
GOODLUCK INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Chief Executive

Mr. Ashfaq Haji Hasham

Directors

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

Chief Financial Officer

Rana Saif-ur-Rehman

Company Secretary

Mr. Nafees Shams Qureshi

Auditors

M/s. Muniff Ziauddin & Co
Chartered Accountants

Legal Advisor

M/s. Navin Merchant Advocates

Share Registrar

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

Phones: 35687839, 35685930

Bankers

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

Registered Office

S - 49/A, S.I.T.E, Mauripur Road,
Karachi

Web: www.goodluckind.com
E-mail: goodluckindLtd@live.com
Phones: 32354361-64, 32354929
38298574-75, 37664207

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, 2013. 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 2013 and statement of compliance with the code of corporate governance for the said period is reported here-under.

Investment on Fixed Assets

A sum of Rs.38,000 was added to the fixed assets during the year ended June 2013.

Surplus on Revaluation of Fixed Assets

The Company has revalued land, building & plant and machinery on August 30, 2012. The valuation has been conducted by the independent valuer M/s. Yunus Mirza & Co. The surplus arising on this revaluation aggregating to Rs. 225,892,372 has been credited to the account "Surplus on revaluation of fixed assets" to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

Review on working and Profit & Loss Account

Profit & Loss Account for the year ended 30th June 2012 and 30th June 2013
Compared as under:-

	2013 Rupees	2012 Rupees
Sales	471,977,108	415,325,716
Cost of sales	467,580,803	406,041,989
Gross profit	4,396,303	9,283,727
Administrative expenses	6,718,211	6,289,871
Selling expenses	16,562	257,744
Other charges	20,994	186,546
	6,855,767	6,734,161
	(2,459,465)	2,549,566
Financial charges	40,609	17,868
Profit / (Loss) before taxation	(2,468,902)	2,531,698

Appropriation of Profit

The Board of Directors of the Company proposed appropriation of profit for the year as ended June 2013 as under:

Profit / (Loss) before taxation	(2,468,902)	2,531,698
Less: taxation	3,204,782	784,758
Profit after taxation	735,880	1,746,940
Un-appropriated profit brought forward	11,149,909	10,002,969
	11,885,789	11,749,909
Less: Dividend declared @ 20% (Rs.2 per share)	600,000	600,000
Add: Adjustment of incremental depreciation	6,498,505	
Add: Other comprehensive income	1,226,920	
Un-appropriated profit balance carried forward	19,011,214	11,149,909

GOODLUCK INDUSTRIES LIMITED

Basic Earning Per Share

Basic earning per share during the year ended June 2013 as under:

	2013	2012
Profit after taxation	735,880	1,746,940
No. of shares	300,000	300,000
	2.45	5.82

Proposed dividend

The Board of Directors of the Company proposed to declare payment of cash dividend @ 20% i.e. Rs. 2 per share amounting to Rs. 600,000 for the year ended June 30, 2013.

Changes in Equity as on 30th June 2013

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at July 1, 2011	3,000,000	10,002,969	13,002,969
<i>Comprehensive income for the year :</i>			
Profit after taxation for the year ended June 30, 2012	-	1,746,940	1,746,940
Other comprehensive income	-	-	-
<i>Transactions with owners :</i>			
Final dividend for the year ended June 30, 2011	-	(600,000)	(600,000)
@ Rs. 2 per share	-	(600,000)	(600,000)
Balance as on June 30, 2012	3,000,000	11,149,909	14,149,909
<i>Comprehensive income for the year :</i>			
Profit after taxation for the year ended June 30, 2013	-	735,880	735,880
Other comprehensive income	-	1,226,920	1,226,920
<i>Transactions with owners :</i>			
Final dividend for the year ended June 30, 2012	-	(600,000)	(600,000)
@ Rs. 2 per share	-	(600,000)	(600,000)
Transfer from Surplus on revaluation of fixed assets - net of tax	-	6,498,505	6,498,505
Balance as on June 30, 2013	3,000,000	19,011,214	22,011,214

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.887,930 and payment to outgoing / retired staff of the company by Rs. 200,440 during the financial year June 2013.

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 2013.

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 2014.

Compliance to the provision of the Code of Corporate Governance

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

- ◆ The financial statements for the year ended June 30, 2013 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.
- ◆ Past seven years key operating and financial data is attached.

