

Scam



30th June 2009

**LANDMARK
SPINNING INDUSTRIES
LIMITED**

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Corporate Information**Board of Directors**

Chairman & Chief Executive : Mr. Akbarali Hashwani

Directors : Mr. Amin A. Hashwani
Syed Raza Abbas Jafferri
Mr. Abdullah A. Hashwani
Mr. Nizam A. Hashwani
Mrs. Sultana A. Hashwani
Mrs. Farieha A. Hashwani

Audit Committee : Mr. Amin A. Hashwani - Chairman
Mr. Nizam A. Hashwani
Mr. Abdullah A. Hashwani

**Chief Financial Officer &
Company Secretary** : Mr. Yousuf Noorani

Auditors : Feroze Sharif Tariq & Co.
Chartered Accountants

Bankers : Habib Bank Ltd.
Metropolitan Bank Ltd.
National Bank of Pakistan Ltd.

Registered Office : 1st Floor, Cotton Exchange Building,
I.I. Chundrigar Road,
Karachi.

Share Registration Office : Your's Secretary (Pvt.) Ltd.
Suit # 1020, 10th floor, Uni Plaza,
I.I. Chundrigar Road, Karachi.

THE MISSION STATEMENT

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

LANDMARK SPINNING INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteen Annual General Meeting of the Company will be held on Thursday 29th October 2009, at 6:00 pm at landmark Spinning Industries Limited, 1st Floor Cotton Exchange Building I.I. Chundrigar Road, Karachi, to transact the following business:

1. To confirm the minutes of the Seventeen Annual General Meeting held on 29th October, 2008.
2. To receive consider and adopt the audited account for the year ended 30th June 2009, together with the Auditors and Directors report thereon.
3. To appoint Auditors for the year ending 30th June 2010, and to fix their remuneration. The present auditors M/s. Feroze Sharif Tariq & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment.
4. To transact any other business with the permission of Chairman.

Karachi 07th October 2009

By Order of the Board

Yousuf Noorani
Company Secretary

NOTES:

1. The share Transfer Books of the Company will remain closed from 23-10-2009 to 29-10-2009 (Both days inclusive).
2. All members should bring their Original National Identity Cards for their 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 Cards for their 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 late then 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.

DIRECTORS' REPORT

The Directors of your company are pleased to present Eighteenth annual Report together with Audited accounts and Reports thereon for the period ended 30th June, 2009.

Your Company has incurred net loss after tax, of Rs. 925,668 during the year ended 30th June, 2009 on account of administrative and general expenses as no commercial activity has taken place during the period under Review.

The factory remained in-operative owing to high spiral prices of cotton, unworkable production cost due to fuel inflationary trends coupled with problems of law and order as well as political instability in the province. Sui Southern Gas Company by virtue of its undertaken has also suspended its work for supply of Gas line which was in progress and we anticipate that Sui Southern Gas company would re-start its work in progress to provide Gas connection by this fiscal year at Winder provided normal Law and order situation in the Balochistan Province prevails.

Referring to the unqualified Auditors observations in Auditors Report regarding non charging of depreciation on specific fixed assets since 2002-2003, we reiterate and again clarify that the Company's Policy with regard to depreciation is to follow minimum recommended approach under IAS. According to ISA 16, the depreciation method envisaged at 62 for unit of production method has been adopted by your company as suited as the said method for expected use and output of the respective fixed assets is based on the life expectancy of the machineries having good condition. Hence, your management on each year while reviewing the expected pattern of consumption of those asset's residual value not made provision for charging the depreciation from the period of non usage. However, when these assets are utilized upon start of commercial production, the adjustment as required to the carrying of amount and classification of assets with an appropriate method would be applied and determined in recognition of impairment loss for charging depreciation.

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

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

LANDMARK SPINNING INDUSTRIES LIMITED

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 effectivly implemented and monitored.
- * There are no significant doubts upon the Company's ability to continue as going concern as the work for repairs and maintenance of machinery is progressing and your management has planned to re-start the on the arrival of gas connection of windhar balochistan.
- * There has been no trading during the year in the shares of the company carried out by the 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 directors 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 practices of Corporate governance.
- * During the year, meetings of the Board of Directors were held. The attendance record of which is as follows:-

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

LANDMARK SPINNING INDUSTRIES LIMITED

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

Dividend :

As the company has incurred losses during the year therefore no dividend has been recommended.

