



FIRST TREET  
MANUFACTURING  
MODARABA



SHAPING  
INDUSTRIES  
EMPOWERING  
LIVES

20  
24

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Annual Report  
First Treet Manufacturing Modaraba

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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 FINANCIAL OFFICER:</b>	Mr. Muhammad Zubair Mr. Mansoor Murad	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	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>SHARES REGISTRAR:</b>	Corplink (Private ) Limited Winges Arcade, 1-K, Commercial Model Town, Lahore Tel: 042-35916714 Fax: 042-35839182	
<b>BANKERS:</b>	Al-Baraka Bank Pakistan Limited 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
<b>REGISTERED OFFICE</b>	72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 E-mail: corporate@treetcorp.com Home Page: www.ftmm.com.pk	
<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	

# Directors' Profile



**Syed Shahid Ali**  
Chairman/  
Non-Executive Director

Mr. Syed Shahid Ali is a highly accomplished business executive with extensive management experience, currently serving as the Chairman of the First Treet Manufacturing Modaraba (FTMM). In addition to his role as Chairman, Mr. Ali serves as a board member for various companies, including Packages Limited, IGI Insurance Limited, Treet Corporation Limited and Treet Battery Limited.

Throughout his career, Mr. Ali has demonstrated strong leadership skills, playing a crucial role in driving the growth and success of FTMM. He is passionate about the company's success and has a vision for its future that he continues to drive. Mr. Ali is also actively engaged in social and cultural activities and holds senior positions in several hospitals, demonstrating his commitment to giving back to the community.

Mr. Ali holds a Master's Degree in Economics and Graduate Diplomas in Development Economics from Oxford University, as well as a Diploma in Management Sciences from the University of Manchester. His academic qualifications have provided him with a solid foundation in economics and management, which he has applied throughout his career, shaping the company's future with his unwavering commitment and leadership.



**Syed Sheharyar Ali**  
Chief Executive Officer

Mr. Syed Sheharyar Ali began his professional journey with First Treet Manufacturing Modaraba in 2001, following the completion of his academic studies. Soon after joining, he was appointed as Director, becoming one of the youngest to hold this position within the company. Over the years, he has advanced to his current role as Chief Executive Officer (CEO) of First Treet Manufacturing Modaraba, where he oversees a diverse portfolio of companies spanning manufacturing, healthcare, information technology, automobiles, sports, and music.

As CEO, Mr. Ali is dedicated to both preserving the legacy of First Treet Manufacturing Modaraba and steering the company towards new opportunities for growth. His leadership is defined by a deep commitment to enhancing operational efficiency, expanding market presence, and ensuring the company's competitive edge in multiple industries. With a forward-thinking approach, he continuously seeks to align the company's long-term goals with evolving global trends, while staying rooted in its core values of integrity and excellence.

Mr. Ali's academic foundation was laid at Saint Louis University, USA, where he earned a Bachelor of Business Administration degree in Sales and Marketing Operations. Upon joining First Treet Manufacturing Modaraba, his visionary leadership and keen business acumen were quickly demonstrated in his role as Executive Director. His focus on operational improvements and strategic growth continues to set new benchmarks in the corporate landscape.



**Mr. Imran Azim**  
Non-Executive Director

Mr. Imran Azim is a highly experienced professional who has served in the financial, asset management, and manufacturing sectors for over four decades. Having worked with some of the largest and most reputable companies in his career, he brings a wealth of expertise to the board of First Treet Manufacturing Modaraba.

Currently, Mr. Azim serves on the board of Habib Asset Management Limited, Treet Holdings Limited, Treet Corporation Limited and Treet Battery Limited. His deep knowledge and extensive experience make him an invaluable asset to First Treet Manufacturing Modaraba and its leadership team.



**Dr. Salman Faridi**  
Non-Executive Director

Dr. Salman Faridi is a distinguished Independent Director and Board Member at First Treet Manufacturing Modaraba. He brings with him over two decades of medical experience from the UK, Middle East, and Pakistan, and currently serves as the Medical Director of Liaquat National Hospital, one of Pakistan's largest private healthcare institutions.

As a fellow of the Royal Society of Medicine, Dr. Faridi has been appointed to several key positions in the healthcare industry, including standing member of the Pakistan Standard and Quality Authority for Healthcare Issues and a member of the corporate syndicate for MBA in Healthcare Management at the Institute of Business Management in Karachi. He is passionate about healthcare management and has been serving as a member of the advisory board for the formulation of national guidelines on the prophylaxis and management of venous thromboembolism (VTE). Dr. Faridi is also a board member of Renacon Pharma Limited.

Dr. Faridi graduated from Dow Medical College and obtained his FRCS from the UK in 1983. His extensive medical experience and qualifications have enabled him to make significant contributions to the healthcare industry in Pakistan and beyond.



**Mr. Munir K. Bana**  
Non-Executive Director

Mr. Munir K. Bana serves on the Board of First Treet Manufacturing Modaraba and its affiliated companies. He has over 25 years of experience on the Board of Loads Limited. He started as Director of Finance and later became Chief Executive of the Corporation.

Mr. Bana's career highlights include serving as Finance Director for multinational companies Parke-Davis & Boots, a multinational company, for 18 years. He has been nominated by the Prime Minister as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, and has been elected as Chairman of the Pakistan Association of Automotive Parts & Accessories Manufacturers. He is a proponent of public-private partnerships and has been actively involved in initiatives to develop the automotive industry in Pakistan.

In addition to being a chartered accountant and fellow of the Institute of Chartered Accountants of Pakistan, Mr. Bana holds a Bachelor's Degree in Commerce from the University of Karachi. Mr. Bana's long-standing tenure as a Board member of First Treet Manufacturing Modaraba and its associated companies since 2008 is a testament to his exceptional leadership and financial expertise.



**Dr. Haroon Latif Khan**  
Independent Director

Dr. Haroon Latif Khan brings a wealth of experience in healthcare management to First Treet Manufacturing Modaraba as an Independent Director on its Board. He has been associated with the Lahore Institute of Fertility & Endocrinology (LIFE) as a Clinical Embryologist since 2006, eventually becoming the Lab Director and Chief Executive of the clinic. He is also a Board Member of the Asia Pacific Initiative on Reproduction (ASPIRE) and a General Secretary of the IVF Society of Pakistan and the Pakistan Society of Andrology & Sexual Medicine (PSASM). Dr. Khan holds a Fellowship in Sexual Medicine from Holland and an Executive Education Degree in Management of Healthcare Delivery from Harvard Business School, Boston, USA. With his extensive experience and expertise, he plays a vital role in contributing to the growth and success of the company.



**Ms. Sidra Fatima Sheikh**  
Female/Independent Director

Ms. Sidra Fatima Sheikh is an accomplished Independent Director who brings invaluable expertise and experience to the board. She is a partner at The Sheikh Partnership law firm, where she has served since 2004. Additionally, she serves on the Managing Committee of Gulab Devi Hospital and Al-Aleem Medical College.

Ms. Sheikh has a notable track record of success in various fields and has pursued her legal education with CPE/PGDL and LPC from BPP Law School, London, underscoring her commitment to the legal profession. In 2001, she was enrolled as a Solicitor of the Supreme Court of England & Wales, and more recently, as an advocate of the Supreme Court of Pakistan.

Ms. Sheikh is a graduate of The London School of Economics and Political Science. She has also trained with The Oberman Partnership Solicitors (now Kerman & Co), London.



**Mr. Ahmad Shahid Hussain**  
Independent Director

Mr. Ahmad Shahid Hussain serves as an Independent Director on First Treet Manufacturing Modaraba's Board, leveraging his expertise and strategic insights to contribute to the growth and success of the company.

He is the Director and Chief Strategy Officer of Service Sales Corporation (Pvt.) Limited (SSC), Lahore, since March 2011. SSC is a prominent company with a network of 350 shoe outlets operating under the brands NDURE and SHOE PLANET, along with a thriving B2B business under the brands Calza and Liza. SSC also boasts two large footwear manufacturing plants in Lahore, solidifying its position as a key player in the footwear sector in Pakistan.

With a strong passion for technology, Mr. Hussain holds a Bachelor's and Master's Degree in Computer Engineering from Carnegie Mellon University. He brings a wealth of experience from his four-year tenure at Microsoft Corporation, where he worked at their headquarters in Redmond, WA, USA.

Within SSC, Mr. Ahmad Shahid Hussain heads the B2B business and leads the online e-commerce operations. In addition to his role at SSC, he serves as an advisory board member for the National Incubation Center Lahore at LUMS, demonstrating his commitment to fostering innovation and entrepreneurship.

# Mission, Vision Statements

## MISSION STATEMENT

To deliver high-quality products and services that consistently meet the diversified needs of our customers while creating long-term value for our shareholders enabled by a culture of excellence within the company.

## VISION STATEMENT

To be recognized as a market leader by our valued customers due to our innovative and efficient delivery approach while maintaining principles of Islamic Shariah.

## PRINCIPLE

We will base our human resources systems on our proven principles reflective of our core values and our commitment to attract, reward, develop and motivate sophisticated people. They will reflect the global scope of our business while demonstrating responsibility and flexibility with respect to cultural diversity, and statutory and regional business realities.

## EMPHASIS

Our emphasis on continuous improvement in all aspects of our business will enable us to reward our certificate holders and employees.

## SOCIAL RESPONSIBILITY

We will continually strive to be environmentally responsible and support the communities where we operate and the industries in which we participate.

## CORPORATE VALUES

- Total Customer Services
- Long-Term Business Focus
- Technology Oriented
- Quality & Reliability
- Staff Development & Teamwork
- Effective Resources & Cost Management
- Corporate Responsibility

# Chairman's Review Report

I am pleased to place before you the annual report together with audited financial statements of First Treet Manufacturing Modaraba for the year ended as on 30th June 2024 and the auditors' report thereon.

The current members of the Board are fully abreast in the areas of business management, strategy, finance, corporate governance, legal and administration. Further, all members of the Board are cognizant of their fiduciary duty to the Modaraba and its certificate holders. As Chairman of the Board, I ensure that all directors are encouraged to contribute and deliberate on strategic and governance-related topics, and that inputs from the independent directors (director representing minority certificate holders) and the directors having relevant experience on such topics are consulted and given due consideration before taking any decision(s).

The Board has clearly defined the terms of reference of its committees, and the members are appointed after considering their requisite skills and experience. Further, the Board and its committees meet regularly during the year and exercise their governance roles after due deliberation on each matter placed before them.

During 2023-2024, a thorough review of the Board and its committees was conducted through our internal Board Evaluation Process, developed in consonance with accepted global practices for evaluating Board performance.

We also constantly reviewed aspects of our financial reporting framework, in order to ensure that the Modaraba remained in line with both the latest regulatory requirements and best practices in the industry.

On behalf of the Board, I take this opportunity to thank all First Treet Manufacturing Modaraba employees and partners for their hard work throughout the year and our certificate holders and customers for their continued support and look forward to a successful year ahead.



**Mr. Syed Shahid Ali**  
Chairman

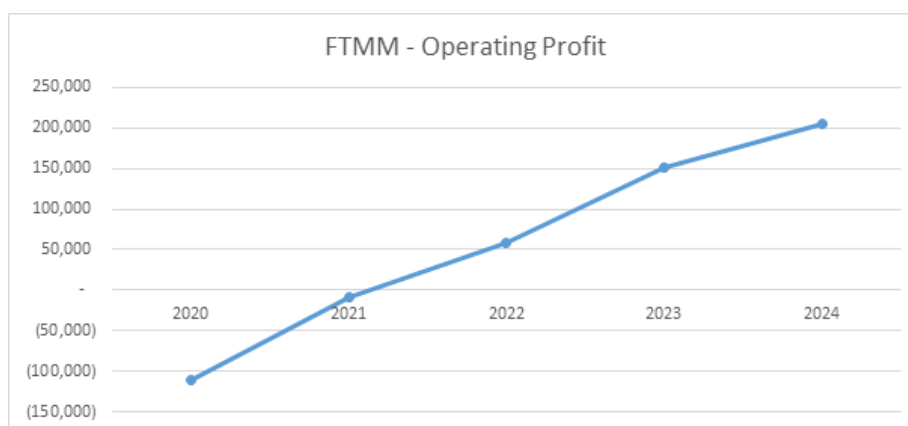
**27<sup>th</sup> September, 2024**  
**Lahore**

# Directors' Report

We are pleased to present the Directors' Report together with the audited Financial Statements for the year ended June 30, 2024.

These accounts have been audited by statutory auditors of the Modaraba and are accompanied by their audit report.

The fiscal year 2024 has seen the Modaraba deliver another year of strong financial and operational performance, despite operating in an extremely competitive environment. The Modaraba has witnessed significant enhancements across various key indicators, such as sales, liquidity, cost control, and plant operations. The Modaraba has once again beaten its performance compared to the previous year across all key metrics, showing a promising pathway to sustained positive performance.



## FINANCIAL HIGHLIGHTS

The Modaraba is engaged in two business segments: Corrugated Boxes and Soaps. The financial results of FY 2024 demonstrated remarkable growth and financial performance for the Modaraba, characterized by significant increases in revenue, gross profit, and operating profit, leading to improved profitability from continued operations compared to the previous year.

The Soaps segments witnessed impressive revenue growth, reaching Rs. 1,333 million, a 35% increase from Rs. 988 million in the previous year. Backed by this strong performance, the Modaraba achieved a gross profit of Rs. 361.6 million, 19% higher than the previous year. This achievement is attributed to enhanced cost management and the Modaraba's efforts in price rationalization, effectively passing on the impact of inflation through regular price revisions throughout the year.

Furthermore, the Modaraba's operating profit surged to Rs. 204.9 million, a substantial leap from the Rs. 150.9 million reported in the previous year. Building on this, the Modaraba achieved a net profit of Rs. 266.4 million in FY 2024, compared to Rs. 165.1 million in the previous year from its continued operations, a 61% growth year on year.

# Directors' Report

(Rupees in millions)

Descriptions	2023-2024	2022-2023	% Change
Sales (net)	4,148	3,911	6%
Gross Profit	362	303	19%
Operating Profit	205	151	36%
Net Profit from Continued operations	266	165	61%
Net Loss from Discontinued operations	-	(292)	(100%)
Net Profit / (Loss)	266	(126)	311%
Earnings/(Loss) per Certificate	0.31	(0.15)	307%
Transfer to Statutory Reserve	53.3	Nil	
<b>Book Value per Certificate</b>	<b>3.89</b>	<b>3.48</b>	<b>12%</b>

## SEGMENT-WISE ANALYSIS

(Rupees in millions)

	Corrugated Packaging		Soap	
	2023-2024	2022-2023	2023-2024	2022 -2023
Gross Sales	3,337,162	3,442,029	1,631,227	1,198,563
Inter-Segment Sales	(19,323)	(8,163)		
Sales Tax & Discounts	(503,506)	(510,630)	(297,298)	(210,376)
Total Sales	2,814,333	2,923,236	1,333,929	988,187
Gross Profit	80,807	165,913	280,773	137,304
Gross Profit %	3%	6%	21%	14%
Operating Profit/(Loss)	(21,682)	76,245	226,657	74,655
Operating Profit/(Loss) %	-1%	3%	17%	8%

## CORRUGATED PACKAGING

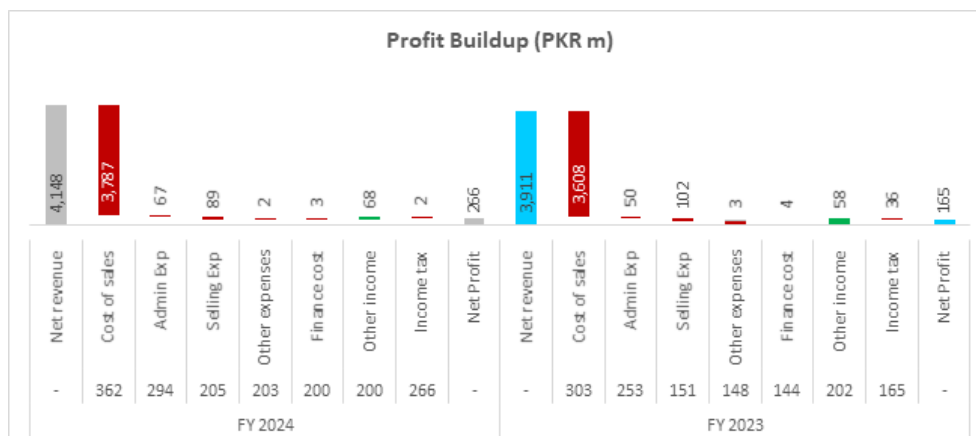
The corrugated packaging segments continues to become more and more competitive, with some of the leading industry players investing significantly in their plants, thus driving down prices for the entire segment. The net revenue of the corrugation segment for the year 2023-24 is Rs. 2,814 million which has decreased by 3% as compared to last financial year. The business has posted a gross profit of Rs. 80.8 million compared to a gross profit of Rs. 166 million last year. The decline is primarily due to tough market conditions and overall country's challenging economic conditions during 2023-24.

