated losses of the company as at balance sheet date would have been increased by Rs. 91,017,523.

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) Consequently if any adjustment may be required to the carrying amounts and classification of assets and liabilities, the financial statement and the notes thereto not disclose this fact, nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements as of and for the six months period ended December 31, 2009 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan.

CHARTERED ACCOUNTANTS

Audit Engagement Partner: Mohammad Tariq  
Karachi:  
Dated: February 26, 2010

**LAND MARK SPINNING INDUSTRIES LIMITED**  
**CONDENSED INTERIUM NOTES TO THE ACCOUNTS ( UN-AUDITED )**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

1 Nature and Status of Business  
 The Company was incorporated in Pakistan as a Private Limited Company on October 21, 1991 and was converted into a Public Limited Company on April 30, 1992. The Company is Listed at Karachi & Lahore Stock Exchanges.

1.1. The company commenced its commercial operation, from 2001 after reactivation of plant which remained idle for the seven years. However, the company again has suspended its production on November 29, 2002 to forestall the recurring losses on account of electricity breakdowns and frequent Load shedding stop gap arrangement was made to suspend operations for the time being until the market trends becomes conducive for positive results. The management feels that immediately upon the utility provision of gas supplies to winder Baluchistan industrial zone by S.S.G.C. Limited, which is in progress, the production will be expected to commence in near future.

2. Statement of Compliance  
 These interim financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 (IAS-34) "Interim Financial Reporting" and have been reviewed by the auditors as required by the Code of Corporate Governance and being submitted to the shareholders under section 245 of the Companies Ordinance, 1984.

3. Summary of Significant Accounting Policies  
 The Accounting Policies adopted for the preparation of half yearly Financial Statements are the same as those applied in the preparation of the annual financial statements of the Company for the preceding period ended June 30, 2009.

4. Depreciation  
 No. Depreciation on Assets except a Hut at Sand spit (Lease hold) and Vehicles has been charged during the Period as their has been no production activity and the same has also been mentioned in note no. 1 of these financial statements.

5. Contingencies  
 There is no significant change in Contingencies during the period.

	December 31, 2009	June 30, 2009
6. Long term Loan - unsecured, interest free		
Loan from Director	23,427,751	23,427,751
Loan from Associated Companies	<u>178,048,686</u>	<u>176,465,089</u>
	<u>201,476,437</u>	<u>199,892,840</u>

7. Transaction with Related Parties  
 Related parties transactions are carried out in the normal course of business with various related parties material transaction with related parties during the period are given below:

	December 31, 2009	December 31, 2008
Interest free loan received from related parties	<u>1,583,597</u>	<u>491,319</u>

  

	For the Half Year Ended		For the Quarter Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
	Rupees	Rupees	Rupees	Rupees
8. Earning Per Share -Basic				
Net Loss for the period	<u>(464,417)</u>	<u>(505,521)</u>	<u>(320,944)</u>	<u>(254,625)</u>
Weighted average number of ordinary shares issued during the year	<u>12,123,700</u>	<u>12,123,700</u>	<u>12,123,700</u>	<u>12,123,700</u>
Loss Per Share -Basic	<u>(0.04)</u>	<u>(0.04)</u>	<u>(0.03)</u>	<u>(0.02)</u>

8.1. There is no diluted effect on the basic earnings per share.

9. Date of Authorization for issue  
 These Financial Statements were authorized for issue on February 28, 2009 by the Board of Directors of the Company.

10. General:
- 10.1. The figures of the profit and loss account for the quarters ended June 30, 2009 and June 30, 2008 have not been subject to a limited scope review. As the scope of the review covered only the cumulative figures for the half-years ended June 30, 2009 and June 30, 2008.
- 10.2. Figures have been rounded off to the nearest of Rupee.

Akber Ali Hashwani  
Chief Executive

Amin A.Hashwani  
Director

Place: Karachi  
 Dated: February 26,2010

**LANDMARK SPINNING INDUSTRIES LIMITED**  
**CONDENSED INTERIUM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	Share Capital Rupees	Unappropriated (Loss) Rupees	Total Rupees
Balance as at July 1 2008	121,237,000	(168,196,040)	(46,959,040)
Loss for the Six Months	-	(505,521)	(505,521)
Balance as at December 31, 2008	<u>121,237,000</u>	<u>(168,701,561)</u>	<u>(47,464,561)</u>
Balance as at July 1, 2009	<u>121,237,000</u>	<u>(169,121,708)</u>	<u>(47,884,708)</u>
Loss for the Six months		(464,417)	(464,417)
Balance as at December 31, 2009	<u>121,237,000</u>	<u>(169,586,125)</u>	<u>(48,349,125)</u>

The annexed notes 1 to 10 form an integral part of these accounts.

Akber Ali Hashwani  
Chief Executive

Amin A.Hashwani  
Director

Place: Karachi  
 Dated: February 26,2010

**AUDITORS' REVIEW REPORT TO THE MEMBERS ON  
 REVIEW OF INTERIM FINANCIAL STATEMENTS**

**DIRECTORS REVIEW**

The Board of Directors of your company are presenting the un-audited half yearly financial statements of the Company, as reviewed by the Auditors for the period ended 31st December 2009. These financial statements have been prepared in compliance with IAS and are submitted under section 245 of the Companies Ordinance 1984.

Your Company sustained a net loss amounting to Rs. 464,417 for the half year ended 31st December 2009, which was mainly based on salary of security staff of factory and other general expenses.

Further, in this half year no operational activity has taken place. The availability of gas at winder still not commissioned and in the absence of viable power cost, it is un workable to run the industry in winder, further the law and order situation in Balochistan becomes alarming. The textile sector in the country is facing difficulties.

As regards, the Auditors observation regarding non charging of depreciation on specific fixed Assets, we state that the Company's policy with regard to charging of depreciation method is to adopt minimum recommended approach under IAS 16, suited as the said method for expected use and output of the respective fixed assets is based on the life expectancy of the machineries having condition while reviewing the expected pattern of consumption of those asset's residual value for the period under usage. However, when these assets are utilized upon start of commercial production, the adjustment as required to the carrying of amount and classification of assets with an appropriate method would be applied and determined in recognition of impairment loss for charging depreciation.

Regarding doubts on going concern with material uncertainty highlighted by the Auditors, it is further clarified that such observation for this unit over the years have not caused any event at all as the management of your company has been trying with utmost efforts by injecting funds from their own account with eventual aim to run the unit for ultimate benefits of stake holders.

Your directors are keen to restart the unit provided the viability of unit and condusive business trends in textile sector takes place.

Your directors wish to express their appreciation to the staff of the Company for the rendered services.

Karachi  
 Dated 26th February, 2010

On behalf of the Board  
 (Akberali Hashwani)  
 Chief Executive

**LAND MARK SPINNING INDUSTRIES LIMITED**  
**HALF YEARLY ACCOUNTS (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED**  
**31ST DECEMBER 2009**

If undelivered please return to:  
 LAND MARK SPINNING INDUSTRIES LTD,  
 1ST FLOOR, COTTON EXCHANGE BUILDING,  
 I. I. CHUNDRIGAR ROAD, KARACHI.

**BOOK POST**  
 under postal certificate

