



GOODLUCK INDUSTRIES LIMITED

**ANNUAL
REPORT**
June 30
2017

GOODLUCK INDUSTRIES LIMITED

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GOODLUCK INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Faizan Farooq (Chairman)
Mr. Ashfaq Haji Hasham (Chief Executive)
Dr. Muhammad Abbas Memon
Mr. Shams-ul-Haque
Mr. Shams-uz-Zoha
Mrs. Naveen Shams
Mr. Fahad Haji Jaffer
Mr. Muhammad Usman
Mr. Muhammad Safyan Qureshi

Company Secretary

Mr. Nafees Shams Qureshi

Audit Committee

Mr. Muhammad Safyan Qureshi (Chairman)
Mr. Shams-ul-Haque
Mr. Faizan Farooq
Mr. Muhammad Usman

H. R & Remuneration Committee

Mr. Fahad Haji Jaffer (Chairman)
Mr. Shams-uz-Zoha
Dr. Muhammad Abbas Memon

Auditors

M/s. Muniff Ziauddin & Co
Chartered Accountants

Bankers

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

Legal Advisor

M/s. Merchant Law Associates

Share Registrar

C & K Management Associates (Pvt) Ltd
404, Trade Tower, Abdullah Haroon Road
near Metropole Hotel, Karachi
Phones: 35687830, 35685939

Registered Office

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

Review Report by the Chairman on Board's overall

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Goodluck Industries Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30, 2017 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.
2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, Society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.
3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.
6. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.



Faizan Farooq
Chairman

Karachi dated 11th September 2017.

GOODLUCK INDUSTRIES LIMITED

DIRECTORS REPORTS TO THE SHAREHOLDERS

The Board of Directors of Goodluck Industries Limited, Karachi presents hereunder, the Audited Annual Accounts and Financial Statements of the Company for the financial year ended June 30, 2017. 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 30th June 2017 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. 2604,500 was added for the addition in property, plant & equipments during the period from July 2016 to June 2017. The details of additions of assets recorded in property, plant & equipments schedule.

Surplus on Revaluation of Fixed Assets

During the financial year ended June 30, 2017 the company revalued its leasehold land, 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 for June 30, 2017 by an independent valuer namely M/s. MYK Associates (Private) Limited. The appraisal surplus arisen on this revaluation aggregate to Rs. 158,848,907.

Previously, revaluation was carried-out on August 30, 2012 by an independent valuer namely M/s. Yunus Mirza & Co. The appraisal surplus arisen on that revaluation aggregate 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

Review on working and Profit & Loss Account

Profit & Loss Account for the year ended 30th June 2016 and 30th June 2017 Compared as under:-

		2017	2016
	Note	<-----Rupees----->	
Sales	21	786,490,279	871,085,337
Cost of sales	22	(773,331,805)	(856,285,427)
Gross profit		13,158,474	14,799,910
Administrative expenses	23	(10,196,929)	(10,226,204)
Selling expenses		(120,273)	(83,029)
Other operating expenses	24	(290,663)	(419,250)
		(10,607,865)	(10,728,483)
Operating profit		2,550,609	4,071,427
Financial charges	25	(3,554)	(14,951)
Profit before taxation		2,547,055	4,056,476
Taxation	26	(31,733)	(2,993,837)
Profit after taxation		2,515,323	1,062,638

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Appropriation of Profit

The Board of Directors of the Company proposed appropriation of profit for the year ended June 2017 as under:

	2017	2016
Profit / (loss) before taxation	2,547,055	4,056,476
Less: Taxation	(31,733)	(2,993,837)
Profit after taxation	2,515,323	1,062,639
Un-appropriated profit brought forward	35,645,111	33,743,369
	38,160,434	34,806,008
Less: Dividend declared @17.50%(Rs.1.75 p/share)	(525,000)	(1500,000)
Add: Adjustment of incremental depreciation	2,455,253	2,684,528
Add: Other comprehensive income	(64,961)	(345,425)
Un-appropriated profit carried forward	40,025,727	35,645,111

Basic Earning Per Share

Basic earning per share during the year ended June 2017 as under:

	2017	2016
Profit after taxation	2,515,323	1,062,639
No. of shares	300,000	300,000
	=====	=====
Basic earning per share	8.38	3.54

Proposed dividend

The Board of Directors of the Company proposed to declare payment of cash dividend @ Rs. 3.36 per share i.e. 33.60% amounting to Rs. 1008,000 for the year ended June 30, 2017.

Changes in Equity as on 30th June 2017

	Share capital	Unappropriated profit	Total
	<----- Amount in Rupees ----->		
Balance as at July 01, 2015 - restated	3,000,000	33,743,369	36,743,369
Profit after taxation for the year ended June 30, 2016	-	1,062,639	1,062,639
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	(345,425)	(345,425)
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	2,684,528	2,684,528
Transactions with owners:			
Dividend for the year June 30, 2015 @ Rs.5 per share	-	(1,500,000)	(1,500,000)
Balance as at July 01, 2016	3,000,000	35,645,111	38,645,111
Profit for the year ended June 30, 2017	-	2,515,323	2,515,323
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	(64,961)	(64,961)
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	2,455,253	2,455,253
Transactions with owners:			
Dividend for the year June 30, 2016 @ Rs.1.75 per share	-	(525,000)	(525,000)
Balance as at June 30, 2017	3,000,000	40,025,727	43,025,727

GOODLUCK INDUSTRIES LIMITED

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 of stock and personal guarantee of all the directors and carries mark-up rate @ 3 Months KIBOR + 0.75% p.a

Gratuity

The Board of Directors specifically approved the provision for gratuity by Rs.1,114,845 during the financial year June 2016.

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 2017.

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 2018.

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 Pakistan Stock Exchange Limited.

- ◆ The financial statements for the year ended June 30, 2017 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.
- ◆ 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.

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- ◆ 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 Safyan Qureshi	Chairman
Shams-ul-Haque	Member
Faizan Farooq	Member
Muhammad Usman	Member

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

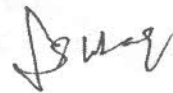
<u>Name of the Directors</u>	<u>No. of meeting attended</u>
Ashfaq Haji Hasham	4
Shams-ul-Haque	4
Mohammed Abbas Memon	4
Shams-uz-Zoha	4
Naveen Shams	4
Fahad Haji Jaffer	4
Faizan Farooq	4
Muhammad Usman	3
Muhammad Safyan Qureshi	3

- ◆ In accordance with the requirement of the code, an H.R & Remuneration committee has been formed and following are its members:

Fahad Haji Jaffer	Chairman
Shams-uz-Zoha	Member
Dr. Muhammad Abbas Memon	Member

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 11th September 2017.

Chief Executive

گڈلک انڈسٹریز لمیٹڈ

شیر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

گڈلک انڈسٹریز لمیٹڈ کراچی کے بورڈ آف ڈائریکٹرز نے 30 جون 2017ء کو ختم ہونے والے سال کیلئے آڈٹ شدہ سالانہ اکاؤنٹس اور مالیاتی حسابات پیش کئے۔ ڈائریکٹرز نے ختم ہونے والے سال 30 جون 2017ء کے لئے اپنی رپورٹ جو کہ ممبران کیلئے آڈیٹرز کی رپورٹ، حسابات کے حوالے سے آڈیٹرز کی جائزہ رپورٹ جو کہ بہترین کوڈ آف کارپوریٹ گورننس کا ثبوت ہے اور کمپنی کی ورکنگ کیلئے اپنی ڈائریکٹرز رپورٹ شیر ہولڈرز کیلئے پیش کی ہے جس کی تفصیلات درج ذیل ہیں:-

اثاثہ جات پر سرمایہ کاری:

دوران مدت جولائی 2016ء سے جون 2017ء پر اپرٹی، پلانٹ اور دیگر سامان کیلئے مبلغ 2604,500 روپے کا اضافہ کیا گیا تھا۔ اضافی اثاثہ جات کی تفصیلات پر اپرٹی، پلانٹ اور دیگر سامان کے شیڈول میں ریکارڈ کی گئی ہیں۔

مقرر کردہ اثاثہ جات پر دوبارہ تخمینہ پر اضافہ:

