



**ANNUAL  
REPORT  
for the year ended  
June 30, 2021**



**GOODLUCK INDUSTRIES LIMITED**

# GOODLUCK INDUSTRIES LIMITED

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# GOODLUCK INDUSTRIES LIMITED

## COMPANY INFORMATION

### **Board of Directors**

Mr. Fahad	Chairman
Mr. Ashfaq	Chief Executive
Mr. Shamsul-Haq	
Mr. Shamsul-Zuha	
Mrs. Naveen Shams	
Mr. Muhammad Usman	
Mr. Muhammad Safyan Qureshi	Independent
Mr. Faizan Ahsan	Independent
Mr. Hasham Khan	Independent

### **Company Secretary**

Mr. Nafees Shams Qureshi

### **Audit Committee**

Mr. Faizan Ahsan	Chairman
Mr. Shamsul-Haque	
Mr. Muhammad Usman	
Mr. Muhammad Safyan Qureshi	

### **H. R & Remuneration Committee**

Mr. Fahad	Chairman
Mr. Shamsul-Zuha	
Mr. Hasham Khan	

### **Auditors**

M/s. Muniff Ziauddin & Co  
Chartered Accountants

### **Bankers**

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

### **Legal Advisor**

M/s. Merchant Law Associates

### **Share Registrar**

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

### **Registered Office**

S-49/A, S.I.T.E, Mauripur Road, Karachi  
E-mail: [goodluckindltd@live.com](mailto:goodluckindltd@live.com)  
Web: [www.goodluckind.com](http://www.goodluckind.com)  
Phones: 32354361-64, 32354929  
Fax: 32358685

## **GOODLUCK INDUSTRIES LIMITED**

### **Chairman's Review**

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 an annual evaluation of the Board of Directors of Goodluck Industries Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2021, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.



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**Mr. Fahad  
Chairman**

**Karachi dated: September 17, 2021**

# GOODLUCK INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Goodluck Industries Limited (The Company) is pleased to present Annual Report with the Audited Financial Statements of the Company together with Auditors' Report thereon for the financial year ended June 30, 2021.

### Investment on Assets

Accumulative sum of Rs. 4,044,050 was incurred as capital expenditure and added in the property, plant & equipment during the year from July 2020 to June 2021. The details of additions of assets are recorded in property, plant & equipment schedule to the financial statements.

### Review on working and Statement of Profit or Loss

The principal activities undertaken by the Company during the year was milling of wheat and all kinds of grains. The statement of Profit or Loss for the year ended 30<sup>th</sup> June 2021 and 30<sup>th</sup> June 2020 are compared as under: -

	2021	2020
	<b>Note</b>	<b>&lt;-----Rupees-----&gt;</b>
Turnover	<b>19</b>	859,757,469
Cost of sales	<b>20</b>	(840,799,897)
<b>Gross profit</b>	<b>22,306,145</b>	<b>18,957,572</b>
Administrative expenses	<b>21</b>	(15,292,934)
Selling expenses	<b>21</b>	(90,637)
Other operating expenses	<b>22</b>	(409,163)
	<b>(16,995,620)</b>	<b>(15,792,734)</b>
<b>Profit from operations</b>	<b>5,310,525</b>	<b>3,164,838</b>
Finance costs	<b>23</b>	(8,525)
<b>Profit before taxation</b>	<b>5,299,605</b>	<b>3,156,313</b>
Taxation	<b>24</b>	(2,120,611)
<b>Profit after taxation</b>	<b>3,762,718</b>	<b>1,035,703</b>
<b>Earnings per share - basic and diluted</b>	<b>25</b>	<b>12.54</b>
		<b>3.45</b>

### Appropriation of Profit

The Board of Directors of the Company proposed appropriation of profit for the year ended June 2021 as under:

	2021	2020
<b>Profit before taxation</b>	<b>5,299,605</b>	3,156,313
Taxation	<b>(1,536,886)</b>	(2,120,611)
<b>Profit after taxation</b>	<b>3,762,718</b>	1,035,703
Unappropriated profit brought forward	<b>60,539,478</b>	54,346,371
Dividend declared @ 3.3 per ordinary share ( 2019:3.35)	<b>(990,000)</b>	(1,005,000)
Adjustment of incremental depreciation	<b>5,065,772</b>	5,616,698
Other comprehensive (loss) / income	<b>(100,570)</b>	545,707
<b>Unappropriated profit carried forward</b>	<b>68,277,398</b>	<b>60,539,478</b>

### Earnings per share - Basic

Earnings per share - Basic during the year ended June 2021 as under:

	2021	2020
Profit after taxation	3,762,718	1,035,703
No. of shares	300,000	300,000
	=====	=====
Earnings per share - Basic	12.54	3.45

### Proposed dividend

The Board of Directors of the Company has proposed to declare payment of cash dividend @ Rs. 3.00 per ordinary share i.e. 30% amounting to Rs. 900,000 for the year ended June 30, 2021 subject to the approval of Shareholders in Annual General Meeting.

### Changes in Equity as on 30<sup>th</sup> June 2021

	Share capital	Capital reserve	Revenue reserve	Total
	Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
	<----- Rupees ----->			
<b>Balance as at July 1, 2019</b>	3,000,000	315,757,120	54,346,371	373,103,492
<b>Total comprehensive income for the year ended June 30, 2020</b>				
Profit for the year	-	-	1,035,703	1,035,703
Other comprehensive income (net of tax)	-	-	545,707	545,707
	-	-	1,581,410	1,581,410
Transfer on account of incremental depreciation (net of tax) - Refer note 14	-	(5,616,698)	5,616,698	-
<b>Transactions with owners:</b>				
Final cash dividend @ Rs.3.35 per ordinary share for the year ended June 30, 2019	-	-	(1,005,000)	(1,005,000)
<b>Balance as at June 30, 2020</b>	3,000,000	310,140,422	60,539,478	373,679,900
<b>Total comprehensive income for the year ended June 30, 2021</b>				
Profit for the year	-	-	3,762,718	3,762,718
Other comprehensive loss (net of tax)	-	-	(100,570)	(100,570)
	-	-	3,662,148	3,662,148
Transfer on account of incremental depreciation (net of tax) - Refer note 14	-	(5,065,772)	5,065,772	-
<b>Transactions with owners:</b>				
Final cash dividend @ Rs.3.30 per ordinary for the year ended June 30, 2020	-	-	(990,000)	(990,000)
<b>Balance as at June 30, 2021</b>	3,000,000	305,074,650	68,277,398	376,352,048

### Gratuity

The Board of Directors specifically approved the provision for gratuity by Rs. 1,296,598 during the financial year ended June 30, 2021.

### **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 2021.

### **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 2022.

### **Financial & Corporate Reporting Framework**

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP). Following are the statements on Corporate and Financial Reporting Framework:

- ◆ The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- ◆ The Company has maintained proper books of accounts.
- ◆ Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- ◆ International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- ◆ The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting.
- ◆ There are no significant doubts upon the Company's ability to continue as a going concern.
- ◆ There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- ◆ Information about taxes and levies is given in the notes to and forming part of financial statements.
- ◆ Specified pattern of shareholding is included in this report.
- ◆ Past seven years key operating and financial data is annexed in this annual report.
- ◆ The board consists of 8 male and 1 female directors with following composition:

Independent Director	3
Executive Director	1
Non-Executive Directors	5

- ◆ 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>
Mr. Ashfaq	4
Mr. Shamsul-Haq	4
Mr. Hasham Khan	4
Mr. Shamul-Zuha	4
Mrs. Naveen Shams	4
Mr. Fahad	4
Mr. Faizan Ahsan	4
Mr. Muhammad Usman	4
Mr. Muhammad Safyan Qureshi	4

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

Mr. Faizan Ahsan	Chairman
Mr. Shamsul-Haq	Member
Mr. Muhammad Safyan Qureshi	Member
Mr. Muhammad Usman	Member

During the year, four (4) Quarterly audit committee meetings were held.

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

Mr. Fahad	Chairman
Mr. Shamsul-Zuha	Member
Mr. Hasham Khan	Member

During the year, two (2) Half Yearly HR & Remuneration committee meetings were held.

#### **Subsequent Events**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

#### **Appreciation**

We would like to extend our sincere gratitude to our customers for their trust in our us. We are thankful to our banker, shareholders and suppliers for their continued support. We also appreciate our employees for their relentless dedication and immense contribution to the Company.

On behalf of Board of Directors



Karachi dated 17<sup>th</sup> September 2021.

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

# گڈلک انڈسٹریز لمیٹڈ

شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

معزز شیئر ہولڈرز،

گڈلک انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2021ء کو ختم ہونے والے مالیاتی سال کیلئے سالانہ رپورٹ بمعہ کمپنی کے آڈٹ شدہ مالیاتی حسابات اور اس کے ساتھ ساتھ آڈیٹرز کی رپورٹ پیش کر رہے ہیں۔

اثاثہ جات پر سرمایہ کاری:

دوران مدت جولائی 2020 سے جون 2021 تک پراپرٹی، پلانٹ اور دیگر سامان کیلئے مبلغ 4,044,050 روپے کا اضافہ کیا گیا تھا۔ اضافی اثاثہ جات کی تفصیلات پراپرٹی، پلانٹ اور دیگر سامان کے شیڈول میں ریکارڈ کی گئی ہیں۔

ورکنگ اور نفع یا نقصان اکاؤنٹ کا جائزہ:

دوران سال کمپنی کی اہم سرگرمیاں گندم اور ہر قسم کے اناج کی پیمائی رہیں۔ اختتامی مالیاتی سال 30 جون 2021ء اور 30 جون 2020ء کے دوران نفع و نقصان اکاؤنٹ کا موازنہ درج ذیل ہے:

نوٹ	2021 روپے	2020 روپے	
19	1,195,258,906	859,757,469	ٹرن اوور
20	(1,172,952,761)	(840,799,897)	سیلز کے اخراجات
	22,306,145	18,957,572	کل منافع
21	(16,399,122)	(15,292,934)	انتظامی اخراجات
	(30,400)	(90,637)	فروخت کے اخراجات
22	(566,098)	(409,163)	دیگر آپریٹنگ اخراجات
	(16,995,620)	(15,792,773)	
	5,310,525	3,164,838	آپریٹنگ منافع
23	(10,920)	(8,525)	مالیاتی چارجز
	5,299,605	3,156,313	منافع قبل از ٹیکس
24	(1,536,886)	(2,120,611)	ٹیکسیشن
	3,762,718	1,035,703	منافع بعد از ٹیکس
25	12.54	3.45	آمدنی فی شیئر - بنیادی

منافع کی ترتیب:

اختتامی سال جون 2021ء کے لئے کمپنی کے بورڈ آف ڈائریکٹرز نے درج ذیل مجوزہ منافع کی ترتیب پیش کی ہے:

