Annual Report

30th June 2016

LANDMARK
SPINNING INDUSTRIES
LIMITED

CONTENTS

Corporate Information

Board of Directors

Chairman	**:**	Mr. Nizam A. Hashwani
Chief Executive	**:**	Mr. Amin A. Hashwani
Directors	**:**	Mr. Abdullah A. Hashwani Syed Raza Abbas Jafferi Mrs. Sultana A. Hashwani Mrs. Farieha A. Hashwani Mrs. Shahrina Hashwani
Audit Committee	**:**	Mrs. Shahrina Hashwani - Chairperson Mr. Nizam A. Hashwani Mr. Abdullah A. Hashwani
HR Remuneration Committee	**:**	Mr. Abdullah A. Hashwani-Chairman Mrs. Farieha A. Hashwani Mrs. Shahrina Hashwani
Chief Financial Officer & ***Company Secretary***	**:**	Mr. Yousuf Noorani
Auditors	**:**	Feroze Sharif Tariq & Co. Chatered Accountants
Bankers	**:**	Habib Metropolitan Bank 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 effect high value, economical and qualitative solutions to address the textile needs of a diverse range of customers.**
- **To seek long-term and good relations with our suppliers and customers satisfaction.**
- **To be totally customer oriented company and to achieve total customer satisfaction.**
- **To create a working environment, which motivates, recognizes and rewards achievements at all levels of the organization.**
- **To be contributing cooperative citizen for the betterment of society, and exchibit a socially responsible behaviors.**
- **To conduct business with integrity and strive to be the best.**

NOTICE OF 25TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Thursday the 27th October 2016, at 02:00 pm at Landmark Spinning Industries Limited, 1st Floor Cotton Exchange Building I.I. Chundriger Road , Karachi, to transact the following ordinary business:

1. To confirm the minutes of the Twenty Forth Annual General Meeting held on 26th October 2015.
2. To receive consider and adopt the audited account for the year ended 30th June 2016, together with the Auditors and Directors report thereon.
3. To elect seven directors of the company for a period of three years commencing from 30th October 2016, in accordance with the provision of the companies Ordinance 1984.

The following are the retiring directors:

1) Mr. Amin A. Hashwani
2) Mr. Nizam A. Hashwani
3) Mr. Abdullah A. Hashwani
4) Mr. Syed Raza Abbas Jafferi
5) Mrs. Sultana A. Hashwani
6) Mrs. Farieha A. Hahswani
7) Mrs. Shahrina Hashwani

4. To consider & approve, if through expedient, the appointment of Chief Executive and fixation of their remuneration. Mr. Amin Hashwani will stand ceased as Chief Executive officer upon completion of 3 years as on 30/10/2016, and he is eligible to be appointed as such from 31/10/2016.

5. To appoint Auditors for the year ended 30th June 2017, 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.

6. To transect any other business with the permission of Chairman.

By Order of the Board

Yousuf Noorani
Company Secretary

Karachi 04th, October 2016

NOTES:

1. The share Transfer Books of the Company will remain closed from 20-10-2016 to 27-10-2016 (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 are 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. 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.
5. The members are requested to immediately notify the change of address, if any and also to supply a copy of NIC for record of the Company's share registrar M/S. Your Secretary (Pvt) Limited.
6. The members shall made and retrieve the Corporate information and Financial reports from the Company's Web side; www.landmarkspinning .com .

DIRECTORS' REPORT

The Directors of your company are pleased to place Twenty Fifth Annual Report together with Auditor's Report and Audited Financial Statements of the Company for the year ended 30th June 2016, at the Annual General Meeting of Company..

Your. company having no operational activity has sustained a net loss after tax of Rs.34,265,352 for the year ended 30th June 2016,details are given below;

Deprecation	(23,223,093)
Financial Cost	(1,662)
Amortizing of Associated Cos Loan (IAS-39)	(12,755,085)
Administrative Expenses	(1,295,471)
Deferred Tax	3,009,958

During the period under review, the Government had failed to provide the necessary infra structure facility. The situation however has now improved after the army operations and better governance, the law and order condition in the province has improved substantially. Further, the Government seems determined to end the power crisis. The Pak Iran Gas pipe line project that was pending due to the UN sanctions, is being restated after lifting of the sanctions. The Federal Government has entered into long-term purchase contract with Qater Government for Liquid Natural gas (LNG) , which is being imported to supply to Industries and hopefully, Balochistan province will receive its share for revival of Industries..

The management is committed to restart operational activities as soon as gas or any viable energy source is made available in the Winder Industrial Estate, which is expected by next year.

The presentation of 'Loan from Directors and Associated and Related Parties" is being made in this financial year in accordance with International Accounting Standards 39, as the auditors have also highlighted in their last Para of Auditor's Report that the reflection in the financial statements have been properly reflected.

Further the management has decided to charge depreciation on all its Fixed Assets for the year ended 30th June 2016 and onward. The accumulated depreciation up to financial year ended 30th June 2015 reported in the Auditor's Report, which would be satisfied with the Revaluation of Assets of the Company, as required to be conducted every three years in accordance with the International Accounting Standards (IAS) .

.

The auditor's observation as mentioned under Para (b) of their report for the unit's existence of material uncertencity and doubt 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 in near future, in order to utilize precious investment substantially injected by the Sponsors and the management is confident that the outcome will be positive.

Your Directors are struggling to run the Unit to provide job opportunities to the local upon restart of its factory provided energy viable resources are made available by the Government..

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 result 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 practice,

" International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.