The pattern of share holding as required under section 234 of the Companies Ordinance 1984, for the period ended 30th June 2009, annexed.

KEY OPERATING AND FINANCIAL DATA;

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

The Board acknowledges excellent team efforts and their appreciable achievements and the support of customers and valuable shareholders and the Directors look forward to their continued assistance and support in the future as well.

Karachi:

Dated : 6th October, 2009

By Order of the Board

AMIN A. HASHWANI
Chief Executive

LANDMARK SPINNING INDUSTRIES LIMITED

FINANCIAL HIGHLIGHTS

(Rupees in Thousands)

ASSETS EMPLOYED	2009	2008	2007	2006	2005	2004
Property Plant & Equipment (Book Value)	240,563	240,569	152,862	152,870	152,879	152,886
Long Term Deposit	25	25	25	50	50	50
Un-allocated Pre-Production Expenses	-	-	-	-	72,083	115,333
Net Current Assets	(866)	(777)	(906)	(1,144)	(56,953)	(76,211)
Total Assets Employed	239,722	239,817	151,981	151,776	168,059	207,990
FINANCED BY						
Issued Subscribed & Paid up Capital	121,237	121,237	121,237	121,237	121,237	121,237
Reserve & surplus on revaluation	87,713	87,713	-	-	-	-
Accumulated Loss	(169,122)	(168,196)	(167,310)	(166,510)	(150,799)	(107,219)
Shareholder's Equity	39,828	40,754	(46,073)	(45,273)	(29,562)	14,017
Long Term Liabilities	199,893	199,063	198,054	197,049	197,621	193,973
Total Capital Employed	239,721	239,817	151,981	151,776	168,059	207,990
OTHER DATA						
Net Sales	-	-	-	-	-	-
(Loss) before Taxation	(926)	(886)	(801)	(15,711)	(43,579)	(17,226)
(Loss) after Taxation	(926)	(886)	(801)	(15,711)	(43,579)	(17,248)
(Loss) per Share	(0.08)	(0.07)	(0.07)	(1.30)	(3.59)	(1.42)

**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE PERIOD ENDED 30TH JUNE 2009**

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

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

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

Dated: October 06, 2009

AKBAR ALI HASHWANI
Chief Executive

**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, 2009 prepared by the Board of Directors of Landmark Spinning Industries Limited to comply with the Listing Regulation No(s). 37 of the Karachi and Lahore Stock Exchange (Guarantee) Limited where the company is listed.

The responsibility for compliance with the 'Code of Corporate Governance' is that of the board of directors of the company. Our responsibility is to review, to 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. A review is limited primarily to inquiries of the company personnel and review of the various documents prepared by the company to comply with the code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems, sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the board's statement on internal control covers all controls, and the effectiveness of such controls.

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, 2009.

Place : Karachi.

Dated:

Chartered Accountants
Engagement Partner : Mohammad Tariq

**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, 2009 and the related Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof (hereinafter collectively referred to as the "financial statements"), for the year then ended, and we state that, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:-
 - i) the Balance Sheet and Profit & Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and,
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) The depreciation has not been charged on fixed assets except the vehicle and Hut at sandpit since the date of commercial operation has suspended by the company in 2002-2003, Had the company charged depreciation on all the assets of the Company with out taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 68,324,463 and Consequently Accumulated Losses of the Company as of Balance Sheet date would have been increased by Rs. 68,324,463, Furthermore the company has made revaluation on its fixed assets Land, Building and Plant and Machinery, Had the company charged depreciation on all the assets of the company with taking impact of revaluation the Written down value of the fixed assets (with revaluation) would have been reduced by Rs. 83,632,230 and Consequently Accumulated Losses of the Company as of Balance Sheet date would have been increased by Rs. 83,632,230.
- d) We draw attention to Note. 1.1 in the annexed notes to the Financial statements which incurred a net loss of Rs. 925,668/- during the year ended June 30, 2009. And as of that date it has accumulated losses of Rs. 169,121,708 which have eroded its capital and its current liabilities exceeded its current assets by Rs. 866,708/- and its total liabilities exceeded its total assets by Rs. 47,884,708/-, the company has not started its production for last many years despite representation made by the management to revive the production. Continues breakdowns in electricity and non availability of gas line for gas generator is a major problem to run the factory at Winder Baluchistan. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.
- e) in our opinion, except for the matter discussed in the preceding paragraph (c) and (d) Consequently if any adjustment may be required to the carrying amounts and classification of assets and liabilities, the financial statement and the notes thereto not disclose this fact, the financial statements give a true and fair view of the financial position of the company at June 30, 2009 and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2009 and of the Loss its Cash Flow and Changes in Equity for the period then ended; and
- f) In our opinion "no Zakat was deductible at source under the Zakat and Ushr ordinance 1980".

