



Annual Report
2014 - 2015

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Corporate Information

BOARD OF DIRECTORS:	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Shah Syed Sheharyar Ali Mr. Khurram Raza Bakhtayari Mr. Imran Azim Mr. Munir Karim Bana Mr. Saulat Said Mr. Muhammad Shafique Anjum	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 Rana Shakeel Shaukat	Chairman/Member Member Member Secretary
CHIEF ACCOUNTANTS:	Mr. Sohail Habib Mr. Sajjad Haider Khan	Modaraba Company Modaraba
COMPANY SECRETARY:	Rana Shakeel Shaukat	
EXTERNAL AUDITORS:	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 Muhammad Iftikhar Baig	
BANKERS:	Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited	JS Bank Limited MCB Bank Limited National Bank of Pakistan 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:	Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Email: corplink786@gmail.com	
PACKAGING SOLUTIONS - CORRUGATION:	Kacha Tiba Rohi Nala, 22-KM Ferozepur Road, Lahore	
SOAP PLANT:	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala	
BATTERY PROJECT:	Faisalabad Industrial City, M-3, Motorway Faisalabad	

Notice of 9th Annual Review Meeting

Notice is hereby given that 9th Annual Review Meeting of Certificate Holders of **First Treet Manufacturing Modaraba** will be held on Saturday, October 31, 2015 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, 2015.

The Management of the Modaraba is pleased to announce Final Cash Dividend @ 6.20 % i.e. Re. 0.620 per certificate to existing Certificate Holders of the Modaraba.

The Certificate Transfer Books will remain closed from October 24, 2015 to October 31, 2015 (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, 2015 will be eligible to attend the Annual Review Meeting.

By order of the Board



(Rana Shakeel Shaukat)

Company Secretary
Treet Holdings Limited (formerly Global Econo Trade Limited)
Managers of First Treet Manufacturing Modaraba

LAHORE:

October 06, 2015

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 Treet Holdings Limited (formerly Global Econo Trade Limited) (THL), the Modaraba Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present the Directors' Report on the 9th annual accounts of FTMM for the year ended June 30, 2015. These accounts have been audited by statutory auditors of the Modaraba and are accompanied by their audit report.

ECONOMIC OUTLOOK

While GDP growth in FY15 at 4.2 percent was slightly higher than that of FY14, it remained lower than the target. In particular, industrial sector missed the target due to lower growth in Large - scale Manufacturing (LSM) and electricity generation; however, the activities in construction and mining and quarrying remained buoyant. Moreover, due to structural bottlenecks, sluggish global demand, and lower commodity prices, exports contracted by 3.7 percent in FY15.

[Source: Monetary Policy Statement, July 2015 of State Bank of Pakistan]

Declining prices of commodities and metals offers opportunities (particularly, falling prices of crude oil, palm oil etc.) that needs to be capitalized and posed challenges (particularly, falling prices agriculture commodities) and to cope with those challenges the appropriate strategy needs to be chalked out in national as well as Company's level.

FINANCIAL RESULTS:

	Rs. in 000'	2014-2015	2013-2014	% Change
Sales (net)		2,649,491	2,491,651	6.33%
Net Profit		136,322	85,910	58.68%
Earnings per Certificate		1.05	0.66	59.09%
Transfer to Statutory Reserve – 45% (2014: 46.56%)		61,345	40,000	53.36%
Book Value per Certificate		12.98	12.28	5.70%

SEGMENT-WISE ANALYSIS:

Rs. in 000'	Corrugated Packaging		Paper & Board		Soap	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Gross Sales	2,137,952	1,952,852	15,903	125,216	972,088	976,082
Inter-Segment Sales	14,887	8,557	78,375	425,823	-	-
Less: Sales Tax & Excise & Discounts	(297,987)	(272,575)	(8,856)	(17,110)	(162,562)	(164,708)
Total Sales	1,854,852	1,688,834	85,422	533,929	809,526	811,374
Gross Profit	216,338	160,659	(463)	7,306	79,106	26,833
Gross Profit %	11.66%	9.51%	-0.54%	1.37%	9.77%	3.31%
Operating Profit	98,396	52,570	-889	4,387	54,124	17,454

CORRUGATED PACKAGING:

Sales volumes showed excellent growth. Gross margins are also increased through increased quantitative volumes coupled with price rationalization and change in product mix.

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.

SOAPS

Soaps sales are maintained and margins are improved due to reduction in raw material prices. Moreover, margins will further be improved in the coming months since tallow and palm prices are calming down.

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 disposed-off "Paper & Board Plant" in Sheikhpura for total consideration of Rs. 162.00 million (that includes land, building, plant & machinery, equipment, stock-in-trade etc. that is related to Paper & Board Mill Sheikhpura).

Paper & Board operations discontinued its operation in September 2014.

DIVIDEND

The Board is pleased to announce final cash dividend @ 6.20% i.e. Re. 0.620 per Certificate of Rs. 10/- each (2014: 3.45% i.e. Re. 0.345 per Certificate)

APPROPRIATIONS:

	Rs. in '000
Profit for the Year	136,322
Un-appropriated profit brought forward	1,060
Transferred to Statutory Reserves (45.00%) for the year ended June 30, 2015	(61,345)
Final dividend paid @ 3.45% for the year ended June 30, 2014	(44,988)
Surplus Transferred on Disposal of Land	12,817
Un-appropriated profit carried forward	43,866
Final Dividend for the year ended June 30, 2015 @ Rs. 0.620 per certificate (i.e. 6.20%) – 92% of the Profit (plus surplus transferred less statutory reserves)	80,848

FUTURE OUTLOOK:

Going forward, headline inflation would pick up modestly in the second half of FY16 due to the base effect of its lower level in FY15. Firming up of crude oil prices at their current level in the international market also supports this trend. However, possible adverse impact of prevailing low food prices on next year crops production, pick-up in aggregate demand on the back of historic low interest rates, higher remittance growth and weak prospects of increase in productive capacity could result in inflation higher than its projection for FY16. Moreover, any upward adjustment in electricity and gas tariffs also poses upside risks to inflation.

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

Economic growth remained broad based. The Commodities Producing Sector along with services sector performed better than last year amid gas shortages, power outages along with security related challenges and untoward environment. In particular, industrial sector missed the target due to lower growth in Large -scale Manufacturing (LSM) and electricity generation. But despite all these factors this segment performed pretty well and due to sustained efforts through broadening of consumer base this trend is likely to continue in FY16. Moreover, if recent oil prices prevail, power rates, transportation charges etc. are unlikely to be increased. Thus, it is expected that margins will be improved in the coming year.

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.

