



**3RD QUARTERLY REPORT**  
**2024**

**OUR  
DIVERSIFIED  
BUSINESS  
PORTFOLIO**





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## COMPANY INFORMATION

<b>BOARD OF DIRECTORS:</b>	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
<b>AUDIT COMMITTEE:</b>	Ms. Sidra Fatima Sheikh Mr. Imran Azim Dr. Salman Faridi Mr. Munir Karim Bana Mr. Ahmad Shahid Hussain	Chairperson Member Member Member Member
<b>CHIEF ACCOUNTANTS:</b>	Mr. Moazzam Hussain Hashmi Mr. Muhammad Zubair	Modaraba Management Company Modaraba
<b>COMPANY SECRETARY:</b>	Ms. Zunaira Dar	
<b>EXTERNAL AUDITORS:</b>	M/s Rahman Sarfaraz Rahim Iqbal Rafiq	Chartered Accountants
<b>EXTERNAL AUDITORS OF MODARABA MANAGEMENT COMPANY:</b>	M/s Yousuf Adil	Chartered Accountants
<b>LEGAL ADVISORS:</b>	Asad & Asad Attorney at Law	Advocates
<b>CORPORATE ADVISORS:</b>	Cornelius, Lane & Mufti	Advocates
<b>SHARIAH ADVISOR:</b>	Mufti Muhammad Javed Hassan	
<b>BANKERS:</b>	Al-Barka Bank Pakistan Limited Allied Bank Limited Habib Metropolitan Bank Ltd BankIslami Pakistan Limited Faysal Bank Limited Habib Metropolitan Bank Limited MCB Islami Bank Limited Bank Alfalah Limited The Soneri Bank Limited	Habib Bank Limited Meezan Bank Limited Askari Bank Limited MCB Bank Limited National Bank Limited The Bank of Punjab Dubai Islami Bank Pakistan Limited JS Bank Limited United 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.ftmm.com.pk	
<b>SHARES REGISTRAR:</b>	Corplink (Private ) Limited Winges Arcade, 1-K, Commercial Model Town, Lahore	
<b>PACKAGING SOLUTIONS:</b>	Kacha Tiba Rohi Nala, 22-KM	
<b>CORRUGATION:</b>	Ferozpur Road, Lahore	
<b>SOAP PLANT:</b>	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala	

## DIRECTORS' REVIEW

Board of Directors of Treet Holdings Limited (THL), the Management Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present financial statements for the nine months' period ending March 31st, 2024.

### SUMMARY OF COMPARATIVE FINANCIAL RESULTS

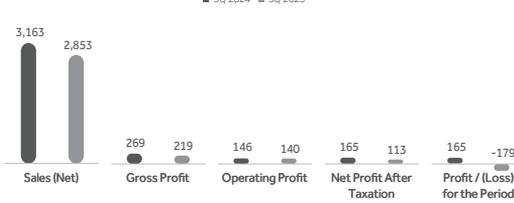
(Rupees in million)

Description	Nine Months Ended			Quarter Ended		
	31-Mar-24	31-Mar-23	% Change	31-Mar-24	31-Mar-23	% Change
	(1)	(2)	(1) over (2)	(3)	(4)	(3) over (4)
Sales (net)	3,163	2,853	11%	950	923	3%
Gross Profit	269	219	23%	81	64	26%
Operating Profit	146	140	5%	17	38	-55%
Net Profit after Taxation	165	113	47%	8	28	-70%
Loss from discontinued operations - net of tax	-	(292)	-100%	-	(8.0)	-100%
Profit/ (loss) for the period	165	(179)	192%	8	20	-58%
EPS (in Rupees)	0.19	(0.20)	193%	0.01	0.02	-52%

#### FTMM FINANCIAL RESULTS

(Nine Months Rs. in Million)

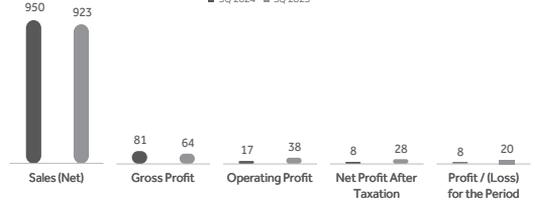
■ 3Q 2024 ■ 3Q 2023



#### FTMM FINANCIAL RESULTS

(3rd Quarter Rs. in Million)