The Management has put in place various low cost and high impact measures to ensure that the Company keeps pace with the competition in terms of product quality, as well as to increase operating efficiencies, to return the business to profitability on a standalone basis in the coming year. Focus will be on retaining key accounts and adding new large customers to the Company portfolio, as well as improving share of wallet from existing customers as overall economic activity recovers..

## SOAPS

The net revenue for the year 2023-24 is Rs.1,334 million which has increased by 35% as compared to the previous financial year. Soaps sales, volumes, and margins have increased due to greater market penetration, and timely pricing interventions to pass on the effect of inflation. As a result of these measures, the business' operating profit has more than tripled over the previous year to Rs. 227 million.

# Directors' Report



## COUNTRY'S ECONOMIC OUTLOOK

Pakistan's economy is just starting to emerge from the effects of the austerity measures employed by the Government in order to fend off one of the worst exchange crises experienced in the history of the country. Going forward, with the interest rate and inflation both coming down, and global commodity prices also showing signs of softening, the consensus is that Pakistan will return to a growth path in the coming months. With the support of our certificate holders, the Modaraba is well positioned to benefit from this recovery, and deliver another year of strong performance in 2024-25.

## DIVIDEND

Cash dividend is Nil % (2023: Nil).

## APPROPRIATIONS

	Rs. in '000
Profit for the Year	266,389
Un-appropriated loss brought forward	(27,118)
<b>Transferred to Statutory Reserves (20%) for the year ended June 30, 2024</b>	<b>(53,278)</b>
Incremental depreciation charged during the year	15,406
Un-appropriated profit carried forward	201,399
Final Dividend for the year ended June 30, 2024 @ Rs. Nil	Nil

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance with the Code, the Board of Directors of Modaraba states that:

- The financial statements, prepared by the management of Modaraba, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies are consistently applied by your Modaraba in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure therefrom, if any, has been adequately disclosed.
- The system of Internal Controls, being implemented in your Modaraba is sound and has been effectively

## Directors' Report

persisted throughout the year.

- Keeping in view the financial position of your Modaraba, we do not have any significant doubt upon its continuance as a going concern.
- There has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

### MEETINGS OF THE BOARD OF DIRECTORS:

During the year, the Board of Directors of Modaraba has met 04 times and the attendance at each of these meetings is as follows:

Sr. No.	Name	Designation	28/ Sep/23	27/ Oct/23	27/ Feb/24	23/ Apr/24	2023-2024
1	Mr. Syed Shahid Ali	Non-Executive Director / Chairman	A	P	P	P	3/4
2	Mr. Syed Sheharyar Ali	Chief Executive Officer	P	P	P	P	4/4
3	Mr. Imran Azim	Non-Executive Director	P	P	P	P	4/4
4	Dr. Salman Faridi	Non-Executive Director	P	P	P	A	3/4
5	Ms. Sidra Fatima Sheikh	Independent Director	P	P	P	P	4/4
6	Mr. Munir Karim Bana	Non-Executive Director	P	P	P	P	4/4
7	Mr. Ahmad Shahid Hussain	Independent Director	P	P	P	P	4/4
8	Dr. Haroon Latif Khan	Independent Director	P	P	P	P	4/4
Quorum of Meetings			7/8	8/8	8/8	7/8	
P	Present in the Meeting						
A	Leave of Absence						

### AUDIT COMMITTEE

During the year, the Audit Committee of the Board have met 04 times and the attendance at each of these meetings is as follows

Sr. No.	Name	Designation	28/ Sep/23	27/ Oct/23	27/ Feb/24	23/ Apr/24	2023-2024
1	Ms. Sidra Fatima Sheikh	Chairman/Member	P	P	P	P	4/4
2	Mr. Imran Azim	Member	P	P	P	P	4/4
3	Mr. Munir Karim Bana	Member	P	P	P	P	4/4
4	Dr. Salman Faridi	Member	P	P	P	A	3/4
5	Mr. Ahmad Shahid Hussain	Member	P	P	P	P	4/4
Quorum of Meetings			5/5	5/5	5/5	4/5	
P	Present in the Meeting						
A	Leave of Absence						

# Directors' Report

## SHARI'AH ADVISOR:

Mufti Muhammad Javed Hassan is the Shari'ah advisor to the Modaraba. Annual Shari'ah Advisor's Report is attached with this report.

## PATTERN OF CERTIFICATE-HOLDING:

The pattern of certificate-holding of your Modaraba as on **June 30, 2024** is annexed with this report. This statement is in accordance with the amendments made through the Code.

## HR & ADMINISTRATION:

The HR Function of the Modaraba is outsourced to associated Modaraba, Treet HR Management (Private) Limited, which is a labour hire Modaraba specialized in providing workforce to host companies under service agreements, and is taking all responsibilities of the workforce.

## 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



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Syed Shahid Ali  
Chairman



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Syed Sheharyar Ali  
Chief Executive Officer

Dated: 27<sup>th</sup> September, 2024  
Lahore

## ڈائریکٹرز کی رپورٹ

### HR اور ایڈمنسٹریشن

مضاربہ کا HR کانسٹنٹ الحاق شدہ کمپنی ٹریٹ HR مینجمنٹ (پرائیویٹ) لمیٹڈ کے حوالے کیا گیا ہے جو سروسز معاہدہ کے تحت میزبان کمپنیوں کو افرادی قوت فراہم کرنے کے لئے مزدوروں کی بھرتی کی ایک تجربہ کار کمپنی ہے اور افرادی قوت کی تمام ذمہ داریاں نبھار رہی ہے۔  
اظہار تشکر

بورڈ اس موقعے کا بھرپور فائدہ اٹھاتے ہوئے اپنے معزز صارفین کی حمایت اور تعاون اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان سٹاک ایکسچینج لمیٹڈ اور مضاربہ ایسوسی ایشن آف پاکستان کی مسلسل رہنمائی کے لئے تہہ دل سے شکر گزار ہیں۔  
ہمارے اوپر بھروسہ اور اعتماد کے لئے ہم اپنے ٹیٹول کیٹ ہولڈرز کا خصوصی شکریہ ادا کرتے ہیں۔

منجانب / برائے بورڈ



سید شہر یار علی  
چیف ایگزیکٹو آفیسر



سید شاہد علی  
چیئر مین

مؤرخہ: 27 ستمبر 2024ء  
بمقام: لاہور

## ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کے اجلاس

سال بھر میں مضاربہ کے بورڈ آف ڈائریکٹرز کے 04 اجلاس منعقد ہوئے ہر اجلاس میں حاضری حسب ذیل ہے:

24-2023	23 اپریل 2024ء	27 فروری 2024ء	27 اکتوبر 2023ء	28 ستمبر 2023ء	عہدہ	نام
3/4	P	P	P	A	نان ایگزیکٹو ڈائریکٹر/چیئر مین	جناب سید شاہد علی
4/4	P	P	P	P	چیف ایگزیکٹو آفیسر	جناب سید شہریار علی
4/4	P	P	P	P	نان ایگزیکٹو ڈائریکٹر	جناب عمران عظیم
3/4	A	P	P	P	نان ایگزیکٹو ڈائریکٹر	ڈاکٹر سلمان فریدی
4/4	P	P	P	P	خود مختار ڈائریکٹر	محترمہ سدرہ فاطمہ شیخ
4/4	P	P	P	P	نان ایگزیکٹو ڈائریکٹر	جناب منیر کریم بانا
4/4	P	P	P	P	خود مختار ڈائریکٹر	جناب احمد شاہد حسین
4/4	P	P	P	P	خود مختار ڈائریکٹر	ڈاکٹر ہارون لطیف خان
	7/8	8/8	8/8	7/8		اجلاس کا کورم

آڈٹ کمیٹی

سال بھر میں بورڈ آڈٹ کمیٹی کے 04 اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر رکن کی حاضری حسب ذیل ہے:

24-2023	23 اپریل 2024ء	27 فروری 2024ء	27 اکتوبر 2023ء	28 ستمبر 2023ء	عہدہ	نام
4/4	P	P	P	P	چیئر مین / رکن	محترمہ سدرہ فاطمہ شیخ
4/4	P	P	P	P	رکن	جناب عمران عظیم
4/4	P	P	P	P	رکن	جناب منیر کریم بانا
3/4	A	P	P	P	رکن	ڈاکٹر سلمان فریدی
4/4	P	P	P	P	رکن	جناب احمد شاہد حسین
	4/5	5/5	5/5	5/5		اجلاس کا کورم

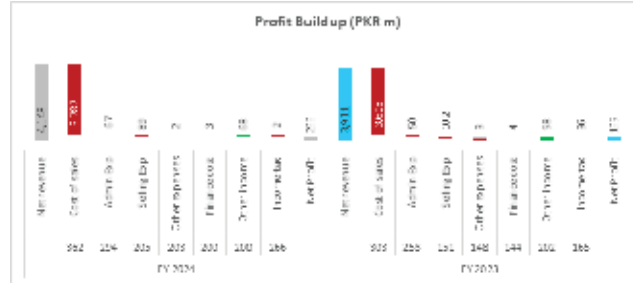
شریہ مشیر

مفتی محمد جاوید حسن مضاربہ کے شریہ مشیر ہیں۔ شریہ مشیر کی سالانہ رپورٹ لف ہذا ہے۔

پیٹرن آف شوٹنگ ہولڈنگ

30 جون 2024ء کو آپ کے مضاربہ کا پیٹرن آف شوٹنگ ہولڈنگ رپورٹ کے ساتھ منسلک ہے۔ یہ بیان ضابطہ میں ترامیم کے عین مطابق ہے۔

## ڈائریکٹرز کی رپورٹ



### ملک کا معاشی منظر نامہ

پاکستان کی معیشت حکومت کی جانب سے نافذ سادگی کے اقدامات کے اثرات سے ابھرنا شروع ہوئی ہے تاکہ ملک کو درپیش تاریخی بدترین مبادلہ کے بحران سے نبرد آزما ہوا جاسکے۔ آگے بڑھتے ہوئے شرح سود اور افراط زر کی شرح میں کمی اور عالمی سطح پر ایشیائے جنوبی کی قیمتوں میں کمی کے اثرات کے ساتھ قیاس کیا جا رہا ہے کہ پاکستان آئندہ مہینوں میں ترقی کی منازل کی جانب واپس چل پڑے گا۔ اپنے تحقیقیٹ ہولڈرز کی سپورٹ سے مضاربہ اس بحالی سے فائدہ حاصل کرنے اور سال 2024-2025 کے دوران بہتر کارکردگی کا ایک اور برس دکھانے کے لئے بالکل تیار ہے۔

### منافع منقسمہ

نقد منافع منقسمہ صفر فی صد ہے (2023: صفر)

### تخصیصات

000 روپوں میں	
266,389	سال بھر میں منافع
(27,118)	غیر تخصیص شدہ خسارہ جو آگے لایا گیا
(53,278)	30 جون 2024 کو اختتام پذیر سال کے لئے لازمی ذخائر میں منتقلی (20%)
15,406	سال بھر میں عائد تخفیف
201,399	غیر تخصیص شدہ منافع جو آگے لایا گیا
صفر	حتمی منافع منقسمہ برائے سال ختم 30 جون، 2024 بشرط صفر روپے

### کاروباری و مالیاتی رپورٹنگ فریم ورک

کوڈ کی تعمیل میں مضاربہ کے بورڈ آف ڈائریکٹرز بیان کرتے ہیں کہ:

- مضاربہ کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، یکس فلو اور ایکویٹی میں تبدیلی کی درست عکاسی کرتی ہیں۔
- مضاربہ کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں مضاربہ کی انتظامیہ نے مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں اور معقول فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی رپورٹنگ معیارات پر عمل کیا گیا ہے اور ان میں کسی بھی ترک کو مناسب انداز میں ظاہر کیا گیا ہے۔
- داخلی نظم و ضبط کا ایک مربوط سسٹم موجود ہے اور اس میں مزید نکھار لایا گیا ہے اور سال بھر میں اس کا موثر اطلاق کیا گیا ہے۔
- آپ کے مضاربہ کی مالیاتی حالت کو مد نظر رکھتے ہوئے ہمیں FTMM کی کاروبار جاری رکھنے کی صلاحیت میں کوئی شک نہیں۔
- زیر جائزہ سال کے دوران کارپوریٹ گورننس کی بہترین عمل داری میں کوئی ابہام نہیں ہے جیسا کہ لسٹنگ ضوابط میں بیان کیا گیا ہے۔

شعبہ کے لحاظ سے تجزیہ

(000'روپوں میں)

صابن		کارو گیڈ پیکیجنگ		تفصیل
2023-2022	2024-2023	2023-2022	2024-2023	
1,198,563	1,631,227	3,442,029	3,337,162	مجموعی فروخت
		(8,163)	(19,323)	شعبوں کے مابین فروخت
(210,376)	(297,298)	(510,630)	(503,506)	سیلز ٹیکس اور ڈسکاؤنٹس
988.187	1,333,929	2,923,236	2,814,333	کل سیلز
137,304	280,773	165,913	80,807	کل منافع
14%	21%	6%	3%	کل فی صد منافع
74,655	226,657	76,245	(21,682)	آپریٹنگ نفع / (نقصان)
8%	17%	3%	-1%	آپریٹنگ نفع / (نقصان) %

کارو گیڈ پیکیجنگ

اپنے پلانٹس میں نمایاں سرمایہ کاری کرنے والے صنعتکاروں کے ساتھ کارو گیڈ پیکیجنگ کے شعبہ میں لگا تار مسابقتی رجحان بڑھ رہا ہے جس کے باعث اس شعبے کی قیمتوں میں نمایاں کمی ہو رہی ہے۔ سال 2024-2023 کے لئے کارو گیڈ پیکیجنگ کے شعبہ کی خالص آمدنی 2,814 ملین روپے رہی جو گذشتہ مالیاتی سال کی نسبت 3% کم ہوئی۔ کاروبار نے گذشتہ برس میں 166 ملین روپے کل منافع کے مقابلے میں 80.8 ملین روپے کا منافع حاصل کیا۔ یہ کمی 2024-2023 کے دوران ملک کے بگڑتے ہوئے معاشی حالات اور منڈی کے مشکل حالات کی وجہ سے سامنے آئی۔

انتظامیہ آئندہ برس میں کاروبار کو منافع بخش بنانے کے لئے تنہا پروڈکٹ کے معیار اور آپریٹنگ کارکردگی میں بہتری جیسے مسابقتی ماحول کے ساتھ اپنی رفتار کو برقرار رکھنے کو یقینی بنانے کے لئے FTMM نے متعدد کم لاگت اور پراثر اقدامات پر زور دیا ہے۔ اہم کھاتوں کو برقرار رکھنے اور کمپنی کے پورٹ فولیو میں نئے بڑے صارفین کی شمولیت اور موجودہ صارفین سے خاطر خواہ آمدنی کے حصول پر توجہ دی جائے گی تاکہ مجموعی سطح پر معاشی بحالی کی سرگرمیاں جاری رہ سکیں۔

صابن

گذشتہ مالیاتی سال کی نسبت سال 2024-2023 کے لئے خالص آمدنی 35 فی صد اضافے کے ساتھ 1,334 ملین روپے رہی۔ صابن کی فروخت، حجم اور منافع کی شرح میں منڈی میں توسیع اور افراط زر کے اثرات سے نبرد آزما ہونے کے لئے قیمتوں میں بروقت ردوبدل کے باعث اضافہ ہوا۔ ان اقدامات کے باعث کاروبار کا آپریٹنگ منافع گذشتہ برس کے دوران 227 ملین روپے کے ساتھ تین گنا ہو گیا۔