کمپنی نے مالیاتی سال 30 جون 2017ء کے دوران اپنی لیز شدہ زمین پر بلڈنگز، پلانٹ اور مشینری کا دوبارہ تخمینہ کیا ہے اور ان اثاثہ جات کی رقوم کا موازنہ ان کی مارکیٹ ویلیو/مارکیٹ ویلیو میں کمی بیشی کی بنیاد پر کیا گیا ہے۔ یہ دوبارہ تخمینہ 30 جون 2017ء کیلئے مکمل کیا گیا تھا جو کہ ایک انفرادی ویلیو ریٹیم سیرز ایم وائی کے ایسوسی ایٹس پرائیویٹ لمیٹڈ نے کیا۔ اس دوبارہ تخمینہ پر مبلغ 158,848,907 روپے کا اضافہ دکھایا گیا ہے۔

پچھلا دوبارہ تخمینہ گزشتہ مدت 30 اگست 2012ء کو لگایا گیا تھا جو میسرز یونس مرزا اینڈ کمپنی نے کیا تھا اور اس دوبارہ تخمینہ پر مبلغ 225,892,372 روپے کا اضافہ دکھایا گیا ہے۔

اس دوبارہ تخمینہ پر اضافہ ”دوبارہ تخمینہ کے اکاؤنٹ پر اضافہ“ کو کریڈٹ کیا گیا تھا جو کہ کمپنیز آرڈیننس 1984ء کے سیکشن 235 کے تحت کیا گیا۔ سال کے آخر میں بیننس کی تفصیلات درج ذیل ہیں:

ورکنگ اور نفع نقصان اکاؤنٹ کا جائزہ:

اختتامی مالیاتی سال 30 جون 2016ء اور 30 جون 2017ء کے دوران نفع و نقصان اکاؤنٹ کا موازنہ درج ذیل ہے:

2016	2017	نوٹ	
روپے	روپے		سیلز
871,085,337	786,490,279	21	
(856,285,427)	(773,331,805)	22	سیلز کے اخراجات
14,799,910	13,158,474		کل منافع
(10,226,204)	(10,196,929)	23	انتظامی اخراجات
(83,029)	(120,273)		فروخت کے اخراجات
(419,250)	(290,663)	24	دیگر آپریٹنگ اخراجات
(10,728,483)	(10,607,865)		
4,071,427	2,550,609		آپریٹنگ منافع
(14,951)	(3,554)	25	مالیاتی چارجز
4,056,476	2,547,055		منافع قبل از ٹیکس
(2,993,837)	(31,733)	26	ٹیکس
1,062,638	2,515,323		منافع بعد از ٹیکس

گڈلک انڈسٹریز لمیٹڈ

منافع کی ترتیب:

اختتامی سال جون 2017ء کے لئے کمپنی کے بورڈ آف ڈائریکٹرز نے درج ذیل مجوزہ منافع کی ترتیب پیش کی ہے:

2016	2017	
4,056,476	2,547,055	نفع نقصان قبل از ٹیکس
(2,993,837)	(31,733)	کٹوتی: ٹیکسیشن
1,062,639	2,515,323	منافع بعد از ٹیکس
33,743,369	35,645,111	غیر ترتیب کردہ منافع کی تفصیل
34,806,008	38,160,434	
(1500,000)	(525,000)	کٹوتی: ظاہر کردہ ڈویڈنڈ بحساب %17.50
		(1.75 روپے فی شیئر)
2,684,528	2,455,253	اضافہ: انکریمنٹ میں کمی بیشی کی ایڈجسٹمنٹ
(345,425)	(64,961)	اضافہ: دیگر متعلقہ آمدنی
35,645,111	40,025,727	غیر ترتیب شدہ منافع کی تفصیل

فی شیئر بنیادی آمدنی:

اختتامی سال جون 2017ء کے دوران بنیادی آمدنی فی شیئر درج ذیل ہے:

2016	2017	
1,062,639	2,515,323	منافع بعد از ٹیکس
300,000	300,000	شیئرز کی تعداد
3.54	8.38	بنیادی آمدنی فی شیئر

مجوزہ ڈویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے اختتامی سال 30 جون 2017ء کے لئے ڈویڈنڈ کی تفصیلی تفصیل بحساب 3.36 روپے فی شیئر یعنی %33.60 مبلغ 1008,000 روپے کی تجویز پیش کی ہے۔

30 جون 2017ء کو ایکویٹی میں تبدیلی:

نوٹس	غیر ترتیب شدہ منافع رقم روپے میں	شیئر سرمایہ	
36,743,369	33,743,369	3,000,000	یکم جولائی 2015 کو بیلنس
1,062,639	1,062,639		اختتامی سال 30 جون 2016ء کیلئے بعد از ٹیکس منافع
(345,425)	(345,425)		دیگر متعلقہ آمدنی
			- واضح کردہ مراعات کی دوبارہ پیمائش۔ صافی ٹیکس
			- مقررہ اثاثہ جات کی دوبارہ تخمینہ پر اضافہ کی منتقلی
			بحساب
2,684,528	2,684,528		سال کیلئے کمی بیشی کا انکریمنٹ۔ صافی ٹیکس
(1,500,000)	(1,500,000)		مالکان کے ساتھ لین دین:
			30 جون 2015ء کے لئے ڈویڈنڈ بحساب 5 روپے فی شیئر
38,645,111	35,645,111	3,000,000	یکم جولائی 2016 کو بیلنس

گڈ لک انڈسٹریز لمیٹڈ

2,515,323	2,515,323	اختتامی سال 30 جون 2017ء کے لئے منافع
(64,961)	(64,961)	دیگر متعلقہ آمدنی:
		- واضح کردہ مراعات کی دوبارہ پیمائش۔ صافی ٹیکس
		- مقررہ اثاثہ جات کی دوبارہ تخمینہ پر اضافہ کی منتقلی
2,455,253	2,455,253	سال کیلئے کمی پیشی کا انکریمینٹ۔ صافی ٹیکس
(525,000)	(525,000)	مالکان کے ساتھ لین وین:
430,257,727	40,025,727	30 جون 2016 کے لئے ڈویڈنڈ بحساب 1.75 روپے فی شیئر
	3,000,000	یکم جولائی 2017 کو بیلنس

رنک مالیاتی سہولت۔ محفوظ:

حبیب میٹروپولیٹن بینک لمیٹڈ

یہاں پر حبیب میٹروپولیٹن بینک لمیٹڈ کی جانب سے حاصل کردہ مالیات جس کی منظوری کی حد 10.00 ملین روپے پیش کی ہے۔ یہ مالیات تمام اسٹاف اور تمام ڈائریکٹرز کی ذاتی ضمانت اور مارک اپ ریٹ بحساب 3 مہینے KIBOR + 0.75% p.a کے حوالے سے محفوظ کیا گیا ہے۔

گر بجوئی:

بورڈ آف ڈائریکٹرز نے خصوصی طور پر مالیاتی سال جون 2016ء کے دوران مبلغ 1,114,845 روپے گر بجوئی کے طور پر منظور کیا ہے۔

ڈائریکٹرز کی تجویز:

کمپنی کی مالی پوزیشن کو بہتر بنانے کیلئے چیف ایگزیکٹو اور کمپنی کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا کہ اختتامی مالیاتی سال جون 2017ء کے لئے فیس، اجرتیں اور دیگر چارجز کو معاف کر دیا جائے۔

مستقبل کا پروگرام:

ملک کی موجودہ صورتحال کے پیش نظر کمپنی کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ ٹیکسری کے کاروبار کو اسی طرح چلایا جائے اور اس میں کوئی بڑی تبدیلی یا نئی سرمایہ کاری نہ کی جائے جو کہ آنے والے سال کیلئے تجویز کی گئی ہے۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز منیف ضیاء الدین اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور کوڈ آف کارپوریشن گورننس کے تحت دوبارہ تقرری کیلئے اپنے آپ کو پیش کر سکتے ہیں۔ آڈٹ کمیٹی نے میسرز منیف ضیاء الدین اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر اختتامی سال جون 2018ء کے لئے بطور آڈیٹرز تقرری کی سفارش کی ہے۔

بورڈ آف کارپوریشن گورننس کے قواعد پر عملدرآمد:

کمپنی کے ڈائریکٹرز آپ کو مطلع کرنا چاہتے ہیں کہ آپ کی کمپنی نے پاکستان اسٹاک ایکسچینج لمیٹڈ کے قواعد کی فہرست میں درج کوڈ آف کارپوریشن گورننس پر عملدرآمد کیلئے ضروری اقدامات کئے ہیں:

