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Half Yearly Report
For the period ended
December 31, 2024
First Treet Manufacturing Modaraba

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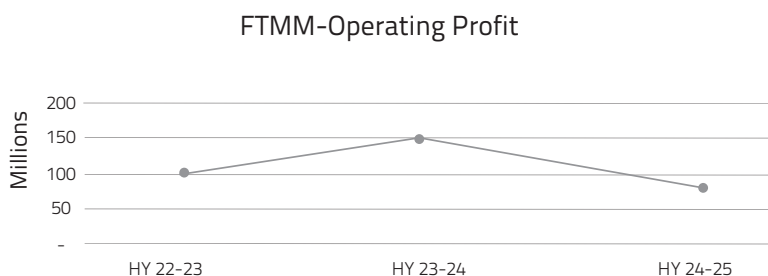
BOARD OF DIRECTORS:	Syed Shahid Ali Syed Sheharyar Ali Mr. Imran Azim Dr. Salman Faridi Mr. Munir Karim Bana Dr. Haroon Latif Khan Ms. Sidra Fatima Sheikh Mr. Ahmad Shahid Hussain	Chairman/ Non-Executive Director Chief Executive Officer Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Female Independent Director Independent Director
AUDIT COMMITTEE	Ms. Sidra Fatima Sheikh Mr. Imran Azim Dr. Salman Faridi Mr. Munir Karim Bana Mr. Ahmad Shahid Hussain	Chairperson/ Member Member Member Member
CHIEF FINANCIAL OFFICER:	Mr. Muhammad Zubair Mr. Mansoor Murad	Modaraba Management Company Modaraba
COMPANY SECRETARY:	Ms. Zunaira Dar	
EXTERNAL AUDITORS:	M/s Rahman Sarfaraz Rahim Iqbal Rafiq	Chartered Accountants
EXTERNAL AUDITORS OF MODARABA MANAGEMENT COMPANY:	M/s. Yousuf Adil Chartered Accountants	Chartered Accountants
LEGAL ADVISORS:	Asad & Asad Attorney at Law	Advocates
CORPORATE ADVISORS:	Cornelius, Lane & Mufti	Advocates
SHARIAH ADVISOR:	Mufti Muhammad Javed Hassan	
SHARES REGISTRAR:	Corplink (Private) Limited Wingec Arcade, 1-K, Commercial Model Town, Lahore Tel: 042-35916714 Fax: 042-35839182	
BANKERS:	Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited Askari Bank Limited MCB Bank Limited Habib Bank Limited United Bank Limited JS Bank Limited	Habib Metropolitan Bank Limited Bank Islami Pakistan Limited Allied Bank Limited Bank Alfalah Limited MCB Islamic Bank Limited Bank Al Habib Limited Faysal Bank Limited Dubai Islamic Bank Pakistan Limited
REGISTERED OFFICE	72-B, Industrial Area, Kot Lakhpat, Lahore. Fax: 042-35114127 & 35215825 Tel: 042-35830881, 35156567 & 35122296 E-mail: corporate@treetcorp.com Home Page: www.ftmm.com.pk	
PACKAGING SOLUTIONS CORRUGATION	Kacha Tiba Rohi Nala, 22-KM Ferozpur Road, Lahore	
SOAP PLANT	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala	

Directors' review

We are pleased to present the Directors' Report together with the unaudited Financial Statements for the half year ended December 31, 2024.

The first half of the fiscal year 2024-25 saw a combination of both headwind and tailwind effects impacting the Company. Compared to last year, the Corrugation segment performed well and delivered profitable performance despite ongoing turbulence in the industry as a whole. However, the Soap segment faced a difficult competitive environment which impacted its results negatively.

As a result, the Modaraba has witnessed a mild decline across various indicators due to a general shrinkage in revenues. Despite the challenging competitive environment, the Modaraba has once again delivered positive bottom-line results, underscoring our ability to navigate extremely difficult environments with a high level of resilience.



