



30th June 2008

LANDMARK  
SPINNING INDUSTRIES  
LIMITED

**22. Plant Capacity and Production**

Particulars		2008	2007
		Average Count	Average Count
Actual production converted to 20 count	-	-	-
Attainable capacity (in milion 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 2007-2008 under review due to repeated power break downs in winder (Baluchistan) causing damage to he 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. Going Concern**

The Company has incurred a net loss, after tax, of Rs. 885,680/-, during the year ended June 30, 2008, and as of date its Current Liabilities exceed its Current Assets by Rs. 777,038/-, and its total liabilities exceed its Total Assets by Rs. 46,959,041/-, 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 near future. Upon the supply of Gas connection, the management would commence commercial operation and ultimately, the shareholders would be benefited in future.

**25. Financial Assets and Financial Liabilities**

The company's income and operating cash flows are substantially independent of changes in the market interest rates. The company presently has no significant interest-bearing assets. The company's exposure to interest rate risk and the effective interest rates on its financial assets and liabilities as of June 30, 2008, are summarized below:

The company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR JUNE 30, 2008****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. Chundrigar Road, Karachi; while its manufacturing facilities are located at Winder Balochistan, Pakistan. The Principal activity of the Company is trading, Manufacturing and sale of Yarn.

The company commenced its commercial operation, form 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 Balochistan industrial zone S.S.G.C. Limited, which is in progress, the production will be expected to commence in near future.

**2. Statement of Compliance**

These financial statement have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984, or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, or the requirements of such directives take precedence.

**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 October 07, 2008

**5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting Policies. Estimates and judgments are continually evaluated and are believed to be reasonable under the circumstances. In process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

**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.

**6. Significant Accounting Policies****6.1 Trade and Other Payable**

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 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 rates specified in the annexed schedule, whereby the cost of assets 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 plus 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 overhead

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**

Transaction 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 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/changed 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 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**

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 currently.

Financial instruments carried on the balance sheet includes investments, deposit, receivables, cash and bank balances, redeemable capital, liabilities against assets subject to finance lease, creditors, running finance and other payable. The particular recognition method adopted is disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset when the company has a legally enforceable right to offset the same and intends to settle either on a net basis or to realize the assets and settle the liabilities simultaneously.

**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 amount 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 receivable 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 Receipt Basis

**6.17 Employees Benefits**

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

# LANDMARK SPINNING INDUSTRIES LIMITED

## 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 in inflow of economic benefits is probable.

	<b>2008</b> <b>Rupees</b>	<b>2007</b> <b>Rupees</b>
<b>7. Tangible Fixed Assets</b>	<u>240,568,880</u>	<u>152,862,390</u>
Property, Plant and Equipment	<u>240,568,880</u>	<u>152,862,390</u>

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

Particulars	Cost				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	
	<i>Rupees</i>					<i>Rupees</i>			
Lease hold land	2,969,450	7,986,890	-	10,956,340	1	356,340	-	356,340	10,600,000
Factory Building on Lease hold land	65,679,261	31,491,285	-	97,170,546	10	17,799,080	-	17,799,080	79,371,466
Plant and Machinery	139,862,787	48,235,183	-	188,097,970	10	37,902,816	-	37,902,816	150,195,154
Hut at Sanspit (leaseholder)	308,500	-	-	308,500	10	249,748	5,875	255,623	52,878
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	10	190,027	995	191,022	3,979
Sales and Measuring Equipment	8,000	-	-	8,000	10	1,520	-	1,520	6,480
2008	209,677,702	87,713,358	-	297,391,060	10	56,815,312	6,870	56,822,182	240,568,880
2007	209,677,702	-	-	209,677,702	10	56,807,541	7,771	56,815,312	152,862,390

## 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, 3587= The depreciated values as per valuation reports on that are as follows:

