

# ANNUAL REPORT

for the year ended  
June 30, 2015



**GOODLUCK INDUSTRIES LIMITED**



# **GOODLUCK INDUSTRIES LIMITED**

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# **GOODLUCK INDUSTRIES LIMITED**

## **COMPANY INFORMATION**

### **Board of Directors**

#### **Chief Executive**

Mr. Ashfaq Haji Hasham

#### **Directors**

Mr. Haji Moosa Haji Kassam  
Mr. Salim Rehmatullah Dada  
Mr. Mohammad Abbas Memon  
Mrs. Hoor Bano  
Mr. Shams-ul-Haque  
Mr. Shams-uz-Zoha  
Mr. Muhammad Hanif

#### **H.R Committee**

Mr. Haji Moosa Haji Kassam  
Mr. Shams-ul-Haque  
Mr. Sham-uz-Zoha

#### **Chief Financial Officer**

Rana Saif-ur-Rehman

#### **Company Secretary**

Mr. Nafees Shams Qureshi

### **Auditors**

M/s. Muniff Ziauddin & Co  
Chartered Accountants

#### **Legal Advisor**

M/s. Navin Merchant Advocates

#### **Share Registrar**

C & K Management Associates (Pvt) Ltd  
404, Trade Tower, Abdullah Haroon Road  
near Metropole Hotel, Karachi  
Phones: 35687839, 35685930

#### **Bankers**

Habib Metropolitan Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
United Bank Limited  
MCB Bank Limited

#### **Registered Office**

S-49/A, S.I.T.E, Mauripur Road, Karachi  
Web: [www.goodluckind.com](http://www.goodluckind.com)  
E-mail: [goodluckindltd@live.com](mailto:goodluckindltd@live.com)  
Phones: 32354361-64, 32354929

# GOODLUCK INDUSTRIES LIMITED

## DIRECTORS REPORTS TO THE SHAREHOLDERS

The Board of Directors of Goodluck Industries Limited, Karachi presents hereunder, the Annual Report and Audited Financial Statements of the Company for the financial year ended June 30, 2015, auditors reports to the members, auditors review reports on statements of compliance with best practices of code of corporate governance and directors report to the shareholders on the working of the Company for the financial year ended 30<sup>th</sup> June 2015 and statement of compliance with the code of corporate governance for the said period is reported here-under.

### Investment on Assets

A sum of Rs. 2483,820 was added for the addition in property, plant & equipments during the period from July 2014 to June 2015. The details of additions of assets recorded in property, plant & equipments schedule.

### Review on working and Profit & Loss Account

Profit & Loss Account for the year ended 30<sup>th</sup> June 2014 and 30<sup>th</sup> June 2015 Compared as under:-

|                                      | 2015               | 2014               |
|--------------------------------------|--------------------|--------------------|
|                                      | <-----Rupees-----> |                    |
| Sales                                | 762,259,773        | 693,031,833        |
| Cost of sales                        | (746,810,585)      | (682,623,944)      |
| <b>Gross profit</b>                  | <b>15,449,188</b>  | <b>10,407,889</b>  |
| Administrative expenses              | (8,451,164)        | (7,598,613)        |
| Selling expenses                     | (145,164)          | (135,819)          |
| Other income                         | -                  | 6,696,791          |
| Other operating expenses             | (580,293)          | (645,739)          |
|                                      | <b>(9,176,621)</b> | <b>(1,683,380)</b> |
| <b>Operating profit / (loss)</b>     | <b>6,272,566</b>   | <b>8,724,510</b>   |
| Financial charges                    | (125,290)          | (11,717)           |
| <b>Profit/(loss) before taxation</b> | <b>6,147,277</b>   | <b>8,712,793</b>   |
| Taxation                             | (1,925,291)        | (3,122,743)        |
| <b>Profit after taxation</b>         | <b>4,221,985</b>   | <b>5,590,049</b>   |

### Appropriation of Profit

The Board of Directors of the Company proposed appropriation of profit for the year as ended June 2015 as under:

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| Profit / (loss) before taxation                | 6,147,277         | 8,712,793         |
| Less: Taxation                                 | (1,925,291)       | (3,122,743)       |
| Profit after taxation                          | 4,221,986         | 5,590,050         |
| Un-appropriated profit brought forward         | 27,837,651        | 19,011,214        |
|  | <b>32,059,637</b> | <b>24,601,264</b> |
| Less: Dividend declared @ 20% (Rs.2 per share) | (600,000)         | (600,000)         |
| Add: Adjustment of incremental depreciation    | 3,534,345         | 3,864,162         |
| Add: Other comprehensive income                | 8,686             | (27,773)          |
| <b>Un-appropriated profit carried forward</b>  | <b>35,002,667</b> | <b>27,837,653</b> |

# GOODLUCK INDUSTRIES LIMITED

## Basic Earning Per Share

Basic earning per share during the year ended June 2015 as under:

|                         | 2015      | 2014      |
|-------------------------|-----------|-----------|
| Profit after taxation   | 4,221,985 | 5,590,049 |
| No. of shares           | 300,000   | 300,000   |
|                         | =====     | =====     |
| Basic earning per share | 14.07     | 18.63     |

## Proposed dividend

The Board of Directors of the Company proposed to declare payment of cash dividend @ 50% i.e. Rs. 5 per share amounting to Rs. 1500,000 for the year ended June 30, 2015.

## Changes in Equity as on 30<sup>th</sup> June 2015

|   | Share capital                  | Unappropriated profit | Total             |
|---|--------------------------------|-----------------------|-------------------|
|   | <----- Amount in Rupees -----> |                       |                   |
| Balance as at July 01, 2013   | 3,000,000                      | 19,011,214            | 22,011,214        |
| Profit after taxation for the year ended June 30, 2014  | -                              | 5,590,049             | 5,590,049         |
| <b>Other Comprehensive Income</b>   |                                |                       |                   |
| - Remeasurements of defined benefit liability - net of tax  |                                | (27,773)              | (27,773)          |
| - Surplus arisen on revaluation of fixed assets - net of tax  |                                |                       | -                 |
| - Transfer from surplus on revaluation of fixed assets on account of:<br>incremental depreciation for the year              |                                | 3,864,162             | 3,864,162         |
|   |                                |                       | -                 |
| <b>Transcations with owners:</b>  |                                |                       |                   |
| Dividend for the year June 30, 2013 @ Rs.2 per share  | -                              | (600,000)             | (600,000)         |
| <b>Balance as at July 01, 2014</b>  | <b>3,000,000</b>               | <b>27,837,652</b>     | <b>30,837,652</b> |
| Profit for the year ended June 30, 2015   | -                              | 4,221,985             | 4,221,985         |
| <b>Other Comprehensive Income</b>   |                                |                       |                   |
| - Remeasurements of defined benefit liability - net of tax  |                                | 8,686                 | 8,686             |
| - Transfer from surplus on revaluation of fixed assets on account of:<br>incremental depreciation for the year - net of tax |                                | 3,534,345             | 3,534,345         |
| <b>Transcations with owners:</b>  |                                |                       |                   |
| Dividend for the year June 30, 2014 @ Rs.2 per share  | -                              | (600,000)             | (600,000)         |
| <b>Balance as at June 30, 2015</b>  | <b>3,000,000</b>               | <b>35,002,667</b>     | <b>38,002,667</b> |

## Running Finance Facility – Secured

### **Habib Metropolitan Bank Ltd.**

This represents finance availed from Habib Metropolitan Bank Limited with sanctioned limit of Rs. 10.00 million. The finance is secured against hypothecation charge over stocks and receivables duly insured in bank's favor and carried mark-up rate @ 3 months KIBOR + 0.75% per annum.

# **GOODLUCK INDUSTRIES LIMITED**

## **Gratuity**

The Board of Directors specifically approved the provision for gratuity by Rs.1,249,742 and payment to outgoing / retired staff of the company by Rs. 264,000 during the financial year June 2015.

## **Election of Board of Directors**

The present board of directors have completed their tenure of three years, in accordance with section 178(1) of the Companies Ordinance 1984. Thus all the directors namely

- 1 Mr. Ashfaq Haji Hasham
- 2 Mr. Haji Moosa Haji Kassam
- 3 Mr. Salim Rehmatullah Dada
- 4 Mr. Muhammad Hanif
- 5 Mrs. Hoor Bano
- 6 Mr. Muhammad Abbas Memon
- 7 Mr. Shams-ul-Haque
- 8 Mr. Shams-uz-Zoha

will retire on the date of the forth coming Annual General Meeting of the Company. However directors are eligible for re-appointment and offer themselves for re-election. The Board has fixed the number of Directors at nine including an independent director.

## **Director remunerations**

In order to improve the financial position of the Company the Chief Executive and the Board of Directors of Company have decided to forgo fees, remuneration and other perquisites for the financial year ended June 2015.

## **Future Program**

Considering the prevailing situation in the country the Board of Directors of the company has decided to run the business of the factory as usual and that no major changes or new investment whatsoever is proposed during the forthcoming year.

## **Appointment of auditors**

The present auditors M/s. Muniff Ziauddin & Co, Chartered Accountants retire and being eligible, offer themselves for re-appointment and as required by the code of corporate governance the Audit Committee have recommended appointment of M/s. Muniff Ziauddin & Co, Chartered Accountants, as auditors of the Company for the financial year ending June 2016.