FINANCIAL HIGHLIGHTS

The Modaraba is engaged in two business segments: Corrugated Boxes and Soaps. The financial results of half year of 2024-25 demonstrated slight decline in financial performance for the Modaraba due to tough market conditions. Modaraba witnessed decreases in revenue due to a combination of price pressures in the Corrugation segment, and working capital constraints from distributors in the Soaps segment. This downturn also reflected in a significant decrease in operating profits for the half year.

The Soaps segment, which delivered consistently strong performance last year, had a challenging first half of current year, achieving revenue of Rs. 548 million, a 25% decrease from Rs. 731 million in the corresponding period last year. Despite this, the Modaraba achieved a gross profit of Rs. 192.7 million, compared to Rs. 187.7 million in the corresponding period last year.

Furthermore, the Modaraba's operating profit dropped to Rs. 86.4 million from Rs. 144.6 million reported in the corresponding period last year.

Despite these challenges, the Modaraba still managed to achieve net profit of Rs. 75 million in first half of FY 2024-25.

(Rupees in Million)

Description	Half Year Ended		Change	% Change
	31-Dec-24	31-Dec-23		
Sales (net)	1,977	2,213	-236	-11%
Gross Profit/(Loss)	193	188	5	3%
Operating Profit/(Loss)	86	145	-58	-40%
Net Profit/(Loss) after Taxation	75	156	-82	-52%
EPS (in Rupees)	0.08	0.18	(0.09)	-52%

Directors' review

CORRUGATED PACKAGING

The corrugated packaging segment has further streamlined its business operations in order to manage the increasingly competitive external environment. Despite decline in sales while comparing to same period last year, packaging segment has improved its overall profitability. The net revenue is Rs. 1,429 million, a 4% reduction as compared to the corresponding period previous year. The segment has posted a gross profit of Rs. 78.9 million, compared to a gross profit of Rs. 47.3 million, an increase of 67%. This significant increase is primarily due to better cost management, despite overall challenging economic conditions during 2024-25.

As shared earlier, the Management has put its efforts towards cost controlling strategies to ensure that company remain in competition with respect to product quality as well as operational efficiencies with current resources deployed. Currently the business is focusing on retaining key customers and adding new large customers to the Company portfolio, which is the prime requirement to deliver sustainable profitable performance. With current market condition, we need to invest in new technology to become more efficient and cost effective to compete with our rivals in local market.

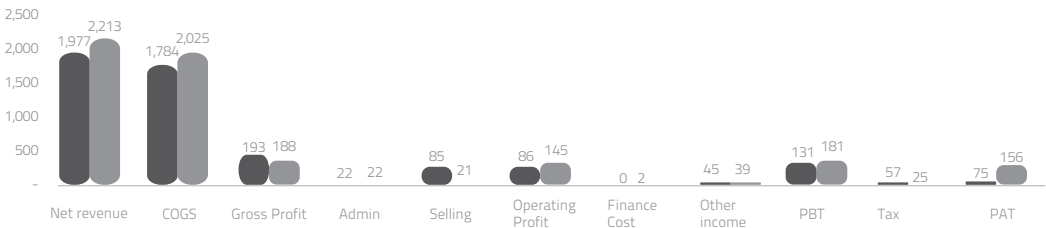
SOAPS

The gross profit for the first half of 2024-25 is Rs. 113.7 million, which has decreased by Rs.26 million (19%) as compared to the corresponding period last year. Soaps sales, volumes, and margins have decreased due to greater market competition in the key markets of the business. Our sales teams are exerting more efforts towards gaining previous number of sales in terms of volume as well as revenue. Product visibility and availability is our current sales strategy to boost our sales. We are expecting that these efforts will help us in boosting our margins in upcoming quarters.

