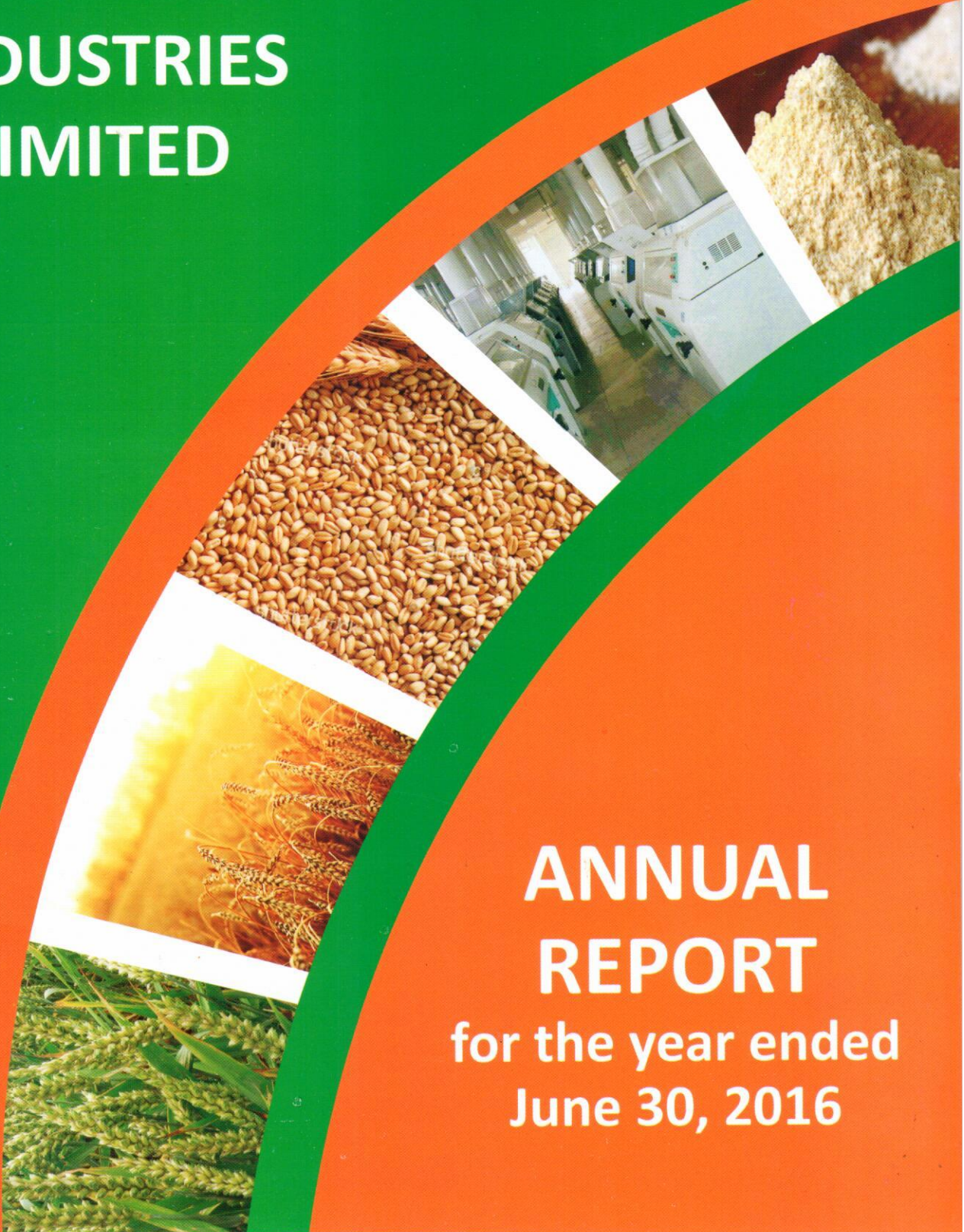




GOODLUCK INDUSTRIES LIMITED



**ANNUAL
REPORT**
for the year ended
June 30, 2016

GOODLUCK INDUSTRIES LIMITED

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GOODLUCK INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Chief Executive

Mr. Ashfaq Haji Hasham

Directors

Dr. Muhammad Abbas Memon
Mr. Shams-ul-Haque
Mr. Shams-uz-Zoha
Mrs. Naveen Shams
Mr. Fahad Haji Jaffer
Mr. Faizan Farooq
Mr. Muhammad Owais
Mr. Muhammad Safyan Qureshi

H.R Committee

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

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

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, 2016. 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 2016 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. 1879,400 was added for the addition in property, plant & equipments during the period from July 2015 to June 2016. The details of additions of assets recorded in property, plant & equipments schedule.

