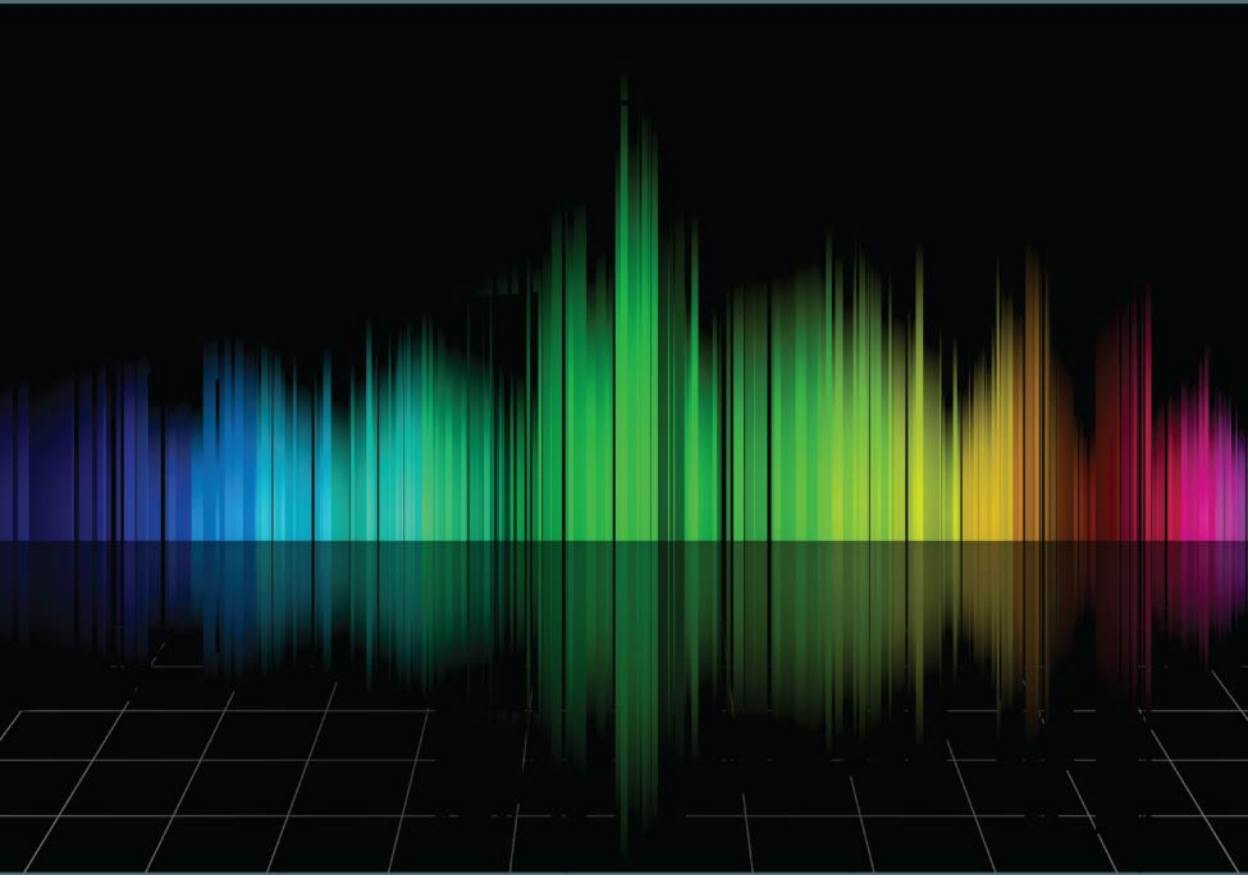




FIRST TREET MANUFACTURING MODARABA



## Half Yearly Financial Statement

JULY - DECEMBER  
2012 - 2013

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## Corporate Information

<b>Principal Place of Business</b>	72-B, Kot Lakhpat, Industrial Area, Lahore Ph: 042- 35830881, 35156567 Fax: 042-35114127, 35215825 E-mail: info@treetonline.com Homepage: www.packsol.com.pk
<b>Modaraba Company and Registered Office</b>	Global Econo Trade (Private) Limited 72-B, Kot Lakhpat, Industrial Area, Lahore
<b>Packaging Solutions - Plant Location</b>	Kacha Tiba Rohi Nala, 22-KM, Ferozepur Road, Lahore
<b>Paper &amp; Board Mill - Plant Location</b>	31-KM Lahore Sheikhpura Road
<b>Soap – Plant Location</b>	Ghakkar [ Leased Facility ]
<b>Chief Executive Officer / Director</b>	Syed Shahid Ali
<b>Directors</b>	Syed Sheharyar Ali Muhammad Shafique Anjum Shahid Zia
<b>Auditors of the Modaraba</b>	KPMG Taseer Hadi & Co. Chartered Accountants
<b>Auditors of the Modaraba Company</b>	Hyder Bhimji & Company Chartered Accountants
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>● Muhammad Shafique Anjum - Chairman</li> <li>● Syed Shahid Ali - Member</li> <li>● Shahid Zia - Member</li> </ul>
<b>Share Registrar</b>	Scarlet I.T. Systems (Private) Limited 24-Ferozepur Road, Lahore Phone: (042) 37087113, 37570202 Fax: (042) 37570303 E-mail: treet@scarletsystem.com
<b>Legal Advisors</b>	Saleem & Baig - Advocates
<b>Shariah Advisor</b>	Mufti Iftikhar Baig
<b>Bankers to the Modaraba</b>	<ol style="list-style-type: none"> <li>1. Allied Bank Limited</li> <li>2. BankIslami Pakistan Limited</li> <li>3. Bank Alfalah Limited</li> <li>4. Barclays Bank PLC, Pakistan</li> <li>5. Dubai Islamic Bank Pakistan Limited</li> <li>6. Faysal Bank Limited</li> <li>7. Habib Bank Limited</li> <li>8. MCB Bank Limited</li> <li>9. NIB Bank Limited</li> <li>10. United Bank Limited</li> </ol>
<b>Chief Accountant – Modaraba Company</b>	Sohail Habib
