Annual Report

30th June 2010

LANDMARK
SPINNING INDUSTRIES
LIMITED

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Corporate Information

Board of Directors

Chairman & Chief Executive	:	Mr. Akberali Hashwani
Directors	:	Mr. Amin A. Hashwani Mr. Abdullah A. Hashwani Mr. Nizam A. Hashwani Syed Raza Abbas Jafferi Mrs. Sultana A. Hashwani Mrs. Farieha A. Hashwani
Audit Committee	:	Mr. Amin A. Hashwani - Chairman Mr. Nizam A. Hashwani Mr. Abdullah A. Hashwani
Chief Financial Officer & *Company Secretary*	:	Mr. Yousuf Noorani
Auditors	:	Feroze Sharif Tariq & Co. Chatered Accountants
Bankers	:	Habib Bank Ltd. Metropolitan Bank Ltd. National Bank of Pakistan Ltd.
Registered Office	:	1st Floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.
Share Registration Office	:	Your's Secretary (Pvt.) Ltd. Suit # 1020, 10th Floor, Uni Plaza, I.I. Chundrigar Road, Karachi.

THE MISSION STATEMENT

- **To offer high value, economical and qualitative solutions to address the textile needs of a diverse range of cutomers.**
- **To seek long-term and good relations with our suppliers and customers with fair, honest and mutually dealings.**
- **To be totally customer oriented company and to achieve total customer satisfaction.**
- **To create a work environment, which motivates, recognizes and rewards achievementsat all levels of the organization.**
- **To be a contributing corporate citizen for the betterment of society, and to exchibit a socially responsible behavior.**
- **To conduct business with integrity and strive to be the best.**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Saturday 30th October 2010, at 06:30 pm at Landmark Spinning Inductries Limited, 1st Floor Cotton Exchange Building I.I. Chundrigar Road, Karachi, to transact the following ordinary business:

1. To confirm the minutes of the Eighteen Annual General Meeting held on 29th October 2009.
2. To receive consider and adopt the audited account for the year ended 30th June 2010, together with the Auditors and Directors report thereon.
3. To elect seven directors of the Company for a period of three years in accordance with the provision of the companies Ordinance 1984.

   * The following are the retiring directors:
     1. Mr. Akbarali Hashwani
     2. Mr. Amin A. Hashwani
     3. Mr. Nizam A. Hashwani
     4. Mr. Abdullah A. Hashwani
     5. Mrs. Sultana A. Hashwani
     6. Mrs. Farieha A. Hashwani
     7. Syed Raza Abbas Jafferi

4. To appoint Auditors for the year ended 30th June 2011, and fix their remuneration. The retiring Auditor M/S. M/S. Feroz Sharif Tariq & Co. Chartered Accountants being eligible, offer themselves for appointment as auditor.
5. To transect any other business with the permission of Chairman.

By Order of the Board

Yousuf Noorani
Company Secretary

Karachi. 08 October 2010.

NOTES:

1. The share Transfer Books of the Company will remain closed from 24-10-2010 to 30 10-2010 (Both days inclusive).
2. All members should bring their Original National Identity Cards for identification purpose.
3. All beneficial owners of the share registered in their names to Central Depository Company (CDC) and / or their proxies ate required to produce their Original National Identity Card for identification purpose at the time of attending the meeting. The form of the proxies must be submitted with the Company within the stipulated time, duly witnessed by person whose name, address and NIC number must be mentioned on the form along with attested copies of the NIC of the beneficial owner and the proxy.
4. The members intend to contest election of directors shall submit nomination by 15th October 2010
5. Proxies in order to be effective must be received at the Registered office of the Company duly stamped, signed and witness not later than 48 hours before the time for holding the meeting during working hours.
6. The members are requested to immediately notify the change of the Company share registrar M/S. Your Security (Pvt) Limited.

DIRECTORS' REPORT

The Directors of your company are pleased to present Nineteenth Annual Report together with Audited accounts and Report thereon for the period ended 30th June 2010.

Your company has incurred net loss after tax of Rs. 897,420 during the year under review, on account of administrative and general expenses, as no commercial activity has sofar taken place during the period ended 30th June 2010.

The factory remained in-operative owing to high prices of cotton, unviable input cost due to inflationary trends coupled with problems of law and order as well as political instability in the province. Sui Southern Gas Company by reason of its undertaking has also suspended its work for supply of Gas line which was in progress and we expect that Sui Southern Gas Company would re-start its work in progress to provide Gas connection at winder provided normal Law and order situation in the Balochistan.

Referring to the unqualified Auditors observations in Auditors Report regarding non charging of depreciation no specific fixed assets since 2002-2003, we reiteratr and again clarify that the Company's Policy with regard to depreciation is to follow minimum recommended approach under IAS. According to ISA 16, the depreciation method evisaged at 62 for unit of production method has been adopted by your company as 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 good condition. Hence, your management on each year while reviewing the expected pattern of consumption of those asset's resifual value not made provision for charging the depreciation from the period of non 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 approprite method would be applied and determined in recognition of impairment loss for charging depreciation.

Further, it is clarified that straight line depreciation charging during the period of un-use of assets would have inappropriately resulted in further depletion of value of assets and the burden of losses on the books of the company for the period when its operations were fully suspended and its fixed assets being unitized have use full life.