2021	2020	
5,299,605	3,156,313	نفع قبل از ٹیکس
(1,536,886)	(2,120,611)	ٹیکسیشن
3,762,718	1,035,703	نفع بعد از ٹیکس
60,539,478	54,346,371	غیر ترتیب کردہ منافع کی تفصیل
(990,000)	(1,005,000)	اعلان کردہ ڈویڈنڈ بحساب 3.3 روپے فی عام شیئر (2019: 3.35 روپے)
5,065,772	5,616,698	انکریمنٹ میں کمی بیشی کی ایڈجسٹمنٹ
(100,570)	545,707	دیگر متعلقہ آمدنی / (خسارہ)
68,277,398	60,539,478	غیر ترتیب شدہ منافع کی تفصیل

# گڈلک انڈسٹریز لمیٹڈ

فی شیئر بنیادی آمدنی:

اختتامی سال جون 2021ء کے دوران بنیادی آمدنی فی شیئر درج ذیل ہے:

2020	2021	
1,035,703	3,762,718	نفع نقصان بعد از ٹیکس
300,000	300,000	شیئرز کی تعداد
3.45	12.54	بنیادی آمدنی فی شیئر

مجوزہ ڈویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے اختتامی سال 30 جون 2021ء کے لئے ڈویڈنڈ کی تعداد ایسکی بحساب 3.00 روپے فی شیئر یعنی 30% مبلغ 900,000 روپے کی تجویز پیش کی ہے۔

30 جون 2021ء کو ایکویٹی میں تبدیلی:

نوش	آمدنی کے ذخائر	سرمایہ کے ذخائر	شیئر سرمایہ	
	غیر ترتیب شدہ منافع رقم روپے میں	اثاثہ چاٹ، پلانٹ اور سامان پر نظر ثانی شدہ اضافے	اجراء شدہ، سہکراہیب شدہ اور ادا شدہ سرمایہ	
373,103,492	54,346,371	315,757,120	3,000,000	یکم جولائی 2019 کو بیلنس
				اختتامی سال 30 جون 2020ء کیلئے منافع
1,035,703	1,035,703			سال کا منافع
545,707	545,707			دیگر خسارہ (صافی ٹیکس)
1,581,410	1,581,410			
-	5,616,698	(5,616,698)		اضافی فرسودگی کے باعث منتقلی (صافی ٹیکس)۔ نوٹ 14
				مالکان کے ساتھ لین دین:
(1,005,000)	(1,005,000)			30 جون 2019ء کیلئے ڈویڈنڈ بحساب 3.35 روپے فی شیئر
373,679,900	60,539,478	310,140,422	3,000,000	جون 2020ء کو بیلنس
				اختتامی سال 30 جون 2021ء کیلئے منافع
3,762,718	3,762,718			سال کا منافع
(100,570)	(100,570)			دیگر خسارہ (صافی ٹیکس)
3,662,148	3,662,148			
-	5,065,772	(5,065,772)		اضافی فرسودگی کے باعث منتقلی (صافی ٹیکس)۔ نوٹ 14
				مالکان کے ساتھ لین دین:
(990,000)	(990,000)			30 جون 2020ء کے لئے ڈویڈنڈ بحساب 3.30 روپے فی شیئر
376,352,048	68,277,398	305,074,650	3,000,000	30 جون 2021ء کو بیلنس

گر بجوبی:

بورڈ آف ڈائریکٹرز نے خصوصی طور پر مالیاتی ختم ہونے والے مالیاتی سال 30 جون 2021ء کے دوران مبلغ 1,296,598 روپے گر بجوبی کے طور پر منظور کئے ہیں۔

ڈائریکٹرز کی تنخواہیں:

کمپنی کی مالی پوزیشن کو بہتر بنانے کیلئے چیف ایگزیکٹو اور کمپنی کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا کہ اختتامی مالیاتی سال 2021ء کے لئے فیس، اجرتیں اور دیگر چارجز کو معاف کر دیا جائے۔

# گڈ لک انڈسٹریز لمیٹڈ

مستقبل کا پروگرام:

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

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز منیف ضیاء الدین اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس ریٹائر ہو گئے ہیں اور کوڈ آف کارپوریٹ گورننس کے تحت دوبارہ تقرری کیلئے اپنے آپ کو پیش کر سکتے ہیں۔ آڈٹ کمیٹی نے میسرز منیف ضیاء الدین اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کو کمپنی کے آڈیٹرز کے طور پر اختتامی سال جون 2022ء کے لئے بطور آڈیٹرز تقرری کی سفارش کی ہے۔

بورڈ آف کارپوریٹ گورننس کے قواعد پر عملدرآمد:

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

- ☆ مالیاتی حسابات جو کہ کمپنی کی انتظامیہ نے مرتب کئے ہیں اور اس میں تمام مندرجات بالکل صحیح پیش کئے گئے ہیں جس میں اس کے آپریشن، نقد کالین دین اور ایکویٹی میں تبدیلیاں شامل ہیں۔
- ☆ قانون کے مطابق کمپنی نے حساب کے کھاتے مناسب طریقے سے مرتب کئے ہیں۔
- ☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ☆ انٹرنیشنل فنانشل رپورٹنگ کا معیار جو کہ پاکستان میں قابل اطلاق ہے کے مطابق مالیاتی حسابات کی تیاری میں عمل کیا جاتا ہے۔
- ☆ بورڈ آف ڈائریکٹرز نے آپریشنز کو موثر انداز میں انجام دیئے، کمپنی اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی کنٹرولز کا ایک موثر نظام قائم کیا ہے۔
- ☆ اس کمپنی کو مسلسل چلانے کیلئے اس کی اہلیت پر کوئی شک و شبہ نہیں ہے۔
- ☆ کوئی بھی مواد کارپوریٹ گورننس کی اعلیٰ پریکٹس سے خالی نہیں ہے جس کی تفصیلات ریگولیشن کی فہرست میں دی گئی ہے۔
- ☆ ٹیکسز اور ایویز سے متعلق معلومات نوٹس میں دی گئی ہیں جو کہ مالیاتی حسابات کا ایک حصہ ہے۔
- ☆ اس رپورٹ میں شیئر ہولڈنگ کا مخصوص طریقہ کار شامل ہے۔
- ☆ گزشتہ سات سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا کی تفصیل منسلک ہے۔
- ☆ بورڈ 8 مرد اور 1 خاتون ڈائریکٹرز پر مشتمل ہے جس کے ممبران درج ذیل ہیں:

آزاد ڈائریکٹر (3)، ایگزیکٹو ڈائریکٹر (1)، غیر ایگزیکٹو ڈائریکٹر (5)

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

ڈائریکٹرز کے نام	میٹنگز میں شرکت کی تعداد
جناب اشفاق	4
جناب شمس الحق	4
جناب ہشام خان	4
جناب شمس الضحیٰ	4
محترمہ نوین شمس	4
جناب فہد	4
جناب فیضان احسان	4

# گڈ لک انڈسٹریز لمیٹڈ

4

جناب محمد عثمان

4

جناب محمد سفیان قریشی

☆ کوڈ کی ضروریات کے مطابق آڈٹ کمیٹی تشکیل دی گئی ہے جس کے ممبران درج ذیل ہیں:

چیئرمین

جناب فیضان احسن

ممبر

جناب شمس الحق

ممبر

جناب محمد سفیان قریشی

ممبر

جناب محمد عثمان

دوران سال آڈٹ کمیٹی کی چار سہ ماہی میٹنگز منعقد کی گئیں۔

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

چیئرمین

جناب فہد

ممبر

جناب شمس الضحیٰ

ممبر

جناب ہشام خان

دوران سال ایچ آر اور ریمپوزیشن کمیٹی کی دو ششماہی میٹنگز منعقد کی گئیں۔

بعد ازاں واقعات:

مالیاتی سال کے آخر اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی حیثیت میں تبدیلی کیلئے کوئی اثرات مرتب نہیں ہوئے ہیں۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز نے اپنے تمام گاہکوں کا کمپنی پر اعتماد کرنے پر شکریہ ادا کیا اور اپنے تمام مالیاتی اداروں، حصص داروں اور سپلائرز کے تعاون پر مخلصانہ شکریہ ادا کیا ہے۔ کمپنی کے تمام اسٹاف ممبرز کا بھی شکریہ ادا کیا ہے کہ انہوں نے کمپنی کی انتظامیہ کے ساتھ مخلصانہ تعاون کیا ہے۔

از طرف بورڈ آف ڈائریکٹرز

کراچی مورخہ 17 ستمبر 2021

چیف ایگزیکٹو

**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

**Name of company GoodLuck Industries Limited**  
**Year ended June 30, 2021**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 (Nine) as per the following:

- a. Male : 8
- b. Female : 1

2. The composition of the Board is as follows:

<b>Independent Directors</b>	Mr. Muhammad Safyan Qureshi
	Mr. Faizan Ahsan
	Mr. Hasham Khan
<b>Executive Director</b>	Mr. Ashfaq
<b>Non-executive Directors</b>	Mr. Fahad
	Mr. Shamsul-Haq
	Mr. Shamsul-Zuha
	Mr. Muhammad Usman
	Mrs. Naveen Shams
<b>Female Director</b>	Mrs. Naveen Shams

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

4. 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;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All Directors are compliant with necessary requirements of Directors' Training certification

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

Faizan Ahsan	Chairman
Shamsul-Haq	Member
Muhammad Usman	Member
Muhammad Safyan Qureshi	Member

**b) HR and Remuneration Committee**

Fahad	Chairman
Shamsul-Zuha	Member
Hasham Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

a) Audit Committee;	4 Quarterly Meetings
b) HR and Remuneration Committee;	2 Half Yearly Meetings

15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Mr. Fahad  
Chairman



Mr. Ashfaq  
Chief Executive

**Karachi dated: 17<sup>th</sup> September, 2021**

## GOODLUCK INDUSTRIES LIMITED

### Comparative statements of key operations for last seven years

	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017 Restated	Jun-2016	Jun-2015	Jun-2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance Sheet</b>								
Paid up Capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Reserve and surplus/(deficit)	68,277,398	60,539,478	54,346,371	45,483,460	37,313,651	35,645,111	35,002,667	27,837,651
Shareholders equity	71,277,398	63,539,478	57,346,371	48,483,460	40,313,651	38,645,111	38,002,667	30,837,651
Long term & Deferred liabilities	26,388,050	27,617,158	29,173,782	33,409,960	36,628,612	22,664,364	21,521,822	22,857,543
Current Liabilities	3,803,000	3,800,547	4,083,235	3,089,852	9,753,273	4,550,400	4,389,734	6,540,626
Operating Assets	337,723,665	342,273,044	356,330,139	356,330,139	366,450,480	209,853,136	213,096,319	216,188,213
Current Assets	68,456,651	62,461,784	58,809,392	49,368,609	46,763,903	43,159,257	39,395,652	36,165,701
Long Term Deposits	362,782	362,782	360,782	360,782	360,782	355,282	355,282	349,282
<b>Trading Results</b>								
Turn over / Sales	1,195,258,906	859,757,469	896,779,683	843,665,617	786,490,279	871,085,337	762,259,773	69,303,183
Gross Profit	22,306,145	18,957,572	17,512,095	16,615,649	13,035,216	14,799,910	15,449,188	15,449,188
Other Income	0	0	0	0	0	0	0	6,696,791
Operating Profit (Loss)	5,310,525	3,164,838	3,370,243	3,910,824	2,433,514	4,071,427	6,272,566	8,724,510
Finacial charges	10,920	8,525	19,059	18,410	3,554	14,951	125,290	11,717
Profit before tax	5,299,605	3,156,313	3,151,184	3,892,414	2,429,960	4,056,476	6,147,277	8,712,793
Profit after tax	3,762,718	1,035,703	4,115,664	2,473,955	(696,845)	1,062,639	4,221,985	5,590,049
Dividend declared	900,000	990,000	1,005,000	1,020,000	1,008,000	525,000	1,500,000	600,000

