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## Corporate Information

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

\* Subject to the approval of REGISTRAR MODARABA

## Directors' Report

Board of Directors of Global Econo Trade (Private) Limited (GET), the Management Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present un-audited financial statements for the **1st Quarter** ending on September 30, 2011.

### Financial Results

Rs. in 000'	2011-2012	2010-2011
Net Sales	550,363	375,560
Gross Profit	62,407	24,828
Net Profit	46,575	3,644
Profit per Certificate	0.58	0.07
Transfer to Statutory Reserve	Nil	Nil
Book Value per Certificate	11.56	9.76

Sales performance (in % change) is described below:

2011-2012			
Rs. in 000'	Soap	Corrugation	Paper & Board
Sales	190,639	288,745	70,979
Inter-Segment Sales	-	16,267	58,545
	190,639	305,012	129,524

2010- 2011			
Rs. in 000'	Soap	Corrugation	Paper & Board
Sales	147,112	218,583	9,865
Inter-Segment Sales	-	15,103	83,869
	147,112	233,686	93,734
Sales Growth %	29.59%	30.52%	38.18%

**Margins are generally increased across the board due to the following reasons:**

- Better inventory management;
- Price rationalization;

However, following factors were major areas of concern that may affect negatively on profitability:

- Increase in power tariffs and in-house power generations;
- International commodity prices particularly of crude oil;

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

**Acknowledgement**

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

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

For and on behalf of the Board



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

**LAHORE:**  
October 24, 2011


# Condensed Interim Balance Sheet

As at September 30, 2011 (Un-audited)

	September 30, 2011 Un-audited (Rupees in thousand)	June 30, 2011 Audited
<b>Note</b>		
<b>Property, plant and equipment</b>	340,779	341,557
<b>Long term deposits</b>	10,716	11,492
	351,495	353,049
<b>CURRENT ASSETS</b>		
Stores and spares	60,649	57,155
Stock-in-trade	334,405	386,669
Trade debts - unsecured considered good	420,003	262,662
Loans, advances, deposits, prepayments and other receivables	323,808	310,345
Cash and bank balances	57,300	58,762
	1,196,165	1,075,593
<b>CURRENT LIABILITIES</b>		
Trade and other payables	127,806	93,342
<b>NET CURRENT ASSETS</b>	1,068,359	982,251
<b>NET ASSETS</b>	1,419,854	1,335,300
<b>FINANCED BY:</b>		
Issued, subscribed and paid-up capital	800,000	800,000
Statutory Reserve	85,872	85,872
Accumulated profit/(loss)	38,892	(7,683)
<b>MODARABA CERTIFICATE HOLDERS' EQUITY</b>	924,764	878,189
<b>Long term loans</b>	495,090	457,111
<b>Contingencies and commitments</b>	5	-
	1,419,854	1,335,300

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer


  
**Muhammad Shafique Anjum**  
Director

**Condensed Interim Profit and Loss Account**

For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Note	3 Months ended	
		July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010
Sales - Net	6	550,363	375,560
Cost of Goods Sold	7	(487,956)	(350,732)
<b>Gross Profit</b>		62,407	24,828
Operating expenses:			
- Administrative expenses		(2,366)	(4,048)
- Selling & distribution expenses		(14,165)	(12,388)
		(16,531)	(16,436)
<b>Operating Profit</b>		45,876	8,392
Other income		1,007	2,048
		46,883	10,440
Financial expenses		(308)	(6,796)
<b>Profit before taxation</b>		46,575	3,644
Taxation		-	-
<b>Profit after taxation</b>		46,575	3,644
<b>Earning per Modaraba Certificate</b>		0.58	0.07

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011


**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director


# Condensed Interim Cash Flow Statement

For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	July to September 2011 (Rupees in thousand)	July to September 2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	46,575	3,644
Adjustments for non-cash items:		
Financial charges for the period	308	6,796
Depreciation on property, plant and equipment	7,065	6,585
Profit on bank deposits	(882)	(1,155)
	6,491	12,226
<b>Operating profit before working capital changes</b>	53,066	15,870
(Increase) / decrease in operating assets:		
Stores and spares	(3,494)	1,630
Stock-in-trade	52,264	(7,028)
Trade debts	(157,341)	(68,779)
Loans, advances, deposits, prepayments and other receivables	(7,346)	(31,018)
	(115,917)	(105,195)
Increase / (decrease) in operating liabilities:		
Trade and other payables	34,463	25,191
<b>Cash generated from operations</b>	(28,388)	(64,134)
Financial charges paid	(308)	(6,796)
Taxes paid	(6,117)	(3,372)
	(6,425)	(10,168)
<b>Net cash from operating activities</b>	(34,813)	(74,302)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(6,286)	(9,534)
Long term deposits	776	(6,478)
Profit received on bank deposits	882	1,155
<b>Net cash outflow from investing activities</b>	(4,628)	(14,857)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Modaraba Certificates	-	300,000
Long Term Loans	37,979	-
<b>Net cash from financing activities</b>	37,979	300,000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,462)	210,841
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	58,762	(161,373)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	57,300	49,468

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director


## Condensed Interim Statement of Changes in Equity

For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Certificate Capital	Statutory Reserve	Unappropriated Profit / (Loss)	Total
..... (Rupees in thousand) .....				
<b>Balance as at June 30, 2010</b>	500,000	24,258	(47,457)	476,801
Net Profit for the period	-	-	3,644	3,644
<b>Balance as on September 30, 2010</b>	500,000	24,258	(43,813)	480,445
<b>Balance as at June 30, 2011</b>	800,000	85,872	(7,683)	878,189
Net Profit for the period	-	-	46,575	46,575
<b>Balance as on September 30, 2011</b>	800,000	85,872	38,892	924,764

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director



# Notes to the Condensed Interim Financial Information

## For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

A packaging plant under the name of "Packaging Solutions" has been set up by the Modaraba. The principal activity of "Packaging Solutions" is to manufacture and sell, all kinds of corrugated boxes and packaging.