■ 3Q 2024 ■ 3Q 2023



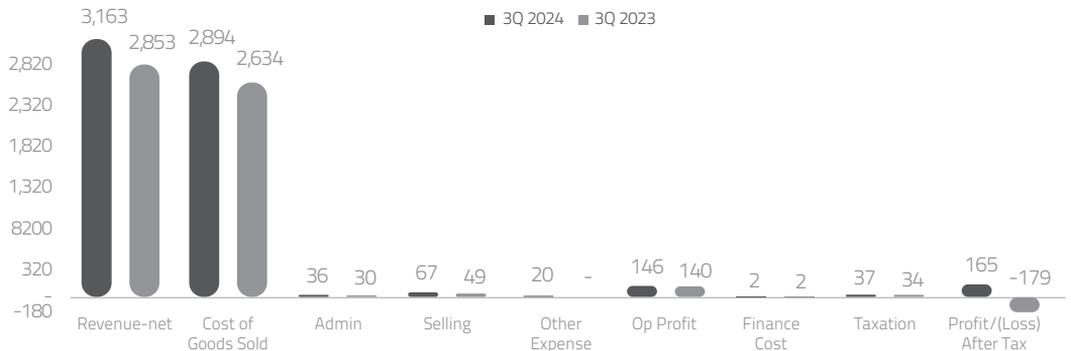
### BUSINESS REVIEW

In the first three quarters of the fiscal year 2023-2024, our company has truly flourished, embodying resilience and adaptability in the face of challenges. We're thrilled to announce a remarkable turnaround in our financial performance, reflecting our unwavering commitment to excellence. Celebrating our achievements, we're delighted to share that our net profit after tax soared to Rs. 165 million, a significant leap from Rs. 113 million recorded in the same period last year. This extraordinary growth underscores the dedication and hard work of our team. One of the shining stars in our journey of success has been the exceptional performance of our soap segment, witnessing an astounding 45% increase in sales. This achievement not only highlights our product's popularity but also showcases our ability to meet evolving consumer demands.

### FTMM PROFITABILITY ANALYSIS

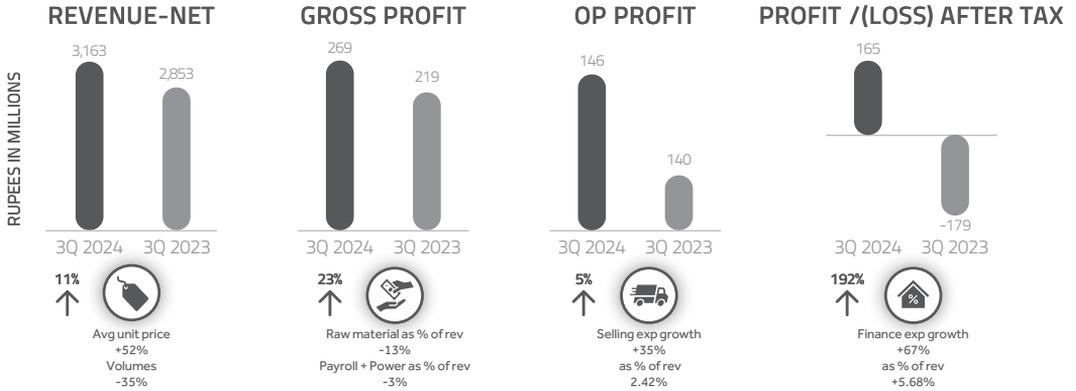
RUPEES IN MILLIONS

■ 3Q 2024 ■ 3Q 2023



## DIRECTORS' REVIEW

Moreover, our overall sales experienced a growth of 11%, a testament to our strong market presence and customer loyalty. This growth, coupled with a remarkable 23% increase in gross margin, reflects our commitment to operational excellence and efficient cost management. These outstanding financial results are a testament to our company's resilience and agility in navigating dynamic market conditions. We've not only overcome challenges but also seized growth opportunities with determination and foresight. As we continue our journey forward, we remain dedicated to delivering value to our stakeholders and driving sustainable growth. Our success in these three quarters not only reinforces our confidence but also serves as a testament to our ability to thrive in any environment. Together, we're shaping a brighter future for our company and our community.