Regarding remarks for the unit's existence of material uncertainty and doubts on going concern of the Auditors it is further clarified that such observations for this unit over the years have not caused any event or instance at all as the management of your company has been trying with utmost efforts by putting funds from their own resources to run the unit. Your Directors are anxiously looking forward to receive gas connection so as to bring your company in such position to bear the liabilities from its fixed assets in the event of realization as no mark up or interest bearing debts are created which may result in aggravating the financial burden causing inability of the company to meet its obligations. Your Directors are struggling to utilize precious investment in Balochistan for healthy growth of the economy.

The Board of Directors through out the period under Review complied with the Code of Corporate Governance as per Listing Regulations of Stock Exchange and confirm that:-

- The Financial statements prepared by the Company present fairly its state of affairs, the reslut of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been adhered-to in preparation of financial statements based on reasonable and prudent practive,
- International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- There are no signficant doubts upon the Company's ability to continue as going concern as the work for repairs and maintenance of machinery is progressing and your management has planned to re-start the on the arrival of gas connection of windhar balochistan.
- There has been no trading during the year in the shares of the company carried out by the CEO, CFO, Comapny Secretary and their spouse and minor children.
- None of the directiors of the Company is serving on the Board of 10 or more listed companies.
- All of the Directors of the Company are registered as tax payers and none of the companies directors are in default of payment of any dues to a banking company, DFI, NBFI and Stock Exchange.
- There has been no meterial departure form the best practices of Corporate governance,
- During the year, meetings of the Board of Directors were held. The attendance record of which is as followes:-

Names of Directors	No. of meetings attended
1. Mr. Akberali Hashwani	4
2. Mr. Amin A. Hashwani	3
3. Mr. Abdullah A. Hashwani	4
4. Mr. Nizam A. Hashwani	4
5. Syed Raza Abbas Jaffery	3
6. Mrs. Sultana A. Hashwani	2
7. Mrs. Farieha A. Hashwani	2

In accordance with the guidelines provided under the code of corporate governance, the board of directors have recommended the name M/s. Feroz Sharif Tariq & Co, for appointment of Auditors, as required u/s, 253 of the Companies Ordinance 1984, as the retiring auditors being eligible hare offered themselves appointment as auditors.

Dividend :
As the company has incurred losses during the year therefore no dividend has been recommended by the board.

The pattern of share holding as required under section 234 of the Companies Ordinance 1984, For the period ended 30th June 2010, annexed

KEY OPERATING AND FINANCIAL DATA;

An statement reflecting the key operating financial data of last six years is attached to the Annual Report.

The Board acknowledges excellent efforts of the shareholders for the company and the Directors look forward to their continued assistance and support in the future as well.

By Order of the Board

AKBARALI HASHWANI
Chief Executive

Karachi:
Dated : 8th October, 2010

FINANCIAL HIGHLIGHTS

(Rupees in Thousands)

ASSETS EMPLYED	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Property Plant & Equipment (Book Value)	240,557	240,563	240,569	152,862	152,870	152,879
Long Term Deposit	25	25	25	25	50	50
Un-allocated Pre-Production Expenses	_	_	_	_	_	72,083
Net Current Assets	(208)	(866)	(777)	(906)	(1,144)	(56,953)
Total Assets Employed	**240,374**	**239,722**	**239,817**	**151,981**	**151,776**	**168,059**
FINANCED BY						
Issued Subscribed & Paid up Capital	121,237	121,237	121,237	121,237	121,237	121,237
Reserve & surplus on revaluation	87,713	87,713	87,713	_	_	_
Accumulated Loss	(170,019)	(169,122)	(168,196)	(167,310)	(166,510)	(150,799)
Shareholder's Equity	**39.828**	**39,828**	**40,754**	**(46,073)**	**(45,273)**	**(29,562)**
Long Term Liabilities	201,859	199,893	199,063	198,054	197,049	197,621
Total Capital Employed	**240,790**	**239,721**	**239,817**	**151,981**	**151,776**	**168,059**
OTHER DATA						
Net Sales			_	_	_	_
(Loss) before Taxation	(897)	(926)	(886)	(801)	(15,711)	(43,579)
(Loss) after Taxation	(897)	(926)	(886)	(801)	(15,711)	(43,579)
(Loss) per Share	(0.07)	(0.08)	(0.07)	(0.07)	(1.30)	(3.59)

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE PERIOD ENDED 30TH JUNE 2010

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Stock Exchanges for the purpose of establishing a frame work and good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The company applies the principals contained in the Code in the following manner.

1. The Board comprises seven directors, including the CEO. The number of executive director on the Board is one.
2. The directors have confirmed that none of them is serving as a director in more then ten listed companies, including this Company.
3. All of the resident directors of the company are registered as Tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The Board of Directors has adopted a vision / mission statement which is included in the annual account.
5. All the power of the Board have been duly exercised and decision on material transactions, including appointment and determination of terms and condition of employment of the Chief Executive Officer, have been taken by the Board.
6. 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 seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
7. The Directors of the Company have given a declaration that they are aware of their duties, powers and responsibilities under the Companies Ordinance, 1984 and the listing regulations.
8. The Board of Directors has approved the appointment of CFO. Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by CEO.
9. The Directors report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
10. The Financial statements of the Company were duly endorsed by the CEO & CFO before approval of the Board.
11. The Directors, Chief Executive Officer and Executive do not hold any interest in the Shares of the Company other then that disclosed in the pattern of shareholder.
12. The company has complied with all the corporate and financial reporting requirements of the Code.
13. The Board has formed an Audit Committee. It comprises 3 members, all of whom are non-Executive Directors.
14. The meetings of 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 code.
15. The Board has set-up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (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 partner are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
17. 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. On Behalf of the Board of Directors.