" The Internal Control system has been effectively implemented and monitored.
" There are no significant doubts upon the Company's ability to continue as going concern as the work for repair and maintenance of machinery is progressing and your management has planned to re-start the unit during the cotton crop .
" There has been no trading during the year in the shares of the company carried out by the directors, CEO, CFO, Company Secretary and their spouse and minor children.
" None of the directors 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 director s are in default of payment of any dues to a banking company,DFI, NBFI and Stock Exchange .
" There has been no material departure from the best practice of Corporate Governance.
" During the year the meeting of the Board of Directors held , attended by each directors is as follows;

Names of Directors		No. of Meetings Attended
1.	Mr. Amin A. Hashwani	(3)
2.	Mr. Abdullah A. Hashwani	(3)
3.	Mr. Nizam A. Hashwani	(4)
4.	Syed Raza Abbas Jaffery	(3)
5.	Mrs. Sultana A. Hashwani	(2)
6.	Mrs. Farieha A. Haswani	(2)
7.	Mrs. Shahrina Hashwani	(3)

DIVIDEND:

As the Company has incurred losses during the year , therefore, no dividend has been recommended by the Board.

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 , Chartered Accountants for appointment of Auditors, as required u/s, 253 of the Companies Ordinance 1984, as the retiring Auditors being eligible have offered themselves for appointment as auditors.

The pattern of share holding as required under section 234 of the Companies Ordinance 1984, for the period ended 30th June 2016, 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

AMIN A. HASHWANI
Chief Executive

Karachi:
Dated : 04th October, 2016

FINANCIAL HIGHLIGHTS

(Rupees in Thousands)

ASSETS EMPLYED	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Property Plant & Equipment (Book Value)	218,565	241,794	241,797	240.548	240.548	240.553
Long Term Deposit	25	25	25	25	25	25
Net Current Assets	(192)	(204)	(144)	412	333	347
Total Assets Employed	218,398	241,615	241,678	**240.985**	**240.906**	**240.925**
FINANCED BY						
Issued Subscribed & Paid up Capital	121,237	121,237	121,237	121.237	121.237	121.237
Reserve & surplus on revaluation	62,235	100,929	100,929	87.713	87.713	87.713
Accumulated Loss	(142,287)	(114,815)	(102,479)	(173.296)	(172.124)	(171.041)
Shareholder's Equity	70,472	107,351	119,687	35.654	36.826	37.909
Long Term Liabilities	147,926	134,264	121,991	205.327	204.080	203.015
Total Capital Employed	**218,398**	**241,615**	**241,678**	**240.981**	**240.906**	**240.942**
OTHER DATA						
Net Sales	-	-	-	-	-	-
(Loss) before Taxation	(37,275)	(12,729)	(17,479)	(1172)	(1082)	(1022)
(Loss) after Taxation	(34,265)	(12,729)	(17,479)	(1172)	(1082)	(1022)
(Loss) per Share	(2.83)	(1.05)	(1.44)	(0.10)	(0.09)	(0.08)

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2016

The statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of Listing regulation No.35 , for the purpose of establishing a framework of good governance , whereby a listed company is managed in compliance with the best practices of corporate governance.The company has applied the principle contained in the CCG in the following manner:

1. The company encourages representation of independent non - executive directors and directors representing minority interest on its board of directors. At present all the directors on board are non executives.

Category	Name
Independent Director	1. Mr. Syed Raza Abbas Jaffari
Executive Director	1. Mr. Amin A Hashwni
Non Executive Director	1. Mr. Nizam A. Hashwani 2. Mr. Abdullah Hashwani 3. Mrs. Shahrina Hashwani 4. Mrs. Sultana A. Hashwani 5. Mrs. Farieha A. Hashwani

The independent directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurred during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and signicant policies of the Company. A complete record of particulars of signicant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All directors are exempted from the requirement by virtue of their experience as prescribed by the SECP in clause (xi) of CCG. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.
10. No new appointment of CFO/Company Secretary has been made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and Financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an Audit Committee. It comprises three members, of whom two are non-executive directors and one independent director, the chairman of the committee is a non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and Final results of the Company and as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive. The Chairman of the committee is a non- executive director.
18. 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
22. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with.

By Order of the Board

Dated : 04-10-2016

AMIN A. HASHWANI
Chief Executive

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S,
KARACHI 75400

Voice: (+9221) 34540891
(+9221) 34542607
Facimile:(+9221) 34540891
E-mail: fstc.ca@gmail.com

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, 2016 prepared by the Board of Directors of Landmark Spinning Industries Limited ("the Company") to comply with the Rile book of Pakistan Stock Exchange Limited Chapter 5, clause 5.19.23 (b) of the Code of Corporate Governance, 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 the 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 and to highlight any non-compliance with the requirements of the code. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 are not required to consider whether the Board of Director's Statement on internal Control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

The code of Corporate governance requires the Company to place before the Audit committee, and upon recommendation of the Audit committee, place before the Board of Directors for their consideration and approval its 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. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of 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, 2016.

Feroze Sharif Tariq & Co.