Review on working and Profit & Loss Account

Profit & Loss Account for the year ended 30th June 2015 and 30th June 2016 Compared as under:-

		2016	2015
	Note	<-----Rupees----->	
Sales	20	871,085,337	762,259,773
Cost of sales	21	<u>(856,285,427)</u>	<u>(746,810,585)</u>
Gross profit		14,799,910	15,449,188
Administrative expenses	22	<u>(10,226,204)</u>	<u>(8,451,164)</u>
Selling expenses		<u>(83,029)</u>	<u>(145,164)</u>
Other operating expenses	23	<u>(419,250)</u>	<u>(580,293)</u>
		<u>(10,728,483)</u>	<u>(9,176,621)</u>
Operating profit		4,071,427	6,272,567
Financial charges	24	<u>(14,951)</u>	<u>(125,290)</u>
Profit before taxation		4,056,476	6,147,277
Taxation	25	<u>(2,993,837)</u>	<u>(1,925,291)</u>
Profit after taxation		<u>1,062,639</u>	<u>4,221,985</u>

Appropriation of Profit

The Board of Directors of the Company proposed appropriation of profit for the year ended June 2016 as under:

	2016	2015
Profit / (loss) before taxation	4,056,476	6,147,277
Less: Taxation	<u>(2,993,837)</u>	<u>(1,925,291)</u>
Profit after taxation	1,062,639	4,221,985
Un-appropriated profit brought forward	<u>33,743,369</u>	<u>27,178,728</u>
	34,806,008	31,400,713
Less: Dividend declared @ 50% (Rs.5 per share)	(1500,000)	(600,000)
Add: Adjustment of incremental depreciation	2,684,528	3,534,345
Add: Other comprehensive income	(345,425)	8,686
Correction of Error	-----	(600,376)
Un-appropriated profit carried forward	<u>35,645,111</u>	<u>33,743,369,</u>

GOODLUCK INDUSTRIES LIMITED

Basic Earning Per Share

Basic earning per share during the year ended June 2016 as under:

	2016	2015
Profit after taxation	1,062,639	4,221,986
No. of shares	300,000	300,000
	=====	=====
Basic earning per share	3.54	14.07

Proposed dividend

The Board of Directors of the Company proposed to declare payment of cash dividend @ Rs. 1.75 per share i.e. 17.50% amounting to Rs. 525,000 for the year ended June 30, 2016.

Changes in Equity as on 30th June 2016

	Share capital	Unappropriated profit	Total
	<----- Amount in Rupees ----->		
Balance as at July 01, 2014 - restated	3,000,000	27,178,728	30,178,728
Profit after taxation for the year ended June 30, 2014	-	4,221,985	4,221,985
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	8,686	8,686
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	3,534,345	3,534,345
Correction of error	-	(600,376)	(600,376)
Transactions with owners:			
Dividend for the year June 30, 2014 @ Rs.2 per share	-	(600,000)	(600,000)
Balance as at July 01, 2015 - restated	3,000,000	33,743,369	36,743,369
Profit 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 June 30, 2016	3,000,000	35,645,111	38,645,111

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

GOODLUCK INDUSTRIES LIMITED

Gratuity

The Board of Directors specifically approved the provision for gratuity by Rs.1,235,568 and payment to outgoing / retired staff of the company by Rs. 143,700 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 2016.

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 2017.

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, 2016 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:

Faizan Farooq	Chairman
Shams-ul-Haque	Member
Fahad Haji Jaffer	Member
Nafees Shams Qureshi	Company Secretary

- ◆ 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 Owais	4
Muhammad Safyan Qureshi	4

Appreciation

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



Karachi dated 06th September 2016.

Chief Executive

Statement of Compliance with the Code of Corporate Governance of Goodluck Industries Limited for the year ended June 30, 2016

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 Owais

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. No casual vacancy occurred in the Board during the year.

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

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

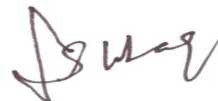
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

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

9. The board arranged orientation courses for its directors and 5 directors have acquired certification of Director's Training Programme awarded by Institute of Chartered Accountants of Pakistan.

GOODLUCK INDUSTRIES LIMITED

- 10.** The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
- 11.** The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12.** The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
- 13.** The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
- 14.** The company has complied with all the corporate and financial reporting requirements of the CCG.
- 15.** The board has formed an Audit Committee. It comprises 4 members; of whom 3 are non-executive directors and 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.** We confirm that all other material principles enshrined in the CCG have been complied with.



