

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM BALANCE SHEET
(UN-AUDITED) AS ON MARCH 31, 2018

	Note	Mar 31, 2018	June 30, 2017	Rupees	Rupees
NON CURRENT ASSETS					
FIXED ASSETS					
Property, Plant and Equipment (At Cost)		197,604,332	212,857,457		
Less Accumulated Depreciation					
LONG TERM DEPOSITS	4	25,000	25,000		
CURRENT ASSETS					
Stores and Spares		206,641	0		
Advances Income Tax		38,688	38,688		
Cash and Bank Balances		21,088	15,800		
		266,417	54,488		
CURRENT LIABILITIES					
Trade and Other Payables		256,251	452,551		
		256,251	452,551		
		10,166	(398,063)		
Contingencies	5	197,639,497	212,484,394		
		150,000,000	150,000,000		

SHAREHOLDER EQUITY AND LIABILITIES

SHARE CAPITAL			
AUTHORISED CAPITAL			
15,000,000 (2011: Rs. 15,000,000) Ordinary Shares of Rs.10/- each		150,000,000	150,000,000
ISSUED SUBSCRIBED & PAID UP CAPITAL			
12,123,700 (2011: 12,123,700) Ordinary Shares of Rs.10/- each fully paid in cash		121,237,000	121,237,000
Accumulated Loss		196,279,761	172,849,415
		(75,042,761)	(51,612,415)
Surplus on Revaluation of Property, Plant & EQP		63,003,526	67,799,523
NON CURRENT LIABILITIES			
Deferred Taxation		28,405,229	30,460,655
Long Term Loans - Unsecured , Interest Free		181,273,502	165,836,631
		197,639,497	212,484,394

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


AMIN A. HASHWANI YOUSUF NOORANI **ABDULLAH A. HASHWANI**
 Chief Executive C.F.O Director

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM PROFIT & LOSS ACCOUNT
(UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2018


	Note	Quarter Ended Mar 31, 2018	Nine Months Mar 31, 2018	Quarter Ended Mar 31, 2017	Nine Months Mar 31, 2017	Rupees	Rupees
Sales- Net		-	-	-	-		
Cost of Sales		5,538,510	16,959,478	5,227,935	15,683,805		
Gross Profit/(Loss)		(5,538,510)	(16,959,478)	(5,227,935)	(15,683,805)		
Operating Expenses							
Administrative and General Expenses		409,547	2,222,293	2,218,349	3,608,024		
Operating (Loss)		(5,948,058)	(19,181,772)	(7,446,284)	(19,291,829)		
Finance Cost							
Bank Charges and Commission		1,356	4,810	-	1,093		
Unwinding of discount-on Associated and Related Party Loans-reversal		3,938,620	11,815,860	3,885,435	10,911,914		
(Loss) Before Taxation		3,939,976	11,820,670	3,885,435	10,913,007		
Taxation		(9,888,034)	(31,002,442)	(11,331,719)	(30,204,836)		
Current		-	-	-	-		
Deferred tax		685,445	2,055,427	656,609	1,969,827		
		685,445	2,055,427	656,609	1,969,827		
(Loss) After Taxation for the year		(9,202,588)	(28,947,014)	(10,675,110)	(28,235,009)		
Earning Per Share -Basic		(0.76)	(2.39)	(0.88)	(2.33)		

The annexed Notes form an integral part of these accounts.

LANDMARK SPINNING INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE
INCOME(UN-AUDITED) FOR THE 3RD QUARTER ENDED
MARCH 31, 2018

	Note	Quarter Ended Mar 31, 2018	Nine Months Mar 31, 2018	Quarter Ended Mar 31, 2017	Nine Months Mar 31, 2017	Rupees	Rupees
Profit/(Loss) for the period		(28,947,014)	(28,947,014)	(28,235,009)	(28,235,009)		
Other comprehensive income							
Transfer from surplus on revaluation of property plant and equipment in respect of :							
Incremental Depreciation		6,851,424	6,851,424	6,354,281	6,354,281		
Related Deferred Tax		(2,055,427)	(2,055,427)	(1,969,827)	(1,969,827)		
Total Comprehensive income \ (loss) for the period		(24,151,018)	(24,151,018)	(23,850,554)	(23,850,554)		

The annexed notes form an integral part of these accounts.


AMIN A. HASHWANI YOUSUF NOORANI **ABDULLAH A. HASHWANI**
 Chief Executive C.F.O Director