	REVALUED AMOUNT	BOOK VALUE AS ON JUNE 30, 2008	DIFFERENCE BETWEEN BOOK VALUE & REVALUED AMOUNT		Had there been on levitation the related figures of Land and Building and Plant and Machinery as at June 30, 2008 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	2,969,450	356,340	2,613,110
Factory Building on lease hold land	97,170,546	65,679,261	31,491,285	Factory Building on lease hold land	65,679,261	17,799,080	47,880,181
Plant and Machinery	188,097,970	139,862,787	48,235,183	Plant and Machinery	139,862,787	37,902,816	101,959,971
	<u>296,224,856</u>	<u>296,224,856</u>	<u>87,713,358</u>				

	<b>2008</b> <b>Rupees</b>	<b>2007</b> <b>Rupees</b>
Depreciation for the period has been allocated as follows:	-	-
Production Expenses	-	-
Administrative Expense	<u>6,870</u>	<u>7,771</u>
	<u>6,870</u>	<u>7,771</u>

## Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Production Expenses  
Administrative Expense

7.2 No Depreciation since 2002 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. 67,232,635 and consequently Accumulated losses of the company as of Balance sheet date would have been increased by Rs. 67,232,635 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. 59,180,119 and consequently Accumulated losses of the company as of Balance Sheet date would have been increased would have been increased by Rs. 59,180,119

# LANDMARK SPINNING INDUSTRIES LIMITED

	<b>June 30, 2008 Rupees</b>	<b>June30, 2007 Rupees</b>
<b>8. Long Term Deposits</b>		
Central Depository Company	25,000	25,000
<b>9. Loans and Advances - Unsecured, Considered Good</b>		
Advance Income Tax	38,688	38,688
	38,688	38,688
<b>10. Trade Deposit and Prepayments - Considered good</b>		
Guarantee Margins	474,980	474,980
	474,980	474,980
<b>11. Cash and Bank Balances</b>		
Cash in Hand	-	-
Cash at Banks - Current Accounts	72,350	73,843
	72,350	73,843
<b>12. Trade and Other Payables</b>		
Creditors for Goods	81,804	201,115
<b>Accrued Liabilities</b>		
Accrued Expense	1,013,978	1,025,339
<b>Others</b>		
With holding tax Payable	267,274	267,274
	1,363,056	1,493,728
<b>13. Contingencies and Commitments</b>		

Karachi port trust suit bearing No. 201 of 2004 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. put the Company to bear liability in cash of any order by the court in favor of K.P.T. Landmark Spinning Industries Ltd. has filed litigation in order to Contest the 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/-

*each*

2008	2007		2008	2007
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.

# LANDMARK SPINNING INDUSTRIES LIMITED

		<b>June 30, 2008 Rupees</b>	<b>June30, 2007 Rupees</b>
<b>16. Long term Loan</b>			
(Unsecured & Interest free)			
Form Directors	16.1	23,427,751	23,427,751
Form Associated Undertaking	16.2	<u>175,634,773</u>	<u>174,626,782</u>
		<u>199,062,524</u>	<u>198,054,533</u>
16.1 Maximum balance due at the end of any month during the year is Rs. 23,427,751,( 2007 : Rs 23,427,751)			
16.2 Maximum balance due at the end of any month during the year in Rs. 175,634,773 ( 2007 : Rs 174, 626,782)			
16.3 Term 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.			
<b>17. Administrative and General Expenses</b>			
Salaries & Wages		424,284	415,610
Fees & Subscription		122,550	70,150
Printing & stationery		17,000	20,400
Advertisement Expenses.		37,400	25,800
Insurance Exp.		74,028	74,085
Legal and Professional Charges		30,000	10,000
Oil and Lubricants Consumed		97,815	97,820
Auditors Remuneration		75,000	75,000
Miscellaneous Expenses		-	600
Depreciation Expenses.		<u>6,870</u>	<u>7,771</u>
		<u>884,947</u>	<u>797,236</u>
<b>18. Finance Cost</b>			
Bank Charges and Commission		<u>733</u>	<u>3,401</u>
		<u>733</u>	<u>3,401</u>
<b>19. Taxation</b>			
19.1 The company's income tax assessment have been finalized including and upto Tax year 2007 (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.			
<b>20. Earnings Per Share - Basic</b>			
Profit after Taxation		<u>(885,680)</u>	<u>(800,637)</u>
Weighted Average Number of Ordinary Shares		<u>12,123,700</u>	<u>12,123,700</u>
Earning per Share - Basic	Rupees	<u>(0.07)</u>	<u>(0.07)</u>
<b>21. Related Party Transactions</b>			
Bridge financing		<u>987,991</u>	<u>1,006,067</u>