BATTERY

Your Modaraba is setting up battery (lead acid) project. Batteries (for vehicles/UPS) growth in the Country remained impressive in the last five to six year. This trend is likely to continue.

Your Modaraba will build, construct, commission, procure, erect and run/manage "lead acid battery" plant of the state of the art technology being capable of producing 2.00 million batteries per annum of various sizes and amperes for motor vehicles/ UPS. 40 acres of land has been acquired by your Modaraba for the purpose.

RIGHT ISSUE

Your Modaraba has announced 50% (i.e. One Certificate for every two certificates held by the existing certificate holders of the Modaraba) right issue totaling Rs. 2,607,999,920/- divided into 65,199,998 Certificates of Rs.10/ each at a premium of Rs.30/- per certificate i.e. right offer price is Rs. 40/- per certificate. Proceeds will be utilized for the battery project. Book closure dates will be announced once approval is gotten from Lahore Stock Exchange Limited. Total project size is Rs. 4.00 billion and funds will be raised in two tranches as follows;

Total number of Certificate Outstanding as on August 12, 2015		130,399,996.00
Proposed Right Price (including Premium of Rs. 30/- each)	per Certificate	40.00
Proposed Right Issue	50% i.e. One Certificate for Every Two Certificates Held	
Proposed Right Proceeds	Rs.	2,607,999,920
Project Size (to be completed within 18months) in	Rs.	4,046,302,550
Remaining Balance *	Rs.	1,438,302,630

*2nd Right will be Issued after One Year as and when remaining proceeds will be required.

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 06 times and the attendance at each of these meetings is as follows:-

SR. NO.	NAME OF DIRECTOR	21/Jul/14	11/Sep/14	29/Sep/14	28/Apr/14	24/Feb/15	24/Apr/15	2014-2015
1	DR. MRS. NILOUFER QASIM MAHDI	-	P	A	A	A	A	1/6
2	SYED SHAHID ALI SHAH	P	P	A	P	A	P	4/6
3	SYED SHEHARYAR ALI	P	P	P	P	P	P	6/6
4	MR. MUHAMMAD SHAFIQUE ANJUM	P	P	P	P	P	A	5/6
5	MR. MUNIR KARIM BANA	-	P	P	A	P	P	4/6
6	MR. IMRAN AZIM	-	P	P	A	P	P	4/6
7	MR. SAULAT SAID	-	P	P	P	P	P	5/6
8	MR. JALEES AHMED SIDDIQUI*	-	P	-	-	-	-	1/6
9	MR. KHURRAM RAZA BAKHTAYARI**	-	-	P	P	A	P	3/6
10	MR. SHAHID ZIA***	P	-	-	-	-	-	1/6
		4/4	8/8	6/8	5/8	5/8	6/8	

P = Present A = Leave of Absence

* Mr. Jalees Ahmed Siddiqui Resigned On 18th September, 2014

** Mr. Khurram Raza Bakhtayari Appointed On 18th September, 2014

*** During the year under review the Board was retired and fixed Eight Directors of the new Board.

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. Khurram Raza Bukhtayari	Member
4. Mr. Munir Karim Bana	Member
5. Rana Shakeel Shaukat	Secretary

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, Messrs 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, 2015 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 Treet HR Management (Private) Limited which 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 Shah
Chief Executive Officer

LAHORE:
October 06, 2015

Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2015.

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:

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

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

Category	Name of Directors
Independent Director	i. Mr. Khurram Raza Bakhtayari
Non-Executive Directors	i. Dr. Mrs. Niloufer Qasim Mahdi ii. Mr. Imran Azim iii. Mr. Munir Karim Bana iv. Syed Sheharyar Ali v. Mr. Muhammad Shafique Anjum vi. Mr. Saulat Said
Executive Director	i. Syed Shahid Ali Shah

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 occurred during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the 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 the nominees of Treet Corporation Limited (Holding Company of the Company).

8. The meetings of the Board were presided over by the Chairman 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 each meeting. The minutes of the meetings were appropriately recorded and circulated.
9. During the year under review no training program was arranged by the Company. Seven Directors out of eight meets the criteria of exemption under the clause (xi) of the Code and are accordingly exempted from the Directors' Training Program.
10. No new appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary was made during the year under review.
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 prior approval of the Board.
13. The directors, CEO and executives have confirmed that they do not hold any interest in the certificates of the Modaraba except as mentioned in the report.
14. The Modaraba has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board Audit Committee comprises of four (4) members. All members are Non-Executive Director including Chairman of Audit Committee.
16. The meetings of the audit committee were held at least once every quarter prior to the approval of interim and final results of the Modaraba as required by the Code of Corporate Governance. The terms of reference of the committee have been formed 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 contained in the Code of Corporate Governance have been complied.
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 Treet HR Management (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. In compliance with the Code of Corporate Governance 2012, the Management of the Modaraba Company is working on Board Evaluation Mechanism.

For and Behalf of the Board of Directors



LAHORE:
October 06, 2015

Syed Shahid Ali Shah
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 **Treet Holdings Limited** [(formerly Global Econo Trade Limited) ("**the Modaraba Management Company**")]] in respect of **First Treet Manufacturing Modaraba (the Modaraba)** for the year ended 30 June 2015 to comply with the 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.

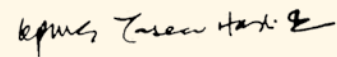
The Code requires the Modaraba to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail 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 2015.

Further, we highlight below instances of non compliance with the requirement of the Code of Corporate Governance where it is stated in statement of compliance as follows:

	Reference of statement of compliance	Description
i	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.

LAHORE:
October 06, 2015



KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Annual Shari'ah Advisor's Report

I have conducted the Shari'ah review of **First Treet Manufacturing Modaraba** managed by **Treet Holdings Limited (Formerly Global Econo Trade Limited)** Modaraba Management Company for the financial year ended June 30, 2015 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 (HR Workshop conducted by NAAFEY)
- 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 (if any) 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: October 06, 2015

Auditors' Report to the Certificate-Holders

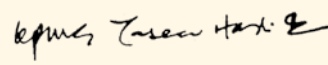
We have audited the annexed balance sheet of **First Treet Manufacturing Modaraba** ("the Modaraba") as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for 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 [Treet Holdings Limited (formerly Global Econo Trade 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 2015 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:
October 06, 2015



KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

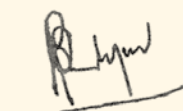
Balance Sheet

as at June 30, 2015

	Note	2015 (Rupees in thousand)	2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	665,119	461,566
Long term advances	5	15,553	15,824
Long term deposits	6	14,625	22,665
		695,297	500,055
Current assets			
Stores and spares	7	49,542	89,109
Stock-in-trade	8	474,478	418,308
Trade debtors	9	365,012	387,515
Advances, deposits, prepayments and other receivables	10	30,689	57,061
Tax refunds due from the Government	11	94,373	96,238
Short term investments	12	200,000	-
Cash and bank balances	13	143,381	181,037
		1,357,475	1,229,268
Total assets		2,052,772	1,729,323
Equity and liabilities			
Certificate capital and reserves:			
Authorized certificate capital 250,000,000 (2014: 150,000,000) Modaraba certificates of Rs. 10 each		2,500,000	1,500,000
Issued, subscribed and paid-up certificate capital	14	1,304,000	1,304,000
Statutory reserve	15	313,436	252,091
Unappropriated profit		43,866	1,060
Certificate holders' equity		1,661,302	1,557,151
Surplus on the revaluation of property, plant and equipment	16	31,135	43,952
		1,692,437	1,601,103
Non-current liabilities			
Long term liability against purchase of land	17	169,093	-
Current liabilities			
Current maturity of liability against purchase of land	17	56,602	-
Retention money		3,806	490
Trade and other payables	18	130,834	127,730
		191,242	128,220
Contingencies and commitments			
	19		
Total equity and liabilities		2,052,772	1,729,323

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

LAHORE:
October 06, 2015

Syed Shahid Ali Shah
 Chief Executive Officer


Muhammad Shafique Anjum
 Director

Profit and Loss Account

for the year ended June 30, 2015

	Note	2015 (Rupees in thousand)	2014
Continuing operations			
Sales - net	20	2,649,491	2,491,651
Cost of goods sold	21	(2,354,047)	(2,304,159)
Gross profit		295,444	187,492
Administration expenses	22	(36,925)	(15,101)
Distribution cost	23	(105,999)	(102,367)
		(142,924)	(117,468)
Operating profit		152,520	70,024
Finance cost	24	(2,167)	(3,147)
Other income	25	21,741	14,127
Profit for the year from continuing operations		172,094	81,004
Discontinued operation			
Net (loss)/ profit for the year from discontinued operation	26	(35,772)	4,906
Taxation	27	-	-
Net profit for the year		136,322	85,910
Earnings/ (loss) per modaraba certificate basic and diluted	32		
-from continuing operations	Rupees	1.32	0.62
-from discontinued operation	Rupees	(0.27)	0.04
	Rupees	1.05	0.66

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

LAHORE:
October 06, 2015



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Statement of Comprehensive Income

for the year ended June 30, 2015

	2015	2014
	(Rupees in thousand)	
Profit after taxation	136,322	85,910
<i>Items that may be reclassified to profit and loss</i>		
Surplus on revaluation of fixed assets - net of tax (i)	-	-
Total comprehensive income for the year	136,322	85,910
Attributable to:		
Continuing operations	172,094	81,004
Discontinued operation	(35,772)	4,906
	136,322	85,910

(i) Surplus on revaluation of fixed assets - net of tax is presented under separate head below equity in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

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

LAHORE:
October 06, 2015



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director


Cash Flow Statement


for the year ended June 30, 2015

	2015	2014
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	136,322	85,910
Adjustment for non-cash and other items:		
Depreciation	32,946	41,668
Provision for doubtful debts	12,116	9,231
Provision for slow moving/obsolete stores	5,523	-
Loss on sale of paper and board mill	35,045	-
Finance cost	490	3,189
	86,120	54,088
Operating profit before working capital changes	222,442	139,998
Decrease/ (increase) in current assets:		
Stores and spares	14,617	(24,223)
Stock-in-trade	(57,145)	(52,682)
Trade debts	10,387	(76,587)
Advances, deposits, prepayments and other receivables	26,372	41,077
	(5,769)	(112,415)
Decrease)/ Increase in current liabilities:		
Retention money	3,316	(1,020)
Trade and other payables	3,104	4,256
Net cash generated from operations	223,093	30,819
Finance cost paid	(490)	(3,189)
Taxes refund / (paid) - net	1,865	(13,707)
Net cash generated from operating activities	224,468	13,923
Cash flow from investing activities		
Fixed capital expenditure	(175,202)	(13,629)
Net proceeds from sale of paper and board mill	154,345	-
Short term investment	(200,000)	-
Long term advances	10,325	(1,987)
Long term deposits	(6,604)	(9,311)
Net cash used in investing activities	(217,136)	(24,927)
Cash flow from financing activities		
Profit distributed	(44,988)	(48,247)
Net cash used in financing activities	(44,988)	(48,247)
Net decrease in cash and cash equivalents	(37,656)	(59,251)
Cash and cash equivalents at beginning of the year	181,037	240,288
Cash and cash equivalents at end of the year	143,381	181,037

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

LAHORE:
October 06, 2015


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Statement of Changes in Equity

for the year ended June 30, 2015


	Capital Reserve		Revenue Reserve	Total
	Certificate capital	Statutory reserve	Un-appropriated profit	
(Rupees in thousand)				
Balance as at 30 June 2013	1,304,000	212,091	3,397	1,519,488
Profit distribution @ 3.7% for the year ended 30 June 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
Profit distribution @ 3.45% for the year ended 30 June 2014	-	-	(44,988)	(44,988)
<i>Surplus transferred to accumulated profit on account of:</i>				
- disposal of land and building			11,434	11,434
- incremental depreciation charged during the year			1,383	1,383
Total comprehensive income for the year	-	-	136,322	136,322
Transfer to statutory reserve @ 45%	-	61,345	(61,345)	-
Balance as at 30 June 2015	1,304,000	313,436	43,866	1,661,302

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

LAHORE:
October 06, 2015



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Notes to the Financial Statements

for the year ended June 30, 2015

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 Treet Holdings Limited (formerly Global Econo Trade Limited) (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on the Lahore Stock Exchange (Guarantee) Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, paper board and soaps.

During the year, the Modaraba Management Company sold Modaraba’s Paper and Board Mill segment as referred to in note 26 to these financial statements and as a result the Modaraba’s operations have been divided into continuing and discontinued operations and the figures of prior period have been restated, wherever required in accordance with the requirements of IFRS-5 - “Non-current assets held for sale and discontinued operations”.

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 and 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 land and building which are carried at revalued amount and the cash flow statement.

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 2015:

- 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. The amendments are not likely to have an impact on Modaraba's financial statements.
- 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 determining 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. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.
- 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 off 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. The adoption of this standard is not likely to have an impact on Modaraba's financial statements.