KARACHI:

Dated:

Chartered Accountants
Engagement Partner : Mohammad Tariq

LANDMARK SPINNING INDUSTRIES LIMITED

Balance Sheet As at June 30, 2009

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
<u>NON CURRENT ASSETS</u>			
<u>FIXED ASSETS</u>			
Property, Plant & Equipments	7	240,562,796	240,568,880
Long term Deposits	8	25,000	25,000
<u>CURRENT ASSETS</u>			
Advance Income tax	9	38,688	38,688
Trade Deposits and Prepayments	10	474,980	474,980
Cash and Bank Balances	11	75,575	72,350
		589,243	586,018
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables	12	1,455,549	1,363,056
Provision for Taxation		1,455,549	1,363,056
		(866,306)	(777,038)
Contingencies and Commitments	13	239,721,490	239,816,842
<u>SHAREHOLDERS EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL</u>			
<u>Authorised Capital</u>			
15,000,000 (2008: Rs. 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
<u>Issued subscribed and Paid up Capital</u>			
12,123,700 (2008: 12,123,700) Ordinary Shares of Rs. 10/- each fully paid in cash	14	121,237,000	121,237,000
Accumulated Loss		(169,121,708)	(168,196,040)
		(47,884,708)	(46,959,040)
Surplus on Revaluation of Property, Plant & Equipment	15	87,713,358	87,713,358
<u>NON CURRENT LIABILITIES</u>			
Long term Loans - Unsecured, Interest Free	16	199,892,840	199,062,524
		239,721,490	239,816,842

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

AKBAR ALI HASHWANI
Chief Executive

AMIN A. HASHWANI
(Director)

LANDMARK SPINNING INDUSTRIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
Sales - Net		-	-
Cost of Sales		-	-
Gross Profit		-	-
Operating Expenses			
Administrative and General Expenses	17	(923,523)	(884,947)
OPERATING LOSS		(923,523)	(884,947)
Finance Cost	18	(2,145)	(733)
Loss Before Taxation		(925,668)	(885,680)
Taxation			
- Current	19	-	-
- Prior		-	-
Loss after Taxation for the year		(925,668)	(885,680)
Earning Per Share - Basic	20	(0.08)	(0.07)

The annexed notes form an integral part of these accounts.

AKBAR ALI HASHWANI
Chief Executive

AMIN A. HASHWANI
(Director)

LANDMARK SPINNING INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
A. Cash Flow From Operating Activities			
(Loss) before taxation		(925,668)	(885,680)
Adjustment of non-fund items:			
Depreciation		6,083	6,870
Financial Charges		2,145	733
		8,228	7,603
		(917,440)	(878,077)
Working capital charges			
(Increase) / Decrease in Current Assets			
Loan and Advance		-	-
(Increase) / Decrease In Current Liabilities			
Trade and Other Payables		92,494	(130,674)
		92,494	(130,674)
Financial Cost Paid		(2,145)	(733)
Income Tax Paid /adjusted		-	-
Net Cash Generated from Operating Activities		(827,091)	(1,009,484)
B. Cash Flow from Investing Activities			
Long term deposits		-	-
Net Cash Generated from Investing Activities		-	-
C. Cash flow from financing Activities			
Long term loans		830,316	1,007,991
Waiver of loan/markup/ Repayment of Long Term Finance		-	-
Net cash flow from investing activities		830,316	1,007,991
Net Increase /(Decrease) in cash and Bank Balances (A+B+C)		3,225	(1,493)
Cash and bank balances at the beginning of the year		72,350	73,843
Cash and Bank Balances at the end of the year	11	75,575	72,350

The annexed notes form an integral part of these account.