GOODLUCK INDUSTRIES LIMITED

- ◆ In accordance with the requirement of the code, an audit committee has been formed and following are its members:

Muhammad Abbas Memon	Chairman
Shams-ul-Haque	Member
Mohammed Hanif	Member
Nafees Shams Qureshi	Secretary

- ◆ During the year (6) 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	6
Shams-ul-Haque	6
Mohammed Abbas Memon	6
Shams-uz-Zoha	6
Salim Rehmatullah Dada	6
Haji Moosa Haji Kassam	6
Muhammad Hanif	4
Hoor Bano	2

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 25th September 2013.

Chairman / Chief Executive Officer

GOODLUCK INDUSTRIES LIMITED

Statement of Compliance with the Code of Corporate Governance

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

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

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

Category	Names
Independent Directors	N/A
Executive Directors	Ashfaq Haji Hasham
Non-Executive Directors	Muhammad Abbas Memon Shamsh-ul-Haque Shamsh-uz-Zoha Hoor Bano Salim Rehmatullah Dada Haji Moosa Haji Kassam Muhammad Hanif

The independent directors meets the criteria of independence under clause i (b) of the 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 member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. There were two (2) casual vacancies occurred during the year and were compliance as per provisions of companies' ordinance 1984.

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

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

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

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

9. The board did not arrange any orientation course / training program for its directors during the year. Same will be conduct in the next financial 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 one is company secretary.
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 4 members, of 3 whom are non-executive directors and the chairman of the committee is an 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(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with [2] except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

Karachi: 25th September, 2013


Chairman / Chief Executive Officer

GOODLUCK INDUSTRIES LIMITED

NOTICE OF THE MEETING

Notice is hereby given that the Forty-third (43rd) Annual General Meeting of the members of Goodluck Industries Limited (the "Company") will be held on Tuesday, the October 22, 2013 at 12.00 p.m. at registered office S-49/A, S.I.T.E., Mauripur Road, Karachi to transact the following business: -

1. To read and confirm the minutes of the Forty-second (42nd) Annual General Meeting of the Company held on November 03, 2012.
2. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended June 30, 2013 and reports of the Directors' and Auditors' thereon.
3. To approve the payment of dividend to the shareholders of the Company @ 20% for the financial year ended 30th June 2013 as proposed by the Board of Directors of the Company.
4. To appoint auditors of the company for the year ending June 30, 2014 till the conclusion of next AGM for the year 2014 and fix their remuneration. The present auditors M/S. Muniif Ziauddin & Co, Chartered Accountants retired and being eligible offered themselves for re-appointment.
5. To transact any other business with the permission of the chair.

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

Karachi dated: 25th September 2013.

Notes:

1. The share transfer book of the Company will remain closed from 15th October 2013 to 22nd October 2013 (both days inclusive). No application for transfer of shares will be entertained during the period.
2. A member eligible to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must reach the Company's Registered Office not later than 48 hours before the time for holding the meeting. Proxies of the Members through CDS shall be accompanied with attested copies of their CNIC.
3. Shareholders are requested to notify change of address immediately, if any

GOODLUCK INDUSTRIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Goodluck Industries Limited** ("the Company") as at June 30, 2013 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, 2013 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: 25th September, 2103

MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Salim Sadruddin)

GOODLUCK INDUSTRIES LIMITED

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 applicable to the Company for the year ended 30 June, 2013 prepared by the Board of Directors of **Goodluck Industries Limited** to Comply the with Listing Regulation No. 35 of Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company 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'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.

Further, Listing Regulations of The Karachi Stock Exchange Limited require the company to place before the Board of Directors for their consideration and approval 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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,

- i) The Board has not made arrangements to carry out orientation courses on Code of Corporate Governance for its directors. Furthermore, the directors have not acquired the mandatory certification of directors training program from the Institute specified by the SECP.

Except for the paragraph (i) above, nothing has come to our attention which causes us to believe that the Statement 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, 2013.

Karachi: 25th September, 2013

MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Salim Sadruddin)