All transactions were carried out on not normal terms and conditions. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment.



Particulars	interest Bearing		Non-Interest Bearing		Total	
	Less than One Year	More than One Year	Less than One Year	More than One Year	2008	2007
<i>RUPEES</i>						
Financial Assets						
Long Term Deposits	-	-	-	25,000	25,000	25,000
Deposits and Prepayments	-	-	474,980	-	474,980	474,980
Cash & Bank Balances	-	-	72,350	-	72,350	73,843
Total Financial Assets	-	-	547,330	25,000	572,330	573,823
Financial Liabilities						
Long Term Loans	-	-	-	199,062,524	199,062,524	198,054,535
Trade and Other Payables	-	-	1,363,056	-	1,363,056	1,493,725
Total Financial Liabilities	-	-	1,363,056	199,062,524	200,425,580	199,548,260
Net Exposure	-	-	(815,726)	(199,037,524)	(199,853,250)	(198,974,437)

Effective rates of interest ( if any) for the monetary financial liabilities are mentioned in the respective notes to the accounts.

Effective rates of interest (if any) for the monetary financial liabilities are mentioned in the respective notes to the accounts.

## 25.1 Credit Risk and Concentration of Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures and limiting transactions with specific counterparties. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have a similar economic features that would cause their ability to meet contractual obligation to be similarly affected by change in economic, political or other condition. Concentrations of credit indicate the relative sensitivity of the company performance to developments affecting a particular industry or geographic location.

The company is not materially exposed to credit risk.

## 25.2 Foreign Exchange Risk

Foreign currency risk arises mainly where receivable and payment exist due to transactions with foreign undertakings. The company does not enter into any transactions which may expose it to foreign currency risk.

## 25.3 Fair value of Financial Instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern with out any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different form book value as shown in these financial statements.

**25.4 Liquidity risk**

Liquidity risk reflects the company's inability of rising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes continues monitoring of daily fund positions, relevant ratios and diversification of the Company's financial assets.

**26. General**

- i) Figures have been rounded off to nearest rupee.

**AKBAR ALI HASHWANI**  
Chief Executive

**AMIN A. HASHWANI**  
Director

## **CONTENTS**

<i>Corporate Information .....</i>	<i>2</i>
<i>Mission Statement .....</i>	<i>3</i>
<i>Notice of Meeting .....</i>	<i>4</i>
<i>Directors' Report .....</i>	<i>5</i>
<i>Financial Highlights .....</i>	<i>7</i>
<i>Statement of Compliance with the best practices of Corporate Governance .....</i>	<i>8</i>
<i>Auditors' Review Report to the members on statement of compliance with best practices of code of Corporate Governance .....</i>	<i>9</i>
<i>Auditors' Report .....</i>	<i>10</i>
<i>Balance Sheet .....</i>	<i>11</i>
<i>Profit and Loss Account .....</i>	<i>12</i>
<i>Cash Flow Statement .....</i>	<i>13</i>
<i>Statement of Changes in Equity .....</i>	<i>14</i>
<i>Notes to the Account .....</i>	<i>15</i>
<i>Pattern of Share Holding .....</i>	<i>24</i>
<i>Details of Categories of Shareholders .....</i>	<i>25</i>
<i>Form of Proxy .....</i>	

## **Corporate Information**

### **Board of Directors**

*Chairman & Chief Executive* : Mr. Akbar Ali 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.

