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Corporate Information

BOARD OF DIRECTORS:	Dr. Mrs. Niloufer Mahdi Syed Shahid Ali Syed Sheharyar Ali Mr. Imran Azim Mr. Munir Karim Bana Mr. Saulat Said Mr. Muhammad Shafique Anjum Mr. Khurram Raza Bakhtayari	Chairperson Chief Executive Officer Director Director Director Director Director
AUDIT COMMITTEE:	Mr. Imran Azim Syed Sheharyar Ali Mr. Khurram Raza Bakhtayari Mr. Munir Karim Bana Mr. Amir Zia Mr. Rana Shakeel Shaukat	Chairman/Member Member Member Member Group Chief Financial Officer Secretary
CHIEF ACCOUNTANTS:	Mr. Sohail Habib Mr. Sajjad Haider Khan	Modaraba Company Modaraba
COMPANY SECRETARY:	Rana Shakeel Shaukat	
HEAD OF INTERNAL AUDIT:	Mr. Muhammad Ali	
EXTERNAL AUDITORS MODARABA:	KPMG Taseer Hadi & Co.	Chartered Accountants
EXTERNAL AUDITORS OF MODARABA COMPANY:	Kreston Hyder Bhimji & Co.	Chartered Accountants
LEGAL ADVISORS:	Saleem & Baig	Advocates
CORPORATE ADVISORS:	Cornelius Lane & Mufti - Advocates	
SHARIAH ADVISOR:	Mufti Iftikhar Baig	
BANKERS:	Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Barclays Bank PLC Pakistan Dubai Islamic Bank Pakistan Limited Faysal Bank Limited	Habib Bank Limited MCB Bank Limited National Bank Limited NIB Bank Limited Soneri Bank Limited United Bank Limited
REGISTERED OFFICE/ PLACE OF BUSINESS:	72-B, Industrial Area, Kot Lakhpat, Lahore Ph: 042-35830881, 35156567 Fax: 042-35114127, 35117650 Email: info@treetonline.com web: www.treetgroup.com	
SHARES REGISTRAR:	Scarlet IT Systems (Pvt.) Limited 24-Ferozepur Road, Lahore Ph: 042-37426144 Email: treet@scarletsystem.com	
PACKAGING SOLUTIONS - CORRUGATION	Kacha Tiba Rohi Nala, 22-KM Ferozepur Road, Lahore	
SOAP PLANT	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala	
PACKAGING SOLUTIONS - PAPER & BOARD MILL	31-KM Lahore-Sheikhupura Road, Sheikhupura	

Notice of 8th Annual Review Meeting

Notice is hereby given that 8th Annual Review Meeting of certificate holders of **First Treet Manufacturing Modaraba** will be held on Friday October 31, 2014 at 10.00 A.M. at Principal place of business of Modaraba situated at 72-B, Industrial Area, Kot Lakhpat, Lahore for the year ended June 30, 2014.

The Management of the Modaraba is pleased to announce Final Cash Dividend @ 3.45% i.e. Re. 0.345 per certificate to existing Certificate Holders of the Modaraba.

The Certificate Transfer Books will remain closed from October 24, 2014 to October 31, 2014 (both days inclusive) for the purpose of determination of names of the certificate holders for attendance of Annual Review Meeting. The certificate holders whose names appear on the Register of Certificate Holders of **First Treet Manufacturing Modaraba** as on October 23, 2014 will be eligible to attend the Annual Review Meeting.

By order of the Board



(Rana Shakeel Shaukat)

Company Secretary

Global Econo Trade (Private) Limited

Managers of First Treet Manufacturing Modaraba

LAHORE:

September 29, 2014

Notes:

1. In case of individuals, the account holder and/or person whose securities are in CDC sub account or investor account shall show their identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting, CDC sub account holders/investor account holders are also requested to bring their account numbers maintained with CDC.
2. In case of corporate entity, Board of Director's resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

Mission, Vision Statements

MISSION STATEMENT

Our MISSION is, to satisfy and meet the needs of our customers, providing our products and services with the quality, adjusted to their needs and preferences and to create value for our stakeholders through originality and strict adherence to our principles. We being a conscientious producer, and having stood the test of time, will continue our emphasis on responding to customer need with value added products and services. It is our belief that we can fulfill this mission through a unique combination of industry vision, effective supply chain management and innovative technology.

VISION STATEMENT

To be innovative in our field to the benefit of society, we will fairly compete in quality, technology, sales and marketing expertise, while ensuring sound financial and sustainable growth of the Treet Group for the sake of its stakeholders and reputation.

PRINCIPLE

We will base our human resources systems on our proven principles reflective of our core values and our commitment to attract, reward, develop and motivate sophisticated people. They will reflect the global scope of our business while demonstrating responsibility and flexibility with respect to cultural diversity, and statutory and regional business realities.

EMPHASIS

Our emphasis on continuous improvement in all aspects of our business will enable us to reward our shareholders and employees.

SOCIAL RESPONSIBILITY

We will continually strive to be environmentally responsible and support the communities where we operate and the industries in which we participate.

CORPORATE VALUES

- Total Customer Services
- Long-Term Business Focus
- Technology Oriented
- Quality & Reliability
- Staff Development & Teamwork
- Effective Resources & Cost Management
- Corporate Responsibility

Statement of Ethics and Business Practices

Guidelines to Business Conduct

EMPLOYEES

- No one should ask any employee to break the law, or go against **Treet Group** policies and values.
- We treat all employees equally and fairly.
- We do not tolerate any form of harassment.
- Information and necessary facilities are provided to perform jobs in a safe manner.
- Employees must not use, bring, or transfer illegal drugs or weapons on **Treet Group** property.
- Employees should report suspicious people and activities.

BUSINESS PARTNERS

- Avoid conflicts of interest and identify situations where they may occur.
- Do not accept or give gifts, favors, or entertainment if it will appear to obligate the person who receives it.
- Use and supply only safe, reliable products and services.
- Respect our competitors and do not use unfair business practices to hurt our competition.
- Do not have formal or informal discussions with our competitors on prices, markets or products, or production or inventory levels.
- Manufacture and produce products according to contract specifications.
- Market our products and services in an honest and fair manner.
- Do not compromise our values to make a profit.

BUSINESS RESOURCES

- Do not use inside information about the **Treet Group** for personal profit. Do not give such information to others.
- Do not use **Treet Group** resources for personal gain or any non-business purpose.
- Protect confidential and proprietary information.
- Do not use **Treet Group** resources to send, receive, access or save electronic information that is sexually explicit, promotes hate, violence, gambling, illegal drugs, or the illegal purchase or use of weapons.
- Do not make false or misleading entries into the companies' books or records (within a **Treet Group**).

COMMUNITIES

- Follow all laws, regulations and **Treet Group** policies that apply to your work.
- Do not entice or give money or anything of value to government officials to influence their decisions.
- We measure and assess our performance, and are open and clear in our environmental communications.
- When **Treet Group's** standards are higher than what is required by local law, we meet the higher standards.

Corporate Social Responsibility

Treet Group believes that a responsible attitude toward society and the environment can make a business more competitive, more resilient to shocks, and more likely to attract and hold both consumers and the best employees.

Treet Group feels that social attitude is a significant part of its risk management and reputation strategy. In a world where brand value and reputation are increasingly seen as a **Treet Group's** most valuable assets, responsible social attitude can build the loyalty and trust that ensure a bright sustainable future.

Fundamental to success for Treet Group (and to our vision and corporate values) are based on following premises:

CUSTOMERS

Our future existence relies on understanding and satisfying our customers' present and future needs. Our goal is to be recognized by our customers as a high quality, innovative and cost effective supplier, and the most desirable to do business with. We recognize that, as a result, the next person in the process is our customer.

OUR PEOPLE

We value our family of employees as essential to the success of our Treet Group. We aim to develop a long term trusting relationship with each employee, encouraging their contributions and assisting in their personal development and education. In all dealings we will be fair and consistent.

PRODUCTS AND SERVICES

We are recognized at large by our end products and services. We will endeavor to produce technologically advanced products and services that offer superior quality and value. Continued innovation and improvement are critical to our survival and growth.

SUPPLIERS

We view suppliers of goods and services as an extension of our Treet Group, with whom we wish to develop long term trusting relationships. We expect our suppliers to embrace our quality improvement philosophy in their dealing with us.

SHAREHOLDERS

We aim to be a Group in whom our shareholders have trust and pride. We will keep our shareholders properly informed of our Treet Group's performance and prospects. We recognize the need to provide our shareholders with an excellent return on investment, consistent with long term growth.

PLANNING

All short term decisions will be consistent with long term objectives that balance the needs of our people, customers, suppliers and shareholders. Each year these objectives will be widely communicated within our Treet Group.

QUALITY IMPROVEMENT

We believe in step by step continual improvement of everything that we are engaged in, including our administration, marketing, sales, design, service, distribution and manufacturing. We will encourage cross-functional communication and co-operation to aid this.

ENVIRONMENT

Reflecting our commitment to a cleaner world, we aim to develop products and manufacturing processes which are as friendly to the environment as practicable.

SOCIETY

We will conduct our business at all times in a fair, ethical, consistent and professional manner. We accept our responsibilities to be a responsible community neighbour, and will continue to support community affairs.