AKBARALI HASHWANI
Chief Executive

Dated : 08-10-2010

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO
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AUDITORS REVIEW REPORT TO THE MEMBERS 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' as applicable to the company for the year ended June 30, 2010 prepared by the Board of Directors of Landmark Spinning Industries Limited to comply with the Listing Regulation No(s). 37 of the Karachi and Lahore Stock Exchange (Guarantee) Limited 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 tha 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 the various documents prepared by the company to comply with the code.

As part of our audit of the 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 controls.

Further, Sub-Regulation (xii) of Listing Regulation on 35 (previously Regulation no 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Management Company to place before the Board of Director for their consideration and approval related party transactions distinguishing between transactions carried out on term equivalent to those that prevail in arm’s length transactions and transaction which are not executed at arm’s length price recording proper justification for using such alternate pricing mechanism. Further, all such transaction are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Director and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention that 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 as applicable to the company for the year ended June 30, 2010.

Place : Karachi.
Dated : 08-10-2010

Chartered Accountants
Engagement Partner : Mohammad Tariq

FEROZE SHARIF TARIQ & CO.

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AUDITORS' REPORT TO THE MEMBERS OF M/s. LANDMARK SPINNING INDUSTRIES LIMITED

We have audited the annexed Balance Sheet of M/s Landmark Spinning Industries Limited, as at June 30, 2010 and the related Profit & Loss Account, statement of Comperhensive Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof (hereinafter collectively referred to as the "financial statements"), 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:

a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion :-

   i) the Balance Sheet and Profit & 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 account and are further in accordance with the accounting policies consistently applied except for the changes as stated in note 3.2 to the financial statements with which we concur;

   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;

c) Depreciation on fixed assets has not been charged except on vehicle and Hut at sandpit since the date of commercial operation has suspended by the company in 2002-2003, Had the company charged depreciation on all the assets of the company with out taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 76,562,737 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 76,562,737 Furthermore the company has made revaluation on its fixed assets Land, Building and Plant and Machinery, in the year 2008. Had the company charged depreciation on all the assets of the company taking impact of revaluation the written down value of the fixed assets revalued would have been reduced by Rs. 98,408,217 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 98,408,217.

d) We draw attention to Note. 2 in the annexed notes to the Financial Statements wherein the company has incurred a net loss of Rs. 897,420/- during the year ended June 30, 2010. And as of that date it has accumulated losses of Rs. 170,019,128 which have eroded its capital and its total liabilities exceeded its total assets by Rs. 48,782,128/= the company has not started its production for last many years despite representation made by the management to revive the production. Continues breakdowns in electricity and non availability of gas line for gas generator is 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.

e) in our opinion, except for the matter discussed in the preceding paragraph (c) and (d) 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, the financial statements give a true and fair view of the financial position of the company at June 30, 2010 and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account, Statement of Comperhensive 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 respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the Loss its Comperhensive incom Cash flow and Changes in Equity for the period then ended; and

f) In our opinion "no Zakat was deductible at source under the Zakat and Ushr ordinance 1980".

KARACHI:
Dated: 08-10-2008

CHARTERED ACCOUNTANTS
Engagement Partner : Mohammad Tariq

BALANCE SHEET
AS AT JUNE 30, 2010.

	Note	June 30, 2010	June 30, 2009
		RUPEES	
NON CURRENT ASSETS			
FIXED ASSETS			
Property, Plant and Equipments	7.	240,557,401	240,562,796
Long term Deposits	8.	25,000	25,000
CURRENT ASSETS			
Advance Income tax	9.	38,688	38,688
Trade Deposits and Prepayments	10.	474,980	474,980
Cash and Bank Balances	11.	76,142	75,575
		589,810	589,243
CURRENT LIABILITIES			
Trade and Other Payables	12.	381,861	1,455,549
Provision for Taxation	19.	-	-
		381,861	1,455,549
		207,949	(866,306)
Contingencies and Commitments	13.		
		240,790,350	239,721,490
SHAREHOLDERS EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorized Capital			
15,000,000 (2009: Rs. 15,000,000) Ordinary Shares of Rs.10/-each		150,000,000	150,000,000
Issued subscribed and Paid up Capital			
12,123,700 (2009: 12,123,700) Ordinary Shares of Rs. 10/- each fully paid in cash	14.	121,237,000	121,237,000
Accumulated Loss		(170,019,128)	(169,121,708)
		(48,782,128)	(47,884,708)
Surplus on Revaluation of Property, Plant and Equipment	15.	87,713,358	87,713,358
NON CURRENT LIABILITIES			
Long term Loans - Unsecured, Interest Free	16.	201,859,120	199,892,840
		240,790,350	239,721,490

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

Akbarali Hashwani
Cheif Executive

Amin A. Hashwani
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2010

	Notes	**June 30, 2010**	June 30, 2009
		(Rupees)	
Sales - Net		--	--
Cost of Sales		--	--
Gross Profit		--	--
Operating Expenses			
Administrative and General Expenses	**17.**	(896,007)	(923,523)
Operating Loss		(896,007)	(923,523)
Finance Cost	**18.**	(1,413)	(2,145)
Loss Before taxation		(897,420)	(925,668)
Taxation			
- **Current**	**19.**	--	--
- **Prior**		--	--
		--	--
Loss after Taxation for the year		(897,420)	(925,668)
Earning Per Share - Basic	**20.**	(0.07)	(0.08)

The annexed notes form an integral part of these accounts.