- ☆ اختتامی سال 30 جون 2017ء کے لئے مالیاتی حسابات تیار کرنے گئے ہیں اور اسے کمپنیز آرڈیننس 1984ء کے قوانین کے تحت پیش کیا جا رہا ہے۔
- ☆ قانون کے مطابق کمپنی نے حساب کے کھاتے مناسب طریقے سے مرتب کئے ہیں۔
- ☆ اکاؤنٹنگ کی پالیسیاں اور انکشافات جو کہ پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کے مطابق ہیں۔
- ☆ اس کمپنی کو مسلسل چلانے کیلئے اس کی اہلیت پر کوئی شک و شبہ نہیں ہے۔

گڈ لک انڈسٹریز لمیٹڈ

- ☆ کمپنی نے تمام ٹیکسز اور ڈیوٹیز ادا کر دی ہیں اور اس وقت کوئی بھی عدم ادائیگی باقی نہیں ہے۔
- ☆ کوڈ آف کارپوریشن گورننس پر عملدرآمد میں کسی قسم کی کوئی رکاوٹ نہیں ہے۔
- ☆ اس رپورٹ میں شیئر ہولڈنگ کا مخصوص طریقہ کار شامل ہے۔
- ☆ گزشتہ سات سالوں کا اہم آپریننگ اور مالیاتی ڈیٹا کی تفصیل منسلک ہے۔
- ☆ کوڈ کی ضروریات کے عین مطابق آڈٹ کمیٹی تشکیل دی ہے جس کے ممبران درج ذیل ہیں:

محمد سفیان قریشی	چیئر مین
شمس الحق	ممبر
فیضان فاروق	ممبر
محمد عثمان	ممبر

- ☆ اس سال کے دوران بورڈ آف ڈائریکٹرز نے چار مینٹننگز کا انعقاد کیا تھا جس میں درج ذیل ڈائریکٹرز نے شرکت کی۔

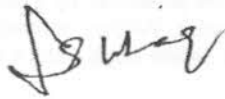
ڈائریکٹرز کے نام:	مینٹننگز میں شرکت کی تعداد
اشفاق حاجی ہاشم	4
شمس الحق	4
محمد عباس سیمین	4
شمس الحق	4
نورین شمس	4
فہد حاجی جعفر	4
فیضان فاروق	4
محمد عثمان	3
محمد سفیان قریشی	3

- ☆ کوڈ کی ضروریات کے مطابق ایچ آر اور بیوریزیشن کمیٹی تشکیل دی گئی ہے جس کے ممبران درج ذیل ہیں:

فہد حاجی جعفر	چیئر مین
شمس الحق	ممبر
ڈاکٹر محمد عباس سیمین	ممبر

اظہار تشکر:

بورڈ آف ڈائریکٹرز نے حبیب میٹروپولیٹن بینک لمیٹڈ کی جانب سے مختصر مدت کے مالیات کیلئے تعاون پر مخلصانہ شکریہ ادا کیا ہے۔ کمپنی کے چیف ایگزیکٹو نے بھی کمپنی کے تمام ڈائریکٹرز اور اسٹاف ممبرز کا شکریہ ادا کیا ہے کہ انہوں نے کمپنی کی انتظامیہ کے ساتھ مخلصانہ تعاون کیا ہے۔



کراچی مورخہ 11 ستمبر 2017

دستخط:
چیف ایگزیکٹو

Statement of Compliance with the Code of Corporate Governance of Goodluck Industries Limited for the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of listing regulations of **Pakistan Stock Exchange Limited** 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:

Category	Names
Independent Directors	Muhammad Safyan Qureshi
Executive Directors	Ashfaq Haji Hasham
Non-Executive Directors	Muhammad Abbas Memon Shams-ul-Haque Shams-uz-Zoha Navin Shams Fahad Haji Jaffar Faizan Farooq Muhammad Usman

The independent director meets the criteria of independence under clause 5.19.1.(b) of CCG.

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 Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurred and duly filled up by the company 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.

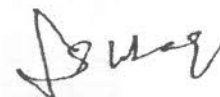
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before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

9. All directors are compliant with necessary requirements of Directors Training Certification except one director who has been appointed during the year.

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 the chairman of the Audit Committee is an independent 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 and the Chairman of the committee is a non – executive director.
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.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi: 11th September, 2017



Ashfaq Haji Hasham
Chief Executive

GOODLUCK INDUSTRIES LIMITED
Comparative statements of key operations for last seven years

	Jun-2017 Rupees	Jun-2016 Rupees	Jun-2015 Rupees	Jun-2014 Rupees	Jun-2013 Rupees	Jun-2012 Rupees	Jun-2011 Rupees	Jun-2010 Rupees
Balance Sheet								
Paid up Capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Reserve and surplus/(deficit)	40,025,727	35,645,111	35,002,667	27,837,651	19,011,214	11,149,909	10,002,969	9,922,677
Shareholders equity	43,025,727	38,645,111	38,002,667	30,837,651	22,011,214	14,149,909	13,002,969	12,922,677
Long term & Deferred liabilities	66,096,136	22,664,364	21,521,822	22,857,543	24,111,095	6,427,679	7,106,025	7,601,926
Current Liabilities	9,759,436	4,550,400	4,389,734	6,540,626	2,008,581	1,898,272	2,104,912	2,658,345
Operating Assets	366,450,480	209,853,136	213,096,319	216,188,213	222,330,407	2,971,489	2,588,417	2,628,514
Current Assets	46,728,330	43,159,257	39,395,652	36,165,701	22,132,020	19,203,588	19,324,709	20,268,952
Long Term Deposits	360,782	355,282	355,282	349,282	313,282	300,782	300,782	285,482
Trading Results								
Turn over / Sales	786,490,279	871,085,337	762,259,773	69,303,183	471,977,106	415,325,716	381,582,157	488,276,553
Gross Profit	13,158,474	14,799,910	15,449,188	15,449,188	4,396,303	9,283,727	8,795,230	10,905,732
Other Income	0	0	0	6,696,791	31,172	0	0	0
Operating Profit (Loss)	2,550,609	4,071,427	6,272,566	8,724,510	(2,459,465)	2,549,566	1,750,744	4,122,916
Finacial charges	3,554	14,951	125,290	11,717	40,609	17,868	148,829	113,959
Profit before tax	2,547,055	4,056,476	6,147,277	8,712,793	(2,468,902)	2,531,698	1,601,915	4,008,957
Profit after tax	2,515,323	1,062,639	4,221,985	5,590,049	1,165,302	1,746,940	680,292	1,365,527
Dividend declared	1,008,000	525,000	1,500,000	600,000	600,000	600,000	600,000	600,000

GOODLUCK INDUSTRIES LIMITED

Comparative statements of key operations for last seven years

	Jun-2017 Rupees	Jun-2016 Rupees	Jun-2015 Rupees	Jun-2014 Rupees	Jun-2013 Rupees	Jun-2012 Rupees	Jun-2011 Rupees	Jun-2010 Rupees
Basic earning per share	8.38	3.54	14.07	18.63	3.88	5.82	2.27	4.55
Break up value of shares of Rs. 10/= each	143.42	128.82	126.68	102.79	73.37	47.17	43.34	43.08
Earning per share (pretax)	8.49	13.52	29.04	29.04	(8.23)	8.44	5.34	13.36
Earning per share (Aftertax)	8.38	3.54	14.07	18.63	3.88	5.82	2.27	4.55
Percentage								
Gross Profit	1.67	1.70	2.03	1.50	0.93	2.24	2.30	2.23
Profit before tax	0.32	0.47	0.81	1.26	(0.52)	0.61	0.42	0.82
Profit after tax	0.32	0.12	0.55	0.81	0.25	0.42	0.18	0.28
Dividend declared %	17.50	17.50	50.00	20.00	20.00	20.00	20.00	20.00

GOODLUCK INDUSTRIES LIMITED

NOTICE OF THE MEETING

Notice is hereby given that the Forty-sixth (47th) Annual General Meeting of the members of Goodluck Industries Limited (the "Company") will be held on Monday, the October 10th, 2017 at 11.30 a.m. at registered office S-49/A, S.I.T.E., Mauripur Road, Karachi to transact the following business: -

Ordinary Business

1. To read and confirm the minutes of the Forty-fifth (46th) Annual General Meeting of the Company held on October 17, 2016.
2. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended June 30, 2017 and reports of the Directors and Auditors thereon.
3. To approve the payment of dividend to the shareholders of the Company at Rs.3.36 per share i.e @ 33.60% for the financial year ended 30th June 2017 as proposed by the Board of Directors of the Company.
4. To appoint auditors of the company for the ensuing year and to fix their remuneration. M/S. Muniff Ziauddin & Co, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
5. To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD

Karachi: 18th September 2017

Nafees Shams Qureshi
Company Secretary

Notes:

1. The share transfer book of the Company will remain closed from 03rd October 2017 to 10th October 2017 (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.
3. The individuals (member/proxy), shall authenticate his / her identity by showing his her original valid Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
4. The Securities & Exchange Commission of Pakistan (SECP) vide its SRO 779 (I)/2011 dated August 18, 2011, SRO 831(I)/2012 dated July 5, 2012 and SRO 19 (I)/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the Computerized National Identity Card Number (CNIC) of the registered member or authorised person, except in the case of minor(s) and corporate members. Therefore members or their authorised representatives who have not yet provided an attested copy of their valid CNICs to the Company/ Shares Registrar are requested to provide the same at their earliest to avoid any inconvenience.