FTMM PROFITABILITY ANALYSIS

RUPEES IN MILLIONS

■ HY 24-25 ■ HY 23-24



COUNTRY'S ECONOMIC OUTLOOK

Pakistan's economy is now heading towards stability, exchange rate stabilized, KIBOR is on reducing trend after the massive hikes in recent past. These macroeconomic gains are closely tied to fiscal discipline, as the government achieved its first primary surplus in two decades in FY24, with another surplus anticipated in FY25. This progress has contributed in narrowing the current account deficit. The important thing now is to keep this rectifying measures intact to help the economic growth to get back on track.

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 Pakistan Stock Exchange Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks are due to our certificate holders for the trust and confidence shown in us.

For and on behalf of the Board

Syed Shehryar Ali
Chief Executive Officer
Date: February 26, 2025
Lahore

Syed Shahid Ali
Chairman

Independent Auditors' Review Report

To the Certificate Holders of First Treet Manufacturing Modaraba

Report on Review of Condensed Interim Financial Statements

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of First Treet Manufacturing Modaraba (the Modaraba) as at 31 December 2024 and the related condensed interim statement of profit and loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

OTHER MATTER

The figures of the condensed interim statement of profit and loss and other comprehensive income for the quarters ended 31 December 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December.

The engagement partner on the review resulting in this independent auditors' review report is Mr. Adnan Rasheed.



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Lahore: February 26, 2025
UDIN: RR202410701cYbEeFBp

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FINANCIAL
STATEMENTS

For the period ended December 31, 2024

Condensed interim Statement of Financial Position (un-audited)
As At December 31, 2024



		31 December 2024 Un-audited	30 June 2024 Audited
	Note	(Rupees in thousand)	
PROPERTY AND ASSETS			
Non-current assets			
Property, plant and equipment	4	821,295	831,432
Long term deposits		9,654	9,654
		830,949	841,086
CURRENT ASSETS			
Stores and spares		83,719	81,819
Stock-in-trade	5	443,777	387,415
Trade debtors		913,652	898,752
Advances, deposits, prepayments and other receivables	6	783,952	498,575
Taxes recoverable/ adjustable		980,895	1,044,679
Cash and bank balances		65,634	195,837
		3,271,629	3,107,077
Total property and assets		4,102,578	3,948,163
EQUITY AND LIABILITIES			
Certificate capital and reserves			
Certificate capital		8,835,903	8,835,903
Deposits for purchase of certificates		1	1
Capital reserves			
Statutory reserve		565,219	565,219
Surplus on revaluation of property, plant and equipment		610,296	619,116
Demerger reserve		(6,879,903)	(6,879,903)
		(5,704,388)	(5,695,568)
Revenue reserve			
Accumulated profit		284,761	201,399
Certificate holders' equity		3,416,277	3,341,735
Non-current liabilities			
Deferred taxation	7	95,131	70,952
Current liabilities			
Retention money payable		13,072	11,942
Trade and other payables	8	553,374	471,622
Provision for taxation		24,724	51,912
		591,170	535,476
Contingencies and commitments	9	-	-
Total equity and liabilities		4,102,578	3,948,163

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

LAHORE
February 26, 2025


Syed Shehryar Ali
Chief Executive Officer


Mansoor Murad
Chief Financial Officer

 
Syed Shahid Ali
Director

Ms. Sidra Fatima Sheikh
Director

Condensed interim statement of profit and loss and other comprehensive income (un-audited)
For the Half Year Ended December 31, 2024