HEALTH, SAFETY AND ENVIRONMENT POLICY

It is Treet Group policy to;

- Minimize its environmental impact, as much as economically and practically possible
- Save raw material, water and energy and avoid wastage (and reprocess the waste to the maximum possible extent)
- Ensure that all its present and future activities are conducted safely without endangering the health of its employees, its customers and the public
- Develop plans and procedures and provide resources to successfully implement the policy and for dealing effectively with any emergency
- Provide environmental, health and safety training to all employees and other relevant persons to enable them to carry out their duties safely without causing harm to themselves, others and to the environment
- Ensure that all its activities comply with national environmental, health and safety regulations

DONATIONS, CHARITIES, CONTRIBUTIONS AND OTHER PAYMENTS OF A SIMILAR NATURE;

Companies within Treet Group are, subject to Board's approval, encouraged to provide support to local communities through donations, charities etc. to fulfill its duty towards social cause. But companies in our Treet Group will not, in any case, contribute any amount;

- (a) to any political party; or
- (b) for any political purpose to any individual or body.

Moreover, companies in **Treet Group** shall not distribute gifts in any form to its members in its meeting.

Investment / Funding and Dividend Policies

INVESTMENT POLICY

The Executive Committee of the Directors is responsible for seeking/evaluating and recommending either;

- Portfolio Investments (i.e. in Shares/ Securities etc. (Fresh Issues or Market Purchase) or Financial claims); or
- Investment in New Projects (either equity based or loan based); or
- Joint Ventures; or
- Investment in Intangibles (Goodwill/ Trade Marks/ Patents etc.)

Moreover, Executive Committee ensures that Proposed Investments are set out in Treet Group's vision and Strategic domain.

FUNDING POLICY

It is Treet Group's policy not only to utilize funds efficiently but also to seek funds from the cheapest source(s).

Treet Group advertently evaluates, from time to time, different funding options for;

- Working Capital Requirements (including import/export financing)
- Medium Term Rollovers/Capital Requirements
- Long Term Project Based Requirements

These funding options may include;

- Internally Generated Funds*
- Bank Borrowings (Short Term as well as Long Term)
- Trade & Sundry Credits
- Debt Instruments (Commercial Papers/ Bonds/ TFC etc.) issued to Institutions or Public in general
- Subordinate- Debts
- Leasing (Operating as well as Capital)
- Equity Financing etc.

*This includes Intra-Treet Group resource sharing. Corporate strategy (by the parent company i.e. Treet Corporation Limited) will seek to develop synergies by sharing and coordinating staff and other resources across business units, investing financial resources across business units, and using business units to complement other corporate business activities.

Moreover, the above funding options may augment other ancillary financial products (i.e. derivatives like shares options etc.).

DIVIDEND POLICY

The companies in Treet Group in general meeting may declare dividends; but no dividend shall exceed the amount recommended by the directors; and

- No dividend shall be declared or paid by a company for any financial year out of the profits of the company made from the sale or disposal of any immovable property or assets of a capital nature comprised in the undertaking or any of the undertaking of the company; and
- No dividend shall be paid by a company otherwise than out of profits of the company; and
- The Board may approve and pay to the Members such interim dividends as appears to be justified by the profits of the Company; and
- The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as they think proper as a reserve(s), which shall, at the discretion of the Board, be applicable for meeting contingencies etc.; and
- Company's dividend decision will be auxiliary to Company's Financing Policy

DIVIDEND POLICY FOR FIRST TREET MANUFACTURING MODARABA

Not less than 90% of the net income in respect of the Modaraba's business [non-trading] activities, determined after setting aside the mandatory reserves as per Prudential Regulations for Modaraba, is to be distributed at least once in every year to the certificate holders in proportion to the number of certificates held by them. Distribution will be in the form of cash dividend. No dividend shall be paid otherwise than out of the profits of the Modaraba for the year or any other distributed profits.

Directors' Report

Board of Directors of Global Econo Trade (Private) Limited (GET), the Modaraba Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present the Directors' Report on the 8th Annual Accounts of FTMM for the year ended June 30, 2014. These accounts have been audited by statutory auditors of the Modaraba and are accompanied by their audit report.

ECONOMIC OUTLOOK:

Pakistan succeeded in attaining 4.14 percent growths in the outgoing fiscal year which is the highest level achievement since 2008-09. The economy has taken a turnaround on account of following serious economic agenda and striving sincerely to implement it. The growth of the manufacturing sector registered at 5.55 percent compared to the growth of 4.53 percent last year. Overview of inflationary trends during ten months of the current FY 2013-14, indicates that inflation moved at slow pace on account of improved supply position of essential items and declining trend in major global commodities price.

FINANCIAL RESULTS:

	Rs. in 000'	2013-2014	2012-2013	% Change
Sales (net)		2,545,288	2,180,217	16.74%
Net Profit / (Loss)		85,910	128,522	(33.16)%
Earnings /(Loss) per Certificate		0.66	0.99	(33.33)%
Transfer to Statutory Reserve – 46.56% (2013: 25%)		40,000	32,131	24.49%
Book Value per Certificate		12.28	11.65	5.41%

SEGMENT-WISE ANALYSIS:

Rs. in 000'	Corrugated Packaging		Paper & Board		Soap	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Gross Sales	1,898,383	1,523,859	125,216	168,692	976,082	861,673
Inter-Segment Sales	63,026	65,371	425,823	356,784	-	-
Less: Sales Tax & Excise & Discounts	(272,575)	(207,734)	(17,110)	(22,963)	(164,708)	(143,310)
Total Sales	1,688,834	1,381,496	533,929	502,513	811,374	718,363
Gross Profit	160,659	149,975	7,306	13,362	26,833	78,755
Gross Profit %	9.51%	10.86%	1.37%	2.66%	3.31%	10.96%
Operating Profit	52,570	62,151	4,387	10,029	17,454	43,816

CORRUGATED PACKAGING:

Sales volumes showed excellent growth. Gross margins are maintained through increased quantitative volumes coupled with price rationalization and change in product mix. However, operating profits are decreased due to increase in distribution costs.

Power outages [and burden is felt in the shape of expensive in-house generation] and inflationary impact on salaries & wages [outsourced services] were negative factors on the net profitability during the year.

Efforts are being made to broaden the customer base through market diversification, particularly this stratagem is apparent to avoid bad debts in the ailing industries.

PAPER & BOARD:

Although Paper & Board Mill has shown positive volume growth during the year but unavailability of power and gas (since rice husk/wood are expensive alternatives for gas fuel). Most of the supplies are fed to the Corrugation Division. Management of your Modaraba Company has decided to dispose-off this plant.

SOAPS:

Soaps sales showed good increase but margins are shrunk due to increase in tallow prices in the international markets and pass through impact was minimal. Overall profitability of the Modaraba registered decrease of 19.96% mainly due to drop of profitability of this segment. However, margins will be restored in the coming months since tallow and palm prices are calming down.

DIVIDEND:

The Board is pleased to announce final cash dividend @ 3.45% i.e. Re. 0.345 per Certificate of Rs. 10/- each (2013 : 3.7% i.e. Rs. 0.37 per Certificate).

APPROPRIATIONS:

	Rs. in '000
Profit for the year	85,910
Un-appropriated profit brought forward	3,397
Transferred to Statutory Reserves (46.56%) for the year ended June 30, 2014	(40,000)
Final dividend paid @ 3.7% for the year ended June 30, 2013	(48,247)
Un-appropriated profit carried forward	1,060
Final Dividend for the year ended June 30, 2014 @ Rs. 0.345 per certificate (i.e. 3.45%) – 98.02% of the Profit (less statutory reserves)	45,000

FUTURE OUTLOOK:

Economic conditions are certainly better at the beginning of FY15 than a year ago.

A detailed assessment of the economy, however, indicates that challenges and vulnerabilities remain. Continuation of prudent policies and reforms are needed to build-on positive developments and to achieve protracted stability. Largely reflecting global growth trends, international commodity prices are expected to remain subdued in the medium term. However, emerging market economies remain vulnerable to large spillover effects from advanced economies, thereby requiring strong macroeconomic fundamentals to cope with the resulting challenges.

The management of your Modaraba is well aware of the posed challenges and is deploying most feasible marketing mix at trade and retail levels and is taking all possible measures to meet these challenges.

Moreover, your Modaraba is continually reviewing its business strategy to cope with the threats and has been incessantly endeavoring not only to tap alternative inexpensive sources of raw material/inputs but also trying to optimize the throughput.

Going forward, however, challenges remain. Besides fiscal dominance, law and order conditions have yet to improve and energy shortages still persist. There is no room for complacency and considerable effort is required to bring a sustainable improvement to increase productivity, efficiency, and competitiveness of the Modaraba, and to ensure high growth rates that are both sustainable as well as more profitable.

CORRUGATED PACKAGING:

Despite challenging security/political conditions and energy shortages, the real GDP grew by 4.1 percent in FY14. Encouragingly, this relatively higher growth was led by recovery in the industrial sector, thanks to better performance of Large Scale Manufacturing (LSM). This trend is likely to continue in FY15. Moreover, if recent oil prices prevail, power rates are unlikely to be increased. Moreover, transportation bills will not show increase due to oil price hike. Thus, it is expected pass through impact which was limited in the short run, your Modaraba will be able to increase the prices and will maintain its margins in the long run.