Karachi: 06th September, 2016

Ashfaq Haji Hasham
Chief Executive

GOODLUCK INDUSTRIES LIMITED

NOTICE OF THE MEETING

Notice is hereby given that the Forty-sixth (46th) Annual General Meeting of the members of Goodluck Industries Limited (the "Company") will be held on Monday, the October 17th, 2016 at 11.00 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 (45th) Annual General Meeting of the Company held on October 17, 2015.
2. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended June 30, 2016 and reports of the Directors and Auditors thereon.
3. To approve the payment of dividend to the shareholders of the Company at Rs.1.75 per share i.e @ 17.50% for the financial year ended 30th June 2016 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: 17th September 2016

Nafees Shams Qureshi
Company Secretary

Notes:

1. The share transfer book of the Company will remain closed from 10th October 2016 to 17th October 2016 (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: 12.50%
 - (b) For Non-Filers of Income Tax Returns: 20%

To enable the Company to make tax deduction on the amount of Cash Dividend @ 12.50% 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, 2016 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, 2016 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: September 06, 2016


MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Sohail Saleem)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Goodluck Industries Limited (the Company)** for the year ended June 30, 2016 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, 2016.

KARACHI: September 06, 2016


Muniff Ziauddin & Co.
CHARTERED ACCOUNTANTS
(Sohail Saleem)

GOODLUCK INDUSTRIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016	2015	2014
		<-----Rupees----->		
ASSETS				
Non-current assets				
Property, plant & equipment	8	209,853,136	213,096,319	216,188,213
Long term deposits	9	355,282	355,282	349,282
		210,208,418	213,451,601	216,537,495
Current assets				
Stock in trade	10	18,819,114	12,592,712	20,521,804
Trade debtors	11	9,052,206	6,924,954	3,494,499
Income tax refundable		8,034,806	7,759,885	-
Advances, deposits & other receivables	12	2,085,392	585,392	585,392
Cash & bank balances	13	5,167,739	11,532,709	11,564,006
		43,159,257	39,395,652	36,165,701
TOTAL ASSETS		253,367,675	252,847,254	252,703,196
EQUITY AND LIABILITIES				
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>	<u>10,000,000</u>
Issued, subscribed & paid up:				
300,000 ordinary shares of Rs. 10 each fully paid in cash		<u>3,000,000</u>	3,000,000	3,000,000
Unappropriated profit		<u>35,645,111</u>	33,743,369	27,178,728
		38,645,111	36,743,369	30,178,728
Surplus on revaluation of fixed assets	14	187,507,801	190,192,329	193,126,298
LIABILITIES				
Non-current liabilities				
Deferred liabilities	15	22,664,364	21,521,822	22,857,543
Current liabilities				
Short term running finance	16	-	-	-
Creditors, accrued & other liabilities	17	3,052,210	3,086,325	2,131,965
Dividends payable	18	1,498,190	1,303,409	1,245,224
Income tax payable		-	-	3,163,438
		4,550,400	4,389,734	6,540,626
Total liabilities		27,214,763	25,911,555	29,398,170
Contingencies and commitments	19			
TOTAL EQUITY AND LIABILITIES		253,367,675	252,847,254	252,703,196

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

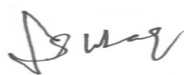

CHIEF EXECUTIVE


DIRECTOR

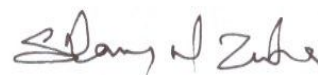
**GOODLUCK INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

		2016	2015
	Note	<-----Rupees----->	
Sales	20	871,085,337	762,259,773
Cost of sales	21	<u>(856,285,427)</u>	<u>(746,810,585)</u>
Gross profit		14,799,910	15,449,188
Administrative expenses	22	<u>(10,226,204)</u>	<u>(8,451,164)</u>
Selling expenses		<u>(83,029)</u>	<u>(145,164)</u>
Other operating expenses	23	<u>(419,250)</u>	<u>(580,293)</u>
		<u>(10,728,483)</u>	<u>(9,176,621)</u>
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Profit before taxation		4,056,476	6,147,277
Taxation	25	<u>(2,993,837)</u>	<u>(1,925,291)</u>
Profit after taxation		<u>1,062,639</u>	<u>4,221,985</u>
Earnings per share - basic	26	<u>3.54</u>	<u>14.07</u>

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



CHIEF EXECUTIVE

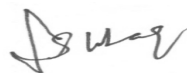


DIRECTOR

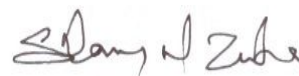
**GOODLUCK INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	<-----Rupees----->	
Profit for the year	1,062,639	4,221,985
Other comprehensive income		
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	2,684,528	3,534,345
Items that will not be classified to profit or loss		
Remeasurements of defined benefit liability	(507,978)	12,964
Related deferred tax	162,553	(4,278)
	(345,425)	8,686
	2,339,103	3,543,030
Total comprehensive income for the year	3,401,742	7,765,016