### Comparative statements of key operations for last seven years

	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017 Restated	Jun-2016	Jun-2015	Jun-2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Basic earning per share	12.54	3.45	13.72	8.25	(2.32)	3.54	14.07	18.63
Break up value of shares of Rs. 10/= each	237.59	211.80	191.15	161.61	134.38	128.82	126.68	102.79
Earning per share (pretax)	17.67	10.52	11.17	12.97	8.10	13.52	29.04	29.04
Earning per share (Aftertax)	12.54	3.45	13.72	8.25	(2.32)	3.54	14.07	18.63
<b>Percentage</b>								
Gross Profit	1.87	2.20	1.95	1.97	1.66	1.70	2.03	1.50
Profit before tax	0.44	0.37	0.37	0.46	0.31	0.47	0.81	1.26
Profit after tax	0.31	0.12	0.46	0.29	(0.09)	0.12	0.55	0.81
Dividend declared %	30.00	33.00	33.50	34.00	33.60	17.50	50.00	20.00

## **Notice of the 51<sup>st</sup> Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Fifty-first (51<sup>st</sup>) Annual General Meeting ("Meeting") of Goodluck Industries Limited ("the Company") will be held at the registered office S-49/A, S.I.T.E, Mauripur Road, Karachi on Saturday, the 16<sup>th</sup> day of October 2021, at 3:30 p.m. to transact the following business:

### **Ordinary Business**

1. To confirm the minutes of the 50<sup>th</sup> Annual General Meeting held on October 16, 2020.
2. To receive, consider and adopt the Company's Audited Financial Statements for the year ended June 30, 2021, together with the Reports of the Directors and Auditors thereon.
3. To approve and declare final cash dividend @ 30% i.e Rs.3.00 per Ordinary Shares of Rs.10/ each for the year June 30, 2021 as recommended by the Board.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2022. The present Auditors, M/s. Muniff Ziauddin & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
5. To elect nine (09) Directors as fixed by the Board of the company in accordance with section 159 (1) of the Companies Act 2017 for the next term of three (3) years. The retiring Directors are Mr. Ashfaq, Mr. Fahad, Mr. Shahsul-Haq, Mr. Shahsul-Zuha, Mrs. Naveen Shams, Mr. Muhammad Usman, Mr. Muhammad Safyan Qureshi, Mr. Faizan Ahsan and Mr. Hasham Khan.
6. Any other business with the permission of the Chairman.

By the order of the Board

**Nafees Shams Qureshi**  
Company Secretary

Karachi: September 21, 2021

### **NOTES:**

#### **A. Participation of shareholders through online facility:**

In pursuance of SECP's Circular NO.4 dated February 15, 2021, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 03:00 p.m. on October 16, 2021 enabling the participants to join the proceedings which will start at 03:30 p.m. sharp.

Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars at the Company's designated email address [goodluckindltd@live.com](mailto:goodluckindltd@live.com) before the close of business hours on October 12, 2021. The link to the zoom application will be sent to the shareholders on the email address provided in the below table:

Shareholder's Name	CNIC No.	Folio/CDC Account No.	Cell No.	No. Of shares held	Email address

Login facility will be shared with the shareholders whose emails addresses are provided on above table.

#### **B. Closure of Share Transfer Books:**

Share Transfer Books of the Company will be closed from 09<sup>th</sup> October 2021 to 16<sup>th</sup> October 2021 (both days inclusive) when no transfer of Company's shares will be accepted or registered. Transfers in good order, received at the office of the Company's Registered office or Share Registrar C & K Management Associates (Pvt) Limited, 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi. ("the Share Registrar") by the close of business on 08<sup>th</sup> October 2021, will be treated in time to be entitled to vote and for the entitlement of dividend

**C. CNIC / NTN Number on Dividend Warrant (Mandatory):**

As already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5,2012, that the electronic Dividend should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the to the Company or Share Registrar M/s. C & K Management Associates (Pvt) Ltd

**D. Payment of Cash Dividend through Electronic Mode:**

Pursuant to the provisions of Section 242 of the Companies Act, 2017 it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode by making direct remittance into their respective bank account designated by the entitled shareholder(s) ("the Bank Account"). Therefore, the Company will be remitting the dividend proceeds directly into the Bank Accounts of its Member, instead of issuing physical Dividend Warrants. In order to receive dividends directly into your Bank Account, Members holding shares in physical form are requested to submit the "Electronic Credit Mandate Form", which is available on Company's website i.e. [www.goodluckind.com](http://www.goodluckind.com). Please printout the Form, fill and sign it, and send the completed Form along with a copy of a valid CNIC to the Share Registrar of the Company at the afore-stated postal address, which should reach the latest by 08<sup>th</sup> October, 2021. Members who hold shares in CDC accounts should provide their mandate to their respective participant or CDC Investor Account Services.

**E. Deduction of Income Tax from Dividend Mandatory:**

**a.** Pursuant to the provisions of the Finance Act 2021 effective July 1, 2021, the rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance,2001 have been revised as: (i) Rate of tax deduction for Filer of Income Tax Return: 15% (ii) Rate of tax deduction for Non-Filers of Income Tax Return: 30% To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

**b.** Withholding Tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar C & K Management Associates (Pvt) Ltd., by the first day of Book Closure.

**c.** Further, according to clarification received from 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, in case of joint accounts. In this regard, all Members/Shareholders of the Company either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing and in the following manner:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholders	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach the Company's Share Registrar within ten (10) days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

**d.** The corporate shareholders of the Company having CDC accounts 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 certificate to either the Company or the Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

**F. Placement of Financial Statements:**

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website (<http://www.goodluckind.com>) in addition to annual and quarterly financial statements for the prior years.

**G. Change of Address:**

Members are requested to notify any change in their notified addresses immediately.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017**

Agenda item # 5 – Election of Directors

The term of office of the present Directors of the company will expire on October 17, 2021. In terms of Section 159(1) of the Companies Act, 2017 (“Act”), the Board of Directors in its Board meeting held on September 10, 2021 has fixed the number of elected Directors at 9 (nine) to be elected in the Annual General Meeting of the Company for the period of next three years.

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file with the Company Secretary, at the Registered Office of the Company located at S-49/A, S.I.T.E, Mauripur Road, Karachi not later than fourteen (14) days before the date of Annual General Meeting, the following documents:

1. His/her Folio No./CDC Investors Account No. CDC Participant No./Sub-Account No.
2. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a Director in Form 28 prescribed under the Companies Act, 2017.
3. A detailed profile along with office address as required under SECP SRO 1196(I)/2019 dated October 3, 2019.
4. A director must be a member of the Company at the time of filing of his / her consent for contesting election of Directors except a person representing a member, which is not a natural person.
5. A declaration confirming that:
  - a. He / she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange; and
  - b. He / she is not ineligible to become a director of a listed company under any provision of the Act, the Listed Companies (Code of Corporate Governance) Regulation, 2019 and any other applicable law, rules and regulations.
6. Independent Director(s) will be elected through the process of election of Director in terms of Section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS  
OF GOODLUCK INDUSTRIES LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE  
OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **GoodLuck Industries Limited** (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a 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 Regulations 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. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

  
CHARTERED ACCOUNTANTS

KARACHI

DATE: 17 SEP 2021

**Independent Auditor's Report to the members of  
GoodLuck Industries Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **GoodLuck Industries Limited** (the Company), which comprise the statement of financial position as at **June 30, 2021**, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

17)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

<u>Key audit matters</u>	<u>How the matter was addressed in our audit</u>
<b>1. Retirement Benefits</b>	
<p>As described in the Accounting Policies in note 5.9 and in note 15.1 to the financial statements, the Company has a defined benefit gratuity plan for its employees.</p> <p>At June 30, 2021, the Company recorded a net retirement benefit liabilities of Rs. 9.081 million (2020: Rs. 7.929 million). The Company did not maintain any retirement benefit asset to meet its relevant liabilities.</p> <p>The liability determined on the basis of certain assumptions such as discount rate, inflation and working life of employees, which are complex and an area of significant judgement; changes in any of these assumptions can lead to a material movement in the liability.</p>	<p>We evaluated the management assessment of the assumptions made in the valuation of the scheme liabilities, and evaluated the information contained within the actuarial valuation report for the scheme.</p> <p>We tested the significant assumptions used in the valuation of the scheme and, with support from other publicly available data and other actuarial reports, we considered the process applied by the Company's actuary, the scope of the valuation performed and the key assumptions applied and evaluated their expertise. We benchmarked and performed a sensitivity analysis on the key variables in the valuation model, including:</p> <ul style="list-style-type: none"><li>-Salary increases;</li><li>-Mortality rates; and</li><li>-Discount rates.</li></ul>

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### **Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows

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## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Sohail Saleem.

  
**Chartered Accountants**  
**Karachi**

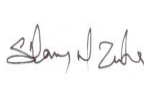
Date: 17 SEP 2021

**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	2021	2020
Note	<-----Rupees----->	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipments	6 <b>337,723,665</b>	342,273,044
Long term security deposits	7 <b>362,782</b>	362,782
	<b>338,086,447</b>	342,635,826
<b>Current assets</b>		
Stock in trade	8 <b>15,364,946</b>	36,053,320
Trade debts	9 <b>27,750,466</b>	9,164,035
Income tax refundable	10 <b>11,868,862</b>	7,617,859
Advances, deposits and other receivables	11 <b>585,392</b>	585,392
Cash and bank balances	12 <b>12,886,985</b>	9,041,179
	<b>68,456,651</b>	62,461,784
<b>TOTAL ASSETS</b>	<b>406,543,099</b>	405,097,610
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
1,000,000 ordinary shares of Rs. 10 each paid in cash	<b>10,000,000</b>	10,000,000
<b>Issued, subscribed and paid up capital:</b>		
300,000 ordinary shares of Rs. 10 each fully paid in cash	13 <b>3,000,000</b>	3,000,000
<b>Capital reserves</b>		
Surplus on revaluation of property, plant and equipment - net of tax	14 <b>305,074,650</b>	310,140,422
<b>Revenue Reserves</b>		
Unappropriated profit	<b>68,277,398</b>	60,539,478
	<b>376,352,048</b>	373,679,900
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred liabilities	15 <b>26,388,050</b>	27,617,158
<b>Current liabilities</b>		
Trade and other payables	16 <b>1,786,134</b>	1,887,692
Unclaimed dividend	17 <b>2,016,866</b>	1,912,856
	<b>3,803,000</b>	3,800,547
<b>Total liabilities</b>	<b>30,191,050</b>	31,417,706
<b>Contingencies and commitments</b>	18	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>406,543,099</b>	405,097,610