## **Compliance to the provision of the Code of Corporate Governance**

The directors of the company are pleased to inform you that your company has taken necessary steps to comply with the provision of the Code of Corporate Governance as incorporated in the Listing Regulation of the Karachi Stock Exchange Limited.

- ♦ The financial statements for the year ended June 30, 2015 have been prepared and are presented in accordance with Companies Ordinance, 1984.
- ♦ The company has maintained proper books of accounts as required by the law.
- ♦ The Accounting policies and disclosures are in accordance with the International Accounting Standards applicable in Pakistan.

## GOODLUCK INDUSTRIES LIMITED

- ◆ There are no significant doubts upon the Company's ability to continue as a going concern.
- ◆ The Company has paid all taxes, duties and there are no unpaid disputed balances.
- ◆ There has been no material deviation in observing the code of corporate governance.
- ◆ Specified pattern of shareholding is included in this report.
- ◆ Past seven years key operating and financial data is attached.
- ◆ In accordance with the requirement of the code, an audit committee has been formed and following are its members:

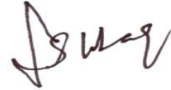
|                         |           |
|-------------------------|-----------|
| Muhammad Abbas Memon    | Chairman  |
| Saleem Rehmatullah Dada | Member    |
| Shams-ul-Haque          | Member    |
| Nafees Shams Qureshi    | Secretary |

- ◆ During the year (4) meetings of the Board of Directors were held. Attendance by each Directors is as follows:

| <b><u>Name of the Directors</u></b> | <b><u>No. of meeting attended</u></b> |
|-------------------------------------|---------------------------------------|
| Ashfaq Haji Hasham                  | 4                                     |
| Shams-ul-Haque                      | 4                                     |
| Mohammed Abbas Memon                | 4                                     |
| Shams-uz-Zoha                       | 4                                     |
| Salim Rehmatullah Dada              | 4                                     |
| Haji Moosa Haji Kassam              | 4                                     |
| Muhammad Hanif                      | 4                                     |
| Hoor Bano                           | 4                                     |

### **Appreciation**

The Board of Directors offered sincere thanks for the co-operation extended by the management of Habib Metropolitan Bank Limited for advance of short term finance. The Chief Executive of the Company also offers sincere thanks to all the directors and staff members of the Company for their devotion and co-operation extended to the management of the Company.



Karachi dated 05<sup>th</sup> September 2015.

\_\_\_\_\_  
**Chief Executive**

# GOODLUCK INDUSTRIES LIMITED

## **Statement of Compliance with the Code of Corporate Governance**

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

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

| <b>Category</b>         | <b>Names</b>   |
|-------------------------|--|
| Independent Directors   | Not appointed  |
| Executive Directors     | Ashfaq Haji Hasham   |
| Non-Executive Directors | Muhammad Abbas Memon<br>Shamsh-ul-Haque<br>Shamsh-uz-Zoha<br>Hoor Bano<br>Salim Rehmatullah Dada<br>Haji Moosa Haji Kassam<br>Muhammad Hanif |

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company:

3. All the resident directors of the company are registered as taxpayers 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. No casual vacancy occurred in the Board during the year.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

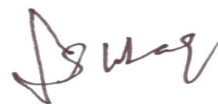
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company arranges orientation courses for its directors as and when needed to appraise them of their duties and responsibilities. A director acquired certification of Director's Training Programme awarded by institute of cost & management of Pakistan.



# GOODLUCK INDUSTRIES LIMITED

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 4 members; of whom 3 are non-executive directors and one is company secretary. The chairman of the Audit Committee is a non-executive director.
16. The meetings of the 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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of 3 members, of whom 2 are non-executive directors.
18. The board has set up an effective internal audit function
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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 partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. 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.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with [2] except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.



Karachi: 05<sup>th</sup> September, 2015

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Chief Executive

# **GOODLUCK INDUSTRIES LIMITED**

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## **NOTICE OF THE MEETING**

Notice is hereby given that the Forty-fifth (45<sup>th</sup>) Annual General Meeting of the members of Goodluck Industries Limited (the "Company") will be held on Saturday, the October 17<sup>th</sup>, 2015 at 12.00 p.m. at registered office S-49/A, S.I.T.E., Mauripur Road, Karachi to transact the following business: -

1. To read and confirm the minutes of the Forty-fourth (44<sup>th</sup>) Annual General Meeting of the Company held on October 20, 2014.
2. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended June 30, 2015 and reports of the Directors' and Auditors' thereon.
3. To approve the payment of cash dividend to the shareholders of the Company @ 50% i.e Rs.5 per share for the financial year ended 30<sup>th</sup> June 2015 as proposed by the Board of Directors of the Company.
4. To elect nine directors in accordance with the section 178(1) of the Companies Ordinance 1984.
5. To appoint auditors of the company for the year ending June 30, 2016 till the conclusion of next AGM for the year 2016 and fix their remuneration. The present auditors M/S. Muniff Ziauddin & Co, Chartered Accountants retired and being eligible offered themselves for re-appointment.
6. To transact any other business with the permission of the chair.



On behalf of the Board of Directors  
ASHFAQ HAJI HASHAM  
Chief Executive

Karachi dated: 17<sup>th</sup> September 2015.

### Notes:

1. The share transfer book of the Company will remain closed from 12<sup>th</sup> October 2015 to 19<sup>th</sup> October 2015 (both days inclusive). No application for transfer of shares will be entertained during the period.
2. A member eligible to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must reach the Company's Registered Office not later than 48 hours before the time for holding the meeting. Proxies of the Members through CDS shall be accompanied with attested copies of their CNIC.
3. Shareholders are requested to notify change of address immediately, if any

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **Goodluck Industries Limited ("the Company")** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, 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 purposes 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 and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with 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) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, 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 give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KARACHI:

**05 SEP 2015**

  
**MUNIFF ZIAUDDIN & CO.**  
**CHARTERED ACCOUNTANTS**  
(Sohail Saleem)



**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 (the Code) prepared by the Board of Directors of **Goodluck Industries Limited (the Company)** for the year ended June 30, 2015 to comply with the Code contained in regulation No.5.19 of the Rule Book of Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

**Note****reference Description**

- |    |   |
|----|---|
| 1  | The Board of directors does not have an independent director as required by the Code. |
| 15 | The Chairman of the Audit Committee is not an independent director.                   |

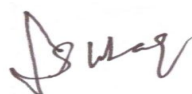
**KARACHI: 05 SEP 2015**

  
**Muniff Ziauddin & Co.**  
**CHARTERED ACCOUNTANTS**  
(Sohail Saleem)

**GOODLUCK INDUSTRIES LIMITED**  
**BALANCE SHEET**  
**AS AT JUNE 30, 2015**

|   |      | 2015               | 2014               |
|---|------|--------------------|--------------------|
|   | Note | <-----Rupees-----> |                    |
| <b>ASSETS</b>   |      |                    |                    |
| <b>Non-current assets</b>                                 |      |                    |                    |
| Property, plant & equipment                               | 7    | 213,096,319        | 216,188,213        |
| Long term deposits  | 8    | 355,282            | 349,282            |
|   |      | <b>213,451,601</b> | <b>216,537,495</b> |
| <b>Current assets</b>                                     |      |                    |                    |
| Stock in trade  | 9    | 12,592,712         | 20,521,804         |
| Trade debtors   | 10   | 6,924,954          | 3,494,499          |
| Income tax refundable                                     |      | 7,759,885          | -                  |
| Advances, deposits & other receivables                    | 11   | 585,392            | 585,392            |
| Cash & bank balances                                      | 12   | 11,532,709         | 11,564,006         |
|   |      | <b>39,395,652</b>  | <b>36,165,701</b>  |
| <b>TOTAL ASSETS</b>                                       |      | <b>252,847,254</b> | <b>252,703,196</b> |
| <b>EQUITY AND LIABILITIES</b>                             |      |                    |                    |
| <b>Share capital and reserves</b>                         |      |                    |                    |
| Authorised capital  |      |                    |                    |
| 1,000,000 ordinary shares of Rs. 10 each                  |      | <b>10,000,000</b>  | 10,000,000         |
| Issued, subscribed & paid up:                             |      |                    |                    |
| 300,000 ordinary shares of Rs. 10 each fully paid in cash |      | <b>3,000,000</b>   | 3,000,000          |
| Unappropriated profit                                     |      | <b>35,002,667</b>  | 27,837,651         |
|   |      | <b>38,002,667</b>  | <b>30,837,651</b>  |
| <b>Surplus on revaluation of fixed assets</b>             | 13   | <b>188,933,031</b> | <b>192,467,375</b> |
| <b>LIABILITIES</b>  |      |                    |                    |
| <b>Non-current liabilities</b>                            |      |                    |                    |
| Deferred liabilities                                      | 14   | <b>21,521,822</b>  | <b>22,857,543</b>  |
| <b>Current liabilities</b>                                |      |                    |                    |
| Short term running finance                                | 15   | -                  | -                  |
| Creditors, accrued & other liabilities                    | 16   | <b>3,086,325</b>   | 2,131,965          |
| Dividends payable   | 17   | <b>1,303,409</b>   | 1,245,224          |
| Income tax payable  |      | -                  | 3,163,438          |
|   |      | <b>4,389,734</b>   | <b>6,540,626</b>   |
| <b>Total liabilities</b>                                  |      | <b>25,911,555</b>  | <b>29,398,170</b>  |
| <b>Contingencies and commitments</b>                      | 18   |                    |                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |      | <b>252,847,254</b> | <b>252,703,196</b> |