PAPER & BOARD:

Consistent power outages and skyrocketing prices of bio-mass (for fuel) are the real challenges to this sector. Management of your Modaraba Company has decided to dispose-off "Paper & Board Plant" in Sheikhpura. Agreement to sell has already been signed with the prospective buyer for total consideration of Rs. 162.00 million (that includes land, building, plant & machinery, equipments etc. related to Paper & Board Mill Sheikhpura) and deal will be closed by the end of October 2014.

SOAP:

Prices of tallow and palm oil are calming down and accordingly it is expected that margins will be improved in this segment. Moreover, efforts are being made to introduce vegetable soaps (palm oil based) to introduce not only new brand but also to take advantage of palm oil prices.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance with the Code, the Board of Directors of Modaraba Company states that:

- The financial statements, prepared by the management of Modaraba, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Modaraba have been maintained.
- Appropriate accounting policies are consistently applied by your Modaraba in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed.
- The system of Internal Control, being implemented in your Modaraba is sound and has been effectively persisted throughout the year.
- Keeping in view the financial position of your Modaraba, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

MEETINGS OF THE BOARD OF DIRECTORS:

During the year the Board of Directors of Modaraba Company has met 04 times and the attendance at each of these meetings is as follows:-

Name of Directors	No. of Meetings attended
• Syed Shahid Ali	04
• Muhammad Shafique Anjum	04
• Shahid Zia	04
• Syed Sheharyar Ali	04

ELECTION OF DIRECTORS:

The tenure of present directors ended on August 31, 2014 and accordingly no. of directors was fixed to 08 by the Board of Directors in their meeting held on July 21, 2014 and accordingly election was held on August 30, 2014 to elect the eight directors of the Modaraba Company for next term of three years commencing from September 01, 2014 and following persons were elected directors for next term of three years:-

- | | |
|-------------------------|--------------------------------|
| 1. Syed Shahid Ali | 2. Dr. Mrs. Niloufer Mahdi |
| 3. Syed Sheharyar Ali | 4. Mr. Jalees Ahmed Siddiqi |
| 5. Mr. Munir Karim Bana | 6. Mr. Imran Azim |
| 7. Mr. Saulat Said | 8. Mr. Muhammad Shafique Anjum |

Mr. Jalees Ahmed Siddiqi, Director of the Modaraba Company, tendered his resignation from the office of Director and Mr. Khurram Raza Bakhtayari be and is hereby appointed by the Board, as a Director in place of outgoing Director.

AUDIT COMMITTEE:

In compliance with the Code, the Board of Directors of your Modaraba Company has established an Audit Committee. Currently Audit Committee has following members:

- | | |
|--------------------------------|----------|
| 1. Mr. Imran Azim | Chairman |
| 2. Syed Sheharyar Ali | Member |
| 3. Mr. Munir Karim Bana | Member |
| 4. Mr. Khurram Raza Bakhtayari | Member |

TERMS OF REFERENCE OF AUDIT COMMITTEE:

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors and considers any question of resignation or removal of external auditors, audit fees and provision of any service to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

- (i) Review of the interim and annual financial statements of the Modaraba prior to approval by the Board of Directors.
- (ii) Discussions with the external auditors of major observations arising from interim and final audits; review of Management Letter issued by the External Auditors and management's response thereto.
- (iii) Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Modaraba.
- (iv) Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure.
- (v) Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.
- (vi) Institute special projects, value for money studies or other investigations on any matters specified by the Board of Directors.
- (vii) Review of management letter issued by the External Auditors and Management response thereto:

REPORT OF THE AUDIT COMMITTEE:

The Committee performs its functions in accordance with the terms of reference as approved by the Board and reviewed the following key items during the current financial year.

FINANCIAL REPORTING:

The Committee reviewed, discussed and recommended for Board approval, the draft Interim and Annual Results of the Modaraba. The Committee discussed with the CFO, HIA and External Auditors of the Company on significant accounting policies, estimates and judgments applied in preparing the financial information.

REVIEW OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (CCG):

The Committee places great importance on ensuring compliance with the best practices of the Code of Corporate Governance. In this respect, the Committee annually reviews the Modaraba's Compliance with the CCG.

APPOINTMENT OF EXTERNAL AUDITORS:

As per the requirements of the CCG and Term of Reference of the Audit Committee, the Committee recommended the appointment and remuneration of External Auditors to the Board for their approval.

REVIEW OF MANAGEMENT LETTER ISSUED BY THE EXTERNAL AUDITORS:

The Committee also reviews the Management Letter issued by the External Auditors' wherein control weaknesses are highlighted. Compliance status of previously highlighted observations by the External Auditors' is reviewed and corrective measures are discussed to improve the overall control environment.

INTERNAL AUDIT:

In compliance with the Code, the Board of Directors of your Modaraba Company has also established an Internal Audit Function to monitor and review the adequacy and implementation of Internal Control at each level of your Modaraba.

AUDITORS

The Audit Committee of your Modaraba Company has recommended that, the present auditors, Messers KPMG Taseer Hadi & Co., Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as auditors of your Modaraba Company for another term. Subject to approval by the Registrar of Modaraba Companies and Modarabas, their appointment has been confirmed by the Board.

SHARI'AH ADVISOR:

Mufti Muhammad Iftikhar Baig is the Shari'ah advisor to the Modaraba. Annual Shari'ah Advisor's Report is attached with this report.

PATTERN OF CERTIFICATE-HOLDING:

The pattern of certificate-holding of your Modaraba as on June 30, 2014 is annexed with this report. This statement is in accordance with the amendments made through the Code.

HR & ADMINISTRATION:

Complete HR Function is outsourced to associated company TCL Labor-Hire Company (Private) Limited who is Labor-Hire company specialized in providing workforce to host companies under service agreement and taking all responsibilities of the workforce.

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 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:
September 29, 2014

Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2014.

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulation No.35 of listing regulations of the Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance.

The Modaraba Management Company (hereafter referred to as the Company) has applied the principles contained in the Code in the following manner:

1. The Board of Directors of the Modaraba Management Company as at June 30, 2014 comprised of four directors including Chairman and Chief Executive Officer, however, in accordance with provisions of Companies Ordinance, 1984, the number of directors of Modaraba Company was enhanced to eight directors with the approval of Shareholders in their Extraordinary General Meeting held on 30 August 2014.

At present the Board comprises of eight directors out of which seven are non-executive directors and the Chief Executive Officer is executive director. The Board includes:

Name of the Director	Status
1. Dr. Mrs. Niloufer Mahdi	Chairperson / Non-Executive
2. Syed Shahid Ali	Chief Executive Officer
3. Syed Sheharyar Ali	Non-Executive Director
4. Mr. Imran Azim	Non-Executive Director
5. Mr. Munir Karim Bana	Non-Executive Director
6. Mr. Saulat Said	Non-Executive Director
7. Mr. Muhammad Shafique Anjum	Non-Executive Director
8. Mr. Khurram Raza Bakhtayari	Non-Executive Director

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy on the Board occurred during the year.
5. The Board has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken on the Board. The terms of appointment and remuneration package of the CEO and directors are not approved by the Board as these are all on the payroll of Treet Corporation Limited (Holding Company of the Modaraba Management Company).
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged no training program for its directors during the year as two out of four directors are having more than 15 years experience of listed companies and for the existing Board six out of eight directors are having more than 15 years experience of listed companies.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment. Appointment of Company Secretary has been made by the Board during the year. No appointment of CFO, and Head of Internal Audit has been made during the year. Remuneration including terms and conditions of employment of Head of Internal Auditor and Company Secretary are being met by the Holding Company.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the Modaraba were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and Executives do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of shareholding.
14. The Modaraba has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. Previously, the Board had formed an audit committee, which comprises of three Non-Executive Directors including Chairman of the committee. However, for the present committee, it comprises of four Non-Executive Directors including Chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Modaraba and as required by the Code of Corporate Governance. The terms of reference of the committee have been formulated and advised to the committee for compliance.
17. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Modaraba.
18. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Modaraba's securities, was determined and intimated to directors, employees and relevant stock exchange.
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
22. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied except as disclosed in note 9 and the following paragraphs:
23. The Board of Directors have not formed a Human Resource and Remuneration (HR &R) Committee as required under the revised Code of Corporate Governance due to fact that complete HR function is outsourced to the associated company TCL Labor-Hire Company (Private) Limited which is labor hire company specialized in providing workforce to host companies under service agreement and taking all responsibilities of the workforce.
24. The Board had to put in place a mechanism for its own evaluation as per the requirement of clause v (e) of the Code of Corporate Governance. This requirement has not been complied with as of 30 June 2014.

For and Behalf of the Board of Directors



LAHORE:
September 29, 2014

Syed Shahid Ali
Chief Executive Officer

Review Report to the Certificate-Holders on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Global Econo Trade (Private) Limited (“the Modaraba Management Company”)** in respect of **First Treet Manufacturing Modaraba (the Modaraba)** for the year ended 30 June 2014 to comply with the requirements of Listing Regulation no. 35 of Lahore Stock Exchange where the Modaraba is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the 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 Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

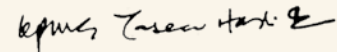
The Code requires the Modaraba to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2014.