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

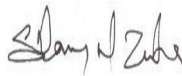
**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

		2021	2020
	Note	<-----Rupees----->	
Turnover	19	1,195,258,906	859,757,469
Cost of sales	20	<u>(1,172,952,761)</u>	<u>(840,799,897)</u>
<b>Gross profit</b>		<b>22,306,145</b>	18,957,572
Administrative expenses	21	<u>(16,399,122)</u>	<u>(15,292,934)</u>
Selling expenses		(30,400)	(90,637)
Other operating expenses	22	<u>(566,098)</u>	<u>(409,163)</u>
		<u>(16,995,620)</u>	<u>(15,792,734)</u>
<b>Profit from operations</b>		<b>5,310,525</b>	3,164,838
Finance costs	23	<u>(10,920)</u>	<u>(8,525)</u>
<b>Profit before taxation</b>		<b>5,299,605</b>	3,156,313
Taxation	24	<u>(1,536,886)</u>	<u>(2,120,611)</u>
<b>Profit after taxation</b>		<b><u>3,762,718</u></b>	<b><u>1,035,703</u></b>
<b>Earnings per share - basic and diluted</b>	25	<b><u>12.54</u></b>	<b><u>3.45</u></b>

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

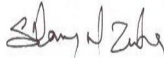
**GOODLUCK INDUSTRIES LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
	<-----Rupees----->	
<b>Profit for the year</b>	<b>3,762,718</b>	1,035,703
<b>Other comprehensive income:</b>		
<b>Items that will not be subsequently reclassified in profit or loss (net of tax)</b>		
Remeasurement (loss)/ gain on defined benefit plans	(141,648)	768,601
Related deferred tax	41,078	(222,894)
Other comprehensive (loss) / income for the year	<b>(100,570)</b>	545,707
<b>Total comprehensive income for the year</b>	<b>3,662,148</b>	1,581,409

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Share capital	Capital reserve	Revenue reserve	Total
Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment	Unappropriated profit	

<----- Rupees ----->

**Balance as at July 1, 2019** **3,000,000**      **315,757,120**      **54,346,371**      **373,103,492**

**Total comprehensive income for the year ended June 30, 2020**

Profit for the year	-	-	1,035,703	1,035,703
Other comprehensive income (net of tax)	-	-	545,707	545,707
	-	-	1,581,410	1,581,410

Transfer on account of incremental depreciation (net of tax) - Refer note 14 -      (5,616,698)      5,616,698      -

**Transactions with owners:**

Final cash dividend @ Rs.3.35 per ordinary share for the year ended June 30, 2019 -      -      (1,005,000)      (1,005,000)

**Balance as at June 30, 2020** **3,000,000**      **310,140,422**      **60,539,478**      **373,679,900**

**Total comprehensive income for the year ended June 30, 2021**

Profit for the year	-	-	3,762,718	3,762,718
Other comprehensive loss (net of tax)	-	-	(100,570)	(100,570)
	-	-	3,662,148	3,662,148

Transfer on account of incremental depreciation (net of tax) - Refer note 14 -      (5,065,772)      5,065,772      -

**Transactions with owners:**

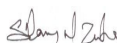
Final cash dividend @ Rs.3.30 per ordinary for the year ended June 30, 2020 -      -      (990,000)      (990,000)

**Balance as at June 30, 2021** **3,000,000**      **305,074,650**      **68,277,398**      **376,352,048**

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

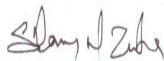
**GOODLUCK INDUSTRIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
	<-----Rupees----->	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,299,605	3,156,313
<b>Adjustments for:</b>		
Depreciation	8,593,434	8,857,193
Provision for gratuity	1,296,598	1,691,785
	9,890,032	10,548,978
<b>CASH FLOW FROM OPERATING ACTIVITIES - BEFORE WORKING CAPITAL CHANGES</b>	<b>15,189,636</b>	13,705,291
<b>WORKING CAPITAL CHANGES</b>		
<b>(Increase) / Decrease in current assets:</b>		
Stock in trade	20,688,373	(32,727,307)
Trade debts	(18,586,431)	14,897,622
Income tax refundable	-	3,543,046
	2,101,942	(14,286,639)
<b>Increase/(decrease) in creditors, accrued &amp; other liabilities</b>		
Trade and other payables	(101,558)	(388,471)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>17,190,021</b>	(969,819)
Income tax paid	(8,127,676)	(3,575,613)
Gratuity paid	(286,500)	(1,247,700)
<b>NET CASH GENERATED/ (USED IN) FROM OPERATING ACTIVITIES</b>	<b>8,775,845</b>	(5,793,132)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(4,044,050)	(3,939,900)
Increase in long term deposit	-	(2,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,044,050)</b>	(3,941,900)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(885,990)	(899,217)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(885,990)</b>	(899,217)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>3,845,805</b>	(10,634,249)
<b>CASH AND CASH EQUIVALENTS - at the beginning of the year</b>	<b>9,041,179</b>	19,675,426
<b>CASH AND CASH EQUIVALENTS - at the end of the year</b>	<b>12,886,985</b>	9,041,179

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**GOODLUCK INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1 STATUS AND NATURE OF BUSINESS**

Goodluck Industries Limited (the Company) is a public limited company incorporated in Pakistan on November 13, 1967 under the repealed Companies Act, 1913 (Repealed with the enactment of the repealed Companies Ordinance, 1984 and the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company is milling of wheat and all kinds of grains.

Geographical location and addresses of Company's major business units including mills/plants is as under:

<b>Karachi</b>	<b>Purpose</b>
S-49/A, S.I.T.E., Maripur Road, Karachi	The registered office and the factory premises

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain items as disclosed on the relevant accounting policies below.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupee (Rs./Rupees), which is the functional currency of the Company. Amount presented in the financial statements have been rounded off to the nearest of Rs./Rupees unless otherwise stated.

**3. KEY JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The area involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and related primarily to;

Useful lives , residual value and depreciation method of property, plant and equipment (refer note 5.1 & 6)

- Provision for impairment of stock in trade (refer note 5.2 & 8)
- Impairment loss of non financial assets other than stock in trade (refer note 5.8)
- Provision for expected credit loss (refer note 5.11.2)
- Obligation of defined benefit obligation (refer note 5.9 & 15.1)
- Estimation of provisions (Refer note 5.5)
- Estimation of contingent liabilities (refer note 5.12 & 18)
- Current income tax expense, provision for current tax recognition of deferred tax ( refer note 5.7 & 24)

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

##### 4.1 New standards/ amendments and interpretations to published approved accounting and reporting standards which are effective during the year:

The Company has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

##### 4.2 Effective in current year and not relevant to the Company

		<b>Effective date (annual periods beginning on or after)</b>
IFRS 3	Business Combinations - The amendments narrowed and clarified the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.	January 1, 2020
IFRS 16	Leases - The objective of the amendment is to give timely relief to lessees to Covid-19 - related rent concessions while still enabling them to provide useful information about their leases to investors.	January 1, 2020
IFRS 7	Financial Instruments "disclosures".	January 1, 2020
IFRS 9	Financial Instruments	January 1, 2020
IAS 1	Presentation of Financial Statements - amendments to its definition of material to make it easier for companies to make materiality judgements.	January 1, 2020
IAS 39	Financial Instruments: Recognition and Measurement.	January 1, 2020
IAS 41	Agriculture.	January 1, 2020

##### 4.2 The following International Financial Reporting Standards (IFRS Standards) and amendments not yet effective

IFRS 16	COVID-19 - Related Rent Concessions	
	<p>The International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate.</p> <p>Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:</p> <ul style="list-style-type: none"><li>a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;</li><li>b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and</li><li>c) there is no substantive change to the other terms and conditions of the lease.</li></ul> <p>The standard is not likely to have any effect on Company's financial statements.</p>	January 1, 2021
-	IFRS 3 Business Combinations - amendments updating a reference to the Conceptual Framework	January 1, 2022

-	IFRS 4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 1, 2023
-	IFRS 9	Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	January 1, 2022
-	IAS 1	Presentation of Financial Statements - Amendments regarding the classification of current and non-current liabilities.	January 1, 2023
	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors- Amendment regarding the definition of accounting estimates, the standard defines the concept of a "change in accounting estimates".	January 1, 2023
	IAS 12	Income taxes - Amendment regarding to clarify how companies account for deferred tax on leases and decommissioning obligations	January 1, 2023
	IAS 16	Property, plant and equipment - The amendments clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022
	IAS 37	Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.	January 1, 2022

The IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after thereform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 01, 2021. The standard is not likely to have any effect on Company's financial statements.

The following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan

IFRS 1	First time adoption of International Financial Reporting Standard
IFRS 17	Insurance Contracts

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as described below.

### 5.1 Property, plant and equipment

Items of property, plant and equipment other than leasehold land, building, plant & machinery and capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Leasehold land, buildings and plant & machinery are measured at revalued amounts less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at historical cost less impairment loss (if any).

Any revaluation increase arising on the revaluation of leasehold land, buildings and plant & machinery improvements is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and leasehold improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings and leasehold improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriate profit.

Depreciation is charged over their estimated useful lives, using diminishing balance method at the rates specified in note 6.

Depreciation on additions to property, plant and equipment is charged from the month of purchase or from the month of commercial productions 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.

Normal repairs and replacements are taken to the statement of profit or loss. Major improvements and modifications are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

An item of property plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property plant and equipment is determined as the difference between sales proceeds and the carrying amounts of the asset and is recognized in as other income on the statement of profit or loss. The case of the derecognition of a revalued Property, the attributable to revaluation surplus remaining surplus on the surplus on revaluation is transferred directly to the unappropriated profit.

#### Judgements and estimates

The useful lives, residual values and depreciation methods are reviewed on regular basis. The effect of changes in an estimate is accounted for on a proportionate basis.

#### Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 5.2 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realizable value. Cost is determined as follows:

<b>Stages</b>	<b>Basis of valuation</b>
Raw and packing material	Moving average cost
Work-in-process and finished goods	Cost of direct materials and appropriate portion of production overheads.
In transit	At cost accumulated up to the date of statement of financial position.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to make the sale.

## **Judgements and estimates**

Stock in trade write down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market condition. A review is made on each reporting date on stock for excess, obsolescence and decline in net realizable value and an allowance is recorded against the stock balances for any such decline

### **5.3 Trade debts and other receivables**

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value.

The company holds the trade debts with the objective of collecting the contractual cashflows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method.

### **5.4 Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

### **5.5 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. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of the cost of an asset.

### **5.6 Share Capital**

Share capital is classified as equity and recognised at the face value. Incremental cost net of tax and directly attributable to the issue of new shares are shown as a deduction in equity.

### **5.7 Taxation**

Taxation comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss.