<b>Chief Accountant – Modaraba</b>	Sajjad Haider Khan
<b>Company Secretary</b>	Ayaz Ahmed

## Directors' Report

Board of Directors of Global Econo Trade (Private) Limited (GET), the Management Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present financial statements (limited reviewed by the statutory auditors) for the 1st half ending on December 31, 2012.

### Financial Results

Rs. in 000'	2012-2013	2011-2012
Net Sales	1,034,652	1,157,097
Gross Profit	121,836	142,864
Net Profit	58,623	110,177
Profit per Certificate	0.45	1.38
Transfer to Statutory Reserve	Nil	Nil
Book Value per Certificate	11.11	11.66

### Segment-Wise Sales:

Reporting in FTMM		2012-2013			
Rs. in 000'	Soap	Corrugation	Paper & Board	Total	
Sales	307,951	637,437	89,264	1,034,652	
Inter-Segment Sales	-	33,946	186,626	220,572	
	307,951	671,383	275,890	1,255,224	

2011- 2012				
Rs. in 000'	Soap	Corrugation	Paper & Board	Total
Sales	426,727	601,564	128,806	1,157,097
Inter-Segment Sales	-	31,639	144,767	176,406
	426,727	633,203	273,573	1,333,503
Sales Growth %	(27.83)%	6.03%	0.85%	(5.87)%

### Margins are generally increased across the board despite of the following:

- Main reason for reduction in net profitability is due to decline in soap sales. However, sales & marketing stratagem is being revamped to boost-up sales in coming months;
- Moreover, increase in power tariffs and expensive in-house power generations is constant clog on the margins, particularly in the paper & board industry;

Management of your Modaraba is confident to maintain these margins in the coming months because of better sales stratagem, price rationalization and raw material sourcing.

**Interim Dividend**

The Directors of your Modaraba has declared interim dividend @Rs. 0.30 per certificate (i.e. 3%) on December 14, 2012 on the basis of quarterly results. The entitlement date for the said dividend was January 04, 2013. Dividend warrants were dispatched on January 09, 2013.