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



CHIEF EXECUTIVE

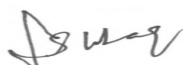


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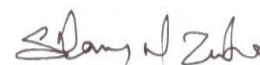
GOODLUCK INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	<-----Rupees----->	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	4,056,476	6,147,277
Adjustment for:		
Depreciation	5,122,584	5,575,715
Gain on disposal of fixed assets	-	-
Provision for gratuity	1,235,568	1,249,742
CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES	10,414,628	12,972,733
(Increase) / Decrease in current assets:		
Stock in trade	(6,226,402)	7,929,092
Trade debtors	(2,127,252)	(3,430,455)
Income tax refundable	(274,921)	-
Advances, deposits and other receivables	(1,500,000)	-
	(10,128,575)	4,498,637
Increase/(decrease) in creditors, accrued & other liabilities		
Creditors, accrued & other liabilities	(34,115)	954,360
	(10,162,691)	5,452,997
CASH INFLOW FROM OPERATING ACTIVITIES	251,938	18,425,731
Income tax paid	(3,288,589)	(15,161,392)
Gratuity paid	(143,700)	(264,000)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(3,180,351)	3,000,339
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	-	(6,000)
Disposal of fixed assets	-	-
Addition to fixed assets	(1,879,400)	(2,483,820)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(1,879,400)	(2,489,820)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(1,305,219)	(541,815)
NET CASH USED IN FINANCING ACTIVITIES	(1,305,219)	(541,815)
NET INCREASE IN CASH AND CASH EQUIVALENT	(6,364,970)	(31,297)
CASH AND CASH EQUIVALENTS - at the beginning of the year	11,532,709	11,564,006
CASH AND CASH EQUIVALENTS - at the end of the year	5,167,739	11,532,709

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



CHIEF EXECUTIVE

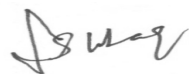


DIRECTOR

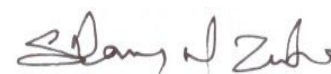
**GOODLUCK INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2016**

	Share capital	Unappropriated profit	Total
	<----- Amount in Rupees ----->		
Balance as at July 01, 2014 - restated	3,000,000	27,178,728	30,178,728
Profit after taxation for the year ended June 30,2014	-	4,221,985	4,221,985
Other Comprehensive Income			
- Remeasurements of defined benefit liability - net of tax	-	8,686	8,686
- Transfer from surplus on revaluation of fixed assets on account of: incremental depreciation for the year - net of tax	-	3,534,345	3,534,345
Correction of error	-	(600,376)	(600,376)
Transactions with owners:			
Dividend for the year June 30, 2014 @ Rs.2 per share	-	(600,000)	(600,000)
Balance as at July 01, 2015 - restated	3,000,000	33,743,369	36,743,369
Profit 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 June 30, 2016	3,000,000	35,645,111	38,645,111

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



CHIEF EXECUTIVE



DIRECTOR

GOODLUCK INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 the approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Accrual basis accounting

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

3.3 Functional and presentation accuracy

These financial statements are presented in Pakistani Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

4 Changes in accounting standards and interpretations

4.1. Standards and amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2015:

IFRS 13, 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. the standard only affects the disclosures in the Company's financial statements.

The other new standards amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2015 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

4.2. Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company.

- (a) IFRS 9, 'Financial instruments' is applicable to accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.
- (b) Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12, 'Disclosure of interests in other entities' and IAS 28, 'Investments in associates and joint ventures' are applicable to accounting periods beginning on or after January 1, 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The Company shall apply these amendments from January 1, 2016 and does not expect to have a material impact on its financial statements.
- (c) IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.
- (d) IFRS 16, 'Leases' is applicable on accounting periods beginning on or after January 1, 2019. The IASB has issued a new standard for leases accounting. At the simplest level, the accounting treatment of leases by lessees will change fundamentally. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice - i.e. lessors continue to classify leases as finance and operating leases. The Company has yet to assess the impact of this standard on its financial statements.
- (e) Amendments to IAS 1, 'Presentation of Financial statements' on the disclosures initiative are applicable to annual periods beginning on or after January 1, 2016. The amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statements disclosures to be improved. The amendments provide clarifications on a number of issues, including: Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Notes - confirmation that the notes do not need to be presented in a particular order. Other Comprehensive Income (OCI) arising from investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards / accounting policies are not required for these amendments. These amendments likely to only affect the disclosures in the Company's financial statements.

- (f) IAS 27 (Amendments) 'Separate financial statements' are applicable to accounting periods on or after January 1, 2016. These provide entities the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statement. The Company shall apply these amendments from January 1, 2016 and has not yet evaluated whether it shall change its accounting policy to avail this option.

There are number of other standards and amendments to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Operating Fixed Asset

- a Operating fixed assets are stated at historical cost less accumulated depreciation except lease hold land, building, plant and machinery which is stated at revalued amount less the accumulated depreciation.
- b Depreciation is charged to income applying diminishing balance method at the rates specified in note 7.
- c Depreciation is charged on assets from the month of purchase or from the month of commercial production for additions in respect of additions made during the year while proportionate depreciation is charged on assets disposed off during the year till the month of disposal.
- d Major renewals and replacement are capitalized.
- e Assets residual values, if significant and their useful lives are reviewed and adjusted if appropriate, at each balance sheet date.
- f Profit or loss on disposal of fixed asset are reflected in the Profit and Loss account.