The annexed notes 1 to 37 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**GOODLUCK INDUSTRIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|                                      |      | 2015                    | 2014                    |
|--------------------------------------|------|-------------------------|-------------------------|
|                                      | Note | <-----Rupees----->      |                         |
| Sales                                | 19   | 762,259,773             | 693,031,833             |
| Cost of sales                        | 20   | <u>(746,810,585)</u>    | <u>(682,623,944)</u>    |
| <b>Gross profit</b>                  |      | <b>15,449,188</b>       | <b>10,407,889</b>       |
| Administrative expenses              | 21   | <u>(8,451,164)</u>      | <u>(7,598,613)</u>      |
| Selling expenses                     |      | <u>(145,164)</u>        | <u>(135,819)</u>        |
| Other income                         | 22   | -                       | 6,696,791               |
| Other operating expenses             | 23   | <u>(580,293)</u>        | <u>(645,739)</u>        |
|                                      |      | <u>(9,176,621)</u>      | <u>(1,683,380)</u>      |
| <b>Operating profit / (loss)</b>     |      | <b>6,272,566</b>        | <b>8,724,510</b>        |
| Financial charges                    | 24   | <u>(125,290)</u>        | <u>(11,717)</u>         |
| <b>Profit/(loss) before taxation</b> |      | <b>6,147,277</b>        | <b>8,712,793</b>        |
| Taxation                             | 25   | <u>(1,925,291)</u>      | <u>(3,122,743)</u>      |
| <b>Profit after taxation</b>         |      | <b><u>4,221,985</u></b> | <b><u>5,590,049</u></b> |
|                                      |      |                         |                         |
| <b>Earnings per share - basic</b>    | 26   | <b><u>14.07</u></b>     | <b><u>18.63</u></b>     |

The annexed notes 1 to 37 form an integral part of these financial statements.



**CHIEF EXECUTIVE**

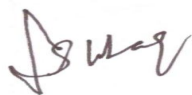


**DIRECTOR**

**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|   | 2015               | 2014      |
|---|--------------------|-----------|
|   | <-----Rupees-----> |           |
| <b>Profit for the year</b>  | <b>4,221,985</b>   | 5,590,049 |
| <b>Other comprehensive income</b>   |                    |           |
| Transfer from surplus on revaluation of fixed assets<br>on account of incremental depreciation - net of tax | <b>3,534,345</b>   | 3,864,162 |
| <b>Items that will not be classified to profit or loss</b>  |                    |           |
| Remeasurements of defined benefit liability   | <b>12,964</b>      | (42,081)  |
| Related deferred tax  | <b>(4,278)</b>     | 14,308    |
|   | <b>8,686</b>       | (27,773)  |
|   | <b>3,543,030</b>   | 3,836,388 |
| <b>Total comprehensive income for the year</b>  | <b>7,765,016</b>   | 9,426,437 |

The annexed notes 1 to 37 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**GOODLUCK INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|   | 2015               | 2014        |
|---|--------------------|-------------|
|   | <-----Rupees-----> |             |
| <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>                           |                    |             |
| Profit/(loss) before taxation   | 6,147,277          | 8,712,793   |
| <b>Adjustment for:</b>  |                    |             |
| Depreciation  | 5,575,715          | 6,191,612   |
| Gain on disposal of fixed assets  | -                  | -           |
| Provision for gratuity  | 1,249,742          | 1,046,680   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES</b> | 12,972,733         | 15,951,084  |
| <b>(Increase) / Decrease in current assets:</b>                             |                    |             |
| Stock in trade  | 7,929,092          | (8,339,690) |
| Trade debtors   | (3,430,455)        | (1,307,992) |
| Advances, deposits and other receivables                                    | -                  | (100,000)   |
|   | 4,498,637          | (9,747,682) |
| <b>Increase/(decrease) in creditors, accrued &amp; other liabilities</b>    |                    |             |
| Creditors, accrued & other liabilities                                      | 954,360            | 1,256,129   |
|   | 5,452,997          | (8,491,553) |
| <b>CASH INFLOW FROM OPERATING ACTIVITIES</b>                                | 18,425,730         | 7,459,531   |
| Income tax paid   | (15,161,392)       | (1,680,090) |
| Gratuity paid   | (264,000)          | (133,900)   |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>                         | 3,000,339          | 5,645,541   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                  |                    |             |
| Long term deposits  | (6,000)            | (36,000)    |
| Disposal of fixed assets  | -                  | -           |
| Addition to fixed assets  | (2,483,820)        | (362,700)   |
| <b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>               | (2,489,820)        | (398,700)   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                  |                    |             |
| Dividends paid  | (541,815)          | (467,541)   |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                                | (541,815)          | (467,541)   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>                             | (31,297)           | 4,779,300   |
| <b>CASH AND CASH EQUIVALENTS - at the beginning of the year</b>             | 11,564,006         | 6,784,706   |
| <b>CASH AND CASH EQUIVALENTS - at the end of the year</b>                   | 11,532,709         | 11,564,006  |

The annexed notes 1 to 37 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2015**

**Balance as at July 01, 2013**

Profit after taxation for the year ended June 30, 2014

**Other Comprehensive Income**

- Remeasurements of defined benefit liability - net of tax
- Surplus arisen on revaluation of fixed assets - net of tax
- Transfer from surplus on revaluation of fixed assets on account of:  
incremental depreciation for the year

**Transactions with owners:**

Dividend for the year June 30, 2013 @ Rs.2 per share

**Balance as at July 01, 2014**

Profit for the year ended June 30, 2015

**Other Comprehensive Income**

- Remeasurements of defined benefit liability - net of tax
- Transfer from surplus on revaluation of fixed assets on account of:  
incremental depreciation for the year - net of tax

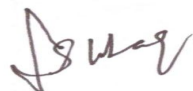
**Transactions with owners:**

Dividend for the year June 30, 2014 @ Rs.2 per share

**Balance as at June 30, 2015**

| Share capital                  | Unappropriated profit | Total             |
|--------------------------------|-----------------------|-------------------|
| <----- Amount in Rupees -----> |                       |                   |
| 3,000,000                      | 19,011,214            | 22,011,214        |
| -                              | 5,590,049             | 5,590,049         |
|                                | (27,773)              | (27,773)          |
|                                | -                     | -                 |
|                                | 3,864,162             | 3,864,162         |
|                                | -                     | -                 |
| -                              | (600,000)             | (600,000)         |
| <b>3,000,000</b>               | <b>27,837,652</b>     | <b>30,837,652</b> |
| -                              | 4,221,985             | 4,221,985         |
|                                | 8,686                 | 8,686             |
|                                | 3,534,345             | 3,534,345         |
| -                              | (600,000)             | (600,000)         |
| <b>3,000,000</b>               | <b>35,002,667</b>     | <b>38,002,667</b> |

The annexed notes 1 to 37 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**

**GOODLUCK INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**1. STATUS AND NATURE OF BUSINESS**

Goodluck Industries Limited is a public limited company quoted at Karachi Stock Exchange. The principal activity of the Company is milling of Wheat and all kinds of grains. The registered office and the factory premises of the company is located at S-49/A S.I.T.E., Mauripur Road, Karachi.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984 (the Ordinance) and the requirements of the Ordinance and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of the Ordinance or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Ordinance or the directives issued by the SECP shall prevail.

**3. BASIS OF MEASUREMENT**

**3.1 Accounting convention**

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

**3.2 Accrual basis accounting**

These financial statements except cash flow information, have been prepared under the accrual basis of accounting.

**3.3 Functional and presentation accuracy**

These financial statements are presented in Pakistani Rupee which is the company's functional currency.

**4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

**Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:



**GOODLUCK INDUSTRIES LIMITED****Standard or Interpretation****Effective date  
(annual periods beginning  
on or after)**

|         |   |                    |
|---------|---|--------------------|
| IAS 27  | Separate financial statements<br>(Amendments)             | January 1,<br>2015 |
| IFRS 10 | Consolidated financial statements<br>(Amendments)         | January 1,<br>2015 |
| IFRS 11 | Joint Arrangements  | January 1,<br>2015 |
| IFRS 12 | Disclosure of interests in other entities<br>(Amendments) | January 1,<br>2015 |
| IFRS 13 | Fair value measurement                                    | January 1,<br>2015 |

The Company expects that the adoption of the above amendments and interpretations will not affect its financial statements in the period of initial application.

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014.

**Standard or Interpretation****Effective date  
(annual periods beginning on  
or after)**

|        |  |               |
|--------|--|---------------|
| IFRS 8 | Operating Segments                             | July 01, 2014 |
| IAS 16 | Property, plant and equipment -<br>(Amendment) | July 01, 2014 |
| IAS 38 | Intangible Assets - (Amendment)                | July 01, 2014 |
| IAS 24 | Related Party Disclosure                       | July 01, 2014 |
| IAS 40 | Investment Property                            | July 01, 2014 |

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****5.1 Operating Fixed Asset**

- a** Operating fixed assets are stated at historical cost less accumulated depreciation except lease hold land, building, plant and machinery which is stated at revalued amount less the accumulated depreciation.
- b** Depreciation is charged to income applying diminishing balance method at the rates specified in note 7.
- c** Depreciation is charged on assets from the month of purchase or from the month of commercial production for additions in respect of additions made during the year while proportionate depreciation is charged on assets disposed off during the year till the month of disposal.