Place: Karachi
Dated :

CHARTERED ACCOUNTANTS
Audit Engagement Partner : Mohammad Ghalib

FEROZE SHARIF TARIQ & CO
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S,
KARACHI 75400

Voice: (+9221) 34540891
(+9221) 34542607
Facimile:(+9221) 34540891
E-mail: fstc.ca@gmail.com

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, 2016** and the related Profit & Loss Account, statement of Comprehensive Statement, 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) The company has not Charged Depreciation on its fixed assets up to the last year ended June 30, 2015 except on Vehicle and Hut at sandpit since the date of commercial operation has suspended by the company in 2002-2003 as fully disclosed in note 7.2 to the financial Statement, Had the company charged depreciation on all the assets of the company without taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 94,979,417 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 94,979,417 , 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. 153,223,690 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 153,223,690.

b) The financial statements of the company for the year ended June 30, 2016 as disclosed in note 2 to the financial Statements reflect loss after taxation of Rs. 34,265,354 and as of that date it has accumulated losses of Rs. 142,287,385 which resulted in net capital deficiency of Rs. 21,050,386 and its current liabilities exceeded its current assets by Rs. 191,451 without Charging the

FEROZE SHARIF TARIQ & CO
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S,
KARACHI 75400
Voice: (+9221) 34540891
(+9221) 34542607
Facimile:(+9221) 34540891
E-mail: fstc.ca@gmail.com

Depreciation as refer in above para (a). The operations of the company were closed from the year November 29, 2002 and the company has not started its production for last many years despite representation made by the management to revive the production. Further, the winder industrial estate still not provided the gas connection as fully disclosed in note 2 and 11 to the financial Statements and in the absences of Basic infrastructure to the industrial Estate. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

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

d) in our opinion :-

   i) Except for the effects of matters referred in Paragraphs (a) and (b); 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;

   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;

e) in our opinion, and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in para (a)and (b) above, the Balance Sheet, Profit & Loss Account, statement of Comprehensive income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the loss its Comprehensive income, Cash flows and Changes in Equity for the year then ended; and

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

Without further, modifying our opinion, we draw attention to the following;

As part of our audit of the financial statements for the year ended June 30, 2016, we also audited the adjustments on account of change in accounting policy and Estimates as described in note 25 to the financial statements that were applied to amend the financial statements for the year ended June 30, 2015. In our opinion, such adjustments are appropriate and have been properly reflected.

Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS
Audit Engagement Partner: Mohammad Ghalib
Place: Karachi
Dated:

BALANCE SHEET
AS AT JUNE 30, 2016.

	Note	June 30, 2016	June 30, 2015	June 30, 2014
		RUPEES		
NON CURRENT ASSETS				
FIXED ASSETS				
Property, Plant and Equipments	7.	218,564,510	241,793,508	241,796,529
Long Term Deposits	8.	25,000	25,000	25,000
CURRENT ASSETS				
Advance Income Tax		38,688	38,688	38,688
Cash and Bank Balances	9.	31,461	38,772	81,324
		70,149	77,460	120,012
CURRENT LIABILITIES				
Trade and Other Payables	10.	261,600	281,270	263,519
Provision for Taxation	19.	-	-	-
		261,600	281,270	263,519
		(191,451)	(203,810)	(143,507)
Contingencies and Commitments	11.			
		218,398,059	241,614,698	241,678,022
SHAREHOLDERS EQUITY AND LIABILITIES				
SHARE CAPITAL				
Authorized Capital				
15,000,000 (2015: Rs. 15,000,000) Ordinary Shares of Rs.10/-each		150,000,000	150,000,000	150,000,000
Issued subscribed and Paid up Capital				
12,123,700 (2015: 12,123,700) Ordinary Shares of Rs. 10/- each fully paid in cash	12.	121,237,000	121,237,000	121,237,000
Accumulated Loss		142,287,386	114,815,040	102,478,790
		(21,050,386)	6,421,960	18,758,210
Surplus on Revaluation of Property, Plant and Equipment	13.	62,235,347	100,928,689	100,928,689
Deferred Taxation	14.	29,287,222	-	-
NON CURRENT LIABILITIES				
Long term Loans - Unsecured, Interest Free	15.	147,925,875	134,264,049	121,991,123
		218,398,059	241,614,698	241,678,022

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

Amin A. Hashwani
Chief Executive

Abdullah A. Hashwani
Director

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

	Notes	June 30, 2016	June 30, 2015
		(Rupees)	
Sales - Net		--	--
Cost of Sales	16.	(23,223,093)	--
Gross Profit		(23,223,093)	--
Operating Expenses			
Administrative and General Expenses	17.	(1,295,472)	(1,138,251)
Operating Loss		(24,518,565)	(1,138,251)
Finance Cost			
Bank Charges and Commission		1,662	1,490
Unwinding of discount-on Associated and Related Party Loans-reversal		12,755,085	11,589,157
		12,756,747	11,590,647
Loss Before taxation		(37,275,312)	(12,728,898)
Taxation			
- **Current**	18	--	--
- **Prior**		3,009,958	--
		3,009,958	--
Loss after Taxation for the year		(34,265,354)	(12,728,898)
Loss Per Share - Basic	19	(2.83)	(1.05)

The annexed notes form an integral part of these accounts.

Amin A. Hashwani	Abdullah A. Hashwani
Chief Executive	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	Year ended June 30, 2016	Year ended June 30, 2015
	(Rupees)	
Loss for the year	(34,265,354)	(12,728,898)
Other comprehensive income	-	-
Transfer from surplus on revaluation of property plant and equipment in respect of:		
Incremental depreciation	9,406,119	-
Related deferred tax	(3,009,958)	-
	6,396,161	-
Total comprehensive income/(loss) for the year	(27,869,193)	(12,728,898)

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

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

	Share Capital	Unappropriated Profit	Total
		(Rupees)	
Balance as on June 30, 2014 as disclosed	**121,237,000**	**(190,774,918)**	**(69,537,918)**
Effect of Restatement as disclosed in note 15 and 27.		88,296,128	88,296,128
Balance as on June 30, 2014-Restated	121,237,000	(102,478,790)	18,758,210
Total Comprehensive (Loss) of the year	**--**	**(12,728,898)**	**12,728,898**
Amortization of Associated and Related Party Loans		392,647	392,647
Balance as on June 30, 2015-Restated	**121,237,001**	**(114,815,040)**	**6,421,960**
Amortization of Associated and Related Party Loans		**396,846**	**396,846**
Total Comprehensive (Loss) of the year	**--**	**(27,869,193)**	**27,869,193**
Balance as on June 30, 2016	**121,237,001**	**(142,287,386)**	**21,050,386**

The annexed notes form an integral part of these accounts.