SEGMENT WISE SALES IS AS FOLLOWS:

Business Segment	Sales (Rupees in Millions)			
	Three Quarters Ended		Increase	% Change
	Mar-24	Mar-23		
Corrugation	2,181	2,173	8	0.4%
Soap	982	679	303	44.5%
<b>Total</b>	<b>3,163</b>	<b>2,853</b>	<b>311</b>	<b>10.9%</b>

SEGMENT WISE ANALYSIS:

### A) CORRUGATION:

In the current period, the segment has demonstrated resilience despite facing challenging economic conditions, maintaining a net revenue of Rs. 2,181 million, which aligns closely with the same period last year. While the revenue remains stable, the segment's gross profit for this period totaled Rs. 83 million, lower than the Rs. 125 million achieved previously. In response to these challenges, the company has proactively initiated strategies aimed at expanding its customer base through market diversification. Simultaneously, adjustments to pricing have been made to align with rising costs, ensuring competitiveness while safeguarding profitability. It's crucial to recognize that the full impact of these efforts may not be immediately observable, given the time required for implementation and realization of their benefits. Nevertheless, the company remains steadfast in its commitment to these initiatives, anticipating their positive influence on future financial performance. By diversifying its customer base and recalibrating pricing strategies, the company is strategically positioning itself to mitigate the effects of increased costs, fostering sustainable growth and profitability over the long term.

### B) SOAP:

In the current period, the segment has achieved an extraordinary milestone by surging its net revenue to Rs. 982 million, marking an impressive growth of 44% compared to the same period last year. This remarkable achievement underscores the segment's proficiency in seizing market opportunities and driving robust sales, showcasing its agility and responsiveness to dynamic market

## DIRECTORS' REVIEW

conditions. Moreover, the segment's gross profit for this period has soared to Rs. 186 million, showcasing an outstanding increase of 97% compared to the previous year's gross profit of Rs. 94 million. This substantial enhancement in gross profit underscores the management's adeptness in cost management, operational optimization, and profitability maximization, highlighting its commitment to operational excellence. These exceptional financial results are a testament to the management's strategic foresight and effective execution in capturing market share and elevating revenue streams. The significant upsurge in both net revenue and gross profit underscores the management's dedication to meeting customer needs, delivering exceptional value, and maintaining a competitive edge in the market.

### 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 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 Sheharyar Ali**  
Chief Executive Officer

**LAHORE**  
April 23, 2024

# Financial Statements

For the period ended March 31, 2024

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As At March 31, 2024

	Note	March 2024 Un-audited (Rupees in thousand)	June 2023 Audited
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		723,605	693,031
Long term security deposits		9,864	21,724
		733,469	714,755
<b>Current assets</b>			
Stores and spares		85,610	88,102
Stock-in-trade		367,618	414,991
Trade debts - unsecured considered good		888,015	860,067
Loans, advances, deposits, prepayments and other receivables		1,318,839	1,269,391
Advance income tax		411,670	293,137
Cash and bank balances		32,699	65,313
		3,104,451	2,991,001
<b>Current liabilities</b>			
Trade and other payables		554,357	497,839
Provision for taxation		39,938	126,484
		594,295	624,323
<b>Net current assets</b>		2,510,156	2,366,678
<b>Non-current liabilities</b>			
Deferred liabilities		84,814	87,584
<b>Contingencies and commitments</b>	5	-	-
<b>Net assets</b>		3,158,811	2,993,849
<b>FINANCED BY:</b>			
Certificate capital		8,835,903	8,835,903
Deposit for purchase of certificates		1	1
Capital reserve		511,941	511,941
Demerger reserve		(6,879,903)	(6,879,903)
Unappropriated loss		151,075	(27,118)
Surplus on revaluation of fixed assets		539,794	553,025
		3,158,811	2,993,849

The attached notes 1 to 11 form an integral part of this condensed interim financial statements