**Acknowledgement**

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Lahore Stock Exchange (Guarantee) Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks to our certificate-holders for the trust and confidence reposed in us.

For and on behalf of the Board



**Syed Shahid Ali**  
**Chief Executive Officer**

**LAHORE:**  
February 27, 2013

## Independent Auditors Report on Review of Condensed Interim Financial Information to the Members

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of First Treet Manufacturing Modaraba (“the Modaraba”) as at 31 December 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as “condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

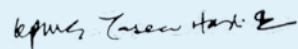
We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 31 December 2012 and 31 December 2011 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

**LAHORE:**  
February 27, 2013



**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**(Farid Uddin Ahmed)**


## Condensed Interim Balance Sheet

As at December 31, 2012 (Un-audited)

	Note	December 31, 2012 Un-audited (Rupees in thousand)	June 30, 2012 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	381,460	322,813
Long term deposits and prepayments		27,964	29,001
		409,424	351,814
<b>Current assets</b>			
Stores and spares		76,177	74,322
Stock-in-trade	6	443,943	433,749
Trade debts		337,692	245,645
Short term investments		15,926	-
Advances, deposits, prepayments and other receivables		82,417	129,528
Tax refunds due from the Government		64,476	62,934
Cash and bank balances		152,682	367,208
		1,173,313	1,313,386
<b>Total assets</b>		<b>1,582,737</b>	<b>1,665,200</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Certificate capital and reserves</b>			
Authorized certificate capital			
150,000,000 (2011: 150,000,000) modaraba certificates of Rs. 10 each		1,500,000	1,500,000
Issued, subscribed and paid-up capital		1,304,000	800,000
Certificate deposit money		-	504,000
Statutory reserve		179,960	179,960
Accumulated profit		4,749	30,886
Certificate-holders' equity		1,488,709	1,514,846
<b>Non-current liabilities</b>			
Long term deposit		234	-
<b>Current liabilities</b>			
Trade and other payables		93,794	150,354
<b>Contingencies and commitments</b>			
	7		
<b>Total Equity and liabilities</b>		<b>1,582,737</b>	<b>1,665,200</b>

The annexed notes 1 to 14 form an integral part of these un-audited condensed interim financial information.

LAHORE:  
February 27, 2013

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director


## Condensed Interim Profit and Loss Account

For the period ended December 31, 2012 (Un-audited)

	Note	For the half year ended		For the quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
----- (Rupees in thousand) -----					
Sales - net	8	1,034,652	1,157,097	536,422	606,734
Cost of goods sold	9	(912,816)	(1,014,233)	(459,153)	(528,785)
<b>Gross profit</b>		121,836	142,864	77,269	77,949
Administration expenses		(8,517)	(5,519)	(3,971)	(3,154)
Distribution expenses		(61,692)	(28,128)	(44,597)	(13,964)
		(70,209)	(33,647)	(48,568)	(17,118)
<b>Operating profit</b>		51,627	109,217	28,701	60,831
Finance cost		(269)	(562)	(164)	(254)
Other operating income		7,265	1,522	2,790	515
<b>Net profit for the period</b>		58,623	110,177	31,327	61,092
Earnings per modaraba certificate - basic and diluted	(Rupees)	0.45	1.38	0.39	0.76

The annexed notes 1 to 14 form an integral part of these un-audited condensed interim financial information.

LAHORE:  
February 27, 2013

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director



## Condensed Interim Statement of Comprehensive Income

For the period ended December 31, 2012 (Un-audited)

	For the half year ended		For the quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Rupees in thousand) -----			
<b>Profit for the period</b>	58,623	110,177	31,327	61,092
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	58,623	110,177	31,327	61,092

The annexed notes 1 to 14 form an integral part of these un-audited condensed interim financial information.

