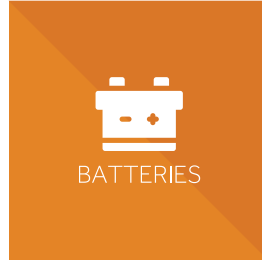


1<sup>ST</sup> QUARTERLY REPORT  
**2021**



**OUR BRANDS**





# CONTENTS

**02**

---

Company  
Information

**03**

---

Directors'  
Review

**05**

---

Condensed Interim Balance  
Sheet

**06**

---

Condensed Interim  
Statement of Profit or Loss

**07**

---

Condensed Interim Statement  
of Comprehensive Income

**08**

---

Condensed Interim Statement  
of Changes in Equity

**09**

---

Condensed Interim Statement  
of Cash Flows

**10**

---

Notes to the Condensed Interim  
Financial Statements

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS:</b>	Mr. Imran Azim Syed Shahid Ali Syed Sheharyar Ali Muhammad Shafique Anjum Dr. Salman Faridi Ms. Sidra Fatima Sheikh Mr. Munir K. Bana	Non-Executive Director/Chairman Chief Executive Officer Non-Executive Director Non-Executive Director Independent Director Independent Director Non-Executive Director
<b>AUDIT COMMITTEE:</b>	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana	Chairman/Member Member Member
<b>CHIEF ACCOUNTANTS:</b>	Mr. Sajjad Haider Khan Mr. Muhammad Zubair	Modaraba Modaraba Company
<b>COMPANY SECRETARY:</b>	Zunaira Dar	
<b>EXTERNAL AUDITORS:</b>	Kreston Hyder Bhimji & Co	Chartered Accountants
<b>EXTERNAL AUDITORS OF MODARABA Company:</b>	KPMG Taseer Hadi & Co.	Chartered Accountants
<b>LEGAL ADVISORS:</b>	Chima & Ibrahim Advocates and Corporate Counsel	
<b>CORPORATE ADVISORS:</b>	Cornelius, Lane & Mufti - Advocates	
<b>SHARIAH ADVISOR:</b>	Mufti Muhammad Javed Hassan	
<b>BANKERS:</b>	Allied Bank Limited Habib Metropolitan Bank Ltd Askari Bank Limited MCB Bank Limited National Bank Limited	Habib Bank Limited Meezan Bank Limited NIB Bank Limited Soneri Bank Limited
<b>REGISTERED OFFICE/ PLACE OF BUSINESS:</b>	72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 E-mail: info@treetonline.com Home Page: www.treetonline.com	
<b>SHARES REGISTRAR:</b>	Corplink (Private ) Limited Winges Arcade, 1-K, Commercial Model Town, Lahore	
<b>PACKAGING SOLUTIONS - CORRUGATION:</b>	Kacha Tiba Rohi Nala, 22-KM Ferozpur Road, Lahore	
<b>SOAP PLANT:</b>	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala	
<b>BATTERY PROJECT:</b>	Faisalabad Industrial City, M-3, Motorway Faisalabad	

## DIRECTORS' REVIEW

Board of Directors of Treet Holdings Limited (THL), the Management Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present the un-audited Financial Statements for the 1st Quarter ending on September 30, 2021.

### SUMMARY OF COMPARATIVE FINANCIAL RESULTS

		(Rupees in million)		
(Rupees in millions)	2021-22	2020-21	% Change	
	(1)	(4)	(3) over (4)	
Sales (net)	1,964	1,566	25.42%	
Gross Profit/(Loss)	79	(115)	168.70%	
Net Profit/(Loss)	151	(480)	131.46%	
Profit/(Loss) per Certificate	0.59	(2.45)	124.08%	
Transfer to Statutory Reserve	Nil	Nil	Nil	
Book Value per Certificate	5.73	(7.60)	175.39%	

### BUSINESS REVIEW

For the three months' period, the turnover was Rs. 1,964 million, registering an increase of Rs. 398 million (25.42%) over the same period of previous year. The increase in turnover is mainly attributable to increase in battery and corrugation sales partially offset by lesser sales in soap. For the three months' period under consideration, Net Profit is Rs. 151 million which shows improvement by 131.46% over last year corresponding period. This level of loss has delivered a Profit per Certificate of Rs. 0.59 compared to a loss of Rs. 2.45 per Certificate last year same period.

Segment wise sales is as follows:

		(Rupees in million)		
		Sales		
		Quarter Ended		
(Rupees in millions)	September 30, 2021	September 30, 2020	% Change	
	(1)	(2)	(1) over (2)	
Battery	1,248	935	33.48%	
Corrugation	561	335	67.46%	
Soap	155	296	-47.64%	
<b>Total</b>	<b>1,964</b>	<b>1,566</b>	<b>25.42%</b>	

### SEGMENT-WISE ANALYSIS

#### a) BATTERY

The battery segment has shown healthy increase in the volume which is approximately 25.6% higher compared to last year same period. Furthermore, the estimated market share of our battery has increased over 9% during the current period. This is mainly due to increase in level of customer satisfaction.