GOODLUCK INDUSTRIES LIMITED

5. In order to make the process of payment of cash dividend more efficient, SECP vide its Circular No. 8(4) SM/CDC 2008 dated April 5, 2013 has issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. The shareholders may, therefore, authorise the Company to credit the dividend directly to their bank account for all future dividends declared by the Company. Accordingly, all non-CDC shareholders are requested to send their bank account details to the Company's Share Registrar. Shareholders who hold shares with Participant/Central Depository Company of Pakistan Limited (CDC) are advised to provide the mandate to the concerned Stock Broker / Central Depository Company of Pakistan Limited.
6. As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance"), different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The current withholding tax rates are as under:

- (a) For Filers of Income Tax Returns: 15%
- (b) For Non-Filers of Income Tax Returns: 20%

To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue ("FBR"), despite the fact that they are Filers, are advised to make sure that their names are entered into ATL before the date of issuance of Dividend Warrants, otherwise tax on their Cash Dividend will be deducted @20%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Share Registrar and Share Transfer Agent, M/s. Central Depository Company of Pakistan Limited.

The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective Folio numbers.

As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to our Shares Registrar; otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing.

7. Shareholders are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Shares Registrar.

AUDITORS' REPORT TO THE MEMBERS

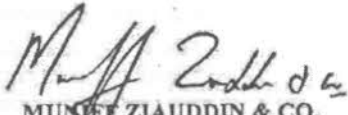
We have audited the annexed balance sheet of Goodluck Industries Limited ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then 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, 2017 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: 11 SEP 2017


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

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, 2017 to comply with the Code contained in regulation No.5.19 of the Rule Book of Pakistan 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.

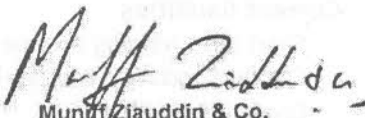
As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers 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, 2017.

KARACHI:

11 SEP 2017


Muniff Ziauddin & Co.
CHARTERED ACCOUNTANTS
(Sohail Saleem)

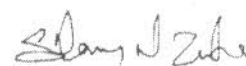
GOODLUCK INDUSTRIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

		2017	2016
	Note	<-----Rupees----->	
ASSETS			
Non-current assets			
Property, plant & equipment	8	366,450,480	209,853,136
Long term deposits	9	360,782	355,282
		366,811,262	210,208,418
Current assets			
Stock in trade	10	6,777,554	18,819,114
Trade debtors	11	25,328,174	9,052,206
Income tax refundable		10,034,761	8,034,806
Advances, deposits & other receivables	12	585,392	2,085,392
Cash & bank balances	13	4,002,449	5,167,739
		46,728,330	43,159,257
TOTAL ASSETS		413,539,592	253,367,675
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		10,000,000	10,000,000
1,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed & paid up:			
300,000 ordinary shares of Rs. 10 each fully paid in cash		3,000,000	3,000,000
Unappropriated profit		40,025,727	35,645,111
		43,025,727	38,645,111
Surplus on revaluation of fixed assets	14	294,658,294	187,507,801
LIABILITIES			
Non-current liabilities			
Deferred liabilities	15	66,096,136	22,664,364
Current liabilities			
Short term running finance	16	-	-
Creditors, accrued & other liabilities	17	8,201,228	3,052,210
Dividends payable	18	1,558,208	1,498,190
		9,759,436	4,550,400
Total liabilities		75,855,572	27,214,763
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES		413,539,592	253,367,675

The annexed notes 1 to 38 form an integral part of these financial statements.



CHIEF EXECUTIVE

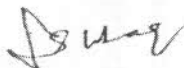


DIRECTOR

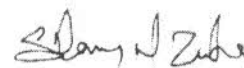
GOODLUCK INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

		2017	2016
	Note	<-----Rupees----->	
Sales	21	786,490,279	871,085,337
Cost of sales	22	<u>(773,331,805)</u>	<u>(856,285,427)</u>
Gross profit		13,158,474	14,799,910
Administrative expenses	23	<u>(10,196,929)</u>	<u>(10,226,204)</u>
Selling expenses		<u>(120,273)</u>	<u>(83,029)</u>
Other operating expenses	24	<u>(290,663)</u>	<u>(419,250)</u>
		<u>(10,607,865)</u>	<u>(10,728,483)</u>
Operating profit		2,550,609	4,071,427
Financial charges	25	<u>(3,554)</u>	<u>(14,951)</u>
Profit before taxation		2,547,055	4,056,476
Taxation	26	<u>(31,733)</u>	<u>(2,993,837)</u>
Profit after taxation		<u>2,515,323</u>	<u>1,062,638</u>
Earnings per share - basic	27	<u>8.38</u>	<u>3.54</u>

The annexed notes 1 to 38 form an integral part of these financial statements.



CHIEF EXECUTIVE

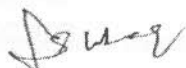


DIRECTOR

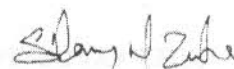
GOODLUCK INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	<-----Rupees----->	
Profit for the year	2,515,323	1,062,639
Other comprehensive income		
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	2,455,253	2,684,528
Items that will not be classified to profit or loss		
Remeasurements of defined benefit liability	(94,146)	(507,978)
Related deferred tax	29,185	162,553
	(64,961)	(345,425)
	<u>2,390,293</u>	<u>2,339,103</u>
Total comprehensive income for the year	<u>4,905,615</u>	<u>3,401,742</u>

The annexed notes 1 to 38 form an integral part of these financial statements.



CHIEF EXECUTIVE

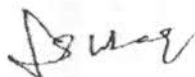


DIRECTOR

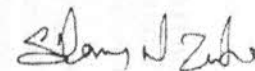
GOODLUCK INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2017

	Share capital	Unappropriated profit	Total
	<----- Amount in Rupees ----->		
Balance as at July 01, 2015 - restated	3,000,000	33,743,369	36,743,369
Profit after taxation for the year ended June 30,2016	-	1,062,639	1,062,639
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	(345,425)	(345,425)
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	2,684,528	2,684,528
Transactions with owners:			
Dividend for the year June 30, 2015 @ Rs.5 per share	-	(1,500,000)	(1,500,000)
Balance as at July 01, 2016	3,000,000	35,645,111	38,645,111
Profit for the year ended June 30, 2017	-	2,515,323	2,515,323
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	(64,961)	(64,961)
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	2,455,253	2,455,253
Transactions with owners:			
Dividend for the year June 30, 2016 @ Rs.1.75 per share	-	(525,000)	(525,000)
Balance as at June 30, 2017	3,000,000	40,025,727	43,025,727