AKBAR ALI HASHWANI
Chief Executive

AMIN A. HASHWANI
(Director)

**STATEMENT OF CHANGES IN EQUITY
For the Year Ended June 30, 2009**

	<u>Share Capital</u> Rupees	<u>Unappropriated (Profit)</u> Rupees	<u>Total</u> Rupees
Balance as on June 30, 2007	121,237,000	(167,310,361)	(46,073,361)
Loss after Tax	-	(885,680)	(885,680)
Balance as on June 30, 2008	<u>121,237,000</u>	<u>(168,196,040)</u>	<u>(46,959,040)</u>
Loss after Tax	-	(925,668)	(925,668)
Balance as on June 30, 2009	<u>121,237,000</u>	<u>(169,121,708)</u>	<u>(47,884,708)</u>

The annexed notes form an integral part of these accounts.

AKBAR ALI HASHWANI
Chief Executive

AMIN A. HASHWANI
(Director)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009****1. Corporate Information**

Landmark Spinning Industries Limited (the Company) was incorporated in Pakistan, as a private Limited Company on October 21, 1991 and was converted into a public limited company on April 30, 1992 under the Companies Ordinance, 1984 and its share are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the Company is located at 1st floor, Cotton Exchange Building, I.I. Chundigar Road, Karachi, Pakistan; while its manufacturing facilities are located at Winder 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 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 S.S.G.C. Limited, which is in progress, the production will be expected to commence in future.

1.1 Going Concern Assumption

The Company has incurred a net loss, after tax, of Rs. 925,668/-, during the year ended June 30, 2009, and as of that date it has accumulated losses of Rs. 169,121,708 which have eroded its Capital and Current Liabilities exceed its Current Assets by Rs. 866,306/-, and its total liabilities exceed its Total Assets by Rs. 47,884,708/-. Further, as mentioned in Note 1, the operations of the company are, and have been in recession for a considerable period of time. During the year under review the production remain suspended owing to unfavorable conditions and lack of infrastructure facilities at winder Industrial area, especially the non availability of gas, as prices of fuel, diesel and electricity breakdowns have already caused the unit to bear losses. Conversely, the Management is hopeful to 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 financial statement have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) Issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. 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 cash flow statements, have been prepared under the accrual basis of accounting.

4. Approval of Financial Statements

These financial statements were approved by the Board of Directors and authorized for issue on 6th October, 2009.

5. Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

5.1. Property, Plant and Equipments

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 corresponding affect on the depreciation charge and impairment.

5.2. Income Taxes

In making the estimates for income taxes currently payable the Company, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past.

5.3. Initial Application of a standard or and Interpretation

The following standards, amendments and Interpretations become effective during the current year.

IFRS 7 - Financial Instruments: Disclosures (effective for annual periods beginning on or after July 01, 2008) supersedes IAS 30 - Disclosures in the financial statements of Bank and similar Financial Institutions and the disclosure requirements of IAS 32 - Financial Instruments: Disclosure and presentation. The application of the standard is not expected to have significant impact on the Company's financial statements other than increase in disclosures.

IAS 29 - Financial Reporting in Hyperinflationary Economic (effective for annual periods beginning on or after July 01, 2008). The Company does not have any operations in hyperinflationary Economics and therefore the application of the standard is not likely to have an effect on the Company's financial statements.

IFRIC 12 - Service Concession Arrangements (effective for annual period beginning on or after January 1, 2008). The application of this standard did not affect the financial statements of the Company.

IFRIC 13 Customer Loyalty Programmes (effective for annual period on or after 01 July 2008) addresses the accounting by entities that operation or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have an effect on the Company's financial statements.

IFRIC 14 IAS 19 - The limit on defined Benefit Asset. Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008). IFRIC 14 clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements (MFR) for such asset. The interpretation has no effect on Company's financial statements for the year ended 30 June 2009.

b) Standards, Interpretations and Amendments not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increase in disclosures in certain cases:

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a periods other than those changes resulting from transaction with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statements and all non-owner changes in equity in a single statement) or in an income statement and a separate statement of comprehensive income.

Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that assets.

LANDMARK SPINNING INDUSTRIES LIMITED

IAS 27 Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

Amended IAS 27 Consolidated and separate Financial Statements (effective for annual beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former a subsidiary will be measured as fair value with gain or loss recognized in the profit or loss.

Amendment to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)- Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that on the entity an obligation to deliver to another party pro rate share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met.