Further, we highlight below instances of non-compliance with the requirements of the Code of Corporate Governance as reflected in the following notes where it is stated in statement of compliance:

	Reference of statement of compliance	Description
i	Note 1	As per subsection 2 of section 174 of the Companies Ordinance, 1984 every listed company shall have not less than seven directors. This requirement has not been complied with as of 30 June 2014 as Modaraba Management Company had only four directors. However, subsequent to year end, number of directors was enhanced to eight in the Extra Ordinary General Meeting held on 30 August 2014.
ii	Note 9	As per requirement of clause xi of the Code, the Modaraba did not arrange orientation course for any of its directors under directors' training program meeting criteria specified by SECP, during the year.
iii	Note 24	As per the requirement of clause v (e) of the Code, the Board had to put in place a mechanism for its own evaluation. This requirement has not been complied with as of 30 June 2014.

LAHORE:
 September 29, 2014


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

Annual Shari'ah Advisor's Report

I have conducted the Shari'ah review of **First Treet Manufacturing Modaraba** managed by **Global Econo Trade (Private) Limited** for the financial year ended **June 30, 2014** in accordance with the requirements of the **Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas** and report that except the observations as reported hereunder, in my opinion:

- i. the Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles;
- ii. following were the major developments that took place during the year:
 - a) No research and new product development made.
 - b) Training and Development (training on Rules of Sales and Classification of Riba conducted by the Shari'ah Advisor of the Modaraba management and staff).
- iii. the agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
- iv. to the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas.
- v. profit sharing ratios, profits and charging of losses relating to any deposit raising products etc. are not applicable to this Modaraba.
- vi. the earnings that have been realized from the sources or by means prohibited by Shari'ah have been credited to charity accounts.

Mufti Muhammad Iftikhar Baig
Shari'ah Advisor
First Treet Manufacturing Modaraba

Dated: September 29, 2014

Auditors' Report to the Certificate-Holders

We have audited the annexed balance sheet of **First Treet Manufacturing Modaraba ("the Modaraba")** as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the Modaraba Company's [Global Econo Trade (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2014 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the central Zakat fund established under section 7 of that Ordinance.

LAHORE:
 September 29, 2014

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

Balance Sheet

as at June 30, 2014

	Note	2014 (Rupees in thousand)	2013
ASSETS			
Non-current assets			
Property, plant and equipment	4	461,566	445,653
Long term advances	5	15,824	13,837
Long term deposits	6	22,665	13,354
		500,055	472,844
Current assets			
Stores and spares	7	89,109	64,886
Stock-in-trade	8	418,308	365,626
Trade debtors	9	387,515	320,159
Advances, deposits, prepayments and other receivables	10	57,061	98,138
Tax refunds due from the Government	11	96,238	82,531
Cash and bank balances	12	181,037	240,288
		1,229,268	1,171,628
Total assets		1,729,323	1,644,472
Equity and liabilities			
Certificate capital and reserves:			
Authorized certificate capital 150,000,000 (2013: 150,000,000) Modaraba certificates of Rs. 10 each		1,500,000	1,500,000
Issued, subscribed and paid-up certificate capital	13	1,304,000	1,304,000
Statutory reserve	14	252,091	212,091
Unappropriated profit		1,060	3,397
Certificate-holders' equity		1,557,151	1,519,488
Surplus on the revaluation of property, plant and equipment	15	43,952	-
		1,601,103	1,519,488
Current liabilities			
Retention money		490	1,510
Trade and other payables	16	127,730	123,474
		128,220	124,984
Contingencies and commitments			
	17		
Total equity and liabilities		1,729,323	1,644,472

The annexed notes 1 to 33 form an integral part of these financial statements.

LAHORE:
September 29, 2014



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Profit and Loss Account

for the year ended June 30, 2014

	Note	2014 (Rupees in thousand)	2013
Sales - net	18	2,545,288	2,180,217
Cost of goods sold	19	(2,350,490)	(1,938,125)
Gross profit		194,798	242,092
Administration expenses	20	(16,528)	(16,869)
Distribution cost	21	(103,859)	(109,227)
		(120,387)	(126,096)
Operating profit		74,411	115,996
Finance cost	22	(3,189)	(2,608)
Other income	23	14,688	15,134
Profit before taxation		85,910	128,522
Taxation	24	-	-
Profit after taxation		85,910	128,522
Earning per modaraba certificate - basic and diluted (Rupees)		0.66	0.99

The annexed notes 1 to 33 form an integral part of these financial statements.

LAHORE:
September 29, 2014



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Statement of Comprehensive Income

for the year ended June 30, 2014

	2014	2013
	(Rupees in thousand)	
Profit after tax	85,910	128,522
Other comprehensive income	-	-
Total comprehensive income for the year	85,910	128,522

The annexed notes 1 to 33 form an integral part of these financial statements.

LAHORE:
September 29, 2014



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director


Cash Flow Statement

for the year ended June 30, 2014

	2014	2013
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	85,910	128,522
<i>Adjustment for non-cash and other items:</i>		
Depreciation	41,668	28,969
Provision for doubtful debts	9,231	7,398
Finance cost	3,189	2,608
	54,088	38,975
Operating profit before working capital changes	139,998	167,497
Decrease/ (increase) in current assets:		
Stores and spares	(24,223)	9,436
Stock-in-trade	(52,682)	68,123
Trade debts	(76,587)	(79,912)
Advances, deposits, prepayments and other receivables	41,077	29,390
	(112,415)	27,037
(Decrease)/ Increase in current liabilities:		
Retention money	(1,020)	1,510
Trade and other payables	4,256	(26,880)
Net cash generated from operations	30,819	169,164
Finance cost paid	(3,189)	(2,608)
Taxes paid	(13,707)	(19,597)
Net cash (used in)/ generated from operating activities	13,923	146,959
Cash flow from investing activities		
Fixed capital expenditure	(13,629)	(151,809)
Long term advances	(1,987)	3,280
Long term deposits	(9,311)	(1,470)
Net cash used in investing activities	(24,927)	(149,999)
Cash flow from financing activities		
Profit distributed	(48,247)	(123,880)
Net cash used in financing activities	(48,247)	(123,880)
Net decrease in cash and cash equivalents	(59,251)	(126,920)
Cash and cash equivalents at beginning of the year	240,288	367,208
Cash and cash equivalents at end of the year	181,037	240,288

The annexed notes 1 to 33 form an integral part of these financial statements.

LAHORE:
September 29, 2014


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Statement of Changes in Equity

for the year ended June 30, 2014

	Capital Reserve			Revenue Reserve	Total
	Certificate capital	Certificate deposit money	Statutory reserve	Un-appropriated profit	
(Rupees in thousand)					
Balance as at 30 June 2012	800,000	504,000	179,960	30,886	1,514,846
Profit distribution @ 6.5% for the year ended 30 June 2012	-	-	-	(84,760)	(84,760)
Interim profit distribution @ 3%	-	-	-	(39,120)	(39,120)
Right certificates issued	504,000	(504,000)	-	-	-
Total comprehensive income for the year	-	-	-	128,522	128,522
Transfer to statutory reserve @ 25%	-	-	32,131	(32,131)	-
Balance as at 30 June 2013	1,304,000	-	212,091	3,397	1,519,488
Profit distribution @ 3.7% for the year ended 2013	-	-	-	(48,247)	(48,247)
Total comprehensive income for the year	-	-	-	85,910	85,910
Transfer to statutory reserve @ 46.64%	-	-	40,000	(40,000)	-
Balance as at 30 June 2014	1,304,000	-	252,091	1,060	1,557,151

The annexed notes 1 to 33 form an integral part of these financial statements.

LAHORE:
September 29, 2014



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Notes to the Financial Statements

for the year ended June 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

First Treet Manufacturing Modaraba (“the Modaraba”) is a multipurpose, 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, Industrial Area, Kot Lakhpat, Lahore. The Modaraba is listed on the Lahore Stock Exchange (Guarantee) Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, paper board and soaps.

Subsequent to year end, the Board of Directors of modaraba management company approved the sale of non-current assets including land, building and plant and machinery of paper and board mill division of the Modaraba. In line with the decision taken by the Board, the Modaraba entered into a sale agreement dated 03 September 2014 to sell off non-current assets including land, building and plant and machinery of its paper and board mill division against the consideration amounting to Rs. 162 million.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan, provisions of and directives issued under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, directives issued by SECP. In case requirements of IFRS differ, the provisions of or directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the cash flow statement and all the transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR) which is the Modaraba’s functional currency. All financial information presented in PKR has been rounded off to the nearest thousand, unless otherwise stated.

2.4 Significant accounting estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amount of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Residual values and useful lives of property, plant and equipment	3.2
- Provision for doubtful debts	3.5
- Provisions and contingencies	3.13

2.5 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.
- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.
- Amendments to IAS 19 "Employee Benefits" Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determine which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements.

IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016.

IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.
- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Taxation

3.1.1 Current tax

Under the current tax law, income of the Modaraba is exempt from income tax provided it distributes at least ninety percent of its profits as cash dividend to the certificate holders out of current year's total profit after appropriating statutory reserves under section 37 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

Where such profit is not distributed, provision for tax is made on taxable income at the current tax rates applicable to Modaraba after taking into account the available tax exemptions and tax credits, if any.

3.1.2 Deferred tax

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method. However, deferred tax liability has not been recognized in these financial statements as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution of at least ninety percent of distributable profits.

3.2 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land and building which are recorded at revalued amount less any identified impairment losses, if any and capital work-in-progress which is stated at cost less impairment loss, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bring the assets to a working condition for their intended use.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. To the extent of the incremental depreciation charged on the revalued assets the related surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

Depreciation is provided on straight-line method at rates specified in note 4 to the financial statements so as to write off the cost of property, plant and equipment over their estimated useful life. Depreciation on additions to property, plant and equipment is charged from the day that an asset is available for use till the day the asset is retired from active use or the asset is disposed off.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Modaraba and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within 'other income' in profit and loss account.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Impairment tests for property, plant and equipment are performed annually or whenever there is an indication of impairment.

3.3 Stores and spares

Stores, spare parts and loose tools are valued at the lower of cost and net realizable value less allowance for slow moving and obsolete items except for items in transit, which are valued at invoice price and related expenses incurred up to the balance sheet date. Cost is determined on the moving average basis and comprises cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

3.4 Stock-in-trade

Stock of raw materials, packing materials, work-in-process and finished goods are valued at lower of moving average cost and net realizable value except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work-in-process and finished goods includes prime cost and appropriate proportion of production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

3.5 Trade and other receivables

These are carried at amounts recognized at invoice value which is the fair value of the consideration receivable less an estimate of doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified, while debts considered doubtful of recovery, if any, are fully provided for in these financial statements.

3.6 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pakistani Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the foreign exchange rates at the balance sheet date. Foreign exchange gains and losses are taken to the profit and loss account.

3.7 Revenue recognition

i) Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Modaraba and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer.

ii) Return on bank deposits, investments and interest on loans is accounted for on a time proportion basis using the effective rate of return/interest.

iii) Other revenues are recorded on accrual basis.

3.8 Borrowing costs

Borrowing costs are interest or other costs incurred by the Modaraba in connection with the borrowing of funds. Borrowing cost that is directly attributable to qualifying assets is capitalized as part of cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit and loss account whenever incurred.

3.9 Financial instruments

Recognition and measurement

The financial assets and liabilities are recognized at cost which is the fair value of consideration given or received respectively, when the Modaraba becomes a party to the contractual provisions of the instrument and de-recognized when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Financial instruments includes trade debts, advances, deposits, cash and bank balances, trade and other payables, demand finance and due to Modaraba Company. Any gain or loss on derecognition of financial assets and financial liabilities is taken to profit and loss account. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be.

3.10 Offsetting of financial assets and financial liabilities

A financial asset and liability is offset against each other and the net amount is reported in the balance sheet if the Modaraba has legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the asset and settle the liability simultaneously.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, current and deposit account balances with banks and outstanding balance of running finance facilities availed by the Modaraba, if any.

3.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.13 Provisions and contingencies

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.14 Impairment

The carrying amounts of the Modaraba's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment loss is recognized in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the initial cost of the asset. A reversal of the impairment loss is recognized as income in the profit and loss account.

3.15 Segment reporting

Segment reporting is based on the operating (business) segments of the Modaraba. An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Modaraba's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance cost and other income. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products which are subject to risks and rewards which differ from the risks and rewards of other segments. Segments reported are corrugated boxes, paper and board and soaps, which also reflects the management structure of the Modaraba.

3.16 Operating leases

Leases including ijarah financing where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to profit on a straight-line basis over the lease/ijarah term unless another systematic basis is representative of the time pattern of the Modaraba's benefit.

3.17 Non-current assets held for sale

Non-current asset are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

3.18 Profit distribution

Profit distribution is recognized in the period in which it is approved.

	Note	2014 (Rupees in thousand)	2013
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	460,936	444,996
Capital work-in-progress		630	657
		461,566	445,653

4.1 Operating fixed assets

2 0 1 4

PARTICULARS	C O S T				RATE %	ACCUMULATED DEPRECIATION			Net book value as at June 30, 2014
	As at July 01, 2013	Additions/ Deletions	Revaluation Surplus	As at June 30, 2014		As at July 01, 2013	For the year	As at June 30, 2014	
(Rupees in thousand)									
<i>Owned</i>									
Land - freehold	82,665	-	11,920	94,585	-	-	-	-	94,585
Buildings and civil works on freehold land	179,084	-	32,032	211,116	5	26,650	9,822	36,472	174,644
Buildings and civil works on leasehold land	4,791	-	-	4,791	10	959	479	1,438	3,353
Plant and machinery	305,099	12,875	-	317,974	10	100,225	31,044	131,269	186,705
Furniture and equipment	1,059	679	-	1,738	10	201	155	356	1,382
Computer equipment	851	102	-	953	25	518	168	686	267
	573,549	13,656	43,952	631,157		128,553	41,668	170,221	460,936

2 0 1 3

PARTICULARS	C O S T				RATE %	ACCUMULATED DEPRECIATION			Net book value as at June 30, 2013
	As at July 01, 2012	Additions/ Deletions	Revaluation Surplus	As at June 30, 2013		As at July 01, 2012	For the year	As at June 30, 2013	
(Rupees in thousand)									
<i>Owned</i>									
Land - freehold	43,000	39,665	-	82,665	-	-	-	-	82,665
Buildings and civil works on freehold land	108,255	70,829	-	179,084	5	21,237	5,413	26,650	152,434
Buildings and civil works on leasehold land	4,791	-	-	4,791	10	480	479	959	3,832
Plant and machinery	224,940	80,159	-	305,099	10	77,430	22,795	100,225	204,874
Furniture and equipment	999	60	-	1,059	10	97	104	201	858
Computer equipment	669	182	-	851	25	340	178	518	333
	382,654	190,895	-	573,549		99,584	28,969	128,553	444,996

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

	Note	2014 (Rupees in thousand)	2013
Packaging solutions - corrugated boxes	19.1	23,823	13,349
Paper and board mill - paper and board	19.1	15,087	12,932
Soaps	19.1	2,758	2,688
		41,668	28,969

	Note	2014 (Rupees in thousand)	2013
5. LONG TERM ADVANCES			
Long term advances	5.1	19,805	17,003
Less: Current maturity	10	(3,981)	(3,166)
		15,824	13,837

5.1 This represents advance given to Khatoon Industries (Private) Limited (“KIL”) for rice husk boiler, laboratory and warehouse. The advance for rice husk boiler was given for equipment installation services amounting to Rs. 17.38 million and civil works amounting to Rs. 20.43 million and are adjustable against rent payable to KIL in lieu of use of soaps manufacturing facility in 97 and 36 equal monthly installments, respectively. The advance amounting to Rs. 5.82 million is given during the year for the construction of laboratory and warehouse and is also adjustable against rent payable to KIL in 84 equal monthly installments.

	Note	2014 (Rupees in thousand)	2013
6. LONG TERM DEPOSITS			
Utility deposits		11,090	11,090
Others		11,575	2,264
		22,665	13,354
7. STORES AND SPARES			
Stores		59,596	35,142
Spares	7.1	29,513	29,744
		89,109	64,886

7.1 This includes spares in transit amounting to Rs. 4.81 million (2013: Rs. 3.85 million).

7.2 Stores and Spares include items which may result in fixed capital expenditure but are not distinguishable.

	Note	2014 (Rupees in thousand)	2013
8. STOCK-IN-TRADE			
Raw material and chemicals	8.1	298,666	235,009
Packing material		20,883	19,556
Work-in-process		33,384	37,523
Finished goods	8.2	65,375	73,538
		418,308	365,626

8.1 This includes raw material in transit amounting to Rs. 21.04 million (2013: Rs. 49.16 million).

8.2 The amount charged to profit and loss account on account of write down of finished goods of paper and board and soaps to net realizable value amounting to Rs. 0.40 million and Rs. 0.55 million, respectively (2013: Nil).