GOODLUCK INDUSTRIES LIMITED

BALANCE SHEET As at June 30, 2013

	Note	2013 Rupees	2012 Rupees
FIXED ASSETS			
Property, plant and equipment	6	222,017,125	2,971,489
LONG TERM DEPOSITS			
	7	313,282	300,782
CURRENT ASSETS			
Stock in trade	8	12,182,114	12,702,479
Trade debtors	9	2,186,507	1,222,742
Income tax refundable		493,302	1,104,611
Advances, deposits and other receivables	10	485,392	485,392
Cash and bank balances	11	6,784,706	3,688,365
		<u>22,132,020</u>	<u>19,203,588</u>
		<u>244,462,427</u>	<u>22,475,859</u>
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,000,000 ordinary shares of Rs. 10 each		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up: 300,000 ordinary shares of Rs. 10 each fully paid in cash		<u>3,000,000</u>	<u>3,000,000</u>
Unappropriated profit		<u>19,011,214</u>	<u>11,149,909</u>
		<u>22,011,214</u>	<u>14,149,909</u>
Surplus on revaluation of fixed assets	12	<u>196,331,537</u>	<u>-</u>
		<u>218,342,751</u>	<u>14,149,909</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	13	24,111,095	6,427,679
CURRENT LIABILITIES			
Short term running finance	14	-	-
Creditors, accrued and other liabilities	15	895,816	883,323
Dividends payable	16	1,112,765	1,014,949
		<u>2,008,581</u>	<u>1,898,272</u>
Contingencies and commitments	17		
		<u>244,462,427</u>	<u>22,475,859</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive



Director

GOODLUCK INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
Sales	18	471,977,106	415,325,716
Cost of sales	19	467,580,803	406,041,989
Gross profit		4,396,303	9,283,727
Administrative expenses	20	6,718,211	6,289,871
Selling expenses		116,562	257,744
Other charges	21	20,994	186,546
		6,855,767	6,734,161
		(2,459,465)	2,549,566
Financial charges	22	(40,609)	17,868
Other income	23	31,172	-
Loss before taxation		(2,468,902)	2,531,698
Taxation	24	3,204,782	(784,758)
Profit after taxation		735,880	1,746,940
Earnings per share - basic	25	2.45	5.82

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive



Director

GOODLUCK INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
Profit for the year	735,880	1,746,940
Add: Other comprehensive income		
Actuarial gains on defined benefit plans	1,226,920	-
Total comprehensive income for the year	<u>1,962,800</u>	<u>1,746,940</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive



Director

GOODLUCK INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(2,468,902)	2,531,698
Adjustment of items not involving movement of funds:		
Depreciation	6,860,908	364,161
Gain on disposal of fixed assets	(31,172)	-
Provision for gratuity	887,930	864,204
CASH FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	5,248,764	3,760,063
(Increase)/decrease in current assets		
Stock in trade	520,365	(2,669,618)
Trade debtors	(963,765)	38,814
Advances, deposits and other receivables	-	-
Increase/(decrease) in current liabilities		
Creditors, accrued & other liabilities	(7,487)	(286,633)
	(450,887)	(2,917,437)
CASH GENERATED FROM OPERATION	4,797,877	842,626
Income tax paid	(1,003,413)	(940,840)
Gratuity paid	(200,440)	(1,458,555)
NET CASH GENERATED / (USED IN) FROM OPERATING ACTIVITIES	3,594,024	(1,556,769)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	(12,500)	-
Disposal of fixed assets	55,000	-
Addition to fixed assets	(38,000)	(747,250)
NET CASH GENERATED / (USED IN) FROM INVESTING ACTIVITIES	4,500	(747,250)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(502,184)	(520,007)
NET CASH USED IN FINANCING ACTIVITIES	(502,184)	(520,007)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	3,096,341	(2,824,026)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	3,688,365	6,512,391
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	6,784,706	3,688,365

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive

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Director

GOODLUCK INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at July 1, 2011	3,000,000	10,002,969	13,002,969
Comprehensive income for the year :			
Profit after taxation for the year ended June 30, 2012	-	1,746,940	1,746,940
Other comprehensive income	-	-	-
Transactions with owners :			
Final dividend for the year ended June 30, 2011 @ Rs. 2 per share	-	(600,000)	(600,000)
Balance as on June 30, 2012	<u>3,000,000</u>	<u>11,149,909</u>	<u>14,149,909</u>
Comprehensive income for the year :			
Profit after taxation for the year ended June 30, 2013	-	735,880	735,880
Other comprehensive income	-	1,226,920	1,226,920
Transactions with owners :			
Final dividend for the year ended June 30, 2012 @ Rs. 2 per share	-	(600,000)	(600,000)
Transfer from Surplus on revaluation of fixed assets - net of tax	-	6,498,505	6,498,505
Balance as on June 30, 2013	<u>3,000,000</u>	<u>19,011,214</u>	<u>22,011,214</u>

The annexed notes from 1 to 35 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, 2013

1 STATUS AND NATURE OF BUSINESS

Goodluck Industries Limited is a public limited company quoted at Karachi Stock Exchange. The principal activity of the Company is milling of 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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared under the "historical cost convention".

