

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM BALANCE SHEET (UN-  
AUDITED) AS ON DECEMBER 31, 2013**

	Note	For the Half year Ended		For the Quarter year Ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Rupees	Rupees	Rupees	Rupees
<b>NON CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Property, Plant and Equipment (At Cost less Accumulated Depreciation)		240,542,860	240,544,552		
<b>LONG TERM DEPOSITS</b>		25,000	25,000		
<b>CURRENT ASSETS</b>					
Loans and Advances		38,688	38,688		
Trade Deposits & Payments		474,980	560,980		
Cash and Bank Balances		74,992	110,065		
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	5	588,660	709,733		
		4,219,645	297,545		
		4,219,645	297,545		
Contingencies	6	(3,630,985)	412,188		
		236,936,875	240,981,740		
		150,000,000	150,000,000		

15,000,000 (June 30, 2013: Rs. 15,000,000) Ordinary Shares of Rs.10/- each

**ISSUED SUBSCRIBED & PAID UP CAPITAL**

12,123,700 (June 30, 2013: 12,123,700 ) Ordinary Shares of Rs.10/- each fully paid in cash

Accumulated Loss

Surplus on Revaluation of Property, Plant & EQP

121,237,000

(177,871,149)

(56,634,149)

87,713,358

87,713,358

205,857,666

205,327,323

236,936,875

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**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-  
AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Note	For the Half year Ended		For the Quarter year Ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Rupees	Rupees	Rupees	Rupees
<b>SALES - Net</b>		-	-	-	-
<b>Cost of Sales</b>		-	-	-	-
<b>Gross Profit / (Loss)</b>		-	-	-	-
<b>OPERATING EXPENSES</b>					
Administrative Expenses		617,530	616,885	260,034	381,511
Operating (Loss)		(617,530)	(616,885)	(260,034)	(381,511)
Financial Cost		(478)	(1,162)	32	(659)
		(618,008)	(618,047)	(260,002)	(382,170)
<b>Extra ordinary expenses</b>		-	-	-	-
Payment against settlement of case as disclosed in contingencies note 5.1 to the condensed interim financial statement with Karachi Port Trust(KPT),		(3,957,200)	-	(3,957,200)	-
<b>(Loss) Before Taxation</b>		(4,575,208)	(618,047)	(4,217,202)	(382,170)
Taxation Current		-	-	-	-
<b>(Loss) After Taxation</b>		(4,575,208)	(618,047)	(4,217,202)	(382,170)
<b>(Loss) Per Share -Basic</b>	8	(0.38)	(0.05)	(0.35)	(0.03)

The annexed Notes form an integral part of these accounts.

**STATEMENT OF COMPREHENSIVE INCOME(UN-  
AUDITED) CONDENSED INTERIM FOR THE HALF YEAR  
ENDED DECEMBER 31, 2013**

Quarter Ended

Dec 31 2013

Dec 31 2012

Rupees

Rupees

(4,575,208)

(618,047)

(4,575,208)

(618,047)

(4,575,208)

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**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT  
(UN-AUDITED) FOR THE HALF YEAR ENDED  
DECEMBER 31, 2013**

	Dec 31		Dec 31	
	2013	2012	2013	2012
	Rupees	Rupees	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss) before taxation	(4,575,208)	(618,047)		
<b>Adjustment of non-fund items:</b>				
Depreciation	1,692	1,898		
Financial Charges	478	1,162		
	2,170	3,060		
	(4,573,038)	(614,987)		
<b>WORKING CAPITAL CHARGES</b>				
(Increase) / decrease in current Assets:				
Loan and Advance	86,000	-		
Increase / (decrease) in current Liabilities:				
Trade and Other Payables	3,922,101	26,592		
	4,008,101	26,592		
	(564,937)	(588,395)		
<b>Cash generated from operation</b>	(478)	(1,162)		
Financial Cost Paid	(478)	(1,162)		
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	(565,415)	(589,557)		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long term loans	530,343	590,636		
Net cash flow from investing activities	530,343	590,636		
<b>Net Increase / (decrease) in cash &amp; bank balances</b>	(35,072)	1,079		
Cash and Bank Balances at the beginning of the year	110,065	91,290		
Cash and Bank Balances at the end of the year	74,993	92,369		

The annexed Notes form an integral part of these account.