	Note	2014 (Rupees in thousand)	2013
9. TRADE DEBTORS			
Trade debtors - unsecured:			
Considered good		387,515	320,159
Considered doubtful		29,726	20,495
		417,241	340,654
Less: Provision for doubtful debts	9.1	(29,726)	(20,495)
		387,515	320,159
9.1 Provision for doubtful debts			
Balance as at 01 July		20,495	27,199
Provision/ (reversal) for the year		9,231	(2,781)
Written off during the year		-	(3,923)
Balance as at 30 June		29,726	20,495
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of long term loans and advances		3,981	3,166
Advances to employees		61	330
Prepayments		7,246	3,838
Other receivables		10,220	19,668
		21,508	27,002
Advances to suppliers			
- Considered good		35,553	71,136
- Considered doubtful		-	2,000
		35,553	73,136
Less: Provision for doubtful advances	10.1	-	(2,000)
		35,553	71,136
		57,061	98,138
10.1 Provision for doubtful advance			
Balance as at 01 July		2,000	2,000
Addition during the year		-	-
Written off during the year		(2,000)	-
Balance as at 30 June		-	2,000

	Note	2014 (Rupees in thousand)	2013
11. TAX REFUNDS DUE FROM THE GOVERNMENT			
Sales tax receivable		-	2,422
Income tax refundable		96,238	80,109
		96,238	82,531
12. CASH AND BANK BALANCES			
Cash in hand		471	439
Cash at bank:			
Current accounts		971	5,171
Saving accounts	12.1	179,595	234,678
		180,566	239,849
		181,037	240,288

12.1 These carry profit ranging between 6 % to 7 % per annum (2013: 6% to 7% per annum).

13. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

13.1 Issued, subscribed and paid-up certificate capital

2014	2013		2014	2013
Number of Certificates			(Rupees in thousands)	
130,399,996	130,399,996	Certificates of Rs 10 each fully paid-up in cash	1,304,000	1,304,000

	2014 (Number of certificates)	2013
13.2 Reconciliation of number of certificates		
Number of certificates as at 01 July 2013	130,399,996	79,999,998
Right issue during the year	-	50,399,998
Number of certificates as at 30 June 2014	130,399,996	130,399,996

13.3 As at 30 June 2014, Treet corporation Limited, the holding company holds 117,149,871 (2013: 117,149,871) certificates of the Modaraba. In addition, 13,060,375 (2013: 13,060,375) certificates are held by the modaraba management company i.e. Global Econo Trade (Private) Limited.

	2014 (Rupees in thousand)	2013
14. STATUTORY RESERVES		
Statutory reserve	252,091	212,091

This represents profit set aside in compliance with the requirements of Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan and is not available for distribution.

15. SURPLUS ON THE REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

On the balance sheet date, the Modaraba carried out revaluation of its freehold land and buildings through M/S Zafar Iqbal & Company (a PBA approved valuator) which resulted in a revaluation surplus amounting to Rs. 43.95 million. The land has been revalued using current market values and building have been revalued based on replacement cost.

	2014	2013
	(Rupees in thousand)	
16. TRADE AND OTHER PAYABLES		
Creditors	65,902	54,747
Payable to related parties		
Treet Corporation Limited	12,000	7,539
Packages Limited	2,653	2,485
TCL Labor-Hire Company (Private) Limited	9,612	-
Global Econo Trade (Private) Limited	198	135
	24,463	10,159
Accrued liabilities	28,836	16,229
Sales tax payable	2,756	16,223
Advances from customers	2,664	23,883
Income tax deducted at source	3,098	2,233
Unclaimed dividend	11	-
	127,730	123,474

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

For the tax years 2011 and 2012, the Deputy Commissioner Inland Revenue (DCIR) passed orders U/S 161 / 205 of the Income Tax Ordinance, 2001 creating tax demands of Rs. 1.52 million and Rs. 41.36 million respectively. The Modaraba filed appeals against the orders passed by DCIR with Commissioner Inland Revenue (Appeal-II) who decided the matters in the favor of the Modaraba by deleting the tax demands. Tax department filed appeals against the decision of CIR with Appellate Tribunal Inland Revenue (ATIR). The matters are pending adjudication before ATIR. The management is of the view that favorable outcome is expected as the Modaraba is fully compliant of withholding tax provisions.

Government of Pakistan made certain amendments in the WWF Ordinance, 1971 (WWF) through Finance Acts 2006 and 2008 against which appeals were filed with Honorable Lahore and Sindh High Courts for declaration of such amendments in WWF through Finance Acts unconstitutional. The Honorable Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF through Finance Acts 2006 and 2008 constitutional, whereas, the Honorable Lahore High Court declared the amendments unconstitutional. One of the amendments made in WWF through Finance Act 2006 require the computation of WWF on the basis of higher of taxable income or accounting profits of the industrial establishment. In light of the above order of Honorable Sindh High Court, the cumulative provision for WWF on the basis of accounting profit comes out to Rs. 9.77 million. The management of the Modaraba is of the view that it does not come under the purview of the Honorable Sindh High Court and since the taxable income of the Modaraba is exempt from tax, hence no provision for WWF has been made in these financial statements. Government of Pakistan has taken the matter to Honorable Supreme Court where the matter is pending adjudication.

	2014 (Rupees in thousand)	2013
17.2 Guarantees		
Outstanding guarantees	7,245	-
Un-utilized limits of letter of guarantees	42,755	50,000
17.3 Letter of credit		
Outstanding letters of credit	101,700	81,276
Un-utilized limits of letters of credits	98,300	18,724

17.4 The Company is also contingently liable for Nil (2013: Rs. 19.25 million) in respect of post dated cheques issued in favour of Collector of Customs Karachi.

17.5 Operating leases

The Modaraba has availed its soaps manufacturing facility on operating lease. This lease runs for the maximum period of 10 years, with an option to renew after that date.

	Note	2014 (Rupees in thousand)	2013
<i>Future lease payments under the lease agreements are:</i>			
Not later than one year		9,796	9,070
Later than one year but not later than five years		47,671	44,140
Later than five years		14,393	27,720
		71,860	80,930
18. SALES - NET			
Packaging solutions - corrugated boxes	18.1	1,688,834	1,381,496
Paper and board mill - paper and board	18.2	533,929	502,513
Soaps	18.3	811,374	718,363
Total sales for reportable segments		3,034,137	2,602,372
Elimination of inter-segment sales		(488,849)	(422,155)
		2,545,288	2,180,217

	Note	2014 (Rupees in thousand)	2013
18.1 Packaging Solutions - Corrugated boxes			
<i>Local Sales:</i>			
External customers		1,886,072	1,514,158
Inter-segment		63,026	65,371
Associated undertaking - Treet Corporation Limited		5,069	4,377
Sale of waste paper		7,242	5,324
		1,961,409	1,589,230
Less:			
Sales tax		(272,087)	(207,575)
Trade discount		(488)	(159)
		1,688,834	1,381,496
18.2 Paper and board mill - paper and board mill			
<i>Local sales:</i>			
External customers		124,116	167,953
Inter-segment		425,823	356,784
Sale of waste paper		1,100	739
		551,039	525,476
Less:			
Sales tax		(17,110)	(22,543)
Trade discount		-	(420)
		533,929	502,513
18.3 Soap			
<i>Local sale of Soap, glycerin and steam</i>			
External customers		967,398	858,596
Associated undertaking - Treet Corporation Limited		74	-
Sale of steam		8,610	3,077
		976,082	861,673
Less:			
Sales tax		(164,708)	(143,310)
		811,374	718,363
19. COST OF GOODS SOLD			
Packaging solutions - corrugated boxes	19.1	1,528,175	1,231,521
Paper and board mill - paper and board	19.1	526,623	489,151
Soaps	19.1	784,541	639,608
Total cost of sales for reportable segments		2,839,339	2,360,280
Elimination of inter-segment purchases		(488,849)	(422,155)
		2,350,490	1,938,125

19.1 Cost of goods sold

	Corrugated Boxes		Paper & Board		Soaps		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	-----Rupees in thousand-----							
Opening stock	135,390	217,506	17,515	24,252	52,495	75,527	205,400	317,285
Add: Purchases								
Inter-segment	425,823	354,424	54,469	56,413	8,557	11,318	488,849	422,155
Others	880,197	609,323	230,833	217,520	679,242	530,801	1,790,272	1,357,644
	1,306,020	963,747	285,302	273,933	687,799	542,119	2,279,121	1,779,799
Less: Closing stock	(202,099)	(135,390)	(14,750)	(17,515)	(102,700)	(52,495)	(319,549)	(205,400)
Raw and packing material consumed	1,239,311	1,045,863	288,067	280,670	637,594	565,151	2,164,972	1,891,684
Stores and spares consumed	28,159	30,814	14,455	16,351	13,546	6,584	56,160	53,749
Out sourced manpower cost	137,593	88,705	47,294	43,202	38,547	32,638	223,434	164,545
Fuel and power	62,554	47,685	157,501	120,023	61,529	44,281	281,584	211,989
Depreciation	23,823	13,349	15,087	12,932	2,758	2,688	41,668	28,969
Repair and maintenance	13,928	7,971	5,917	5,272	1,475	762	21,320	14,005
Traveling and conveyance	3,485	4,517	362	567	516	406	4,363	5,490
Insurance	1,815	1,612	1,094	1,125	546	571	3,455	3,308
Rent, rates and taxes	11,739	1,763	413	1,359	653	-	12,805	3,122
Plant rental	-	-	-	-	9,070	8,398	9,070	8,398
Fee and subscription	-	-	-	-	15	15	15	15
Legal and professional	2	-	75	20	26	34	103	54
Other manufacturing expenses	2,779	2,045	475	543	4,834	1,150	8,088	3,738
	1,525,188	1,244,324	530,740	482,064	771,109	662,678	2,827,037	2,389,066
Work-in-process								
Add: Opening stock	5,198	3,044	223	191	32,102	34,913	37,523	38,148
Less: Closing stock	(4,790)	(5,198)	(277)	(223)	(28,317)	(32,102)	(33,384)	(37,523)
	1,525,596	1,242,170	530,686	482,032	774,894	665,489	2,831,176	2,389,691
Finished goods								
Add: Opening stock	18,854	8,205	2,095	9,214	52,589	24,563	73,538	41,982
Add: Purchases	-	-	-	-	-	2,145	-	2,145
	1,544,450	1,250,375	532,781	491,246	827,483	692,197	2,904,714	2,433,818
Less: Closing stock	(16,275)	(18,854)	(6,158)	(2,095)	(42,942)	(52,589)	(65,375)	(73,538)
	1,528,175	1,231,521	526,623	489,151	784,541	639,608	2,839,339	2,360,280