- IFRS 12 'Disclosure of Interests 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. The adoption of this standard is not likely to have an impact on Modaraba's financial statements.
- 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. The adoption of this standard is not likely to have an impact on Modaraba's financial statements.
- Amendments to IAS 27 'Separate Financial Statements' (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. The adoption of the amended standard is not likely to have an impact on Modaraba's financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on Modaraba's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

Apart from above certain other standards, amendments to published standards and interpretations of accounting standards that became effective for accounting periods beginning on or after 1 July 2015, they have no significant impact on Modaraba's financial statements.

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 90% 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 labour and any other costs directly attributable to bringing 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 or 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 or 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 risk 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 management company's CEO and its Board of Directors 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 Modarabas'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	2015 (Rupees in thousand)	2014
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	556,055	460,936
Capital work-in-progress	4.3	109,064	630
		665,119	461,566

4.1.1 The cost of the assets as at 30 June, 2015 include fully depreciated assets amounting to Rs. nil (2014: Rs. 0.6 million) but are still in use of the Modaraba.

4.1.2 The addition in land amounting to Rs. 265.5 million is made since the right to use has been transferred to the Modaraba and payment is to be made in installments as explained in note 17.1. The legal title of the land will be transferred to the Modaraba after full payment has been made.

4.1.3 The disposal of net book value amounting to Rs. 164.4 million relates to sale of paper and board mill to Mr. Mian Muhammad Munawar Latif through negotiation as explained in note 26.3.

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

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
Continuing operations:			
Packaging solutions - corrugated boxes	21.1	27,203	23,823
Soaps	21.1	2,809	2,758
Discontinued operations:			
Paper and board mill - paper and board	21.1	2,934	15,087
		32,946	41,668

4.3 This includes advance given to supplier for import of plant and machinery related to new battery project in Faisalabad by the Modaraba.

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
5. LONG TERM ADVANCES			
Long term advances - considered good	5.1	21,626	19,805
Less: Current maturity	10	(6,073)	(3,981)
		15,553	15,824

5.1 This represents outstanding advance receivable from Khatoon Industries (Private) Limited ("KIL") for rice husk boiler, laboratory, warehouse and weigh bridge construction amounting to Rs. 10.6 million, Rs. 1 million, Rs. 8.5 million and Rs. 1.6 million respectively. These remaining balances are adjustable against rent payable to KIL in lieu of use of soaps manufacturing facility in 59, 59, 21 and 30 equal monthly installments, respectively.

	Note	2015 (Rupees in thousand)	2014
6. LONG TERM DEPOSITS			
Utility deposits	6.1	6,501	11,090
Others		8,124	11,575
		14,625	22,665

6.1 As referred in note 26.3, security deposit in respect of discontinued operation amounting to Rs. 4.6 million has been adjusted on disposal.

	Note	2015 (Rupees in thousand)	2014
7. STORES AND SPARES			
Stores		24,944	59,596
Spares	7.1	30,121	29,513
		55,065	89,109
Less: Provision for slow moving/obsolete stores	7.2	(5,523)	-
		49,542	89,109

7.1 This includes spares in transit amounting to Rs. 3.38 million (2014: Rs. 4.81 million).

	2015 (Rupees in thousand)	2014
7.2 Provision for slow moving/obsolete stores		
Balance as at 01 July	-	-
Provision/ (reversal) for the year	5,523	-
Written off during the year	-	-
Balance as at 30 June	5,523	-

7.3 As referred in note 26.3, stores and spares related to discontinued operation amounting have been adjusted on disposal.

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
8. STOCK-IN-TRADE			
Raw material and chemicals	8.1	388,101	298,666
Packing material		22,033	20,883
Work-in-process		16,683	33,384
Finished goods		47,661	65,375
		474,478	418,308

8.1 This includes raw material in transit amounting to Rs. 17.14 million (2014: Rs. 21.04 million).

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
9. TRADE DEBTORS			
Trade debtors - unsecured:			
Considered good		365,012	387,515
Considered doubtful		35,677	29,726
		400,689	417,241
Less: Provision for doubtful debts	9.1	(35,677)	(29,726)
		365,012	387,515
9.1 Provision for doubtful debts			
Balance as at 01 July		29,726	20,495
Provision for the year		12,116	9,231
Written off during the year		(6,165)	-
Balance as at 30 June		35,677	29,726

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of long term loans and advances		6,073	3,981
Advances to employees - considered good		51	61
Prepayments		3,210	7,246
Other receivables		15,560	10,220
		24,894	21,508
Advances to suppliers			
- Considered good		5,795	35,553
- Considered doubtful		-	-
		5,795	35,553
Less: Provision for doubtful advances	10.1	-	-
		5,795	35,553
		30,689	57,061

	Note	2015 (Rupees in thousand)	2014
10.1 Provision for doubtful advance			
Balance as at 01 July		-	2,000
Addition during the year		-	-
Written off during the year		-	(2,000)
Balance as at 30 June		-	-

11. TAX REFUNDS DUE FROM THE GOVERNMENT

Sales tax receivable		21,088	-
Income tax refundable		73,285	96,238
		94,373	96,238

12. SHORT TERM INVESTMENT

Term deposit certificates	12.1	200,000	-
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12.1 This represents term deposit receipt (TDR) with Dubai Islamic Bank having maturity upto one year and carrying mark-up rate of 6% to 8% per annum (2014: nil).

	Note	2015 (Rupees in thousand)	2014
13. CASH AND BANK BALANCES			
Cash in hand		1,449	471
Cash at bank:			
Current accounts		114,434	128,331
Saving accounts	13.1	27,498	52,235
		141,932	180,566
		143,381	181,037

13.1 These carry profit ranging between 6 % to 7 % per annum (2014: 6% to 7% per annum).

14. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

14.1 Issued, subscribed and paid-up certificate capital

2015	2014		2015	2014
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

14.2 As at 30 June 2015, Treet corporation Limited, the holding company holds 117,149,871 (2015: 117,149,871) certificates of the Modaraba. In addition, 13,060,375 (2014: 13,060,375) certificates are held by the Modaraba Management Company i.e. Treet Holdings Limited (formerly Global Econo Trade Limited).

	2015	2014
	(Rupees in thousand)	
15. STATUTORY RESERVES		
Statutory reserves	313,436	252,091

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.

	2015	2014
	(Rupees in thousand)	
16. SURPLUS ON THE REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Revaluation surplus as at 1 July	43,952	-
Surplus arising during the year		
- Freehold land	-	11,920
- Buildings on freehold land	-	32,032
	-	43,952
Surplus transferred to accumulated profits on account of:		
- disposal of property, plant and equipment	(11,434)	-
- incremental depreciation charged during the year	(1,383)	-
	(12,817)	-
Revaluation surplus as at 30 June	31,135	43,952

16.1 During the year ended 30 June 2014, the Modaraba carried out revaluation of its freehold land and buildings through an independent valuer 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 buildings have been revalued based on replacement cost.