The net revenue for the period is Rs. 1,248 million, which is 33.5% higher compared to last period. The business has posted gross profit of Rs. 7.5 million which has improved by 107% compared to last year same period.

#### b) CORRUGATION

The net revenue for the period is Rs. 561 million which has increased by 67.46% as compared to last year same period. The business has posted a gross profit of Rs. 50 million compared to a gross loss of Rs. 18 million.

Efforts are being made to broaden the customer base through market diversification. Moreover, prices are also being rationalized in tandem with the increased costs (raw material, salaries etc.) however, with time lagged impact.

#### c) SOAPS

The net revenue for the period is Rs. 155 million, which has decreased by 47.64% compared to last period. The business has posted gross profit of Rs. 20 million which has improved by 18.66% compared to last period.

### ACKNOWLEDGEMENTS

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 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 27, 2021

# FINANCIAL STATEMENTS


For the period ended September 30, 2021

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
As At September 30, 2021


	Note	(Un-audited) September 2021 (Rupees in thousand)	(Audited) June 2021
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,620,161	8,663,210
Long term loans and deposits		44,675	44,955
		<b>8,664,836</b>	<b>8,708,165</b>
<b>Current assets</b>			
Stores and spares		91,337	86,952
Stock-in-trade		924,013	1,136,376
Trade debts - unsecured considered good		580,876	702,920
Short term investments		-	60,000
Loans, advances, deposits, prepayments and other receivables		862,771	813,932
Cash and bank balance		444,367	111,200
		<b>2,903,364</b>	<b>2,911,380</b>
<b>Current liabilities</b>			
Current portion of long term liabilities		14,385	14,385
Short term borrowings		4,920,497	5,193,594
Trade and other payables		1,133,000	1,359,863
Provision for taxation		121,648	92,175
		<b>6,189,530</b>	<b>6,660,017</b>
<b>Net current assets</b>		<b>(3,286,166)</b>	<b>(3,368,362)</b>
<b>Non-current liabilities</b>			
Liability against assets subject to finance lease		40,126	40,126
Deferred liabilities		273,665	386,278
Contingencies and commitments	5	-	-
<b>Net assets</b>		<b>5,064,879</b>	<b>4,913,399</b>
<b>FINANCED BY:</b>			
Issued, subscribed and paid-up capital		8,835,903	8,835,903
Capital reserve		2,464,811	2,464,811
Unappropriated loss		(7,513,660)	(7,810,787)
Surplus on revaluation of fixed assets		1,277,825	1,423,472
		<b>5,064,879</b>	<b>4,913,399</b>

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.


LAHORE  
October 27, 2021



**Syed Shahid Ali**  
Chief Executive Officer



**Mohtashim Aftab**  
Group Chief Financial Officer



**Muhammad Shafique Anjum**  
Director


## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2021


	Note	3 Months ended	
		July to September 2021	July to September 2020
(Rupees in thousand)			
Net sales	6	1,963,577	1,565,749
Cost of revenue	7	(1,884,514)	(1,680,779)
<b>Gross Profit / (Loss)</b>		79,063	(115,030)
- Administrative expenses		(30,952)	(175,933)
- Selling & distribution expenses		(123,897)	(117,444)
		(154,849)	(293,377)
<b>Operating profit/(loss)</b>		(75,786)	(408,407)
Other income		348,410	34,716
		272,624	(373,691)
Financial expenses		(91,670)	(89,024)
		180,954	(462,715)
Workers' Profit Participation Fund		-	-
Workers' Welfare Fund		-	-
		-	-
<b>Profit / (Loss) before taxation</b>		180,954	(462,715)
Taxation		(29,474)	(16,808)
<b>Profit / (Loss) after taxation</b>		151,480	(479,523)
<b>Earnings / (loss) per certificate continuing operations</b>		0.59	(2.45)

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE  
October 27, 2021

  
Syed Shahid Ali  
Chief Executive Officer

  
Mohtashim Aftab  
Group Chief Financial Officer

  
Muhammad Shafique Anjum  
Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended September 30, 2021

	3 Months ended	
	July to September 2021	July to September 2020
	(Rupees in thousand)	
Loss after taxation	151,480	(479,523)
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>151,480</b>	<b>(479,523)</b>

Appropriations have been reflected in the statement of changes in equity.