	Note	For the half year ended		For the quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
(Rupees in thousand)					
Revenue -net		1,976,829	2,212,908	973,211	984,567
Cost of sales	11	(1,784,104)	(2,025,178)	(876,033)	(904,164)
Gross Profit		192,725	187,730	97,178	80,403
Operating expenses					
Administration and general expenses		(21,565)	(21,652)	(9,511)	(10,931)
Selling and distribution expenses		(84,727)	(21,434)	(20,147)	(20,104)
		(106,292)	(43,086)	(29,658)	(31,035)
Operating Profit		86,433	144,644	67,520	49,368
Other expenses		(6,795)	(15,432)	(6,795)	-
Finance cost	12	(419)	(1,831)	(290)	(1,565)
Other income		52,171	54,041	55,440	7,654
Profit before levies and income tax		131,390	181,422	115,875	55,457
Levies	13	(24,724)	(27,686)	(12,277)	(13,504)
Profit before income tax		106,666	153,736	103,598	41,953
Taxation - Income tax	14	(32,124)	2,743	(41,101)	1,241
Profit for the period		74,542	156,479	62,497	43,194
Other comprehensive income - net of income tax:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		74,542	156,479	62,497	43,194
Earning per modaraba certificate - basic and diluted (Rupees)					
		0.08	0.18	0.07	0.05

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

LAHORE
February 26, 2025


Syed Shehryar Ali
Chief Executive Officer


Mansoor Murad
Chief Financial Officer


Syed Shahid Ali
Director


Ms. Sidra Fatima Sheikh
Director

Condensed interim statement of changes in equity (un-audited)
For the Half Year Ended December 31, 2024

	Certificate Capital	Deposit for purchase of Certificate	Capital reserves			Revenue reserve	Total
			Statutory Reserve	Surplus on revaluation of property, plant and equipment	Demerger Reserve	Accumulated profit	
(Rupees in thousand)							
Balance as at 1 July 2023 (audited)	8,835,903	1	511,941	553,025	(6,879,903)	(27,118)	2,993,849
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	156,479	156,479
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	156,479	156,479
Surplus transferred to accumulated profit on account of:							
Incremental depreciation charged during the period	-	-	-	(7,766)	-	7,766	-
Balance as at 31 December 2023	8,835,903	1	511,941	545,259	(6,879,903)	137,127	3,150,328
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	109,910	109,910
Other comprehensive income for the period	-	-	-	81,497	-	-	81,497
	-	-	-	81,497	-	109,910	191,407
Surplus transferred to accumulated profit on account of:							
Incremental depreciation charged during the period	-	-	-	(7,640)	-	7,640	-
Transfer of 20% profit for the year to statutory reserve	-	-	53,278	-	-	(53,278)	-
Balance as at 30 June 2024 (audited)	8,835,903	1	565,219	619,116	(6,879,903)	201,399	3,341,735
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	74,542	74,542
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	74,542	74,542
Surplus transferred to accumulated profit on account of:							
Incremental depreciation charged during the period	-	-	-	(8,820)	-	8,820	-
Balance as at 31 December 2024	8,835,903	1	565,219	610,296	(6,879,903)	284,761	3,416,277

The attached notes 1 to 18 form an integral part of these condensed interim financial statements.

LAHORE
February 26, 2025


Syed Shehryar Ali
Chief Executive Officer


Mansoor Murad
Chief Financial Officer


Syed Shahid Ali
Director


Ms. Sidra Fatima Sheikh
Director

Condensed interim statement of cash flows (un-audited)
For the Half Year Ended December 31, 2024

Note	31 December 2024	31 December 2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	131,390	181,422
Adjustments for non-cash and other items:		
Depreciation on operating fixed assets	22,882	19,805
Impairment allowance for expected credit loss	4,325	(1,488)
Exchange loss/ (gain)	133	(1,100)
Profit on bank deposits	(601)	(6,116)
Intercompany markup income	(48,084)	(41,253)
Finance cost	419	1,831
	(20,926)	(28,321)
Operating cash flows before working capital changes	110,464	153,101
(Increase) / decrease in operating assets :		
Stores and spares	(1,900)	4,767
Stock-in-trade	(56,362)	(108,063)
Trade debtors	(19,225)	60,018
Advances, deposits, prepayments and other receivables	(237,293)	84,454
Taxes recoverable/ adjustable	63,784	(100,983)
	(250,996)	(59,807)
Increase in current liabilities:		
Retention money payable	1,130	1,142
Trade and other payables	47,444	62,684
	48,574	63,826
Cash (used in)/ generated from operations	(91,958)	157,120
Finance cost paid	(419)	(1,831)
Levies and income tax paid	(59,857)	(126,508)
Long term deposits - net	-	12,070
Net cash (used in)/ generated from operating activities	(152,234)	40,851
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments made in property, plant and equipment	(12,745)	(27,245)
Profit received on bank deposits	601	6,116
Net cash used in investing activities	(12,144)	(21,129)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(164,378)	19,722
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	195,837	65,313
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10 31,459	85,035