#### **5.7.1 Current tax**

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **5.7.2 Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is also not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at a time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **Judgements and estimate**

Significant judgment is required on determining the income tax expenses and provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various forums. The Company recognizes liabilities are the anticipated tax issues based on estimates on whether additional taxes will be due. Where the final tax outcome of these matters is different from the amount that are initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of the deferred tax asset is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profit. If required, carrying amount of the deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit to allow the benefit of part of all that recognized deferred tax assets to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

### **Off-setting**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **5.8 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non financial assets (other than stock in trade and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

## **5.9 Staff retirement benefits**

### ***Defined benefit plan***

Defined benefit plan provide an amount of gratuity that an employee will receive on or after retirement, usually depend on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect to defined benefit plan is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by an independent actuary using the Project Unit credit method. When the calculation result in a potential assets for a company, the recognised assets is limited to the present value of economic benefits available in the form of any future refunds from plan or reductions in future contributions to the plan.

The present value of defined benefit obligations are determined by discounting estimated future cash outflows using interest rates of high quality corporate bonds or the market rates on government bonds. These are denominated in the currency in which the benefit will be paid.

Remeasurement gain/losses are recognised in other comprehensive income.

### **Judgements and estimates**

In determining the liability for long service payments management must make an estimate of salary increase and discount rate in the present value calculation and number of employees expected to leave before they receive the benefits.

## **5.10 Trade and other payables**

Liabilities for trade and other payables are carried initially at cost which is the fair value of the consideration to be paid in future for goods and services received and subsequently measured at amortized cost using effective interest method.

## **5.11 Financial instruments**

### **5.11.1 Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **Financial assets at amortised cost**

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on de-recognition are recognised directly in profit or loss.

#### **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently premeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

### **5.11.2 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debtors, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### **5.11.3 Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

### **5.11.4 Off setting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and net amount is reported in the financial statements if the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **5.12 CONTINGENCIES**

### *Contingent liability*

There is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company' or

There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### *Contingent assets*

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognized until their realization becomes virtually certain.

## **5.13 Revenue recognition**

Revenue comprises the fair value for the sale of goods net of sales tax and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognised when specific criteria have been met for each of the company's activities as described below:

### **Revenue from contract with customers**

Sale of goods is recognised when the company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

### **Contract assets**

Contract assets arise when the company perform its performance obligation by transferring goods to the customer before the customer pay its consideration or before payment is due.

### **Others**

Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.

**5.14 Borrowing cost**

Borrowing cost relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

**5.15 Cash and cash equivalent**

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

**5.16 Dividend distribution**

Dividend distribution to the Company's shareholders to recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

**5.17 Basic and diluted 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 to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6. PROPERTY, PLANT AND EQUIPMENT - 2021

Particulars	COST					Rate %	DEPRECIATION				Book Value As At June 30, 2021
	As At July 01, 2020	Revaluation	Additions	Deletions	As At June 30, 2021		As At July 01, 2020	Adjustment on deletions	Charge For the year	As At June 30, 2021	
	←----- Amount in Rupees ----->						←----- Amount in Rupees ----->				
Lease hold land:											
Cost	2,558,720	-	-	-	2,558,720	-	-	-	-	-	3,967
Revaluation	257,441,280	-	-	-	257,441,280	-	-	-	-	-	257,441,280
	260,000,000	-	-	-	260,000,000	-	-	-	-	-	260,000,000
Factory building											
Cost	606,906	-	-	-	606,906	10	602,498	-	441	602,939	77,956
Revaluation	51,157,439	-	-	-	51,157,439	10	21,747,602	-	2,940,984	24,688,586	26,468,853
	51,764,345	-	-	-	51,764,345		22,350,100	-	2,941,425	25,291,525	26,472,820
Non-factory building											
Cost	860,639	-	-	-	860,639	5	778,580	-	4,103	782,683	77,956
Revaluation	7,262,372	-	-	-	7,262,372	5	1,511,889	-	287,524	1,799,413	5,462,959
	8,123,011	-	-	-	8,123,011		2,290,469	-	291,627	2,582,096	5,540,915
Plant and Machinery											
Cost	8,879,133	-	-	-	8,879,133	10	8,114,951	-	76,418	8,191,369	687,764
Revaluation	68,880,188	-	-	-	68,880,188	10	29,816,363	-	3,906,383	33,722,746	35,157,443
	77,553,321	-	-	-	77,759,321		37,931,314	-	3,982,801	41,914,115	35,845,207
R.O Plant	2,650,000	-	-	-	2,650,000	10	823,194	-	182,681	1,005,875	1,644,125
Filtration Plant	700,000	-	-	-	700,000	10	259,867	-	44,013	303,880	396,120
Lift	900,000	-	-	-	900,000	10	329,193	-	57,081	386,274	513,726
Electric Installation and Equipment	642,738	-	-	-	642,738	10	538,063	-	10,468	548,531	94,207
Office Equipment	113,605	-	-	-	113,605	10	89,855	-	2,375	92,230	21,375
Furniture & fixtures	613,632	-	-	-	613,632	10	326,212	-	28,742	354,954	258,678
Vehicles	8,065,881	-	3,967,250	-	12,033,131	20	4,510,878	-	975,484	5,486,362	6,546,769
Tarpaulins	409,381	-	76,800	-	486,181	25	285,581	-	50,150	335,731	150,450
Other Assets	6,671	-	-	-	6,671	10	6,486	-	19	6,505	166
Pager	11,499	-	-	-	11,499	10	10,750	-	75	10,825	674
Telephone Systems	121,238	-	-	-	121,238	10	104,607	-	1,663	106,270	14,968
Computers	280,411	-	-	-	280,411	10	233,694	-	4,672	238,366	42,045
Weighbridge	1,019,716	-	-	-	1,019,716	10	871,945	-	14,777	886,722	132,994
Fortified Flour Microfeeder	150,000	-	-	-	150,000	10	96,192	-	5,381	101,573	48,427
	413,125,449	-	4,044,050	-	417,375,499		71,058,400	-	1,458,543	79,651,834	337,723,665
<b>As at June 30, 2021</b>	<b>413,125,449</b>	<b>-</b>	<b>4,044,050</b>	<b>-</b>	<b>417,375,499</b>		<b>71,058,400</b>	<b>-</b>	<b>8,593,434</b>	<b>79,651,834</b>	<b>337,723,665</b>

6.1 Forced sale value as per the last revaluation report as of June 30, 2017

Asset class	Forced sale value Rupees
Lease hold land	208,000,000
Building	39,318,157
Plant, machinery and equipment	43,503,547
<b>Total</b>	<b>290,821,704</b>

6.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of Immovable Property	Total Area (Square feet)	* Covered Area (Square feet)
a) Lease hold	Plot No.S-49/A, Maripur Road, S.I.T.E, Karachi	Office and Manufacturing facility	174,240	54,793
b) Building	Plot No.S-49/A, Maripur Road, S.I.T.E, Karachi	Office and Manufacturing facility	54,793	54,793

\* The covered area includes multi storey buildings.

6.3 Depreciation charge for the year has been allocated as follows:

	Note	2021 Rupees	2020 Rupees
Cost of sales	20	8,249,484	9,016,420
Administrative expenses	21	343,950	385,683
		<b>8,593,434</b>	<b>9,402,103</b>

6.4 Had there been no revaluation the related figures of leasehold land, building, and plant and machinery would have been as follows:

	2021			2020		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
	Rupees			Rupees		
Leasehold land	2,558,720	-	2,558,720	2,558,720	-	2,558,720
Factory building	606,906	602,498	4,408	606,906	602,008	4,898
Non-factory building	860,639	778,580	82,059	860,639	774,261	86,378
Plant and Machinery	8,879,133	8,114,951	764,182	8,673,133	8,030,042	643,091
	<b>12,905,398</b>	<b>9,496,029</b>	<b>3,409,369</b>	<b>12,699,398</b>	<b>9,406,311</b>	<b>3,293,087</b>

6.5 Details of revaluation of freehold land, buildings on freehold land, plant and machinery, and tools and equipments are mentioned in note 14.

6.6 Revaluation of freehold land, building, plant and machinery and tools and equipments were performed by M/s MYK Associates (Private) Limited, who are independent professionally qualified valuer.

The valuation of land was determined based on market comparable approach that reflects recent transaction prices for similar properties. The valuation of building was determined using cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The valuation of plant and machinery were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, conditions and obsolescence.

6.7 The fair value of assets subject to revaluation model fall under level 2 of fair value hierarchy.

Particulars	C O S T					Rate %	D E P R E C I A T I O N				Book Value
	As At	Revaluation	Additions	Deletions	As At		As At	Adjustment	Charge	As At	As At
	July 01, 2019				June 30, 2020		July 01, 2019	on deletions	For the year	June 30, 2020	June 30, 2020
Amount in Rupees					Amount in Rupees						
Lease hold land:											
Cost	2,558,720	-	-	-	2,558,720	-	-	-	-	-	2,558,720
Revaluation	257,441,280	-	-	-	257,441,280	-	-	-	-	-	257,441,280
	260,000,000	-	-	-	260,000,000	-	-	-	-	-	260,000,000
Factory building											
Cost	606,906	-	-	-	606,906	10	602,008	-	490	602,498	4,408
Revaluation	51,157,439	-	-	-	51,157,439	10	18,479,842	-	3,267,760	21,747,602	29,409,837
	51,764,345	-	-	-	51,764,345		19,081,850	-	3,268,250	22,350,100	29,414,245
Non-factory building											
Cost	860,639	-	-	-	860,639	5	774,261	-	4,319	778,580	82,059
Revaluation	7,262,372	-	-	-	7,262,372	5	1,209,232	-	302,657	1,511,889	5,750,483
	8,123,011	-	-	-	8,123,011		1,983,493	-	306,976	2,290,469	5,832,542
Plant and Machinery											
Cost	8,673,133	-	206,000	-	8,879,133	10	8,030,042	-	84,909	8,114,951	764,182
Revaluation	68,880,188	-	-	-	68,880,188	10	25,475,938	-	4,340,425	29,816,363	39,063,825
	77,553,321	-	206,000	-	77,759,321		33,505,980	-	4,425,334	37,931,314	39,828,007
R.O Plant	2,650,000	-	-	-	2,650,000	10	620,215	-	202,979	823,194	1,826,806
Filtration Plant	700,000	-	-	-	700,000	10	210,963	-	48,904	259,867	440,133
Lift	900,000	-	-	-	900,000	10	265,770	-	63,423	329,193	570,807
Electric Installation and Equipment	642,738	-	-	-	642,738	10	526,432	-	11,631	538,063	104,675
Office Equipment	113,605	-	-	-	113,605	10	87,216	-	2,639	89,855	23,750
Furniture & fixtures	595,232	-	18,400	-	613,632	10	294,276	-	31,936	326,212	287,420
Vehicles	4,350,381	-	3,715,500	-	8,065,881	20	4,086,565	-	424,313	4,510,878	3,555,003
Tarpaulins	409,381	-	-	-	409,381	25	244,314	-	41,267	285,581	123,800
Other Assets	6,671	-	-	-	6,671	10	6,465	-	21	6,486	185
Pager	11,499	-	-	-	11,499	10	10,673	-	83	10,756	743
Telephone Systems	121,238	-	-	-	121,238	10	102,759	-	1,848	104,607	16,631
Computers	280,411	-	-	-	280,411	10	228,503	-	5,191	233,694	46,717
Weighbridge	1,019,716	-	-	-	1,019,716	10	855,526	-	16,419	871,945	147,771
Fortified Flour Microfeeder	150,000	-	-	-	150,000	10	90,213	-	5,979	96,192	53,808
	409,391,549	-	3,939,900	-	413,331,449		62,201,213	-	946,351	71,058,405	342,273,044
									7,910,842		
As at June 30, 2020	409,391,549	-	3,939,900	-	413,331,449		62,201,213	-	8,857,193	71,058,405	342,273,044

