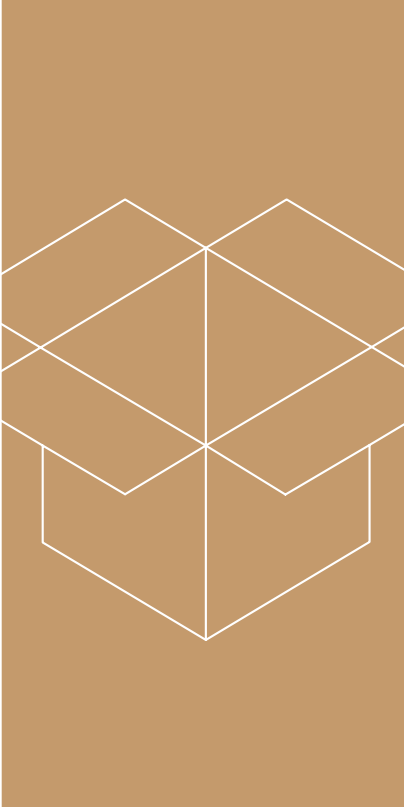
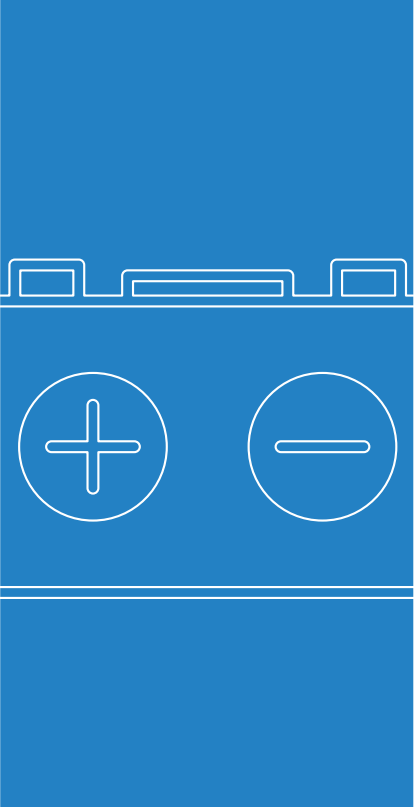


1st QUARTERLY REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2019



First Treet
Manufacturing Modaraba

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 Cash Flows

09

Condensed Interim Statement
of Changes in Equity

10

Notes to the Condensed Interim
Financial Statements

COMPANY INFORMATION

BOARD OF DIRECTORS:	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Syed Sheharyar Ali Mr. Imran Azim Mr. Munir Karim Bana Mr. Saulat Said Muhammad Shafique Anjum Dr. Salman Faridi	Chairperson/Non-Executive Director Chief Executive Officer Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director
AUDIT COMMITTEE:	Dr. Salman Faridi Syed Sheharyar Ali Mr. Imran Azim Mr. Munir K. Bana Rana Shakeel Shaukat	Chairman/Member Member Member Member Secretary
CHIEF ACCOUNTANTS:	Mr. Harris Najeeb Dar Mr. Muhammad Zubair	Modaraba Modaraba Company
COMPANY SECRETARY:	Rana Shakeel Shaukat	
EXTERNAL AUDITORS:	Kreston Hyder Bhimji & Co	Chartered Accountants
EXTERNAL AUDITORS OF MODARABA COMPANY:	KPMG Taseer Hadi & Co.	Chartered Accountants
LEGAL ADVISORS:	Salim & Baig	Advocates
CORPORATE ADVISORS:	Cornelius, Lane & Mufti - Advocates	
SHARIAH ADVISOR:	Mufti Muhammad Javed Hassan	
BANKERS:	Allied Bank Limited Askari Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Bank Al Habib Limited Dubai Islamic Bank Limited Habib Bank Limited Habib Metropolitan Bank Faysal Bank Limited	JS Bank Limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited United Bank Limited Al-Baraka Bank Pakistan Limited
REGISTERED OFFICE/ PLACE OF BUSINESS:	72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 E-mail: info@treetonline.com Website: www.ftmm.com.pk	
SHARES REGISTRAR:	Corplink (Private) Limited Winges Arcade, 1-K, Commercial Model Town, Lahore	
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, (FIEDMC) 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 un-audited financial statements for the 1st Quarter ending on September 30, 2019.