**THE MISSION STATEMENT**

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

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Seventeen Annual General Meeting of the Company will be held on Wednesday 29th October 2008, 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 Sixteen Annual General Meeting held on 30th October, 2007.
2. To receive consider and adopt the audited account for the year ended 30th June 2008, together with the Auditors and Directors report thereon.
3. To appoint Auditors for the year ending 30th June 2009 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 08th October 2008

By Order of the Board

Yousuf Noorani  
Company Secretary

### **NOTES:**

1. The share Transfer Books of the Company will remain closed from 23-10-2008 to 29-10-2008 (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.

## **DIRECTORS' REPORT**

The Directors of your company are pleased to present Seventeenth annual Report together with Audited accounts and Report thereon for the period ended 30th June, 2008.

Your Company has sustained a net loss after tax, of Rs. 885,680 during the year ended 30th June, 2008 on account of administrative and general expenses as no commercial activity has taken place during the period under Review.

The factory remained idle owing to high spiral prices of cotton, unworkable production cost due to fuel inflationary trends, non availability of infrastructural facility in Winder. To facilitate Winder industrial units, Sui Southern Gas Company has undertaken and started work for supply of Gas connection which is in progress and we anticipate Gas connection by Mid of 2009 at Winder provided normal Law and order situation in the Balochistan Province.

The management is in continuous efforts to resume operations upon the supply of gas connection by SSGC so as to utilize precious capital investment for upliftment of economic activity in Balochistan Province as well as for ultimate benefit of its shareholders.

As regards, the 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 IAS 16, the depreciation method envisaged at 62 for units 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 amounts 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 doubts on going concern with material uncertainty highlighted by the Auditors at it is further clarified that such observation for this unit over the years have not caused any event at all as the management of your company has been trying with utmost efforts by injecting funds from their own account with eventual aim to run the unit. The assets of your company are got revalued and on account of such financial changes, your Directors are keen 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 inability. Your Directors are struggling to resume the operations based on viability of the Unit upon supply of Gas connection which is in progress to utilize precious investment in Balochistan.

The Board of Directors through out the period under Review have 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 fair state of affairs, the results of its operations, cash flows and changes.
- \* Proper books of accounts of the Company have been maintained.
- \* Appropriate accounting policies have adhered-to in preparation of financial statements based on reasonable and prudent practices.

## LANDMARK SPINNING INDUSTRIES LIMITED

- \* International Accounting standards as applicable in Pakistan have been followed in preparation of financial statements.
- \* The internal control system has been effectively implemented and monitored.
- \* There has been no material departure from the best practices of corporate governance as well as Transfer pricing.
- \* During the year, 4 (Four) 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. Akbar Ali Hashwani      Chief Executive	4
2.	Mr. Amin A. Hashwani      Director	3
3.	Mr. Nizam A. Hashwani      Director	4
4.	Mr. Abdullah Hashwani      Director	4
5.	Mrs. Sultana Hashwani      Director	3
6.	Mrs. Farieha Hashwani      Director	3
7.	Syed Raza Abbas Jaffery      Director (Representing NIT)	1

(Leave of absence granted to the directors upon their request exhibiting pre-engagement and / or inability to attend the Board meetings)

The retiring Auditors M/s. Feroze Sharif Tariq & Co. Chartered Accountants Karachi being eligible have offered themselves for re-appointment for the financial year ending 30th June, 2009. The Board of directors on the recommendation of Audit committee have proposed appointment of M/s. Feroze Sharif Tariq & Co. Chartered Accountants for the year ending 30th June, 2009.

#### DIVIDEND\

As the company booked losses therefore no dividend has been declared.

The Pattern of shareholding as required under Section 234 of the Companies Ordinance, 1984 for the period ended 30th June, 2008 is attached to the Annual Report.

Your directors place on record the appreciation of efforts of the concerned quarters and look forward to their continued support.