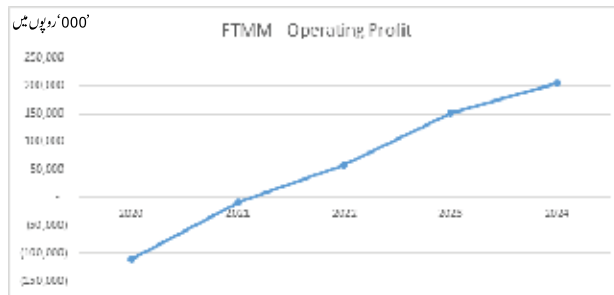
## ڈائریکٹرز کی رپورٹ

### ڈائریکٹرز کی رپورٹ

30 جون 2024ء کو اختتام پذیر سال کے لئے ہم FTMM کی پڑتال شدہ مالیاتی ایشیٹمنٹس کے ہمراہ ڈائریکٹرز کی رپورٹ ازراہ مسرت پیش کرتے ہیں۔

مضاربہ کے قانونی آڈیٹرز نے ان کھاتوں کی پڑتال کی ہے جو ان کی آڈٹ رپورٹ کے ہمراہ ہے۔

مالیاتی سال 2024ء کے دوران انتہائی مسابقتی ماحول میں کام کرنے کے باوجود مضاربہ نے عمدہ مالیاتی و آپریشنل کارکردگی دکھائی۔ مضاربہ نے کئی اہم بنیادی اشاریوں میں خاطر خواہ بہتری ظاہر کی جس میں سٹیز، لیکویڈٹی، لاگت پر کنٹرول اور پلانٹ آپریشنز شامل ہیں۔ مضاربہ نے تمام اہم شعبوں میں گذشتہ برس کی نسبت اپنی کارکردگی کے تمام ریکارڈ توڑ دیئے جو لائٹانی پائیدار اور مثبت کارکردگی کو ظاہر کرتی ہے۔



### مالیاتی خلاصہ

مضاربہ دو کاروباری شعبوں کاروبار کیڈ باکسز اور صابن سے وابستہ ہے۔ مالیاتی نتائج مضاربہ کی حیران کن نمو اور مالیاتی کارکردگی کو ظاہر کرتے ہیں۔ جو آمدنی، کل منافع اور آپریٹنگ منافع میں نمایاں بہتری جیسی خصوصیات پر مشتمل ہے۔ جس کے نتیجے میں گذشتہ برس کی نسبت جاری آپریشنز سے بہتر منافع ممکن ہوا۔

صابن کے شعبے کی آمدنی میں نمونے متاثر کن کارکردگی دکھائی جو گذشتہ برس میں 988 ملین روپے کے مقابلے میں 35% اضافے کے ساتھ 1,333 ملین روپے تک پہنچ گئی۔ اس مضبوط کارکردگی کے باعث، مضاربہ نے گذشتہ برس کی نسبت 19% بہتری کے ساتھ 361.6 ملین روپے کل منافع کمایا۔ یہ کامیابی بہتر کاسٹ مینجمنٹ اور قیمتوں میں ردوبدل اور سال بھر میں قیمتوں پر باقاعدہ نظر ثانی کے ذریعے افراط زر کے اثرات کو موثر انداز میں منتقل کرنے جیسی مضاربہ کی کاوشوں سے منسوب کی جاتی ہے۔

مزید برآں، مضاربہ کا آپریٹنگ منافع گذشتہ برس میں رپورٹ شدہ 150.9 ملین روپے کے مقابلے میں 204.9 ملین روپے نمایاں اضافے کو ظاہر کرتا ہے۔ اس پر انحصار کرتے ہوئے، مضاربہ نے اپنے جاری آپریشنز سے گذشتہ برس میں 165.1 ملین روپے کی نسبت 61% سالانہ نمو کے ساتھ مالیاتی سال 2024ء میں 266.4 ملین روپے خالص منافع حاصل کیا۔

(ملین روپوں میں)

تفصیل	2024-2023	2023-2022	فی صد تبدیلی
فروخت (خالص)	4,148	3,911	6%
کل منافع	362	303	19%
آپریٹنگ منافع	205	151	36%
جاری آپریشنز سے خالص منافع	266	165	61%
معطل آپریشنز سے خالص خسارہ	-	(292)	(100%)
خالص نفع / (نقصان)	266	(126)	311%
فی سٹوکیٹ آمدنی / (خسارہ)	0.31	(0.15)	307%
لازمی ذخائر میں منتقلی	53.3	-	
فی سٹوکیٹ book قیمت	3.89	3.48	12%

# Statement of Ethics and Business Practices

## Guidelines to Business Conduct

### EMPLOYEES

- No one should ask any employee to break the law, or go against Treet Group policies and values.
- We treat all employees equally and fairly.
- We do not tolerate any form of harassment.
- Information and necessary facilities are provided to perform jobs in a safe manner.
- Employees must not use, bring, or transfer illegal drugs or weapons on Treet Group property.
- Employees should report suspicious people and activities.

### BUSINESS PARTNERS

- Avoid conflicts of interest and identify situations where they may occur.
- Do not accept or give gifts, favors, or entertainment if it will appear to obligate the person who receives it.
- Use and supply only safe, reliable products and services.
- Respect our competitors and do not use unfair business practices to hurt our competition.
- Do not have formal or informal discussions with our competitors on prices, markets or products, or production or inventory levels.
- Manufacture and produce products according to contract specifications.
- Market our products and services in an honest and fair manner.
- Do not compromise our values to make a profit.

### BUSINESS RESOURCES

- Do not use inside information about the Treet Group for personal profit. Do not give such information to others.
- Do not use Treet Group resources for personal gain or any non-business purpose.
- Protect confidential and proprietary information.
- Do not use Treet Group resources to send, receive, access or save electronic information that is sexually explicit, promotes hate, violence, gambling, illegal drugs, or the illegal purchase or use of weapons.
- Do not make false or misleading entries into the companies' books or records (within a Treet Group).

### COMMUNITIES

- Follow all laws, regulations and Treet Group policies that apply to your work.
- Do not entice or give money or anything of value to government officials to influence their decisions.
- We measure and assess our performance, and are open and clear in our environmental communications.
- When Treet Group's standards are higher than what is required by local law, we meet the higher standards.

# Corporate Social Responsibility

**TREET GROUP** believes that a responsible attitude toward society and the environment can make a business more competitive, more resilient to shocks, and more likely to attract and hold both consumers and the best employees.

**TREET GROUP** feels that social attitude is a significant part of its risk management and reputation strategy. In a world where brand value and reputation are increasingly seen as a Treet Group's most valuable assets, responsible social attitude can build the loyalty and trust that ensure a bright sustainable future.

**Fundamental to success for Treet Group (and to our vision and corporate values) are based on following premises:**

## **CUSTOMERS**

Our future existence relies on understanding and satisfying our customers' present and future needs. Our goal is to be recognized by our customers as a high quality, innovative and cost effective supplier, and the most desirable to do business with. We recognize that, as a result, the next person in the process is our customer.

## **OUR PEOPLE**

We value our family of employees as essential to the success of our Treet Group. We aim to develop a long term trusting relationship with each employee, encouraging their contributions and assisting in their personal development and education. In all dealings we will be fair and consistent.

## **PRODUCTS AND SERVICES**

We are recognized at large by our end products and services. We will endeavor to produce technologically advanced products and services that offer superior quality and value. Continued innovation and improvement are critical to our survival and growth.

## **SUPPLIERS**

We view suppliers of goods and services as an extension of our Treet Group, with whom we wish to develop long term trusting relationships. We expect our suppliers to embrace our quality improvement philosophy in their dealing with us.

## **CERTIFICATE HOLDERS**

We aim to be a Group in whom our certificate holders have trust and pride. We will keep our certificate holders properly informed of our Treet Group's performance and prospects. We recognize the need to provide our certificate holders with an excellent return on investment, consistent with long term growth.

## **PLANNING**

All short term decisions will be consistent with long term objectives that balance the needs of our people, customers, suppliers and certificate holders. Each year these objectives will be widely communicated within our Treet Group.

# Corporate Social Responsibility

## QUALITY IMPROVEMENT

We believe in step by step continual improvement of everything that we are engaged in, including our administration, marketing, sales, design, service, distribution and manufacturing. We will encourage crossfunctional communication and co-operation to aid this.

## ENVIRONMENT

Reflecting our commitment to a cleaner world, we aim to develop products and manufacturing processes which are as friendly to the environment as practicable.

## SOCIETY

We will conduct our business at all times in a fair, ethical, consistent and professional manner. We accept our responsibilities to be a responsible community neighbour, and will continue to support community affairs.

## HEALTH, SAFETY AND ENVIRONMENT POLICY

It is Treet Group policy to;

- Minimize its environmental impact, as much as economically and practically possible
- Save raw material, water and energy and avoid wastage (and reprocess the waste to the maximum possible extent)
- Ensure that all its present and future activities are conducted safely without endangering the health of its employees, its customers and the public
- Develop plans and procedures and provide resources to successfully implement the policy and for dealing effectively with any emergency
- Provide environmental, health and safety training to all employees and other relevant persons to enable them to carry out their duties safely without causing harm to themselves, others and to the environment
- Ensure that all its activities comply with national environmental, health and safety regulations

## DONATIONS , CHARITIES , CONTRIBUTIONS AND OTHER PAYMENTS OF A SIMILAR NATURE ;

Companies within Treet Group are, subject to Board's approval, encouraged to provide support to local communities through donations, charities etc. to fulfill its duty towards social cause. But companies in our Treet Group will not, in any case, contribute any amount;

- (a) to any political party; or
- (b) for any political purpose to any individual or body.

Moreover, companies in **Treet Group** shall not distribute gifts in any form to its members in its meeting.

# Investment / Funding and Dividend Policies

## INVESTMENT POLICY

- The Executive Committee of the Directors is responsible for seeking/evaluating and recommending either;
- Portfolio Investments (i.e. in Shares/ Securities etc. (Fresh Issues or Market Purchase) or Financial claims); or
- Investment in New Projects (either equity based or loan based); or
- Joint Ventures; or
- Investment in Intangibles (Goodwill/ Trade Marks/ Patents etc.)

Moreover, Executive Committee ensures that Proposed Investments are set out in Treet Group's vision and Strategic domain.

## FUNDING POLICY

It is Treet Group's policy not only to utilize funds efficiently but also to seek funds from the cheapest source(s).

Treet Group advertently evaluates, from time to time, different funding options for;

- Working Capital Requirements (including import/export financing)
- Medium Term Rollovers/Capital Requirements
- Long Term Project Based Requirements

These funding options may include;

- Internally Generated Funds\*
- Bank Borrowings (Short Term as well as Long Term)
- Trade & Sundry Credits
- Debt Instruments (Commercial Papers/ Bonds/ TFC etc.) issued to Institutions or Public in general
- Subordinate- Debts
- Leasing (Operating as well as Capital)
- Equity Financing etc.

\*This includes Intra-Treet Group resource sharing. Corporate strategy (by the parent Company i.e. Treet Corporation Limited) will seek to develop synergies by sharing and coordinating staff and other resources across business units, investing financial resources across business units, and using business units to complement other corporate business activities.

Moreover, the above funding options may augment other ancillary financial products (i.e. derivatives like shares options etc.).

## DIVIDEND POLICY

The companies in Treet Group in general meeting may declare dividends; but no dividend shall exceed the amount recommended by the directors; and

## Investment / Funding and Dividend Policies

- No dividend shall be declared or paid by a Company for any financial year out of the profits of the Company made from the sale or disposal of any immovable property or assets of a capital nature comprised in the undertaking or any of the undertaking of the Company; and
- No dividend shall be paid by a Company otherwise than out of profits of the Company; and
- The Board may approve and pay to the Members such interim dividends as appears to be justified by the profits of the Company; and
- The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as they think proper as a reserve(s), which shall, at the discretion of the Board, be applicable for meeting contingencies etc.; and
- Company's dividend decision will be auxiliary to Company's Financing Policy

### **Dividend Policy for First Treet Manufacturing Modaraba**

Not less than 90% of the net income in respect of the Modaraba's business [non-trading] activities, determined after setting aside the mandatory reserves as per Prudential Regulations for Modaraba, is to be distributed at least once in every year to the certificate holders in proportion to the number of certificates held by them. Distribution will be in the form of cash dividend. No dividend shall be paid otherwise than out of the profits of the Modaraba for the year or any other distributed profits.

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations)

For the Year Ended June 30, 2024

Treet Holdings Limited (the Company) managing First Treet Manufacturing Modaraba (the Modaraba) has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (8) as per the following:
  - a) Male: Seven (7)
  - b) Female: One (1)
2. The composition of the Board of Directors (the Board) is as follows:

Category	Name of Directors
i. Independent Director	Mr. Ahmad Shahid Hussain
	Dr. Haroon Latif Khan
ii. Non-Executive Directors	Mr. Syed Shahid Ali (Chairman)
	Mr. Imran Azim
	Dr. Salman Faridi
	Mr. Munir Karim Bana
iii. Executive Directors	Mr. Syed Sheharyar Ali, Chief Executive officer (CEO)
iv. Female / Independent Director	Ms. Sidra Fatima Sheikh

The election of directors was duly conducted on 27 October 2023 in compliance with the provisions of the Companies Act, 2017 (the Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board's composition has been updated accordingly.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Certificate holders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations)

For the Year Ended June 30, 2024

9. The Regulations encourage the Director Training Program (DTP) of all directors. Being a responsible and compliant, the Company has already arranged DTP for two directors whereas five directors are exempt on the basis of their education and prior experience. The remaining one director is expected to attain DTP certification in due course;
10. The Board has approved appointment of Chief Financial Officer (CFO), company secretary and head of internal auditor, including their remuneration and term and conditions of employment, and complied with the relevant requirements of the Regulations. During the year, Mr. Mansoor Murad was appointed as the new CFO. No other new appointment has been made during the year;
11. CFO and CEO duly endorsed the financial statements before approval of the Board;
12. The Board has formed committee comprising of members given below:
  - a) **Audit Committee**

Ms. Sidra Fatima Sheikh	(Chairperson)
Mr. Imran Azim	(Member)
Mr. Munir Karim Bana	(Member)
Dr. Salman Faridi	(Member)
Mr. Ahmad Shahid Hussain	(Member)
- HR and Remuneration Committee**

Human Resource committee has not been formed as all the work force is outsourced.
13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance;
14. The frequency of meeting of the committee were as per following:
  - a) Audit Committee (4 Quarterly)
15. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations)

For the Year Ended June 30, 2024

18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Statement of Compliance para reference	Requirement	Explanation	Reg. No
13.	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not formed the Risk Management Committee as the responsibility of this committee is being taken care of at the Board level currently. However, the Board intends to constitute Risk Management Committee when the Board is reconstituted.	30 (1)
5.	Role of the Board and its members to address Sustainability Risks and Opportunities.	During the year, the Securities and Exchange Commission of Pakistan issued certain amendments of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024 and added a new Regulation 10A. Currently, the management is assessing these amendments and compliance thereof, as applicable, will be performed in due course.	10 A



**Syed Shahid Ali**  
Chairman

# Shari'ah Advisor's Report

## First Treet Manufacturing Modaraba (June 30, 2024)

I have conducted the Shari'ah review of First Treet Manufacturing Modaraba managed by Treet Holdings Limited Modaraba Management Company for the financial year ended June 30, 2024 in accordance with the requirements of the **Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas** and report that except the observations as reported hereunder, in my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles.
- ii. The agreement(s) entered by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the forrmats as approved by the Religious Board of SECP and all the related conditions have been met.
- iii. The company has closed its savings accounts in conventional branches of MCB and HBL and convert them to current accounts. Furthermore, it has shifted the machinery breakdown insurance from a conventional insurance policy to a Takaful policy. These steps highlight the company's strong commitment to aligning its operations with Islamic principles, demonstrating its dedication to ethical and responsible business practices.
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas.
- v. Charity/donation of interest amount on saving accounts of the said conventional banks has been paid.

### Recommendation(s):

- It is recommended that the company consistently consults with its Shari'ah advisor regarding all transactions and business matters, obtaining formal Shari'ah approval to ensure full compliance with Shari'ah guidelines.
- The Modaraba company should arrange regular Shari'ah training sessions for its staff to ensure a thorough understanding of Islamic principles in all business practices.

### Conclusion:

It is opined that to the best of my knowledge and according to the explanations given to me, the business transactions undertaken by the Modaraba, and overall business operations during the year are in compliance with the rules & principles of Shari'ah.

**May Allah make us successful in this world and hereafter and forgive our mistakes.**



**Mufti Muhammad Javed**  
Shari'ah Advisor

**Dated:** 27<sup>th</sup> September, 2024

# Independent Auditor’s Review Report

To the Certificate Holders of First Treet Manufacturing Modaraba  
 Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Treet Holdings Limited (the Company) managing **First Treet Manufacturing Modaraba (the Modaraba)** for the year ended 30 June, 2024 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.