- d** Major renewals and replacement are capitalized.
- e** Assets residual values, if significant and their useful lives are reviewed and adjusted if appropriate, at each balance sheet date.
- f** Profit or loss on disposal of fixed asset are reflected in the Profit and Loss account.

## **5.2 Stock In Trade**

- a** Stock of Raw and Packing material are valued at lower of cost and net realizable value. The inventory is valued using the weighted average method of valuation.
- b** Finished goods are valued at lower of cost and net realizable value. Finished goods represents manufacturing cost which consist of prime cost and appropriate manufacturing over heads.
- c** Stock in transit are stated at cost comprising invoice value plus other charges incurred thereon.

## **5.3 Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income currently.

# **GOODLUCK INDUSTRIES LIMITED**

## **5.4 Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

## **5.5 Taxation**

### **Current**

Provision for current taxation is the higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and tax paid on presumptive basis, minimum tax and alternate corporate tax u/s 113C.

## **GOODLUCK INDUSTRIES LIMITED**

### **Deferred**

The company accounts for deferred taxation using liability method on all taxable temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. This is recognized on the basis or expected manner of settlement of the carrying amounts of the assets and liabilities using the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets, if any, are recognized to the extent that it is probable that future taxable profits will be available against such deductible temporary differences can be utilized. However, any impact of final tax regime is ignored because a reasonable estimate of future turnover under this regime is not possible.

### **5.6 Staff retirement benefits**

The Company operates an unfunded gratuity scheme covering all employees. Provision is made annually based on management estimates which are adjusted periodically to agree with actuarial estimates. Actuarial gains and losses (accumulated at the beginning of the year and those arising during the year) has been charged immediately to Other Comprehensive Income as per the provisions of the revised version of IAS-19. As per actuarial valuation carried out as at 30 June 2015, the Project Unit Credit Method of valuation was used to generate actuarial values. The annual provision during the year are charged to income currently.

### **5.7 Financial assets and liabilities**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

A financial asset and a financial liability is set-off and the net amount is reported in the balance sheet if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **5.8 Revenue recognition**

Revenue from sales is recorded on dispatch of goods to customers.

### **5.9 Borrowing cost**

Borrowing cost incurred on finance obtained for acquisition of fixed assets are capitalized upto the date of commissioning of the respective assets. All other borrowing costs are taken to profit and loss account.

### **5.10 Cash and cash equivalent**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank.

## **GOODLUCK INDUSTRIES LIMITED**

### **5.11 Related party transactions**

The transactions between the company and the related parties if any, are carried out on arm's length basis.

### **5.12 Dividend**

Dividend declared subsequent to the balance sheet date is recognized as a liability in the period in which it is approved by the directors/ shareholders as appropriate.

## **6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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 judgement in the process of applying the Company's accounting policies. Estimate and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected.

In the process of applying the company's accounting policies, management has made the following estimates and judgements which are significant to the financial statements:

- i Estimated useful life of property, plant and equipment - note 7
- ii Revaluation surplus on freehold land - note 13
- iv Provision for employees' defined benefit plans - note 14.1
- v Deferred taxation - note 14.2

**PROPERTY, PLANT AND EQUIPMENT**

| Particulars                         | C O S T                        |             |                |           |                        | Rate<br>% | D E P R E C I A T I O N        |                            |                  |                        | Book Value             |                        |
|-------------------------------------|--------------------------------|-------------|----------------|-----------|------------------------|-----------|--------------------------------|----------------------------|------------------|------------------------|------------------------|------------------------|
|                                     | As At<br>June 30, 2013         | Revaluation | Additions      | Deletions | As At<br>June 30, 2014 |           | As At<br>June 30, 2013         | Adjustment<br>on deletions | For the period   | As At<br>June 30, 2014 | As At<br>June 30, 2014 | As At<br>June 30, 2014 |
|                                     | <----- Amount in Rupees -----> |             |                |           |                        |           | <----- Amount in Rupees -----> |                            |                  |                        |                        |                        |
| Lease hold land:                    |                                |             |                |           |                        |           |                                |                            |                  |                        |                        |                        |
| Cost                                | 320,000                        | -           | -              | -         | 320,000                | -         | -                              | -                          | -                | -                      | -                      | 320,000                |
| Revaluation                         | 159,680,000                    | -           | -              | -         | 159,680,000            | -         | -                              | -                          | -                | -                      | -                      | 159,680,000            |
|                                     | 160,000,000                    | -           | -              | -         | 160,000,000            |           | -                              | -                          | -                | -                      | -                      | 160,000,000            |
| Factory building                    |                                |             |                |           |                        |           |                                |                            |                  |                        |                        |                        |
| Cost                                | 606,906                        | -           | -              | -         | 606,906                |           | 597,688                        | -                          | 922              | 598,610                | -                      | 8,296                  |
| Revaluation                         | 26,408,944                     | -           | -              | -         | 26,408,944             |           | 2,640,895                      | -                          | 2,376,805        | 5,017,700              | -                      | 21,391,244             |
|                                     | 27,015,850                     | -           | -              | -         | 27,015,850             |           | 3,238,583                      | -                          | 2,377,727        | 5,616,310              | -                      | 21,399,540             |
| Non-factory building                |                                |             |                |           |                        |           |                                |                            |                  |                        |                        |                        |
| Cost                                | 860,639                        | -           | -              | -         | 860,639                | 5         | 743,134                        | -                          | 5,875            | 749,009                | -                      | 111,630                |
| Revaluation                         | 2,454,661                      | -           | -              | -         | 2,454,661              | 5         | 122,734                        | -                          | 116,596          | 239,330                | -                      | 2,215,331              |
|                                     | 3,315,300                      | -           | -              | -         | 3,315,300              |           | 865,868                        | -                          | 122,471          | 988,339                | -                      | 2,326,961              |
| Plant and Machinery                 |                                |             |                |           |                        |           |                                |                            |                  |                        |                        |                        |
| Cost                                | 8,211,233                      | -           | 320,500        | -         | 8,531,733              |           | 7,492,220                      | -                          | 100,789          | 7,593,009              | -                      | 938,724                |
| Revaluation                         | 37,348,767                     | -           | -              | -         | 37,348,767             |           | 3,734,877                      | -                          | 3,361,389        | 7,096,266              | -                      | 30,252,501             |
|                                     | 45,560,000                     | -           | 320,500        | -         | 45,880,500             |           | 11,227,097                     | -                          | 3,462,178        | 14,689,275             | -                      | 31,191,225             |
| Electric Installation and Equipment | 522,738                        | -           | -              | -         | 522,738                |           | 451,336                        | -                          | 7,140            | 458,476                | -                      | 64,262                 |
| Office Equipment                    | 76,105                         | -           | 12,500         | -         | 88,605                 |           | 75,093                         | -                          | 830              | 75,923                 | -                      | 12,682                 |
| Furniture & fixtures                | 247,832                        | -           | 29,700         | -         | 277,532                |           | 167,626                        | -                          | 9,762            | 177,388                | -                      | 100,144                |
| Vehicles                            | 4,215,381                      | -           | -              | -         | 4,215,381              |           | 3,497,331                      | -                          | 143,610          | 3,640,941              | -                      | 574,440                |
| Tarpaulins                          | 178,981                        | -           | -              | -         | 178,981                |           | 120,519                        | -                          | 15,054           | 135,573                | -                      | 43,408                 |
| Other Assets                        | 6,671                          | -           | -              | -         | 6,671                  |           | 6,282                          | -                          | 39               | 6,321                  | -                      | 350                    |
| Pager                               | 11,499                         | -           | -              | -         | 11,499                 |           | 9,945                          | -                          | 155              | 10,100                 | -                      | 1,399                  |
| Telephone Systems                   | 121,238                        | -           | -              | -         | 121,238                |           | 86,468                         | -                          | 3,477            | 89,945                 | -                      | 31,293                 |
| Computers                           | 280,411                        | -           | -              | -         | 280,411                |           | 182,736                        | -                          | 9,768            | 192,504                | -                      | 87,907                 |
| Weighbridge                         | 996,716                        | -           | -              | -         | 996,716                |           | 715,213                        | -                          | 28,150           | 743,363                | -                      | 253,353                |
| Fortified Flour Microfeeder         | 150,000                        | -           | -              | -         | 150,000                |           | 37,500                         | -                          | 11,250           | 48,750                 | -                      | 101,250                |
|                                     | 242,698,722                    | -           | 362,700        | -         | 243,061,422            |           | 20,681,597                     | -                          | 336,821          | 26,873,209             | -                      | 216,188,213            |
|                                     |                                |             |                |           |                        |           |                                |                            | 5,854,790        |                        |                        |                        |
| <b>As at June 30, 2014</b>          | <b>242,698,722</b>             | <b>-</b>    | <b>362,700</b> | <b>-</b>  | <b>243,061,422</b>     |           | <b>20,681,597</b>              | <b>-</b>                   | <b>6,191,612</b> | <b>26,873,209</b>      | <b>-</b>               | <b>216,188,213</b>     |

**7.1 Depreciation has been allocated as under:**

|                         | Note | 2015<br>Rupees   | 2014<br>Rupees   |
|-------------------------|------|------------------|------------------|
| Cost of sales           | 20   | 5,408,013        | 6,016,959        |
| Administrative expenses | 21   | 167,701          | 174,653          |
|                         |      | <u>5,575,715</u> | <u>6,191,612</u> |