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



LAHORE
February 26, 2025
Syed Shehryar Ali
Chief Executive Officer



Mansoor Murad
Chief Financial Officer



Syed Shahid Ali
Director



Ms. Sidra Fatima Sheikh
Director

Notes to the condensed interim financial statement (un-audited) For the Half Year Ended December 31, 2024

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 thereunder and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited (TCL), the parent company of the Modaraba), incorporated in Pakistan under the (repealed) Companies Ordinance, 1984 (now the Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba and its management company is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited and is engaged in the manufacturing and sale of corrugated boxes and soaps.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements are unaudited and have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting (IAS-34) and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). In case above requirements of applicable accounting standards differ, the provisions of or directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and directives issued by Securities and Exchange Commission of Pakistan shall prevail. The disclosures in these condensed interim financial statements do not include all the information reported in audited annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2024.

2.2 The preparation of condensed Interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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 estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2024.

The Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance- "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance suggests taxes paid under final or minimum tax regime to be shown separately as a levy instead of showing it in current tax. Accordingly comparative figures have been rearranged/ reclassified as under:

Reclassified from	Reclassified to	Half year ended 31 December 2023	Quarter ended 31 December 2023
(Rupees in thousand)			
Taxation - Income tax	Levies	27,686	13,504

2.3 These condensed interim financial statements are presented in Pak Rupees which is also the Modaraba's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest thousand of Rupees. Figures for previous year/ period are rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2024.

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

3.2 Standards and amendments to published accounting and reporting standards which were effective during the half year ended 31 December 2024

There are other new standards which are effective from 01 July 2024 but they do not have a material effect on the Modaraba's condensed interim financial statements.

3.3 Standards and amendments to approved accounting and reporting standards that are not yet effective

There are other new standards and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after 01 July 2024. However, these standards, amendments and interpretations will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

	Note	Un-audited 31 December 2024 (Rupees in thousand)	Audited 30 June 2024
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible owned	4.1	787,259	771,085
Capital work-in-progress (CWIP)	4.2	34,036	60,347
		821,295	831,432
4.1 Operating fixed assets - tangible owned			
Opening balance - net book value		771,085	663,783
Surplus on revaluation of property, plant and equipment recognized during the period/ year		-	114,785
Transferred from CWIP		39,056	33,824
Depreciation charged during the period / year	4.1.1	(22,882)	(41,307)
Closing balance - net book value		787,259	771,085
4.1.1 The depreciation charged for the period/ year has been allocated as under:			
Cost of sales			
Packaging solutions - corrugated boxes	11.1	20,971	35,762
Soaps	11.2	184	282
Administration and general expenses		1,002	4,052
Selling and distribution expenses		725	1,211
		22,882	41,307

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

4.2 Capital work-in-progress (CWIP)

The movement under this head of account is as follows:

Description	Opening balance	Additions during the period	Transferred to Operating fixed assets	Closing balance
(Rupees in thousand)				
Civil works	7,469	-	-	7,469
Plant and machinery	52,434	8,774	(34,641)	26,567
Vehicles	-	2,234	(2,234)	-
Furniture, fittings and equipments	444	1,483	(1,927)	-
Computer equipments	-	254	(254)	-
	60,347	12,745	(39,056)	34,036