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM BALANCE SHEET (UN-  
AUDITED) AS ON DECEMBER 31, 2013**

Quarter Ended

Dec 31 2013

Dec 31 2012

Rupees

Rupees

(4,575,208)

(618,047)

(4,575,208)

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

**Introduction**  
We have reviewed the accompanying Condensed interim balance sheet of Landmark Spinning Industries Limited ("the company") as at December 31, 2013 and the related Condensed interim profit and loss account, Condensed interim Statement of comprehensive income, Condensed interim cash flow statement and Condensed interim 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.

**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.

**Conclusion**  
a) The company has incurred a net loss of Rs. 4,575,208/- during the period ended December 31, 2013, and as of that date it has accumulated losses of Rs. 177,871,148 which have eroded its capital and its total liabilities exceeded its total assets by Rs. 56,634,148/=. the company has not started its production for last many years despite representation made by the management to revive the production as fully disclosed in note 1.2 to these condensed interim financial Statements moreover, the Securities and Exchange Commission of Pakistan issued notice under section 305(c) of the companies ordinance 1984 regarding the winding up petition to be filed against the Company and passed the order directing to file the winding up petition as fully disclosed in note 6.2 to these condensed interim financial Statements. 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) Depreciation on fixed assets has not been charged except on Vehicle and Hut at sandpitt since the date commercial operation was 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. 99,359,894 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs. 99,359,894. 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. 139,354,090 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 139,354,090.

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, 2013 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

CHARTETED ACCOUNTANTS  
Audit Engagement Partner: Mohammad Tariq  
Karachi:  
Dated: 25.02.2014

AMIN A. HASHWANI  
Director

AKBER ALI HASHWANI  
Chief Executive

AMIN A. HASHWANI  
Director

AKBER ALI HASHWANI  
Chief Executive

AMIN A. HASHWANI  
Director

AKBER ALI HASHWANI  
Chief Executive

## LAND MARK SPINNING INDUSTRIES LIMITED CONDENSED INTERIM NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

### 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.G.C. Limited, which is in progress, the production will be expected to commence in near future.

### 1.2 Going Concern Assumption

The Company incurred a net loss, after tax, of Rs.4,575,208/-, during the half year ended December 31, 2013, and as of that date it has accumulated loss of Rs.177,871,148 which have eroded its Capital and its total liabilities exceed its Total Assets by Rs.56,634,148/- Further, as mentioned in Note 1.1, the operation of the company are, and have been in recession for a considerable period of time. During the period 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 revive 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.

### 2. Statement of Compliance

These condensed interim financial statements are un-audited but subject to limit scope review by the auditors. These condensed interim financial statements of the company for the six months period ended December 31, 2013 has been prepared in accordance with the requirements of International Accounting Standard (IAS) -34 "interim financial Reporting" and Provisions of and directives issued under the companies ordinance, 1984, in case where the requirements differ, the provision of or directives issued under the Companies ordinance, 1984 have been followed.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2012 and 2013 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended December 31, 2012 and 2013. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2013

### 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, 2013.

### 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.1.1 of these financial statements.

### 5. Trade and Other Payables

KPT Settlement amount (as disclosed in note 6.1 to these condensed interim financial Statements) 3,957,200  
Accrued Expenses and others 262,445  
**4,219,645**

### 6. Contingencies

6.1 There is no significant change in Contingencies and commitments as reported in the financial Statements for the year ended June 30, 2013. Except Karachi Port Trust contingent liability stands settled and finalized at Rs.3,957,200/= under out of court settlement arrangement between Karachi Port Trust and Landmark Spinning Industries Limited, the said settlement amount has been paid by the company on 13th January 2014, and the Karachi Port Trust Legal affairs department and the Company are in process of withdrawal of cases/ litigation against each other therefore the decree of the Court is awaited.