**7. PROPERTY, PLANT AND EQUIPMENT**

| Particulars                         | C O S T                        |             |                  |           |                        | Rate<br>% | D E P R E C I A T I O N        |                            |                  |                        | Book Value<br>As At<br>June 30, 2015 |
|-------------------------------------|--------------------------------|-------------|------------------|-----------|------------------------|-----------|--------------------------------|----------------------------|------------------|------------------------|--------------------------------------|
|                                     | As At<br>June 30, 2014         | Revaluation | Additions        | Deletions | As At<br>June 30, 2015 |           | As At<br>June 30, 2014         | Adjustment<br>on deletions | For the period   | As At<br>June 30, 2015 |                                      |
|                                     | <----- Amount in Rupees -----> |             |                  |           |                        |           | <----- Amount in Rupees -----> |                            |                  |                        |                                      |
| Lease hold land:                    |                                |             |                  |           |                        |           |                                |                            |                  |                        |                                      |
| Cost                                | 320,000                        | -           | 2,238,720        | -         | 2,558,720              | -         | -                              | -                          | -                | -                      | 2,558,720                            |
| Revaluation                         | 159,680,000                    | -           | -                | -         | 159,680,000            | -         | -                              | -                          | -                | -                      | 159,680,000                          |
|                                     | 160,000,000                    | -           | 2,238,720        | -         | 162,238,720            |           | -                              | -                          | -                | -                      | 162,238,720                          |
| Factory building                    |                                |             |                  |           |                        |           |                                |                            |                  |                        |                                      |
| Cost                                | 606,906                        | -           | -                | -         | 606,906                | 10        | 598,610                        | -                          | 830              | 599,440                | 7,466                                |
| Revaluation                         | 26,408,944                     | -           | -                | -         | 26,408,944             | 10        | 5,017,700                      | -                          | 2,139,124        | 7,156,824              | 19,252,120                           |
|                                     | 27,015,850                     | -           | -                | -         | 27,015,850             |           | 5,616,310                      | -                          | 2,139,954        | 7,756,264              | 19,259,586                           |
| Non-factory building                |                                |             |                  |           |                        |           |                                |                            |                  |                        |                                      |
| Cost                                | 860,639                        | -           | -                | -         | 860,639                | 5         | 749,009                        | -                          | 5,582            | 754,591                | 106,048                              |
| Revaluation                         | 2,454,661                      | -           | -                | -         | 2,454,661              | 5         | 239,330                        | -                          | 110,767          | 350,097                | 2,104,564                            |
|                                     | 3,315,300                      | -           | -                | -         | 3,315,300              |           | 988,339                        | -                          | 116,349          | 1,104,688              | 2,210,612                            |
| Plant and Machinery                 |                                |             |                  |           |                        |           |                                |                            |                  |                        |                                      |
| Cost                                | 8,531,733                      | -           | 141,400          | -         | 8,673,133              | 10        | 7,593,009                      | -                          | 99,951           | 7,692,960              | 980,173                              |
| Revaluation                         | 37,348,767                     | -           | -                | -         | 37,348,767             | 10        | 7,096,266                      | -                          | 3,025,250        | 10,121,516             | 27,227,251                           |
|                                     | 45,880,500                     | -           | 141,400          | -         | 46,021,900             |           | 14,689,275                     | -                          | 3,125,201        | 17,814,476             | 28,207,424                           |
| Electric Installation and Equipment | 522,738                        | -           | 17,000           | -         | 539,738                | 10        | 458,476                        | -                          | 6,993            | 465,469                | 74,269                               |
| Office Equipment                    | 88,605                         | -           | -                | -         | 88,605                 | 10        | 75,923                         | -                          | 1,268            | 77,191                 | 11,414                               |
| Furniture & fixtures                | 277,532                        | -           | 63,700           | -         | 341,232                | 10        | 177,388                        | -                          | 11,887           | 189,275                | 151,957                              |
| Vehicles                            | 4,215,381                      | -           | -                | -         | 4,215,381              | 20        | 3,640,941                      | -                          | 114,888          | 3,755,829              | 459,552                              |
| Tarpaulins                          | 178,981                        | -           | -                | -         | 178,981                | 25        | 135,573                        | -                          | 10,852           | 146,425                | 32,556                               |
| Other Assets                        | 6,671                          | -           | -                | -         | 6,671                  | 10        | 6,321                          | -                          | 35               | 6,356                  | 315                                  |
| Pager                               | 11,499                         | -           | -                | -         | 11,499                 | 10        | 10,100                         | -                          | 140              | 10,240                 | 1,259                                |
| Telephone Systems                   | 121,238                        | -           | -                | -         | 121,238                | 10        | 89,945                         | -                          | 3,129            | 93,074                 | 28,164                               |
| Computers                           | 280,411                        | -           | -                | -         | 280,411                | 10        | 192,504                        | -                          | 8,791            | 201,295                | 79,116                               |
| Weighbridge                         | 996,716                        | -           | 23,000           | -         | 1,019,716              | 10        | 743,363                        | -                          | 26,102           | 769,465                | 250,251                              |
| Fortified Flour Microfeeder         | 150,000                        | -           | -                | -         | 150,000                | 10        | 48,750                         | -                          | 10,125           | 58,875                 | 91,125                               |
|                                     | 243,061,422                    | -           | 2,483,820        | -         | 245,545,242            |           | 26,873,209                     | -                          | 300,574          | 32,448,923             | 213,096,319                          |
|                                     |                                |             |                  |           |                        |           |                                |                            | 5,275,141        |                        |                                      |
| <b>As at June 30, 2015</b>          | <b>243,061,422</b>             | <b>-</b>    | <b>2,483,820</b> | <b>-</b>  | <b>245,545,242</b>     |           | <b>26,873,208</b>              | <b>-</b>                   | <b>5,575,715</b> | <b>32,448,923</b>      | <b>213,096,319</b>                   |

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|   | Note   | 2015               | 2014              |
|---|--|--------------------|-------------------|
|   |  | <-----Rupees-----> |                   |
| <b>8. LONG TERM DEPOSITS</b>                          |  |                    |                   |
| Karachi Electric Supply Corporation Limited           |  | 211,132            | 211,132           |
| Pakistan Telecommunication Corporation Limited        |  | 8,450              | 8,450             |
| Sui Southern Gas Company Limited                      |  | 23,500             | 23,500            |
| Mobilink  |  | 1,500              | 1,500             |
| Warid Communication                                   |  | 20,000             | 20,000            |
| Cellular Services - Ufone                             |  | 23,700             | 23,700            |
| Central Depository Company of Pakistan Limited        |  | 25,000             | 25,000            |
| Euro Track skygate International (Private) Limited    |  | 42,000             | 36,000            |
|   |  | <u>355,282</u>     | <u>349,282</u>    |
| <b>9. STOCK IN TRADE</b>                              |  |                    |                   |
| Raw Material  |  | 5,637,236          | 10,372,310        |
| Finished goods  |  | 1,817,820          | 4,061,900         |
| Packing material                                      |  | 5,137,656          | 6,087,594         |
|   |  | <u>12,592,712</u>  | <u>20,521,804</u> |
| <b>10. TRADE DEBTORS</b>                              |  |                    |                   |
| Unsecured - considered good                           |  | 6,666,642          | 3,236,187         |
| Receivable against transportation                     | 10.1   | 258,312            | 258,312           |
|   |  | <u>6,924,954</u>   | <u>3,494,499</u>  |
| <b>10.1</b>   | This amount is receivable from Government of Sindh (GoS) in lieu of transportation charges paid by the company for purchases of wheat from GoS. As per arrangements, transportation charges are refundable from GoS. |                    |                   |
| <b>11. ADVANCES, DEPOSITS &amp; OTHER RECEIVABLES</b> |  |                    |                   |
| Deposit with Pakistan Flour Mills Association         |  | <u>585,392</u>     | <u>585,392</u>    |
| <b>12. CASH AND BANK BALANCES</b>                     |  |                    |                   |
| Cash in hand  |  | 1,555,529          | 1,103,533         |
| Cash with banks - current accounts                    |  | 9,977,180          | 10,460,473        |
|   |  | <u>11,532,709</u>  | <u>11,564,006</u> |

**13. SURPLUS ON REVALUATION OF FIXED ASSETS**

During the financial year ended June 30, 2013 the company revalued its leaseholdland, buildings on leasehold land and plant & machinery to replace the carrying amounts of these assets with their market values / depreciated market values. The revaluation was carried-out on on August 30, 2012 by an independent valuers namely M/s. Yunus Mirza & Co. The appraisal surplus arisen on these revaluations aggregates to Rs. 225,892,372.