LAHORE  
April 23, 2024



Syed Shahid Ali  
Director



Syed Sheharyar Ali  
Chief Executive Officer



Mohtashim Aftab  
Group Chief Financial Officer



Ms. Sidra Fatima Sheikh  
Director

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended March 31, 2024

	Note	Nine months ended		Three months ended	
		July to March 2024	July to March 2023	January to March 2024	January to March 2023
------(Rupees in thousand)-----					
Net sales	6	3,162,564	2,852,726	949,656	922,752
Cost of revenue	7	(2,893,652)	(2,633,773)	(868,474)	(858,562)
<b>Gross Profit / (Loss)</b>		<b>268,912</b>	<b>218,953</b>	<b>81,182</b>	<b>64,190</b>
- Administrative expenses		(35,823)	(29,919)	(14,171)	(11,681)
- Distribution cost		(67,083)	(49,440)	(45,649)	(14,885)
- Other expenses		(19,932)	-	(4,500)	-
		(122,838)	(79,359)	(64,320)	(26,566)
<b>Operating Profit / (Loss)</b>		<b>146,074</b>	<b>139,594</b>	<b>16,862</b>	<b>37,624</b>
Other income		58,041	9,439	4,000	2,896
Financial expenses		(1,958)	(2,454)	(127)	(656)
<b>Profit / (Loss) before taxation</b>		<b>202,157</b>	<b>146,579</b>	<b>20,735</b>	<b>39,864</b>
<b>Taxation</b>		<b>(37,195)</b>	<b>(34,021)</b>	<b>(12,252)</b>	<b>(11,602)</b>
<b>Profit after taxation from continue operation</b>		<b>164,962</b>	<b>112,558</b>	<b>8,483</b>	<b>28,262</b>
<b>(Loss) after taxation from discontinue operation</b>	8	<b>-</b>	<b>(291,562)</b>	<b>-</b>	<b>(8,017)</b>
<b>Profit / (Loss) after taxation for the period</b>		<b>164,962</b>	<b>(179,004)</b>	<b>8,483</b>	<b>20,245</b>
<b>Earnings / (loss) per certificate continuing operations</b>		<b>0.19</b>	<b>(0.20)</b>	<b>0.01</b>	<b>0.02</b>

The attached notes 1 to 11 form an integral part of this condensed interim financial statements

LAHORE  
April 23, 2024

  
Syed Shahid Ali  
Director

  
Syed Sheharyar Ali  
Chief Executive Officer

  
Mohtashim Aftab  
Group Chief Financial Officer

  
Ms. Sidra Fatima Sheikh  
Director

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

For the period ended March 31, 2024

	Nine months ended		Three months ended	
	July to March 2024 (Rupees in thousand)	July to March 2023 (Rupees in thousand)	January to March 2024 (Rupees in thousand)	January to March 2023 (Rupees in thousand)
Profit / (Loss) after taxation	164,962	(179,004)	8,483	20,245
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>164,962</b>	<b>(179,004)</b>	<b>8,483</b>	<b>20,245</b>

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

The attached notes 1 to 11 form an integral part of this condensed interim financial statements

LAHORE  
April 23, 2024



Syed Shahid Ali  
Director



Syed Sheharyar Ali  
Chief Executive Officer



Mohtashim Aftab  
Group Chief Financial Officer



Ms. Sidra Fatima Sheikh  
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended March 31, 2024

	Certificate Capital	Deposit for purchase of certificates	Certificate premium	Statutory Reserve	Surplus on revaluation of fixed assets	Demerger reserve	Accumulated Profit / (Loss)	Total
------(Rupees in thousand)-----								
<b>Balance as at June 30, 2022</b>	8,835,903	1	1,952,870	511,941	1,212,893	-	(8,141,947)	4,371,661
Total comprehensive loss for the period	-	-	-	-	-	-	(179,004)	(179,004)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	(102,273)	-	102,273	-
<b>Balance as at March 31, 2023</b>	8,835,903	1	1,952,870	511,941	1,110,620	-	(8,218,678)	4,192,657
<b>Balance as at June 30, 2023</b>	8,835,903	1	-	511,941	553,025	(6,879,903)	(27,118)	2,993,849
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	(13,231)	-	13,231	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	164,962	164,962
<b>Balance as on March 31, 2024</b>	8,835,903	1	-	511,941	539,794	(6,879,903)	151,075	3,158,811