LAHORE:  
February 27, 2013



**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director


## Condensed Interim Cash Flow Statement

For the period ended December 31, 2012 (Un-audited)

	December 31, 2012	December 31, 2011
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation	58,623	110,177
<b>Adjustment for non-cash and other items:</b>		
Depreciation	14,452	14,131
Finance cost	269	562
Other operating income	(2,317)	-
	12,404	14,693
<b>Operating profit before working capital changes</b>	71,027	124,870
<b>(Increase) / decrease in current assets:</b>		
Stores and spares	(1,855)	(2,840)
Stock-in-trade	(10,194)	(3,685)
Trade debts	(92,047)	(181,833)
Advances, deposits, prepayments and other receivables	47,111	17,386
Tax refunds due from the Government	(1,542)	29,795
	(58,527)	(141,177)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	(56,560)	26,436
Cash generated from operations	(44,060)	10,129
Finance cost paid	(269)	(562)
(Increase) / decrease in long term deposits and prepayments	1,037	(6,542)
<b>Net cash used in operating activities</b>	(43,292)	3,025
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(73,099)	(8,040)
Investment made	(75,000)	-
Proceeds from sale of investments	61,391	-
<b>Net cash used in investing activities</b>	(86,708)	(8,040)
<b>Cash flow from financing activities</b>		
Dividend paid	(84,760)	(55,520)
Long term deposit	234	-
Due to Modaraba Company	-	52,798
<b>Net cash used in financing activities</b>	(84,526)	(2,722)
<b>Net decrease in cash and cash equivalents</b>	(214,526)	(7,737)
<b>Cash and cash equivalents at beginning of the period</b>	367,208	58,762
<b>Cash and cash equivalents at end of the period</b>	152,682	51,025

The annexed notes 1 to 14 form an integral part of these un-audited condensed interim financial information.

LAHORE:  
February 27, 2013

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

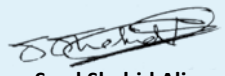
## Condensed Interim Statement of Changes in Equity

For the period ended December 31, 2012 (Un-audited)

	Certificate Capital	Certificate deposit money	Statutory Reserve	Accumulated Profit / (Loss)	Total
..... (Rupees in thousand) .....					
<b>Balance as at 01 July 2011</b>	800,000	-	85,872	(7,683)	878,189
Final cash dividend @ 6.94% for the year ended 30 June 2011	-	-	-	(55,520)	(55,520)
Total comprehensive income for the period	-	-	-	110,177	110,177
<b>Balance as at 31 December 2011</b>	800,000	-	85,872	46,974	932,846
Total comprehensive income for the period	-	-	-	78,000	78,000
Certificate capital subscription	-	504,000	-	-	504,000
Transfer to statutory reserve	-	-	94,088	(94,088)	-
<b>Balance as at 30 June 2012</b>	800,000	504,000	179,960	30,886	1,514,846
Certificate capital issued	504,000	(504,000)	-	-	-
Total comprehensive income for the period	-	-	-	58,623	58,623
Final cash dividend @ 6.5% for the year ended 30 June 2012	-	-	-	(84,760)	(84,760)
<b>Balance as at 31 December 2012</b>	1,304,000	-	179,960	4,749	1,488,709

The annexed notes 1 to 14 form an integral part of these un-audited condensed interim financial information.

LAHORE:  
February 27, 2013

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director

# Notes to the Condensed Interim Financial Information

## For the period ended December 31, 2012 (Un-audited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

First Treet Manufacturing Modaraba ("the Modaraba") is a multi-purpose, perpetual and multi-dimensional Modaraba formed on 27 July, 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Global Econo Trade (Private) Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on the Lahore Stock Exchange (Guarantee) Limited. The Modaraba is engaged in the sale of corrugated boxes, paper and soap.

### 2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). The disclosures in the condensed interim financial information do not include all the information reported in annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2012.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2012.

### 4. ESTIMATES

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements for the year ended 30 June 2012.