The appraisal surplus arisen on this revaluation was credited to "Surplus on Revaluation Account" to comply with the requirements of Section 235 of the Companies Ordinance 1984. The year-end balance has been arrived at as follows:

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|   | Note  | 2015<br><-----Rupees----->      | 2014                           |
|---|---|---------------------------------|--------------------------------|
| Opening balance   |   | 192,467,375                     | 196,331,537                    |
| Surplus arising on revaluation  |   | -                               | -                              |
| Less: Transferred to unappropriated profit on account of incremental depreciation for the year - net of tax |   | (3,534,345)                     | (3,864,162)                    |
|   |   | <u>188,933,031</u>              | <u>192,467,375</u>             |
| Less: Deferred tax on revaluation surplus   |   | -                               | -                              |
| Closing balance   |   | <u>188,933,031</u>              | <u>192,467,375</u>             |
| <b>14. DEFERRED LIABILITIES</b>   |   |                                 |                                |
| Staff gratuity  | 14.1  | <u>7,938,720</u>                | <u>6,965,942</u>               |
| Deferred taxation   | 14.2  | <u>13,583,102</u>               | <u>15,891,601</u>              |
|   |   | <u>21,521,822</u>               | <u>22,857,543</u>              |
| <b>14.1 Staff gratuity</b>  |   |                                 |                                |
| Defined benefit plan - (staff retirement gratuity) - unfunded   | 14.1.4  | <u>7,938,720</u>                | <u>6,965,942</u>               |
| <b>14.1.1</b>   | As stated in 5.6, the company operates a defined benefit plan i.e an unapproved gratuity scheme for all its permanent employees subject to completion of first year of service. Actuarial valuation of the plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2015. The disclosures made in notes 14.1.2 to 14.1.11 are based on the information included in that actuarial report. |                                 |                                |
| <b>14.1.2</b>   | The projected unit credit method using the following significant assumptions was used for this valuation:   |                                 |                                |
|   |   | 2015                            | 2014                           |
| - Discount rate - per annum compound  |   | 9.50%                           | 13.25%                         |
| - Expected rate of increase in salaries - per annum   |   | 8.50%                           | 12.25%                         |
| - Expected remaining working lifetime of members  |   | 7 years                         | 7 years                        |
| <b>14.1.3 Mortality Rate</b>  |   |                                 |                                |
| - The rates assumed were based on   |   | SLIC (01-05)<br>Mortality Table | EFU (61-66)<br>Mortality Table |
| <b>14.1.4 Balance sheet reconciliation</b>  | Note  | 2015<br><-----Rupees----->      | 2014                           |
| Present value of defined benefit obligation   | 14.1.5  | 7,938,720                       | 6,965,942                      |
| Fair value of plan assets   |   | -                               | -                              |
| Net liability in the balance sheet  |   | <u>7,938,720</u>                | <u>6,965,942</u>               |
| <b>14.1.5 Movement in defined benefit obligation</b>  |   |                                 |                                |
| Present value of defined benefit obligation as at July 1  |   | 6,965,942                       | 6,011,081                      |
| Current service cost  |   | 344,245                         | 333,384                        |
| Interest cost   |   | 905,497                         | 713,296                        |
| Remeasurement on obligation   |   | (12,964)                        | 42,081                         |
| Benefits paid during the year   |   | (264,000)                       | (133,900)                      |
| Present value as at June 30   |   | <u>7,938,720</u>                | <u>6,965,942</u>               |

# GOODLUCK INDUSTRIES LIMITED

|   |   | 2015                                 | 2014                   |                        |
|---|---|--------------------------------------|------------------------|------------------------|
|   | Note  | <-----Rupees----->                   |                        |                        |
| 14.1.6  | Movement in net liability in the balance sheet is as follows:   |                                      |                        |                        |
|   |   | 6,965,942                            | 6,011,081              |                        |
| Opening balance of net liability                          |   |                                      |                        |                        |
| Charge for the year                                       | 14.1.7  | 1,249,742                            | 1,046,680              |                        |
| Net remeasurement for the year                            | 14.1.9  | (12,964)                             | 42,081                 |                        |
| Benefits paid during the year                             |   | (264,000)                            | (133,900)              |                        |
| Closing balance of net liability                          |   | 7,938,720                            | 6,965,942              |                        |
| 14.1.7  | Charge for the year has been allocated as under:  |                                      |                        |                        |
|   |   | 474,688                              | 643,504                |                        |
| Cost of sales   | 20  |                                      |                        |                        |
| Administrative expenses                                   | 21  | 775,054                              | 403,176                |                        |
|   |   | 1,249,742                            | 1,046,680              |                        |
| 14.1.8  | The following amounts have been recognised in the profit and loss account in respect of the staff retirement gratuity:  |                                      |                        |                        |
|   |   | 344,245                              | 333,384                |                        |
| Current service cost                                      |   |                                      |                        |                        |
| Net Interest cost   |   | 905,497                              | 713,296                |                        |
| Expenses  |   | 1,249,742                            | 1,046,680              |                        |
| 14.1.9  | Net remeasurement for the year comprises of the following:  |                                      |                        |                        |
|   |   | -                                    | (1,072)                |                        |
| Actuarial gains due to changes in demographic assumptions |   |                                      |                        |                        |
| Actuarial losses due to experience adjustments            |   | (12,964)                             | 43,153                 |                        |
| Amount chargeable to other comprehensive income           |   | (12,964)                             | 42,081                 |                        |
| 14.1.10   | The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:  |                                      |                        |                        |
|   |   | Impact on defined benefit obligation |                        |                        |
|   |   | Change in assumptions                | Increase in assumption | Decrease in assumption |
|   |   |                                      | <-----Rupees----->     |                        |
|   |   |                                      | 7,561,721              | 8,372,219              |
| Discount rate   | 1%  |                                      |                        |                        |
| Salary growth rate  | 1%  |                                      | 8,372,219              | 7,555,176              |
| 14.1.11   | The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the balance sheet. |                                      |                        |                        |
| 14.2  | Deferred taxation   |                                      |                        |                        |
|   | Deferred tax comprises temporary differences relating to:   |                                      |                        |                        |
|   |   | 16,202,879                           | 18,260,022             |                        |
| Accelerated tax depreciation                              |   |                                      |                        |                        |
| Gratuity  |   | (2,619,778)                          | (2,368,420)            |                        |
|   |   | 13,583,102                           | 15,891,601             |                        |

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|   | Note | 2015               | 2014               |
|---|------|--------------------|--------------------|
|   |      | <-----Rupees-----> |                    |
| <b>15. SHORT TERM RUNNING FINANCE - SECURED</b>   |      |                    |                    |
| <b>Habib Metropolitan Bank Limited</b>  |      | -                  | -                  |
| This represents short-term running finance facility from Habib Metropolitan Bank Limited with sanctioned limit of Rs. 10 million. The finance is secured against hypothecation charge over stocks and receivables duly insured in bank's favor and carried mark-up rate @ 3 months KIBOR + 0.75% per annum. |      |                    |                    |
| <b>16. CREDITORS, ACCRUED &amp; OTHER LIABILITIES</b>   |      |                    |                    |
| Accrued expenses  |      | 467,202            | 513,366            |
| Other liabilities   |      | 2,820              | 560                |
| Other creditors   |      | 1,975,460          | 972,300            |
| Workers profit participation fund   | 16.1 | 396,928            | 467,927            |
| Workers welfare fund  | 16.2 | 243,914            | 177,812            |
|   |      | <b>3,086,325</b>   | <b>2,131,965</b>   |
| <b>16.1 Workers' Profit Participation Fund</b>  |      |                    |                    |
| Balance at the beginning of the year  |      | 467,927            | -                  |
| Provision for the year  |      | 336,378            | 467,927            |
| Interest on funds utilised in the company's business  |      | 60,550             | -                  |
|   |      | <b>864,855</b>     | <b>467,927</b>     |
| Less: Payments during the year  |      | (467,927)          | -                  |
| Balance at end of the year  |      | <b>396,928</b>     | <b>467,927</b>     |
| <b>16.2 Workers' Welfare Fund</b>   |      |                    |                    |
| Balance at the beginning of the year  |      | 177,812            | 20,994             |
| Provision for the year  |      | 243,914            | 177,812            |
|   |      | <b>421,726</b>     | <b>198,806</b>     |
| Less: Payments during the year  |      | (177,812)          | (20,994)           |
| Balance at end of the year  |      | <b>243,914</b>     | <b>177,812</b>     |
| <b>17. DIVIDENDS PAYABLE</b>  |      |                    |                    |
| Unclaimed dividend  |      | <b>1,303,409</b>   | <b>1,245,224</b>   |
| <b>18. CONTINGENCIES AND COMMITMENTS</b>  |      |                    |                    |
| There are no contingencies and commitments as at balance sheet date. (2014 : Nil)   |      |                    |                    |
| <b>19. SALES</b>  |      |                    |                    |
| Maida I   |      | 298,976,917        | 233,585,019        |
| Maida II  |      | 51,249,815         | 43,837,562         |
| Atta  |      | 211,541,772        | 183,068,707        |
| Katta packings  |      | 134,618,195        | 176,649,277        |
| Bran  |      | 65,031,224         | 55,426,573         |
| Refraction  |      | 841,850            | 464,695            |
|   |      | <b>762,259,773</b> | <b>693,031,833</b> |