Amin A. Hashwani
Chief Executive

Abdullah A. Hashwani
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	NOTE	June 30, 2016	June 30, 2015
		(RUPEES)	
A. Cash Flow From Operating Activities			
(Loss) before taxation		(37,275,312)	(12,728,898)
Adjustment of non-fund items:			
Financial Cost		1,662	1,490
Depreciation		23,228,998	3,019
Reversal of amortization of Associated Companies Loan		12,755,085	11,589,157
		35,985,745	11,593,666
Working capital charges		(1,289,567)	(1,135,232)
(Increase)/Decrease in Current Assets		-	-
(Increase)/Decrease in Current Liabilites			
Trade and Other Payables		(19,670)	17,754
		(19,670)	17,754
		(1,309,237)	(1,117,478)
Financial Cost Paid		(1,662)	(1,490)
Income tax Paid /adjusted		-	-
Net Cash Generated from Operating Activities		(1,310,899)	(1,118,968)
B. Cash Flow from Investing Activities			
Long term deposits		-	-
Net Cash Generated from Investing Activities		-	-
C. Cash flow from financing Activities			
Long term loans		1,303,588	1,076,416
Net cash flow from financing activities		1,303,588	1,076,416
Net Increase/(Decrease) in cash and Bank Balances (A+B+C)		(7,311)	(42,552)
Cash and bank balances at the beginning of the year		38,772	81,324
Cash and Bank Balances at the end of the year	**9**	**31,461**	**38,772**

The annexed notes form an integral part of these account

Amin A. Hashwani Chief Executive	Abdullah A. Hashwani Director

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

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 shares 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 Chundrigar Road, Karachi, Pakistan; while its manufacturing facilities are located at Winder Baluchistan, 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 by S.S.G.C. Limited, which is in progress the same is also disclosed in note 11.1 to the financial statements, the production will be expected to commence in future.

2. Going Concern Assumption

The Company has incurred a net loss, after tax, of Rs. 34,265,352 , during the year ended June 30, 2016, and as of that date it has accumulated losses of Rs. 142,287,385 and its current liabilities exceeded its current assets by Rs. 191,451 . Further, as mentioned in Note 1 and 11.1, 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 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 Currently the government has entered into the agreement with Iran to supply the gas to Pakistan and the work has been started on the same and it is expected to this gas has also will supply to winder industrial State. Upon the supply of Gas connection, Further the Associated Companies have express their commitment to continue support to the company in order to maintain sustainability of the Company the same representation also given to Securities and Exchange Commission of Pakistan, the management would commence commercial operation and ultimately, the shareholders would be benefited in future.

3. Statement of Compliance

3.1 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 (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case if requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3.2 New / revised standards, interpretations and amendments

The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 – Equity Method in Separate Financial Statements
IAS 28 – Investments in Associates and Joint Ventures

The adoption of the above accounting standards did not have any effect on the financial statements.

3.3 Standards and amendments to approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (accounting periods beginning Standard or Interpretationon or after)
IFRS 2: Share-based Payments – Classification and measurement of Share based Payments Transaction (Amendments)	1-Jan-18
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)	1-Jan-16
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	1-Jan-16
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	1-Jan-16
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	1-Jan-17
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1-Jan-17
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets – Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	1-Jan-16
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	1-Jan-16
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	1-Jan-16

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. 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.

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

Standard	IASB Effective date (accounting periods Beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	1-Jan-18
IFRS 14 – Regulatory Deferral Accounts	1-Jan-16
IFRS 15 – Revenue from Contracts with Customers	1-Jan-18
IFRS 16 – Leases	1-Jan-19

4 Significant Accounting Judgments, 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.

4.5 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

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, unless an accounting policy herein states otherwise. The financial statements, except for the Land, Building and Plant and Machinery which are stated at revalued amount and 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 charged 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 base 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 any; except for capital works in progress which are stated at cost and lease hold land which is on straight line basis.

Any surplus arising on revaluation of property,plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularly to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property,plant and equipment (net of deferred tax if any) is transferred to unappropriated profit through statement of comprehensive income.

- **Depreciation**
  Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule, whereby the cost/revalued amounts 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 as a change in accounting estimate by changing the depreciation charge for the current and future periods. Except a Hut on Sandspit (Lease Hold) and Vehicles no Depreciation has been charged on the assets of the company since 2002-2003. The Company has started to Charge the depreciation on all of its assets from the year ended June 30, 2016 as decided by the Board of Directors of the company the effect of the same has disclosed in note 7.2 and 26.2 to the financial Statements.

  Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year.

  Assets residual Values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet dates.

- **Repairs, renewals and maintenance**
  Major repairs and renewals are capitalized . Normal repairs 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.

Provision for Slow moving, damaged and obsolete items are charged to Profit and Loss account. Value of items is reviewed at each balance sheet date to record provision for any slow moving items, damaged and obsolete items.