AKBAR ALI HASHWANI
(Chief Executive)

AMIN A. HASHWANI
(Director)

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	NOTE	2010	2009
		RUPEES	
A. Cash Flow From Operating Activities			
(Loss) before taxation		(897,420)	(925,668)
Adjustment of non-fund items:			
Depreciation		5,395	6,083
Financial Charges		1,413	2,145
		6,808	8,228
		(890,612)	(917,440)
Working capital charges			
(Increase)/Decrease in Current Assets			
Loan and Advance		-	-
Increase /(Decrease) In Current Liabilities			
Trade and Other Payables		(1,073,688)	92,494
		(1,073,688)	92,494
		(1,964,300)	(824,946)
Financial Cost Paid		(1,413)	(2,145)
Income tax Paid /adjusted		-	-
Net Cash Generated from Operating Activities		(1,965,713)	(827,091)
B. Cash Flow from Investing Activities			
Long term deposits		-	-
Net Cash Generated from Investing Activities		-	-
C. Cash flow from financing Activities			
Long term loans		1,966,280	830,316
Waiver of loan/markup/ Repayment of Long Term Finance		-	-
Net cash flow from investing activities		1,966,280	830,316
Net Increase/(Decrease) in cash and Bank Balances (A+B+C)		567	3,225
Cash and bank balances at the beginning of the year		75,575	72,350
Cash and Bank Balances at the end of the year	**11.**	**76,142**	**75,575**

The annexed notes form an integral part of these account

AKBARALI HASHWANI
(Chief Executive)

AMIN A. HASHWANI
(Director)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2010

	Year ended June 30, 2010	Year ended June 30, 2009
	(Rupees)	
Loss for the year	(897,420)	(925,668)
Other comprehensive income	-	-
Total comprehensive income for the year	(897,420)	(925,668)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

	Share Capital	Unappropriated Profit	Total
		(Rupees)	
Balance as on June 30, 2008	121,237,000	(168,196,040)	(46,959,040)
Loss after Tax	--	(925,668)	(925,668)
Balance as on June 30, 2009	**121,237,000**	**(169,121,708)**	**(47,884,708)**
Loss after Tax	--	**(897,420)**	**(897,420)**
Balance as on June 30, 2010	**121,237,000**	**(170,019,128)**	**(48,782,128)**

The annexed notes form an integral part of these accounts.

AKBARALI HASHWANI
(Chief Executive)

AMIN A. HASHWANI
(Director)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

1. Corporate Information

Landmark Spinning Industries Limited (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 under the Companies Ordinance, 1984 and its share are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the Company is located at 1st floor, cotton Exchange Building, I.I. Chundigar Road, Karachi, Pakistan; while its manufacturing facilities are located at Winder Baluchitan, Pakistan. The Principal activity of the Company is trading, Manufacturing and sale of Yarn.

The company commenced its commercial operation, from 2001 after reactivation of plant which remained idle for the seven years. However, the company again 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 S.S.G.C. Limited, which is in progress, the production will be expected to commence in future.

2. Going Concern Assumption

The Company has incurred a net loss, after tax, of Rs. 897,420/-, during the year ended June 30, 2010, and as of that date it has accumulated losses of Rs. 170,019,128 which have eroded its Capital and Total Liabilities exceed its Total Assets by Rs. 48,782,128/-, Further, as mentioned in Note 1, the operations of the company are, and have been in recession for a considerable period of time. During the year under review the production remain suspended owing to unfavorable conditions and lack of infrastructure facilities at winder Industrial area, especially the non availability of gas, as prices of fuel, diesel and electricity breakdowns have already caused the unit to bear losses. Conversely, the Management is hopeful to review the unit, and start operations in the near future, The Government has plans to Provide Gas Connection at the mills in Winder (Baluchistan), and the company also is actively persuading the Government for supply of Gas connection at the factory which is expected to be supplied in future. Upon the supply of Gas connection, the management would commence commercial operation and ultimately, the shareholders would be benefited in future.

3. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In caseif requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3.1 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS ARE EFFECTIVE IN 2009-2010

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except as follows:

The Company has adopted the following new amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 2 - Share Based Payment - Amendments related Vesting Conditions and Cancellations (Amendment)

IFRS 3 - Business Combinations (Revised)

IFRS 7 - Financial Instruments: Disclosures (Amendments)

IFRS 8 - Operating Segments

IAS 1 - Presentation of Financial Statements (Revised)

IAS 23 - Borrowing Costs (Revised)

IAS 27 - Consolidated and Separate Financial Statement - Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate (Amendments)

IAS 32 - Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments)

IAS 39 - Financial Instruments: Recognition and Measurement - Eligible hedged items (Amendments)

IFRIC 15 - Agreements for the Construction of Real Estate

IFRIC 16 - Hedges of a Net Investment in a Foreign Operation

IFRIC 17 - Distributions of Non-cash Assets to owners

IFRIC 18 - Transfers of Assets from Customers

The adoption of the above standards, amendments and interpretations did not have any effect on the financial statements except as disclosed in note 3.2.

3.2 Changes in accounting policies

3.2.1 IAS-1 “Presentation of Financial Statements (Revised)”

The revised IAS-1 “Presentation of Financial Statements” separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Company has elected to present two statements. However, the Company does not have any items of income and expense representing other comprehensive income. Therefore, comprehensive income is equal to the net profit for all periods presented.

3.2.2. IFRS-8 “Operating Segments”

IFRS 8 “Operating Segments” requires disclosures of information about the Company’s operating segments and replaces the requirements to determine primary (business) and secondary (geographical) reporting segments of the Company. Adoption of this Standard did not have any effect on the financial position or performance of the Company. The management assesses the company as a unit and separate operating segments could not be identified on discrete financial information basis.