	Note	Un-audited 31 December 2024	Audited 30 June 2024
(Rupees in thousand)			
5. STOCK-IN-TRADE			
Raw material and chemicals		235,827	264,572
Packing material		15,290	14,701
Work-in-process		10,146	11,702
Finished goods		182,514	96,440
		443,777	387,415
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good	6.1	90,896	89,450
Related parties:			
Treet Corporation Limited - parent company		385,220	106,579
Treet Battery Limited - associated undertaking		307,788	302,023
Treet Holdings Limited - Modaraba Management Company		-	523
Pakistan Standard and Quality Control Authority		48	-
		693,056	409,125
		783,952	498,575

6.1 This includes Rs. 33.655 million (30 June 2024: Rs. 31.133 million) as advances to suppliers.

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

			Un-audited 31 December 2024	Audited 30 June 2024
	Note		(Rupees in thousand)	
7	DEFERRED TAXATION	7.1	95,131	70,952
7.1	Deferred tax liabilities in respect of taxable temporary differences:			
	Property, plant and equipment		125,081	91,389
	Deferred tax assets in respect of deductible temporary differences:			
	Provision for slow moving/ obsolete stores		(1,921)	(1,921)
	Impairment allowance for expected credit loss		(4,397)	(3,049)
	Unused tax depreciation loss		(23,632)	(15,467)
			95,131	70,952
			95,131	70,952
7.2	Closing deferred tax liability			
	Less:			
	Opening deferred tax liability		70,952	(87,584)
	Deferred tax liability attributable to other comprehensive income		-	(33,288)
			70,952	(120,872)
	Deferred tax expense/ (income) recognized in the statement of profit and loss:		24,179	(49,920)
8	TRADE AND OTHER PAYABLES	8.1	553,374	471,622
8.1	These include balances on account of the following:			
	Associated undertakings			
	Treet Holdings Limited		14,276	14,799
	Renacon Pharma Limited		1,009	-
	Gulab Devi Chest Hospital		18	-
			15,303	14,799

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Modaraba for the year ended 30 June 2024.

			Un-audited 31 December 2024	Audited 30 June 2024
			(Rupees in thousand)	
9.2	Commitments			
9.2.1	Bank guarantees			
	MCB Islamic Bank Limited		7,245	7,245
9.2.2	Outstanding letters of credit		-	5,900

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

	Un-audited 31 December 2024	Un-audited 31 December 2023
	(Rupees in thousand)	
10 CASH AND CASH EQUIVALENTS		
Cash and bank balances	65,634	89,288
Temporary book overdraft - unsecured	(34,175)	(4,253)
Cash and cash equivalents at the end of the period	31,459	85,035

		Unaudited For the half year ended		Unaudited For the quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Note	(Rupees in thousand)			
11 COST OF SALES					
Packaging solutions - Corrugated boxes	11.1	1,350,161	1,435,045	648,879	654,306
Soaps	11.2	433,943	590,133	227,154	249,858
		1,784,104	2,025,178	876,033	904,164
11.1 Cost of sales - Packaging solutions					
Raw and packing material					
Opening stock		194,255	195,734	295,049	295,049
Add : Purchases		1,026,979	1,181,015	396,227	481,389
		1,221,234	1,376,749	691,276	776,438
Less : Closing stock		(189,585)	(300,674)	(189,548)	(300,674)
Raw and packing material consumed		1,031,649	1,076,075	501,728	475,764
Stores and spares consumed		28,588	62,924	17,888	29,888
Salaries, wages and other benefits		109,804	113,881	54,884	61,103
Fuel and power		72,401	63,845	29,435	32,388
Freight and forwarding		56,942	56,816	37,666	22,964
Depreciation		20,971	18,259	10,676	8,613
Other expenses	4.1.1	37,405	28,074	11,108	12,128
		1,357,760	1,419,874	663,385	642,848
Work-in-process					
Add: Opening stock		11,702	11,197	11,518	11,308
Less: Closing stock		(10,146)	(3,676)	(10,146)	(3,676)
		1,556	7,521	1,372	7,632
Cost of goods manufactured		1,359,316	1,427,395	664,757	650,480
Finished goods					
Add: Opening stock		27,568	38,669	20,845	34,845
Less: Closing stock		(36,723)	(31,019)	(36,723)	(31,019)
		(9,155)	7,650	(15,878)	3,826
		1,350,161	1,435,045	648,879	654,306

