

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS ON DECEMBER 31, 2014**

	Note	Dec 31, 2014 Rupees	June 30, 2014 Rupees
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, Plant and Equipment	4	241,795,021	241,796,529
Cash and Bank Balances		25,000	25,000
<b>LONG TERM DEPOSITS</b>			
<b>CURRENT ASSETS</b>			
Loans and Advances		38,688	38,688
Cash and Bank Balances		80,122	81,324
		118,810	120,012
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		243,320	263,520
		243,320	263,520
		(124,510)	(143,507)
Contingencies and Commitments	5	241,695,511	241,678,022
<b>SHAREHOLDER EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL</b>			
AUTHORISED CAPITAL			
15,000,000 (June 30, 2014: Rs. 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 20, 2014: 12,123,700) Ordinary Shares of Rs.10/- each fully paid in cash		121,237,000	121,237,000
Accumulated Loss		(191,442,450)	(190,774,918)
		(70,205,450)	(69,537,918)
Surplus on Revaluation of Property, Plant & EQP		100,928,689	100,928,689
<b>NON CURRENT LIABILITIES</b>			
Long Term Loans - Unsecured, Interest Free	6	210,972,272	210,287,251
		241,695,511	241,678,022

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

**AMIN A. HASHWANI**  
Chief Executive

**ABDULLAH A. HASHWANI**  
Director

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

Note	For the Half year Ended		For the Quarter year Ended	
	December 31, 2014 Rupees	December 31, 2013 Rupees	December 31, 2014 Rupees	December 31, 2013 Rupees
SALES - NET	-	-	-	-
COST OF SALES	-	-	-	-
<b>GROSS PROFIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES</b>				
Administrative Expenses	666,077	617,530	399,723	260,034
Operating (Loss)	(666,077)	(617,530)	(399,723)	(260,034)
Financial Cost	(1,455)	(478)	(880)	32
	(667,532)	(618,008)	(400,603)	(260,002)
<b>Extra ordinary Expenses</b>				
Payment against settlement of case with KPT	-	(3,957,200)	-	(3,957,200)
	(667,532)	(4,575,208)	(400,603)	(4,217,202)
Taxation Current	-	-	-	-
(Loss) After Taxation	(667,532)	(4,575,208)	(400,603)	(4,217,202)
(Loss) Per Share -Basic	7. (0.06)	(0.38)	(0.03)	(0.35)

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, 2014**

	Quarter Ended	
	Dec 31 2014 Rupees	Dec 31 2013 Rupees
Profit / (loss) for the quarter	(667,532)	(4,575,208)
Other comprehensive income	-	-
Total Comprehensive income	(667,532)	(4,575,208)

The annexed Notes form an integral part of these accounts.

**AMIN A. HASHWANI**  
Chief Executive

**ABDULLAH A. HASHWANI**  
Director

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT  
(UN-AUDITED) AS ON DECEMBER 31, 2014**

	Dec 31 2014 Rupees	Dec 31 2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
( Loss) before taxation	(667,532)	(4,575,208)
Adjustment of non-fund items:		
Depreciation	1,508	1,692
Financial Charges	1,455	478
	2,963	2,170
	(664,569)	(4,573,038)
Working capital charges (INCREASE)/DECREASE IN CURRENT ASSETS:		
Other Receivables	-	86,000
INCREASE/(DECREASE) IN CURRENT LIABILITIES:		
Trade and Other Payables	(20,199)	3,922,101
	(20,199)	4,008,101
Cash generated from operations	(684,768)	(564,937)
Financial Cost Paid	(1,455)	(478)
	(1,455)	(478)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(686,223)	(565,415)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans	685,021	530,343
Net cash flow from investing activities	685,021	530,343
NET INCREASE/(DECREASE) IN CASH & BANK BALANCES	(1,202)	(35,072)
Cash and bank balances at the beginning of the period	81,324	110,065
CASH AND BANK BALANCES AT THE END OF THE PERIOD	80,122	74,993

The annexed Notes form an integral part of these account.

**AMIN A. HASHWANI**  
Chief Executive

**ABDULLAH A. HASHWANI**  
Director

**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, 2014 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. The figures of the Condensed interim profit and loss account for the quarter ended December 31, 2014 and December 31, 2013 have not been reviewed as we are required to review only the cumulative figures for the six months ended December 31, 2014.

**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.

**Basic of Qualification**

a) The company has incurred a net loss of Rs. 667,532/- during the period ended December 31, 2014. and as of that date it has accumulated losses of Rs. 191,442,450 which have eroded its capital, its total liabilities exceeded its total assets by Rs. 70,205,450/-, and its current liabilities exceeded its current assets by Rs. 124,510/=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 5.2 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 sandpit 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. 92,544,133 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs. 92,544,133. 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. 148,785,337 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 148,785,337.

c) The company has not accounted for Loans received from associated concerns and directors as disclosed in note 6.1 to the Condensed interim financial Statements on amortised cost as required by IAS-39 due to unavailability of tenure of loan we therefore unable to quantify effect of the same.