3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standards, interpretations and amendments

IFRS 2 Share-based Payments: Amendments relating to Group Cash - settled Share-based Payment Transactions

IAS 24 Related Parties Disclosure (Revised)

IAS 32 Financial Instruments: Presentation - Classification of Rights Issues (Amendment)

IFRIC 14 Prepayments of a Minimum Funding Requirements (Amendment)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Company expects that the adoption of the above revisions, interpretations and amendments of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB as a result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after January 01, 2010. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

4 Significant Accounting Judgements, Estimates and Assumption

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 estimate 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 judgments which are significant to the financial statements:

4.1 Property, plant and equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

4.2 Taxation

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.3 Stock-in-trade

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

4.4 Provision for doubtful receivables

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

5. Approval of Financial Statements

These financial statements were approved by the Board of Directors and authorized for issue on ________________________.

6 Summary of Significant Accounting Policies

6.1 Basis of Preparation

The financial statements have primarily been prepared on the historical cost basis except that the Land, Building and Plant and Machinery which are stated at revalued amounts, unless an accounting policy herein states otherwise. The financial statements, except for the cash flow statement, have been prepared under the accrual basis of accounting.

6.2 Trade and Other Payables

Liabilities for trade and other amounts payable are carried at cost, which is fair value of the consideration to be paid in the future for the goods or services so received whether billed to the Company or not.

6.3 Taxation

Current Year

Provision in respect of current year's taxation is based on the method of taxation prescribed under the Income Tax Ordinance, 2001. whereby taxable income is determined and tax changed at the current rates of taxation after taking into account tax credits and rebates available, if any, or the minimum tax liability determined under Section 113 of the Income tax Ordinance, 2001, whichever is higher.

Deferred

The Company accounts for deferred taxation on all material timing differences between the tax and accounting base of an asset or a liability. However, deferred tax is not provided if it can be established with reasonable certainty that these differences would not crystallize in the foreseeable future.

6.4 Property, Plant and Equipment

Owned

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if ant; except for Capital works in progress which are stated at cost and lease hold land which is on straight line basis.

Depreciation

is charged to income using reducing balance method, at the rates specified in the annexed schedule, whereby the cost of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for us a change in accounting estimate by changing the depreciation charge for the current and future periods.

- *Repairs, renewals and maintenance*

Major repairs and renewals are capitalized, Normal rapiers and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently.

6.5. Stores, Spares and Loose Tools

These are stated at the lower of cost and net realizable value. The cost of inventory is based on the average cost. Items in transit are stated at cost accumulated up to the date of the balance sheet.

6.6 Stock-in-Trade

These are valued as follows :

Raw Material	: At lower of average/cost or net realizable value.. Cost of raw material and components represents invoice value plus other charges paid thereon.
Finished Goods	: At lower of weighted average cost or net realizable value. Cost of finished goods comprises of prime cost and an appropriate portion of production overheads.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

6.7 <u>Trade Debts & Other Receivables</u>

Trade debts are carried at the original invoice amount, less an estimate made for doubtful receivables based as a review of all outstanding amounts at the year end. Bad debts are written off when identified. Debts considered bad, if any, by the management are writted-off, and provision is made against those considered doubtful. No general provision is made for bad and doubtful debts.

6.8 <u>Foreign Currency Translation</u>

Transactions in foreign currencies, if any, are recorded using the rates of exchange prevalent at the date of the transaction. Assets and Liabilities in foreign currencies, if any, are translated into the reporting currency, i.e., Rupees, at the exchange rate prevalent at the balance sheet date, except where foreign exchange contracts are entered into; in which case, the contracted rates are used. Exchange gains and losses, if any, are included/charged into income currently.

6.9 <u>Deferred cost - Unallocated Pre-production Expenses</u>

The company used to amortize this deferred cost over a period of five years form the years of commencement of commercial production.

6.10 <u>Borrowing Cost</u>

Borrowing cost are charged to income in the period in which they are incurred.

6.11 <u>Provisions</u>

A provisions is recognized in the balance sheet when the company has a legal or constructive obligation, and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and that a reliable estimate can be made for the amount of this obligation.

6.12 <u>Financial Instruments</u>

Recognition

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractural provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account to which it arises.

<u>Off Setting</u>

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultancously. Corresponding income on assets and charges on liability is also offset.

<u>Derivatives</u>

Derivatives that do not qualify for hedge accounting are recognaized in the balance sheet at estimated fair value with corresponding effect to profit and loss. Derivative financial instruments are carried as assets when fair value is positives and liabilities when fair value is negative.

6.13 <u>Cash and Cash Equivalents</u>

For the purpose of the cash flow statement, cash and cash equivalents comprise cash bank balances.

6.14 <u>Impairment of Assets</u>

The carrying amounts of the assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount, whereby the asset is written down and that impairment losses are recognized in the profit and loss account.

6.15 Related Party Transactions

All transactions with related parties are carried out by the company at arm's length prices with the exception of loan taken from related parties which is interest / mark up free.

6.16 Loans, Advances and other Receivables

Loans, Advances and other receivables are recognized initially at cost, and subsequently at their amortized / residual cost.

6.17 Revenue Recognition

Revenue from Sales is recognized on dispatch of goods to customers.
Other Income is recognized on accrual Basis.

6.18 Employees Benefits

The company does not operate ant employee's benefits scheme.