The Modaraba is also engaged in the business of manufacturing and sale of soaps. The soap operation was started from July 01, 2009.

A paper and board plant under the name of "Packaging Solutions - Paper and Board Mill" has also been setup under the Modaraba.

### 2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standards "34-Interim Financial Reporting" as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). These should be read in conjunction with financial statements of the Modaraba for the year ended June 30, 2011.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial information are consistent with those followed in the preparation of the Modaraba's annual financial statements for the year ended June 30, 2011, except for adoption of revised IAS 1 as noted below:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 01, 2009), was issued in September 2007. The revised standard prohibits the preparation of items of income and expenses (that is, 'non - owner changes in equity') in the statement of changes in equity, requiring 'non-owner equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Modaraba has chosen to present all non-owner changes in equity in one performance statement - statement of comprehensive income (profit and loss account). The Modaraba does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have significant impact on the presentation of the Modaraba's financial statements and does not require the restatement or reclassification of comparative information.

### 4. SIGNIFICANT ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited and published financial statements for the year ended June 30, 2011.

**5. CONTINGENCIES AND COMMITMENTS**

There is no material change in the position of contingent liabilities since the last annual balance sheet.

		<b>3 Months ended</b>	
		<b>July to Sept. 2011</b>	<b>July to Sept. 2010</b>
		<b>(Rupees in thousand)</b>	
	<b>Note</b>		
<b>6. SALES</b>			
Packaging products	6.1	288,745	218,583
Paper and board	6.2	70,979	9,865
Soaps	6.3	190,639	147,112
		<b>550,363</b>	<b>375,560</b>
<b>6.1 Packaging Products</b>			
Local Sales		330,463	255,629
Less: Sales tax		41,718	37,046
		<b>288,745</b>	<b>218,583</b>
<b>6.2 Paper and Board</b>			
Local Sales		82,333	11,542
Less: Sales tax		11,354	1,677
		<b>70,979</b>	<b>9,865</b>
<b>6.3 Soaps</b>			
Local Sales		229,799	178,551
Less: Sales tax		39,160	31,439
		<b>190,639</b>	<b>147,112</b>
<b>7. COST OF SALES</b>			
Packaging products	7.1	218,564	135,760
Paper and board	7.2	110,077	87,298
Soaps	7.3	159,315	127,674
		<b>487,956</b>	<b>350,732</b>

	3 Months ended	
	July to Sept. 2011	July to Sept. 2010
	(Rupees in thousand)	
<b>7.1 Packaging Products</b>		
Raw and packing material consumed	175,660	94,502
Stores and spares consumed	7,186	6,554
Salaries, wages and other benefits	16,330	14,499
Fuel and power	12,218	8,276
Depreciation	3,242	3,374
Other expenses	6,168	5,542
	220,804	132,747
Opening stock of work-in-process	3,575	5,108
Closing stock of work-in-process	(5,746)	(4,048)
Cost of goods manufactured	218,633	133,807
Opening stock of finished goods	7,712	3,549
Closing stock of finished goods	(7,781)	(1,596)
	218,564	135,760
<b>7.2 Paper and board</b>		
Raw and packing material consumed	58,995	47,167
Stores and spares consumed	4,396	2,560
Salaries, wages and other benefits	9,473	8,787
Fuel and power	28,634	23,332
Depreciation	3,211	3,211
Other expenses	4,920	1,838
	109,629	86,895
Opening stock of work-in-process	-	-
Closing stock of work-in-process	-	(141)
Cost of goods manufactured	109,629	86,754
Opening stock of finished goods	6,688	2,897
Closing stock of finished goods	(6,240)	(2,353)
	110,077	87,298

	3 Months ended	
	July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010
<b>7.3 Soaps</b>		
Raw material consumed	147,716	93,851
Stores and spares consumed	1,290	1,244
Salaries, wages and other benefits	4,868	4,454
Fuel and power	5,037	9,053
Plant rental	1,944	1,800
Other expenses	2,853	1,270
	163,708	111,672
Opening stock of work-in-process	17,190	23,868
Closing stock of work-in-process	(31,688)	(17,871)
Cost of goods manufactured	149,210	117,669
Opening stock of finished goods	18,827	18,752
Closing stock of finished goods	(8,722)	(8,747)
	159,315	127,674
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>		
Purchases and services received	38,962	41,184
Goods sold and services rendered	189,722	144,124

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

9. This condensed interim financial information was authorized for issue by the board of directors of the Modaraba Company on October 24, 2011.
10. Amounts have been rounded off to thousand rupees.

LAHORE:  
October 24, 2011



**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director