Karachi:  
Dated : 7th October, 2008

**By Order of the Board**

**AKBAR ALI HASHWANI**  
**Chief Executive**



**FINANCIAL HIGHLIGHTS**

(Rupees in Thousands)

<b>ASSETS EMPLOYED</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Property Plant & Equipment (Book Value)	240,569	152,862	152,870	152,879	152,886	152,897
Long Term Deposit	25	25	50	50	50	100
Un-allocated Pre-Production Expenses	–	–	–	72,083	115,333	131,809
Net Current Assets	(777)	(906)	(1,144)	(56,953)	(76,211)	(76,211)
<b>Total Assets Employed</b>	<b>239,817</b>	<b>151,981</b>	<b>151,776</b>	<b>168,059</b>	<b>207,990</b>	<b>208,595</b>
<b>FINANCED BY</b>						
Issued Subscribed & Paid up Capital	121,237	121,237	121,237	121,237	121,237	121,237
Reserve & surplus on revaluation	87,713	–	–	–	–	–
Accumulated Loss	(168,196)	(167,310)	(166,510)	(150,799)	(107,219)	(89,972)
<b>Shareholder's Equity</b>	<b>46,959</b>	<b>(46,073)</b>	<b>(45,273)</b>	<b>(29,562)</b>	<b>14,017</b>	<b>31,265</b>
Long Term Liabilities	199,063	198,054	197,049	197,621	193,973	177,329
<b>Total Capital Employed</b>	<b>152,104</b>	<b>151,981</b>	<b>151,776</b>	<b>168,059</b>	<b>207,990</b>	<b>208,595</b>
<b>OTHER DATA</b>						
Net Sales	–	–	–	–	–	12,414
(Loss) before Taxation	(886)	(801)	(15,711)	(43,579)	(17,226)	(40,843)
(Loss) after Taxation	(886)	(801)	(15,711)	(43,579)	(17,248)	(40,843)
(Loss) per Share	(0.07)	(0.07)	(1.30)	(3.59)	(1.42)	(3.37)

## **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE PERIOD ENDED 30TH JUNE 2008**

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi and Lahore Stock Exchange 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 than 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 NBFIs 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 than 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 07, 2008

**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, 2008 prepared by the Board of Directors of Landmakr Spinning Industries Limited to comply with the Listing Regulation No(s) 37 of the Karachi Stock Exchange (Guarantee) Limited Chapter XIII of 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 staufs of the company’s compliance with the provisions of the ‘Code of Corporate Governance’, and rpeort if it does not. A review is limited primarily to inquiries of the company personnel and review of the various documents 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 overs 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 th the Code of Corporate Governance as applicable to the company for the year ended June 30, 2008.

Dated: October 07, 2008

**Feroze Sharif Tariq & Co.**  
Chartered Accountants

**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, 2008 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 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 with out taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 59,180,119 and Consequently Accumulated Losses of the Company as of Balance Sheet date would have been increased by Rs. 59,180,119, Furthermore, the company has made revaluation during the year on its assets Land, Building and plants, Had the company charged depreciation on all the assets with taking impact of revaluation the Written down value of the fixed assets (with revaluation) would have been reduced by Rs. 67,232,635 and Consequently Accumulated Losses of the Company as of Balance Sheet date would have been increased by Rs. 67,232,635.
- d) We draw attention to Note. 24 in the annexed notes to the Financial statements which incurred a net loss of Rs. 885,680/- during the year ended June 30, 2008; and as of that date, the Company's current liabilities exceeded its current assets by Rs. 777,038/- and its total liabilities exceeded its total assets by Rs. 46,959,041/-, 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, 2008 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, 2008 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".

