

**LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM BALANCE SHEET
(UN-AUDITED) AS ON DECEMBER 31, 2017**

NON CURRENT ASSETS	Note	For the Half year Ended	
		December 31, 2016	December 31, 2017
		Rupees	Rupees
FIXED ASSETS			
Property, Plant and Equipments - (At Cost less Accumulated Depreciation)	4	202,688,707	212,857,457
LONG TERM DEPOSITS		25,000	25,000
CURRENT ASSETS			
Stores and Spares		295,202	38,688
Loans and Advances		38,407	15,800
Cash and Bank Balances		372,297	54,488
CURRENT LIABILITIES			
Trade and Other Payables		354,252	452,551
		354,252	452,551
CONTINGENCIES		18,046	(398,063)
	5	202,731,753	212,484,394

SHAREHOLDERS EQUITY AND LIABILITIES

SHARE CAPITAL			
AUTHORIZED CAPITAL		150,000,000	150,000,000
15,000,000 (June 30, 2017; Rs. 15,000,000) Ordinary Shares of Rs.10/- each			
ISSUED SUBSCRIBED & PAID UP CAPITAL			
12,123,700 (June 30, 2017; 12,123,700) Ordinary Shares of Rs. 10/- each fully paid in cash		121,237,000	121,237,000
Accumulated Loss		(188,818,823)	(172,849,415)
		(67,581,823)	(51,612,415)
Surplus On Revaluation Of Property, Plant And Equipments		64,602,898	67,799,523
Deferred Taxation		29,090,674	30,460,655

NON CURRENT LIABILITIES			
LONG TERM LOANS - Unsecured, Interest Free	6	176,620,003	165,836,631
		202,731,753	212,484,394

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

AMIN A. HASHWANI
Chief Executive

YOUSUF NOORANI
Director

ABDULLAH A. HASHWANI
Director

**LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM PROFIT & LOSS ACCOUNT
(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

SALES - Net	For the Half year Ended		For the Quarter year Ended	
	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
Cost of Sales	11,420,968	10,455,870	5,841,698	5,227,935
Gross (Loss)	(11,420,968)	(10,455,870)	(5,841,698)	(5,227,935)
OPERATING EXPENSES				
Administrative Expenses	1,812,746	1,389,675	820,702	1,126,312
Operating (Loss)	(13,233,714)	(11,845,545)	(6,662,400)	(6,354,247)
Financial Cost				
Bank charges and commission	3,454	1,093	1,802	754
Unwinding of discount - on Associated and Related Party Loans- reversal	7,877,240	7,026,479	3,938,620	3,513,240
Party Loans- reversal	7,880,694	7,027,572	3,940,422	3,513,994
(Loss) Before Taxation	(21,114,408)	(18,873,117)	(10,602,822)	(9,868,241)
Taxation				
Current	1,369,982	1,313,218	684,991	656,609
Deferred tax	1,369,982	1,313,218	684,991	656,609
(Loss) After Taxation	(19,744,426)	(17,559,899)	(9,917,831)	(9,211,631)
(Loss) Per Share -Basic	(1.63)	(1.45)	(0.82)	(0.76)

The annexed Notes form an integral part of these accounts.

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED) FOR THE
HALF YEAR ENDED DECEMBER 31, 2017**

(loss) for the period	For the Half year Ended		For the Quarter year Ended	
	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
Other comprehensive income				
Transfer from surplus on revaluation of property plant and equipment in respect of incremental depreciation	4,566,607	4,236,187	2,283,303	2,118,094
Related deferred tax	(1,369,982)	(1,313,218)	(684,991)	(656,609)
	3,196,625	2,922,969	1,598,312	1,461,485
	(16,547,801)	(14,636,930)	(8,319,519)	(7,750,147)

The annexed Notes form an integral part of these accounts.

AMIN A. HASHWANI
Chief Executive

YOUSUF NOORANI
Director

ABDULLAH A. HASHWANI
Director

**LANDMARK SPINNING INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED) AS ON DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	For the Half year Ended		For the Quarter year Ended	
	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
(Loss) before taxation	(21,114,408)	(18,873,117)		
Adjustment of non-fund items:				
Depreciation	10,168,750	10,458,485		
Unwinding of discount - on Associated and Related Party Loans- reversal	7,877,240	7,026,479		
Financial Charges	3,454	1,093		
	18,049,444	17,486,057		
	(3,064,964)	(1,387,060)		

**Working capital charges
(INCREASE)/DECREASE IN CURRENT ASSETS:**

Stores and spares	(295,202)	145,152
Other Receivables	(98,300)	145,152
	(393,502)	(1,241,908)

INCREASE/(DECREASE) IN CURRENT LIABILITIES:

Trade and Other Payables	(3,458,466)	(1,093)
Cash generated from operations	(3,454)	(1,093)
Financial Cost Paid	(3,454)	(1,243,001)
	(3,461,920)	

CASH FLOW FROM FINANCING ACTIVITIES

Long term loans	3,484,527	1,242,265
Net cash flow from investing activities	3,484,527	1,242,265

NET INCREASE/(DECREASE) IN CASH & BANK BALANCES

Cash and bank balances at the beginning of the period	22,607	(736)
CASH AND BANK BALANCES AT THE END OF THE PERIOD	15,800	31,461
	38,407	30,725

The annexed Notes form an integral part of these account.

CONDENSED INTERIM FINANCIAL STATEMENTS

NET INCREASE/(DECREASE) IN CASH & BANK BALANCES	22,607	(736)
Cash and bank balances at the beginning of the period	15,800	31,461
CASH AND BANK BALANCES AT THE END OF THE PERIOD	38,407	30,725

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

Introduction:

We have reviewed the accompanying Condensed interim balance sheet of Landmark Spinning Industries Limited ("the company") as at December 31, 2017 and the related Condensed interim profit and loss account, Condensed interim Statement of comprehensive income, Condensed interim cash flow statement and Condensed interim statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the "Condensed interim financial statements") for the six months period then ended. Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this Condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account and Statement of Comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed as we are required to review only the cumulative figures for the Six month ended December 31, 2017.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of Condensed interim financial statements performed by the independent Auditor of the Entity". A review of Condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

a) The financial statements of the company for the year ended June 30, 2017 as disclosed in note 1.2 to the financial Statements reflect loss after taxation of Rs.19,744,426 (June 30, 2017: Rs. 37,615,197) and as of that date it has accumulated losses of Rs. 188,818,823 (June 30, 2017: Rs. 172,849,415) which resulted in net capital deficiency of Rs. 67,581,823 (June 30, 2017: Rs. 51,612,415). 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 wider industrial estate still not provided the gas connection as fully disclosed in note 1.2 and 9 to the financial Statements. Further, basic infrastructure facilities are not been provided 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.

Adverse conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) above, this interim condensed financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

CHARTERED ACCOUNTANTS

Audit Engagement Partner: Mohammad Ghalib
Karachi:
Dated: 27-2-2018

AMIN A. HASHWANI
Chief Executive

YOUSUF NOORANI
Director

ABDULLAH A. HASHWANI
Director