Rahman Sarfaraz Rahim Iqbal Rafiq  
 Chartered Accountants

Engagement Partner: Adnan Rasheed

Lahore: 27<sup>th</sup> September, 2024

UDIN: CR2024107016yRalSboG

# Independent Auditors' Report to the Certificate holders of First Treet Manufacturing Modaraba

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of First Treet Manufacturing Modaraba (the Modaraba), which comprise the statement of financial position as at 30 June 2024, and the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Modaraba and Treet Holdings Limited (the Modaraba Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditors' Report to the Certificate holders of First Treet Manufacturing Modaraba

## Report on the Audit of the Financial Statements

Following are the key audit matters:

Sr.No	Key audit matter	How the matter was addressed in our audit
1	<p><b>Revenue recognition</b></p> <p>Refer notes 4.22 and 24 to the financial statements.</p> <p>Net revenue from sale of the Modaraba's products for the year ended 30 June 2024 amounted to Rs. 4.148 million which has increased by approximately 6% as compared to last year. The Modaraba recognizes revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of goods.</p> <p>There is an inherent risk that revenue may be overstated since the Modaraba focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred.</p> <p>Considering revenue recognition a significant risk area, we have identified this as a key audit matter.</p>	<p>Our audit procedures in this area amongst others, included the following:</p> <ul style="list-style-type: none"> <li>▪ Evaluated the appropriateness of the Modaraba's revenue recognition accounting policy.</li> <li>▪ Obtained understanding of design and evaluate implementation of controls designed to check that revenue is recognized in the appropriate accounting period and based on transfer of control of goods to the customer.</li> <li>▪ Performed testing of sales transactions on a sample basis to check that the related revenues are recorded appropriately at the correct quantity and price when control of goods has been transferred to the customer.</li> <li>▪ Performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year to the evidence of deliveries to check that sales are recorded in the correct accounting period.</li> <li>▪ Considered the adequacy of the disclosures in respect of revenue in accordance with the applicable financial reporting standards.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

Management of the Modaraba Management Company is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors of the Modaraba Management Company for the Financial Statements

Management of the Modaraba Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Independent Auditors' Report to the Certificate holders of First Treet Manufacturing Modaraba

## Report on the Audit of the Financial Statements

In preparing the financial statements, management of the Modaraba Management Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Management Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Management Company are responsible for overseeing the Modaraba's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Management Company;
- Conclude on the appropriateness of the management of the Modaraba Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Modaraba Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# Independent Auditors' Report to the Certificate holders of First Treet Manufacturing Modaraba

## Report on the Audit of the Financial Statements

From the matters communicated with the board of directors of the Modaraba Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Management Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS

Lahore: September 27<sup>th</sup>, 2024

UDIN: AR202410701iMePdCc3j

# Financial Statements

For the year ended June 30, 2024

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>Property and Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	831,432	693,031
Right-of-use (ROU) asset	6	-	-
Long term deposits	7	9,654	21,724
		841,086	714,755
<b>Current assets</b>			
Stores and spares	8	81,819	88,102
Stock in trade	9	387,415	414,991
Trade debtors	10	898,752	860,067
Advances, deposits, prepayments and other receivables	11	498,575	602,475
Taxes recoverable/ adjustable	12	1,044,679	960,053
Cash and bank balances	13	195,837	65,313
		3,107,077	2,991,001
		3,948,163	3,705,756
<b>Equity and liabilities</b>			
<b>Certificate capital and reserves:</b>			
Certificate capital	14	8,835,903	8,835,903
Deposits for purchase of certificates	15	1	1
<b>Capital reserves</b>			
Statutory reserve	16	565,219	511,941
Certificate premium	17	-	-
Surplus on revaluation of property, plant and equipment	18	619,116	553,025
Demerger reserve	19	(6,879,903)	(6,879,903)
		(5,695,568)	(5,814,937)
<b>Revenue reserves</b>			
Accumulated profit/ (loss)		201,399	(27,118)
		3,341,735	2,993,849
<b>Non-current liabilities</b>			
Lease liabilities	20	-	-
Deferred taxation	21	70,952	87,584
		70,952	87,584
<b>Current liabilities</b>			
Retention money payable		11,942	11,363
Trade and other payables	22	471,622	486,476
Provision for taxation		51,912	126,484
		535,476	624,323
<b>Contingencies and commitments</b>			
	23	-	-
		3,948,163	3,705,756

The annexed notes 1 to 43 form an integral part of these financial statements.


LAHORE  
September 27, 2024



**Syed Shehryar Ali**  
Chief Executive Officer



**Mansoor Murad**  
Group Chief Financial Officer



**Syed Shahid Ali**  
Director



**Sidra Fatima Sheikh**  
Director

# STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024


	Note	2024 (Rupees in thousand)	2023
Revenue - net	24	4,148,262	3,911,423
Cost of sales	25	(3,786,682)	(3,608,206)
<b>Gross profit</b>		<b>361,580</b>	<b>303,217</b>
<b>Operating expenses</b>			
Administration and general expenses	26	(67,341)	(50,264)
Selling and distribution expenses	27	(89,264)	(102,053)
		(156,605)	(152,317)
<b>Operating profit</b>		<b>204,975</b>	<b>150,900</b>
Other expenses	28	(1,850)	(3,397)
Finance cost	29	(2,842)	(3,875)
Other income	30	68,122	57,937
<b>Profit before levies and income tax</b>		<b>268,405</b>	<b>201,565</b>
Levies	31	(51,912)	(48,893)
<b>Profit before income tax</b>		<b>216,493</b>	<b>152,672</b>
<b>Taxation - Income tax</b>	32	<b>49,896</b>	<b>12,503</b>
<b>Profit for the year from continuing operations</b>		<b>266,389</b>	<b>165,175</b>
Loss from discontinued operations - net of tax	34	-	(291,563)
<b>Profit/ (loss) for the year</b>		<b>266,389</b>	<b>(126,388)</b>
<b>OTHER COMPREHENSIVE INCOME - NET OF INCOME TAX:</b>			
Items that may be reclassified subsequently to the statement of profit and loss		-	-
Items that will not be reclassified subsequently to the statement of profit and loss:			
Surplus on revaluation of property, plant and equipment		114,785	-
Related impact on deferred tax		(33,288)	-
Other comprehensive income for the year		81,497	-
<b>Total comprehensive income/ (loss) for the year</b>		<b>347,886</b>	<b>(126,388)</b>
<b>Profit / (Loss) per Modaraba certificate - basic and diluted</b>	33	<b>0.31</b>	<b>(0.15)</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE  
September 27, 2024

  
**Syed Shehryar Ali**  
Chief Executive Officer

  
**Mansoor Murad**  
Group Chief Financial Officer

  
**Syed Shahid Ali**  
Director

  
**Sidra Fatima Sheikh**  
Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Capital Reserves						Revenue Reserve	Total
	Certificate capital	Deposit for purchase of Certificates	Statutory Certificate	Premium reserve	Surplus on revaluation of property, plant and equipment	Demerger reserve	Accumulated profit/(loss)	
	------(Rupees in thousand)-----							
<b>Balance as at 1 July 2022</b>	8,835,903	1	511,941	1,952,870	1,212,893	-	(8,141,947)	4,371,661
Total comprehensive income:								
Loss for the year	-	-	-	-	-	-	(126,388)	(126,388)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(126,388)	(126,388)
<b>Transactions with the entity's owners</b>								
Surplus transferred to accumulated loss on account of:								
Incremental depreciation charged during the year	-	-	-	-	(29,551)	-	29,551	-
Transferred to Treet Battery Limited pursuant to the scheme of demerger (note 1)	-	-	-	(1,952,870)	(630,317)	-	8,211,666	5,628,479
Demerger reserve	-	-	-	-	-	(6,879,903)	-	(6,879,903)
<b>Balance as at 30 June 2023</b>	8,835,903	1	511,941	-	553,025	(6,879,903)	(27,118)	2,993,849
Total comprehensive income:								
Profit for the year	-	-	-	-	-	-	266,389	266,389
Other comprehensive income for the year	-	-	-	-	81,497	-	-	81,497
	-	-	-	-	81,497	-	266,389	347,886
<b>Transactions with the entity's owners</b>								
Surplus transferred to accumulated Profit on account of:								
Incremental depreciation charged during the year	-	-	-	-	(15,406)	-	15,406	-
Transfer of 20% profit for the year to statutory reserve	-	-	53,278	-	-	-	(53,278)	-
<b>Balance as at 30 June 2024</b>	8,835,903	1	565,219	-	619,116	(6,879,903)	201,399	3,341,735

The annexed notes 1 to 43 form an integral part of these financial statements.


LAHORE  
September 27, 2024



**Syed Shehryar Ali**  
Chief Executive Officer



**Mansoor Murad**  
Group Chief Financial Officer



**Syed Shahid Ali**  
Director



**Sidra Fatima Sheikh**  
Director

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>Cash flows from operating activities</b>			
Profit before levies and income tax		268,405	201,565
<b>Adjustments for non-cash and other items:</b>			
Depreciation on operating fixed assets		41,307	36,540
Gain on disposal of property, plant and equipment		-	(31)
Profit on bank and other deposits		(4,996)	(9,349)
Finance cost		2,842	3,875
Impairment allowance for expected credit loss		750	(23,261)
Provision for slow moving/ obsolete stores		1,100	-
Exchange loss		-	3,397
		41,003	11,171
<b>Operating cash flows before working capital changes</b>		<b>309,408</b>	<b>212,736</b>
<b>Changes in working capital</b>			
<b>(Increase)/ decrease in current assets:</b>			
Stores and spares		5,183	(26,623)
Stock in trade		27,576	(750,501)
Trade debtors		(39,435)	(397,987)
Advances, deposits, prepayments and other receivables		103,900	(530,293)
Taxes recoverable/ adjustable		(84,625)	(275,249)
		12,599	(1,980,653)
<b>Increase/ (decrease) in current liabilities:</b>			
Retention money payable		579	(227)
Trade and other payables		(14,855)	884,918
<b>Cash generated from/ (used in) operations</b>		<b>307,731</b>	<b>(883,226)</b>
Levies paid		(126,508)	(96,366)
Financial cost paid		(2,842)	(4,158)
<b>Net cash generated from/ (used in) operating activities</b>		<b>178,381</b>	<b>(983,750)</b>
<b>Cash flows from investing activities</b>			
Investments made in property, plant and equipment		(64,923)	(141,145)
Profit received on bank deposits		4,996	9,349
Proceeds from disposal of property, plant and equipment		-	31
Long term deposits		12,070	761
<b>Net cash used in investing activities</b>		<b>(47,857)</b>	<b>(131,004)</b>
<b>Cash flow from financing activities</b>			
Short term borrowings		-	947,118
Lease liabilities		-	(4,087)
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>943,031</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>130,524</b>	<b>(171,723)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>65,313</b>	<b>237,036</b>
<b>Cash and cash equivalents at the end of the year</b>	13	<b>195,837</b>	<b>65,313</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

**Syed Shehryar Ali**  
Chief Executive Officer

**Mansoor Murad**  
Group Chief Financial Officer

**Syed Shahid Ali**  
Director

**Sidra Fatima Sheikh**  
Director

LAHORE  
September 27, 2024

# Notes to the Financial Statements

For the year ended 30 June 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, 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. During the preceeding year, the Modaraba, which was previously engaged in the manufacturing and sale of corrugated boxes, soaps and batteries, demerged and transferred its battery segment undertaking and business to Treet Battery Limited (TBL) under a scheme duly approved by relevant authorities and sanctioned by the Honourable Lahore High Court, Lahore.

## 2 BASIS OF PREPARATION

### 2.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except for freehold land, building on freehold land and plant and machinery which are carried at revalued amount, recognition of staff retirement benefits, which is based on actuarial values and financial instruments which are stated at fair values and stock in trade which is carried at the lower of cost and net realizable value. The financial statements, except for cash flows information, have been prepared under the accrual basis of accounting.

### 2.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards issued by the institute of Chartered Accountants of Pakistan;
- Provisions of and directives issued under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by Securities and Exchange Commission of Pakistan (SECP)

In case requirements of IFRS differ, the provisions of and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP shall prevail.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) has 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 (as applicable) tax regime to be shown separately as a levy instead of showing it in current tax.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 2.3 Presentation

These financial statements have been presented in Pak Rupees, which is also the Modaraba's functional currency. Figures have been rounded off to the nearest Rupee in thousands. The corresponding figures are regrouped/ rearranged for the purpose of comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

## 2.4 Significant accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Modaraba's financial statements or where judgment was exercised in application of accounting policies are as follows:

### 2.4.1 Useful lives and residual values of property, plant and equipment

The Modaraba reviews the useful life and residual value of property, plant and equipment on regular basis to determine that expectations are not significantly changed from the previous estimates. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Modaraba uses the technical resources available with it. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation/ amortization charge and impairment, if any.

### 2.4.2 Useful life of ROU asset and lease liabilities

The Modaraba determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Modaraba has a lease contract that include extension and termination options. The Modaraba applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Modaraba reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customization to the leased asset).

# Notes to the Financial Statements

For the year ended 30 June 2024

## 2.4.3 Revaluation of property, plant and equipment

Revaluation of certain classes of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to current depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

## 2.4.4 Recoverable amount of non-financial assets and impairment

The management of the Modaraba reviews carrying amounts of its non-financial assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

## 2.4.5 Stock in trade and stores and spare parts

The Modaraba reviews the net realizable value of items of stores, spare parts and loose tools and stock in trade to assess any possible impairment on annual basis. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Any change in the estimates in the future might affect the carrying amount of respective item of store, spare parts and loose tools and stock in trade, with corresponding effects on the provision for impairment, if any.

## 2.4.6 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward looking information for macro economic factors i.e. interest rates, inflation rates, unemployment rates, GDP rates etc.

## 2.4.7 Employees' retirement benefits

The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 2.4.8 Contingencies

The Modaraba has disclosed significant contingent liabilities for the pending litigations and claims against it based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date. However, based on the best judgment of the Modaraba and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the statement of financial position date.

## 2.4.9 Provision for income taxes

The Modaraba takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. Instances where the Modaraba's views differ from the views taken by the income tax department at the assessment stage and where the Modaraba considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## 3 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS

### a) Standards and interpretations that became effective but are not relevant to the Modaraba:

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the Modaraba other than increased disclosures in certain cases:

IAS 1 - Presentation of financial statements - Amendments regarding the classification of debt with covenants.

IAS 1 - Presentation of financial statements - Amendments regarding the classification of liabilities.

IAS 7 - Statement of cash flows - Amendments regarding supplier finance arrangements.

IFRS 7 - Financial Instruments - Amendments regarding supplier finance arrangements.

IFRS 16 - Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions

### b) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations became effective for annual periods beginning on or after the mentioned dates but are either not relevant or do not have any material effect on the financial statements of the Modaraba other than increased disclosures in certain cases:

- IFRS 7 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IFRS 9 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

# Notes to the Financial Statements

For the year ended 30 June 2024

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures
- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted disclosure of Accounting Policies (narrow- scope Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 4.1 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Modaraba, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### 4.1.1 Current tax

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Modaraba has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.1.2 Deferred tax

Deferred tax is provided using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using the current rates of taxation. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged to income except in case of items credited or charged to equity in which case it is included in the equity.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 4.1.3 Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/ payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.

## 4.2 Property, plant and equipment

### Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land, buildings, leasehold improvements and plant and machinery. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less impairment loss, if any (refer to note - 5.1.6). Buildings on freehold land, leasehold improvements and plant and machinery are stated at revalued amounts carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any (refer to note - 5.1.6). Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings on freehold land and plant and machinery, and the net amount is restated to the revalued amount. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to a working condition for their use as intended by the management.

Depreciation is provided on straight line method at rates specified in note 5.1 to the financial statements so as to write off the cost of operating fixed assets over their estimated useful life. Depreciation on additions to operating fixed assets is charged from the day on which an asset is available for use till the day the asset is retired from active use or the asset is disposed off.

Residual value and the useful life of assets are reviewed at each financial year end, and adjusted if expectations differ significantly from previous estimates and impact on depreciation is significant.

Residual values are determined by the management as the amount it expects it would receive currently for an item of operating fixed assets if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

Gain and loss on disposal of an item of operating fixed assets is determined by comparing the proceeds from disposal with the carrying amount of operating fixed assets, and is recognized as income or expense in the statement of profit and loss.

# Notes to the Financial Statements

For the year ended 30 June 2024

## Capital work in progress

Capital work-in-progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of operating fixed assets as and when assets are available for use. Capital work-in-progress is stated at cost, less any identified impairment loss.