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|                                       | Note | 2015               | 2014               |
|---------------------------------------|------|--------------------|--------------------|
|                                       |      | <-----Rupees-----> |                    |
| <b>20. COST OF SALES</b>              |      |                    |                    |
| Raw material consumed                 | 20.1 | 699,280,102        | 645,422,275        |
| Packing material consumed             | 20.2 | 12,476,803         | 9,290,848          |
| Power charges                         |      | 21,421,425         | 20,192,327         |
| Salaries and benefits                 |      | 2,818,438          | 2,614,072          |
| Labor charges                         |      | 1,650,704          | 1,363,101          |
| Machinery repair and maintenance      |      | 1,346,868          | 317,267            |
| Oil and lubricant                     |      | 164,152            | 66,905             |
| Depreciation                          | 7.1  | 5,408,013          | 6,016,959          |
|                                       |      | <u>744,566,505</u> | <u>685,283,754</u> |
| Opening stock (Finished Goods)        |      | 4,061,900          | 1,402,090          |
| Less: Closing stock (Finished Goods)  |      | (1,817,820)        | (4,061,900)        |
|                                       |      | <u>2,244,080</u>   | <u>(2,659,810)</u> |
|                                       |      | <u>746,810,585</u> | <u>682,623,944</u> |
| <b>20.1 Raw material consumed</b>     |      |                    |                    |
| Opening stock                         |      | 10,372,310         | 6,180,795          |
| Wheat purchases                       |      | 694,545,028        | 649,613,790        |
| Less: Closing stock                   |      | (5,637,236)        | (10,372,310)       |
|                                       |      | <u>699,280,102</u> | <u>645,422,275</u> |
| <b>20.2 Packing material consumed</b> |      |                    |                    |
| Opening stock                         |      | 6,087,594          | 4,599,229          |
| Purchases                             |      | 11,526,865         | 10,779,213         |
| Less: Closing stock                   |      | (5,137,656)        | (6,087,594)        |
|                                       |      | <u>12,476,803</u>  | <u>9,290,848</u>   |
| <b>21. ADMINISTRATIVE EXPENSES</b>    |      |                    |                    |
| Salaries and benefits                 |      | 5,973,302          | 5,024,200          |
| Printing and stationery               |      | 230,430            | 255,563            |
| Fees and subscriptions                |      | 490,022            | 334,188            |
| Rates and taxes                       |      | 197,568            | 170,625            |
| Telephone, Internet & Postage Exps    |      | 247,622            | 192,651            |
| Conveyance expenses                   |      | 45,850             | 24,160             |
| Motor cycle exps                      |      | 116,170            | 77,099             |
| Entertainment                         |      | 28,675             | 1,615              |
| Legal and professional charges        |      | 119,500            | 83,200             |
| Repairs and Maintance                 |      | 179,476            | 155,207            |
| Water charges                         |      | 86,897             | 560,543            |
| Insurance expenses                    |      | 66,867             | 64,310             |
| Gas charges                           |      | 117,590            | 115,420            |
| Cleaning expenses                     |      | 18,580             | 14,324             |
| Auditors' remuneration                | 21.1 | 348,000            | 347,400            |
| Misc. Expenses                        |      | 14,764             | 2,180              |
| Computer expenses                     |      | 2,150              | 1,275              |
| Depreciation                          | 7.1  | 167,701            | 174,653            |
|                                       |      | <u>8,451,164</u>   | <u>7,598,613</u>   |

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|             |  | 2015               | 2014             |
|-------------|--|--------------------|------------------|
|             |  | <-----Rupees-----> |                  |
| <b>21.1</b> | <b>AUDITORS' REMUNERATION</b>  |                    |                  |
|             | Audit fee  | 285,000            | 285,000          |
|             | Review of half yearly accounts   | 63,000             | 62,400           |
|             |  | <u>348,000</u>     | <u>347,400</u>   |
| <b>22.</b>  | <b>OTHER INCOME</b>  |                    |                  |
|             | Import cancellation claim  | -                  | 6,696,791        |
|             |  | <u>-</u>           | <u>6,696,791</u> |
| <b>23.</b>  | <b>Other operating expenses</b>  |                    |                  |
|             | Workers Profit Participation Fund  | 336,378            | 467,927          |
|             | Workers Welfare Fund   | 243,914            | 177,812          |
|             |  | <u>580,293</u>     | <u>645,739</u>   |
| <b>24.</b>  | <b>FINANCIAL CHARGES</b>   |                    |                  |
|             | Mark-up on loans   | 57,028             | -                |
|             | Bank charges   | 7,712              | 11,717           |
|             | Interest on WPPF for funds utilised in the company's business  | 60,550             | -                |
|             |  | <u>125,290</u>     | <u>11,717</u>    |
| <b>25.</b>  | <b>TAXATION</b>  |                    |                  |
|             | - Current  | 4,092,463          | 5,201,637        |
|             | - Prior  | 145,606            | 115,212          |
|             | - Deferred   | (2,312,777)        | (2,194,105)      |
|             |  | <u>1,925,291</u>   | <u>3,122,744</u> |
| <b>25.1</b> | <b>Reconciliation between tax expense and accounting profit</b>  |                    |                  |
|             | Accounting profit for the year   | 6,147,277          | 8,712,793        |
|             | Tax at the applicable tax rate of 33 % / 34%   | 2,028,601          | 2,962,350        |
|             | Tax effect of amounts / expenses that are inadmissible for tax purpose   | 492,906            | 416,327          |
|             | Tax effect of amounts / expenses that are admissible for tax purpose   | (167,612)          | (105,982)        |
|             | Tax effect of depreciation allowance for tax purpose   | 1,738,567          | 1,928,942        |
|             | Effect of prior year current and deferred tax charge   | (1,699,772)        | (1,732,245)      |
|             | Effect of change in tax rate   | (467,400)          | (346,648)        |
|             |  | <u>1,925,291</u>   | <u>3,122,744</u> |
| <b>25.2</b> | Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that it's reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid up capital, whichever is less, within six months of the end of the tax year. |                    |                  |
|             | The Board of Directors in their meeting held on September 05, 2015 has recommended sufficient cash dividend for the ended June 30, 2015 (refer note 34) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financials statements for the year ended June 30, 2015.  |                    |                  |

**GOODLUCK INDUSTRIES LIMITED**
**26. EARNING PER SHARE - BASIC**

|  |                             |           |
|--|-----------------------------|-----------|
| Profit after taxation                      | <b>4,221,985</b>            | 5,590,049 |
|  | <b>( Number of shares )</b> |           |
| Weighted average number of ordinary shares | <b>300,000</b>              | 300,000   |
|  | <b>( Rupees )</b>           |           |
| Earnings per share - basic                 | <b>14.07</b>                | 18.63     |

There is no dilutive effect on basic earnings per share of the company.

2015                      2014  
<-----Rupees----->

**27. UNAVAILED CREDIT FACILITY**

|                            |                   |            |
|----------------------------|-------------------|------------|
| Short term running finance | <b>10,000,000</b> | 10,000,000 |
|----------------------------|-------------------|------------|

Terms and conditions are mentioned in Note 15.

**28. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS**

|                         | 2015            |           |           | 2014            |           |           |
|-------------------------|-----------------|-----------|-----------|-----------------|-----------|-----------|
|                         | Chief Executive | Directors | Officers  | Chief Executive | Directors | Officers  |
|                         | Numbers         |           | Rupees    | Numbers         |           | Rupees    |
| Meeting fee             | -               | -         | -         | -               | -         | -         |
| Managerial remuneration | -               | -         | -         | -               | -         | -         |
| Basic Salary            | -               | -         | 1,470,312 | -               | -         | 1,173,894 |
| House rent              | -               | -         | 406,980   | -               | -         | 391,606   |
| Utilities               | -               | -         | 160,032   | -               | -         | -         |
| Conveyance              | -               | -         | -         | -               | -         | 97,040    |
| Others                  | -               | -         | 63,120    | -               | -         | 46,090    |
|                         | -               | -         | 2,100,444 | -               | -         | 1,708,630 |
| Number of person        | <b>1</b>        | <b>7</b>  | <b>6</b>  | <b>1</b>        | <b>7</b>  | <b>6</b>  |

In order to improve financial position of the company, the Chief Executive and the Directors of the Company have decided to forgo fees, remuneration and other perquisites.

**29. CAPACITY AND PRODUCTION**

The tentative capacity recognized by the Food Department, Government of Sindh is 257,500 Kgs per day on working of 24 hrs basis.

The actual production was as under:

|                         | 2015              | 2014       |
|-------------------------|-------------------|------------|
| Products                | <----- Kgs -----> |            |
| Maida I                 | <b>6,604,650</b>  | 5,117,550  |
| Maida II                | <b>1,347,300</b>  | 1,105,050  |
| Atta                    | <b>5,201,400</b>  | 4,823,750  |
| Katta - Polythene bags  | <b>3,926,760</b>  | 4,514,290  |
| Bran                    | <b>3,996,870</b>  | 3,043,204  |
| Refraction - by product | <b>73,470</b>     | 64,530     |
|                         | <b>21,150,450</b> | 18,668,374 |



## GOODLUCK INDUSTRIES LIMITED

The production Increased by about 2,482 tons during the period compared to the last year production.

The company could not utilize its full capacity due to:

- a) Non-availability of sufficient quantity of wheat in open market as Govt food department imposed ban on movement of wheat from one province to other and one district to other from time to time.
- b) Fixation of wheat quota by the Food Department.
- c) Shortage of wheat during off season.
- d) Less production of wheat crops in Pakistan and Sindh in particular, which added to the shortage of wheat.

### 30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

#### 30.1 FINANCIAL INSTRUMENTS BY CATEGORY

|  | 2015               | 2014       |
|--|--------------------|------------|
| <b>Financial assets</b>                        | <-----Rupees-----> |            |
| <b>Loans and receivables at amortized cost</b> |                    |            |
| Long term deposits                             | 355,282            | 349,282    |
| Trade debtors                                  | 6,924,954          | 3,494,499  |
| Advances, deposits & other receivables         | 585,392            | 585,392    |
| Cash & bank balances                           | 11,532,709         | 11,564,006 |
|  | <b>19,398,337</b>  | 15,993,179 |
| <b>Financial liabilities</b>                   |                    |            |
| <b>Financial liabilities at amortized cost</b> |                    |            |
| Short term running finance                     | -                  | -          |
| Creditors, accrued & other liabilities         | 3,086,325          | 2,131,965  |
| Dividends payable                              | 1,303,409          | 1,245,224  |
|  | <b>4,389,734</b>   | 3,377,189  |

#### 30.2 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments

- Credit Risk
- Liquidity Risk
- Market Risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. There board is also responsible for developing and monitoring the company's risk management policies.