	Note	December 31, 2012 (Rupees in thousand)	June 30, 2012
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	337,873	283,070
Capital work-in-progress		43,587	39,743
		381,460	322,813
<b>5.1 Operating fixed assets</b>			
<b>Opening balance - net book value</b>		283,070	307,875
Additions during the period / year		69,255	3,641
Depreciation charged during the period / year	5.1.2	(14,452)	(28,446)
<b>Closing balance - net book value</b>		337,873	283,070

5.1.2 The depreciation charge for the period / year has been allocated to cost of goods sold as under :

	Note	December 31, 2012 (Rupees in thousand)	June 30, 2012
Packaging Solutions - Corrugated boxes	9.1	6,613	12,953
Paper and Board Mill - Paper	9.2	6,485	12,815
Soap	9.3	1,354	2,678
		14,452	28,446
<b>6. STOCK-IN-TRADE</b>			
Raw material and chemicals			
- in hand		298,018	294,248
- in transit		19,784	36,334
Packing material		24,690	23,037
Work-in-process		44,987	38,148
Finished goods		56,464	41,982
		443,943	433,749

#### 7. CONTINGENCIES AND COMMITMENTS

- a) There is no material change in contingencies since the last audited published financial statements.
- b) Outstanding letters of credit as at 31 December 2012 amounted to Rs. 72.832 million (June 2012: Rs 68.705 million).

	Note	For the half year ended		For the quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		----- (Rupees in thousand) -----			
<b>8. SALES - NET</b>					
Packaging Solutions					
- Corrugated boxes	8.1	671,383	633,203	342,695	328,191
Paper and Board Mill - Paper	8.2	275,890	273,573	140,382	144,049
Soap	8.3	307,951	426,727	173,145	236,088
Total sales for reportable segments		1,255,224	1,333,503	656,222	708,328
Elimination of inter - segment sales		(220,572)	(176,406)	(119,800)	(101,594)
		1,034,652	1,157,097	536,422	606,734
<b>8.1 Packaging Solutions - Corrugated boxes</b>					
Local Sales					
External customers		736,369	688,740	375,286	360,042
Inter-segment		33,946	31,639	17,292	15,372
Associated undertaking					
- Treet Corporation Limited		1,385	3,573	1,344	1,808
		771,700	723,952	393,922	377,222
Less - Sales tax		(100,317)	(90,749)	(51,227)	(49,031)
		671,383	633,203	342,695	328,191

Note	For the half year ended		For the quarter ended		
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
	(Rupees in thousand)				
<b>8.2 Paper and Board Mill - Paper</b>					
Local sales					
External customers	103,051	148,263	43,439	65,930	
Inter-segment	186,626	144,767	102,508	86,222	
	289,677	293,030	145,947	152,152	
Less - Sales tax	(13,787)	(19,457)	(5,565)	(8,103)	
	275,890	273,573	140,382	144,049	
<b>8.3 Soap</b>					
Local Sales					
External customers	369,036	101,951	205,568	99,259	
Modarba company - Global Econo Trade (Private) Limited	-	411,918	-	184,811	
	369,036	513,869	205,568	284,070	
Less - Sales tax	(61,085)	(87,142)	(32,423)	(47,982)	
	307,951	426,727	173,145	236,088	
<b>9. COST OF GOODS SOLD</b>					
Packaging Solutions - Corrugated boxes	9.1	599,046	572,064	306,170	294,954
Paper and Board Mill - Paper	9.2	266,420	261,428	134,400	135,343
Soap	9.3	267,922	357,147	138,383	200,082
Total Cost of sales of reportable segments		1,133,388	1,190,639	578,953	630,379
Elimination of inter-segment purchases		(220,572)	(176,406)	(119,800)	(101,594)
		912,816	1,014,233	459,153	528,785
<b>9.1 Cost of goods sold - Packing Solutions</b>					
Opening stock		217,508	147,010	212,608	141,511
Add: Purchases					
Inter-segment		186,626	144,767	102,508	86,222
Others		349,959	392,830	185,748	222,668
		536,585	537,597	288,256	308,890
Less : Closing stock		(248,793)	(211,175)	(248,793)	(211,175)
Raw material consumed		505,300	473,432	252,071	239,226
Stores and spares consumed		14,354	16,852	7,026	9,666
Salaries, wages and other benefits		40,583	35,865	23,200	19,535
Fuel and power		21,937	25,580	10,829	13,362
Depreciation		6,613	6,484	3,308	3,242
Other expenses		16,234	16,582	8,594	10,414
		605,021	574,795	305,028	295,445
<b>Work-in-process</b>					
Add: Opening stock		3,044	3,575	5,154	5,746
Less: Closing stock		(6,752)	(3,668)	(6,752)	(3,668)
		(3,708)	(93)	(1,598)	2,078
		601,313	574,702	303,430	297,523
<b>Finished goods</b>					
Add: Opening stock		8,205	7,712	13,212	7,781
Less: Closing stock		(10,472)	(10,350)	(10,472)	(10,350)
		(2,267)	(2,638)	2,740	(2,569)
		599,046	572,064	306,170	294,954