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

	Note	Unaudited		Unaudited	
		For the half year ended		For the quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)			
11.2	Cost of sales - Soaps				
	Raw and packing material				
	Opening stock	85,018	54,342	91,536	91,536
	Add : Purchases				
	Others	428,231	583,512	230,793	186,299
	Intersegment	9,252	10,989	-	-
		437,483	594,501	230,793	186,299
	Elimination of inter segment purchases	(9,252)	(10,989)	-	-
	Less : Closing stock	(61,532)	(66,111)	(61,532)	(66,111)
	Raw and packing material consumed	451,717	571,743	260,797	211,724
	Stores and spares consumed	400	-	389	2,105
	Salaries, wages and other benefits	1,552	8,379	1,392	5,065
	Freight and forwarding	14,698	12,801	12,930	7,619
	Depreciation	184	127	92	84
	Other expenses	42,311	35,759	24,831	17,372
		510,862	628,809	300,431	243,969
	Work-in-process				
	Add: Opening stock	-	-	-	26,657
	Less: Closing stock	-	(116)	-	(116)
		-	(116)	-	26,541
	Cost of goods manufactured	510,862	628,693	300,431	270,510
	Finished goods				
	Add: Opening stock	68,872	82,898	72,514	100,806
	Less: Closing stock	(145,791)	(121,458)	(145,791)	(121,458)
		(76,919)	(38,560)	(73,277)	(20,652)
		433,943	590,133	227,154	249,858
12	FINANCE COST				
	Bank charges	419	1,831	290	1,565
13	LEVIES	24,724	27,686	12,277	13,504

This represents minimum taxes paid under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/ IAS 37.

	Note	Unaudited		Unaudited	
		For the half year ended		For the quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)			
14	TAXATION - INCOME TAX				
	Prior	7,945	24	-	-
	Deferred	24,179	(2,767)	41,101	(1,241)
		32,124	(2,743)	41,101	(1,241)

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

15 BUSINESS SEGMENTS

The Modaraba is engaged into two main business segments, which are as follows:

- (i) Manufacturing and sale of corrugated boxes
- (ii) Manufacturing and sale of soaps

	Business segments (Unaudited)					
	Corrugated boxes		Soaps		Total	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees in thousand)					
Revenue:						
Inter-segment	9,252	10,989	-	-	9,252	10,989
Others	1,573,039	1,631,082	675,865	893,182	2,248,904	2,524,264
Sale of waste paper	111,198	116,237	-	-	111,198	116,237
	1,693,489	1,758,308	675,865	893,182	2,369,354	2,651,490
Less:						
Sales tax	(255,066)	(264,791)	(128,129)	(162,667)	(383,195)	(427,458)
Trade discount	(78)	(135)	-	-	(78)	(135)
Elimination of inter-segment sales	(9,252)	(10,989)	-	-	(9,252)	(10,989)
Net revenue	1,429,093	1,482,393	547,736	730,515	1,976,829	2,212,908
Cost of goods sold:						
Inter-segment	-	-	9,252	10,989	9,252	10,989
Others	1,350,161	1,435,045	433,943	590,133	1,784,104	2,025,178
Elimination of inter-segment sales	-	-	(9,252)	(10,989)	(9,252)	(10,989)
	1,350,161	1,435,045	433,943	590,133	1,784,104	2,025,178
Gross profit	78,932	47,348	113,793	140,382	192,725	187,730
Operating expenses						
Administrative and general expenses	(18,288)	(17,181)	(3,277)	(4,471)	(21,565)	(21,652)
Selling and distribution expenses	(20,736)	(21,434)	(63,991)	-	(84,727)	(21,434)
	(39,024)	(38,615)	(67,268)	(4,471)	(106,292)	(43,086)
Operating profit/ (loss)	39,908	8,733	46,525	135,911	86,433	144,644
Other expenses	-	-	-	-	(6,795)	(15,432)
Finance cost	-	-	-	-	(419)	(1,831)
Other income	-	-	-	-	52,171	54,041
Profit before levies and income tax	-	-	-	-	131,390	181,422
Levies	-	-	-	-	(24,724)	(27,686)
Profit before income tax	-	-	-	-	106,666	153,736
Taxation - Income tax	-	-	-	-	(32,124)	2,743
Profit for the period	-	-	-	-	74,542	156,479

