

LANDMARK SPINNING INDUSTRIES LIMITED

CORPORATE BRIEFING DETAILS

Conducted on 23/11/2019

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LANDMARK SPINNING INDUSTRIES LIMITED

CORPORATE BRIEFING DETAILS

COMPANY BRIEF

Corporate Information

Board of Directors

Chairman : Mr. Nizam A. Hashwani

Chief Executive : Mr. Amin A. Hashwani

Directors : Mr. Abdullah A. Hashwani
Syed Raza Abbas Jafferri
Mrs. Sultana A. Hashwani
Mr. Anwer Ali
Mrs. Shahrina Hashwani

Audit Committee : Mr. Anwer Ali - Chairman
Mrs. Shahrina Hashwani
Mr. Abdullah A. Hashwani

HR Remuneration Committee : Mr. Anwer Ali - Chairman
Mr. Abdullah A. Hashwani
Mrs. Shahrina Hashwani

Chief Financial Officer &

Company Secretary : Mr. Yousuf Noorani

Auditors : Feroze Sharif Tariq & Co.
Chartered Accountants

Bankers : Habib Metropolitan Bank Ltd.

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

Share Registration Office : F.D. Registrar Services SMC (Pvt.) Ltd.
1705, 17th Floor, Saima Trade Tower A,
I.I. Chundrigar Road, Karachi.



LANDMARK SPINNING INDUSTRIES LIMITED
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Corporate Information

Landmark Spinning Industries Limited (the Company) was incorporated in Pakistan, as a private Limited Company on October-24, 1991 and was converted into a public limited company on April 30, 1992 under the Companies Ordinance, 1984 (now Companies Act 2017) and its shares are listed on Pakistan Stock Exchange Limited. The Principal activity of the Company is trading, manufacturing and sale of yarn.

The geographical Location and address of the company's business units, including mill/plant are as under:

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 Plot No. C-1, Winder Industrial Estate Sector "c" District Lesbella, Baluchistan, Pakistan.

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.

Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

During the year the company's Board of Directors decided to obtain Forced sales value from the independent valuer M/s Sipra & company (Private) Limited to ascertain the approximate Realizable value / settlement amounts of major Fixed assets of the company. The Realizable Value of the assets taken as the forced sales value as on June 29, 2019 in their revaluation report.



The Company remain not in operation during the year and the financial statement made on Non Going Concern Basis.

During the year the company obtained loan from related party to meet the Working Capital Requirement due financial Crunch faced by the company as loan from Related Parties due to company not in operation.

During the year the SECP issued order dated March 20, 2019 to start proceeding for winding up the company by to the registrar of Companies further, the company started Delisting Process as decided by the Board and intimated to the Pakistan Stock Exchange Limited and Securities and Exchange Commission of Pakistan.

Basis of Preparation

The Board has decided to Prepare the financial Statements on the realizable value Assumption (Assets are valued at Forced Sales Value Determined by the independent valuer) in the year ended June 30, 2019 as disclosed to the financial Statements and Liabilities are stated at their Settlement amounts, unless an accounting policy herein states otherwise. The financial statements, except for the Land, Building and Plant and Machinery which are stated at revalued / Force Sales value amounts as decided by the management to prepare accounts on non going concern basis as fully disclosed in the financial Statements. Up to June 30, 2017 the financial statements has been Prepared on the historical Cost Basis.

Non Going Concern Assumption

During the year ended June 30, 2019 after taking of approximate Effects of realizable values and Settlements amounts the accounts are prepared on non going concern basis , the Company has incurred a net loss, after tax, of 2,042,380 (2018: Rs. 56,526,395) , during the year ended June 30, 2019. During the period under review the production remain suspended owing to non availability of viable power supply and lack of infrastructure facilities at Winder Industrial Area.

However, as directed by Securities and Exchange Commission of Pakistan in their order dated September 12, 2017 the company has to prepared accounts on the basis of non-going concern instead of using going concern assumption for preparation accounts, further, fully discussed in the financial accounts. The assets have been reported at the approximate realizable values and the liabilities have been reported at their settlement amounts. the difference between carrying amounts of the Assets and Realizable Values has adjusted in respective surplus on revaluation of Property Plant and equipment. the difference between the amounts of liabilities and respective settlement amounts have been taken to Profit and Loss accounts. Consequently the company has prepare accounts on non going concern assumption and the assets and liabilities are stated at their realizable and settlement amount respectively. However, the management's assessment that the entity would continue to operate as going concern. In the absence of any market for second hand industry and company's willingness not to windup the company the valuation of Realizable Value is Consider as Forced Sales value valued by the Independent valuer. The management is hopeful

The management of the Company is constantly reviewing situation to explore options for availability of energy to resume operations. Our detailed business plan as submitted with SECP office was based on the fact that we will be able to secure smooth supply of natural gas but unfortunately the requisite viable power supply are not catered by the Authority . As an alternate, we are exploring option of resuming production using Liquefied Petroleum Gas (LPG). Further, the directors are making sincere efforts to keep the company in operational conditions by making investment from the associated companies for their commitment to continue support to the Company in order to maintain sustainability of the Company, paying back all outside liabilities including bank loans from their own resources and maintaining positive attitude. This is clearly stated managements' bona fide intent to protect the minority shareholders from suffering 100% loss on their investment in shares



LANDMARK SPINNING INDUSTRIES LIMITED

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STRATEGIC / OPERATIONAL DEVELOPMENT

LANDMARK SPINNING INDUSTRIES LIMITED

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STRATEGIC / OPERATIONAL DEVELOPMENT

- ELECTIONAL OF DIRECTORSS.