16.2 This revaluation surplus on property, plant and equipment shall be utilized only in accordance with the provisions of section 235 of the Companies Ordinance, 1984.

	2015 (Rupees in thousand)	2014
17. LONG TERM LIABILITY AGAINST PURCHASE OF LAND		
Long term liability	265,524	-
Less: Payment made during the year	(39,829)	-
	225,695	-
Less: Current maturity of liability	(56,602)	-
	169,093	-

17.1 This represents long term liability for land purchased in Faisalabad from Faisalabad Industrial Estate Development and Management Company (FIEMC). The Modaraba has made a payment of Rs. 39.83 million and the remaining amount of Rs. 225.7 million is payable in 16 equal quarterly installments ending on 4 June 2019.

	2015 (Rupees in thousand)	2014
18. TRADE AND OTHER PAYABLES		
Creditors	58,058	65,902
Payable to related parties		
Treet Corporation Limited	22,491	12,000
Packages Limited	290	2,653
Treet HR Management (Private) Limited	-	9,612
Treet Holdings Limited (formerly Global Econo Trade Limited)	267	198
	23,048	24,463
Accrued liabilities	41,871	28,836
Sales tax payable	-	2,756
Advances from customers	4,554	2,664
Income tax deducted at source	3,295	3,098
Unclaimed dividend	8	11
	130,834	127,730

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

For the tax years 2011 and 2012, the Deputy Commissioner Inland Revenue (DCIR) passed orders under sections 161 and 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 (CIR) 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. 12.5 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.

	2015 (Rupees in thousand)	2014
19.2 Guarantees		
Outstanding guarantees	7,245	7,245
Un-utilized limits of letter of guarantees	42,755	42,755
19.3 Letter of credit		
Outstanding letters of credit	197,000	101,700
Un-utilized limits of letters of credits	3,000	98,300

19.4 Operating leases

The Modaraba has acquired plant and machinery for its soaps manufacturing facility on operating lease. This lease runs for the maximum period of 10 years ending on 30 June 2020, with an option to renew after that date.

	2015 (Rupees in thousand)	2014
<i>Future lease payments under the lease agreements are:</i>		
Not later than one year	9,796	9,796
Later than one year but not later than five years	49,218	47,671
Later than five years	-	14,393
	59,014	71,860

	Note	2015 (Rupees in thousand)	2014
20. SALES - NET			
<u>Continuing operations</u>			
Packaging solutions - corrugated boxes	20.1	1,854,852	1,688,834
Soaps	20.2	809,526	811,374
Total sales for reportable segments		2,664,378	2,500,208
Elimination of inter-segment sales - continuing operations		(14,887)	(8,557)
		2,649,491	2,491,651
20.1 Packaging solutions - corrugated boxes			
Local Sales:			
External customers		2,032,088	1,886,072
Inter-segment sales - discontinued operations		14,887	8,557
- continuing operations		7,284	54,469
Associated undertaking - Treet Corporation Limited		20,998	5,069
Sale of waste paper		77,582	7,242
		2,152,839	1,961,409
Sales tax		(295,724)	(272,087)
Trade discount		(2,263)	(488)
		1,854,852	1,688,834
20.2 Soaps			
<i>Local sale of Soap, glycerin and steam</i>			
External customers		939,057	967,398
Associated undertaking - Treet Corporation Limited		-	74
Sale of steam		33,031	8,610
		972,088	976,082
Less:			
Sales tax		(162,562)	(164,708)
		809,526	811,374
21. COST OF GOODS SOLD			
<u>Continuing operations</u>			
Packaging solutions - corrugated boxes	21.1	1,638,514	1,528,175
Soaps	21.1	730,420	784,541
Total cost of sales for reportable segments		2,368,934	2,312,716
Elimination of inter-segment purchases - continuing operations		(14,887)	(8,557)
		2,354,047	2,304,159

21.1 Cost of goods sold

	Corrugated Boxes		Continuing operations		Total		Discontinued operations	
			Soaps				Paper & board	
	2015	2014	2015	2014	2015	2014	2015	2014
	-----Rupees in thousand-----							
Opening stock	202,099	135,390	102,700	52,495	304,799	187,885	14,750	17,515
Add: Purchases								
Inter-segment								
- continuing operations	-	-	14,887	8,557	14,887	8,557	-	54,469
- discontinued operations	78,375	425,823	7,284	-	85,659	425,823	-	-
Others	1,330,368	880,197	540,994	679,242	1,871,362	1,559,439	28,504	230,833
	1,408,743	1,306,020	563,165	687,799	1,971,908	1,993,819	28,504	285,302
Less: Closing stock	(286,473)	(202,099)	(123,660)	(102,700)	(410,133)	(304,799)	-	(14,750)
Raw and packing material consumed	1,324,369	1,239,311	542,205	637,594	1,866,574	1,876,905	43,254	288,067
Stores and spares consumed	35,704	28,159	12,000	13,546	47,704	41,705	3,882	14,455
Out sourced manpower cost	147,080	137,593	54,767	38,547	201,847	176,140	11,745	47,294
Fuel and power	65,937	62,554	59,740	61,529	125,677	124,083	15,519	157,501
Depreciation	27,203	23,823	2,809	2,758	30,012	26,581	2,934	15,087
Repair and maintenance	15,160	13,928	516	1,475	15,676	15,403	1,456	5,917
Traveling and conveyance	3,391	3,485	933	516	4,324	4,001	17	362
Insurance	2,256	1,815	590	546	2,846	2,361	122	1,094
Rent, rates and taxes	10,364	11,739	6,103	653	16,467	12,392	31	413
Provision for slow moving/ obsolete stores	5,523	-	-	-	5,523	-	-	-
Plant rental	-	-	10,612	9,070	10,612	9,070	-	-
Fee and subscription	-	-	6	15	6	15	-	-
Legal and professional	-	2	29	26	29	28	-	75
Other manufacturing expenses	9,338	2,779	4,319	4,834	13,657	7,613	490	475
	1,646,325	1,525,188	694,629	771,109	2,340,954	2,296,297	79,450	530,740
Work-in-process								
Add: Opening stock	4,790	5,198	28,317	32,102	33,107	37,300	277	223
Less: Closing stock	(4,676)	(4,790)	(12,007)	(28,317)	(16,683)	(33,107)	-	(277)
	1,646,439	1,525,596	710,939	774,894	2,357,378	2,300,490	79,727	530,686
Finished goods								
Add: Opening stock	16,275	18,854	42,942	52,589	59,217	71,443	6,158	2,095
Add: Purchases	-	-	-	-	-	-	-	-
	1,662,714	1,544,450	753,881	827,483	2,416,595	2,371,933	85,885	532,781
Less: Closing stock	(24,200)	(16,275)	(23,461)	(42,942)	(47,661)	(59,217)	-	(6,158)
	1,638,514	1,528,175	730,420	784,541	2,368,934	2,312,716	85,885	526,623