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE  
April 23, 2024



Syed Shahid Ali  
Director



Syed Sheharyar Ali  
Chief Executive Officer



Mohtashim Aftab  
Group Chief Financial Officer



Ms. Sidra Fatima Sheikh  
Director

## CONDENSED INTERIM STATEMENT of CASH FLOWS (UN-AUDITED)

For the period ended March 31, 2024

	July to March 2024	July to March 2023
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before taxation	202,157	(127,165)
Adjustments for non-cash items:		
Financial charges for the period	1,958	533,183
Depreciation on property, plant and equipment	29,247	238,784
Gain) / loss on sale of fixed assets	8	(33)
Profit on bank deposits	(9,867)	(9,857)
	21,346	762,077
<b>Operating profit before working capital changes</b>	<b>223,503</b>	<b>634,912</b>
(Increase) / decrease in operating assets:		
Stores and spares	2,492	(21,366)
Stock-in-trade	47,373	(641,799)
Trade debts	(27,948)	(277,450)
Loans, advances, deposits, prepayments and other receivables	(49,448)	(22,359)
	(27,531)	(962,974)
<b>Increase / (decrease) in operating liabilities</b>		
Trade and other payables	56,518	636,079
<b>Cash generated from /(used in) from operations</b>	<b>252,490</b>	<b>308,017</b>
Financial charges paid	(1,958)	(537,341)
Taxes paid	(245,044)	(96,017)
	(247,002)	(633,358)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5,488</b>	<b>(325,341)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(59,821)	(135,064)
Proceeds form sale of fixed assets	(8)	254
Long term deposits	11,860	(560)
Profit received on bank deposits	9,867	9,857
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(38,102)</b>	<b>(125,513)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease obligation	-	(4,088)
Short term borrowing	-	437,052
Modaraba Certificates	-	(1)
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>432,963</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(32,614)</b>	<b>(17,891)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>65,313</b>	<b>153,801</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>32,699</b>	<b>135,910</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	32,699	135,910
Finance under mark-up arrangements	-	-
	32,699	135,910

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE  
April 23, 2024

  
Syed Shahid Ali  
Director

  
Syed Sheharyar Ali  
Chief Executive Officer

  
Mohtashim Aftab  
Group Chief Financial Officer

  
Ms. Sidra Fatima Sheikh  
Director

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

For the period ended March 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 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 and soaps.

### 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, 2023.

### 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, 2023.

### 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, 2023.

### 5. CONTINGENCIES AND COMMITMENTS

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

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

For the period ended March 31, 2024

	Nine months ended		Three months ended	
	July to March 2024 (Rupees in thousand)	July to March 2023	January to March 2024 (Rupees in thousand)	January to March 2023
<b>6. SALES</b>				
Packaging products	2,180,868	2,173,241	698,474	694,916
Soaps	981,696	679,485	251,182	227,836
	<b>3,162,564</b>	<b>2,852,726</b>	<b>949,656</b>	<b>922,752</b>
<b>7. COST OF SALES</b>				
Packaging products	2,098,018	2,048,713	662,974	656,369
Soaps	795,634	585,060	205,500	202,193
	<b>2,893,652</b>	<b>2,633,773</b>	<b>868,474</b>	<b>858,562</b>
<b>8. PROFIT AND LOSS OF BATTERY SEGMENT</b>				
Net sales	-	6,207,319	-	2,380,548
Cost of revenue	-	(5,342,623)	-	(1,902,833)
<b>Gross Profit / (Loss)</b>	-	864,696	-	477,715
Administrative expense	-	(39,139)	-	(17,877)
Distribution cost	-	(423,467)	-	(132,908)
	-	(462,606)	-	(150,785)
<b>Operating profit / (Loss)</b>	-	402,090	-	326,930
Other income	-	(145,105)	-	(142,927)
	-	256,985	-	184,003
Financial Expenses	-	(530,729)	-	(160,987)
<b>Profit / (Loss) before taxation</b>	-	(273,744)	-	23,016
Taxation	-	(17,818)	-	(31,033)
<b>Profit &amp; (Loss) after Taxation</b>	-	(291,562)	-	(8,017)

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

For the period ended March 31, 2024

	Three months ended	
	January to March 2024	January to March 2023
	(Rupees in thousand)	
<b>9. TRANSACTIONS WITH RELATED PARTIES</b>		
Purchases and services received	86,716	49,833
Goods sold and services rendered	92,446	27,594

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.

10. These condensed interim financial statements were authorized for issue by the board of directors of the Modaraba Company on April 23, 2024.

### 11 GENERAL

11.1 Amounts have been rounded off to thousand rupees.

LAHORE  
April 23, 2024



Syed Shahid Ali  
Director



Syed Sheharyar Ali  
Chief Executive Officer



Mohtashim Aftab  
Group Chief Financial Officer



Ms. Sidra Fatima Sheikh  
Director





[www.treetcorp.com](http://www.treetcorp.com)



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