Dated: October 07, 2008

**CHARTERED ACCOUNTANTS**

**Balance Sheet  
As at June 30, 2008**

	Note	June 30, 2008 Rupees	June30, 2007 Rupees
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, Plant & Equipments	7	240,568,880	152,862,390
Long term Deposits	8	25,000	25,000
<b>CURRENT ASSETS</b>			
Loan and Advances	9	38,688	38,688
Trade Deposits and Prepayments	10	474,980	474,980
Cash and Bank Balances	11	72,350	73,843
		586,018	587,511
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	1,363,056	1,493,728
Provision for Taxation		—	—
		1,363,056	1,493,728
		(777,038)	(906,217)
Contingencies and Commitments	13		
		239,816,842	151,981,173
<b>SHAREHOLDERS EQUITY AND LIABLILITES</b>			
<b>SHARE CAPITAL</b>			
Authorised Capital			
15,000,000 (2007: Rs. 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
Issued subscribed and Paid up Capital			
12,123,700 (2007: Rs. 12,123,700) Ordinary Shares of Rs. 10/- each fully paid in cash	14	121,237,000	121,237,000
Accumulated Loss		(168,196,040)	(167,310,361)
		(46,959,040)	(46,073,361)
Surplus on Revaluation of Property, Plant & Equipments	15	87,713,358	—
<b>NON CURRENT LIABILITIES</b>			
Long term Loans - Unsecured, Interest Free	16	199,062,524	198,054,533
		239,816,842	151,981,173

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

**AKBAR ALI HASHWANI**  
Chief Executive

**AMIN A. HASHWANI**  
(Director)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2008**

	Note	June 30, 2008 Rupees	June30, 2007 Rupees
Sales - Net		-	-
Cost of Sales		-	-
<b>Gross Profit</b>		<u>-</u>	<u>-</u>
<b>Operating Expenses</b>			
Administrative and General Expenses	17	(884,947)	(797,236)
<b>OPERATING LOSS</b>		<u>(884,947)</u>	<u>(797,236)</u>
Finance Cost	18	(733)	(3,401)
<b>Loss Before Taxation</b>		<u>(885,680)</u>	<u>(800,637)</u>
<b>Taxation</b>			
- Current	19	-	-
- Prior		-	-
<b>Loss after Taxation for the year</b>		<u><u>(885,680)</u></u>	<u><u>(800,637)</u></u>
Earning Per Share - Basic	20	<u><u>(0.07)</u></u>	<u><u>(0.07)</u></u>

The annexed notes form an integral part of these accounts.

**AKBAR ALI HASHWANI**  
Chief Executive

**AMIN A. HASHWANI**  
(Director)

**CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2008**

	Note	June 30, 2008 Rupees	June30, 2007 Rupees
<b>A. Cash Flow From Operating Activities</b>			
(Loss) before taxation		(885,680)	(800,637)
Adjustment of non-fund items:			
Depreciation		6,870	7,771
Financial Charges		733	3,401
		7,603	11,172
		(878,077)	(789,465)
<b>Working capital charges</b>			
<b>(Increase) / Decrease in Current Assets</b>			
Loan and Advance		-	232,800
<b>(Increase) / Decrease In Current Liabilities</b>			
Trade and Other Payable		(130,674)	(238,154)
		(130,674)	(5,354)
Financial Cost Paid		(733)	(3,401)
Income Tax Paid /adjusted		-	(232,800)
<b>Net Cash Generate from Operating Activities</b>		<b>(1,009,484)</b>	<b>(1,031,019)</b>
<b>B. Cash Flow from Investing Activities</b>			
Long term deposits		-	25,000
<b>Net Cash Generate from Operating Activities</b>		<b>-</b>	<b>25,000</b>
<b>C. Cash flor from financing Activities</b>			
Long term loans		1,007,991	1,006,067
<b>Net cash flow from investing activities</b>		<b>1,007,991</b>	<b>1,006,067</b>
Net Increase /(Decrease) in cash and Bank Balances (A+B+C)		(1,493)	49
Cash and bank balances at the begining of the year		73,843	73,794
Cash and Bank Balances at the end of the year	11	72,350	73,843

The annexed notes form an integral part of these accounts.