	Note	2015 (Rupees in thousand)	2014
22. ADMINISTRATION EXPENSES			
Out sourcing of manpower		15,745	10,905
Auditor's remuneration	22.1	1,600	1,600
Legal and professional		17,686	1,642
Vehicle running and maintenance		64	35
Printing and stationery		180	146
Travelling and conveyance		292	268
Postage and telephone		91	60
Others	22.2	1,267	445
		36,925	15,101
22.1 Auditors' remuneration			
Audit fee		1,300	1,300
Half year review		235	235
Out of pocket expenses		65	65
		1,600	1,600
22.2	This includes an amount of Rs. Nil (2014: Rs. 0.055 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	2015 (Rupees in thousand)	2014
23. DISTRIBUTION COST			
Freight and forwarding		58,827	67,698
Provision for doubtful debts	9.1	12,116	9,231
Outsourcing of manpower		13,227	8,989
Rent, rates and taxes		15,734	8,731
Advertisement		248	1,430
Traveling and conveyance		1,855	2,282
Postage and telephone		481	586
Printing and stationery		422	71
Staff training		352	-
Others		2,737	3,349
		105,999	102,367
24. FINANCE COST			
Bank charges		490	263
Exchange loss		1,677	2,884
		2,167	3,147

	2015	2014
	(Rupees in thousand)	
25. OTHER INCOME		
Profit from bank on saving accounts	18,465	5,656
Sale of scrap	2,845	8,471
Others	431	-
	21,741	14,127

26. DISCONTINUED OPERATION

During the year, the Board of Directors of Modaraba Management Company on 01 September 2014 approved the sale of assets of Paper and Board Mill segment 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 assets of Paper and Board Mill segment including land, building, plant and machinery, computer and equipment, security deposit for electricity supply and related store and spares against the gross consideration including sales tax amounting to Rs. 162 million. Assets and liabilities other than mentioned below have been retained by the Modaraba and allocated to Packaging solution segment. The Paper and Board mill segment was not previously classified as held for sale or as discontinued operation. The comparative statement of profit and loss and other comprehensive income has been represented to show the discontinued operation separately from continuing operations.

	Note	2015	2014
		(Rupees in thousand)	
26.1 Profit and Loss on discontinued operation			Represented
Local sales - net		7,047	108,106
Sale to continuing operations		78,375	425,823
		85,422	533,929
Cost of sales	21.1	(85,885)	(526,623)
Gross profit		(463)	7,306
Administration expenses		(78)	(1,427)
Distribution expenses		(348)	(1,492)
		(426)	(2,919)
Operating profit		(889)	4,387
Finance cost		(2)	(42)
Other income		164	561
		(727)	4,906
Loss on sale of discontinued operation	26.3	(35,045)	-
(Loss) / profit for the year from discontinued operation		(35,772)	4,906

	2015	2014
	(Rupees in thousand)	
26.2 Cash flow generated from discontinued operation		
Net cash generated from operating activities	2,207	20,035
Net cash generated from/ (used in) investing activities	154,345	(42)
Net cash generated from discontinued operation	156,552	19,993
	Net Book values at the date of sale	
	2015	2014
	(Rupees in thousand)	
26.3 Effect of disposal on the financial position		
Property, plant and equipment	164,398	-
Long term deposits	4,590	-
Stores and spares	19,427	-
Stock-in-trade	975	-
Net assets sold	189,390	-
Consideration received net of sale tax	154,345	-
Net loss on disposal	(35,045)	-

27. TAXATION

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

28. OPERATING SEGMENT RESULTS

The Modaraba was engaged into three main business segments, however, during the period the Modaraba discontinued Paper and Board mill segment as as at 30 June 2015 following are the continuing business segments.

- (i) Manufacture and sale of corrugated boxes; and
- (ii) Manufacture and sale of soaps.

	Note	Continuing operations				Discontinued operations			
		Corrugated Boxes		Soaps		Total		Paper & board mill - Paper	
		2015	2014	2015	2014	2015	2014	2015	2014
-----Rupees in thousand-----									
Sales	20								
Inter-segment		14,887	8,557	-	-	14,887	8,557	78,375	425,823
Others		2,137,952	1,952,852	972,088	976,082	3,110,040	2,928,934	15,903	125,216
		2,152,839	1,961,409	972,088	976,082	3,124,927	2,937,491	94,278	551,039
Less:									
Sales tax		(295,724)	(272,087)	(162,562)	(164,708)	(458,286)	(436,795)	(8,856)	(17,110)
Trade discount		(2,263)	(488)	-	-	(2,263)	(488)	-	-
		(297,987)	(272,575)	(162,562)	(164,708)	(460,549)	(437,283)	(8,856)	(17,110)
Net sales		1,854,852	1,688,834	809,526	811,374	2,664,378	2,500,208	85,422	533,929
Cost of sales	21	(1,638,514)	(1,528,175)	(730,420)	(784,541)	(2,368,934)	(2,312,716)	(85,885)	(526,623)
Gross profit/(loss)		216,338	160,659	79,106	26,833	295,444	187,492	(463)	7,306
Administration expenses		(17,735)	(12,950)	(19,190)	(2,151)	(36,925)	(15,101)	(78)	(1,427)
Distribution expenses		(100,207)	(95,139)	(5,792)	(7,228)	(105,999)	(102,367)	(348)	(1,492)
		(117,942)	(108,089)	(24,982)	(9,379)	(142,924)	(117,468)	(426)	(2,919)
Operating profit/(loss)		98,396	52,570	54,124	17,454	152,520	70,024	(889)	4,387
Finance cost						(2,167)	(3,147)	(2)	(42)
Other income						21,741	14,127	164	561
Loss on sale of discontinued operations						-	-	(35,045)	-
Net profit/(loss) for the year						172,094	81,004	(35,772)	4,906

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

	Continuing operations						Discontinued operations			
	Corrugated Boxes		Soaps		Unallocated		Total		Paper & board mill - Paper	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
-----Rupees in thousand-----										
28.2 Segment assets	1,368,282	1,131,197	418,966	345,109	265,524	-	2,052,772	1,476,306	-	253,017
28.3 Segment liabilities	97,972	85,545	36,668	17,261	225,695	-	360,335	102,806	-	25,414

28.4 Current assets and liabilities relating to Paper and Board Mill segment have been transferred to corrugated boxes segment.