	For the half year ended		For the quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
----- (Rupees in thousand) -----				
<b>9.2 Cost of goods sold - Paper and Board Mill</b>				
Opening stock	24,252	42,412	19,269	26,828
Add : Purchases				
Inter-segment	28,382	31,381	14,596	15,372
Others	113,064	101,513	59,188	58,103
	141,446	132,894	73,784	73,475
Less : Closing stock	(16,947)	(17,588)	(16,947)	(17,588)
Raw material consumed	148,751	157,718	76,106	82,715
Stores and spares consumed	9,816	8,447	6,582	4,051
Salaries, wages and other benefits	22,204	20,645	11,486	11,172
Fuel and power	64,630	61,685	32,015	33,051
Depreciation	6,485	6,423	3,244	3,212
Other expenses	10,539	10,327	5,448	5,407
	262,425	265,245	134,881	139,608
<b>Work-in-process</b>				
Add: Opening stock	191	-	296	-
Less: Closing stock	(288)	(318)	(288)	(318)
	(97)	(318)	8	(318)
	262,328	264,927	134,889	139,290
<b>Finished goods</b>				
Add: Opening stock	9,214	6,688	4,633	6,240
Less: Closing stock	(5,122)	(10,187)	(5,122)	(10,187)
	4,092	(3,499)	(489)	(3,947)
	266,420	261,428	134,400	135,343
<b>9.3 Cost of goods sold - Soap</b>				
Opening stock	75,527	55,918	82,101	76,833
Add : Purchases				
Inter-segment	5,564	258	2,696	-
Others	213,216	334,175	99,819	165,544
	218,780	334,433	102,515	165,544
Less : Closing stock	(56,968)	(48,763)	(56,968)	(48,763)
Raw material consumed	237,339	341,588	127,648	193,614
Stores and spares consumed	2,786	3,216	1,391	1,926
Salaries, wages and other benefits	16,152	10,301	6,578	5,433
Fuel and power	18,642	15,803	7,967	10,766
Plant rental	4,199	3,888	2,099	1,944
Depreciation	1,354	1,224	918	612
Other expenses	4,380	5,489	2,305	3,248
	284,852	381,509	148,906	217,543
<b>Work-in-process</b>				
Add: Opening stock	34,913	14,682	32,163	31,688
Less: Closing stock	(37,947)	(42,487)	(37,947)	(42,487)
	(3,034)	(27,805)	(5,784)	(10,799)
	281,818	353,704	143,122	206,744
<b>Finished goods</b>				
Add: Opening stock	24,563	18,827	33,720	8,722
Add: Purchases	2,411	-	2,411	-
Less: Closing stock	(40,870)	(15,384)	(40,870)	(15,384)
	(13,896)	3,443	(4,739)	(6,662)
	267,922	357,147	138,383	200,082

## 10. BUSINESS SEGMENTS

As at 31 December 2012 the Modaraba is engaged into three main business segments.

- (i) Manufacture and sale of Corrugated boxes
- (ii) Manufacture and sale of Paper & board and;
- (iii) Manufacture and sale of soaps