Impairment tests for property, plant and equipment are performed annually or whenever there is an indication of impairment.

## 4.3 ROU asset

The Modaraba recognizes a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease.

## 4.4 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that their carrying amount will be recovered principally through sale rather than through continuing use. Such non-current assets or disposal groups are valued at lower of cost and fair value less cost to sell.

Once classified as held for sale, intangible assets and property plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

The gain or loss on disposal of non-current assets held for sale represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the statement of profit and loss.

## 4.5 Stores and spares

These are valued at the lower of cost and net realizable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost plus directly attributable expenses incidental thereto accumulated up to the date of the statement of financial position. The Modaraba reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

Net realizable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 4.6 Stock in trade

Stock of raw materials and packing materials are valued at lower of moving average cost and net realizable value except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work in process and finished goods includes prime cost and appropriate proportion of production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and the cost necessary to be incurred to make the sales.

## 4.7 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Modaraba has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

## 4.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Modaraba, which are payable on demand and form an integral part of the Modaraba's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

## 4.9 Equity, reserves and profit distribution

Certificate capital represents the face value of certificates that have been issued. Any transaction costs associated with the issuing of certificates are deducted from share certificate capital, net of any related income tax benefits, if any.

Retained earnings/ accumulated loss include all current and prior period retained profits/ losses.

Profit distribution to the certificate holders is recognized in the period in which it is approved.

## 4.10 Statutory reserves

Statutory reserves represents the profit after tax that have been transferred from retained earnings to the statutory reserves. The Modaraba has created this reserve fund to which following shall be credited:

- a) An amount not less than 20% and not more than 50% of its after-tax profits till such time this reserve fund equals the amount of the paid-up certificate capital; and
- b) thereafter a sum not less than 5% of its after tax profits.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 4.11 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment, computed by eliminating the accumulated depreciation as at the date of revaluation, is credited to the "Surplus on revaluation of property, plant and equipment" presented and recognized in the statement of comprehensive income and accumulated in the statement of changes in equity as a capital reserve. Following amounts are transferred from "Surplus on revaluation of property, plant and equipment" to retained earnings/ (accumulated loss) through statement of changes in equity to record realization of surplus:

- an amount equal to incremental depreciation - net of tax on revaluation surplus on property, plant and equipment for the year, if any; or
- an amount equal to carrying amount of revaluation surplus on property, plant and equipment, if any, on its disposal.

## 4.12 Borrowings and borrowing costs

These are initially recognized at fair value less directly attributable transaction costs, if any. Difference between the fair value and proceeds of borrowings is recognized as income or expense in the statement of profit and loss. Subsequently these are measured at amortized cost using the effective interest method.

Borrowing costs are interest or other costs incurred by the Modaraba in connection with the borrowing of funds. Borrowing cost that is directly attributable to qualifying assets is capitalized as part of cost of that assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the statement of profit and loss whenever incurred.

## 4.13 Lease liability

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Modaraba's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- amount expected to be payable under a residual guarantee; and
- the exercise under purchase option that the Modaraba is reasonably certain to exercise, lease payments in an optional renewal period if the Modaraba is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Modaraba is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change Modaraba's estimate of the amount expected to be payable under a residual value guarantee, or if the Modaraba changes its assessment of whether it will exercise a purchase or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the statement of profit and loss if the carrying amount of the ROU asset has been reduced to zero.

Payments associated with short term leases and all leases of low value assets are recognized on a straight line basis as an expense in the statement of profit and loss. Short term leases are leases with a lease term of 12 months or less without a purchase option.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 4.14 Trade and other payables

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business, if longer), if not, they are classified as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Modaraba.

## 4.15 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting period to reflect the best current estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

## 4.16 Contingencies

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

- a) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Modaraba; or
- b) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Modaraba, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/ non-occurrence of the uncertain future events.

## 4.17 Financial instruments

### Recognition and measurement

Financial assets and liabilities are recognized, when the Modaraba becomes a party to the contractual provisions of the instrument and derecognized when the Modaraba loses control of the contractual rights to receive cash flows from the assets that comprise the financial asset or the rights have been transferred and the Modaraba has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise financial assets or a portion of financial assets. In case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets are long term investments, short term investments, trade and other receivables, advances adjustable in cash and cash and bank balances. The Modaraba derecognizes a financial asset or a portion of financial asset when, and only when, the right to receive the cash flows from the assets have been expired or have been transferred; and the Modaraba has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise the financial assets or a portion of financial assets.

# Notes to the Financial Statements

For the year ended 30 June 2024

The Modaraba has classified its financial assets based on the requirements as set out in IFRS-9 'Financial Instruments'. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit and loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics.

## 4.17.1 Financial assets

### (a) Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

### (b) Financial Asset at Fair Value through Other Comprehensive Income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

### (c) Financial asset at fair value through profit and loss

A financial asset shall be measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

#### Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given. Subsequent to initial recognition, financial assets shall be classified at amortized cost using effective interest method, fair value through other comprehensive income with changes in fair value recognized in other comprehensive income and fair value through profit or loss with changes in fair value recognized in the statement of profit and loss.

The Modaraba follows trade date accounting for purchase and sale of investments.

## 4.17.2 Financial liabilities

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. At the time of initial recognition, all financial liabilities shall be measured at fair value plus or minus transaction cost that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortized cost. Significant financial liabilities are due to related party, trade and other payables.

# Notes to the Financial Statements

For the year ended 30 June 2024

Any gain or loss on subsequent remeasurement to fair value of financial assets and financial liabilities is taken to the statement of profit and loss in the year in which it arises.

## **Offsetting of financial assets and financial liabilities**

A financial asset and liability is offset against each other and the net amount is reported in the statement of financial position if the Modaraba has legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the asset and settle the liability simultaneously.

### **4.17.3 Derecognition**

#### **Financial assets**

The Modaraba derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Modaraba neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Modaraba might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

#### **Financial liabilities**

The Modaraba derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Modaraba also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit and loss.

### **4.17.4 Impairment**

#### **Financial assets**

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. Loss allowance for ECL on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS 9, then the Modaraba has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The Modaraba recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

# Notes to the Financial Statements

For the year ended 30 June 2024

## Non-financial assets

The Modaraba assesses at each statement of financial position date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the statement of profit and loss. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount of the asset had there been no impairment loss. A reversal of the impairment loss is recognized in the statement of profit and loss.

### 4.18 Employees retirement benefits - related party

#### Defined contribution scheme

A recognized contributory provident fund scheme namely "Treet Corporation Limited - Group Employees Provident Fund" is in operation covering all permanent employees employed by Treet group in its all companies. Equal contributions are made monthly both by the Treet group and employees in accordance with the rules of this scheme at 10% of the basic pay.

Another recognized contributory fund scheme is "Treet Corporation Limited - Group Employee Service Fund" which covers all permanent management employees employed by Treet group on its all companies. In accordance with the rules of this scheme, equal monthly contributions are made both by the Treet group and employees at 10% of the basic pay from the date the employee gets permanent status. Additional contributions may be made by the Modaraba for those employees who have at the most 15 years of service remaining before reaching retirement age, however, employee can start their additional contribution above the threshold limit of 10% of basic pay at any time.

A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Benevolent Fund" in operation for the benefit of employees if the employee opts for this scheme. The contributions to the fund are made @ 10% of employees basic salary on monthly basis by both employee and the Treet group. Periodic bonuses by the Modaraba to all the employees in any year, not exceeding one month's basic salary of an employee, is credited to his personal account in the Fund at the sole discretion of the Modaraba. The BOD of the Modaraba Management Company of the Modaraba has frozen this fund w.e.f. 04 February 2020 and no contribution is being credited to the fund since that date.

An unrecognized contributory fund scheme namely, "Treet Corporation Limited - Group Employees Housing Fund Scheme" is in operation covering permanent management employees of Treet group with minimum five years of service with the Modaraba. Equal contributions are made monthly both by the Treet group and its employees in accordance with the rules of this scheme at 20% of the basic pay. The BOD of the Modaraba Management Company of the Modaraba has frozen this fund w.e.f. 04 February 2020 and no contribution is being credited to the fund since that date.

#### Defined benefit scheme

An approved funded gratuity scheme and a funded superannuation schemes are in operation for all employees with qualifying service periods of six months and ten years respectively. These are operated through "Treet Corporation Limited - Group Employees Gratuity Fund" and "Treet Corporation Limited - Group Employee Superannuation Fund" respectively. The Modaraba's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

# Notes to the Financial Statements

For the year ended 30 June 2024

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculation results in a potential assets for the Modaraba, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

Remeasurement of net defined benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Modaraba determines net interest expense/ (income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit and loss .

#### **4.19 Related party transactions**

Transactions with related parties are based on the transfer pricing policy that all transactions between the Modaraba and the related parties are at arm's length prices determined as per the prescribed methods under the Companies Act, 2017, except in circumstances where it is in the interest of the Modaraba to do so, duly approved by the Board of the Modaraba (the Board). Parties are said to be related if they are able to influence the operating and financial decisions of the Modaraba.

#### **4.20 Foreign currency translation**

Foreign currency transactions are translated into Pak Rupees which is the Modaraba's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the statement of financial position date.

Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss. All non-monetary assets and liabilities are translated in Pak Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

#### **4.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the BOD of the Modaraba Management Company that makes strategic decisions. Segments reported are corrugated boxes and soaps which also reflects the management structure of the Modaraba.

#### **4.22 Revenue recognition**

Revenue arises mainly from the sale of corrugated boxes and soaps, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account. However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

# Notes to the Financial Statements

For the year ended 30 June 2024

Revenue is recognized when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the goods are delivered to customers and in very few cases when goods are handed over to the customers i.e. ex-factory, in case of local sales. Further in case of export sale, control is transferred when goods are loaded on vessels.

Contract liabilities, which is the Modaraba's obligation to transfer goods to a customer for which the entity has already received consideration, relate mainly to advance payments from customers. A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Income from the following sources is recognized as under:

- i) Return on bank deposits is accounted for on a time proportion basis using the effective rate of return/ profit.
- ii) Other revenues are recorded on accrual basis.

#### 4.23 Earning per Modaraba certificate (EPC)

Basic EPC is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of modaraba certificates outstanding during the year.

Diluted EPC is calculated by adjusting basic EPC by the weighted average number of modaraba certificates that would be issued on conversion of all dilutive potential modaraba certificates into ordinary certificates and post tax effect of changes in the statement of profit and loss attributable to certificates of the modaraba that would result from conversion of all dilutive potential modaraba certificates into ordinary certificates.

#### 4.24 Reserves and profit distribution

The demerger reserve (as shown in the note 19 to these financial statements) was created on demerger of the Battery Business and Undertaking from the Modaraba pursuant to the Scheme. 883.277 million shares of TBL having face value of Rs. 8,832.773 million were issued to the certificate holders of the Modaraba, consequently certificate capital of the Modaraba, attributable to TBL was reduced by 687.99 million modaraba certificates having face value of Rs. 6,879.903 million and remaining 195.287 million shares having face value of Rs. 1,952.870 million were issued against certificate premium of Rs. 1,952.870 million of the Modaraba on the effective date which was treated as equity injected by the certificate holders of the Modaraba for TBL and while implementing the Scheme, 0.9984 shares in TBL were issued to the certificate holders of the Modaraba against 1 (one) certificate in the Modaraba.

## 5 PROPERTY, PLANT AND EQUIPMENT

	Note	2024 (Rupees in thousand)	2023
Operating fixed assets - tangible	5.1	771,085	663,783
Capital work-in-progress	5.2	60,347	29,248
		831,432	693,031



# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>5.1.4</b>	<b>The depreciation charge for the year has been allocated as under:</b>		
Cost of sales			
- Corrugated boxes	25	35,762	33,482
- Soap	25	282	416
- Battery	5.1.4.1	-	207,740
Administrative and general expenses	26	4,053	1,741
Selling and distribution expenses	27	1,211	900
		<b>41,308</b>	<b>244,279</b>
<b>5.1.4.1</b>	This represents depreciation charge related to battery segment before demerger pursuant to the scheme (note 1).		
<b>5.1.5</b>	Had the assets not revalued, the net book values of freehold land and plant and machinery would have amounted to:		
Freehold land		25,000	25,000
Building on freehold land		145,813	153,487
Plant and machinery		8,123	9,025
		<b>178,936</b>	<b>187,512</b>

- 5.1.6** Freehold land, building on freehold land and plant and machinery of the Modaraba were revalued on 30 June 2024 by Messrs Medallion Services (Pvt) Ltd. (PBA approved independent valutors) resulting in fresh surplus of Rs. 114.785 million pertaining to the assets of corrugation segment. The basis used for revaluation were as follows:

#### Freehold land

Valuation of land has been determined by obtaining current market data from property brokers/dealers and estate agents to ascertain the asking and selling price for properties of the same nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, have been investigated to determine a reasonable selling/buying price.

#### Building on freehold land

The assessment of the building has been made on existing outlook, appearance, face value, individual merits, class and type of construction, quality and standard of material used for construction, finish of the building and exercising all possible care and applying suitable price adjustments as existed on the day of survey.

#### Plant and Machinery

For valuation purposes, different machinery supplier and consultants in the country and outside the country were contacted and information regarding the valuation of plant and machinery was collected. Completing the above exercise, current replacement value of plant and machinery were settled. After settling the current replacement value, fair depreciation factor of each item were adopted according to their physical condition, usage, maintenance etc, and then its current assessed values, mentioned in plant and machinery valuation schedule.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 5.2 Capital work in progress

The movement under this head of account is as follows:

Description	Opening balance	Additions during the year	Transferred to operating fixed assets	Closing balance
	------(Rupees in thousand)-----			
Civil work	4,360	3,109	-	7,469
Plant and machinery	23,479	28,955	-	52,434
Vehicles	931	31,679	(32,610)	-
Furniture, fittings and equipments	444	-	-	444
Computer, equipments	34	1,180	(1,214)	-
	29,248	64,923	(33,824)	60,347

	Note	2024 (Rupees in thousand)	2023
<b>6 RIGHT-OF-USE (ROU) ASSET</b>			
Opening balance		-	25,641
Cancellation of lease		-	-
Modification		-	-
Less: Depreciation charge for the year		-	(5,769)
Balance transferred to TBL pursuant to the scheme		-	(19,872)
Net book value as at 30 June		-	-
Useful life / lease term		-	-
<b>7 LONG TERM DEPOSITS</b>			
Against:			
- Rented premises		646	4,267
- Utility deposits		8,096	8,096
- Deposit - PSO		872	9,321
- Others		40	40
		9,654	21,724

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>8 STORES AND SPARES</b>			
Stores			
Corrugation boxes		77,874	77,513
Soap		-	1,047
		77,874	78,560
Spares			
Corrugation boxes		10,568	15,065
Less: Provision for slow moving/obsolete stores	8.1	(6,623)	(5,523)
		81,819	88,102
<b>8.1</b>	The movement in this head of account is as follows:		
Opening balance		5,523	5,523
Charged during the year	28	1,100	-
Closing balance		6,623	5,523
<b>9 STOCK IN TRADE</b>			
Raw material			
- Corrugation boxes	9.1	193,227	195,734
- Soap	9.1	71,345	54,342
		264,572	250,076
Packing material			
- Corrugation boxes		1,028	1,907
- Soap		13,673	30,244
		14,701	32,151
Work in process			
- Corrugation boxes		11,702	11,197
Finished goods			
- Corrugation boxes		27,568	38,669
- Soap		68,872	82,898
		96,440	121,567
		387,415	414,991

9.1 This includes raw material in transit amounting to Rs. Nil (2023: Rs. 0.053 million).

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>10 TRADE DEBTORS</b>			
Trade debtors - unsecured	10.1	909,265	869,830
Less: Impairment allowance for expected credit loss	10.2	(10,513)	(9,763)
		<b>898,752</b>	<b>860,067</b>
<b>10.1 This includes balances receivable from the following related parties:</b>			
Renacon Pharma Limited		17,729	87
Treet Corporation Limited		21,281	-
Elite Brands Limited		-	14,177
		<b>39,010</b>	<b>14,264</b>
<b>10.1.1 The maximum aggregate of amount due from related parties at the end of any month during the year was as follows:</b>			
Renacon Pharma Limited		22,832	87
Treet Corporation Limited		30,095	-
Elite Brands Limited	10.1.2	-	14,177
<b>10.1.2</b> As per revised assessment of Management and Elite Brands Limited are not related parties. No separate disclosure is required this year.			
<b>The ageing analysis of unimpaired and past due balances receivable from the above named related parties is as follows:</b>			
Not past due			
Past due but not impaired		-	-
Past due 1 - 90 days		39,010	14,264
Past due 90 - 180 days		-	-
Past due 180 days		-	-
		<b>39,010</b>	<b>14,264</b>
<b>10.2 The reconciliation in this head of account is as follows:</b>			
Opening balance		9,763	53,654
Reversal during the year	30	-	(23,261)
Recognized during the year	28	750	-
Bad debts written off during the year		-	(20,630)
Closing balance		<b>10,513</b>	<b>9,763</b>

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Advances to:</b>			
Employees against expenses - secured and considered good	11.1	49,424	50,169
<b>Related parties:</b>	11.2		
Treet Corporation Limited - parent company		106,579	97,674
Renacon Pharma Limited - associated undertaking		-	1,938
Treet Battery Limited - associated undertaking		302,023	350,875
IGI General Insurance Limited - associated undertaking		-	21
Treet Holdings Limited - Modaraba Management Company		523	-
		409,125	450,508
<b>Suppliers - unsecured and considered good - local</b>		31,133	93,096
		489,682	593,773
<b>Trade deposits- unsecured and considered good:</b>		7,451	7,451
Balance with statutory authorities	11.3	204	332
Others		1,238	919
		1,442	1,251
		498,575	602,475

11.1 These advances are given to employees for routine nature expenses at site.

11.2 The maximum aggregate balance due from related parties at the end of any month during the year was as follows:

Treet Corporation Limited - parent company	115,097	113,914
Renacon Pharma Limited - associated undertaking	8,388	1,938
Treet Battery Limited - associated undertaking	305,131	431,851
Treet Holdings Limited - Modaraba Management Company	523	-
IGI General Insurance Limited - associated undertaking	1,173	21

11.2.1 The ageing of balances due from related parties at the reporting date is:

Not past due	-	-
Past due 1 - 90 days	409,125	449,648
Past due 90 - 180 days	-	-
Past due 180 days	-	860
	409,125	450,508

11.2.2 As per revised assessment of Management, IGI General Insurance Limited, is not a related party and is included in advances to supplier. No separate disclosure is required this year.