Amendments to IAS 39 and IFRIC 9 - Embedded derivative (effective for annual beginning on or after 1 January 2009). Amendments require entities to assess whether they need to separate an embedded derivative from a hybrid (combined) financial instruments when financial assets are reclassified out of the fair value.

Amendment to IAS 39 Financial instruments: Recognition and measurement - Eligible hedged item (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risk or portions of cash flows are eligible for designation in a hedging relationship.

Amendment to IFRS 2- Share-based payment-vesting Conditions and Cancellation (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires no vesting condition to be reflected in grant - date fair value and provides the accounting treatment for non-vesting conditions and cancellations.

Amendment to IFRS 2- Share-based payment- Group cash settled Share-based payments Transaction (effective for annual periods beginning on or after 1 January 2010) Currently effective IFRS requires attribution of group share-based payment transaction only if they are equity-settled. The amendment resolve diversity in practice regarding attribution of cash-settled share-based payment transaction and require an entity receiving goods or services in either an equity-settled or a cash-settled payments transaction to account for the transaction in its separate or individual financial statements.

Revised IFRS 3 Business Combinations (Applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisition being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquire to be measured at fair value with the related gain or loss recognized in profit or loss and any non-controlling (minority) interest to be measured at either fair value, are at its proportionate interests in identification assets and liabilities of an acquire, on a transaction-by-transaction bases.

IFRS 4 - insurance Contracts (effective for annual periods beginning on or after 1 January 2009). The IFRS makes limited improvement to accounting for insurance contracts until the Board completes second phase of its project on insurance contracts. The standards also require an entity issuing insurance (an insurance) to disclose information about those contracts.

Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009) These amendments have been made to bring the disclosure requirements of IFRS 7 more closely in line with US standards. The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the reliability of fair value measurement disclosures and require entities to provide additional disclosures about the reliability of fair value measurements.

IFRS 8 Operating segments (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach " to segment reporting IFRS 8 will require a change in presentation and disclosure of segment information based in the internal reports that are regularly reviewed by the Company's chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Company present segment information in respect of its business segment.

IFRS 15 - Agreement for Construction of Real Estate (effective for annual periods on or after 1 October 2009) clarifies the recognition of revenues by real estate developers for sale of units, such as apartments or houses, off-plan. That is before construction is complete.

IFRIC 16 Hedge of Net Investment in a Foreign Operating (effective for annual periods beginning on or after 1 October 2008) clarifies that investment hedged can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign for operation, the hedged instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used.

IFRIC -17 Distributions of Non-cash Assets to Owners (effective annual periods beginning on or after 1 July 2009) states that when Company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognized in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognized in the income statement.

IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customer received on or after 01 July 2009). This interpretation clarifies the requirements of IFRSs in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or goods or services (such as supply of electricity, gas or water).

6. Significant Accounting Policies

6.1 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.

6.2 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 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.

6.3 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.

- Depreciation

Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule, whereby the cost of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items

of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

- **Repairs, renewals and maintenance**

Major repairs and renewals are capitalized. Normal 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.

6.4. Stores, Spares and Loose Tools

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

6.5 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.

6.6 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.

6.7 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.

6.8 Deferred cost - Unallocated Pre-production Expenses

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

6.9 Borrowing Cost

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

6.10 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.

6.11 Financial Instruments**Recognition**

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

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 charges on liability is also offset.

Derivatives

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

6.12 Cash and Cash Equivalents

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

6.13 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.

6.14 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.

6.15 Loans, Advances and other Receivables

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

6.16 Revenue Recognition

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

6.17 Employees Benefits

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

6.18 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.

6.19 Contingent Assets.

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

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	2009 Rupees	2008 Rupees
7. Tangible Fixed Assets		
Property, Plant and Equipment	240,562,796	240,568,880