	Packaging solution Corrugated Boxes		Paper & board Mill - Paper		Soaps		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	(------Rupees in thousand-----)							
Sales: Inter-segment	33,946	31,639	186,626	144,767	-	-	220,572	176,406
Others	737,754	692,313	103,051	148,263	369,036	513,869	1,209,841	1,354,445
	771,700	723,952	289,677	293,030	369,036	513,869	1,430,413	1,530,851
Less: Sales tax	(100,317)	(90,749)	(13,787)	(19,457)	(61,085)	(87,142)	(175,189)	(197,348)
Excise duty	-	-	-	-	-	-	-	-
Trade discount	-	-	-	-	-	-	-	-
	(100,317)	(90,749)	(13,787)	(19,457)	(61,085)	(87,142)	(175,189)	(197,348)
<b>Net sales</b>	<b>671,383</b>	<b>633,203</b>	<b>275,890</b>	<b>273,573</b>	<b>307,951</b>	<b>426,727</b>	<b>1,255,224</b>	<b>1,333,503</b>
<b>Cost of sales</b>	<b>599,046</b>	<b>572,064</b>	<b>266,420</b>	<b>261,428</b>	<b>267,922</b>	<b>357,147</b>	<b>1,133,388</b>	<b>1,190,639</b>
<b>Gross profit</b>	<b>72,337</b>	<b>61,139</b>	<b>9,470</b>	<b>12,145</b>	<b>40,029</b>	<b>69,580</b>	<b>121,836</b>	<b>142,864</b>
Administrative expenses	5,773	4,612	662	542	2,082	365	8,517	5,519
Distribution expenses	32,425	27,565	878	521	28,389	42	61,692	28,128
	38,198	32,177	1,540	1,063	30,471	407	70,209	33,647
<b>Operating profit</b>	<b>34,139</b>	<b>28,962</b>	<b>7,930</b>	<b>11,082</b>	<b>9,558</b>	<b>69,173</b>	<b>51,627</b>	<b>109,217</b>
Finance cost							(269)	(562)
Other operating income							7,265	1,522
<b>Net profit for the period</b>							<b>58,623</b>	<b>110,177</b>

**10.1** There is no material change in basis of segmentation of total assets from the amounts disclosed in the last annual financial statements;

## 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated undertakings, other related group companies, directors of the Modaraba and key management personnel. The Modaraba in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Name of parties	Nature of relationship	Nature and description of related parties transaction	For the half year ended		For the quarter ended	
			31 December 2012	31 December 2011	31 December 2012	31 December 2011
(------Rupees in thousand-----)						
Treet Corporation Limited	Holding Company	Sale of goods	1,385	3,080	1,344	1,558
Global Econo Trade (Private) Limited	Modaraba Company	Sale of goods	2,411	341,317	-	153,117
TCL Labor-Hire (Private) Limited	Associated undertaking	Purchase of services	68,364	52,111	26,863	26,915
Packages Limited	Associated undertaking	Purchase of goods	34,503	34,086	21,106	20,321



**12. DATE OF AUTHORIZATION FOR ISSUE**

These un-audited condensed interim financial statements were authorized for issue by the Board of Directors on February 27, 2013.

**13. DIVIDEND**

The Board of Directors in their meeting held on 14 December 2012 have proposed an interim cash dividend of Rs. 0.3 per certificate for the first quarter ended 30 September 2012 amounting to Rs. 39.12 million. Transfer received at the office of the certificate registrar of the Modaraba at the office of the share registrar of the Modaraba at the close of business on 04 January 2013 was treated in time for the purpose of above entitlement to the transferees. These financial statements do not reflect this dividend.

**14. GENERAL**

- 14.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2** Corresponding figures have been re-arranged or reclassified wherever necessary, for the purposes of comparison. However, no significant re-arrangements or re-classification have been made.
- 14.3** All figures, except for 30 June 2012 figures, appearing in this condensed interim financial information are unaudited.

LAHORE:  
February 27, 2013



**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director



**TREET GROUP OF COMPANIES**



**TREET CORPORATION LIMITED**



**GLOBAL ECONO TRADE (PVT.) LIMITED**  
*(A wholly owned subsidiary of Treet Corporation Ltd.)*



**PACKAGING  
SOLUTIONS**

*(A Project Under FTMM)*



**MOTOR BIKE PROJECT**



*Paper and Board Mills*

**(PACKAGING SOLUTIONS)**

*A Project Under FTMM*



**TCL LABOR-HIRE COMPANY (Pvt.) LIMITED**

*(A wholly owned subsidiary of GLOBAL ECONO TRADE (PVT.) LIMITED)*