The annexed notes 1 to 38 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

GOODLUCK INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017 ←-----Rupees-----→	2016
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	2,547,055	4,056,476
Adjustment for:		
Depreciation	4,856,063	5,122,584
Provision for gratuity	1,114,845	1,235,568
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	8,517,963	10,414,628
(Increase) / Decrease in current assets:		
Stock in trade	12,041,561	(6,226,402)
Trade debtors	(16,275,968)	(2,127,252)
Income tax refundable	(1,999,954)	(274,921)
Advances, deposits and other receivables	1,500,000	(1,500,000)
	(4,734,362)	(10,128,575)
Increase/(decrease) in creditors, accrued & other liabilities		
Creditors, accrued & other liabilities	386,008	(34,115)
	(4,348,353)	(10,162,691)
CASH GENERATED FROM OPERATIONS	4,169,610	251,938
Income tax paid	(2,259,917)	(3,288,589)
Gratuity paid	-	(143,700)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	1,909,692	(3,180,351)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Long term deposits	(5,500)	-
Addition to fixed assets	(2,604,500)	(1,879,400)
NET CASH USED IN INVESTING ACTIVITIES	(2,610,000)	(1,879,400)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividends paid	(464,982)	(1,305,219)
NET CASH USED IN FINANCING ACTIVITIES	(464,982)	(1,305,219)
NET DECREASE IN CASH AND CASH EQUIVALENT	(1,165,290)	(6,364,970)
CASH AND CASH EQUIVALENTS - at the beginning of the year	5,167,739	11,532,709
CASH AND CASH EQUIVALENTS - at the end of the year	4,002,449	5,167,739

The annexed notes 1 to 38 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, 2017

1. STATUS AND NATURE OF BUSINESS

Goodluck Industries Limited is a public limited company quoted at Pakistan Stock Exchange Limited. 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 approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) for companies the financial year of which close on or before June 30, 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the prevailing repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 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 Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

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

4.1. 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, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 9	Financial instruments (Amendments)	January 1, 2018
IFRS 12	Disclosure of interest in other entities (Amendments)	January 1, 2017
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 28	Investments in Associates and Joint Ventures	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

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, 2016.

Standard, Interpretation or Amendment		Effective date (annual periods beginning on or after)
IFRS 12	Disclosure of Interests in Other Entities (Amendments)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments bringing bearer plants into the scope of IAS 16)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments regarding Intangible Assets (Amendments))	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016

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 8.
- 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.

GOODLUCK INDUSTRIES LIMITED

- 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.

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.

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.

GOODLUCK INDUSTRIES LIMITED

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 2017, 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.

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

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.

5.11 Related party transactions

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

GOODLUCK INDUSTRIES LIMITED

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.

6.1 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 8
- ii Revaluation surplus on freehold land - note - 14
- iv Provision for employees' defined benefit plans - note 15.1
- v Deferred taxation - note 15.2

7. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

8. PROPERTY, PLANT AND EQUIPMENT - 2017

Particulars	COST					Rate %	DEPRECIATION				Book Value As At June 30, 2017
	As At June 30, 2016	Revaluation	Additions	Deletions	As At June 30, 2017		As At June 30, 2016	Adjustment on deletions	For the year	As At June 30, 2017	
←----- Amount in Rupees ----->					←----- Amount in Rupees ----->						
Lease hold land:											
Cost	2,558,720	-	-	-	2,558,720	-	-	-	-	-	2,558,720
Revaluation	159,680,000	97,761,280	-	-	257,441,280	-	-	-	-	-	257,441,280
	162,238,720	97,761,280	-	-	260,000,000	-	-	-	-	-	260,000,000
Factory building											
Cost	606,906	-	-	-	606,906	10	600,187	-	672	600,859	6,047
Revaluation	26,408,944	24,748,495	-	-	51,157,439	10	9,082,036	-	1,732,691	10,814,727	40,342,712
	27,015,850	24,748,495	-	-	51,764,345		9,682,223	-	1,733,363	11,415,586	40,348,759
Non-factory building											
Cost	860,639	-	-	-	860,639	5	759,893	-	5,037	764,930	95,709
Revaluation	2,454,661	4,807,711	-	-	7,262,372	5	455,325	-	99,967	555,292	6,707,080
	3,315,300	4,807,711	-	-	8,123,011		1,215,218	-	105,004	1,320,222	6,802,789
Plant and Machinery											
Cost	8,673,133	-	-	-	8,673,133	10	7,790,977	-	88,216	7,879,193	793,940
Revaluation	37,348,767	31,531,421	-	-	68,880,188	10	12,844,241	-	2,450,453	15,294,694	53,585,494
	46,021,900	31,531,421	-	-	77,553,321		20,635,218	-	2,538,669	23,173,887	54,379,434
R.O Plant	-	-	2,540,000	-	2,540,000	10	-	-	148,167	148,167	2,391,833
Filtration Plant	700,000	-	-	-	700,000	10	29,167	-	67,083	96,250	603,750
Lift	900,000	-	-	-	900,000	10	30,000	-	87,000	117,000	783,000
Electric Installation and Equipment	642,738	-	-	-	642,738	10	483,196	-	15,954	499,150	143,588
Office Equipment	88,605	-	25,000	-	113,605	10	78,332	-	2,694	81,026	32,579
Furniture & fixtures	433,732	-	25,500	-	459,232	10	213,721	-	23,701	237,422	221,810
Vehicles	4,278,881	-	-	-	4,278,881	20	3,860,439	-	83,688	3,944,127	334,754
Tarpaulins	199,381	-	14,000	-	213,381	25	159,664	-	10,221	169,885	43,496
Other Assets	6,671	-	-	-	6,671	10	6,388	-	28	6,416	255
Pager	11,499	-	-	-	11,499	10	10,366	-	113	10,479	1,020
Telephone Systems	121,238	-	-	-	121,238	10	95,890	-	2,535	98,425	22,813
Computers	280,411	-	-	-	280,411	10	209,207	-	7,120	216,327	64,084
Weighbridge	1,019,716	-	-	-	1,019,716	10	794,490	-	22,523	817,013	202,703
Fortified Flour Microfeeder	150,000	-	-	-	150,000	10	67,988	-	8,201	76,189	73,811
	247,424,642	158,848,907	2,604,500	-	408,878,049		37,571,507	-	572,952	42,427,569	366,450,480
									4,283,110		
As at June 30, 2017	247,424,642	158,848,907	2,604,500	-	408,878,049		37,571,507	-	4,856,063	42,427,569	366,450,480

8.1

	Note	2017 Rupees	2016 Rupees
Cost of sales	22	4,692,345	4,902,829
Administrative expenses	23	163,717	219,755
		4,856,063	5,122,584

8. PROPERTY, PLANT AND EQUIPMENT - 2016

Particulars	COST				Rate %	DEPRECIATION			Book Value	
	As At June 30, 2015	Revaluation	Additions	Deletions		As At June 30, 2016	As At June 30, 2015	Adjustment on deletions	For the period	As At June 30, 2016
	←----- Amount in Rupees ----->					←----- Amount in Rupees ----->				
Lease hold land:										
Cost	2,558,720	-	-	-	2,558,720	-	-	-	-	2,558,720
Revaluation	159,680,000	-	-	-	159,680,000	-	-	-	-	159,680,000
	162,238,720	-	-	-	162,238,720	-	-	-	-	162,238,720
Factory building										
Cost	606,906	-	-	-	606,906	10	599,440	-	747	600,187
Revaluation	26,408,944	-	-	-	26,408,944	10	7,156,824	-	1,925,212	9,082,036
	27,015,850	-	-	-	27,015,850		7,756,264	-	1,925,959	9,682,223
Non-factory building										
Cost	860,639	-	-	-	860,639	5	754,591	-	5,302	759,893
Revaluation	2,454,661	-	-	-	2,454,661	5	350,097	-	105,228	455,325
	3,315,300	-	-	-	3,315,300		1,104,688	-	110,530	1,215,218
Plant and Machinery										
Cost	8,673,133	-	-	-	8,673,133	10	7,692,960	-	98,017	7,790,977
Revaluation	37,348,767	-	-	-	37,348,767	10	10,121,516	-	2,722,725	12,844,241
	46,021,900	-	-	-	46,021,900		17,814,476	-	2,820,742	20,635,218
Filtration Plant	-	-	700,000	-	700,000	10	-	-	29,167	29,167
Lift	-	-	900,000	-	900,000	10	-	-	30,000	30,000
Electric Installation and Equipment	539,738	-	103,000	-	642,738	10	465,469	-	17,727	483,196
Office Equipment	88,605	-	-	-	88,605	10	77,191	-	1,141	78,332
Furniture & fixtures	341,232	-	92,500	-	433,732	10	189,275	-	24,446	213,721
Vehicles	4,215,381	-	63,500	-	4,278,881	20	3,755,829	-	104,610	3,860,439
Tarpaulins	178,981	-	20,400	-	199,381	25	146,425	-	13,239	159,664
Other Assets	6,671	-	-	-	6,671	10	6,356	-	32	6,388
Pager	11,499	-	-	-	11,499	10	10,240	-	126	10,366
Telephone Systems	121,238	-	-	-	121,238	10	93,074	-	2,816	95,890
Computers	280,411	-	-	-	280,411	10	201,295	-	7,912	209,207
Weighbridge	1,019,716	-	-	-	1,019,716	10	769,465	-	25,025	794,490
Fortified Flour Microfeeder	150,000	-	-	-	150,000	10	58,876	-	9,112	67,988
	245,545,242	-	1,879,400	-	247,424,642		32,448,923	-	369,419	37,571,507
									4,753,165	
As at June 30, 2016	245,545,242	-	1,879,400	-	247,424,642		32,448,923	-	5,122,584	37,571,507
										209,853,136