Financial Results

(Rupees in thousand)	2019-2020	2018-2019
Net Sales	1,486,165	1,000,026
Gross Profit	(194,127)	(166,719)
Net Profit	(387,896)	(248,524)
Profit/(Loss) per Certificate	(1.98)	(1.24)
Transfer to Statutory Reserve	Nil	Nil
Book Value per Certificate	8.46	19.56

- Corrugation maintained its sales and margins;
- Battery Segment has shown its negative margins due lack of economies of scale in its initial years of operation. Moreover, utilities costs are high due to diesel generation. But this will be calm down in the coming months since Modaraba's own grid is installed and functioning;
 - Financial costs related to the project. Your Company is making full efforts to achieve positive EBITDA in Financial Year 2019-2020 and overall operations have enough positive cash flows to pay its borrowing costs. Moreover, various financial plans are underway to bring borrowing levels down this year.

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 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 30, 2019

FINANCIAL STATEMENTS

For the period ended September 30, 2019

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
As At September 30, 2019

	Note	(Un-audited) September 2019 (Rupees in thousand)	(Audited) June 2019
Property, plant and equipment		8,518,301	8,682,886
Long term loans and deposits		17,570	10,932
		8,535,871	8,693,818
Current assets			
Stores and spares		93,321	93,321
Stock-in-trade		2,040,026	1,858,077
Trade debts - unsecured considered good		761,529	754,829
Loans, advances, deposits, prepayments and other receivables		1,384,391	1,676,053
Cash and bank balance		132,197	99,596
		4,411,464	4,481,876
Current liabilities			
Current portion of non-current liabilities		-	-
Finance under mark-up-arrangements - secured		10,704,381	10,387,254
Trade and other payables		576,597	736,326
		11,280,978	11,123,580
Net current assets		(6,869,514)	(6,641,704)
Non-current liabilities			
Long term deposits		2,139	-
Deffered liabilities		9,272	9,272
Contingencies and commitments	5	-	-
Net assets		1,654,946	2,042,842
FINANCED BY:			
Issued, subscribed and paid-up capital		1,956,000	1,956,000
Capital reserve		2,464,811	2,464,811
Unappropriated profit		(3,153,038)	(2,765,445)
Surplus on revaluation of fixed assets		387,173	387,476
		1,654,946	2,042,842

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

LAHORE
October 30, 2019


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2019

	Note	3 months ended	
		July to September 2019	July to September 2018
(Rupees in thousand)			
Net sales	6	1,486,165	1,000,026
Cost of goods sold	7	(1,680,292)	(1,166,745)
Gross profit / (loss)		(194,127)	(166,719)
Operating expenses :			
- Administrative expenses		(13,129)	(14,325)
- Selling & distribution expenses		(144,413)	(95,778)
		(157,542)	(110,103)
Operating profit / (loss)		(351,669)	(276,822)
Other income		(3,507)	81,400
		(355,176)	(195,422)
Financial expenses		(32,720)	(53,102)
		(387,896)	(248,524)
Workers' Profit Participation Fund		-	-
Workers' Welfare Fund		-	-
		-	-
Profit / (loss) before taxation		(387,896)	(248,524)
Taxation		-	-
Profit after / (loss) taxation		(387,896)	(248,524)
Earnings / (loss) per certificate from continuing operation		(1.98)	(1.27)

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

LAHORE
October 30, 2019


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 For the period ended September 30, 2019


	3 months ended	
	July to September 2019	July to September 2018
	(Rupees in thousand)	
Profit / (loss) after taxation	(387,896)	(248,524)
Other comprehensive income	-	-
Total comprehensive loss for the period	(387,896)	(248,524)