	Note	2021	2020
<-----Rupees----->			
<b>7</b>	<b>LONG TERM SECURITY DEPOSITS</b>		
	Karachi Electric Limited	211,132	211,132
	Pakistan Telecommunication Corporation Limited	8,450	8,450
	Sui Southern Gas Company Limited	23,500	23,500
	Mobilink	1,500	1,500
	Warid Communication	20,000	20,000
	Cellular Services - Ufone	23,700	23,700
	Central Depository Company of Pakistan Limited	25,000	25,000
	Euro Track skygate International (Private) Limited	42,000	42,000
	Telenor	7,500	7,500
		<b>362,782</b>	<b>362,782</b>
<b>7.1</b>	These include Rs 0.21 million (2020: Rs 0.21 million) representing amount deposited as reserve with Karachi Electric Limited.		
<b>8</b>	<b>STOCK IN TRADE</b>		
	Raw Material	9,882,418	28,944,464
	Finished goods	4,906,685	4,142,485
	Packing material	575,843	2,966,371
		<b>15,364,946</b>	<b>36,053,319</b>
<b>9</b>	<b>TRADE DEBTS</b>		
	Unsecured		
	- Considered good	27,750,466	9,164,035
	<b>Considered doubtful</b>		
	- receivable against transportation	258,312	258,312
		<b>28,008,778</b>	9,422,347
	Less: Allowance for ECL	<b>(258,312)</b>	(258,312)
		<b>27,750,466</b>	9,164,035
<b>9.1</b>	As at June 30, 2021, trade receivables of Rs. million (2020: Rs 9.164 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.		
<b>9.2</b>	This amount is receivable from Government of Sindh (GoS) in lieu of transportation charges paid by the company for purchases of wheat from GoS. As per arrangements, transportation charges are refundable from GoS.		
<b>10</b>	<b>INCOME TAX REFUNDABLE</b>		
	Balance as at July, 01	7,617,858	11,160,905
	Provision made during the year	<b>(3,876,672)</b>	(3,280,930)
		<b>3,741,186</b>	7,879,975
	Income tax refunded	<b>(785,931)</b>	(6,804,052)
	Advance income tax deducted	<b>8,913,607</b>	6,541,935
		<b>11,868,862</b>	7,617,858
<b>11</b>	<b>ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>		
	Deposit with Pakistan Flour Mills Association	585,392	585,392
	Others	-	-
		<b>585,392</b>	585,392
<b>11.1</b>	This previously comprised of advance given to Leo's Pakistan (Pvt.) Limited for installation of R.O. Plant. This has been fully provided for and is further explained in note 18.1.		

	Note	2021	2020
		<-----Rupees----->	
<b>12 CASH AND BANK BALANCES</b>			
With banks on			
- Current accounts - Local currency		<b>12,190,609</b>	8,569,603
Cash on hand		<b>696,376</b>	471,576
		<b>12,886,985</b>	9,041,179

**13 ISSUED SUBSCRIBED AND PAID UP CAPITAL**

Number of shares			
2021	2020		
300,000	300,000	300,000 ordinary shares of Rs. 10 each fully paid in cash	3,000,000
			<b>3,000,000</b>
			<b>3,000,000</b>

**Shares held by the related parties of the Company**

	2021 Number of shares	2020 Percentage holding	2021 Number of shares	2020 Percentage holding
<b>CEO, Directors, &amp; their spouse and minor children</b>				
Ashfaq Haji Hasham	<b>16,000</b>	<b>5.33%</b>	16,000	5.33%
Muhammad Usman	<b>8,000</b>	<b>2.67%</b>	8,000	2.67%
Fahad	<b>6,400</b>	<b>2.13%</b>	6,400	2.13%
Shamsh-ul-Haque	<b>37,250</b>	<b>12.42%</b>	37,250	12.42%
Shamsh-uz-Zoha	<b>36,700</b>	<b>12.23%</b>	36,700	12.23%
Naveen Shams	<b>400</b>	<b>0.13%</b>	400	0.13%
Zahida	<b>1,500</b>	<b>0.50%</b>	1,500	0.50%
Afsheen Ashfaq	<b>10,000</b>	<b>3.33%</b>	7,000	2.33%
<b>NIT and ICP</b>	<b>50</b>	<b>0.02%</b>	50	0.02%

**13.1** The Company has one class of ordinary shares fully paid in cash which carries no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX**

The financial year ended June 30, 2017, the company revalued, its leasehold land, buildings on leasehold land and plant & machinery to replace the carrying amounts of these assets with their market values / depreciated market values. The revaluation was carried-out for June 30, 2017 by an independent professionally qualified valuers namely M/s. MYK Associates (Private) Limited. The appraisal surplus arisen on this revaluation aggregate to Rs. 158,848,907.

Previously, revaluation was carried-out on August 30, 2012 by an independent valuers namely M/s. Yunus Mirza & Co. The appraisal surplus arisen on that revaluation aggregate to Rs. 225,892,372.

	2021	2020
	<-----Rupees----->	
Balance as at July 01	<b>331,665,425</b>	339,576,267
Surplus arising during the year	-	-
Less: Incremental depreciation on revalued assets for the year - net of tax	<b>(7,134,890)</b>	(7,910,842)
Balance as at June 30	<b>324,530,535</b>	331,665,425
Less: related deferred tax of:		
- balance as at July 01	<b>21,525,003</b>	23,819,147
- surplus arisen during the year	-	-
- incremental depreciation for the year	<b>(2,069,118)</b>	(2,294,144)
- effect of change in tax rate	-	-
	<b>19,455,885</b>	21,525,003
Balance as at June 30	<b>305,074,650</b>	310,140,422

**14.1** The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017

	Note	2021	2020
<-----Rupees----->			
<b>15 DEFERRED LIABILITIES</b>			
Staff retirement benefit	15.10	<b>9,081,328</b>	7,929,582
Deferred taxation	15.20	<b>17,306,712</b>	19,687,576
		<b>26,388,040</b>	27,617,158
<b>15.1 Staff retirement benefit</b>			
Defined benefit plan - (unfunded gratuity)	15.1.1.4	<b>9,081,328</b>	7,929,582
<b>15.1.1</b>	As stated in note 5.9, 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, 2021. The disclosures made in notes 15.1.2 to 15.1.12 are based on the information included in that actuarial report.		
<b>15.1.2 Principal actuarial assumptions</b>	The projected unit credit method using the following significant assumptions was used for this valuation:		
		<b>2021</b>	2020
- Discount rate - per annum compound		<b>10.00%</b>	8.50%
- Expected rate of increase in salaries - per annum		<b>9.00%</b>	7.50%
- Expected remaining working lifetime of members		<b>8 years</b>	8 years
- Average Duration of Liability		<b>6 years</b>	6 years
<b>15.1.3 Mortality Rate</b>			
- The rates assumed were based on		<b>SLIC (01-05) Mortality Table</b>	SLIC (01-05) Mortality Table
<b>15.1.4 Reconciliation of balance due to defined benefit plan</b>			
Present value of defined benefit obligation	15.1.5	<b>9,081,328</b>	7,929,582
Fair value of plan assets		-	-
Closing net liability		<b>9,081,328</b>	7,929,582
<b>15.1.5 Movement of the liability recognised on the statement of financial position.</b>			
Opening net liability		<b>7,929,582</b>	8,254,098
Charge for the year		<b>1,296,598</b>	1,691,785
Remeasurement chargeable to other comprehensive income		<b>141,648</b>	(768,601)
Benefits paid during the year		<b>(286,500)</b>	(1,247,700)
Closing net liability		<b>9,081,328</b>	7,929,582
<b>15.1.6 Movement in present value of defined benefit obligations</b>			
Opening present value of defined benefit obligations		<b>7,929,582</b>	8,254,098
Current service cost for the year	15.1.7	<b>634,760</b>	604,475
Interest cost		<b>661,838</b>	1,087,310
Net remeasurement loss/ (gain) on obligation	15.1.9	<b>141,648</b>	(768,601)
Benefits paid during the year		<b>(286,500)</b>	(1,247,700)
Closing present value of defined benefit obligations		<b>9,081,328</b>	7,929,582
<b>15.1.7 Charge for the year has been allocated as under:</b>			
Cost of sales		<b>559,817</b>	739,189
Administrative expenses		<b>736,781</b>	952,596
		<b>1,296,598</b>	1,691,785

**15.1.8** The following amounts have been recognised in the statement of profit or loss in respect of the defined benefit plan.

Current service cost	<b>634,760</b>	604,475
Net Interest cost	<b>661,838</b>	1,087,310
Expenses	<b>1,296,598</b>	1,691,785

**15.1.9 Remeasurement chargeable to other comprehensive income**

Actuarial (gain)/loss due to changes in demographic assumptions	-	-
Actuarial loss/ (gain) due to experience adjustments	<b>141,648</b>	(768,601)
Amount chargeable to other comprehensive income	<b>141,648</b>	(768,601)

**15.1.10 Expected future costs**

Expected future contributions for the year ending June 30, 2021 is Rs. 1.32 million.