6.2 Securities and Exchange Commission of Pakistan issued notice under section 305 (c) of the Companies Ordinance 1984 regarding the winding up petition to be filed against the company and the Deputy Enforcement Wing of SECP has passed the order directing to file the winding up petition vide their order dated May 07, 2013. The Company filed a revision petition against the said order under section 484 of the Companies Ordinance 1984 in which the company requested SECP to allow time for commencing business operation of Factory up to December 31, 2014 as at that time supply of Iran Gas will commence to Pakistan, which onward will be supplied to M/s. Landmark Spinning Mills Limited enabling the Company to start the commercial production therefore the SECP after considering this fact granted the time December 31, 2014

	December 31, 2013	June 30, 2013
<b>7 Long term Loan - unsecured, interest free</b>		
Loan from Director	23,427,751	23,427,751
Loan from Associated Companies	<u>182,429,915</u>	<u>181,899,572</u>
	<u>205,857,666</u>	<u>205,327,323</u>

	<b>For the Half Year Ended</b>		<b>For the Quarter Ended</b>	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
<b>8 Earning Per Share - Basic</b>				
Net Loss for the period	(4,575,208)	(618,047)	(4,217,202)	(582,170)
Weighted average number of ordinary shares issued during the period	12,123,700	12,123,700	12,123,700	12,123,700
Earning Per Share - Basic	<u>(0.38)</u>	<u>(0.05)</u>	<u>(0.35)</u>	<u>(0.05)</u>

### 9 Transaction with Related Parties

Related parties transactions are carried out in the normal course of business with various related parties during the period are given below:

	December 31, 2013	December 31, 2012
Interest free loan received from related parties	<u>530,343</u>	<u>590,636</u>

### 10 Date of Authorization for issue

These Financial Statements were authorized for issue on February 25, 2014 by the Board of Directors of the Company.


### 11 General

Figures have been round off to the nearest rupee

## LAND MARK SPINNING INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	<b>Share Capital</b>		<b>Unappropriated (Loss)</b>		<b>Total</b>	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on July 01, 2012	121,237,000	-	(172,123,738)	(50,886,738)	-	-
Total Comprehensive Income	-	-	(618,047)	(618,047)	-	-
Balance as at December 31, 2012	<u>121,237,000</u>	<u>121,237,000</u>	<u>(172,741,785)</u>	<u>(51,504,785)</u>	<u>121,237,000</u>	<u>121,237,000</u>
Balance as at July 01, 2013	121,237,000	-	(173,295,941)	(52,058,941)	-	-
Total Comprehensive Income	-	-	(4,575,208)	(4,575,208)	-	-
Balance as on December 31, 2012	<u>121,237,000</u>	<u>121,237,000</u>	<u>(177,871,149)</u>	<u>(56,634,149)</u>	<u>121,237,000</u>	<u>121,237,000</u>

The annexed notes form an integral part of these accounts.

  
**AKBER ALI HASHWANI**  
Chief Executive

  
**AMIN A. HASHWANI**  
Director

## LAND MARK SPINNING INDUSTRIES LIMITED.

### DIRECTORS REPORT

The Board of directors of your company is presenting the un-audited half yearly financial statements of the Company, as reviewed by the Auditors for the period ended 31st December 2013. These financial statements have been prepared in compliance with IAS and are submitted under section 245 of the Companies Ordinance 1984.

Your company has sustained a net loss amounting to Rs.4,575,208 for the half year ended 31st December 2013, which is mainly based on salary of security staff of factory and other general expenses & the payments of deferred liability relates to Karachi Port Trust out of court settlement accrued in books of account.

During the period under review in this half year no operational activity has taken place. The gas line at winder is not yet commissioned and in the absence of viable power cost, it is unworkable to run the industry at winder, further the law and order situation in Balochistan is alarming and to carry on commercial activity at Winder would be highly risky for the time being.

Further, this is to inform you that the pending issue of Contingency liability in respect of Karachi Port Trust, demurrage charges has been resolved and settled out of the Court by the Company by assuming deferred liability of Rs. 3,957,200, approved by Karachi Port Trust, and the said settlement amount has been paid by the company on 13th January 2014, and the litigation pending in the Court of law are accordingly stand settled and in process of desposal.

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 ISA 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 of 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, law and order situation in Balochistan improves, and conducive business trends in textile sector take place.

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

Dated, 25th February, 2014  
Karachi.

By order of the Board.

  
(AKBAR ALI HASHWANI)  
Chief Executive.

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