3.2 Accrual basis accounting

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

3.3 Functional and presentation accuracy

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

3.4 Initial application of standards, amendments or an interpretation to existing standards

3.4.1 Amendments to published standards effective in the current year

Certain amendments to approved accounting standards are effective for accounting periods beginning on July 1, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3.4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to published standards are not effective (although available for early adoption) for the financial year beginning on or after July 1, 2012 and have not been early adopted by the Company.

- (a) Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property, plant and equipment', IAS 32, 'Financial instruments: Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments have no material impact on the Company's financial statements.
- (b) IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The Company shall apply these amendments from July 1, 2013 and does not expect to have a material impact on its financial statements.
- (c) IFRS 9 - 'Financial instruments - classification and measurement'. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. The Company shall apply this standard from July 1, 2015 and does not expect to have a material impact on its financial statements.

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- (d) IAS 19 (Amendments), 'Employee benefits' is applicable on accounting periods beginning on or after January 1, 2013. These amendments shall eliminate the corridor approach and calculate finance cost on a net funding basis. The Company shall apply these amendments from July 1, 2013 and its impact on retained earnings shall be Rs.8.092 million due to recognition of current unrealised actuarial losses on its defined benefit plans. There are other new accounting standards, amendments to approved accounting standards and interpretations that are mandatory for future years. However they are not considered relevant to the Company and therefore are not expected to materially affect the financial statements of the Company for accounting periods on the dates prescribed therein.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 5.
- c Depreciation is charged on assets from the month of purchase or from the month of commercial production for additions in respect of additions made during the year while proportionate depreciation is charged on assets disposed off during the year till the month of disposal.
- d Major renewals and replacement are capitalized.
- e Assets residual values, if significant and their useful lives are reviewed and adjusted if appropriate, at each balance sheet date.
- f Profit or loss on disposal of fixed asset are reflected in the Profit and Loss account.

4.2 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.

4.3 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.

4.4 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.

4.5 Taxation

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account any tax credits, tax rebates and exemptions available, if any, or minimum tax at the rate of 0.2% of turnover, whichever is higher.

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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.

4.6 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 2013, the Project Unit Credit Method of valuation was used to generate actuarial values. The annual provision during the year are charged to income currently.

Following are the significant assumptions used for the valuation of the scheme:

	2013	2012
Valuation discount rate	12% p.a.	14% p.a.
Expected increase in salary	11% p.a.	13% p.a.
Average expected remaining working lifetime of employees	7 years	9 years

4.7 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.

4.8 Revenue recognition

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

4.9 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.

4.10 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.

4.11 Related party transactions

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

4.12 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.

5 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimate and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected.

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

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6 PROPERTY, PLANT AND EQUIPMENT- 2013

Particulars	COST					Rate %	DEPRECIATION			Book Value As At 30-Jun-2013
	As At 1-Jul-2012	Revaluation	Additions	(Disposal)	As At 30-Jun-2013		As At 1-Jul-2012	Adjustment	For the period	
										160,000,000
Lease hold land	320,000	159,680,000			160,000,000					
Factory building	606,906	26,408,944			27,015,850	10	596,664		2,641,919	3,238,583
Non-factory building	860,639	2,454,661			3,315,300	5	736,950		128,918	865,868
Plant and Machinery	8,189,233	37,348,767	22,000		45,560,000	10	7,412,330		3,814,767	11,227,097
Electric Installation and Equipment	522,738				522,738	10	443,402		7,934	451,336
Office Equipment	76,105				76,105	10	74,980		113	75,093
Furniture & fixtures	242,332		5,500		247,832	10	158,663		8,963	167,626
Vehicles	4,286,271			(70,890)	4,215,381	20	3,364,880	(47,062)	179,513	3,497,331
Tarpaulins	168,481		10,500		178,981	25	100,448		20,071	120,519
Other Assets	6,671				6,671	10	6,239		43	6,282
Pager	11,499				11,499	10	9,772		173	9,945
Telephone Systems	121,238				121,238	10	82,605		3,863	86,468
Computers	280,411				280,411	10	171,883		10,853	182,736
Weighbridge	996,716				996,716	10	683,935		31,278	715,213
Fortified Flour Microfeeder	150,000				150,000	10	25,000		12,500	37,500
Jun-13	16,839,240	225,892,372	38,000	(70,890)	242,698,722		13,867,751	(47,062)	6,860,908	20,681,597

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The Company has revalued land, building & plant and machinery on August 30, 2012. The valuation has been conducted by the independent valuer M/s. Yunus Mirza & Co. The surplus arising on this revaluation aggregating to Rs. 225,892,372 has been credited to the account "Surplus on revaluation of fixed assets" to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

Had the lease hold land, factory building, non factory building, plant & machinery been recognised under the cost model, the carrying amount of each revalued class of lease hold land, factory building, non factory building, plant and machinery.