**15.1.11** The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

	<b>Impact on defined benefit obligation</b>		
	Change in assumptions	Increase in assumption	Decrease in assumption
		<-----Rupees----->	
Discount rate	1%	8,555,127	7,415,294
Salary growth rate	1%	9,640,107	8,536,571

**15.1.12** 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 statement of financial position.

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

<b>Historical information</b>	2020	2019	2018	2017	2016	2015	2014
	-----Rupees-----						
Present value of defined benefit obligation	7,929,582	8,254,098	7,062,902	9,538,566	7,938,720	6,965,942	6,011,081
Experience adjustment on obligation	141,648	658,517	151,240	507,978	(12,964)	42,081	(1,226,920)

**15.1.13 Maturity Profile**

Time in year	<b>Rupees</b>
1	<b>1,072,635</b>
2	<b>970,775</b>
3	<b>1,333,905</b>
4	<b>809,213</b>
5	<b>1,063,038</b>
6-10	<b>43,500,708</b>
11 and above	<b>162,174,195</b>
Weighted average duration	<b>10.35 Years</b>

15.2	Deferred taxation	Note	2021	2020
			<-----Rupees----->	
	Revaluation surplus on property plant and equipment		<u>19,455,885</u>	<u>21,525,003</u>
	<b>Deferred tax liability arising on taxable temporary differences due to:</b>			
	Accelerated tax depreciation		<b>20,015,208</b>	22,062,065
	<b>Deferred tax assets arising on deductible temporary differences due to:</b>			
	Provision for gratuity		<b>(2,633,585)</b>	(2,299,579)
	Allowances for ECL		<b>(74,910)</b>	(74,910)
			<u><b>17,306,712</b></u>	<u>19,687,576</u>

15.2.1 The movement in temporary differences is as follows:

	Balance as at 01 July 2019	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 30 June 2020	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 30 June 2021
<b>Taxable temporary differences</b>							
Accelerated tax depreciation	23,388,282	(1,326,217)	-	22,062,065	(2,046,858)	-	20,015,208
Revaluation surplus on property plant and equipment	23,819,147	-	(2,294,144)	21,525,003	-	(2,069,118)	19,455,885
<b>Deductible temporary differences</b>							
Staff retirement benefit - Gratuity	(2,393,688)	(128,786)	222,894	(2,299,579)	(292,927)	(41,078)	(2,633,585)
Allowance for ECL	(74,910)	-	-	(74,910)	-	-	(74,910)
	<u>44,738,831</u>	<u>(1,455,003)</u>	<u>(2,071,250)</u>	<u>41,212,579</u>	<u>(2,339,786)</u>	<u>(2,110,196)</u>	<u>36,762,597</u>

## 16 TRADE AND OTHER PAYABLES

Accrued expenses		<b>871,147</b>	574,297
Other liabilities		<b>4,649</b>	4,950
Workers profit participation fund	16.10	<b>293,285</b>	178,274
Workers welfare fund	16.20	<b>617,053</b>	1,130,171
		<u><b>1,786,134</b></u>	<u>1,887,692</u>

### 16.1 Workers' Profit Participation Fund

Balance as at July 01	<b>178,274</b>	769,964
Expense recognised during the year	<b>293,285</b>	178,274
	<u><b>471,559</b></u>	948,238
Less: Payments during the year	<b>(178,274)</b>	(769,964)
Balance as at June 30	<u><b>293,285</b></u>	<u>178,274</u>

### 16.2 Workers' Welfare Fund

Balance as at July 01	<b>1,130,171</b>	899,282
Expense recognised during the year	<b>272,813</b>	230,889
	<u><b>1,402,984</b></u>	1,130,171
Less: Payments during the year	<b>(785,931)</b>	-
Balance as at June 30	<u><b>617,053</b></u>	<u>1,130,171</u>

## 17 UNCLAIMED DIVIDEND

Unclaimed dividend	17.1	<u><b>2,016,866</b></u>	<u>1,912,856</u>
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17.1. A separate bank account is maintained with a commercial bank for unclaimed dividend.

**18 CONTINGENCIES AND COMMITMENTS****18.1 CONTINGENCIES**

The management is defending these cases and there is no likelihood of losing the same. However, in case of unfavourable outcome, there is no material financial impact.

<b>S.NO.</b>	<b>WRIT PETITION</b>	<b>FORUM</b>	<b>ISSUE INVOLVED</b>	<b>STATUS</b>
1	447 of 2013	SHC	Appeal by Sindh Flour Milling Association against judgment passed by the Single bench of High Court in J.M Application No. 157 of 1995.	Pending
2	245/2018	Additional District / Session Judge X Karachi East	Appeal by Supplier for R.O. Plant against judgment passed by the Senior Civil / Asst. Session Judge II East.	Pending
3	003/2019	Senior Civil / Asst. Session Judge II Karachi East	Execution Application for Compensation of damages against Supplier for R.O. Plant judgment passed by the Senior Civil Judge East. In favour of the Company.	Pending

**18.2 COMMITMENTS**

There are no commitments as at reporting date (2020 : Nil)

	Note	2021	2020
		<-----Rupees----->	
<b>19</b>	<b>TURNOVER</b>		
Maida I		<b>341,108,278</b>	128,946,974
Maida II		<b>49,467,364</b>	23,908,541
Atta		<b>306,703,356</b>	285,026,284
Katta Packings		<b>341,533,657</b>	289,473,603
Bran		<b>155,743,026</b>	131,906,367
Refraction		<b>703,225</b>	495,700
		<b>1,195,258,906</b>	859,757,469
<b>20</b>	<b>COST OF SALES</b>		
Raw material consumed	20.1	<b>1,116,017,711</b>	789,809,939
Packing material consumed	20.2	<b>12,758,487</b>	11,306,886
Power charges		<b>27,395,243</b>	24,683,285
Salaries and benefits	20.3	<b>5,392,631</b>	5,369,397
Labor charges		<b>2,382,555</b>	2,447,309
Machinery repair and maintenance		<b>1,428,859</b>	2,372,127
Oil and lubricant		<b>91,992</b>	85,310
Depreciation	6.3	<b>8,249,484</b>	8,492,080
		<b>1,173,716,961</b>	844,566,332
Opening stock (Finished Goods)		<b>4,142,485</b>	376,050
Less: Closing stock (Finished Goods)		<b>(4,906,685)</b>	(4,142,485)
		<b>(764,200)</b>	(3,766,435)
		<b>1,172,952,761</b>	840,799,897
<b>20.1</b>	<b>Raw material consumed</b>		
Opening stock		<b>28,944,464</b>	1,229,187
Wheat purchases		<b>1,096,955,665</b>	817,525,216
Less: Closing stock		<b>(9,882,418)</b>	(28,944,464)
		<b>1,116,017,711</b>	789,809,939
<b>20.2</b>	<b>Packing material consumed</b>		
Opening stock		<b>2,966,371</b>	1,720,776
Purchases		<b>10,367,959</b>	12,552,481
Less: Closing stock		<b>(575,843)</b>	(2,966,371)
		<b>12,758,487</b>	11,306,886
<b>0.0</b>	This include Rs. 559,817 (2020: Rs. 739,189) in respect of staff retirement benefits.		
<b>21</b>	<b>ADMINISTRATIVE EXPENSES</b>		
Salaries and benefits	21.1	<b>12,279,722</b>	11,369,527
Printing and stationery		<b>294,067</b>	281,122
Fees and subscriptions		<b>798,561</b>	559,982
Rates and taxes		<b>332,248</b>	245,702
Telephone, internet & postage expenses		<b>182,413</b>	185,425
Conveyance expenses		<b>21,000</b>	13,600
Motor cycle expense		<b>172,125</b>	138,509
Entertainment		<b>35,414</b>	44,813
Repairs and maintenance		<b>428,106</b>	119,425
Water charges		<b>648,191</b>	1,156,432
Gas charges		<b>235,330</b>	239,810
Cleaning expenses		<b>12,500</b>	29,625
Auditors' remuneration	21.2	<b>594,000</b>	527,000
Miscellaneous expenses		<b>21,495</b>	16,849
Depreciation	6.3	<b>343,950</b>	365,113
		<b>16,399,122</b>	15,292,934
<b>21.1</b>	This include Rs. 736,781 (2020: Rs. 952,596) in respect of staff retirement benefits		

	Note	2021	2020
		<-----Rupees----->	
<b>21.2 AUDITORS' REMUNERATION</b>			
<b>Audit Services</b>			
Audit fee		325,000	324,000
Half yearly review		60,000	78,800
		<b>385,000</b>	402,800
<b>Non-audit service</b>			
Tax advisory services		165,000	124,200
Sale tax @ 8%		44,000	-
		<b>594,000</b>	527,000
<b>22 OTHER OPERATING EXPENSES</b>			
Workers Profit Participation Fund		293,285	178,274
Workers Welfare Fund		272,813	230,889
		<b>566,098</b>	409,163
<b>23 FINANCE COSTS</b>			
Bank charges		10,920	8,525
		<b>10,920</b>	8,525
<b>24 TAXATION</b>			
Current		3,876,672	3,280,930
Prior		-	294,683
Deferred	15.2.1	(2,339,786)	(1,455,003)
		<b>1,536,886</b>	2,120,610
<b>24.1 Reconciliation between tax expense and accounting profit</b>			
Accounting profit for the year		5,299,605	3,156,313
Tax at the applicable tax rate of 29%		1,536,885	915,331
Tax effect of amounts / expenses that are inadmissible for tax purpose		476,251	557,575
Tax effect of amounts / expenses that are admissible for tax purpose		(183,323)	(428,791)
Tax effect of depreciation allowance for tax purpose		2,046,858	2,236,815
Effect of deferred tax		(2,339,786)	(1,455,003)
Effect of prior year tax charge		-	294,683
		<b>1,536,886</b>	2,120,610
<b>24.2 Tax expense on items recognized in other comprehensive income</b>			
Remeasurements of defined benefit liability		41,078	(222,894)
<b>24.3 Management assessment on sufficiency of provision for income taxes</b>			

As per management's assessment, sufficient tax provision has been made on the company's financial statements. The comparison of tax provision as per financial statements viz-a-viz tax assessment for the last three years is as follows;

	2020	2019	2018	2017
	-----Rupees-----			
Provision as per financial statements	3,280,930	3,678,912	4,353,348	2,224,344
Tax assessment	3,030,116	3,679,181	4,351,491	2,215,735
Difference	(250,814)	(269)	1,857	8,609

	2021	2020
	<-----Rupees----->	
<b>25 EARNING PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation	<u>3,762,718</u>	<u>1,035,703</u>
	( Number of shares )	
Weighted average number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>
	<-----Rupees----->	
Earnings per share - basic	<u>12.54</u>	<u>3.45</u>

**25.1** There are no dilutive potential ordinary shares outstanding as at June 30, 2021 and 2020.

**26 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES**

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	-----Rupees-----			-----Rupees-----		
Meeting fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-
Basic Salary	-	-	-	-	-	-
House rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Conveyance	-	-	-	-	-	-
Staff retirement benefit	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	-	-	-	-	-
Number of person	<u>1</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>8</u>	<u>-</u>

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

**27 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows.

			2021	2020
			<-----Rupees----->	
Related Party	Relationship	Nature of transaction		
<b>Transactions during the year;</b>				
Staff retirement benefit	Other related party	Charge for the year	<u>1,296,598</u>	<u>1,691,785</u>
		Benefits paid	<u>286,500</u>	<u>1,247,700</u>
		Remeasurement loss/(gain)	<u>141,648</u>	<u>(768,601)</u>
<b>Balance at the year end;</b>				
Staff retirement benefit	Other related party	Balance payable	<u>9,081,328</u>	<u>7,929,582</u>

**28 FINANCIAL INSTRUMENTS BY CATEGORY**

	2021	2020
	<-----Rupees----->	
<b>Financial assets</b>		
<b>At amortized cost</b>		
Long term security deposits	<u>362,782</u>	362,782
Trade debts	<u>27,750,466</u>	9,164,035
Advances, deposits and other receivables	<u>585,392</u>	585,392
Cash and bank balances	<u>12,886,985</u>	9,041,179
	<u>41,585,625</u>	<u>19,153,388</u>
<b>Financial liabilities</b>		
<b>At amortized cost</b>		
Trade and other payables	<u>1,786,134</u>	1,887,692
Unclaimed dividend	<u>2,016,866</u>	1,912,856
	<u>3,803,000</u>	<u>3,800,547</u>

## 29 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risk, market risk, credit risk and liquidity risk. The company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earning volatility and provide maximum return to shareholders

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The board is also responsible for developing and monitoring the Company's risk management policies.