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 Trade Debts & Other Receivables

Trade debts are carried at the original invoice amount, less an estimate made for doubtful receivables based on 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 written-off, and provision is made against those considered doubtful. No general provision is made for bad and doubtful debts.

6.8 Foreign Currency Translation

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.

6.10 Borrowing Cost

Borrowing cost directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds.

6.11 Provisions

A provision 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. However, Provisions are reviewed at each balance sheet date adjusted to reflect current best estimate.

6.12Financial Instruments

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial Assets and liabilities are subsequently premeasured to fair value, amortized cost or cost as the case may be, Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Financial Assets are recognized when the company losses control of the contractual rights that comprises the financial asset. Financial Liabilities are removed from the balance sheet when the obligation is extinguished, discharged, cancelled or expired.

Assets and liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the government are not the financial instruments of the company.

6.13 Off Setting

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 simultaneously. Corresponding income on assets and charge on liability is also offset.

6.14 Cash and Cash Equivalents

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

6.15 Impairment of Assets

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.

6.16 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.

6.17 Loans, Advances and Other Receivables

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

6.18 Revenue Recognition

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

6.19 Retirement and termination benefits
The company does not operate any employee’s benefits scheme.

6.20 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.

6.21 Contingent Assets

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

6.22 Dividend and Appropriation to reserves

Dividend and Appropriation to reserves are recognized as liability in the financial Statements in the period in which these are approved.

	Note	June 30, 2016	June 30, 2015
7. Tangible Fixed Assets		(Rupees)	
Property, Plant and Equipment	7.1	218,564,510	241,793,508
		218,564,510	241,793,508

7.1 Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	Cost/Revaluation: As at July 01, 2015	Revluation	Additions / (Deletion)	As at June 30, 2016	Rate %	Depreciation: As at July 01, 2015	For the period	As at June 30, 2016	Written Down Value As At June 30, 2016
	Rupees					Rupees			
Lease hold land	10,956,340	--	-	10,956,340	1	356,340	109,563	465,903	10,490,437
Factory Building on lease hold land	158,621,060	--	-	158,621,060	10	17,799,080	14,082,198	31,881,278	126,739,782
Plant and Machinery	127,902,816	--	-	127,902,816	10	37,902,816	9,000,000	46,902,816	81,000,000
Hut at Sanspit (Leasrhold)	308,500	--	-	308,500	10	283,209	2,529	285,738	22,762
Power House Generator	40,000	--	-	40,000	10	28,843	1,116	29,959	10,041
Tlephone Instalations & Instrument	108,200	--	-	108,200	10	77,108	3,109	80,217	27,983
Factory Tools and Eqipments	115,205	--	-	115,205	10	81,423	3,378	84,801	30,404
Furniture, Fixture and Equipments	3,183	--	-	3,183	10	2,184	100	2,284	899
Electrical Installations	388,116	--	-	388,116	10	126,223	26,189	152,412	235,704
Vehicles	195,000	--	-	195,000	20	194,166	167	194,333	667
Sales and Measuring Equipments	8,000	--	-	8,000	10	1,520	648	2,168	5,832
2016	298,646,420	--	-	298,646,420		56,852,912	23,228,998	80,081,910	218,564,510
2015	298,646,240	--	-	298,646,420		56,849,893	3,019	56,852,912	241,793,508

NOTE:

7.1 Previously the following fixed assets were revalued by independent valuer namely M/s. A.R. Bherwani Pvt (Ltd) resulting the surplus arising from the revaluation is Rs. 87,713,358/-. During the current year as on December 29, 2013 the company has revalued the same class of assets land. Building on land and plant and machinery by independent valuer M/s. MYK Associates Pvt (Ltd.) resulting surplus over the previously revalued assets by Rs. 13,215,331 and impairment of cost price cost of plant is Rs.11,959,971.

	REVALUED AMOUNT AS PER INDEPENDENT VALUER REPORT AS ON JUNE 30, 2014	BOOK VALUE OF REVALUED ASSETS/ CARRYING AMOUNT AS ON JUNE 30, 2014	DIFFERENCE BETWEEN BOOK VALUE & REVALUED AMOUNT
Lease hold land	10,600,000	10,600,000	-
Factory Building on lease hold land	140,821,980	79,371,466	61,450,514
Plant and Machinery	90,000,000	150,195,154	(48,235,183)
Impairment in cost of the plant and machinery booked to profit and loss account			(11,959,971)
	241,421,980	**240,166,620**	**13,215,331**
Impairment in cost of the plant and machinery booked to profit and loss account			(11,959,971)

Had there been no revaluation the related figures of Land and Building and plant and Machinery as at June 30, 2016 would have been as follows:

	COST	Accumulated Depreciation	Written Down Value
Lease hold land	2,969,450	538,954	2,430,496
Factory Building on lease hold land	65,679,261	42,778,319	22,900,942
Plant and Machinery	139,862,787	91,095,649	48,767,138
	208,511,498	**134,412,922**	**74,098,576**

Allocation of Depreciation

Depreciation for the period has been allocated as follows:	June 30, 2016	June 30, 2015
	RUPEES	
Production Expenses	23,223,093	--
Administrative Expense	5,905	3,019
	23,228,998	3,019

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. 153,223,690 and consequently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 153,223,690 and also the company not considered the impact of depreciation on revaluation then written down value of Fixed assets (with out revaluation) would have been reduced by Rs. 94,979,417 and conseuently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 94,979,417 from the year June 30,2016 the company decided to charge the depreciation on their assets.