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) AS ON MARCH 31, 2018


	Note	Quarter Ended Mar 31, 2018	Nine Months Mar 31, 2018	Quarter Ended Mar 31, 2017	Nine Months Mar 31, 2017	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES							
(Loss) before taxation		(31,002,442)	(31,002,442)	(30,204,836)	(30,204,836)		
Adjustment of non-fund items:							
Financial Changes		4,810	4,810	1,093	1,093		
Depreciation		15,253,125	15,253,125	15,687,778	15,687,778		
Unwinding of discount-on Associated and Related Party Loans-reversal		11,815,860	11,815,860	10,911,914	10,911,914		
		27,073,795	27,073,795	26,600,785	26,600,785		
		(3,928,646)	(3,928,646)	(3,604,051)	(3,604,051)		
Working capital charges							
(INCREASE)/DECREASE IN CURRENT ASSETS:							
Stores and spares		(206,641)	(206,641)	-	-		
INCREASE/(DECREASE) IN CURRENT LIABILITIES:							
Trade and Other Payables		(196,299)	(196,299)	467,151	467,151		
		(402,940)	(402,940)	467,151	467,151		
Cash generated from operations		(4,331,586)	(4,331,586)	(3,136,900)	(3,136,900)		
Financial Cost Paid		(4,810)	(4,810)	(1,093)	(1,093)		
		(4,810)	(4,810)	(1,093)	(1,093)		
NET CASH GENERATED FROM OPERATING ACTIVITIES		(4,336,396)	(4,336,396)	(3,137,993)	(3,137,993)		
CASH FLOW FROM FINANCING ACTIVITIES							
Long term loans		4,341,684	4,341,684	3,141,044	3,141,044		
Net cash flow from investing activities							
NET INCREASE/(DECREASE) IN CASH & BANK BALANCES		5,288	5,288	3,052	3,052		
Cash and bank balances at the beginning of the year		15,800	15,800	31,461	31,461		
CASH AND BANK BALANCES AT THE END OF THE YEAR		21,088	21,088	34,513	34,513		

The annexed Notes form an integral part of these accounts.

LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2018

	Share Capital	Unappropriated (Loss)	Total
Balance as on July 01, 2016	121,237,000	(142,287,386)	(21,050,386)
Amortization of Associated and Related Party Loan	1,207,229	1,207,229	1,207,229
Total comprehensive Income / (loss)	-	(31,769,258)	(31,769,258)
Balance as on June 30, 2017	121,237,000	(172,849,415)	(51,612,414)
Amortization of Associated and Related Party Loan	720,672	720,672	720,672
Total loss for Nine Months	(24,151,018)	(24,151,018)	(24,151,018)
Balance as on March 31, 2018	121,237,000	(196,279,761)	(75,042,761)

The annexed notes form an integral part of these accounts.


AMIN A. HASHWANI YOUSUF NOORANI **ABDULLAH A. HASHWANI**
 Chief Executive C.F.O Director

**LAND MARK SPINNING INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS FOR THE 3RD QUARTER ENDED MARCH 31, 2018**

1.Nature and Status of Business
The Company is incorporated in Pakistan as a Private Limited Company on October 21, 1991, and was converted into a Public Limited Company on April 30, 1992. The Company is Listed at Karachi & Lahore Stock Exchanges.

1.1.The company commenced its commercial operation, from 2001 after reactivation of plant which commenced for the seven years. However, the company again suspended its production on November 20, 2007 due to the unavailability of viable energy supply to Winder. The company has since then been in a state of suspended operations for the time being until the market friendly stop gap arrangement was made to suspend operations for the time being until the market friendly arrangement for positive results. The management feels that immediately upon the utility provision becomes conducive for gas supplies to winder Baluchistan industrial zone by S.S.G.C. Limited, which is in progress, the same is also disclosed in note 05 to the financial statements, the production will be expected to commence in future.

2.Statement of Compliance
These interim financial statements have been prepared in accordance with the requirements of International Accounting standard-34 (IAS-34) "Interim Financial Reporting" and have been reviewed by the auditors as required by the code of Corporate Governance and being submitted to the shareholders under section 245 of the Companies Ordinance, 1984.

3.Summary of Significant Accounting Policies
The Accounting Policies adopted for the preparation of quarterly Financial Statements are the same as those applied in the preparation of the annual financial statements of the Company for the preceding period ended June 30, 2017.

4.Depreciation
The Company has started to charge depreciation on all of its Asset from the year ended June 30, 2016 as approved by the board of Director of the company.

5.Contingencies
The Securities and Exchange Commission of Pakistan issued notice under section 305 (c) of the companies ordinance 1984 regarding the winding up petition to be filed against the Company and the Deputy Director Enforcement Wing of SEC has passed the order directing to file the winding up petition vide their order dated 17/07/2018. The order of winding up petition against the Company and the order dated 17/07/2018 of the Government Ordinance 1984, in which the order of winding up petition against the Company, is still under appeal. The Company is pursuing the order of winding up petition for or commencing business operation of Factory up to December 31, 2014 as at that time supply of Iron 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 SEC after considering this fact granted the time till December 31, 2014. The company is pursuing to the commission for the extension of further time to restart the production in this regard the company have submitted Protection and the letters from Directors / sponsors which express their commitment to continue support to the company and the SEC has granted the extension of time till December 31, 2014. The company has further extended the time for winding up petition review for one year in their order dated December 21, 2016.

6.Long term Loans - Unsecured, Interest Free

Original loan amount	31 March 2018	30 June 2017
Less: Present value adjustment	222,073,364	217,732,280
Add: Interest charged to profit and loss account	(51,815,866)	(61,515,866)
	<u>181,273,592</u>	<u>146,235,692</u>

6.1 The interest free loans are repayable in lump sum on June 30, 2020. The loan from Associated and Related Parties 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 5.50% per annum.