11.3 This represents amounts given to Collector of Customs which will be adjusted against the letters of credit. This is unsecured, interest free and adjusted subsequent to the statement of financial position date.

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>12 TAXES RECOVERABLE / ADJUSTABLE</b>			
Sales tax adjustable		626,299	666,916
Income tax refundable		418,380	293,137
		<b>1,044,679</b>	<b>960,053</b>
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		1,932	1,282
Cash at banks in:			
Current accounts		168,334	26,527
Saving accounts	13.1	25,571	37,504
		<b>193,905</b>	<b>64,031</b>
		<b>195,837</b>	<b>65,313</b>

13.1 These carry profit rates ranging between 14.5% to 20.0% (2023: 12.5% to 19.5%) per annum.

13.2 Pursuant to the scheme and the court order, the following short term borrowing was transferred from the Modaraba to TBL (note 1). However, at the reporting date, the bank's offer letter is not yet issued in favour of TBL and outstanding balance of the borrowing is confirmed by the relevant bank in the name of the Modaraba, which shall be transferred in the name of TBL on completion of due process as the bank is in process of arranging approval for issuance of financing offer letter in favour of TBL:

Name of financial institution	Facility limit	Borrowing confirmed in name of the Modaraba
	------(Rupees in thousand)-----	
Bank Al Habib Limited	500,000	398,600

## 14 CERTIFICATE CAPITAL

2024		2023	
(Number of Certificates)		(Rupees in thousand)	
Authorized certificate capital			
900,000,000	900,000,000	Modaraba Certificates of Rs. 10 each	9,000,000

### Issued, subscribed and paid-up certificate capital

883,590,287	883,590,287	Modaraba Certificates of Rs. 10 each fully paidup in cash	8,835,903	8,835,903
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14.1 As at 30 June 2024, Treet Corporation Limited, the holding company holds 97.11% (2023: 97.11%) of the entire certificate capital comprising 858,010,993 (2023: 858,010,993) modaraba certificates of Rs. 10 each of the Modaraba. In addition 2.22% (2023: 2.22%) of the certificate capital comprising 19,590,562 (2023: 19,590,562) modaraba certificates of Rs. 10 each are held by the Modaraba Management Company of the Modaraba i.e. Treet Holdings Limited.

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>15 DEPOSIT FOR PURCHASE OF CERTIFICATES</b>	15.1	1	1
15.1	After necessary regulatory approvals, 1,835,903 certificates were issued on 16 August 2021 to the parent company from the deposit for purchase of certificates.		
<b>16 STATUTORY RESERVES</b>		565,219	511,941
	During the year Rs. 53.278 million (2023: Rs. Nil) have been transferred to the statutory reserve (20% of the profit for the year).		
<b>17 CERTIFICATE PREMIUM</b>		-	-
	Upon demerger of Battery segment and its transfer to TBL, this reserve was transferred to TBL for the issuances of its shares on the sanction date during preceding year.		
<b>18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		619,116	553,025
18.1	The reconciliation of this head of account is as follows:		
		553,025	1,212,893
		114,785	-
		-	(630,317)
		(15,406)	(29,551)
		652,404	553,025
		(33,288)	-
		619,116	553,025
		619,116	553,025

This reserve is not available for distribution to the certificate holders in accordance with section 241 of the Companies Act, 2017.

<b>19 DEMERGER RESERVE</b>	19.1	6,879,903	6,879,903
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19.1 During the preceding financial year, 883.277 million shares of TBL having face value of Rs. 8,832.773 million were issued to the certificate holders of the Modaraba, consequently certificate capital of the Modaraba, attributable to TBL was reduced by 687.99 million modaraba certificates having face value of Rs. 6,879.903 million and remaining 195.287 million shares having face value of Rs. 1,952.870 million were issued against share premium of Rs. 1,952.870 million of the Modaraba (note 17).

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>20 LEASE LIABILITIES</b>		-	-
The movement in this head of account is as follows:			
Opening liability		-	24,566
Payments made during the year		-	(5,822)
Interest on unwinding of liability against right of use assets		-	1,735
Balance transferred to TBL pursuant to the Scheme		-	(20,479)
Balance as at 30 June		-	-
Less: current portion shown under current liabilities		-	-
		-	-
<b>21 DEFERRED TAXATION</b>			
Accelerated tax depreciation and allowance of assets and ROU	21.1	70,952	87,584
<b>21.1 Taxable temporary differences:</b>			
Property, plant and equipment		91,389	105,582
Right-of-use assets		-	-
<b>Deductible temporary differences:</b>			
Provision for slow moving/obsolete stores		(1,921)	(1,602)
Provision for doubtful debts		(3,049)	(2,831)
Unused tax depreciation loss		(15,467)	(13,565)
		70,952	87,584
<b>21.1.1 Deferred tax liability as at June 30, recognized in the statement of financial position</b>		70,952	87,584
<b>Less:</b>			
Opening deffered tax liability		87,584	314,347
Opening deferred tax related to battery segment, transferred to TBL pursuant to the Scheme		-	(216,008)
Deferred tax liability attributable to other comprehensive income		33,288	-
Opening deferred tax liability related to corrugation and soap segments		(120,872)	(98,339)
<b>Deferred tax income recognized in the statement of profit and loss</b>	32	<b>(49,920)</b>	<b>(10,755)</b>

**21.2** The deferred tax assets on unused business tax losses and tax credits have not been recognized in these financial statements in view of uncertainty regarding availability of the taxable profits / taxable differences in the foreseeable future.

# Notes to the Financial Statements

For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>22 TRADE AND OTHER PAYABLES</b>			
Creditors	22.1	369,884	354,324
Accrued liabilities		51,264	93,779
Withholding sales tax payable		721	2,575
Contract liabilities	22.2	9,971	22,665
Income tax deducted at source payable		6,887	5,885
Unclaimed dividend		34	34
Payable to charity	22.3	15,295	6,290
Modaraba management fee payable	26	14,799	-
Other payables		2,767	924
		<b>471,622</b>	<b>486,476</b>

**22.1** Previous year's balance included amount of Rs. 0.002 Million payable to IGI General Insurance Limited, an associated entity. As per revised assessment of Management, IGI General Insurance Limited is not a related party. No separate disclosure is required this year.

**22.2** These represent advances received from customers against the onward sale of goods by the Modaraba.

**22.3** This represents amount payable to charitable organisations registered under Pakistan Law as charitable organisation under Rule V of Shariah Compliance and Shahriah Audit Mechanism (SCSAM) for Modarabas as per circular no. 8 of 2012 on SCSAM for Modarabas.

## 23 CONTINGENCIES AND COMMITMENTS

### 23.1 Contingencies

**23.1.1** For the tax period July 2011 to June 2013 a sale tax demand of Rs. 9,526,018 along with default surcharge of Rs. 35,463 and penalty amounting to Rs. 508,485 was created by ACIR, Audit Unit-03, Zone-VI, CRTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissibility of input sales tax. Against this order, the Modaraba filed appeal before the Commissioner Inland Revenue (Appeals), Zone-II, Lahore and the learned CIR-Appeals has decided the case in favor of the Modaraba. Against this order, the department went into an appeal before ATIR, pending adjudication until the year end.

**23.1.2** For the tax period July 2017 to June 2018 a sale tax demand of Rs. 14,753,014 along with penalty of Rs. 855,726 (aggregating to Rs. 15,608,740) was created by Deputy Commissioner Inland Revenue, Unit-08, Audit-01, LTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissible claim of input tax Rs. 13,574,483, non-compliance of 73 etc. Against this order the Modaraba filed appeal before the CIR (Appeals), Zone-1, Lahore on 26-05-2022 and the appeal was heard on 01-08-2022 and CIR Appeals has remanded the case back for re-adjudication. Against this order, the department filed a second appeal before the ATIR on 29-12-2022 which is pending adjudication at the year end. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected.

# Notes to the Financial Statements

For the year ended 30 June 2024

	2024 (Rupees in thousand)	2023
<b>23.2 Commitments</b>		
<b>23.2.1 Guarantees</b>	7,245	58,178

Pursuant to the scheme and the court order, the following bank guarantees were transferred from the Modaraba to TBL. However, at the reporting date these are confirmed by the relevant banks outstanding in the name of the Modaraba, which shall be transferred in the name of TBL on completion of due process:

Name of financial institution	2024	2023
Faysal Bank Limited	-	35,547
MCB Islamic Bank Limited	7,245	22,631
	7,245	58,178

<b>23.2.2 Letters of credit</b>		
Outstanding letters of credit	5,900	44,048

	Corrugated Boxes		Soaps		Total	
	2024	2023	2024	2023	2024	2023
	------(Rupees in thousand)-----					
<b>24 Revenue - net</b>						
External customers - Local	2,975,134	3,139,750	1,631,228	1,198,563	4,606,362	4,338,313
<b>Related parties:</b>						
- Treet Corporation Limited - Associated undertaking	80,930	71,713	-	-	80,930	71,713
- Renacon Pharma Limited - Associated undertaking	38,366	35,479	-	-	38,366	35,479
- Elite Brands Limited - Associated undertaking	-	-	-	-	-	-
	3,094,430	3,246,942	1,631,228	1,198,563	4,725,658	4,445,505
Inter segment sales	19,323	8,163	-	-	19,323	8,163
Sale of scrap (waste paper and lead)	223,408	186,924	-	-	223,408	186,924
	3,337,161	3,442,029	1,631,228	1,198,563	4,968,389	4,640,592
<b>Less:</b>						
- Sales tax	(500,723)	(510,443)	(297,298)	(210,237)	(798,021)	(720,680)
- Trade discount	(2,783)	(187)	-	(139)	(2,783)	(326)
	(503,506)	(510,630)	(297,298)	(210,376)	(800,804)	(721,006)
Elimination of Inter segment sales	(19,323)	(8,163)	-	-	(19,323)	(8,163)
	2,814,332	2,923,236	1,333,930	988,187	4,148,262	3,911,423

# Notes to the Financial Statements

## For the year ended 30 June 2024

Note	Corrugated Boxes		Soaps		Total	
	2024	2023	2024	2023	2024	2023
------(Rupees in thousand)-----						
<b>25 COST OF SALES</b>						
Opening stock- raw and packing material	197,641	199,788	84,586	35,893	282,227	235,681
Add: Purchases						
Inter-segment	-	-	19,323	8,163	19,323	8,163
Others	2,094,081	2,174,685	943,899	842,190	3,037,980	3,016,875
	2,094,081	2,174,685	963,222	850,353	3,057,303	3,025,038
Less: Closing stock	9 (194,255)	(195,734)	(85,018)	(54,342)	(279,273)	(250,076)
Elimination of Inter segment purchases	-	-	(19,323)	(8,163)	(19,323)	(8,163)
Raw and packing material consumed	2,097,467	2,178,739	943,467	823,741	3,040,934	3,002,480
Stores and spares consumed	54,075	41,879	177	1,871	54,252	43,750
Outsourcing of manpower	25.1 252,494	203,713	10,651	11,968	263,145	215,681
Fuel and power	134,646	155,912	-	-	134,646	155,912
Freight and forwarding	94,992	97,035	27,735	25,199	122,727	122,234
Depreciation on operating fixed assets	5.1.4 35,762	33,482	282	416	36,044	33,898
Repair and maintenance	27,098	40,338	1,033	1,105	28,131	41,443
Traveling and conveyance	7,056	6,388	804	874	7,860	7,262
Insurance	1,348	3,499	372	318	1,720	3,817
Rent, rates and taxes	1,190	855	1,534	-	2,724	855
Other manufacturing expenses	16,802	14,432	53,075	40,091	69,877	54,523
	2,722,930	2,776,272	1,039,130	905,583	3,762,060	3,681,856
<b>Work in process</b>						
Add: Opening stock	11,197	7,975	-	-	11,197	7,975
Less: Closing stock	9 (11,702)	(11,197)	-	-	(11,702)	(11,197)
Cost of goods manufactured	2,722,425	2,773,050	1,039,130	905,583	3,761,555	3,678,634
<b>Finished goods</b>						
Add: Opening stock	38,699	22,941	82,898	28,198	121,567	51,139
Less: Closing stock	9 (27,568)	(38,699)	(68,872)	(82,898)	(96,440)	(121,567)
	2,733,526	2,757,323	1,053,156	850,883	3,786,682	3,608,2061

**25.1** Outsourcing of manpower includes Rs. 0.862 million (2023: Rs. 0.749 million) in respect of contribution to gratuity fund, Rs. 4.214 million (2023: Rs. 3.956 million) in respect of contribution to provident fund, Rs. 1.303 million (2023: Rs. 1.570 million) in respect of contribution to service fund and Rs. 0.739 million (2023: Rs. 0.714 million) in respect of contribution to superannuation fund.

Note	2024	2023
	(Rupees in thousand)	
<b>26 Administration and general expenses</b>		
Outsourcing of manpower	26.1 30,403	36,558
Auditors' remuneration	26.2 1,386	2,358
Legal and professional	5,796	5,798
Printing and stationery	1,645	945
Travelling and conveyance	1,015	1,618
Postage and telephone	285	294
Depreciation on operating fixed assets	5.1.4 4,053	1,741
Consultancy charges	3,745	-
Modaraba management fee	22 14,799	-
Others	4,214	952
	67,341	50,264

# Notes to the Financial Statements

For the year ended 30 June 2024

**26.1** Outsourcing of manpower includes Rs. 1.284 million (2023: Rs. 1.486 million) in respect of contribution to gratuity fund, Rs. 0.452 million (2023: Rs. 0.141 million) in respect of contribution to provident fund, Rs. 0.270 million (2023: Rs. 0.077 million) in respect of contribution to service fund and Rs. 0.949 million (2023: Rs. 1.156 million) in respect of contribution to superannuation fund.