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

15.1 There is no material change in basis of segmentation of net assets from the amounts disclosed in the last annual financial statements for the year ended 30 June 2024:

	Corrugated boxes		Soaps		Unallocated		Total	
	(Unaudited)	Audited	(Unaudited)	Audited	(Unaudited)	Audited	(Unaudited)	Audited
	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June
	2024	2024	2024	2024	2024	2024	2024	2024
	(Rupees in thousand)							
Segment assets	2,817,111	2,696,557	1,285,467	1,251,606	-	-	4,102,578	3,948,163
Segment liabilities	516,221	436,534	74,948	98,942	95,131	70,952	686,300	606,428
Depreciation on property, plant and equipment	22,698	41,026	184	282	-	-	22,882	41,308

16 TRANSACTIONS WITH RELATED PARTIES

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

Name of parties	Nature and description of related party transaction	Un-audited For the half year ended	
		31 December 2024	31 December 2023
(Rupees in thousand)			
Parent company			
Treet Corporation Limited	Sale of corrugated boxes	51,031	42,864
	Finance cost charged to parent company	22,491	9,169
	Funds paid to parent company - net of receipts	304,649	133,872
	Expenses borne by the parent company	99,530	182,483
	Rent charged by the parent company	1,986	1,986
Management company			
Treet Holdings Limited	Purchase of bikes	-	840
Associated undertakings			
Treet HR Management (Private) Limited	Services obtained	1,857	1,857
Treet Battery Limited	Rent charged to associated undertaking	2,475	2,475
	Finance cost charged to associated undertaking	26,270	32,084
	Funds paid to associated undertaking - net of receipts	680	-
	Expenses incurred on behalf of associated undertaking	21,185	-

Notes to the condensed interim financial statement (un-audited)
For the Half Year Ended December 31, 2024

Name of parties	Nature and description of related party transaction	Un-audited For the half year ended	
		31 December 2024	31 December 2023
(Rupees in thousand)			
Renacon Pharma Limited	Sale of corrugated boxes	22,904	25,443
	Finance cost charged by associated undertaking	677	-
	Expenses incurred on behalf of associated undertaking	23,236	-
Gulab Devi Chest Hospital	Services obtained	27	8
Pakistan Standard and Quality Control Authority	Funds paid to associated undertaking	48	-

16.1 All the transactions with the related parties are priced at comparable uncontrolled market price.

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

17 DATE OF AUTHORIZATION FOR ISSUE

These unaudited condensed interim financial statements were approved and authorized for issue by the Board of Directors of the management company on February 26, 2025.

18 GENERAL

All figures, except for 30 June 2024, appearing in these condensed interim financial statements are unaudited.

LAHORE
February 26, 2025


Syed Shehryar Ali
Chief Executive Officer


Mansoor Murad
Chief Financial Officer


Syed Shahid Ali
Director


Ms. Sidra Fatima Sheikh
Director



PACKAGING SOLUTIONS

**FIRST TREET
MANUFACTURING
MODARABA**

First Treet Manufacturing Modaraba

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