6.19 Contingent Liability.

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

6.20 Contingent Assets.

A contingent asset is disclosed where in inflow of economic benefits is probable.

	June 30, 2010	June 30, 2009
	(Rupees)	
7. Tangible Fixed Assets		
Property, Plant and Equipment	240,557,401	240,562,796
	240,557,401	240,562,796

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	Cost/Revaluation				Rate	Depreciation			Written Down Value As At June 30, 2010
	As at July 01, 2009	Revluation	Additions / (Deletion)	As at June 30, 2010	%	As at July 01, 2009	For the period	As at June 30, 2010	
	Rupees					Rupees			
Lease hold land	10,956,340	--	-	10,956,340	1	356,340	--	356,340	10,600,000
Factory Building on lease hold land	97,170,546	--	-	97,170,546	10	17,799,080	--	17,799,080	79,371,466
Plant and Machinery	188,097,970	--	-	188,097,970	10	37,902,816	--	37,902,816	150,195,154
Hut at Sanspit (Leasrhold)	308,500	--	-	308,500	10	260,911	4,759	265,670	42,831
Power House Generator	40,000	--	-	40,000	10	28,843	--	28,843	11,157
Tlephone Instalations & Instrument	108,200	--	-	108,200	10	77,108	--	77,108	31,092
Factory Tools and Eqipments	115,205	--	-	115,205	10	81,423	--	81,423	33,782
Furniture, Fixture and Equipments	3,183	--	-	3,183	10	2,184	--	2,184	999
Electrical Installations	388,116	--	-	388,116	10	126,223	--	126,223	261,893
Vehicles	195,000	--	-	195,000	20	191,817	637	192,454	2,547
Sales and Measuring Equipments	8,000	--	-	8,000	10	1,520	--	1,520	6,480
2010	297,391,060	--	-	297,391,060		56,828,266	5,395	56,833,661	240,557,401
2009	297,391,060	--	-	297,391,060		56,822,182	6,083	56,828,266	240,562,796

NOTE:

7.1. In the year 2008 the following fixed assets wete revalued by independent valuer namely M/s A.R. Bherwani (Private) Limited, and their Report on the revaluation dated April 21, 2008 and Board of Directors of the Company have resolve to incorporate the effect of the revaluation in the financial statements for the year ended June 30, 2008. The surplus arising from the revaluation is Rs. 87,713,358/=. The depreciated values as per valuation reports on that date are as follows:

	REVALUED AMOUNT	BOOK VALUE AS ON JUNE 30, 2008	DIFFERENCE BETWEEN BOOK VALUE & REVALUED AMOUNT
Lease hold land	10,956,340	2,969,450	7,986,890
Factory Building on lease hold land	97,170,546	65,679,261	31,491,285
Plant and Machinery	188,097,097	139,862,787	48,235,183
	296,224,856	**296,224,856**	**87,713,358**

Had there been no revaluation the related figures of Land and Building and plant and Machinery as at June 30, 2009 would have been as follows:

	COST	Accumulated Depreciation	Written Down Value
Lease hold land	2,969,450	382,471	2,586,979
Factory Building on lease hold land	65,679,261	22,587,098	43,092,163
Plant and Machinery	139,862,787	48,098,813	91,763,974
	208,511,498	**71,068,382**	**137,443,116**

Allocation of Depreciation

	June 30, 2009	June 30, 2008
	RUPEES	
Depreciation for the period has been allocated as follows:		
Production Expenses		
Administrative Expense	**5,395**	**6,083**
	5,395	**6,083**

7.2. No Depreciation since 2002-2003 on Assets except a Hut on Sandspit (Lease Hold) and Vehicles has been charged during the period as their has been no production activity made during the period under review. Had the company charged depreciation on all the assets of the company the written down value of Fixed assets would have been reduced by Rs. 98,408,217 and consequently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 98,408,217 and also the company not considered the the impact of depreciation on revaluation then written down value of Fixed assets (with out revaluation) would have been reduced by Rs. 76,562,737 and conseuently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 76,562,737.

Particulars	Cost/Revaluation				Rate	Depreciation			Written Down
	As at July 01, 2008	Revluation	Additions / (Deletion)	As at June 30, 2009	%	As at July 01, 2008	For the period	As at June 30, 2009	Value As At June 30, 2009
	Rupees					Rupees			
Lease hold land	10,956,340	--	-	10,956,340	1	356,340	--	356,340	10,600,000
Factory Building on lease hold land	97,170,546	--	-	97,170,546	10	17,799,080	--	17,799,080	79,371,466
Plant and Machinery	188,097,970	--	-	188,097,970	10	37,902,816	--	37,902,816	150,195,154
Hut at Sanspit (Leasrhold)	308,500	--	-	308,500	10	255,623	5,288	260,911	47,590
Power House Generator	40,000	--	-	40,000	10	28,843	--	28,843	11,157
Tlephone Instalations & Instrument	108,200	--	-	108,200	10	77,108	--	77,108	31,092
Factory Tools and Eqipments	115,205	--	-	115,205	10	81,423	--	81,423	33,782
Furniture, Fixture and Equipments	3,183	--	-	3,183	10	2,184	--	2,184	999
Electrical Installations	388,116	--	-	388,116	10	126,223	--	126,223	261,893
Vehicles	195,000	--	-	195,000	20	191,022	796	191,817	3,184
Sales and Measuring Equipments	8,000	--	-	8,000	10	1,520	--	1,520	6,480
2009	297,391,060	--	-	297,391,060		56,822,182	6,083	56,828,266	240,562,796
2008	297,391,060	--	-	297,391,060		56,815,312	6,870	56,822,182	240,568,880