29. 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.

29.1 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. 833.46 million (2014: Rs. 721.85 million) financial assets which are subject to credit risk amount to Rs. 749.05 million (2014: Rs. 640.561 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	2015 (Rupees in thousand)	2014
Long term deposits	6	14,625	22,665
Trade debtors - net	9	365,012	387,515
Advances, deposits and other receivables		27,479	49,815
Short term investments	12	200,000	-
Bank balances	13	141,932	180,566
		749,048	640,561

	2015	2014
	(Rupees in thousand)	
The age analysis of financial assets (net of impairment) at the reporting date is:		
Not past due	262,767	285,265
Less than 30 days	68,591	60,234
Past due 1 - 3 months	25,139	25,118
Past due 3 - 6 months	2,081	7,723
Past due 6 - 12 months	4,151	7,187
Above one year	2,283	1,988
	365,012	387,515

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	2015	2014
	Short term	Long term			
(Rupees in thousand)					
MCB Bank Limited	A1+	AAA	PACRA	1,260	26,106
United Bank Limited	A-1+	AA+	JCR-VIS	94,149	97,777
Bank Islami Pakistan Limited	A1	A+	PACRA	2	3,194
National Bank of Pakistan	A1+	AAA	PACRA	4,952	189
Habib Bank Limited	A-1+	AAA	JCR-VIS	250	227
Bank Alfalah Limited	A1+	AA	PACRA	8,745	607
NIB Bank Limited	A1+	AA-	PACRA	783	783
Faysal Bank Limited	A-1+	AA	JCR-VIS	8	8
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	227,478	51,670
Soneri Bank Limited	A1+	AA-	PACRA	1,105	5
JS Bank Limited	A1	A+	PACRA	3,200	-
				341,932	180,566

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 counter parties on their obligations to the Modaraba. Accordingly, the credit risk is minimal.

29.2 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 2015:

	Carrying Amount	Contractual Cash flows	6 Months or less	6-12 months	More than 2 years
------(Rupees in thousand)-----					
Retention money	3,806	3,806	3,806	-	-
Trade and other payables	130,834	130,834	130,834	-	-
Long term liability against purchase of land	225,695	225,695	28,301	28,301	169,093
	360,335	360,335	162,941	28,301	169,093

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

	Carrying Amount	Contractual Cash flows	6 Months or less	6-12 months	More than 2 years
------(Rupees in thousand)-----					
Retention money	490	490	490	-	-
Trade and other payables	127,730	127,730	127,730	-	-
	128,220	128,220	128,220	-	-

29.3 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.

29.3.1 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:

	2015 (Rupees in thousand)	2014
Creditors in foreign currency	2,055	222

The following significant exchange rate have been applied:

	Average rate		Reporting date rate	
	2015	2014	2015	2014
USD to PKR	100.03	96.6	101.5	98.8

29.3.2 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.

29.3.3 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.

29.3.4 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

29.4 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.

29.5 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.

30. 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	2015 (Rupees in thousand)	2014 (Rupees in thousand)
<u>Associated undertakings</u>			
Packages Limited	Purchase of goods	67,815	62,963
Bulleh Shah Packaging (Private) Limited	Purchase of goods	31,650	54,063
Treet HR Management (Private) Limited	Purchase of services	5,515	139,443
<u>Holding Company</u>			
Treet Corporation Limited	Sale of goods	17,947	5,143
	Rental of facilities	12,000	12,000

30.1 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.

30.2 All the executives, officers and other employees of the Modaraba have been outsourced from its related party namely Treet HR Management (Private) Limited.

30.3 One of the directors is working as CEO of the Modaraba. No remuneration has been paid to CEO or any director of the Modaraba. No fees for attending the meeting has been paid to directors during the year (2014: Rs. Nil).

31. PLANT CAPACITY AND PRODUCTION

	Annual rated capacity	
	(Metric Tons)	
	2015	2014
<i>Continued operation:</i>		
Corrugated boxes	35,000	30,000
Soaps	5,000	5,000
<i>Discontinued operation:</i>		
Paper and board	-	15,000
	Annual production	
	(Metric Tons)	
	2015	2014
<i>Continuing operations:</i>		
Corrugated boxes and sheets	26,225	24,869
Soaps	4,147	4,030
<i>Discontinued operation:</i>		
Paper and board	1,274	9,255

The variance of actual production from capacity is primarily on account of the product mix.

**32. EARNINGS PER MODARABA CERTIFICATE
- BASIC AND DILUTED**

	2015	2014
	(Rupees in thousand)	
<u>Basic earnings per share</u>		
<i>Profit for the year</i>		
- Continuing operations	172,094	81,004
- Discontinued operations	(35,772)	4,906
Number of certificates	<i>Numbers in thousand</i>	130,400
		130,400
<i>Earning/(loss) per certificate</i>		<i>(Rupees)</i>
- Continuing operations	1.32	0.62
- Discontinued operations	(0.27)	0.04

Diluted earnings per share

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

33. NON-ADJUSTING PROFIT DISTRIBUTION

The Board of Directors of Modaraba Management Company in their meeting dated October 06, 2015 have approved a profit distribution @ 6.20% of Re. 0.62 per certificate for the year ended 30 June 2015. These financial statements do not reflect this profit distribution.

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 06, 2015 by the Board of Directors of Treet Holdings Limited (formerly Global Econo Trade Limited), the Modaraba Management Company.

35. GENERAL

35.1 Corresponding figures have been re-arranged or reclassified wherever necessary, for the purposes of comparison and better presentation as per reporting framework, however, no significant re-arrangements have been made.