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	Cost/Revaluation				Rate %	Depreciation			Written Down Value As At June 30, 2008
	As at July 01, 2007	Revaluation	Additions/ (Deletion)	As at June 30, 2008		As at July 01, 2007	For the Period	As at June 30, 2008	
	Rupees					Rupees			
Lease hold land	10,956,340	-	-	10,956,340	1	356,340	-	356,340	10,600,000
Factory Building on Lease hold land	97,170,546	-	-	97,170,546	10	17,799,080	-	17,799,080	79,371,466
Plant and Machinery	188,097,970	-	-	188,097,970	10	37,902,816	-	37,902,816	150,195,154
Hut at Sanspit (leasehold)	308,500	-	-	308,500	10	255,623	5,288	260,911	47,590
Power House Generator	40,000	-	-	40,000	10	28,843	-	28,843	11,157
Telephone Installations & Instrur	108,200	-	-	108,200	10	77,108	-	77,108	31,092
Factory Tools and Equipments	115,205	-	-	115,205	10	81,423	-	81,423	33,782
Furniture, Fixture and Equipm	3,183	-	-	3,183	10	2,184	-	2,184	999
Electrical Installations	388,116	-	-	388,116	10	126,223	-	126,223	261,893
Vehicles	195,000	-	-	195,000	20	191,022	796	191,817	3,184
Sales and Measuring Equipment	8,000	-	-	8,000	10	1,520	-	1,520	6,480
2009	297,391,060	-	-	297,391,060	10	56,822,182	6,083	56,828,266	240,562,796
2008	209,677,702	87,713,358	-	297,391,060	10	56,815,312	6,870	56,822,182	240,568,880

NOTE

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

	REVALUED AMOUNT	BOOK VALUE AS ON JUNE 30, 2008	DIFFERENCE BETWEEN BOOK VALUE & REVALUED AMOUNT	Had there been on revaluation the related figures of Land and Building and Plant and Machinery as at June 30, 2009 would have been as follows:		
				COST	Accumulated Depreciation	Written Down Value
Lease hold land	10,956,340	2,969,450	7,986,890	Lease hold land		
Factory Building on lease hold land	97,170,546	65,679,261	31,491,285	Factory Building on lease hold land	2,969,450	356,340
Plant and Machinery	188,097,970	139,862,787	48,235,183	Plant and Machinery	65,679,261	17,799,080
	296,224,856	296,224,856	87,713,358		139,862,787	37,902,816

	2009 Rupees	2008 Rupees
Allocation of Depreciation		
Depreciation for the period has been allocated as follows:		
Production Expenses	-	-
Administrative Expense	6,083	6,870
	6,083	6,870

7.2 No Depreciation since 2002-2003 on assets except a Hut on Sandspit (Lease Hold) and Vehicles had been charged during the period as their has been no production activity made during the period 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. 83,632,230 and consequently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 83,632,230 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. 68,324,463 and consequently Accumulated losses of the company as of Balance Sheet date would have been increased by Rs. 68,324,463.

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	June 30, 2009 Rupees	June 30, 2008 Rupees
8. Long Term Deposits		
Central Depository Company	25,000	25,000
9. Advance Income Tax		
	38,688	38,688
	38,688	38,688
10. Trade Deposits and Prepayments - Considered good		
Guarantee Margins	474,980	474,980
	474,980	474,980
11. Cash and Bank Balances		
Cash in Hand		
Cash at Banks - Current Accounts	75,575	72,350
	75,575	72,350
12. Trade and Other Payables		
Creditors for Goods	81,804	81,804
Accrued Liabilities		
Accrued Expenses	1,106,471	1,013,978
Others		
With holding tax Payable	267,274	267,274
	1,455,549	1,363,056

13. Contingencies and Commitments

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

14. Issued, Subscribed and paid-up Capital

No. of Ordinary Shares of Rs. 10/-

	<i>each</i>			<i>each</i>	
2009		2008		2009	2008
12,123,700		12,123,700	Fully Paid in cash	121,237,000	121,237,000
12,123,700		12,123,700		121,237,000	121,237,000