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE  
October 27, 2021

  
**Syed Shahid Ali**  
 Chief Executive Officer

  
**Mohtashim Aftab**  
 Group Chief Financial Officer


  
**Muhammad Shafique Anjum**  
 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
For the period ended September 30, 2021

	Certificate Capital	Certificate premium	Statutory Reserve	Surplus on revaluation of fixed assets	Un-appropriated Profit/(Loss)	Total
(Rupees in thousand)						
<b>Balance as at June 30, 2019</b>	1,956,000	1,952,870	511,941	385,359	(5,812,547)	(1,006,377)
Total comprehensive loss for the period	-	-	-	-	(479,523)	(479,523)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	(697)	697	-
<b>Balance as on September 30, 2020</b>	1,956,000	1,952,870	511,941	384,662	(6,291,373)	(1,485,900)
<b>Balance as at June 30, 2020</b>	1,956,000	1,952,870	511,941	387,476	(2,765,445)	2,042,842
Conversion of borrowings from Treet Corporation Limited into certificate capital	1,835,903	-	-	-	-	1,835,903
Transfer due to sale	-	-	-	(144,951)	144,951	-
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	(696)	696	-
Total comprehensive loss for the period	-	-	-	-	151,480	151,480
<b>Balance as on September 30, 2021</b>	8,835,903	1,952,870	511,941	1,277,825	(7,513,660)	5,064,879

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE  
October 27, 2021

  
Syed Shahid Ali  
Chief Executive Officer

  
Mohtashim Aftab  
Group Chief Financial Officer


  
Muhammad Shafique Anjum  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
For the period ended September 30, 2021

	July to September 2021	July to September 2020
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	180,954	(462,715)
Adjustments for non-cash items:		
Financial charges for the period	91,670	89,024
Depreciation on property, plant and equipment	77,396	145,088
Profit on bank deposits	(2,443)	(1,531)
Realization of revaluation surplus	(144,951)	
(Gain)/Loss on sale of fixed assets	(346,676)	34
	(325,004)	232,615
<b>Operating profit / (loss) before working capital changes</b>	(144,050)	(230,100)
(Increase) / decrease in operating assets :		
Stores and spares	(4,385)	(1,280)
Stock-in-trade	212,363	322,547
Trade debts	122,044	51,697
Short term investments	60,000	-
Loans, advances, deposits, prepayments and other receivables	(19,837)	6,828
	370,185	379,792
<b>Increase / (decrease) in operating liabilities</b>		
Trade and other payables	(237,179)	106,863
<b>Cash generated from /(used in) from operations</b>	(11,044)	256,555
Financial charges paid	(81,358)	(244,008)
Taxes paid	(29,002)	(7,383)
	(110,360)	(251,391)
<b>Net cash inflow/(outflow) from operating activities</b>	(121,404)	5,164
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	50,409	(2,122)
Proceeds from sale of fixed assets	674,536	-
Long term deposits	280	(1,761)
Profit received on bank deposits	2,443	1,531
<b>Net cash inflow/(outflow) from investing activities</b>	727,668	(2,352)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	606,264	2,812
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	(5,082,394)	(11,433,704)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	(4,476,130)	(11,430,892)
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	444,367	374,575
Finance under mark-up arrangements	(4,920,497)	(11,805,467)
	(4,476,130)	(11,430,892)

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.


LAHORE  
October 27, 2021



**Syed Shahid Ali**  
Chief Executive Officer



**Mohtashim Aftab**  
Group Chief Financial Officer



**Muhammad Shafique Anjum**  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2021

### 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 (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 Pakistan Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited). The Modaraba is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.

### 2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). In cases where the requirements differ, the provisions of or directives issued under the Ordinance or Regulations shall prevail. The disclosures in the 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 June 30, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Modaraba's annual financial statements for the year ended June 30, 2021.

### 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, 2021.

### 5. CONTINGENCIES AND COMMITMENTS

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

		3 Months ended	
		July to September 2021	July to September 2020
		(Rupees in thousand)	
<b>6.</b>	<b>SALES</b>		
	Packaging products	561,196	335,489
	Soaps	155,050	296,042
	Batteries	1,247,331	934,218
		<b>1,963,577</b>	<b>1,565,749</b>
<b>7.</b>	<b>COST OF SALES</b>		
	Packaging products	510,878	353,578
	Soaps	133,834	278,162
	Batteries	1,239,802	1,049,039
		<b>1,884,514</b>	<b>1,680,779</b>
<b>8.</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		
	Purchases and services received	52,544	206,300
	Goods sold and services rendered	169	34,360

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. These condensed interim financial statements were authorized for issue by the board of directors of the Modaraba Company on October 27, 2021

10. GENERAL

10.1 Amounts have been rounded off to thousand rupees.


LAHORE  
October 27, 2021



**Syed Shahid Ali**  
Chief Executive Officer



**Mohtashim Aftab**  
Group Chief Financial Officer



**Muhammad Shafique Anjum**  
Director



**HEAD OFFICE**

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