GOODLUCK INDUSTRIES LIMITED

	Note	2017	2016
		←-----Rupees-----→	
9.	LONG TERM DEPOSITS		
	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	42,000
	Telenor	5,500	-
		360,782	355,282
10.	STOCK IN TRADE		
	Raw Material	2,246,219	17,344,985
	Finished goods	2,875,625	736,075
	Packing material	1,655,710	738,054
		6,777,554	18,819,114
11.	TRADE DEBTORS		
	Unsecured - considered good	25,069,862	8,793,894
	Receivable against transportation	258,312	258,312
		25,328,174	9,052,206
11.1	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.		
12.	ADVANCES, DEPOSITS & OTHER RECEIVABLES		
	Deposit with Pakistan Flour Mills Association	585,392	585,392
	Others	-	1,500,000
		585,392	2,085,392
12.1.	This comprised of advance given to Leo's Pakistan (Pvt.) Limited for installation of R.O. Plant.		
13.	CASH AND BANK BALANCES		
	Cash in hand	739,922	932,737
	Cash with banks - current accounts	3,262,527	4,235,002
		4,002,449	5,167,739
14.	SURPLUS ON REVALUATION OF FIXED ASSETS		

During the financial year ended June 30, 2017 the company revalued its leasehold land, 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 for June 30, 2017 by an independent valuers namely M/s. MYK Associates (Private) Limited. The appraisal surplus arisen on this revaluation aggregate to Rs. 158,848,907.

Previously, revaluation was carried-out on August 30, 2012 by an independent valuers namely M/s. Yunus Mirza & Co. The appraisal surplus arisen on that revaluation aggregate 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:

GOODLUCK INDUSTRIES LIMITED

	Note	2017	2016
<-----Rupees----->			
Balance at beginning of the period / year		203,510,770	208,263,935
Surplus arising during the year		158,848,907	-
Less: Incremental depreciation on revalued assets for the year -		(4,283,110)	(4,753,165)
Balance at end of the period / year		358,076,567	203,510,770
Less: related deferred tax of:			
- balance at beginning of the year		16,002,969	18,071,606
- surplus arisen during the year		49,243,161	-
- incremental depreciation for the period / year		(1,327,764)	(1,521,013)
- effect of change in tax rate		(500,093)	(547,624)
		63,418,273	16,002,969
Balance at end of the period / year		294,658,294	187,507,801
15. DEFERRED LIABILITIES			
Staff gratuity	15.1	5,984,547	9,538,566
Deferred taxation	15.2	60,111,589	13,125,798
		66,096,136	22,664,364
15.1 Staff gratuity			
Defined benefit plan - (staff retirement gratuity) - unfunded	15.1.4	5,984,547	9,538,566
15.1.1	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, 2017. The disclosures made in notes 15.1.2 to 15.1.11 are based on the information included in that actuarial report.		
15.1.2	The projected unit credit method using the following significant assumptions was used for this valuation:		
		2017	2016
- Discount rate - per annum compound		7.25%	7.25%
- Expected rate of increase in salaries - per annum		6.25%	6.25%
- Expected remaining working lifetime of members		8 years	8 years
15.1.3 Mortality Rate			
- The rates assumed were based on		SLIC (01-05) Mortality Table	SLIC (01-05) Mortality Table
15.1.4 Balance sheet reconciliation			
Present value of defined benefit obligation	15.1.5	5,984,547	9,538,566
Fair value of plan assets		-	-
Net liability in the balance sheet		5,984,547	9,538,566
15.1.5 Movement in defined benefit obligation			
Present value of defined benefit obligation as at July 1		9,538,566	7,938,720
Current service cost		423,299	488,215
Interest cost		691,546	747,353
Remeasurement on obligation		94,146	507,978
Benefits due but not paid		(4,763,010)	-
Benefits paid during the year		-	(143,700)
Present value as at June 30		5,984,547	9,538,566

GOODLUCK INDUSTRIES LIMITED

	Note	2017	2016
		<-----Rupees----->	
15.1.6	Movement in net liability in the balance sheet is as follows:		
Opening balance of net liability		9,538,566	7,938,720
Charge for the year	15.1.7	1,114,845	1,235,568
Net remeasurement for the year	15.1.9	94,146	507,978
Benefits due but not paid		(4,763,010)	-
Benefits paid during the year		-	(143,700)
Closing balance of net liability		<u>5,984,547</u>	<u>9,538,566</u>

15.1.7	Charge for the year has been allocated as under:		
Cost of sales	22	395,995	450,890
Administrative expenses	23	718,850	784,678
		<u>1,114,845</u>	<u>1,235,568</u>

15.1.8	The following amounts have been recognised in the profit and loss account in respect of the staff retirement gratuity:		
Current service cost		423,299	488,215
Net Interest cost		691,546	747,353
Expenses		<u>1,114,845</u>	<u>1,235,568</u>

15.1.9	Net remeasurement for the year comprises of the following:		
Actuarial gains due to changes in demographic assumptions		94,146	507,978
Actuarial losses due to experience adjustments		-	-
Amount chargeable to other comprehensive income		<u>94,146</u>	<u>507,978</u>

15.1.10 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----->		
Discount rate	1%	5,509,883	6,536,226	
Salary growth rate	1%	6,536,226	5,501,511	

15.1.11 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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous method

Based on actuary's advice the expected charge to profit and loss account for the year ending June 30, 2017 amounts to Rs. 1.115 million.

Historical information

	2017	2016	2015	2014	2013
	-----Rupees-----				
Present value of defined benefit obligation	<u>5,984,547</u>	<u>9,538,566</u>	<u>7,938,720</u>	<u>6,965,942</u>	<u>6,011,081</u>
Experience adjustment on obligation	94,146	507,978	(12,964)	42,081	(1,226,920)

GOODLUCK INDUSTRIES LIMITED

	Note	2017	2016
		←-----Rupees-----→	
15.2	Deferred taxation		
	Deferred tax comprises temporary differences relating to:		
	Accelerated tax depreciation	12,723,638	16,178,139
	Surplus on revaluation of fixed assets	49,243,161	-
	Gratuity	(1,855,210)	(3,052,341)
		60,111,589	13,125,798
16.	SHORT TERM RUNNING FINANCE - SECURED		
	Habib Metropolitan Bank Limited	-	-
	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.		
17.	CREDITORS, ACCRUED & OTHER LIABILITIES		
	Accrued expenses	456,726	533,738
	Other liabilities	4,630	4,630
	Other creditors	2,266,951	2,094,592
	Benefits due but not paid	4,763,010	-
	Workers profit participation fund	365,672	223,786
	Workers welfare fund	344,240	195,463
		8,201,229	3,052,210
17.1	Workers' Profit Participation Fund		
	Balance at the beginning of the year	223,786	396,928
	Provision for the year	141,886	223,786
	Interest on funds utilised in the company's business	-	-
		365,672	620,714
	Less: Payments during the year	-	(396,928)
	Balance at end of the year	365,672	223,786
17.2	Workers' Welfare Fund		
	Balance at the beginning of the year	195,463	243,914
	Provision for the year	148,777	195,463
		344,240	439,377
	Less: Payments during the year	-	(243,914)
	Balance at end of the year	344,240	195,463
18.	DIVIDENDS PAYABLE		
	Unclaimed dividend	1,558,208	1,498,190
19.	CONTINGENCIES		
	During the year, a suit no. 264/2017, was filed by the Company against a supplier for the compensation of damages claim against project of designing, fabricating, providing and installation of R.O Plant system of drinking water as well as training of Goodluck Industries Limited. The Management believes that the outcome of the litigation case will be in favour of the Company.		
20.	COMMITMENTS		
	There are no commitments as at balance sheet date. (2016 : Nil)		