	Note	2024 (Rupees in thousand)	2023
<b>26.2 Auditors' remuneration</b>			
Audit fee		1,008	700
Half year review		378	300
Other services		-	1,358
		<b>1,386</b>	<b>2,358</b>
<b>27 SELLING AND DISTRIBUTION EXPENSES</b>			
Outsourcing of manpower	27.1	72,583	38,338
Rent, rates and taxes		174	196
Repair and maintenance		1,553	1,403
Advertisement		8	46,130
Travelling and conveyance		9,054	9,100
Postage and telephone		253	181
Printing and stationery		215	-
Depreciation on operating fixed assets	5.1.4	1,211	900
Others		4,213	5,805
		<b>89,264</b>	<b>102,053</b>
<b>27.1</b>			
Outsourcing of manpower includes Rs. 4.230 million (2023: Rs. 3.721 million) in respect of contribution to gratuity fund, Rs. 1.148 million (2023: Rs. 0.784 million) in respect of contribution to provident fund, Rs. 0.744 million (2023: Rs. 0.274 million) in respect of contribution to service fund and Rs. 5.417 million (2023: Rs. 4.891 million) in respect of contribution to superannuation fund.			
<b>28 OTHER EXPENSES</b>			
Impairment under expected credit loss	10.2	750	-
Provision for slow moving/ obsolete stores	8.1	1,100	-
Exchange loss		-	3,397
		<b>1,850</b>	<b>3,397</b>
<b>29 Finance Cost</b>			
Bank charges		2,842	3,875

# Notes to the Financial Statements

## For the year ended 30 June 2024

	Note	2024 (Rupees in thousand)	2023
<b>30 Other Income</b>			
<b><u>Income from financial assets</u></b>			
Profit on bank and other deposits	30.1	4,996	9,349
Exchange gain		1,089	-
Profit earned on advance to related parties:			
Treet Battery Limited - associated undertaking		39,771	19,128
Treet Holdings Limited - Modaraba Management Company		30	-
Treet Corporation Limited - parent company		18,603	505
		<b>64,489</b>	<b>28,982</b>
<b><u>Income from non financial assets</u></b>			
Sale of scrap		2,654	3,898
Reversal of impairment under expected credit loss	10.2	-	23,261
Intercompany rental income		979	1,729
Gain on disposal of property, plant and equipment		-	31
Others		-	36
		<b>3,633</b>	<b>28,955</b>
		<b>68,122</b>	<b>57,937</b>

30.1 These profits are earned on accounts and deposits maintained under Shariah permissible arrangement.

<b>31 LEVIES</b>	31.1	51,912	48,893
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31.1 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.

<b>32 Taxation - Income Tax</b>			
<b>Current</b>			
Prior year		24	(1,748)
<b>Deferred</b>			
For the year	21.1.1	(49,920)	(10,755)
		<b>(49,896)</b>	<b>(12,503)</b>

<b>33 Loss Per Modaraba Certificate - Basic and Diluted</b>			
Profit/ (loss) for the year	<b>Rupees in thousand</b>	266,389	(126,388)
Weighted average number of Modaraba certificates	<b>Number in thousand</b>	859,950	859,950
Profit / (Loss) per Modaraba certificate (basic) :	<b>(Rupees)</b>	0.31	(0.15)

There is no dilutive effect on the basic loss per modaraba certificate as the Modaraba has no potentially issuable modaraba certificates or such commitments at the reporting date.

# Notes to the Financial Statements

For the year ended 30 June 2024

Year ended  
30 June 2024  
(Rupees in thousand)

Period ended  
01 April 2023

## 34 LOSS FROM DISCONTINUED OPERATIONS

As described in note 1, the statement of profit and loss of the discontinued operations as a result of the demerger of the battery segment from the Modaraba and transfer to TBL, in the preceding year are given below:

Revenue - net	-	6,207,319
Cost of sales	-	(5,342,623)
Gross profit	-	864,696
<b>Operating expenses</b>		
Administration and general expenses	-	(147,263)
Selling and distribution expenses	-	(423,467)
Other expenses	-	(38,837)
	-	(609,567)
<b>Operating profit</b>	-	255,129
Finance cost	-	(530,729)
Other income	-	1,855
<b>Loss before income tax</b>	-	(273,745)
Taxation	-	(17,818)
<b>Loss for the period</b>	-	(291,563)

# Notes to the Financial Statements

For the year ended 30 June 2024

## 35 Operating segment results

During the year, the Modaraba was engaged into two main business segments, these are as follows:

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

	Corrugated boxes		Soaps		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousands -----					
	----- Note -----					
	----- 24 -----					
Revenue	19,323	8,163	-	-	19,323	8,163
Inter-segment	3,317,839	3,433,866	1,631,227	1,198,563	4,949,066	4,632,429
Others	3,337,162	3,442,029	1,631,227	1,198,563	4,968,389	4,640,592
Less:						
Inter-segment sales	(19,323)	(8,163)	-	-	(19,323)	(8,163)
Sales tax	(500,723)	(510,443)	(297,298)	(210,237)	(798,021)	(720,680)
Trade discount	(2,783)	(187)	-	(139)	(2,783)	(326)
	(522,829)	(518,793)	(297,298)	(210,376)	(820,127)	(729,169)
<b>Net revenue</b>	<b>2,814,333</b>	<b>2,923,236</b>	<b>1,333,929</b>	<b>988,187</b>	<b>4,148,262</b>	<b>3,911,423</b>
Cost of sales excluding inter-segment purchases	(2,733,526)	(2,757,323)	(1,053,156)	(850,883)	(3,786,682)	(3,608,206)
<b>Gross profit</b>	<b>80,807</b>	<b>165,913</b>	<b>280,773</b>	<b>137,304</b>	<b>361,580</b>	<b>303,217</b>
Administration and general expenses	(58,015)	(44,306)	(9,326)	(5,958)	(67,341)	(50,264)
Selling and Distribution expenses	(44,474)	(45,362)	(44,790)	(56,691)	(89,264)	(102,053)
	(102,489)	(89,668)	(54,116)	(62,649)	(156,605)	(152,317)
<b>Segment results - Operating profit</b>	<b>(21,682)</b>	<b>76,245</b>	<b>226,657</b>	<b>74,655</b>	<b>204,975</b>	<b>150,900</b>
Other expenses					(1,850)	(3,397)
Finance cost					(2,842)	(3,875)
Other income					68,122	57,937
<b>Profit before levies and income tax</b>					<b>268,405</b>	<b>201,565</b>
Levies					(51,912)	(48,893)
<b>Profit before income tax</b>					<b>216,493</b>	<b>152,672</b>
Taxation					49,896	12,503
<b>Loss after taxation</b>					<b>266,389</b>	<b>165,175</b>

35.1 Transactions among the business segments are recorded at market value.

35.2 Inter segment sales and purchases have been eliminated from total figures

# Notes to the Financial Statements

For the year ended 30 June 2024

	Corrugated boxes		Soaps		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	----- Rupees in thousands -----							
<b>35.3</b> Segment assets	2,696,557	2,542,127	1,251,606	1,163,629	-	-	3,948,163	3,705,756
<b>35.4</b> Segment liabilities	436,534	469,539	98,942	154,784	70,952	87,584	606,428	711,907
<b>35.5</b> Depreciation on property, plant and equipment	41,026	36,124	282	416	-	-	41,308	36,540

# Notes to the Financial Statements

## For the year ended 30 June 2024

### 36 Financial instruments

The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The BOD of the Modaraba Management Company has overall responsibility for the establishment and oversight of Modaraba's risk management framework. The BOD is also responsible for developing and monitoring the Modaraba's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Modaraba's activities.

This note presents information about the Modaraba's exposure to each of the above risks, the Modaraba's objectives, policies and processes for measuring and managing risk, and the Modaraba's management of capital.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Modaraba does not engage in the trading of financial assets for speculative purposes nor does it write options.

The Modaraba's risk management policies are established to identify and analyze the risks faced by the Modaraba, to set appropriate risk limits and controls, to monitor risks and adherence to limits and focuses on actively securing its short to medium term cash flows by minimizing the exposure to financial markets. The Modaraba through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

The audit committee of the Modaraba Management Company oversees how management monitors compliance with the Modaraba's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Modaraba. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Management shall conduct financial risk assessments regularly so as to identify exposures, set priorities and quantify how the same, affect the business objectives, such as, profitability and shareholder value. These assessments shall cover all the aspects of corporate structure starting at the apex levels of management and working through all the functional levels. Head of internal audit shall report to the Audit Committee of the Board on a regular basis, his assessment of the exposures of the entities to various risks, and checks and controls established by the management.

The overall financial risk management programme and specific internal control procedures focus on the mitigation of risks identified above due to business inherent limitations, volatile financial markets and changing circumstances of the economic situation locally and internationally that effect the business directly or indirectly.

# Notes to the Financial Statements

For the year ended 30 June 2024

## a) Credit risk

Credit risk is the risk of financial loss to the Modaraba if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Modaraba maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. The credit risk arises principally from the Modaraba's receivables from customers, refundable deposits and advances, other receivables and bank balances. Out of the total financial assets of Rs. 1,522.260 million (2023: Rs. 1,406.315 million) financial assets which are subject to credit risk amounted to Rs. 1,520.328 million (2023: Rs. 1,405.033 million).

The Modaraba has a policy of cash sales or for very limited credit period in case of corrugation segment. Therefore, the Modaraba's exposure to credit risk is minimum. Timely realization of sale proceeds under the credit period are critical for cash flow management, reduced level of borrowing, efficient utilization of funds and, meeting financial obligations on a timely basis. Wherever the entity allows credit to its customer, the credit period will be determined on the basis of customer credit history, sales volume, customer financial standing, sponsors profile. All resources should be realized within the stipulated credit period. In case of any delays or default, it must be reported through aging report, and the concerned entity head shall be responsible for the realization of funds.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	Note	2024 (Rupees in thousand)	2023
<b>FINANCIAL ASSETS</b>			
Long term deposits	7	9,654	21,724
Trade debtors	10	898,752	860,067
Advances, deposits, prepayments and other receivables	11	418,017	457,960
Bank balances	13	193,905	64,031
		<b>1,520,328</b>	<b>1,403,782</b>

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Banks and financial institutions have external credit ratings determined by various credit rating agencies. Credit quality of customers and other receivables are assessed by reference to historical default rates and present ageing.

Customers are counterparties to local trade debts against sale of corrugated boxes and soaps. New customer is analyzed individually for creditworthiness before the Modaraba's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer based on internal rating criteria and reviewed regularly. Any sales exceeding these limits require special approval. Outstanding customer receivables are regularly monitored. The analysis of ages of trade debts of the Modaraba as at the reporting date was as follows:

# Notes to the Financial Statements

## For the year ended 30 June 2024

	2024 (Rupees in thousand)	2023
<b>Not past due</b>	-	-
<b>Past due but not impaired</b>		
Less than 30 days	588,415	634,244
Past due 1 - 3 months	117,567	83,362
Past due 3 - 6 months	65,501	43,152
Past due 6 - 12 months	46,808	27,153
Above one year	80,461	72,156
	<b>898,752</b>	<b>860,067</b>

Management believes that the unimpaired amounts that are past due more than 30 days are still collectable in full based on historical payment behavior and extensive analysis of customer credit risk. Credit risk in case of customers is largely mitigated by the fact that majority of the sales of the Modaraba are on cash basis or on credit to corporate parties with reasonable financial standing and limited credit period. The Modaraba has also established dealerships and retail networks with strong relationship with customers. The Modaraba does not expect non performance by its customers. Hence, the credit risk in case of customers is minimal.

The external credit ratings determined by various credit rating agencies are as follows.

Banks	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
MCB Bank Limited	A-1+	AAA	PACRA	404	55
United Bank Limited	A-1+	AAA	VIS	1,743	3,318
Bank Islami Pakistan Limited	A-1	AA-	PACRA	7,097	1,053
National Bank of Pakistan	A-1+	AAA	PACRA-VIS	2,091	2,275
Habib Bank Limited	A-1+	AAA	VIS	72,876	16,067
Bank Alfalah Limited	A-1+	AA+	PACRA	2,363	2,363
Al Baraka Bank Limited	A-1	A+	VIS	517	404
Faysal Bank Limited	A-1+	AA	PACRA-VIS	169	4,187
Dubai Islamic Bank Limited	A-1+	AA	JCR-VIS	9,332	22,032
Soneri Bank Limited	A-1+	AA-	PACRA	4,406	3,659
JS Bank Limited	A-1+	AA-	PACRA	25	25
Askari Bank Limited	A-1+	AA+	PACRA	3	3
Meezan Bank Limited	A-1+	AAA	VIS	8,110	1,064
Bank Al Habib Limited	A-1+	AAA	PACRA	97	386
Allied Bank Limited	A-1+	AAA	PACRA	75,813	4,896
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	1,002	1,002
MCB Islamic Bank Limited	A-1	A	PACRA	7,857	1,242
				<b>193,905</b>	<b>64,031</b>

# Notes to the Financial Statements

For the year ended 30 June 2024

## Exposure to credit risk

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Due to the Modaraba's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Modaraba. Accordingly, the credit risk is minimal.

Any new relationship with a bank/ financial institution will be entered into with the prior approval of the BOD. Such relationships include, but are not limited to, obtaining any banking facilities and entering into any modes of financing through banks or financial institutions. The Modaraba's Chief Financial Officer (CFO) where applicable, will approve quotes for each piece of new business on a stand alone basis from all the banks/ financial institutions on the Modaraba's panel so as to ensure the competitiveness of business being carried out with the selected bank(s)/ financial institution(s).

## Corporate information and relationship with banks.

The Modaraba has relationship with both islamic and conventional banks. Profits earned through conventional banks are recognized as liability to approved charitable organizations according to Shariah Rules.

### 36.1 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose, the Modaraba has effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Management closely monitors the Modaraba's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The BOD has built an appropriate liquidity risk management framework for the management of the Modaraba's short, medium and long-term funding and liquidity management requirements. The Modaraba manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profiles of the Modaraba's financial liabilities as on 30 June 2024 based on contractual undiscounted payments date and present market interest rates:

	Carrying Amount	Contractual cash flows	2024		
			6 Months or less	6-12 Months	More than 1 year
(Rupees in thousand)					
Retention money payable	11,942	11,942	-	11,942	-
Trade and other payables	439,244	439,244	439,244	-	-
	451,186	451,186	439,244	11,942	-

# Notes to the Financial Statements

For the year ended 30 June 2024

	2023				
	Carrying Amount	Contractual cash flows	6 Months or less	6 -12 Months	More than 1 year
	(Rupees in thousand)				
Retention money payable	11,363	11,363	-	11,363	-
Trade and other payables	455,351	455,351	455,351	-	-
	466,714	466,714	455,351	11,363	18,962

## 36.2 Market risk

Market risk is the risk that changes in market prices will affect the Modaraba's income or the value of its holdings of financial instruments. The objective of the Modaraba's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. There are three types of market risk, which are as follows:

### 36.2.1 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the change in foreign exchange risk. The Modaraba is exposed to currency risk to the extent that there is a mismatch between the currencies in which receivables and purchases are denominated and the respective functional currency of the Modaraba i.e. Pakistan Rupee. The Modaraba is exposed to currency risk on import of raw materials and stores and spares mainly denominated in US dollars. Receivables and payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging. The Modaraba was not exposed to any foreign currency risk during the year.

### 36.2.2 Profit rate risk

Profit rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in profit rates. The Modaraba's exposure to the profit rates risk arises from the borrowings it has obtained from various banks/ financial institutions at variable rates and any contractual obligation that carries any penal or markup clauses on delayed payments. The profit rate risk is mitigated through managing borrowing at optimal levels that are essential to run the business. Short term borrowings shall be done to match the timing differences between fund receipt and disbursements. Any penal clauses or markup on delayed payments shall be negotiated with the vendor at the time of placement of orders. CFO of the Modaraba shall be responsible to ensure that profit rates from banks/ financial institutions is market based that commensurate with the financial standing of the Modaraba. CFO shall also ensure that all contracts/ purchase orders are well negotiated to reduce the exposure. Sensitivity to profit rates risk arises from mismatch of financial assets and financial liabilities that mature or reprice in a given period. The Modaraba manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and cash at bank kept in saving accounts by the Modaraba has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

# Notes to the Financial Statements

For the year ended 30 June 2024

The Modaraba's profit bearing financial instruments as at the reporting date are as follows:

	2024 (Rupees in thousand)	2023
<b>Variable pricing rate financial assets</b>		
Bank balances at PLS accounts	25,571	37,504

The effective profit rates for profit bearing financial instruments are mentioned in the relevant notes to these financial statements.

### Cash flow sensitivity analysis for variable rate instruments

#### Sensitivity analysis for variable rate financial assets

If profit rates at the year end date, fluctuates by 1% higher/ lower with all other variables held constant, profit after taxation would have been decreased/ (increased) by Rs. 0.256 million (2023: Rs. 0.375 million). This analysis is prepared without taking in account taxation effect and applying +/-1% discount factor on cash at banks in saving accounts reported in these financial statements.