Note	2013 Rupees	2012 Rupees
	320,000	320,000
Lease hold land	9,218	10,242
Factory building	117,505	123,689
Non-factory building	719,013	776,903
Plant and Machinery	<u>1,165,736</u>	<u>1,230,834</u>
Depreciation has been allocated as under:		
Cost of sales	19 <u>6,676,704</u>	<u>332,320</u>
Administrative expenses	20 <u>184,204</u>	<u>31,841</u>
	6,860,908	364,160

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2012

Particulars	COST			Rate %	DEPRECIATION			Book Value
	As At 1-Jul-2011	Additions / (deletion)	As At 30-Jun-2012		As At 1-Jul-2011	For the year	As At 30-Jun-2012	As At 30-Jun-2012
Lease-hold land	320,000	-	320,000		-	-	-	320,000
Factory building	606,906	-	606,906	10	595,526	1,138	596,664	10,242
Non-factory building	860,639	-	860,639	5	730,441	6,510	736,950	123,689
Plant and machinery	7,704,233	485,000	8,189,233	10	7,357,432	54,888	7,412,330	776,903
Electric installation and equipment	522,738	-	522,738	10	434,587	8,815	443,402	79,336
Office equipment	76,105	-	76,105	10	74,855	125	74,980	1,125
Furniture & fixtures	214,532	27,800	242,332	10	150,000	8,663	158,663	83,669
Vehicles	4,129,221	157,050	4,286,271	20	3,150,892	213,988	3,364,880	921,391
Tarpaulins	98,281	70,200	168,481	25	96,759	3,689	100,448	68,034
Other assets	6,671	-	6,671	10	6,191	48	6,239	432
Pager	11,499	-	11,499	10	9,580	192	9,772	1,727
Telephone Systems	114,038	7,200	121,238	10	78,313	4,293	82,606	38,633
Computers	280,411	-	280,411	10	159,825	12,059	171,883	108,528
Weighbridge	996,716	-	996,716	10	649,182	34,753	683,935	312,781
Fortified Flour Feeder	150,000	-	150,000	10	10,000	15,000	25,000	125,000
2012	16,091,990	747,250	16,839,240		13,503,580	364,161	13,867,751	2,971,489

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	Note	2013 Rupees	2012 Rupees
7	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
	Mobink	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	12,500
		<u>313,282</u>	<u>300,782</u>
8	STOCK IN TRADE		
	Raw Material	6,180,795	1,992,790
	Finished goods	1,402,090	2,468,512
	Packing material	4,599,229	8,241,177
		<u>12,182,114</u>	<u>12,702,479</u>
9	TRADE DEBTORS		
	Unsecured - considered good	1,928,195	954,490
	Receivable against transportation	258,312	258,312
		<u>2,186,507</u>	<u>1,222,742</u>
10	ADVANCES, DEPOSITS & OTHER RECEIVABLES		
	Pakistan Flour Mills Association	485,392	465,392
11	CASH AND BANK BALANCES		
	Cash in hand	696,135	526,200
	Cash with banks - current accounts	6,088,571	3,152,155
		<u>6,784,706</u>	<u>3,678,355</u>
12	SURPLUS ON REVALUATION OF FIXED ASSETS		
	Surplus arising on revaluation	225,892,372	-
	Less: Transferred to unappropriated profit on account of incremental depreciation for the year - net of deferred taxation	6,498,505	-
		<u>219,393,867</u>	-
	Less: Deferred Tax on revaluation surplus	23,062,330	-
	Closing balance	<u>196,331,537</u>	-
13	DEFERRED LIABILITIES		
	Staff gratuity	6,011,081	6,550,511
	Deferred tax	18,100,014	(122,832)
		<u>24,111,095</u>	<u>6,427,679</u>
13.1	Staff gratuity		
	Actuarial assumptions for valuation		
	Discount rate	12% p.a.	14.00%
	Salary increase rate	11% p.a.	13.00%
	Average expected remaining working lifetime of employees	7 years	9 years
	The amount recognized in the Balance Sheet		
	Present value of Defined Benefit Obligation	6,011,081	3,891,172
	Payables to outgoing members	-	-
	Fair value of Plan Assets	6,011,081	3,891,172
	Unrecognised actuarial gains / (losses)	-	2,559,339
	Liability at the end of the year	<u>6,011,081</u>	<u>6,550,511</u>