5.2 Stock In Trade

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

5.3 Impairment

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

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.

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 2016, 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.

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

6.2 Correction of Error

Previously, the effect of change in tax rate relating to deferred tax on revaluation surplus was being charged to Profit and Loss account. However, in order to comply with the requirements of IAS 12 the correction of error as stated below has been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in following restatements of financial statements of prior periods.

	2015	2014
Impact on Balance Sheet		
Increase in Revaluation Surplus	600,376	658,924
Impact on Retained Earnings		
- decrease in reported retained earnings	(600,376)	(658,924)

This has resulted in restated balances of 'Surplus on Revaluation of Fixed Assets' for the prior years as follows;

As previously stated as at June 30, 2014	192,467,375
Effect of change in tax rate 2014	658,924
After restated as at June 30, 2014	<u>193,126,298</u>
As previously stated as at June 30, 2015	188,933,031
Effect of change in tax rate 2014	658,924
Effect of change in tax rate 2015	600,376
After restated as at June 30, 2015	<u>190,192,329</u>

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 - 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	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	6,719
Revaluation	26,408,944	-	-	-	26,408,944	10	7,156,824	-	1,925,212	9,082,036	17,326,908
	27,015,850	-	-	-	27,015,850		7,756,264	-	1,925,959	9,682,223	17,333,627
Non-factory building											
Cost	860,639	-	-	-	860,639	5	754,591	-	5,302	759,893	100,746
Revaluation	2,454,661	-	-	-	2,454,661	5	350,097	-	105,228	455,325	1,999,336
	3,315,300	-	-	-	3,315,300		1,104,688	-	110,530	1,215,218	2,100,082
Plant and Machinery											
Cost	8,673,133	-	-	-	8,673,133	10	7,692,960	-	98,017	7,790,977	882,156
Revaluation	37,348,767	-	-	-	37,348,767	10	10,121,516	-	2,722,725	12,844,241	24,504,526
	46,021,900	-	-	-	46,021,900		17,814,476	-	2,820,742	20,635,218	25,386,682
Filtration Plant	-	-	700,000	-	700,000	10	-	-	29,167	29,167	670,833
Lift	-	-	900,000	-	900,000	10	-	-	30,000	30,000	870,000
Electric Installation and Equipment	539,738	-	103,000	-	642,738	10	465,469	-	17,727	483,196	159,542
Office Equipment	88,605	-	-	-	88,605	10	77,191	-	1,141	78,332	10,273
Furniture & fixtures	341,232	-	92,500	-	433,732	10	189,275	-	24,446	213,721	220,011
Vehicles	4,215,381	-	63,500	-	4,278,881	20	3,755,829	-	104,610	3,860,439	418,442
Tarpaulins	178,981	-	20,400	-	199,381	25	146,425	-	13,239	159,664	39,717
Other Assets	6,671	-	-	-	6,671	10	6,356	-	32	6,388	283
Pager	11,499	-	-	-	11,499	10	10,240	-	126	10,366	1,133
Telephone Systems	121,238	-	-	-	121,238	10	93,074	-	2,816	95,890	25,348
Computers	280,411	-	-	-	280,411	10	201,295	-	7,912	209,207	71,204
Weighbridge	1,019,716	-	-	-	1,019,716	10	769,465	-	25,025	794,490	225,226
Fortified Flour Microfeeder	150,000	-	-	-	150,000	10	58,876	-	9,112	67,988	82,012
	245,545,242	-	1,879,400	-	247,424,642		32,448,923	-	369,419	37,571,507	209,853,135
									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

8.1

	Note	2016 Rupees	2015
Cost of sales	21	4,902,829	5,408,013
Administrative expenses	22	219,755	167,701
		5,122,584	5,575,715

8.1 PROPERTY, PLANT AND EQUIPMENT - 2015

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

	Note	2016	2015
<-----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
		355,282	355,282
10. STOCK IN TRADE			
Raw Material		17,344,985	5,637,236
Finished goods		736,075	1,817,820
Packing material		738,054	5,137,656
		18,819,114	12,592,712
11. TRADE DEBTORS			
Unsecured - considered good		8,793,894	6,666,642
Receivable against transportation	11.1	258,312	258,312
		9,052,206	6,924,954
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	12.1	1,500,000	-
		2,085,392	585,392
12.1	This comprises of advance given to Leo's Pakistan (Pvt) Limited for installation of R.O. Plant.		
13. CASH AND BANK BALANCES			
Cash in hand		932,737	1,555,529
Cash with banks - current accounts		4,235,002	9,977,180
		5,167,739	11,532,709
14. SURPLUS ON REVALUATION OF FIXED ASSETS			