Had the company continued with previous policy (as the company not charging the depreciation on all the assets of the company) the written down value of fixed assets as at June 30, 2016 would have been reduced by Rs.161,223,715 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs.161,223,715 and also the company not considered the impact of depreciation on revaluation then written down value of fixed assets (without revaluation) would have been reduced by Rs. 97,175,693 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs.97,175,69.

According to application of depreciation policy during the current financial year the written down value of fixed assets of the company as at June 30, 2016 would have been reduced by Rs.23,226,302 and consequently accumulated losses and for the year loss of the company as of balance sheet date would have been increased by Rs.23,226,302 as disclosed in note 6.4 to the financial statements.

Particulars	Cost/Revaluation				Rate	Depreciation			Written Down
	As at July 01, 2014	Revluation	Additions / (Deletion)	As at June 30, 2015	%	As at July 01, 2014	For the period	As at June 30, 2015	Value As At June 30, 2015
	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	158,621,060	--	-	158,621,060	10	17,799,080	--	17,799,080	140,821,980
Plant and Machinery	127,902,816	--	-	127,902,816	10	37,902,816	--	37,902,816	90,000,000
Hut at Sanspit (Leasrhold)	308,500	--	-	308,500	10	280,399	2,810	283,209	25,291
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	193,957	209	194,166	834
Sales and Measuring Equipments	8,000	--	-	8,000	10	1,520	--	1,520	6,480
2015	298,646,420	--	-	298,646,420		56,849,893	3,019	56,852,912	241,793,508
2014	297,391,060	13,215,331	(11,959,971)	298,646,420		56,846,510	3,383	56,849,893	241,796,529

NOTE:

7.1 Previously the following fixed assets were revalued by independent valuer namely M/s. A.R. Bherwani Pvt (Ltd) resulting the surplus arising from the revaluation is Rs. 87,713,358/-. During the current year as on December 29, 2013 the company has revalued the same class of assets land. Building on land and plant and machinery by independent valuer M/s. MYK Associates Pvt (Ltd.) resulting surplus over the previously revalued assets by Rs. 13,215,331 and impairment of cost price cost of plant is Rs.11,959,971-net.

	REVALUED AMOUNT	BOOK VALUE AS ON JUNE 30, 2014	DIFFERENCE BETWEEN BOOK VALUE & REVALUED AMOUNT
Lease hold land	10,600,000	10,600,000	-
Factory Building on lease hold land	140,821,980	79,371,466	61,450,514
Plant and Machinery	90,000,000	150,195,154	(60,195,154)
Impairment in cost of the plant and machinery booked to profit and loss account			(11,959,971)
	241,421,980	240,166,620	1,255,360
Impairment in cost of the plant and machinery booked to profit and loss account			(11,959,971)

Had there been no revaluation the related figures of Land and Building and plant and Machinery as at June 30, 2015 would have been as follows:

	COST	Accumulated Depreciation	Written Down Value
Lease hold land	2,969,450	509,259	2,460,191
Factory Building on lease hold land	65,679,261	40,233,770	25,445,491
Plant and Machinery	139,862,787	85,677,078	54,185,709
	208,511,498	**126,420,106**	**82,091,392**

Allocation of Depreciation

	June 30, 2015	June 30, 2014
	RUPEES	
Depreciation for the period has been allocated as follows:		
Production Expenses	--	--
Administrative Expense	3,019	3,383
	3,019	3,383

		June 30, 2016	June 30, 2015
		(Rupees)	
8.	**Long Term Deposits**		
	Central Depository Company	25,000	25,000
9.	**Cash and Bank Balances**		
	Cash in Hand	--	--
	Cash at Banks - Current Accounts	31,461	38,772
		31,461	38,772
10.	**Trade and Other Payables**		
	Accrued Expenses	260,290	279,040
	Others		
	With holding tax Payable	1,310	2,230
		261,600	281,270

11. Contingencies and Commitments

11.1. 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.The Proceedings of the same are still in Pensing as of reporting date.

12. Issued, Subscribed and Paid-up Capital

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

2016	2015		June 30, 2016	June 30, 2015
			(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

13. Surplus on Revaluation of Property, Plant and Equipments

	2016	2015
Openning Balance	**100,928,689**	100,928,689
Surplus arising on revaluation during the year	**--**	--
Trasnfered to unappropriated profit:		
-Surplus relating to incremental depreciation charged during the year - net of deferred tax	**(6,396,161)**	--
Related Deferred Tax Liability	**(3,009,958)**	--
	(9,406,119)	--
	91,522,570	100,928,689
Less: related deferred tax liability on:	**--**	--
-Opening Balance	**32,297,180**	--
-Surplus arising on revaluation during the year	**(3,009,958)**	--
-Incremental depreciation charged during the year	**29,287,222**	--
	62,235,347	100,928,689

This represents net surplus over the book value resulting from the revaluation of land, Building and Plant and Machinery carried out by independent valuer namely M/s MYK Associates (Private) Limited, and their Report on the revaluation dated June 30, 2014 on the basis of market value or depreciated replacement values as applicable. Basis of revaluation are as follows:

Land
Valuation of land is determined by obtaining key market data from property brokers, dealers and estate agents to ascertain the Present market value considering its location and market potential.

Building
Revalued amount of building has been determined is simple. After taking into account the re-istatement nalue have been computed after applying present market rate of construction. The have applied the depreciation factor of Structure at 1% per annum for the present assessed value and the coverd area assessment are based on our physical measurements.