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	Note	2013 Rupees	2012 Rupees		
Movement in net liability recognized in the Balance Sheet					
Opening balance		6,550,511	7,144,862		
Charge for the year in:					
Profit and Loss account		887,930	864,204		
Other Comprehensive Income		(1,226,920)	-		
		(338,990)	864,204		
Benefit Payments made by the Company during the year		(200,440)	(1,458,555)		
Closing balance		<u>6,011,081</u>	<u>6,550,511</u>		
Amount recognised in Profit and Loss Account					
Current service cost		343,166	325,246		
Interest cost		544,764	627,973		
Actuarial (gains) / losses charge		-	(89,015)		
Past service cost charge		-	-		
Liability / Asset charged due to application of IAS-19		-	-		
Expected return on Plan Assets		-	-		
		<u>887,930</u>	<u>864,204</u>		
Movement in present value of Defined Benefit Obligation					
Obligation at the beginning of the year		3,891,172	4,485,523		
Current service cost		343,166	325,246		
Interest cost		544,764	627,973		
Benefits due but not paid during the year		-	-		
Benefit paid		(200,440)	(1,458,555)		
Actuarial (gain) / loss on defined benefit obligation		1,432,419	(89,015)		
Obligation at the end of the year		<u>6,011,081</u>	<u>3,891,172</u>		
Prior years gains (losses) as at beginning of year		2,656,339	-		
Gains (losses) arising during the year		1,432,419	-		
Actuarial gains (losses) as at the end of the year		<u>4,088,758</u>	<u>-</u>		
Sensitivity analysis					
		Discount Rate + 1%	Discount Rate - 1%	Salary increase +1%	Salary increase -1%
PVDBO		5,701,954	6,361,851	6,361,851	5,696,676
13.2 Deferred tax					
Deferred tax comprises temporary difference relating to Accelerated tax depreciation		20,537,093	163,635		
Gratuity		(2,437,078)	(286,468)		
		<u>18,100,014</u>	<u>(122,833)</u>		
14 SHORT TERM RUNNING FINANCE - SECURED					
Metropolitan Bank Limited		-	-		
This represents short-term running finance facility from Habib Metropolitan Bank Ltd. with sanctioned limit of Rs. 10.00 million. The finance is secured against hypothecation charge over stocks and receivables duly insured in bank's favor and carried mark-up rate @ 3 months KIBOR + 0.75% p.a.					
15 ACCRUED CHARGES AND OTHER LIABILITIES					
Accrued expenses		455,259	521,714		
Other liabilities		-	480		
Income tax Payable		19,980	-		
Bills payable		300,000	75,000		
Other charges	15.1	120,577	286,129		
		<u>895,816</u>	<u>883,323</u>		
15.1 Other charges					
Workers profit participation fund		-	135,912		
Interest on WPPF		99,583	99,583		
Workers welfare fund		20,994	50,634		
		<u>120,577</u>	<u>286,129</u>		
16 DIVIDENDS PAYABLE					
Unclaimed dividend		1,112,765	1,014,949		
17 CONTINGENCIES AND COMMITMENTS					
There are no contingencies and commitments as at balance sheet date. (2012: Nil)					
18 SALES					
Maida I		194,714,380	206,160,921		
Maida II		40,072,809	46,734,065		
Atta		75,372,664	79,245,536		
Katta packings		109,252,682	34,326,088		
Bran		52,208,246	49,392,500		
Refraction		356,325	466,805		
		<u>471,877,106</u>	<u>415,325,716</u>		