15. Surplus on Revaluation of Property, Plant and Equipments

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

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		June 30, 2009 Rupees	June30, 2008 Rupees
16. Long term Loan (Unsecured & Interest free)			
From Directors	16.1	23,427,751	23,427,751
From Associated Undertakings	16.2	176,465,089	175,634,773
		199,892,840	199,062,524
16.1 Maximum balance due at the end of any month during the year is Rs. 23,427,751,(2008 : Rs 23,427,751)			
16.2 Maximum balance due at the end of any month during the year in Rs. 176,465,089 (2009 : Rs 175,634,773)			
16.3 Terms of repayment of these loans have not been executed with the directors and associated undertakings			
16.4 The above loans are unsecured and interest free.			
17. Administrative and General Expenses			
Salaries & Wages		465,866	424,284
Fees & Subscription		130,906	122,550
Printing & stationery		33,250	17,000
Advertisement Expenses.		9,690	37,400
Insurance Exp.		74,028	74,028
Legal and Professional Charges		30,000	30,000
Oil and Lubricants Consumed		98,700	97,815
Auditors Remuneration		75,000	75,000
Depreciation Expenses.		6,083	6,870
		923,523	884,947
18. Finance Cost			
Bank Charges and Commission		2,145	733
		2,145	733
19. Taxation			
19.1 The company's income tax assessment have been finalised including and upto Tax year 2008 (accounting Year 2006-207)			
19.2 Management feels that there is no material temporary differences. Accordingly, deferred tax provision is not required.			
19.3 The numerical reconciliation between the average tax rate and the applicable tax rate has not presented in theses financial statements as the company is not in operational activities as described in note 1 of these financial statements.			
20. Earnings Per Share - Basic and Diluted			
Profit after Taxation		(925,668)	(885,630)
Weighted Average Number of Ordinary Shares		12,123,700	12,123,700
Earning per Share - Basic	Rupees	(0.08)	(0.07)
21. Related Party Transactions			
Bridge financing		830,316	987,991

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.

LANDMARK SPINNING INDUSTRIES LIMITED

22. Plant Capacity and Production

Particulars	2009	2008
	Average Count	Average Count
Actual production converted to 20 count	-	-
Attainable capacity (in million kgs)	6,152	6,152
Number of spindles installed	22,848	22,848
Worked during the year	-	-
Number of shifts worked during the year	-	-

23. Reason for Suspension of Operation

The Production remain Suspended during the Period 2008-2009 under review due to repeated power break downs in winder (Baluchistan) causing damage to the machinery, beside, unfavorable market conditions, unworkable prices of raw Cotton and to increase overhead Costs. The company is in preparation to commence production activities in near future as and when Gas supplies are made available by SSGC in Winder Baluchistan.

24. Remuneration of Chief Executive, Directors and Executives

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

25. Financial Instruments

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

Credit risk
Liquidity risk
Market risk

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

25.1 Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company beleives that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors 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:

	2009	2008
	<i>Rupees</i>	
	474,980	474,980
Deposits and Prepayments	75,575	72,350
Cash with banks in current accounts	550,555	547,330

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25.2 Liquidity risk

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

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

2009					
Carrying Amount	Contractual Cash Flows	Six Months or Less	Six to Twelve	One to Two Year	Two to Five Years
Rupees					

Financial Liabilities

Long term loans from associated

Companies - interest free	199,892,840	199,892,840	-	-	-	199,892,840
Trade and other payables	1,455,549	1,455,549	431,813	1,023,736	-	-
	201,348,389	201,348,389	431,813	1,023,736	-	199,892,840

2008					
Carrying Amount	Contractual Cash Flows	Six Months or Less	Six to Twelve	One to Two Year	Two to Five Years
Rupees					

Financial Liabilities

Companies - interest free	199,062,524	199,062,524	-	-	-	199,062,524
Trade and other payables	1,363,056	1,363,056	265,980.00	1,097,076.00	-	-
	200,425,580	200,425,580	265,980.00	1,097,076.00	-	199,062,524

25.3 Market risk

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

a) Currency risk

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

b) Interest rate risk

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

25.4 Risk management policies

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

25.5 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

25.6 Fair value of financial instruments

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

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

26. General

- i) Figures have been rounded off to nearest rupee.
- ii) Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani rupees, which is the Company's functional and Presentational currency.

AKBAR ALI HASHWANI
Chief Executive

AMIN A. HASHWANI
Director

LANDMARK SPINNING INDUSTRIES LIMITED

PATTERN OF SHARE HOLDING AS AT JUNE 30, 2009

S/NO	NUMBER OF SHARE HOLDER	SHARE HOLDING BOUNDARIES		NOS. OF SHARES HELD
1	47	1	100	3,840
2	230	101	500	114,585
3	20	501	1000	20,000
4	30	1,001	5,000	82,500
5	7	5,001	10,000	57,000
6	2	10,001	15,000	29,500
7	2	15,001	20,000	35,200
8	2	25,001	30,000	57,500
9	1	35,001	40,000	40,000
10	1	40,001	445,000	200,000
11	1	445,001	450,000	447,937
12	1	460,001	465,000	461,413
13	1	1,480,001	1,485,000	1,481,440
14	1	1,510,001	1,515,000	1,510,445
15	1	1,645,001	1,650,000	1,647,940
16	1	1,960,001	1,965,000	1,963,440
17	1	1,965,001	4,000,000	3,970,960
349				12,123,700