Plant and Machinery
The plant, Machinery and Equipment values are derived from the make, model and year from the local machinery Dealer/ Agent and/or suppliers Local or Foreign. The values are consequent to the purchase and induction year, Frequency of running/operation, nature of periodic maintenance weather and terrain effects on performance and storage, market demand of Equipment, special handling of machine, productivity and out put and the availability of spare parts and repair expertise. These findings are the best of our knowledge true and correct and are issued WITHOUT PREJUDICE. In consideration of the foregoing, our estimated value can only be discussed with in three weeks from the date of issue of this report and received by the financial institution/client from the date of receipt of the same.

The revaluation has resulted in increase in surplus and corresponding carrying/revalued amounts of Land and Building by Rs.13.215 million and Decrease/impairment in the revalued and Cost amount of Plant and Equipment by Rs.11.960 million as fully disclosed in note 7.1 to the financial statements below to the " Property, Plant and Equipment".

upto the last financial Year the company has not Charging depreciation on its fixed assets as discussed in note 7.2 and 6.4 to the financial statement therefore the reversal of depreciation and Deferred tax to Profit and Loss account and Comprehensive income not been made in the financial statements. during the year the Board decided to Charge the depreciation on its all Fixed assets therefore previous discussed adjustments made in Current financial year June 30, 2016.

The closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.

		June 30, 2016	June 30, 2015
14 Deferred taxation		**(Rupees)**	
Liability / (asset) balances arising in respect of:			
Accelerated tax depreciation		--	--
Accumulated tax losses and available tax credits		(7,389,745)	(7,550,030)
Deferred tax (asset)		(7,389,745)	(7,550,030)
Deferred tax asset not recognized		7,389,745	7,550,030
		--	--
Deferred tax liability in respect of:			
- Revaluation net of related depreciation	14.1.	29,287,222	--
		29,287,222	--

14.1 Up to the last year June 30, 2015 the company not Charged the depreciation on its all Fixed Assets as disclosed in note 7.2 and note 13 to the financial statements. The management of the company feels that tax Written down value of assets are same as of accounting Written down value and same is used as the basis for the calculating deferred taxation.

15. Long term Loan			
Long term Loan from Associated and related parties			
Loan from Associated undertaking-unsecured-interest free	15.1.	212,667,254	211,363,667
Less: present value adjustment		(77,496,469)	(88,688,775)
Add: interest charged to profit and loss account		12,755,085	11,589,157
		147,925,875	134,264,049
15.1 Break up of Long term loan			
(Unsecured & interest free)			
From Directors	15.2	-	7,810,812
From Associated undertakings	15.3	212,667,254	203,552,855
		212,667,254	211,363,667

15.1 These interest free loans are repayable in lump sum on June 30, 2020.
The loan from director has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of ranging 9.50% per annum.

15.2 Maximum balance due at the end of any month during the year is nil (2015 : Rs 7,810,812)

15.3 Maximum balance due at the end of any month during the year is Rs. 212,667,254 (2015 : Rs 203,552,855)

15.4 Upto the last year these loans obtained from directors and Associated Concerns of the company to meet its financial obligationery 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. during the year the company change its accounting policy for the interest free loans from historical cost to amortised cost as per international Accounting Standard 39 the financial Effects of the same change in accounting policy fully disclosed in note 26.1 to the financial statements.

	June 30, 2016	June 30, 2015
15.3.1 Break up of associated undertaking loan	(Rupees)	
Hassan ali rice export company		
syndicate mineral export company	192,118,980	183,004,581
	20,548,274	20,548,274
	212,667,254	203,552,855

16 Cost of Sales		--
Raw Material Consumed	--	--
Fuel and Power	--	--
Salaries, Wages and Other Benefits	--	--
Repairs and Maintenance	--	--
Depreciation	23,223,093	--
	23,223,093	--
Work-in-Process - Opening	--	--
Work-in-Process - Closing	--	--
Cost of Goods Manufactured	23,223,093	--
Finished Goods - Opening	--	--
Finished Goods - Closing	23,223,093	--

17. Administrative and General Expenses

Salaries & Wages	736,500	620,050
Fees & Subscription	396,897	333,282
Printing & Stationery	35,420	36,700
Advertisement Expenses.	12,750	10,200
Legal and Professional Charges	60,000	60,000
Auditors' Remuneration	75,000	75,000
Depreciation Expenses.	5,905	3,019
	1,295,472	1,138,251

18. Taxation

18.1 The company's income tax assessment have been finalized including and up to Tax year 2015.

18.2. 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.

19. Earnings Per Share - Basic and Diluted

Profit after Taxation		(34,265,352)	(12,728,898)
Weighted Average Number of Ordinary Shares		12,123,700	12,123,700
Earning Per Share - Basic	Rupees	(2.83)	(1.05)

19.1 No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earning per Share when exercised.

20. Related Party Transactions

Payment/adjustment to Director	7,810,812	7,810,812
Received/Adjustment of Loan Amount	9,114,399	12,770,740

The receivable/payable balances with related parties as at June 30, 2016 are disclosed in the respective notes to the financial statements.

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.

21. Plant Capacity and Production

Particulars	2015		2014	
	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	-	-	-	-

22. Reason for Suspension of Operation

The Production remain Suspended during the Period 2014-2015 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.

23. 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.

24. 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.

24.1 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, 2016	June 30, 2015
	Rupees	
Deposits and Prepayments	-	-
Cash with banks in current accounts	31,461	38,772
	31,461	38,772

24.2. 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.