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	Note	2013 Rupees	2012 Rupees
19 COST OF SALES			
Raw material consumed	19.1	436,748,454	391,324,770
Packing material consumed	19.2	7,513,986	1,696,952
Power charges		12,438,263	11,349,003
Salaries and benefits		1,902,661	2,218,130
Labor charges		836,211	791,280
Machinery repair and maintenance		291,816	226,766
Oil and lubricant		106,286	95,235
Depreciation	4	6,676,704	332,320
		<u>466,514,381</u>	<u>406,034,456</u>
Opening stock (Finished Goods)		2,468,512	476,045
Less: Closing stock (Finished Goods)		(1,402,090)	(2,466,512)
		<u>1,066,422</u>	<u>(1,990,467)</u>
		<u>467,580,803</u>	<u>404,043,989</u>
19.1 Raw material consumed			
Opening stock		1,992,790	6,761,911
Wheat purchases		440,936,459	386,555,649
Less: Closing stock		(6,180,795)	(1,992,790)
		<u>436,748,454</u>	<u>391,324,770</u>
19.2 Packing material consumed			
Opening stock		8,241,177	2,794,905
Purchases		3,872,038	7,143,224
Less: Closing stock		(4,599,229)	(8,241,177)
		<u>7,513,986</u>	<u>1,696,952</u>
20 ADMINISTRATIVE EXPENSES			
Salaries and benefits		4,328,858	4,028,907
Printing and stationery		152,409	79,143
Fees and subscriptions		355,890	269,735
Rates and taxes		164,425	160,225
Telephone, Mobile and Postage Expenses		119,033	116,037
Conveyance expenses		74,310	88,355
Entertainment		23,487	33,160
Legal and professional charges		66,000	115,000
Repairs and Maintenance		92,839	98,939
Water charges		631,526	323,500
Insurance expenses		64,313	66,767
Gas charges		105,070	100,740
Electricity charges		-	441,367
Cleaning expenses		8,941	5,735
Auditors' remuneration - Audit fee	20.1	325,000	325,000
Misc. Expenses		2,850	4,140
Computer expenses		18,955	30,920
Surcharges 15% on Payable Tax		-	1,453
Revenue Stamp		-	24,800
Excise Duty		-	3,107
Depreciation	4	184,204	31,841
		<u>6,718,211</u>	<u>6,288,871</u>
20.1 AUDITORS' REMUNERATION			
Audit fee		275,000	275,000
Review of half yearly accounts		50,000	50,000
		<u>325,000</u>	<u>325,000</u>
21 OTHER CHARGES			
Workers Profit Participation Fund		-	135,912
Workers Welfare Fund		20,994	50,634
		<u>20,994</u>	<u>186,546</u>
22 FINANCIAL CHARGES			
Mark-up on loans		9,421	12,560
Bank charges		31,188	5,308
		<u>40,609</u>	<u>17,868</u>
23 Other Income			
Gain on disposal of fixed assets		31,172	-
		<u>31,172</u>	<u>-</u>

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	2013 Rupees	2012 Rupees
24 Taxation		
- Current	(1,614,722)	(830,651)
- Prior	(19,980)	(38,103)
- Deferred	4,839,484	85,990
	<u>3,204,782</u>	<u>(784,758)</u>

24.1 RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT

Accounting profit for the year	(2,489,902)	2,531,698
Tax at the applicable tax rate of 35%	(864,116)	886,094
Tax effect of amounts / expenses that are inadmissible for tax purpose	318,124	320,193
Tax effect of amounts / expenses that are admissible for tax purpose	(77,502)	(528,216)
Tax effect of depreciation allowance for tax purpose	2,238,216	(28,536)
Net minimum tax effect:	1,614,722	172,956
	<u>1,614,722</u>	<u>830,651</u>

25 EARNING PER SHARE - BASIC

Profit after taxation	735,880	1,746,940
	(Number of shares)	
Weighted average number of ordinary shares	300,000	300,000
	(Rupees)	
Earnings per share - basic	2.45	5.82

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

26 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2013			2012		
	Chief Executive	Directors	Officers	Chief Executive	Directors	Officers
Meeting fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Basic Salary	-	-	1,239,480	-	-	1,173,894
House rent	-	-	398,424	-	-	391,608
Utilities	-	-	-	-	-	-
Conveyance	-	-	122,185	-	-	97,040
Others	-	-	51,120	-	-	46,090
	-	-	<u>1,811,209</u>	-	-	<u>1,708,630</u>
Number of person	1	7	6	1	7	6

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

27 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

28 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:

Products	2013 Kgs	2012 Kgs
Maida I	5,091,900	6,207,700
Maida II	1,118,350	1,477,600
Atta	2,223,550	2,850,000
Kaattu - Polythene bags	3,583,940	1,558,680
Bran	3,056,090	3,494,488
Refraction - by product	52,380	55,440
	<u>15,126,210</u>	<u>15,643,908</u>

The production decreased by about 517 tons during the period compared to the last year production.