#### 30.3 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transaction with specific counterparties and continuously assessing the credit worthiness of counterparties.

## GOODLUCK INDUSTRIES LIMITED

The company is exposed to credit risk on trade debtors, advance payment, trade deposits, other receivables and balances with banks. The company believes that it is not exposed to major part of these receivables comprises of receivable from institutions, suppliers and customers. To manage exposure to credit risk, the company applies limits to its customers.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancement. The maximum exposure to the credit risk at the reporting date is :

|   | 2015               | 2014              |
|---|--------------------|-------------------|
|   | <-----Rupees-----> |                   |
| Trade debts                             | 6,924,954          | 3,494,499         |
| Long term deposits                      | 355,282            | 349,282           |
| Advance, deposits and other receivables | 585,392            | 585,392           |
| Cash and Bank balances                  | 11,532,709         | 11,564,006        |
|   | <b>19,398,337</b>  | <b>15,993,179</b> |

### 30.4 Liquidity Risk

Liquidity risk is the risk that company will not be able to meet its financial obligation as they due. Management closely monitor the company's liquidity and cash flow position. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and availability of funding to an adequate amount of committed credit facilities. The company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The company is not materially exposed to liquidity risk as the all obligations / commitments of the company are being fulfilled on timely basis.

The following are the contractual maturities of the financial liabilities:

|  | 2015                 |                    |                    |
|--|----------------------|--------------------|--------------------|
|  | Carrying amount      | Next Twelve months | More than one year |
|  | <----- Rupees -----> |                    |                    |
| <b>Financial Liabilities</b>             |                      |                    |                    |
| Running finance                          | -                    | -                  | -                  |
| Creditors, accrued and other liabilities | 3,086,325            | 3,086,325          | -                  |
| Dividends                                | 1,303,409            | 1,303,409          | -                  |
| Deferred liabilities                     | 21,521,822           | -                  | 21,521,822         |
|  | <b>25,911,555</b>    | <b>4,389,734</b>   | <b>21,521,822</b>  |
|  |                      |                    |                    |
|  | 2014                 |                    |                    |
|  | Carrying amount      | Next Twelve months | More than one year |
|  | <----- Rupees -----> |                    |                    |
| <b>Financial Liabilities</b>             |                      |                    |                    |
| Running finance                          | -                    | -                  | -                  |
| Creditors, accrued and other liabilities | 2,131,965            | 2,131,965          | -                  |
| Dividends                                | 1,245,224            | 1,245,224          | -                  |
| Deferred liabilities                     | 22,857,543           | -                  | 22,857,543         |
|  | <b>26,234,732</b>    | <b>3,377,189</b>   | <b>22,857,543</b>  |

## GOODLUCK INDUSTRIES LIMITED

### 30.5 Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rate, interest rate and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company has short term as well as long term rupee based loans at variable rates. Rates on short term finances are disclosed in relevant notes.

### 30.6 Yield / mark - up rate exposure

Yield / mark - up rate risk is the risk that the value of financial instrument due to change in market yield / mark - up rates. Sensitivity to yield / mark - up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The company manages these mismatches through risk managements strategies where significant changes in gap position can be adjusted. The company is exposed to yield / mark - up rate in respect of the following:

|  | 2015<br>Effective rate of<br>/ profit<br><----- % -----> | 2014<br>mark-up         | 2015<br>Carrying Amount<br><-----Rupees-----> | 2014<br>Carrying Amount |
|--|--|-------------------------|---|-------------------------|
| <b>Financial assets</b>                        |  |                         |   |                         |
| Cash and bank balances                         | -  | -                       | 11,532,709                                    | 11,564,006              |
| <b>Financial liabilities</b>                   |  |                         |   |                         |
| Short-term financing                           | 3 months<br>KIBOR+1.5%                                   | 3 months<br>KIBOR+0.75% | -   | -                       |
| Total yield / markup rate risk sensitivity gap |  |                         | <u>11,532,709</u>                             | <u>11,564,006</u>       |

### 30.7 Exposure to currency risk

Currency risk is the risk that the financial instrument will fluctuate due to changes in foreign exchange rates. In appropriate cases, the management takes out forward contract to mitigate the risk.

## 31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all the financial instruments reflected in the financial statements approximates to their fair values.

## 32. CAPITAL RISK MANAGEMENT

The company's prime objective when managing capital structuring is to safe guard its ability to continue as a going concern in order to provide adequate returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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|   | 2015                 | 2014 |
|---|----------------------|------|
|   | <----- Number -----> |      |
| <b>33. NUMBER OF EMPLOYEES</b>              |                      |      |
| Number of employees as at June 30,          | <b>31</b>            | 30   |
| Average number of employees during the year | <b>30</b>            | 25   |

**34. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Director have proposed a final dividend for the year ended June 30, 2015 for Rs: 5/- (2014: Rs: 2/-) per share, amounting to Rs.1,500,000/- at their meeting held on September 05, 2015. The proposed dividend will be approved in the forthcoming annual general meeting of the Company.

These financials statements do not reflect the proposed dividend, which will be accounted for in the statement of changes of equity as appropriation from unappropriated profit in the year ending June 30, 2016.

**35. CORRESPONDING FIGURES**

Corresponding figures and balances have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

**36. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue on September 05, 2015 by the board of directors of the company.

**37. GENERAL**

Figures have been rounded off to the nearest rupee.

**CHIEF EXECUTIVE****DIRECTOR**

# GOODLUCK INDUSTRIES LIMITED

## PATTERN OF SHARE HOLDING as at 30th June 2015

| Number of Shareholders | Share holding |        | Total Shares held |
|------------------------|---------------|--------|-------------------|
|                        | From          | To     |                   |
| 25                     | 1             | 100    | 1,730             |
| 18                     | 101           | 500    | 5,555             |
| 8                      | 501           | 1,000  | 6,900             |
| 13                     | 1,001         | 5,000  | 23,189            |
| 7                      | 5,001         | 10,000 | 57,500            |
| 3                      | 10,001        | 15,000 | 35,639            |
| 2                      | 15,001        | 20,000 | 34,937            |
| 0                      | 20,001        | 25,000 | -                 |
| 2                      | 25,001        | 30,000 | 28,900            |
| 2                      | 30,001        | 60,000 | 105,650           |
| 80                     |               |        | 300,000           |

| Categories of share holders | Number | Share held | Percentage |
|-----------------------------|--------|------------|------------|
|-----------------------------|--------|------------|------------|

### Associated Companies Undertakings and related parties

0 0 0

### NIT and ICP

1 50 0.02

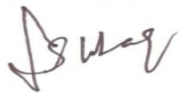
### Directors, CEO, & their Spouse and Minor Children

13

|                        |        |       |
|------------------------|--------|-------|
| Ashfaq Haji Hasham     | 16,000 | 5.33  |
| Salim Rahemtullah Dada | 60,000 | 20.00 |
| Haji Moosa Haji Kassam | 10,000 | 3.33  |
| Muhammad Hanif Moosa   | 12,800 | 4.27  |
| Shamsh-ul-Haque        | 45,650 | 15.22 |
| Shams-uz-Zoha          | 28,900 | 9.63  |
| Hoor Banu              | 9,100  | 3.03  |
| Mohammaed Abbas Memon  | 200    | 0.07  |
| Muhammad Usman         | 8,000  | 2.67  |
| Muhammad Owais         | 8,000  | 2.67  |
| Zahida                 | 1,500  | 0.50  |
| Afsheen Ashfaq         | 7,000  | 2.33  |
| Suraiya Begum          | 9,000  | 3.00  |

# GOODLUCK INDUSTRIES LIMITED

| Categories of share holders  | Number    | Share held     | Percentage    |
|--|-----------|----------------|---------------|
| <u>Public Sector Companies and Corporations</u>                        |           | 0              |               |
| <u>Bank, Development Finance/Institution</u>                           |           |                |               |
| <u>Non-Banking Finance Institution</u>                                 |           |                |               |
| <u>Insurance Companies, Modarbas and Mutual Funds</u>                  |           | 0              |               |
| <u>Share holding 10 percent or more voting interest in the Company</u> |           |                |               |
| <u>Individuals</u>   |           |                |               |
| Holding more than 10%  | 0         | 0              | 0             |
| Holding less than 10%  | 66        | 83,800         | 27.93         |
|  | <b>80</b> | <b>300,000</b> | <b>100.00</b> |



CHIEF EXECUTIVE



DIRECTOR



# GOODLUCK INDUSTRIES LIMITED

## FORM OF PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_ in district of \_\_\_\_\_  
being a member of **GOODLUCK INDUSTRIES LIMITED** here  
by appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing of \_\_\_\_\_ who is also a  
member of **GOODLUCK INDUSTRIES LIMITED** as my/our proxy to attend and vote for  
me/us and on my/our behalf at the Forty-fourth (44<sup>th</sup>) Annual General Meeting of the Company  
to be held on the **17<sup>th</sup> October, 2015** and at any adjournment thereof.

Dated \_\_\_\_\_ day of \_\_\_\_\_ 2015  
(Signature should agree with the specimen signature registered with the Company).

**SIGNATURE**

Revenue Stamp

Distinctive Number of Shares held

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No. \_\_\_\_\_