	2016					
	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	212,667,254	212,667,254	-	-	-	212,667,254
Trade and other payables	261,600	261,600	170,040	91,560	-	-
	212,928,854	212,928,854	170,040	91,560	-	212,667,254

	2015					
Financial liabilities	Carrying amount	Contractual cash flows	Six months or less	Six to twelve	One to two year	Two to five years
	Rupees					
Long term Loans from Associated	211,363,667	211,363,667	-	-	-	211,363,667
Trade and other payables	281,270	281,270	182,826	98,445	-	-
	211,644,937	211,644,937	182,826	98,445	-	211,363,667

24.3.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.

24.4.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.

24.5.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.

24.6.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.

25 Reclassification/Corresponding Figures

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison, significant restatements/reclassification in these financial statements as under:

25.1 Long term loan from directors and Associated concerns as disclosed in note 15 previously disclosed at historical cost which now disclosed at amortised cost in accordance with IAS-39 'Financial Instruments and Recognition and Measurement'. Accordingly, management has decided to rectify such treatment retrospectively in accordance with the requirements of IAS-8 'Accounting policies, changes in accounting estimates and errors'.Consequently the comparative figures for the prior periods have also been restated therefore, after taking effect of the amortization of loan the Prior Periods Balance sheet, Profit and Loss account Cash flow statements, comprehensive statement, statement of Change in Equity and Relevant notes have been Restated during the year.

The effects of above restatements on the financial statements are as follows:

	June 30,2015 Rupees	June 30,2014 Rupees
Increase in equity	(63,437,792)	88,296,128
Decrease in long term loan	63,437,792	88,296,128
Increase in finance cost by Unwinding of discount	11,589,157	--
Increase in Loss per share-Basic (Rupees)	(0.96)	--

25.2 Change in Estimates Depreciation

Upto the last year of the company has not Charged the depreciation on all of its Fixed assets, from the year June 30,2016 the company has Charged the depreciation on of its assets Had the company Continues as per previous Policy the written down value of fixed assets and the Share holders equity of the company as at June 30, 2016 would have been increased by Rs.23,226,302 and consequently Accumulated losses and For the year Loss of the company as of Balance sheet date would have been reduced by Rs.23,226,302 as fully disclosed in note 6.4 and 7.2 to the financial statements.

26 Number of Employees

Number of persons employed as at year end were 4 (2015: 4) and the average number of persons employed during the year were 4 (2015: 4) all are contracual employees.

27. 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.

Amin A. Hashwani
Chief Executive

Abdullah A. Hashwani
Director

PATTERN OF SHARE HOLDING
AS AT JUNE 30, 2016

S/NO	NUMBER OF SHARE HOLDER	SHARE HOLDING BOUNDARIES				NOS. OF SHARE HELD
1	175	1	--------------	100	-	5,105
2	244	101	--------------	500	-	120,865
3	29	501	--------------	1,000	-	29,000
4	52	1,001	--------------	5,000	-	144,937
5	15	5,001	--------------	10,000	-	121,500
6	4	10,001	--------------	15,000	-	49,600
7	2	15,001	--------------	20,000	-	35,000
8	2	25,001	--------------	40,000	-	58,000
9	1	40,001	--------------	100,000	-	40,952
10	1	100,001	--------------	200,000	-	200,000
11	4	200,001	--------------	450,000	-	1,131,297
12	1	45,001	--------------	2,000,000	-	1,972,300
13	1	2,000,001	--------------	2,100,000	-	2,001,305
14	1	2,100,001	--------------	2,300,000	-	2,242,879
15	1	2,300,001	--------------	4,000,000	-	3,970,960
	533					12,123,700

CATEGORIES OF SHARE HOLDERS	NOS. OF SHARE HOLDERS	NOS. OF SHARE HELD	PERCENTAGE OF SHARES HELD
INSURANCE COMPANIES	1	4,000	0.03
JOINT STOCK COMPANIES	3	31,501	0.26
BANKS & FINANCIAL INSTITUTIONS	3	3,987,011	32.89
DIRECTORS, CEO, THEIR SPOUSES			
& MINOR CHILDREN	7	7,102,351	58.58
INDIVIDUAL	517	956,448	7.89
OTHERS	2	42,389	0.35
TOTAL	533	12,123,700	100

Details of Categories of Shareholders
As At June 30, 2016

		NUMBER OF SHAREHOLDERS	SHARE HELD
BANKS AND FINANCIAL INSTITUTIONS		3	3,987,011
JOINT STOCK COMPANIES		3	31,501
INSURANCE COMPANIES		1	4,000
DIRECTORS, CEO THEIR SPOUSES AND MINOR CHILDREN			
Mr. Amin A. Haswani	Director		2,001,305
Mr. Abdullah Hashwani	Director		2,242,879
Mr. Nizam A. Hashwani	Director		1,972,300
Mrs. Sultana Hashwani	Director	7	245,930
Mrs. Shahrina A. Hashwani	Director		244,000
Mrs. Farieha A. Hashwani	Director		500
Syed Raza Abbas Jaffery	(Represent-National Investment (Unit) Trust)		395,437
			7,102,351
INDIVIDUALS		517	956,448
OTHERS		2	42,389
		533	12,123,700

Shareholders Holding 10% or More Voting Interest in the Company
As At June 30, 2016

		Shares Hold	Percentage
Mr. Amin A. Hashwani	Director	2,001,305	16.50
Mr. Abdullah Hashwani	Director	2,242,879	18.50
Mr. Nizam A. Hashwani	Director	1,972,300	16.27
National Bank of Pakistan (Formerly Mehran Bank Ltd.)		3,970,960	32.75

Form of Proxy
25th Annual General Meeting
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 04th October 2016 at 2:00 p.m. at 1st Floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

Signed this ....day of 2016

Signature...

Name ....

Address..

CNIC/Passport No..

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.