**AKBAR ALI HASHWANI**  
Chief Executive

**AMIN A. HASHWANI**  
(Director)

**STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended June 30, 2008**

	<b>Share Capital Rupees</b>	<b>Unappropriated (Profit) Rupees</b>	<b>Total Rupees</b>
<b>Balance as on June 30, 2006</b>	121,237,000	(166,509,724)	(45,272,724)
<b>Profit after Tax</b>	–	(800,637)	(800,637)
<b>Balance as on June 30, 2007</b>	<u>121,237,000</u>	<u>(167,310,361)</u>	<u>(46,073,361)</u>
<b>Profit after Tax</b>	–	(885,680)	(885,680)
<b>Balance as on June 30, 2008</b>	<u><u>121,237,000</u></u>	<u><u>(168,196,040)</u></u>	<u><u>(46,959,040)</u></u>

*The annexed notes form an integral part of these accounts.*

**AKBAR ALI HASHWANI**  
Chief Executive

**AMIN A. HASHWANI**  
(Director)



**PATTERN OF SHARE HOLDING  
AS AT JUNE 30, 2008**

NOS. OF SHARE HOLDERS		S H A R E H O L D I N G S			NOS. OF SHARES HELD
315	FROM	1	TO	500	209,840
4	FROM	501	TO	1000	4,000
1	FROM	1001	TO	10000	10,000
2	FROM	10001	TO	100000	161,400
2	FROM	100001	TO	200000	400,000
6	FROM	200001	TO	1500000	7,367,500
1	FROM	1500001	TO	4000000	3,970,960
331				TOTAL	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	319	816,925	6.74
TOTAL	331	12,123,700	100.00

**Details of Categories of Shareholders  
As At June 30, 2008**

	NUMBER OF SHAREHOLDERS	SHARE HELD
<b>INVESTMENT COMPANIES</b>		
Crescent Investment Bank Ltd.	1	200,000
<b>INSURANCE COMPANIES</b>		
Adamjee Insurance Co. Ltd.	1	32,500
<b>JOINT STOCK COMPANIES</b>		
BMA Capital Management Ltd.	1	47,900
<b>BANKS AND FINANCIAL INSTITUTIONS</b>		
Citi Bank Ltd.		220,300
National Bank of Pakistan (Formerly Mehran Bank Ltd.)		3,970,960
	2	4,191,260
<b>DIRECTORS, CEO THEIR SPOUSES AND MINOR CHILDREN</b>		
Mr. Akbar Ali Hashwani	Chief Executive	1,481,440
Mr. Amin A. Hashwani	Director	1,480,445
Mr. Abdullah Hashwani	Director	1,481,440
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	6,835,115
<b>INDIVIDUALS</b>		
	319	816,925
	331	12,123,700

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

	Shares Hold	Percentage
Mr. Akbar Ali Hashwani	1,481,440	12.22
Mr. Amin A. Hashwani	1,480,445	12.21
Mr. Abdullah Hashwani	1,481,440	12.22
Mr. Nizam A. Hashwani	1,481,440	32.75
National Bank of Pakistan (Formerly Mehran Bank Ltd.)	3,970,960	32.75

**LANDMARK SPINNING INDUSTRIES LIMITED**

**Form of Proxy**  
**LANDMARK SPINNING INDUSTRIES LIMITED**

I/We .....  
of .....  
a member(s) of ANDMARK 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 17th Annual General Meeting of the Company to be held on 29th October  
2008 at 6:00p.m. at 1st Floor, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

Signed this.....day of.....2008

Signature.....

Affix  
Five Rupees  
Revenue  
Stamp

(Signature should agree with the specimen signature registered with the Company)

**NOTES:**

1. No proxy shall be valid unless it is duly stamped with a revenue stamp worth Five Rupees.
2. In the case of Bank or Company, the proxy form must be executed under its Common seal and signed by its authorised person.
3. If this proxy form is signed 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.