CATEGORIES OF SHARE HOLDERS	NOS. OF SHARE HOLDERS	NOS. OF SHARES HELD	PERCENTAGE OF SHARES HELD
INVESTMENTS COMPANIES	1	200,000	1.65
INSURANCE COMPANIES	1	32,500	0.26
JOINT STOCK COMPANIES	1	47,900	0.40
BANKS & FINANCIAL INSTITUTIONS	2	4,191,260	34.57
DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDREN	7	6,835,115	56.38
INDIVIDUAL	337	816,925	6.74
TOTAL	349	12,123,700	100.00

LANDMARK SPINNING INDUSTRIES LIMITED

Details of Categories of Shareholders As At June 30, 2009

	NUMBER OF SHAREHOLDERS	SHARE HELD
INVESTMENT COMPANIES		
Crescent Investment Bank Ltd.	1	200,000
INSURANCE COMPANIES		
Adamjee Insurance Co. Ltd.	1	32,500
JOINT STOCK COMPANIES		
BMA Capital Management Ltd.	1	47,900
BANKS AND FINANCIAL INSTITUTIONS		
Citi Bank Ltd.		220,300
National Bank of Pakistan (Formerly Mehran Bank Ltd.)		3,970,960
	2	4,191,260
DIRECTORS, CEO THEIR SPOUSES AND MINOR CHILDREN		
Mr. Akbarali Hashwani	Chief Executive	1,963,440
Mr. Amin A. Hashwani	Director	1,508,945
Mr. Abdullah Hashwani	Director	1,647,940
Mr. Nizam A. Hashwani	Director	1,481,440
Mrs. Sultana Hashwani	Director	500
Mrs. Fariha Hashwani	Director	500
Syed Raza Abbas Jaffery	(Represent-National Bank of Pakistan-Trustee Dept.)	909,350
	7	7,512,115
INDIVIDUALS		
	319	139,925
	331	12,123,700

Shareholders Holding 10% or More Voting Interest in the Company As At June 30, 2008

	Shares Hold	Percentage
Mr. Akbarali Hashwani	1,963,440	16.20
Mr. Amin A. Hashwani	1,508,945	12.45
Mr. Abdullah Hashwani	1,647,940	13.59
Mr. Nizam A. Hashwani	1,481,440	12.22
National Bank of Pakistan (Formerly Mehran Bank Ltd.)	3,970,960	32.75

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LANDMARK SPINNING INDUSTRIES LIMITED

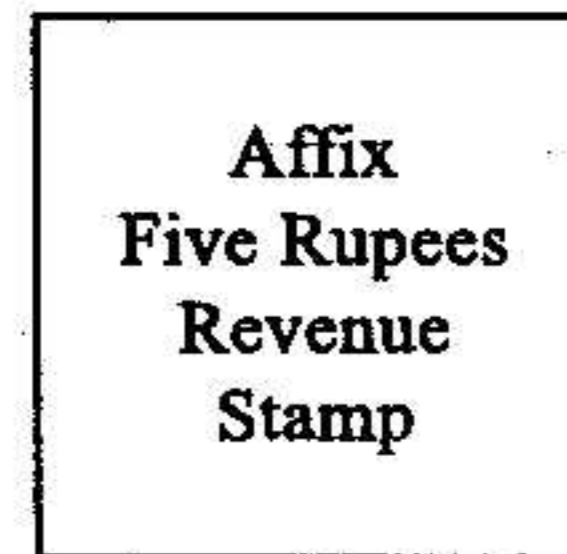
**Form of Proxy
LANDMARK SPINNING INDUSTRIES LIMITED**

I/We
of
a member(s) of LANDMARK SPINNING INDUSTRIES LIMITED and holder of
ordinary share, do hereby appoint
of
or failing him
of

a member of LANDMARK SPINNING INDUSTRIES LIMITED, vide Registered Folio No.....
as my/our proxy to act on my/our behalf at 18th Annual General Meeting of the Company to be held on 29th October
2009 at 6:00p.m. at 1st Floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

Signed this.....day of.....2009

Signature.....



(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 under a Power of attorney or their authority then a notarially certified 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.