	Quarter Ended		Quarter Ended		Year Ended	
	Mar-31, 2018	Mar-31, 2017	Mar-31, 2018	Mar-31, 2017	Mar-31, 2018	Mar-31, 2017
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Loss for the period	(9,202,588)	(28,947,014)	(10,675,110)	(28,235,009)		
Weighted average number of ordinary shares issued during the period	12,123,700	12,123,700	12,123,700	12,123,700		
Loss Per Share - Basic	(0.76)	(2.39)	(0.88)	(2.33)		
There is no diluted effect on the basic earnings per share.						


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

	Mar-31		Mar-31	
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
Interest free loan received from related parties	4,341,681	3,144,044		

9.Reason for Suspension of Operation
The company has suspended its commercial operation since the Three month Period Ended Mar-31, 2018 under review due to the state of affairs including unfavorable market conditions due to overall crisis in textile industries in Pakistan the same crises resulted closure of many textile units during the last few Years, higher prices of raw Cotton and increase in overhead Costs due to non availability of gas to the industrial state and repeated power break downs in winder (Baluchistan) causing damage to the company is now ready to restart the factory in due course of time as soon as the viable power situation improvement in Winder Baluchistan.

10.Date of Authorization for issue
These Financial Statements were authorized for issue on April, 27th 2018 by the Board of Directors of the Company.

11.General:
Figures have been rounded off to the nearest of Rupee.


AMIN A. HASHWANI
Chief Executive


YOUSUF NOORANI
C.F.O

موضوع: 27 اپریل 2018

محمد اللہ صاحب شادانی
ڈائریکٹر


ABDULLAH A. HASHWANI
Director

If undelivered please return to:
LAND MARK SPINNING INDUSTRIES LTD,
1ST FLOOR, COTTON EXCHANGE BUILDING,
I. I. CHUNDRIGAR ROAD, KARACHI.

LANDMARK SPINNING INDUSTRIES LIMITED.

DIRECTORS REPORT

The Board of Directors would like to present the condensed, un-audited financial statements of the Company for the nine months period ended March 31, 2018.

Business Review

During the period under review no operational activity has taken place mainly because of non-availability of viable energy supply to Winder. The loss for the nine months was mainly because of Depreciation charged and the effect of Amortization of loan and the expenses incurred for the Machine revamping as to make ready for the operational activity.

We are expecting the power crises will be overcome in the coming months. Our machineries maintenance works has progressed well for operation purpose.

We have incurred expenses to make ready the machinery for production and to meet the obligation, we have appointed technical staff, helpers to plan, and to check / test the position of machinery by using their skill, replacement of parts and lubricant.

Your Company has sustained a net loss after tax amounting to Rs.9,203 million in the nine months ended March 31, 2018 compared to a loss after tax of Rs.10,675 million in the corresponding period. Management of your Company is making concerted efforts and continues to endeavor to achieve improved performance in the future.

Our main hurdle is non-availability of proper industrial infrastructure and viable energy source. In the absence of these, the production activity could not be initiated in this period. The most viable energy is gas for which any piping or related infrastructure is not tendered.

The Company's operation have not started due to reasons beyond its control, however, we would like to state that we have incurred expenses for the revival of plan by arranging technical staff, helpers to maintain the machines by applying oil and lubricants, and by interchanging and repairing the effected parts to make ready for the production activity. However, keeping eye on the availability of viable energy, otherwise the expenditure in this regard would not have been utilized.

The management is reviewing other options, in addition, to initiate textile activity to resolve the issue within the parameters of regulations of SECP / Company Act/ Pakistan Stock Exchange regulations. Further, we would also like to inform you that we are also putting our efforts to state the assets and liability at their net realizable and settlement amount respectively at the time of finalization of our annual accounts of getting value of assets from independent source to the satisfaction of our external auditors and in accordance to the directives of Commission. Financial Highlights

The comparative financial highlights of your Company for the six months period ended March 31, 2018 and March 31, 2017 are as follows:

	2018	2017
	Rupees in '000.....	Rupees in '000.....
Cost of Sales (Depreciation)	(5,538)	(5,228)
Administrative Expenses	(410)	(2,218)
Financial Cost	(1)	(0)
Amortization of Associated Cos, Loan (IAS-39)	(3,939)	(3,886)
Loss before Taxation	(9,888)	(11,332)
Deferred Tax	685	657
Loss after Taxation	(9,203)	(10,675)
Accumulated losses carried over to Balance Sheet (Loss) per share - basic & diluted	(136,280)	(165,413)
	(0.76)	(0.88)

Acknowledgement


The Board of Directors would like to express its sincere appreciation to the Company's valued clients, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange and the Central Depository Company for their continued guidance and professional support. For and on behalf of the Board.

Dated. April 27, 2018

Karachi.

By order of the Board.


(AMIN A.HASHWANI)
Managing Director/CEO


ABDULLAH A. HASHWANI
Director