LAHORE:
October 06, 2015



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Pattern of Certificate-Holding as at June 30, 2015

NUMBER OF CERTIFICATE HOLDERS	CERTIFICATE HOLDING		TOTAL NUMBER OF CERTIFICATE HELD
	FROM	TO	
28	1	500	10,540
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.	Treet Holdings Limited (formerly Global Econo Trade Limited)	13,060,375	10.02%

Key Operating Financial Data

Rs.(000)	2015	2014	2013	2012	2011
Sales	2,649,491	2,491,651	2,180,217	2,259,353	1,790,217
Gross Profit	295,444	187,492	242,092	279,655	185,672
Profit before Taxation	136,322	85,910	128,522	188,177	123,228
Profit after Taxation	136,322	85,910	128,522	188,177	123,228
Certificateholders' Equity	1,692,437	1,601,103	1,519,488	1,514,846	878,189
Fixed Assets - Net	665,119	461,566	445,653	322,813	341,557
Total Assets	2,052,772	1,729,323	1,644,472	1,665,200	1,428,642
Total Liabilities	360,335	128,220	124,984	150,354	550,453
Current Assets	1,357,475	1,229,268	1,171,628	1,313,386	1,075,593
Current Liabilities	191,242	128,220	124,984	150,354	93,342
Dividend Declared	6.20%	3.45%	6.70%	6.50%	6.94%
Certificates Outstanding	130,399,996	130,399,996	130,399,996	79,999,998	79,999,998

IMPORTANT RATIOS

	2015	2014	2013	2012	2011
Profitability					
Gross Profit	11.15%	7.52%	11.10%	12.38%	10.37%
Profit before Tax	5.15%	3.45%	5.89%	8.33%	6.88%
Profit after Tax	5.15%	3.45%	5.89%	8.33%	6.88%
Return to Equity					
Return on Equity before Tax	8.05%	5.37%	8.46%	12.42%	14.03%
Return on Equity after Tax	8.05%	5.37%	8.46%	12.42%	14.03%
Earning per Certificates	1.05	0.66	0.99	2.35	1.70
Liquidity/Leverage					
Current Ratio	7.10	9.59	9.37	8.74	11.52
Break-up Value per Certificate	12.98	12.28	11.65	18.94	10.98
Total Liabilities to Equity	0.21	0.08	0.08	0.10	0.63

% Change	2015	2014	2013	2011	2010
Sales	6.33%	14.28%	-3.50%	26.21%	21.22%
Gross Profit	57.58%	-22.55%	-13.43%	50.62%	56.03%
Profit before Taxation	58.68%	-33.16%	-31.70%	52.71%	153.99%
Profit after Taxation	58.68%	-33.16%	-31.70%	52.71%	153.99%
Certificateholders' Equity + Revaluation Surplus	5.70%	5.37%	0.31%	72.50%	84.18%
Fixed Assets - Net	44.10%	3.57%	38.05%	-5.49%	5.52%
Total Assets	18.70%	5.16%	-1.24%	16.56%	50.70%
Total Liabilities	181.03%	2.59%	-16.87%	-72.69%	16.82%
Current Assets	10.43%	4.92%	-10.79%	22.11%	75.64%
Current Liabilities	49.15%	3.84%	-17.88%	61.08%	-64.71%
Dividend	79.71%	-48.51%	3.08%	-6.20%	153.85%
Certificates Outstanding	0.00%	0.00%	63.00%	0.00%	60.00%

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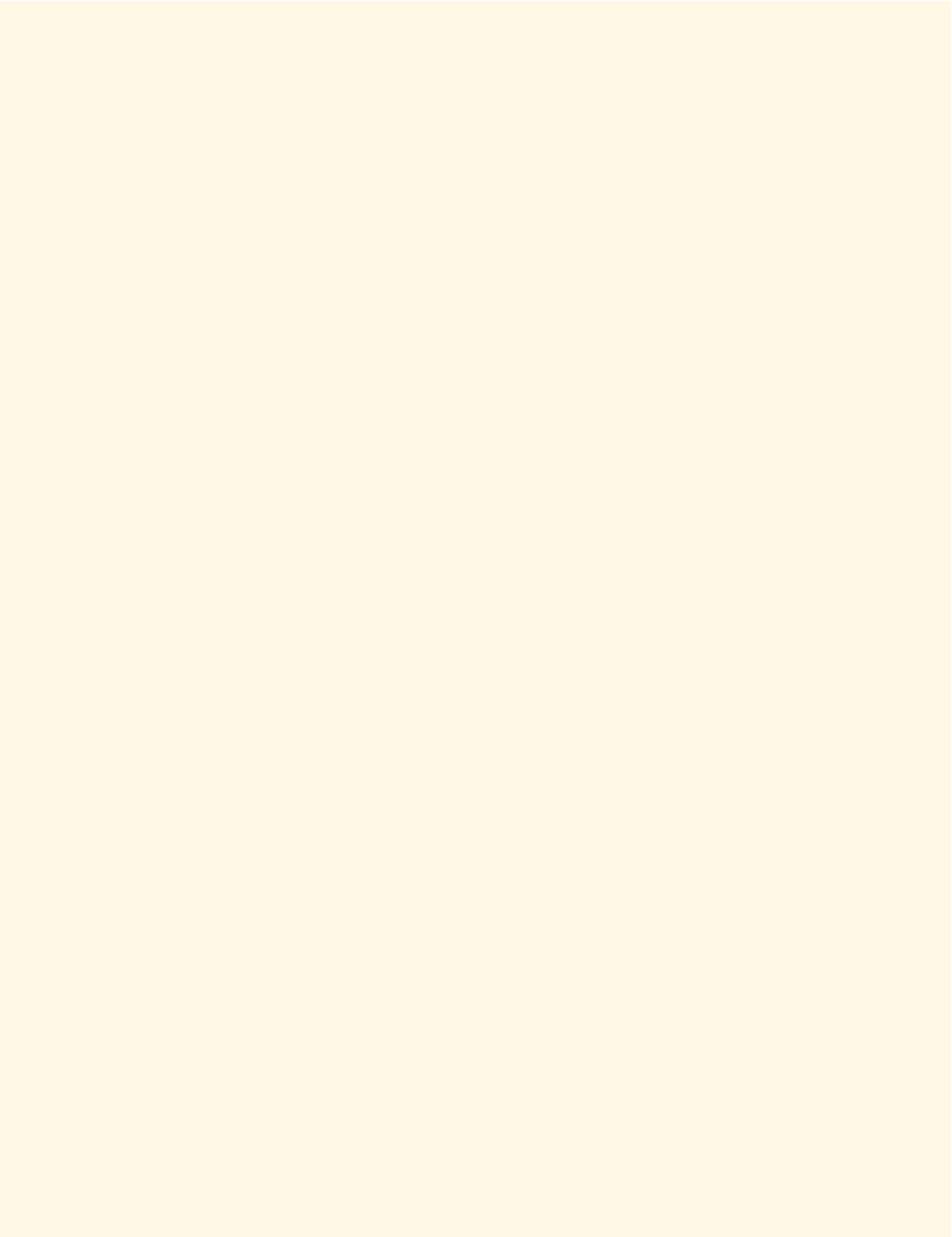


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TREET GROUP OF COMPANIES



TREET CORPORATION LIMITED



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



**PACKAGING
SOLUTIONS**

(A Project Under FTMM)



MOTOR BIKE PROJECT



Treet HR Management (Private) Limited
(formerly TCL Labor-Hire Company (Private) Limited)