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

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

	Note	2016	2015
		<-----Rupees----->	
Balance at beginning of the period / year		208,263,935	213,539,076
Less: Incremental depreciation on revalued assets for the year -		(4,753,165)	(5,275,141)
		<u>203,510,770</u>	<u>208,263,935</u>
Less: related deferred tax of:			
- balance at beginning of the year		18,071,606	20,412,778
- surplus arisen during the year		-	-
- incremental depreciation for the period / year		(1,521,013)	(1,740,797)
- effect of change in tax rate		(547,624)	(600,376)
		<u>16,002,969</u>	<u>18,071,606</u>
Balance at end of the period / year		<u><u>187,507,801</u></u>	<u><u>190,192,329</u></u>
15. DEFERRED LIABILITIES			
Staff gratuity	15.1	9,538,566	7,938,720
Deferred taxation	15.2	13,125,798	13,583,102
		<u>22,664,364</u>	<u>21,521,822</u>
15.1 Staff gratuity			
Defined benefit plan - (staff retirement gratuity) - unfunded	15.1.4	<u>9,538,566</u>	<u>7,938,720</u>
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, 2016. 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:			
		2016	2015
- Discount rate - per annum compound		7.25%	9.50%
- Expected rate of increase in salaries - per annum		6.25%	8.50%
- Expected remaining working lifetime of members		8 years	7 years
15.1.3 Mortality Rate			
- The rates assumed were based on		SLIC (01-05) Mortality Table	SLIC (01-05) Mortality Table
	Note	2016	2015
		<-----Rupees----->	
15.1.4 Balance sheet reconciliation			
Present value of defined benefit obligation	15.1.5	9,538,566	7,938,720
Fair value of plan assets		-	-
Net liability in the balance sheet		<u>9,538,566</u>	<u>7,938,720</u>
15.1.5 Movement in defined benefit obligation			
Present value of defined benefit obligation as at July 1		7,938,720	6,965,942
Current service cost		488,215	344,245
Interest cost		747,353	905,497
Remeasurement on obligation		507,978	(12,964)
Benefits paid during the year		(143,700)	(264,000)
Present value as at June 30		<u>9,538,566</u>	<u>7,938,720</u>

	Note	2016 <-----Rupees----->	2015
15.1.6	Movement in net liability in the balance sheet is as follows:		
Opening balance of net liability		7,938,720	6,965,942
Charge for the year	15.1.7	1,235,568	1,249,742
Net remeasurement for the year	15.1.9	507,978	(12,964)
Benefits paid during the year		(143,700)	(264,000)
Closing balance of net liability		9,538,566	7,938,720

15.1.7	Charge for the year has been allocated as under:		
Cost of sales	21	450,890	474,688
Administrative expenses	22	784,678	775,054
		1,235,568	1,249,742

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		488,215	344,245
Net Interest cost		747,353	905,497
Expenses		1,235,568	1,249,742

15.1.9	Net remeasurement for the year comprises of the following:		
Actuarial gains due to changes in demographic assumptions		507,978	-
Actuarial losses due to experience adjustments		-	(12,964)
Amount chargeable to other comprehensive income		507,978	(12,964)

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%	9,143,178	9,996,046
Salary growth rate	1%	9,996,046	9,136,190

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. 1.230 million

Historical information

	2016	2015	2014	2013	2012
	-----Rupees-----				
Present value of defined benefit obligation	9,538,566	7,938,720	6,965,942	6,011,081	6,550,511
Experience adjustment on obligation	507,978	(12,964)	42,081	(1,226,920)	2,659,339

15.2 Deferred taxation

Deferred tax comprises temporary differences relating to:

Accelerated tax depreciation	16,178,139	16,202,879
Gratuity	(3,052,341)	(2,619,778)
	<u>13,125,798</u>	<u>13,583,102</u>

Note
2016
2015
<-----Rupees----->

16. SHORT TERM RUNNING FINANCE - SECURED

Habib Metropolitan Bank Limited

	<u>-</u>	<u>-</u>
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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		533,738	467,202
Other liabilities		4,630	2,820
Other creditors		2,094,592	1,975,460
Workers profit participation fund	16.1	223,786	396,928
Workers welfare fund	16.2	195,463	243,914
		<u>3,052,210</u>	<u>3,086,325</u>

16.1 Workers' Profit Participation Fund

Balance at the beginning of the year	396,928	467,927
Provision for the year	223,786	336,378
Interest on funds utilised in the company's business	-	60,550
	<u>620,714</u>	<u>864,855</u>
Less: Payments during the year	(396,928)	(467,927)
Balance at end of the year	<u>223,786</u>	<u>396,928</u>