GOODLUCK INDUSTRIES LIMITED

		Note	2017	2016
			<-----Rupees----->	
21.	SALES			
	Maida I		158,150,138	114,377,435
	Maida II		38,806,588	17,493,117
	Atta		231,107,154	326,121,458
	Katta Packings		283,141,670	370,785,820
	Bran		74,757,229	41,521,967
	Refraction		527,500	785,540
			786,490,279	871,085,337
22.	COST OF SALES			
	Raw material consumed	22.1	739,104,422	811,998,674
	Packing material consumed	22.2	6,949,985	11,271,217
	Power charges		16,969,088	19,731,124
	Salaries and benefits		3,857,237	3,212,318
	Labor charges		2,360,040	2,673,845
	Machinery repair and maintenance		1,463,100	1,281,124
	Oil and lubricant		75,138	132,551
	Depreciation	8.1	4,692,345	4,902,829
			775,471,355	855,203,682
	Opening stock (Finished Goods)		736,075	1,817,820
	Less: Closing stock (Finished Goods)		(2,875,625)	(736,075)
			(2,139,550)	1,081,745
			773,331,805	856,285,427
22.1	Raw material consumed			
	Opening stock		17,344,985	5,637,236
	Wheat purchases		724,005,656	823,706,423
	Less: Closing stock		(2,246,219)	(17,344,985)
			739,104,422	811,998,674
22.2	Packing material consumed			
	Opening stock		738,054	5,137,656
	Purchases		7,867,640	6,871,615
	Less: Closing stock		(1,655,710)	(738,054)
			6,949,985	11,271,217
23.	ADMINISTRATIVE EXPENSES			
	Salaries and benefits		7,465,365	6,922,952
	Printing and stationery		275,555	273,430
	Fees and subscriptions		406,526	1,026,729
	Rates and taxes		192,555	197,568
	Telephone, internet & postage expenses		202,194	207,894
	Conveyance expenses		12,050	16,200
	Motor cycle expense		213,552	147,960
	Entertainment		31,257	29,793
	Legal and professional charges		83,200	123,400
	Repairs and maintenance		317,381	311,786
	Water charges		181,338	111,143
	Insurance expenses		8,539	71,354
	Gas charges		124,660	112,730
	Cleaning expenses		14,815	13,800
	Auditors' remuneration	23.1	374,800	348,600
	Miscellaneous expenses		43,685	36,760
	Computer expenses		85,740	22,850
	Charity & donation		-	31,500
	Depreciation	8.1	163,717	219,755
			10,196,929	10,226,204

GOODLUCK INDUSTRIES LIMITED

		2017	2016
		<-----Rupees----->	
23.1	AUDITORS' REMUNERATION		
	Audit fee	310,000	285,000
	Review of half yearly accounts	64,800	63,600
		<u>374,800</u>	<u>348,600</u>
24.	Other operating expenses		
	Workers Profit Participation Fund	141,886	223,786
	Workers Welfare Fund	148,777	195,463
		<u>290,663</u>	<u>419,250</u>
25.	FINANCIAL CHARGES		
	Bank charges	3,554	14,951
		<u>3,554</u>	<u>14,951</u>
26.	TAXATION		
	- Current	2,259,917	3,064,865
	- Prior	-	223,724
	- Deferred	(2,228,185)	(294,752)
		<u>31,733</u>	<u>2,993,837</u>
26.1	Reconciliation between tax expense and accounting profit		
	Accounting profit for the year	2,547,055	4,056,476
	Tax at the applicable tax rate of 31 % / 32%	789,587	1,298,072
	Tax effect of amounts / expenses that are inadmissible for tax purpose	391,723	457,930
	Tax effect of amounts / expenses that are admissible for tax purpose	(46,121)	(108,532)
	Tax effect of depreciation allowance for tax purpose	1,124,728	1,417,394
	Effect of prior year current and deferred tax charge	(2,182,490)	340,581
	Effect of change in tax rate	(45,695)	(411,609)
		<u>31,733</u>	<u>2,993,837</u>
26.2	Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 7.5% on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute: atleast 40% of its after tax profit with in 6 Months of the end of the tax year through cash or bonus share.		

The Board of Directors in their meeting held on September 11, 2017 has recommended sufficient cash dividend for the year ended June 30, 2017 (refer note 35) 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, 2017.

GOODLUCK INDUSTRIES LIMITED

	2017	2016
	<-----Rupees----->	
27. EARNING PER SHARE - BASIC		
Profit after taxation	<u>2,515,323</u>	<u>1,062,639</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>300,000</u>	<u>300,000</u>
	(Rupees)	
Earnings per share - basic	<u>8.38</u>	<u>3.54</u>

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

28. UNAVAILED CREDIT FACILITY

Short term running finance	<u>10,000,000</u>	<u>10,000,000</u>
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Terms and conditions are mentioned in Note 16.

29. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2017			2016		
	Chief Executive	Directors	Officers	Chief Executive	Directors	Officers
	Numbers	Numbers	Rupees	Numbers	Numbers	Rupees
Meeting fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Basic Salary	-	-	1,717,272	-	-	1,593,792
House rent	-	-	453,672	-	-	428,472
Utilities	-	-	-	-	-	-
Conveyance	-	-	204,780	-	-	189,060
Others	-	-	77,520	-	-	65,520
	-	-	<u>2,453,244</u>	-	-	<u>2,276,844</u>
Number of person	<u>1</u>	<u>8</u>	<u>6</u>	<u>1</u>	<u>8</u>	<u>6</u>

In order to improve financial position of the company, the Director of the Company has decided to forgo fees, remuneration and other perquisites.

30. 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:

	2017	2016
	<----- Kgs ----->	
Products		
Maida I	<u>3,410,350</u>	2,560,050
Maida II	<u>1,027,400</u>	456,400
Atta	<u>6,511,650</u>	9,522,650
Katta - Polythene bags	<u>7,278,590</u>	10,640,530
Bran	<u>3,294,192</u>	2,317,032
Refraction - by product	<u>75,360</u>	89,880
	<u>21,597,542</u>	<u>25,586,542</u>

GOODLUCK INDUSTRIES LIMITED

The production Decreased by about 3,989 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.

31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

31.1 FINANCIAL INSTRUMENTS BY CATEGORY

	2017	2016
Financial assets	←-----Rupees-----→	
Loans and receivables at amortized cost		
Long term deposits	360,782	355,282
Trade debtors	25,328,174	9,052,206
Advances, deposits & other receivables	585,392	2,085,392
Cash & bank balances	4,002,449	5,167,739
	30,276,797	16,660,619
Financial liabilities		
Financial liabilities at amortized cost		
Creditors, accrued & other liabilities	8,201,228	3,052,210
Dividends payable	1,558,208	1,498,190
	9,759,436	4,550,400

31.2 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.

31.3 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.

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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 :

	2017	2016
	<-----Rupees----->	
Trade debts	25,328,174	9,052,206
Long term deposits	360,782	355,282
Advance, deposits and other receivables	585,392	2,085,392
Cash and Bank balances	4,002,449	5,167,739
	<u>30,276,797</u>	<u>16,660,619</u>

31.4 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:

	2017		
	Carrying amount	Next Twelve months	More than one year
	<----- Rupees ----->		
Financial Liabilities			
Running finance	-	-	-
Creditors, accrued and other liabilities	8,201,228	8,201,228	-
Dividends	1,558,208	1,558,208	-
Deferred liabilities	66,096,136	-	66,096,136
	<u>75,855,572</u>	<u>9,759,436</u>	<u>66,096,136</u>

	2016		
	Carrying amount	Next Twelve months	More than one year
	<----- Rupees ----->		
Financial Liabilities			
Running finance	-	-	-
Creditors, accrued and other liabilities	3,052,210	3,052,210	-
Dividends	1,498,190	1,498,190	-
Deferred liabilities	22,664,364	-	22,664,364
	<u>27,214,762</u>	<u>4,550,400</u>	<u>22,664,364</u>

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31.5 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.