**Qualified Conclusion**

Based on our review, except for the matter discussed in the preceding paragraph (a) to (c) 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, 2014 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

CHARTERED ACCOUNTANTS  
Audit Engagement Partner: Mohammad Tariq  
Karachi:  
Dated: 25th February 2015

**LAND MARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM NOTES TO THE ACCOUNTS ( UN-  
AUDITED ) FOR THE HALF YEAR ENDED  
DECEMBER 31, 2014**

**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.

**1.2 Going Concern Assumption**

The Company incurred a net loss, after tax, of Rs.667,532/-, with out charging depreciation as disclosed in note 4.1 to the financial Statements during the half year ended December 31, 2014, and as of that date it has accumulated losses of Rs. 191,442,450 which have eroded its Capital, its total liabilities exceed its Total Assets by Rs. 70,205,450/- and its current liabilities exceed its current Assets by Rs. 124,510/-. Further, as mentioned in Note 1.1, the operations 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 limited scope review by the auditors. These condensed interim financial statements of the company for the six months period ended December 31, 2014 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, 2013 and 2014 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended December 31, 2013 and 2014. 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, 2014

**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, 2014.

**4. Property, Plant and Equipments**

Note	December 31, 2014	December 31, 2013
4.1		
WDV of Property , Plant and Equipments as on July 01,	241,796,529	241,799,912
Less: Depreciation Charge during the period	1,508	3,383
	<u>241,795,021</u>	<u>241,796,529</u>

**4.1 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. Contingencies**

5.1 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 Director 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 till December 31, 2014. Further Proceeding are awaited till the reporting date.

	December 31, 2014	December 31, 2013
<b>6. Long term Loan - unsecured, interest free</b>		
Loan from Director	15,616,939	15,616,939
Loan from Associated Companies	195,355,333	194,670,312
	<u>210,972,272</u>	<u>210,287,251</u>

6.1 These loans have been obtained from directors and Associated Concerns of the company to meet its financial obligatory losses and are unsecured and interest free loans. These will be paid as and when convenient to the company. There is no fixed schedule and tenure for repayment of these loans. Owing to the uncertainties regarding remaining tenure of these loans, and future cash flows the amortised cost cannot be ascertained and accordingly these loans have been carried at historical cost.

	For the Half Year Ended		For the Quarter Ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees	Rupees	Rupees	Rupees
<b>7. Earning Per Share -Basic</b>				
Net Loss for the period	(667,532)	(4,575,208)	(400,603)	(4,217,202)
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>(0.06)</u>	<u>(0.38)</u>	<u>(0.03)</u>	<u>(0.35)</u>

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

**8. 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:

Interest free loan received from related parties	685,021	530,343
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**9. Date of Authorization for issue**

These Financial Statements were authorized for issue on February , 2015 by the Board of Directors of the Company.

**10. General**

10.1 Figures have been round off to the nearest rupee

**LANDMARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED)FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Share Capital	Unappropriated (Loss)	Total
	Rupees	Rupees	Rupees
Balance as on June 30,2013	121,237,000	(173,295,941)	(52,058,941)
Total Comprehensive Income	-	(4,575,208)	(4,575,208)
Balance as at December 31, 2013	<u>121,237,000</u>	<u>(177,871,148)</u>	<u>(56,634,148)</u>
Balance as at June 30, 2014	121,237,000	(190,774,918)	(69,537,918)
Total Comprehensive Income	-	(667,532)	(667,532)

Balance as on December 31, 2014 **121,237,000** **(191,442,450)** **(70,205,450)**

The annexed notes form an integral part of these accounts.



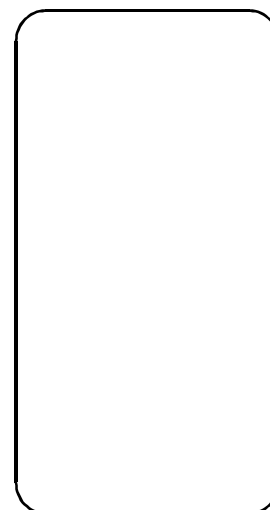
**AMIN A. HASHWANI**  
Chief Executive



**ABDULLAH A. HASHWANI**  
Director

**LAND MARK SPINNING INDUSTRIES LIMITED  
CONDENSED INTERIM HALF YEARLY ACCOUNTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

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I.I. CHUNDRIGAR ROAD, KARACHI.



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under postal certificate

**LANDMARK 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 2014. 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.667,532 for the half year ended 31st December 2014, which is mainly based on salary of security staff of factory and other general expenses.

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.

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.

Regarding the auditors observation the company has not accounted for loan received from associated concern and director (with reference to IAS 39) of the company and are unsecured and interest free loan. These will be paid as and when convenient to the company. There is no fixed schedule and tenure for payment of these loans. Owing to the prevailing Balochistan condition and cash flow position regarding remaining tenure of these loans, and future cash flow the amortized cost cannot be ascertained and accordingly these loans have been carried at historical cost.

Your directors wish to utilize their precious investment made in this unit by restarting factory provided the viability of unit, law and order situation in Balochistan improves, and conducive business trends in textile sector take place.

Your directors however to express their appreciation to the staff of the company services rendered.

Dated, 25th February, 2015  
Karachi.

On Behalf of the Board.



**(AMIN A. HASHWANI)**  
Chief Executive.