		June 30, 2010	June 30, 2009
		(Rupees)	
8.	**Long Term Deposits**		
	Central Depository Company	25,000	25,000
9.	**Advance Income Tax**	38,688	38,688
		38,688	38,688
10.	**Trade Deposits and Prepayments - Considered good**		
	Guarantee Margins	474,980	474,980
		474,980	474,980
11.	**Cash and Bank Balances**		
	Cash in Hand	--	--
	Cash at Banks - Current Accounts	76,142	75,575
		76,142	75,575
12.	**Trade and Other Payables**		
	Creditors for Goods	50,666	81,804
	Accrued Liabilities		
	Accrued Expenses	331,195	1,106,471
	Others		
	With holding tax Payable	-	267,274
		381,861	1,455,549

13. Contingencies and Commitments

13.1. Karachi port trust's has filed a suit bearing No.201 of 2001 in Banking Court No.1 against National Bank of Pakistan and other claiming recovery of Rs. 73, 23,546 under section 9 of the Banking Companies (Recovery of Loan, Advances, Credit and Finance) Act XV of 1997. The ultimate result of the suit can put the Company to bear liability in case of any order / decree is passed by the said Court in favor of K.P.T Landmark Spinning Industries Ltd. has filed litigation as Intervener / Defendant No. 3 in order to Contest the Suit as Party on invalid claim of KPT against the Bank guarantees of Rs. 3,245,000 which expired on 15th May, 1994. The matter is pending adjudication.

14. Issued, Subscribed and Paid-up Capital

No. of Ordinary Shares of Rs. 10/- each

2010	2009		June 30, 2010	June 30, 2009
			(Rupees)	
12,123,700	12,123,700	Fully Paid in cash	121,237,000	121,237,000
12,123,700	12,123,700		121,237,000	121,237,000

15. Surplus on Revaluation of Property, Plant and Equipments

This represents surplus over the book value resulting from the revaluation of land, Building and Plant and Machinery carried out by independent valuer namely M/s A.R. Bherwani (Private) Limited, and their Report on the revaluation dated April 21, 2008 on the basis of market value or depreciated replacement values as applicable.

		June 30, 2010	June 30, 2009
		(Rupees)	

16. Long term Loan

(Unsecured & Interest free)			
From Directors	16.1.	23,427,751	23,427,751
From Associated Undertakings	16.2.	178,431,369	176,465,089
		201,859,120	199,892,840

16.1 Maximum balance due at the end of any month during the year is Rs 23,427,751 (2009 : Rs 23,427,751)
16.2 Maximum balance due at the end of any month during the year is Rs. 178,431,369 (2009 : Rs 176,465,089)
16.3 Terms of repayment of these loans have not been executed with the directors and associated undertakings
16.4 The above loans are unsecured and interest free.

17. Administrative and General Expenses

Salaries & Wages	487,817	465,866
Fees & Subscription	98,750	130,906
Printing & Stationery	35,875	33,250
Advertisement Expenses.	12,920	9,690
Insurance Exp.	--	74,028
Legal and Professional Charges	30,000	30,000
Oil and Lubricants Consumed	150,250	98,700
Auditors' Remuneration	75,000	75,000
Depreciation Expenses.	5,395	6,083
	896,007	923,523

18. Finance Cost

Bank Charges and Commission	1,413	2,145
	1,413	2,145

19. Taxation

19.1 The company's income tax assessment have been finalized including and up to Tax year 2009.

19.2 Management feels that there is no material temporary differences. Accordingly, deferred tax provision is not required.

19.3.The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in theses financial statements as the company is not in operational activities as described in note 1 of these financial statements.

20. Earnings Per Share - Basic and Diluted

Profit after Taxation		(897,420)	(925,668)
Weighted Average Number of Ordinary Shares		12,123,700	12,123,700
Earning Per Share - Basic	Rupees	(0.07)	(0.08)

21. Related Party Transactions

Bridge financing	1,966,280	830,316

All transactions were carried out on normal terms and conditions. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment.

22. Plant Capacity and Production

Particulars	2010		2009	
	Average Count		Average Count	
Actual production converted to 20 count	-	-	-	-
Attainable capacity (in million kgs)	-	6,152	-	6,152
Number of spindles installed	-	22,848	-	22,848
Worked during the year	-	-	-	-
Number of shifts worked during the year	-	-	-	-

23. Reason for Suspension of Operation

The Production remain Suspended during the Period 2009-2010 under review due to repeated power break downs in winder (Baluchistan) causing damage to the machinery, beside, unfavorable market conditions, unworkable prices of raw Cotton and to increase overhead Costs. The company is in preparation to commence production activities in near future as and when Gas supplies are made available by SSGC in Winder Baluchistan.

24. Remuneration of Chief Executive, Directors and Executives

No. remuneration or Benefit paid to Chief Executive, Director and Executives of the company due to company not involve in the operational activities.

25. Financial Instruments

The Company has exposures to the following risks fromÊ its use of financial instruments:

Credit risk

Liquidity risk

Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

25.1. Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the nitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	June 30, 2010	June 30, 2009
	Rupees	
Deposits and Prepayments	474,980	474,980
Cash with banks in current accounts	76,142	75,575
	551,122	550,555

25.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark up accrued.