16.2 Workers' Welfare Fund

Balance at the beginning of the year	243,914	177,812
Provision for the year	195,463	243,914
	<u>439,377</u>	<u>421,726</u>
Less: Payments during the year	(243,914)	(177,812)
Balance at end of the year	<u>195,463</u>	<u>243,914</u>

18. DIVIDENDS PAYABLE

Unclaimed dividend	<u>1,498,190</u>	<u>1,303,409</u>
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19. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at balance sheet date. (2015 : Nil)

20. SALES

Maida I	114,377,435	298,976,917
Maida II	17,493,117	51,249,815
Atta	326,121,458	211,541,772
Katta Packings	370,785,820	134,618,195
Bran	41,521,967	65,031,224
Refraction	785,540	841,850
	<u>871,085,337</u>	<u>762,259,773</u>

	Note	2016	2015
<-----Rupees----->			
21. COST OF SALES			
Raw material consumed	21.1	811,998,674	699,280,102
Packing material consumed	21.2	11,271,217	12,476,803
Power charges		19,731,124	21,421,425
Salaries and benefits		3,212,318	2,818,438
Labor charges		2,673,845	1,650,704
Machinery repair and maintenance		1,281,124	1,346,868
Oil and lubricant		132,551	164,152
Depreciation	8.1	4,902,829	5,408,013
		855,203,682	744,566,505
Opening stock (Finished Goods)		1,817,820	4,061,900
Less: Closing stock (Finished Goods)		(736,075)	(1,817,820)
		1,081,745	2,244,080
		856,285,427	746,810,585
21.1 Raw material consumed			
Opening stock		5,637,236	10,372,310
Wheat purchases		823,706,423	694,545,028
Less: Closing stock		(17,344,985)	(5,637,236)
		811,998,674	699,280,102
21.2 Packing material consumed			
Opening stock		5,137,656	6,087,594
Purchases		6,871,615	11,526,865
Less: Closing stock		(738,054)	(5,137,656)
		11,271,217	12,476,803
22. ADMINISTRATIVE EXPENSES			
Salaries and benefits		6,922,952	5,973,302
Printing and stationery		273,430	230,430
Fees and subscriptions		1,026,729	490,022
Rates and taxes		197,568	197,568
Telephone, Internet & Postage Exps		207,894	247,622
Conveyance expenses		16,200	45,850
Motor cycle exps		147,960	116,170
Entertainment		29,793	28,675
Legal and professional charges		123,400	119,500
Repairs and Maintance		311,786	179,476
Water charges		111,143	86,897
Insurance expenses		71,354	66,867
Gas charges		112,730	117,590
Cleaning expenses		13,800	18,580
Auditors' remuneration	22.1	348,600	348,000
Misc. Expenses		36,760	14,764
Computer expenses		22,850	2,150
Chairty & Donation		31,500	-
Depreciation	8.1	219,755	167,701
		10,226,204	8,451,164

	2016	2015
	<-----Rupees----->	
22.1 AUDITORS' REMUNERATION		
Audit fee	285,000	285,000
Review of half yearly accounts	63,600	63,000
	<u>348,600</u>	<u>348,000</u>
23. Other operating expenses		
Workers Profit Participation Fund	223,786	336,378
Workers Welfare Fund	195,463	243,914
	<u>419,250</u>	<u>580,293</u>
24. FINANCIAL CHARGES		
Mark-up on loans	-	57,028
Bank charges	14,951	7,712
Interest on WPPF for funds utilised in the company's business	-	60,550
	<u>14,951</u>	<u>125,290</u>
25. TAXATION		
- Current	3,064,865	4,092,463
- Prior	223,724	145,606
- Deferred	(294,752)	(2,312,777)
	<u>2,993,837</u>	<u>1,925,291</u>
25.1 Reconciliation between tax expense and accounting profit		
Accounting profit for the year	4,056,476	6,147,277
Tax at the applicable tax rate of 32 % / 33%	1,298,072	2,028,601
Tax effect of amounts / expenses that are inadmissible for tax purpose	457,930	492,906
Tax effect of amounts / expenses that are admissible for tax purpose	(108,532)	(167,612)
Tax effect of depreciation allowance for tax purpose	1,417,394	1,738,567
Effect of prior year current and deferred tax charge	340,581	(1,699,772)
Effect of change in tax rate	(411,609)	(467,400)
	<u>2,993,837</u>	<u>1,925,292</u>

25.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 06, 2016 has recommended sufficient cash dividend for the ended June 30, 2016 (refer note 34) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financials statements for the year ended June 30, 2016.

26. EARNING PER SHARE - BASIC

Profit after taxation	<u>1,062,639</u>	<u>4,221,985</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>300,000</u>	<u>300,000</u>
	(Rupees)	
Earnings per share - basic	<u>3.54</u>	<u>14.07</u>

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

2016 2015
<-----Rupees----->

27. 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.

28. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2016			2015		
	Chief Executive Directors		Officers	Chief Executive Directors		Officers
	Numbers	Rupees	Numbers	Rupees	Numbers	Rupees
Meeting fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Basic Salary	-	-	1,593,792	-	-	1,470,312
House rent	-	-	428,472	-	-	406,980
Utilities	-	-	-	-	-	-
Conveyance	-	-	189,060	-	-	160,032
Others	-	-	65,520	-	-	63,120
	-	-	<u>2,276,844</u>	-	-	<u>2,100,444</u>
Number of person	<u>1</u>	<u>8</u>	<u>6</u>	<u>1</u>	<u>7</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.

29. CAPACITY AND PRODUCTION

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

The actual production was as under:

Products	2016	2015
	<----- Kgs ----->	
Maida I	<u>2,560,050</u>	6,604,650
Maida II	<u>456,400</u>	1,347,300
Atta	<u>9,522,650</u>	5,201,400
Katta - Polythene bags	<u>10,640,530</u>	3,926,760
Bran	<u>2,317,032</u>	3,996,870
Refraction - by product	<u>89,880</u>	73,470
	<u>25,586,542</u>	<u>21,150,450</u>

The production increased by about 4436 tons during the period compared to the last year production.

The company could not utilize its full capacity due to:

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

30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

30.1 FINANCIAL INSTRUMENTS BY CATEGORY

	2016	2015
	<-----Rupees----->	
Financial assets		
Loans and receivables at amortized cost		
Long term deposits	355,282	355,282
Trade debtors	9,052,206	6,924,954
Advances, deposits & other receivables	2,085,392	585,392
Cash & bank balances	5,167,739	11,532,709
	16,660,619	19,398,337
Financial liabilities		
Financial liabilities at amortized cost		
Short term running finance	-	-
Creditors, accrued & other liabilities	3,052,210	3,086,325
Dividends payable	1,498,190	1,303,409
	4,550,400	4,389,734

30.2 FINANCIAL RISK MANAGEMENT

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

30.3 Credit risk and concentration of credit risk

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

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 :

	2016	2015
	<-----Rupees----->	
Trade debts	9,052,206	6,924,954
Long term deposits	355,282	355,282
Advance, deposits and other receivables	2,085,392	585,392
Cash and Bank balances	5,167,739	11,532,709
	<u>16,660,619</u>	<u>19,398,337</u>

30.4 Liquidity Risk

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

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

The following are the contractual maturities of the financial liabilities:

	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>27,214,763</u>	<u>4,550,400</u>	<u>22,664,364</u>
	2015		
	Carrying amount	Next Twelve months	More than one year
	<----- Rupees ----->		
Financial Liabilities			
Running finance	-	-	-
Creditors, accrued and other liabilities	3,086,325	3,086,325	-
Dividends	1,303,409	1,303,409	-
Deferred liabilities	21,521,822	-	21,521,822
	<u>25,911,555</u>	<u>4,389,734</u>	<u>21,521,822</u>

30.5 Market Risk

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

30.6 Yield / mark - up rate exposure

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

	2016	2015	2016	2015
	Effective rate of markup / profit		Carrying Amount	
	<-----%----->		<-----%----->	
Financial assets				
Cash and bank balances	-	-	5,167,739	11,532,709
Financial liabilities				
Short term financing	3 months KIBOR+0.75%	3 months KIBOR+1.5%	-	-
Total yield / markup rate risk sensitivity gap			<u>5,167,739</u>	<u>11,532,709</u>

30.7 Exposure to currency risk

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

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

32. CAPITAL RISK MANAGEMENT

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

2016 2015
<----- Number ----->

33. NUMBER OF EMPLOYEES

Number of employees as at June 30,

<u>31</u>	<u>31</u>
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Average number of employees during the year

<u>30</u>	<u>30</u>
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34. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Director have proposed a final dividend for the year ended June 30, 2016 for Rs: 1.75 (2015: Rs: 5/-) per share, amounting to Rs. 525,000/- at their meeting held on September 06, 2016. 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, 2017.

35. CORRESPONDING FIGURES

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

36. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

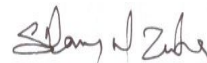
These financial statements were authorized for issue on September 06, 2016 by the board of directors of the company.

37. GENERAL

Figures have been rounded off to the nearest rupee.




CHIEF EXECUTIVE



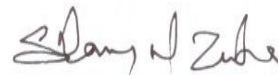
DIRECTOR

GOODLUCK INDUSTRIES LIMITED

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%	66	114,900	38.30
	80	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-sixth (46th) Annual General Meeting of the Company
to be held on the **17th October, 2016** and at any adjournment thereof.

Dated _____ day of _____ 2016
(Signature should agree with the specimen signature registered with the Company).

SIGNATURE

Revenue Stamp

Distinctive Number of Shares held

Folio No. _____