The company could not utilize its full capacity due to:

- 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.
- Fixation of wheat quota by the Food Department.
- Shortage of wheat during off season.
- Less production of wheat crops in Pakistan and Sindh in particular, which added to the shortage of wheat.

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

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.

The board is also responsible for developing and monitoring the company's risk management policies.

29.1 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.

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:

	2013 Rupees	2012 Rupees
Trade debts	2,186,507	1,222,742
Advance payments	-	-
Long term deposits	313,282	300,782
Advance, deposits and other receivables	485,392	485,392
Cash and Bank balances	6,784,706	3,688,366
	<u>9,769,887</u>	<u>5,697,281</u>

29.2 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:

	2013		
	Carrying amount	Next Twelve months	More than one year
	----- Rupees -----		
Financial Liabilities			
Running finance	895,816	895,816	-
Creditors, accrued and other liabilities	1,112,765	1,112,765	-
Dividends	24,111,095	-	24,111,095
Deferred liabilities	26,119,676	2,008,581	24,111,095
	<u>26,119,676</u>	<u>2,008,581</u>	<u>24,111,095</u>
	2012		
	Carrying amount	Next Twelve months	More than one year
	----- Rupees -----		
Financial Liabilities			
Running finance	883,323	883,323	-
Creditors, accrued and other liabilities	1,014,949	1,014,949	-
Dividends	6,427,679	-	6,427,679
Deferred liabilities	6,325,950	1,898,272	6,427,679
	<u>6,325,950</u>	<u>1,898,272</u>	<u>6,427,679</u>

29.3 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.

29.4 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:

GOODLUCK INDUSTRIES LIMITED

	Effective rate of mark-up / profit(%)		2013	2012
	2013	2012	Carrying Amount	(Rupees)
Financial assets				
Cash and bank balances	-	-	6,784,706	3,688,365
Financial liabilities				
Short-term financing	3 months KIBOR+0.75 %	3 months KIBOR+1.5 %	-	-
Total yield / markup rate risk sensitivity gap			6,784,706	3,688,365

29.5 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.

30 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

31 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.

32 NUMBER OF EMPLOYEES

Number of permanent employees as at 30 June 2013 were 24 (2012 : 28)

33 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Director have proposed a final dividend for the year ended 30 June 2013 for Rs 2/- per share, amounting to Rs.600,000/- at their held on 25th September 2013.

34 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 25th September 2013 by the board of directors of the Company.

35 GENERAL

35.1 Figures have been rounded off to the nearest rupee.


Chief Executive


Director

GOODLUCK INDUSTRIES LIMITED

PATTERN OF SHARE HOLDING

As at 30th June 2013

Number of Shareholders	Share holding		Total Shares held
	From	To	
23	1	100	1,530
17	101	500	5,555
8	501	1,000	6,900
14	1,001	5,000	28,189
7	5,001	10,000	57,500
3	10,001	15,000	35,639
3	15,001	20,000	51,687
0	20,001	25,000	-
2	25,001	30,000	53,000
1	30,001	60,000	60,000
78			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>CEO, Directors & Their Spouse and Minor Children</u>	13		
Ashfaq Haji Hasham		16,000	5.33
Salim Raheemtullah Dada		60,000	20.00
Haji Moosa Haji Kassam		10,000	3.33
Muhammad Hanif Moosa		12,800	4.27
Shamsh-ul-Haque		26,500	8.83
Shams-uz-Zoha		26,500	8.83
Hoor Banu		9,100	3.03
Mohammaed Abbas Memon		200	0.07
Muhammad Usman		8,000	2.67
Muhammad Owais		8,000	2.67
Zahida		1,500	0.50
Afsheen Ashfaq		7,000	2.33
Suraiya Begum		9,000	3.00

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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%	0	0	0
Holding less than 10%	64	105,350	35.12
	78	300,000	100.00



Chief Executive



Director

GOODLUCK INDUSTRIES LIMITED

FORM OF PROXY

I/We _____
of _____ in district of _____
being a member of **GOODLUCK INDUSTRIES LIMITED** here
by appoint _____ of _____
or failing of _____ who is also a
member of **GOODLUCK INDUSTRIES LIMITED** as my/our proxy to attend and vote for
me/us and on my/our behalf at the Forty-third (43rd) Annual General Meeting of the Company
to be held on the **22nd October, 2013** and at any adjournment thereof.

Dated _____ day of _____ 2013.
(signature should agree with the specimen signature registered with the Company).

SIGNATURE

Revenue Stamp

Distinctive Number of Shares held

Folio No. _____