	2010					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve	One to two year	Two to five years
	Rupees					
Financial liabilities						
Long term Loans from Associated companies - interest free	201,859,120	201,859,120	-	-	-	199,892,840
Trade and other payables	381,861	381,861	431,813	-49,952	-	-
	202,240,981	202,240,981	431,813	-49,952	-	199,892,840

	2009					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve	One to two year	Two to five years
	Rupees					
Financial liabilities						
Long term Loans from Associated	199,892,840	199,062,524	-	-	-	199,062,524
Trade and other payables	1,455,549	1,363,056	265,980,00	1,097,076,00	-	-
	201,348,389	200,425,580	265,980,00	1,097,076,00	-	199,062,542

25.3.Market risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices. The Company manages market risk through binding contracts.

a) Currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

b) Interest rate risk

The Company has availed interest free long term loans from associated companies therefore the Company is not exposed to Interest rate risk.

25.4.Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

25.5.Capital risk management

The Company's objective 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 other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

25.6.Fair value of financial instruments

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

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

26. General

i) Figures have been rounded off to nearest rupee.

ii) Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani rupees, which is the Company's functional and Presentational currency.

AKBERALI HASHWANI	**AMIN A. HASHWANI**
Chief Executive	**Director**

Karachi:
Dated: 08-10-2010

PATTERN OF SHARE HOLDING
AS AT JUNE 30, 2010

S/NO	NUMBER OF SHARE HOLDER	SHARE HOLDING BOUNDARIES			NOS. OF SHARE HELD
1	66	1	100	-	4063
2	229	101	500	-	114,469
3	15	501	1,000	-	13,621
4	28	1,001	5,000	-	76,762
5	6	5,001	10,000	-	49,500
6	3	10,001	15,000	-	39,587
7	2	15,001	20,000	-	35,200
8	2	25,001	30,000	-	57,500
9	1	35,001	40,000	-	40,000
10	1	95,001	100,000	-	95,849
11	1	100,001	200,000	-	200,000
12	1	270,001	275,000	-	270,908
13	1	445,001	450,000	-	447,937
14	1	1,480,001	1,485,000	-	1,481,440
15	1	1,510,001	1,515,000	-	1,510,445
16	1	1,750,001	1,755,000	-	1,752,019
17	1	1,960,001	1,965,000	-	1,963,440
18	-	3,000,001	4,000,000	-	3,970,960
	361				12,123,700

CATEGORIES OF SHARE HOLDERS	NOS. OF SHARE HOLDERS	NOS. OF SHARE HELD	PERCENTAGE OF SHARES HELD
INVESTMENTS COMPANIES	2	228,500	1.88
INSURANCE COMPANIES	1	4,000	0.03
JOINT STOCK COMPANIES	4	30,969	0.25
BANKS & FINANCIAL INSTITUTIONS	7	4,353,617	35.91
DIRECTORS, CEO, THEIR SPOUSES			
& MINOR CHILDREN	7	7,168,816	59.13
INDIVIDUAL	340	337,798	2.79
TOTAL	361	12,123,700	100

Details of Categories of Shareholders
As At June 30, 2010

		NUMBER OF SHAREHOLDERS	SHARE HELD
INVESTMENT COMPANIES		2	228,500
INSURANCE COMPANIES		1	4,000
JOINT STOCK COMPANIES		4	30,969
BANKS AND FINANCIAL INSTITUTIONS		3	4,337,817
DIRECTORS, CEO THEIR SPOUSES AND MINOR CHILDREN			
Mr. Akberali Hashwani	Chief Executive		1,963,440
Mr. Amin A. Hashwani	Director		1,510,445
Mr. Abdullah Hashwani	Director		1,752,019
Mr. Nizam A. Hashwani	Director		1,481,440
Mrs. Sultana Hashwani	Director		500
Mrs. Farieha A. Hashwani	Director		500
Syed Raza Abbas Jaffery	(Represent-NBP-Trustee Dept.)		447,937
	(Represent-NIT)		11,535
			7,167,816
INDIVIDUALS		344	354,598
		361	12,123,700

Shareholders Holding 10% or More Voting Interest in the Company
As At June 30, 2010

		Shares Hold	Percentage
Mr. Akberali Hashwani	Chief Executive	1,963,440	16.20
Mr. Amin A. Hashwani	Director	1,510,445	12.45
Mr. Abdullah Hashwani	Director	1,752,019	14,45
Mr. Nizam A. Hashwani	Director	1,481,440	12.22
National Bank of Pakistan (Formerly Mehran Bank Ltd.)		3,970,960	32.75

Form of Proxy

LANDMARK SPINNING INDUSTRIES LIMITED

I/We..

of..

a member(s) of LANDMARK SPINNING INDUSTRIES LIMITED and holder of ....

ordinary share, do hereby appoint..

of..

or failing him ....

of..

a member of LANDMARK SPINNING INDUSTRIES LIMITED, vide Registered Folio No. .... as my/our proxy to act on my/our behalf at 18th Annual General Meeting of the Company to be held on 30th October 2010 at 6:30 p.m. at 1st Floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

Sidned this ....day of 2010

Signature..

Affix Five Rupees Revenue Stamp

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

NOTES:

1. No proxy shall be valid unless it is duly stamped with a revenue stamp worth Five Rupees.

2. In the case of Bank or Company, the proxy form must be executed under its Common seal and signed by its authorised person.

3. If this proxy form is signed undera Power of attorney or their authority then a notarially copy of that power of attorney/authority must be deposited alongwith this proxy form.

4. This form of proxy duly completed must be deposited at the Registered Office of the Company at least 48 hours before the time of holding the meeting.