### 29.1 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

### 29.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. As at June 30, 2021, the company is not exposed to currency risk.

### 29.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and Short term borrowings from financial institutions. As at June 30, 2021, the interest rate risk profile of the Company's doesn't have any interest-bearing financial instrument.

### 29.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2021 the Company is not exposed to price risk.

### 29.5. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single customer.

Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

		2021	2020
	Note	<-----Rupees----->	
Trade debts	30.1.1	27,750,466	9,164,035
Long term deposits		362,782	362,782
Advance, deposits and other receivables		585,392	585,392
Bank balances		12,886,985	9,041,179
		<u>41,585,625</u>	<u>19,153,388</u>

**29.5.1** Set out below is the information about the credit risk exposure on the Company's trade debts

	<b>Trade debts</b>	
	<-----Rupees----->	
	<b>June 30, 2021</b>	June 30, 2020
30 days	<b>16,650,280</b>	5,645,664
31 to 90 days	<b>8,880,149</b>	3,006,469
91 to 180 days	<b>2,220,037</b>	511,902
180 days to 1 year	-	-
Over 1 year	-	-
	<b><u>27,750,466</u></b>	<b><u>9,164,035</u></b>

Concentration of credit risks exists when changes on economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant on relation to the company's total credit exposure . The company's financial assets are broadly diversified and transactions are entered into with diverse credit worthy parties, thereby mitigating any significant concentration risk. Therefore, the company believes that it is not exposed to major concentration of credit risk.

However, impairment analysis is always performed as each reporting date using a provision matrix to measure expected credit losses. Generally trade debtors are written off if past due for more than one year and are not subject to enforcement activity.

Other financial assets at amortised cost includes advances, deposits and other receivables

The credit quality of balances with banks can be assessed by reference to external credit ratings as shown below:

Bank	Rating agency	Short-term Rating	2021	2020
----- ( Rupees ) -----				
United Bank Limited	JCR-VIS	A1+	638,675	2,694,065
Bank Al Falah	PACRA	A1+	2,971,348	1,259,151
Bank Al-Habib Limited	PACRA	A1+	6,951,072	2,686,762
Habib Metro Bank	PACRA	A1+	903,524	287,197
MCB Bank Limited	PACRA	A-1+	725,990	1,642,428
			<b><u>12,190,609</u></b>	<b><u>8,569,603</u></b>

**29.6. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

2021	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Staff retirement gratuity	-	-	-	<b>9,081,328</b>	<b>9,081,328</b>
Trade and other payables	<b>2,023,272</b>	-	-	-	<b>2,023,272</b>
Unclaimed dividend	<b>2,016,866</b>	-	-	-	<b>2,016,866</b>
Total	<b><u>4,040,138</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,081,328</u></b>	<b><u>13,121,466</u></b>
2020	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
Staff retirement gratuity	-	-	-	7,929,582	7,929,582
Trade and other payables	1,887,692	-	-	-	1,887,692
Unclaimed dividend	1,912,856	-	-	-	1,912,856
Total	<b><u>3,800,548</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,929,582</u></b>	<b><u>11,730,130</u></b>

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes Short term finances.

### 30 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

#### Fair value hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June, 2021, the company has no financial instruments that falls into any of the above category. There were no transfer between level 1, 2 and 3 in the year.

### 31 CAPITAL RISK MANAGEMENT

The objective of the company when managing capital i-e its shareholder's equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The company manage its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions consistent with others in the industry. The company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.

As at June 30, 2021 and 2020, the company had surplus reserves to meet its requirements.

### 32 ENTITY-WIDE INFORMATION

**32.1** The Company constitutes of a single reportable segment.

#### **32.2 Information about products**

The Company's principal classes of products accounted for the following percentages of sales:

	2021	2020
	Percentage	
Maida I	29%	15%
Maida II	4%	3%
Atta	26%	33%
Katta Packings	29%	34%
Bran	13%	15%
Refraction	0%	0%
	<b>100%</b>	<b>100%</b>

#### **32.3 Information about geographical areas**

The Company does not hold non-current assets in any foreign country. Revenues from external customers attributed to foreign countries in aggregate are not material in the overall context of these financial statements.

#### **32.4 Information about major customers**

The Company does not have transactions with any external customer which amount to 10 percent or more of its revenues.

**33. 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	2021	2020
	<----- Kgs ----->	
Maida I	<b>4,562,850</b>	2,572,300
Maida II	<b>780,350</b>	522,000
Atta	<b>5,575,100</b>	6,850,600
Katta - Polythene bags	<b>6,591,030</b>	6,856,300
Bran	<b>4,504,762</b>	4,503,062
Refraction - by product	<b>79,860</b>	75,510
	<b><u>22,093,952</u></b>	<b><u>21,379,772</u></b>

The production increased by about 714.18 M.T during the year 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.

**34. Impact of COVID-19**

In the light of ongoing COVID-19 pandemic, the company has review its exposure to business risk and has not identified any risk that could materially impact the financial performance or position of the company. Consequently, there was no significant impact of COVID-19 pandemic on the company's operations or recognition and measurement of assets and liabilities during the year ended June 30, 2021.

2021	2020
<----- Number ----->	

**35. NUMBER OF EMPLOYEES**

Number of employees at the year end	<b>41</b>	41
Average number of employees during the year	<b>41</b>	41
Number of employees working in Company's factory at the year end	<b>14</b>	14
Average number of employees working in Company's factory during the year	<b>14</b>	14

**36. NON-ADJUSTING EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION**

The Board of Director have proposed a final dividend for the year ended June 30, 2021 for Rs. 3.00 (2020: Rs: 3.30) per ordinary share, amounting to Rs. 900,000 (2020: Rs. 990,000/-) at their meeting held on September 17, 2021. 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, 2021.

**37. CORRESPONDING FIGURES**

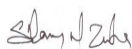
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation. No major reclassification was made during the year.

**38. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements were approved and authorized for issue on **17th September, 2021** by the Board of directors of the company.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**GOODLUCK INDUSTRIES LIMITED**

**PATTERN OF SHARE HOLDING  
as at 30th June 2021**

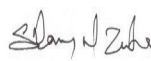
Number of Shareholders	Share holding		Total Shares held
	From	To	
25	1	100	1,730
19	101	500	5,855
8	501	1,000	6,900
13	1,001	5,000	23,489
7	5,001	10,000	57,500
3	10,001	15,000	35,639
2	15,001	20,000	34,937
0	20,001	25,000	-
1	25,001	30,000	-
2	30,001	60,000	133,950
<b>80</b>			<b>300,000</b>

Categories of share holders	Number	Share held	Percentage
<b><u>Associated Companies Undertakings and related parties</u></b>		0	0
<b><u>NIT and ICP</u></b>	1	50	0.02
<b><u>Directors, CEO, &amp; their Spouse and Minor Children</u></b>	8		
Ashfaq		16,000	5.33
Muhammad Usman		8,000	2.67
Fahad		6,400	2.13
Shamshul-Haque		37,250	12.42
Shamsul-Zuha		36,700	12.23
Naveen Shams		400	0.13
Zahida		1,500	0.50
Afsheen Ashfaq		10,000	3.33

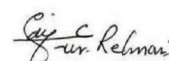
Categories of share holders	Number	Share held	Percentage
<b><u>Public Sector Companies and Corporations</u></b>		0	
<b><u>Bank, Development Finance/Institution Non-Banking Finance Institution Insurance Companies, Modarbas and Mutual Funds</u></b>		0	
<b><u>Share holding 10 percent or more voting interest in the Company</u></b>			
<b><u>Individuals</u></b>			
Holding more than 10%	1	60,000	20
Holding less than 10%	70	123,700	41.23
	<b>80</b>	<b>300,000</b>	<b>100.00</b>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# Form of Proxy

51st Annual General Meeting

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

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

(being member of the company) as my/our proxy to attend, act vote for me/us and on my/our behalf at the  
51st Annual General Meeting of the Company to be held on October 16, 2021 and/or any adjournment  
thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

## Witnesses:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_
  
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_

## NOTES:

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

# فارم برائے نمائندگی

اکیانواں سالانہ اجلاس

کمپنی سیکریٹری

گڈ لک انڈسٹریز لمیٹڈ

S-49/A، سائٹ، ماڈرن پور روڈ

کراچی۔ پاکستان

میں / ہم بحیثیت گڈ لک انڈسٹریز لمیٹڈ کے رکن (اراکین)۔۔۔۔۔ آرڈینری شیئرفولیو نمبر۔۔۔۔۔ بمطابق

سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔ اپنی جانب سے مسٹر / مسز / ماس کو تقرر / درخواست کرتا ہوں۔ ان کا مکمل پتہ۔۔۔۔۔

بحیثیت رکن کمپنی میری / ہماری طرف سے کمپنی کے اکیانواں سالانہ اجلاس میں شرکت اور ووٹ دینے کے اہل ہے / ہیں جو کہ 16 اکتوبر 2021 کو منعقد ہوگا یا التوا کی صورت میں (بعد میں) میری یا ہماری جانب سے اہل ہے / ہوں گے۔

دستخط۔۔۔۔۔ بروز / تاریخ۔۔۔۔۔ 2021

گواہان:

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

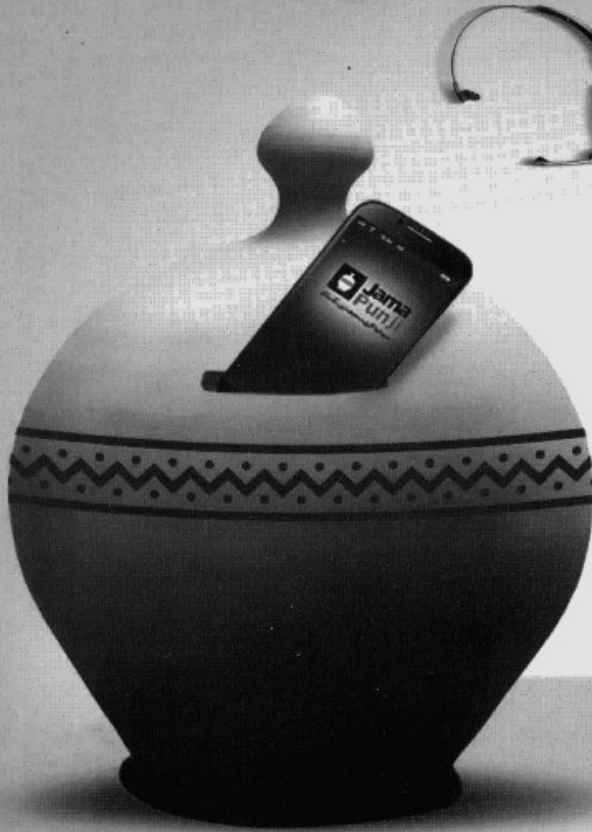
ہدایات:

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

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Fax: +92 21 32358685 Email: [goodluckindltd@live.com](mailto:goodluckindltd@live.com) Web: [www.goodluckind.com](http://www.goodluckind.com)