Members of the Company are hereby informed that pursuant to section 159 , of the Companies Act 2017, the following persons have notified to the Company their intention of offering themselves for election of Director for the term of three years commencing from 26th October 2019, at the Annual General Meeting held on Saturday the 26th October 2019;

1. Mr. Mr. Amin Hashwani
2. Mr. Abdullah Hashwani
3. Mr. Nizam Akber Ali Hashwani
4. Mrs. Sultana Akber Hussain Hashwani
5. Mr. Anwer Ali
6. Mrs. Shahrina Hashwani Khawaja
7. Mr. Syed Raza Abbas Jafferi

The number does not exceed the number of directors fixed in term of section 159 (1) of the Companies Act 2017, the above named seven (7) persons shall be deemed to be declared elected for three years term commencing from 26th October 2019.



LANDMARK SPINNING INDUSTRIES LIMITED

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STRATEGIC / OPERATIONAL DEVELOPMENT

CHANGE OF AUDITORS;

M/S Parker Randall- A.J.S. Chartered Accountants appointed as our auditors for the year ending June 30, 2020 at the same remuneration of previous year, in place of the retiring auditors M/s Feroz Sharif Tariq & Company, Chartered Accountants.



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STRATEGIC / OPERATIONAL DEVELOPMENT

CONTINGENCIES & COMMITMENTS

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 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 company is pursuing to the commission for the extension of further time to restart the production in this regard the company have submitted Projections and the letters from Directors/sponsors which express their commitment to continue support to the company in order to maintain sustainability of the Company the Securities and Exchange Commission of Pakistan further extended the time renitiate the time for winding up petition review for one year in their order dated December 21, 2016.

During the year ended the SECP issued notice dated January 10, 2019 and the SECP passed Orders against the notice dated March 20, 2019 whereby a sanction had been granted to Registrar, Company Registration Office, Karachi, under Clause (m) of section 301 of the Companies act 2017, to present winding up petition against Land mark spinning Industries Limited before Court under clause (b) of Section 304 of the Act. therefore, the company has filed appeal against the order passed by the SECP for filing winding up petition but the same appeal has been refused to register the appeal under section 33 of the SECP Act 1997 by the Commission.

Before passing the Order by SECP dated March 20, 2019 and refusal of Appeal dated April 22, 2019 the Board of Directors of the company passed Resolution in the meeting dated March 7, 2019 in which the Board resolved that to delist the Company Land mark Spinning Industries Limited from Pakistan Stock Exchange Limited and buy back shares by the two directors of the company namely Mr. Abdullah Hashwani and Mr. Nizam Hashwani as per resolution. Therefore the Company has started process to delist the Company properly intimated to SECP and Pakistan Stock Exchange vide their letter dated March 8, 2019.



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STRATEGIC / OPERATIONAL DEVELOPMENT

- D LISTING OF THE COMPANY
UNDER PAKISTAN STOCK EXCHANGE REGULATIONS

The Board of Directors of the Company are of the considered view to proceed for the delisting of Land Mark Spinning Industries Limited under the Pakistan Stock Exchange Regulations due to unavoidable circumstances beyond the preview of the management, particularly due to the non-availability of gas and other power supplies in Winder, Baluchistan. The option for revival of the unit cannot take place under the current situation. And the unsecured loans obtained from M/s. Hassan Ali Rice Export Company and M/S. Syndicate Mineral Export Company are due and payable by it.

The Board has Passed Resolution in meeting dated March 7, 2019 to delist the Company Land mark Spinning Industries Limited from Pakistan Stock Exchange Limited and buy back the shares by the two directors of the company namely Mr. Abdullah Hashwani and Mr. Nizam Akberali Hashwani as per resolution.

Therefore the Company has started process to delist the Company Letter send to SECP and Pakistan Stock Exchange as of reporting date the has started to Complete the legal Formalities for delisting the Company.



LANDMARK SPINNING INDUSTRIES LIMITED
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FINANCIAL DETAILS

FINANCIAL HIGHLIGHTS

(Rupees in Thousands)

ASSETS EMPLOYED	2019	2018	2017	2016	2015	2014
Property Plant & Equipment (Book Value)	192,266	176,751	212,857	218,565	241,794	241,797
Long Term Deposit	25	25	25	25	25	25
Net Current Assets	(389)	(187)	(398)	(192)	(204)	(144)
Total Assets Employed	192,266	176,589	212,484	218,398	241,615	241,678
FINANCED BY						
Issued Subscribed & Paid up Capital	121,237	121,237	121,237	121,237	121,237	121,237
Reserve & surplus on revaluation	58,231	45,830	67,800	62,235	100,929	100,929
Accumulated Loss	(231,418)	(229,376)	(172,849)	(142,287)	(114,815)	(102,479)
Shareholder's Equity	(51,950)	(62,309)	16,188	41,185	107,351	119,687
Long Term Liabilities	224,414	222,574	165,837	147,926	134,264	121,991
Total Capital Employed	192,322	176,793	212,937	218,660	241,615	241,678
OTHER DATA						
Net Sales	-	-	-	-	-	-
(Loss) before Taxation	(2,042)	(56,526)	(40,242)	(37,275)	(12,729)	(17,479)
(Loss) after Taxation	(2,042)	(56,526)	(37,615)	(34,265)	(12,729)	(17,479)
(Loss) per Share	(0.17)	(4.66)	(3.10)	(2.83)	(1.05)	(1.44)