	Note	2014 (Rupees in thousand)	2013
20. ADMINISTRATION EXPENSES			
Outsourcing of manpower		11,374	11,353
Auditor's remuneration	20.1	1,600	1,490
Legal and professional		2,542	3,048
Vehicle running and maintenance		35	35
Printing and stationery		152	201
Travelling and conveyance		268	111
Postage and telephone		60	45
Others	20.2	497	586
		16,528	16,869
20.1 Auditors' remuneration			
Audit fee		1,300	1,210
Half year review		235	200
Out of pocket expenses		65	80
		1,600	1,490
20.2	This includes an amount of Rs. 0.055 million (2013: Rs. 0.078 million) donated to Gulab Devi Chest hospital. The CEO of modaraba management company is chairman of the managing committee of Gulab Devi Chest hospital.		
	Note	2014 (Rupees in thousand)	2013
21. DISTRIBUTION COST			
Freight and forwarding		67,698	61,775
Provision for doubtful debts	9.1	9,231	-
Outsourcing of manpower		8,989	7,603
Rent, rates and taxes		10,112	7,422
Advertisement		1,520	28,394
Travelling and conveyance		2,282	1,750
Postage and telephone		586	891
Printing and stationery		71	360
Staff training		-	90
Others		3,370	942
		103,859	109,227
22. FINANCE COST			
Bank charges		305	508
Exchange loss		2,884	2,100
		3,189	2,608

	Note	2014 (Rupees in thousand)	2013
23. OTHER INCOME			
Profit from bank on saving accounts		6,017	7,243
Sale of scrap		8,471	2,427
Profit on disposal of investments held for trading		-	2,491
Reversal of provision for doubtful debts	9.1	-	2,781
Others		200	192
		14,688	15,134

24. TAXATION

The Modaraba intends to avail income tax exemption by distributing 90% of its profits to the certificate holders.

25. OPERATING SEGMENT RESULTS

As at 30 June 2014 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.

	Note	Corrugated boxes		Paper & board		Soaps		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
-----Rupees in thousand-----									
Sales	18								
Inter-segment		63,026	65,371	425,823	356,784	-	-	488,849	422,155
Others		1,898,383	1,523,859	125,216	168,692	976,082	861,673	2,999,681	2,554,224
		1,961,409	1,589,230	551,039	525,476	976,082	861,673	3,488,530	2,976,379
Less:									
Sales tax		(272,087)	(207,575)	(17,110)	(22,543)	(164,708)	(143,310)	(453,905)	(373,428)
Trade discount		(488)	(159)	-	(420)	-	-	(488)	(579)
		(272,575)	(207,734)	(17,110)	(22,963)	(164,708)	(143,310)	(454,393)	(374,007)
Net sales		1,688,834	1,381,496	533,929	502,513	811,374	718,363	3,034,137	2,602,372
Cost of sales	19	(1,528,175)	(1,231,521)	(526,623)	(489,151)	(784,541)	(639,608)	(2,839,339)	(2,360,280)
Gross profit		160,659	149,975	7,306	13,362	26,833	78,755	194,798	242,092
Administration expenses		(12,950)	(12,744)	(1,427)	(918)	(2,151)	(3,207)	(16,528)	(16,869)
Distribution expenses		(95,139)	(75,080)	(1,492)	(2,415)	(7,228)	(31,732)	(103,859)	(109,227)
		(108,089)	(87,824)	(2,919)	(3,333)	(9,379)	(34,939)	(120,387)	(126,096)
Operating profit		52,570	62,151	4,387	10,029	17,454	43,816	74,411	115,996
Finance cost								(3,189)	(2,608)
Other income								14,688	15,134
Profit for the year								85,910	128,522

25.1 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

	Corrugated boxes		Paper & board		Soaps		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
-----Rupees in thousand-----								
25.2 Segment assets	1,131,197	1,071,201	253,017	230,352	345,109	342,919	1,729,323	1,644,472
25.3 Segment liabilities	85,545	64,992	25,414	19,494	17,261	40,498	128,220	124,984

- 26.** As explained in note 1 to these financial statement, subsequent to 30 June 2014 the modaraba management company took the decision to sell non-current asset of its paper and board mill division. Had the decision to sell off these assets been taken as at balance sheet date, the impact on the financial statement would have been as follows:

26.1 Impact on the financial statements

Non-current asset of paper and board mill division including land, building and plant and machinery having book value of Rs. 155.897 million as at 30 June 2014, would have been classified as non-current assets held for sale in accordance with the requirement of IFRS 5 “Non-current asset held for sale and discontinued operation” in the balance sheet of the Modaraba and should have been shown under current assets. As per the agreement to sell, the transaction only constitute sale of land, building and plant and machinery and not all the business operations of paper and board mill division of the Modaraba, hence other assets and liabilities of paper and board mill division would be retained by the Modaraba and would not become part of disposal group.

	2014 (Rupees in thousand)	2013
Land	25,060	18,000
Building	82,873	83,100
Plant and machinery	59,262	69,521
	167,195	170,621

Profit and loss account would have been splitted into continuing and discontinued operations (paper and board mill being discontinued operation) and discontinued operation would have been shown as single line item in profit and loss account referring to the following details in a separate note to the financial statements:

	2014	2013
	(Rupees in thousand)	
Profit and loss account - discontinued operations		<i>Represented</i>
Sales		
Inter-segment	425,823	356,784
Others	125,216	168,692
	551,039	525,476
Less:		
Sales tax	(17,110)	(22,543)
Trade discount	-	(420)
	(17,110)	(22,963)
Net sale	533,929	502,513
Cost of sales	(526,623)	(489,151)
Gross profit	7,306	13,362
Administration expenses	(1,427)	(918)
Distribution expenses	(1,492)	(2,415)
Operating profit	4,387	10,029
Finance cost	(42)	(33)
Other income	561	699
Profit for the year	4,906	10,695

Earnings per certificate would have been disclosed separately for continuing and discontinued operation as follows:

	2014	2013
From continuing operation	0.62	0.93
From discontinued operation	0.04	0.06
Basic earnings per certificate	0.66	0.99

Total comprehensive income would have been presented for attribution to continuing and discontinued operation in the statement of comprehensive income.

	2014	2013
	(Rupees in thousand)	
<i>Attributable to:</i>		
- Continuing operations	81,004	117,827
- Discontinuing operations	4,906	10,695
Total comprehensive income for the year	85,910	128,522

Relevant sub-notes of the profit and loss account would also have been adjusted to reflect the continuing and discontinued operation wherever necessary.

Cash flows for the year related to discontinued operation would have been separately disclosed in a note to the financial statements as follows:

	2014 (Rupees in thousand)	2013 <i>Represented</i>
Cash flow from discontinued operation		
Cash flow from operating activities	2,671	5,279
Cash flow from investing activities	(224)	(1,127)
Total cash flows	2,447	4,152

27. FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

This note presents information about the Modaraba's exposure to each of the above risks, the Modaraba's objectives, policies and processes for measuring and managing risk, and the Modaraba's management of capital.

The Modaraba's risk management policies are established to identify and analyse the risks faced by the Modaraba to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Modaraba's activities.

27.1 Credit risk

Credit risk is the risk of financial loss to the Modaraba if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Modaraba's receivables from customers, refundable deposits, other receivables and bank balances. Out of the total financial assets of Rs. 641.032 million (2013: Rs. 668.101 million) financial assets which are subject to credit risk amount to Rs. 640.561 million (2013: Rs. 667.662 million).

The Modaraba believes that it is not exposed to significant credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	Note	2014 (Rupees in thousand)	2013
Long term deposits	6	22,665	13,354
Trade debtors	9	387,515	320,159
Advance, deposit and other receivable		49,815	94,300
Bank balances	12	180,566	239,849
		640,561	667,662
The age analysis of trade debtors at the reporting date is:			
Less than 30 days		345,499	279,371
Past due 1 - 3 months		25,118	22,993
Past due 3 - 6 months		7,723	4,942
Past due 6 - 12 months		7,187	-
Above one year		1,988	12,853
		387,515	320,159

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating		Rating Agency	2014	2013
	Short term	Long term			
				(Rupees in thousand)	
MCB Bank Limited	A1+	AAA	PACRA	26,106	14,948
United Bank Limited	A-1+	AA+	JCR-VIS	97,777	121,965
Bank Islami Pakistan Limited	A1	A	PACRA	3,194	3,207
National Bank of Pakistan	A-1+	AAA	JCR-VIS	189	104
Habib Bank Limited	A-1+	AAA	JCR-VIS	227	32
Bank Alfalah Limited	A1+	AA	PACRA	607	1,078
NIB Bank Limited	A1+	AA-	PACRA	783	781
Faysal Bank Limited	A-1+	AA	JCR-VIS	8	509
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	51,670	97,225
Soneri Bank Limited	A1+	AA-	PACRA	5	-
				180,566	239,849

Due to the Modaraba's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Modaraba. Accordingly, the credit risk is minimal.