31.6 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:

	2017	2016	2017	2016
	Effective rate of markup / profit		Carrying Amount	
	<-----%----->		<-----%----->	
Financial assets				
Cash and bank balances	-	-	4,002,449	5,167,739
Financial liabilities				
Short term financing	3 months KIBOR+0.75%	3 months KIBOR+0.75%	-	-
Total yield / markup rate risk sensitivity gap			<u>4,002,449</u>	<u>5,167,739</u>

31.7 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.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

33. 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.

GOODLUCK INDUSTRIES LIMITED

	2017	2016
	←----- Number -----→	
34. NUMBER OF EMPLOYEES		
Number of employees as at June 30,	36	31
Average number of employees during the year	33	30

35. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Director have proposed a final dividend for the year ended June 30, 2017 for Rs. 3.36 (2016: Rs. 1.75/-) per share, amounting to Rs.1008,000/- (2016: Rs. 525,000/-) at their meeting held on September 11, 2017. 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, 2018.

36. CORRESPONDING FIGURES

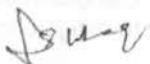
Corresponding figures and balances have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

37. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

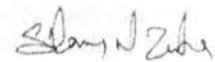
These financial statements were authorized for issue on **September 11, 2017** by the board of directors of the company.

38. GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR

GOODLUCK INDUSTRIES LIMITED

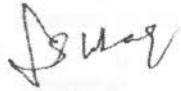
PATTERN OF SHARE HOLDING as at 30th June 2017

Number of Shareholders	Share holding		Total Shares held
	From	To	
25	1	100	1,730
19	101	500	5,855
8	501	1,000	6,900
13	1,001	5,000	23,489
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	-
0	25,001	30,000	-
3	30,001	60,000	133,950
80			300,000

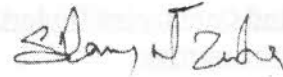
Categories of share holders	Number	Share held	Percentage
<u>Associated Companies Undertakings and related parties</u>	0	0	0
<u>NIT and ICP</u>	1	50	0.02
<u>Directors, CEO, & their Spouse and Minor Children</u>	11		
Ashfaq Haji Hasham		16,000	5.33
Muhammad Usman		8,000	2.67
Fahad Haji Jaffar		6,400	2.13
Faizan Farooq		3,400	1.13
Shamsh-ul-Haque		37,250	12.42
Shams-uz-Zoha		36,700	12.23
Naveen Shams		400	0.13
Mohammaed Abbas Memon		200	0.07
Zahida		1,500	0.50
Afsheen Ashfaq		7,000	2.33
Bakhtawar Shams		200	0.07

GOODLUCK INDUSTRIES LIMITED

Categories of share holders	Number	Share held	Percentage
<u>Public Sector Companies and Corporations</u>		0	
<u>Bank, Development Finance/Institution Non-Banking Finance Institution 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%	1	60,000	20
Holding less than 10%	67	122,900	40.97
	80	300,000	100.00



CHIEF EXECUTIVE



DIRECTOR

Form of Proxy

47th Annual General Meeting

The Company Secretary
Goodluck Industries Limited
S-49/A, S.I.T.E.,
Mauripur Road,
Karachi-75750,
Pakistan.

I/ we _____ of _____ being a members(s)
of Goodluck Industries Limited holding _____ ordinary shares Folio No. _____
CDC A/c. No. _____ hereby appoint Mr./Mrs./Miss _____
_____ of (full address) _____
_____ or failing him/her
Mr./Mrs./Miss _____ of (full address) _____

(being member of the company) as my/our proxy to attend, act vote for me/us and on my/our behalf at the 47th Annual General Meeting of the Company to be held on October 10, 2017 and/or any adjournment thereof.

Signed this _____ day of _____ 2017.

Witnesses:

- Name : _____
Address : _____
CNIC No. : _____
Signature : _____
- Name : _____
Address : _____
CNIC No. : _____
Signature : _____

Signature on
Rs. 5/-
Revenue Stamp

NOTES:

- The proxy must be a member of the Company.
- The signature must tally with the specimen signature/s registered with the Company.
- if a proxy is granted by a member who has deposited his / her shares in Central Depository Company of Pakistan, the proxy must be accompanied with participant's ID number and CDC account / sub-account along with attested photocopies of Computerized National identity Card ("CNIC") or the Passport of the beneficial owner. Representative of corporate members should bring the usual documents required for such purpose.
- The instrument of Proxy properly completed should be deposited at the Company's Registered Office not less than 48 hours before the time of the meeting.

فارم برائے نمائندگی

سینٹالیسواں سالانہ اجلاس

کمپنی بیکریٹری

گڈلک انڈسٹریز لمیٹڈ

S-49/A، سائٹ، ماڑی پور روڈ

کراچی۔ پاکستان

میں / ہم بحیثیت گڈلک انڈسٹریز لمیٹڈ کے رکن (اراکین)۔۔۔۔۔ آرڈینری شیئر فولیو نمبر۔۔۔۔۔ برطابق
سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔ اپنی جانب سے مسٹر اسمز اس کو تقرر اور درخواست کرتا ہوں۔ ان کا مکمل پتہ۔۔۔۔۔

بحیثیت رکن کمپنی میری / ہماری طرف سے کمپنی کے سینٹالیسویں سالانہ اجلاس میں شرکت اور ووٹ دینے کے اہل ہے / ہیں جو کہ 10 اکتوبر 2017
کو منعقد ہو گا یا التوا کی صورت میں (بعد میں) میری یا ہماری جانب سے اہل ہے / ہوں گے۔

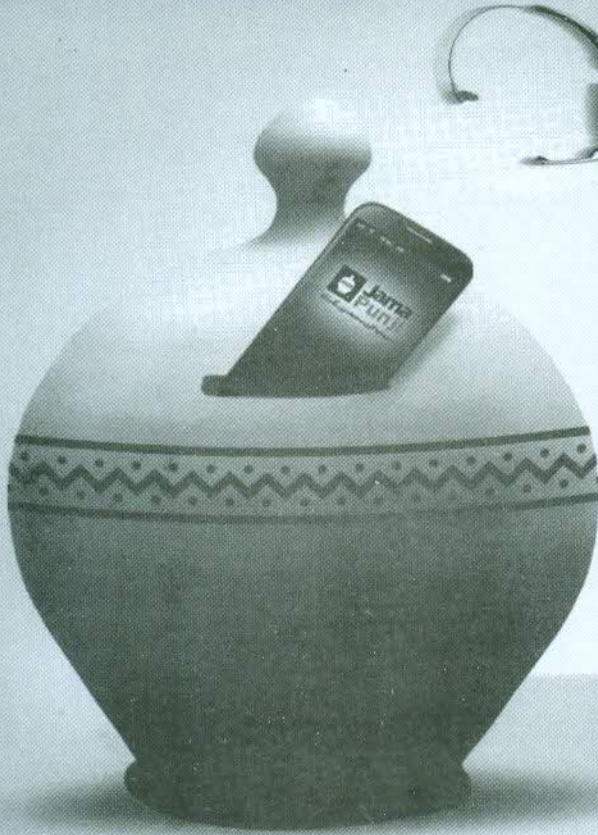
دستخط۔۔۔۔۔ بروز / تاریخ۔۔۔۔۔ 2017۔۔۔۔۔

گواہان:

1	2
نام:۔۔۔۔۔	نام:۔۔۔۔۔
پتہ:۔۔۔۔۔	پتہ:۔۔۔۔۔
شناختی کارڈ نمبر۔۔۔۔۔	شناختی کارڈ نمبر۔۔۔۔۔
دستخط۔۔۔۔۔	دستخط۔۔۔۔۔

ہدایات:








- 1۔ نمائندے کیلئے کمپنی کا ممبر ہونا لازمی ہے۔
- 2۔ یہاں کیے جانے والے دستخط کمپنی کے ریکارڈ میں موجود دستخط سے مماثلت رکھنا ضروری ہے۔
- 3۔ اگر کسی ایسے ممبر کی جانب سے نمائندگی کی اجازت دی گئی ہے جس نے اپنے شیئرز سینٹرل ڈیپازٹری کمپنی آف پاکستان میں جمع کروائے ہوں، تو اس صورت میں نمائندے کو شراکت دار کا شناختی کارڈ نمبر اور سی ڈی سی اکاؤنٹ اسب اکاؤنٹ نمبر کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں ہمراہ لانا ضروری ہے۔
- 4۔ نمائندے کو یہ فارم مکمل پُر کر کے ہمراہ تمام ضروری دستاویزات، اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرانا ہوں گے۔




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