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

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

LAHORE
 October 30, 2019


 Syed Shahid Ali
 Chief Executive Officer


 Muhammad Shafique Anjum
 Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2019

	July to September 2019	July to September 2018
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(387,896)	(248,524)
Adjustments for non-cash items:		
Financial charges for the period	32,720	53,102
Depreciation on property, plant and equipment	132,058	131,458
Profit on bank deposits	(910)	(1,284)
(Gain)/Loss on sale of fixed assets	-	(23,440)
	163,868	159,836
Operating profit before working capital changes	(224,028)	(88,688)
(Increase)/decrease in operating assets:		
Stock-in-trade	(181,949)	(1,075,594)
Trade debts	(6,700)	(206,645)
Loans, advances, deposits, prepayments and other receivables	301,223	(471,799)
	112,574	(1,754,038)
Increase / (decrease) in operating liabilities		
Trade and other payables	(111,902)	6,472,777
Cash generated from operations	(223,356)	4,630,051
Financial charges paid	(80,529)	(24,152)
Taxes paid	(9,559)	(24,871)
	(90,088)	(49,023)
Net cash from operating activities	(313,444)	4,581,028
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	32,527	7,474
Proceeds from sale of fixed assets	-	23,438
Long term deposits	(6,638)	3,066
Profit received on bank deposits	910	1,284
Net cash outflow from investing activities	26,799	35,262
CASH FLOWS FROM FINANCING ACTIVITIES		
Share premium	-	-
Long Term Deposits	2,139	(55,466)
Dividend paid	(20)	-
Net cash from financing activities	2,119	(55,466)
Net increase in cash and cash equivalents	(284,526)	4,560,824
Cash and cash equivalents at beginning of the period	(10,287,658)	(7,152,628)
Cash and cash equivalents at end of the period	(10,572,184)	(2,591,804)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	132,197	177,384
Finance under mark-up arrangements	(10,704,381)	(2,769,188)
	(10,572,184)	(2,591,804)

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



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

LAHORE
October 30, 2019

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the period ended September 30, 2019

	Certificate Capital	Certificate premium	Statutory Reserve	Surplus on revaluation of fixed assets	Un- appropriated Profit/(Loss)	Total
	(Rupees in thousand)					
Balance as on June 30, 2018	1,956,000	1,952,870	511,941	26,989	(379,209)	4,068,591
Total comprehensive income for the period	-	-	-	-	(248,524)	(248,524)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	(303)	303	-
Cost incurred on account of issuance of modaraba certificates	-	-	-	-	-	-
Final profit distribution @ 6.20% for the year ended June 30, 2017	-	-	-	-	-	-
Balance as on September 30, 2018	1,956,000	1,952,870	511,941	26,686	(627,430)	3,820,067
Balance as on June 30, 2019	1,956,000	1,952,870	511,941	387,476	(2,765,445)	2,042,842
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	(303)	303	-
Total comprehensive income for the period	-	-	-	-	(387,896)	(387,896)
Balance as on September 30, 2019	1,956,000	1,952,870	511,941	387,173	(3,153,038)	1,654,946

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

LAHORE
October 30, 2019


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

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

For the period ended September 30, 2019

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

This condensed interim financial information is un-audited and has 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 information 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, 2019.

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, 2019.

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, 2019.

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 2019	July to September 2018
		(Rupees in thousand)	
6.	SALES		
	Packaging products	497,237	422,910
	Soaps	270,745	224,426
	Batteries	718,183	352,690
		1,486,165	1,000,026
7.	COST OF SALES		
	Packaging products	477,884	402,557
	Soaps	227,961	195,570
	Batteries	974,447	568,618
		1,680,292	1,166,745
8.	TRANSACTIONS WITH RELATED PARTIES		
	Purchases and services received	49,675	26,943
	Goods sold and services rendered	7,863	10,220

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 30, 2019.

10. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 30, 2019


Syed Shahid Ali
Chief Executive Officer









Muhammad Shafique Anjum
Director










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