27.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. The Modaraba'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. For this purpose the Modaraba maintains a statutory reserve out of profits each year and has effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities as on 30 June 2014:

	Carrying Amount	6 Months or less	6-12 months	1-2 years	More than 2 years
------(Rupees in thousand)-----					
Retention money	490	490	-	-	-
Trade and other payables	127,730	127,730	-	-	-

The following are the contractual maturities of financial liabilities as on 30 June 2013:

	Carrying Amount	6 Months or less	6-12 months	1-2 years	More than 2 years
------(Rupees in thousand)-----					
Retention money	1,510	1,510	-	-	-
Trade and other payables	123,474	123,474	-	-	-

27.3 Market risk

Market risk is the risk that changes in market prices will affect the Modaraba's income or the value of its holdings of financial instruments. The objective of the Modaraba's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

27.3.1 Currency risk

The Modaraba is exposed to currency risk on import of raw materials and stores and spares mainly denominated in US dollars. The Modaraba's exposure to foreign currency risk for US dollars is as follows:

	2014 (Rupees in thousand)	2013
Creditors in foreign currency	222	247

The following significant exchange rate have been applied:

	Average rate		Reporting date rate	
	2014	2013	2014	2013
USD to PKR	96.6	96.5	98.8	98.6

27.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate risk profile of the Modaraba is negligible as the Modaraba does not have any interest bearing liabilities.

27.3.3 Other price risk

Other 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). The Modaraba is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

27.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

27.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Modaraba's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Modaraba's operations.

The Modaraba's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Modaraba's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Modaraba. This responsibility is supported by the development of overall Modaraba standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans ;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

27.5 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board monitors the return on capital employed, which the Modaraba defines as operating income divided by total capital employed.

The Modaraba's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Modaraba manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. Neither there were any changes in the Modaraba's approach to capital management during the year nor the Modaraba is subject to externally imposed capital requirements. There is no debt liability outstanding as at balance sheet date.

28. RELATED PARTY TRANSACTIONS

The related parties and associated undertakings comprise of associated companies, directors and key management personnel. Amounts due from/to related parties are disclosed in respective notes to these financial statements. Other significant transactions with related parties are as follows:

Name of the party	Nature of transactions	2014 (Rupees in thousand)	2013
<u>Associated undertakings</u>			
Packages Limited	Purchases	62,963	67,886
Bulleh Shah Packaging (Private) Limited	Purchases	54,063	3,290
<u>Modaraba management company</u>			
Global Econo Trade (Private) Limited - modaraba management company	Sales	-	2,411
TCL Labor-Hire Company (Private) Limited	Services received	139,443	118,325
<u>Holding Company</u>			
Treet Corporation Limited	Sales	5,143	4,377
	Services received	12,000	2,500

28.1 All the transactions with the related parties are executed in the normal course of business, on an arm's length basis. All other transactions have been carried out on the basis of mutually agreed terms and conditions.

28.2 All the executives, officers and other employees of the Modaraba have been outsourced from its related party namely M/S TCL Labor-Hire Company (Private) Limited.

29. PLANT CAPACITY AND PRODUCTION

	Annual rated capacity	
	(Metric Tons)	
	2014	2013
Corrugated boxes and sheets	30,000	30,000
Paper and board	15,000	15,000
Soap	5,000	5,000
	Annual production	
	(Metric Tons)	
	2014	2013
Corrugated boxes and sheets	24,869	22,278
Paper and board	9,255	9,132
Soaps	4,030	4,200

29.1 Under utilization of capacity in corrugated boxes and paper and board was mainly due to energy crises.

29.2 Under utilization of capacity in soaps division was due to actual demand being less than installed capacity.

		2014	2013
30. EARNING PER MODARABA CERTIFICATE			
- BASIC AND DILUTED			
Basic			
Profit for the year	<i>Rupees in thousand</i>	85,910	128,522
Number of certificates	<i>Numbers in thousand</i>	130,400	130,400
Earning per certificate	<i>Rupees</i>	0.66	0.99

Diluted

There is no dilutive effect on the basic earnings per modaraba certificate as there are no such commitments.

31. NON-ADJUSTING PROFIT DISTRIBUTION

The Board of Directors of modaraba management company in their meeting dated September 29, 2014 have approved a profit distribution @ 3.45 Re. 0.345 per certificate for the year ended 30 June 2014. These financial statements do not reflect this profit distribution.

32. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 29, 2014 by the Board of Directors of Global Econo Trade (Private) Limited (modaraba management company).

33. GENERAL

33.1 Figures in the financial statements have been rounded off to the nearest thousand rupees.

33.2 Corresponding figures have been re-arranged or reclassified wherever necessary, for the purposes of comparison.

LAHORE:
September 29, 2014



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Pattern of Certificate-Holding as at June 30, 2014

NUMBER OF CERTIFICATE HOLDERS	CERTIFICATE HOLDING		TOTAL NUMBER OF CERTIFICATE HELD
	FROM	TO	
28	1	500	10,500
5	501	1,000	4,615
2	1,501	2,000	6,630
1	15,001	20,000	20,000
1	145,001	150,000	147,965
1	13,060,001	13,065,000	13,060,375
1	117,145,001	117,150,000	117,149,871
39			130,399,996

Categories of Certificate Holders	No. of Certificate Holders	Certificates Held	% Holding
DIRECTORS			
SYED SHEHARYAR ALI	1	147,965	0.11%
INDIVIDUALS	36	41,785	0.03%
INVESTMENT COMPANIES	Nil	Nil	-
INSURANCE COMPANIES	Nil	Nil	-
JOINT STOCK COMPANIES	1	117,149,871	89.84%
FINANCIAL INSTITUTIONS	Nil	Nil	-
MODARABA COMPANY	1	13,060,375	10.02%
OTHERS	Nil	Nil	-
	39	130,399,996	100.00%

CERTIFICATE HOLDERS HAVING MORE THAN 10% CERTIFICATES

Sr. No.	Name of Certificate Holder	Certificates	Percentage
1.	Treet Corporation Limited	117,149,871	89.84%
2.	Global Econo Trade (Private) Limited	13,060,375	10.02%

Key Operating Financial Data

	Rs.(000)	2014	2013	2012	2011	2010
Sales		2,545,288	2,180,217	2,259,353	1,790,217	1,476,843
Gross Profit		194,798	242,092	279,655	185,672	119,001
Profit before Taxation		85,910	128,522	188,177	123,228	48,516
Profit after Taxation		85,910	128,522	188,177	123,228	48,516
Certificateholders' Equity		1,601,103	1,519,488	1,514,846	878,189	476,801
Fixed Assets - Net		461,566	445,653	322,813	341,557	323,704
Total Assets		1,729,323	1,644,472	1,665,200	1,428,642	948,012
Total Liabilities		128,220	124,984	150,354	550,453	471,211
Current Assets		1,229,268	1,171,628	1,313,386	1,075,593	612,394
Current Liabilities		128,220	124,984	150,354	93,342	264,521
Dividend Declared		3.45%	6.70%	6.50%	6.94%	2.73%
Certificates Outstanding		130,399,996	130,399,996	79,999,998	79,999,998	49,999,999

IMPORTANT RATIOS

	2014	2013	2012	2011	2010
Profitability					
Gross Profit	7.65%	11.10%	12.38%	10.37%	8.06%
Profit before Tax	3.38%	5.89%	8.33%	6.88%	3.29%
Profit after Tax	3.38%	5.89%	8.33%	6.88%	3.29%
Return to Equity					
Return on Equity before Tax	5.37%	8.46%	12.42%	14.03%	10.18%
Return on Equity after Tax	5.37%	8.46%	12.42%	14.03%	10.18%
Earning per Certificates	0.66	0.99	2.35	1.70	0.97
Liquidity/Leverage					
Current Ratio	9.59	9.37	8.74	11.52	2.32
Break-up Value per Certificate	12.28	11.65	18.94	10.98	9.54
Total Liabilities to Equity	0.08	0.08	0.10	0.63	0.99

% Change	2014	2013	2011	2010	2009
Sales	16.74%	-3.50%	26.21%	21.22%	112.20%
Gross Profit	-19.54%	-13.43%	50.62%	56.03%	768.87%
Profit before Taxation	-33.16%	-31.70%	52.71%	153.99%	-219.77%
Profit after Taxation	-33.16%	-31.70%	52.71%	153.99%	-219.77%
Certificateholders' Equity + Revaluation Surplus	5.37%	0.31%	72.50%	84.18%	11.33%
Fixed Assets - Net	3.57%	38.05%	-5.49%	5.52%	40.74%
Total Assets	5.16%	-1.24%	16.56%	50.70%	25.43%
Total Liabilities	2.59%	-16.87%	-72.69%	16.82%	43.88%
Current Assets	4.92%	-10.79%	22.11%	75.64%	16.48%
Current Liabilities	3.84%	-16.87%	61.08%	-64.71%	-19.23%
Dividend	-48.51%	3.08%	-6.20%	153.85%	-
Certificates Outstanding	0.00%	63.00%	0.00%	60.00%	0.00%