### 36.2.3 Other price risk

Other price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

#### Exposure to price risk

The Modaraba is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

	Note	2024 (Rupees in thousand)	2023
<b>36.3 Financial instruments by category</b>			
<b>Financial assets as per statement of financial position</b>			
<b><u>At amortized cost</u></b>			
Long term deposits	7	9,654	21,724
Trade debtors	10	898,752	860,067
Advances, deposits, prepayments and other receivables	11	418,017	457,960
Cash and bank balances	13	195,837	65,313
		<b>1,522,260</b>	<b>1,405,064</b>
<b>Financial liabilities as per statement of financial position</b>			
<b><u>At amortized cost</u></b>			
Retention money payable		11,942	11,363
Trade and other payables	22	439,244	455,351
		<b>451,186</b>	<b>466,714</b>

# Notes to the Financial Statements

For the year ended 30 June 2024

## 36.3.1 Reconciliation to the line items presented in the statement of financial position

The reconciliation to the line items presented in the statement of financial position is as follows:

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	-----Rupees-----		
Properties and assets			
Long term deposits	9,654	-	9,654
Trade debtors	898,752	-	898,752
Advances, deposits, prepayments and other receivables	418,017	80,558	498,575
Cash and bank balances	195,837	-	195,837
	<b>1,522,260</b>	<b>80,558</b>	<b>1,602,818</b>

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	-----Rupees-----		
Equity and liabilities			
Retention money payable	11,942	-	11,942
Trade and other payables	439,244	17,579	456,823
	<b>451,186</b>	<b>17,579</b>	<b>468,765</b>

	2023		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	-----Rupees-----		
Properties and assets			
Long term deposits	21,724	-	21,724
Trade debtors	860,067	-	860,067
Advances, deposits, prepayments and other receivables	457,960	144,515	602,475
Cash and bank balances	65,313	-	65,313
	<b>1,405,064</b>	<b>144,515</b>	<b>1,549,579</b>

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	-----Rupees-----		
Equity and liabilities			
Retention money payable	11,363	-	11,363
Trade and other payables	455,351	31,125	486,476
	<b>466,714</b>	<b>31,125</b>	<b>497,839</b>

# Notes to the Financial Statements

For the year ended 30 June 2024

## 36.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Modaraba's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Modaraba's operations.

The Modaraba's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Modaraba's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Modaraba. This responsibility is supported by the development of overall modaraba standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

## 36.5 Investment risk

All capital nature investments and disposals shall only be approved by the BOD and shareholders of the Treet group.

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) shall formulate the proposal for any new investment, clearly indicating future benefits associated with the investment in term of returns, using capital expenditure techniques - discounted cash flows (DCF), Discounted Dividend Model (DDM) and/ or Capital Asset Pricing Model (CAPM). The investment proposal should also indicate the source of funding and its terms and conditions.

Investments of the surplus funds will be made after the approval from Group CFO in banks/ financial institutions and Asset Management Companies (AMC). Investment decisions will be made based on the highest rate of return offered by any bank or AMC. It would normally be the highest bidder, but can be any other bank/ financial institution as deemed fit by the CFO with the concurrence of the CEO/ ED.

# Notes to the Financial Statements

For the year ended 30 June 2024

Placement and investments will be made on the basis of forecasted cash flows and surplus funds available with the Modaraba. In order to mitigate the level of exposure with any one bank/ financial institution, the funds will not be placed for more than three (3) months and not more than Rs. 350 million.

The Modaraba's funds will not be invested in speculative business, i.e. investment will be only in banks/ financial institutions and AMC where a guaranteed fixed return is identified.

## 36.6 Regulatory risk

The Modaraba is exposed to regulatory risk when it raises capital through the capital market, issuance of Sukuk, and right shares, private and equity placement, etc. The Modaraba shall seek prior approval from the BOD and/ or shareholders of its Modaraba Management Company as per the requirement and seek all relevant regulatory authorities approvals, in respect of any proposed financing. All borrowing arrangements entered into by the Modaraba shall be compliant with the relevant regulatory requirements.

## 36.7 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Modaraba to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. However, no transfers between levels of fair value during the year have occurred.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. As all the financial assets and financial liabilities are carried at cost, therefore, no fair value hierarchy levels have been disclosed in these financial statements being not applicable in the instant case.

Land, buildings and plant and machinery are carried at revaluation model and the fair values have been determined using the valuation methods/ techniques as disclosed in note 5.1.5. The fair value hierarchy is Level 2 for these non-financial assets.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 36.8 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board monitors the return on capital employed, which the Modaraba defines as operating income divided by total capital employed.

The Modaraba's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for certificate holders and benefits for other stakeholders, and to provide an adequate return to certificate holders.

The Modaraba manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Modaraba may, for example, adjust the amount of dividends paid to the modaraba certificate holders, issue new modaraba certificates, or sell assets to reduce debt.

	2024	2023
	(Rupees in thousand)	
The gearing ratios as at June 30, 2024 are as follows:		
Total debt	-	-
Total equity	3,341,735	2,993,849
Gearing ratio	N/A	N/A

Neither there were any changes in the Modaraba's approach to capital management during the year nor the Modaraba is subject to externally imposed capital requirements, except those which may relate to compliance of debt covenants including maintenance of adequate current and liquidity ratios.

## 37 Related Party Disclosure

### A. Related party relationships

The related parties comprise of parent company, subsidiaries, associated undertakings, directors of the Modaraba Management Company, key management personnel and post employment benefit plans. The Modaraba in the normal course of business carries out transactions with various related parties which comprise of the following:

# Notes to the Financial Statements

For the year ended 30 June 2024

Name of Related party	Nature of relationship	Basis of relationship	Percentage of shareholding
Treet Corporation Limited	Holding company	Shareholding and common directorship	97%
Treet Holdings Limited	Management Company	Shareholding and common directorship	2%
Treet Power Limited Treet HR Management (Private) Limited Treet Battery Limited Renacon Pharma Limited Packages Limited IGI Holdings Limited IGI Life Insurance Limited IGI Insurance Limited Loads Limited Cutting Edge (Pvt) Limited Global Assets (Pvt) Limited Multiple Autoparts Industries (Pvt) Limited Specialized Autoparts Industries (Pvt) Limited Specialized Motorcycle (Pvt) Limited Hi-Tech Alloy Wheels Limited Elite Brands Limited Liaquat National Hospital Gulab Devi Chest Hospital Gulab Devi Education Foundation Al Aleem Medical College Roboarts (Pvt) Limited Frag Games (Pvt) Limited Spell Digital Movies (Pvt) Limited Auto Technical Services (Pvt) Limited Yugo (Pvt) Limited Hameed Latif Hospital Get Gaari Technologies (Pvt) Limited	Associated Undertaking	Common Directorship	NIL

# Notes to the Financial Statements

For the year ended 30 June 2024

## B. Related party transactions

Amounts due from/ to related parties are disclosed in respective notes to these financial statements. Other significant transactions with related parties are as follows:

Name of the party	Nature of transactions	Note	2024 (Rupees in thousand)	2023
<b><u>Parent company</u></b>				
Treet Corporation Limited	Sale of corrugated boxes		80,930	71,713
	Rental charged by the parent company		3,971	4,195
	Finance cost charged by the parent company		18,603	183,043
	Expenses born by the parent company		305,933	450,932
	Funds paid to the parent company - net of receipts		240,648	-
	Funds received from the parent company - net of payments		-	318,525
<b><u>Modaraba Management Company</u></b>				
Treet Holdings Limited	Finance cost charged by the Modaraba Management Company		30	-
	Funds paid to the Modaraba Management Company		500	-
	Management fee charged by Modaraba Management Company		14,799	-
	Expenses born by the Modaraba Management Company		7	-
	Purchase of bikes		1,208	-
<b><u>Associated Undertakings</u></b>				
Treet Battery Limited	Rental charged to the associate		4,950	1,238
	Funds paid to associate - net of receipts		131,183	-
	Funds received from associate - net of payments		-	201,800
	Expenses incurred on behalf of associate		219,807	113,362
IGI General Insurance Limited	Profit earned by the Modaraba	37.6	-	19,128
	Services received	37.6	-	31,272
IGI Life Insurance Limited	Claims received against insurance		-	-
	Services received		-	5,628
Treet HR Management (Private) Limited	Services received		9,740	9,740
Liaquat National Hospital	Services received		-	1,796
Elite Brands Limited	Sale of goods	37.6	-	60,962
Renacon Pharma Limited	Purchase of goods		-	-
	Sale of corrugated boxes		38,366	35,479
Gulab Devi Chest Hospital	Purchase of services		20	-

# Notes to the Financial Statements

For the year ended 30 June 2024

Auto Giene Purchase of goods **679** -

**37.1** All the transactions with the related parties are executed in the normal course of business on the basis of mutually agreed terms and conditions.

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

**37.3** One of the directors is working as CEO of the Modaraba Management Company. No remuneration has been paid to CEO or any director of the Modaraba. No fees for attending the meeting has been paid to directors during the year (2023: Rs. Nil).

## **37.4 Remuneration of Executives**

The aggregated amounts charged in these financial statements for the remuneration, including all benefits, to the executives of the Modaraba were as follows:

	2024	2023	Charged to battery segment for the period ended 01 April 2024
	----- (Rupees in thousand) -----		
Managerial remuneration	28,462	22,748	42,190
Bonus	3,879	3,577	1,324
Medical allowance	2,846	2,275	4,219
House rent allowance	12,808	10,237	5,552
Utilities allowance	2,846	2,275	1,234
Other perquisites	22,553	12,946	13,494
Employees' funds			
-Provident fund	1,946	1,571	1,067
-Service fund	1,946	1,571	1,067
	3,892	3,142	2,134
	77,286	57,200	70,147
<b>Number of executives</b>	<b>10</b>	<b>8</b>	<b>4</b>

**37.4.1** Executives and operations of the battery segment were transferred to TBL on 01 April 2023 pursuant to the scheme. The remuneration paid to such executives for the period from 01 April 2023 to 30 June 2023 has been disclosed in the financial statements of TBL.

**37.5** In addition to the above, maintained vehicles are provided to the executives of the Modaraba for official purposes only by the parent company of the Modaraba as per the employment rules and policies.

**37.6** As per revised assessment of Management, IGI General Insurance Limited, IGI Life Insurance Limited and Elite Brands Limited are not related parties. no separate disclosure is required this year.

# Notes to the Financial Statements

For the year ended 30 June 2024

		Annual rated capacity	
		2024	2023
UOM		----- (Metric tons) -----	
<b>38</b>	<b>Plant capacity and production</b>		
	Corrugated boxes	Metric Tons	30,000
	Soaps	Metric Tons	N/A
	Batteries	Numbers	1,200,000
		Annual production	
		2024	2023
		----- (Metric tons) -----	
	Corrugated boxes	Metric Tons	18,028
	Soaps	Metric Tons	2,710
	Batteries	Numbers	N/A

The reason for shortfall in actual production when compared with installed capacity is primarily on account of demand and supply in the market conditions and the product mix.

**38.1** Soap actual capacity is not disclosed as the production has been shifted to toll manufacturing with effect from 1 July 2021.

**38.2** The actual production quantity of batteries pertains to the production carried out during the period from 01 July 2022 to 01 April 2023 as the battery segment of the Modaraba was transferred and vested into TBL on 01 April 2023 pursuant to the scheme. The actual production for the period from 01 April 2023 to 30 June 2023 has been disclosed in the financial statements of TBL.

## 39 Entity-wide information and disclosure

These financial statements have been prepared on the basis of two reportable segments namely; corrugation boxes and soap.

### 39.1 Information about products

Sale of corrugation boxes and soaps represents 67.84% (2023: 74.74%) and 32.16% (2023: 25.26%) respectively of the total revenue of the Modaraba.

### 39.2 Information about geographical areas

100% (2023:100%) of the sales of Modaraba relate to customers in Pakistan

All non-current assets of the Modaraba as at 30 June 2024 and 2023 are also located in Pakistan.

# Notes to the Financial Statements

For the year ended 30 June 2024

## 39.3 Information about customers

In corrugation segment, the Modaraba had made sales to Pepsi-Cola International (Pvt). Limited and Continental Biscuits Limited amounting to Rs. 622.756 million (2023: 925.537 million) and Rs. 373.977 million (2023: Rs.367.753 million). There is no single customer in soap segment to whom the Modaraba had made sales more than 10% of the total revenue of soap segment.

## 40 Number of Employees

	2024	2023
	Number	
Total number of employees at the year end	174	178
Average number of employees during the year	176	181

All the executives, officers and other employees of the Modaraba have been arranged through outsourcing from its related party namely "Treet HR Management (Private) Limited". The Modaraba has been making payments/ contributions of its outsourced employees on account of retirement benefits, which have been maintained by the parent company "Treet Corporation Limited". Accordingly, the related disclosures regarding employees benefits have been disclosed in the financial statements of the parent company.

## 41 Events After the Statement of Financial Position Date

There is no event after the statement of financial position date causing adjustment/ disclosure in these financial statements.

## 42 Corresponding Figures

Corresponding figures have been reclassified or rearranged, wherever necessary, for the better and fair presentation. Following rearrangement has been made during the year.

Nature	Reclassified from	Reclassified to	2023 (Rs in 000's)
Bad debts written off	Other expenses	Other income	20,630
Taxation	Taxation - Income tax	Levies	48,893

## 43 Date of authorization for issue

These financial statements were authorized for issue on 27<sup>th</sup> September, 2024 by the Board of Directors of Treet Holdings Limited, the Modaraba Management Company.


LAHORE  
September 27, 2024



**Syed Shehryar Ali**  
Chief Executive Officer



**Mansoor Murad**  
Group Chief Financial Officer



**Syed Shahid Ali**  
Director



**Sidra Fatima Sheikh**  
Directo

# THE COMPANIES ACT, 2017 (Section 227(2)(f))

1.1 Name of Company First Treet Manufacturing Modaraba

2.1 Pattern of holding of the shares held by the shareholders as at 30-6-2024

2.2 NO. OF SHAREHOLDERS	SHAREHOLDINGS		TOTAL SHARES HELD
	From	To	
85	1	100	1,178
68	101	500	32,546
52	501	1,000	47,903
130	1,001	5,000	382,319
58	5,001	10,000	499,590
18	10,001	15,000	226,300
14	15,001	20,000	250,510
19	20,001	25,000	436,771
5	25,001	30,000	137,300
2	30,001	35,000	66,500
4	35,001	40,000	157,000
2	40,001	45,000	85,000
6	45,001	50,000	297,700
2	50,001	55,000	106,000
1	70,001	75,000	74,933
1	80,001	85,000	82,000
1	85,001	90,000	85,052
6	95,001	100,000	597,000
2	105,001	110,000	217,000
1	120,001	125,000	125,000
1	125,001	130,000	129,000
1	140,001	145,000	145,000
1	155,001	160,000	158,130
2	195,001	200,000	396,000
2	285,001	290,000	578,000
1	670,001	675,000	675,000
1	750,001	755,000	753,000
1	19,590,001	19,595,000	19,590,562
1	857,255,001	857,260,000	857,257,993
<b>488</b>			<b>883,590,287</b>

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children		
Syed Sheharyar Ali	21,447	0.0024%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	877,601,555	99.3222%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	858,010,993	97.1051%
2.3.8 General Public		
a. Local	5,714,035	0.6467%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	253,250	0.0287%

#### Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2024

Sr. No.	Name	Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1.	TREET CORPORATION LIMITED (CDC)	858,010,993	97.1051
2.	TREET HOLDINGS LIMITED (CDC)	19,590,562	2.2172
<b>Mutual Funds (Name Wise Detail)</b>			
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1.	SYED SHERYAR ALI (CDC)	21,447	0.0024
<b>Executives</b>			
		-	-
<b>Public Sector Companies &amp; Corporation</b>			
		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>			
		-	0.0000
<b>Shareholders Holding five percent or more voting interest in the listed companies (Name Wise Detail)</b>			
1.	Treet Corporation Limited (CDC)	858,010,993	97.1051

# Key Operating and Financial Results

Rs. in Millions	2024	2023	2022	2021	2020	2019
Sales	4,148	3,911	7,678	6,095	4,478	4,654
Gross Profit	362	303	285	-90	-772	-955
Profit before Taxation	268	202	-519	-536	-2,984	-2,392
Profit after Taxation	266	165	-542	-617	-2,985	-2,392
Certificateholders Equity	3,342	2,994	4,372	4,913	-2,367	618
Fixed Assets - Net	831	693	8,394	8,601	7,058	7,258
Total Assets	3,948	3,706	11,579	12,000	10,191	11,751
Total Liabilities	606	712	7,207	7,086	12,558	11,133
Current Assets	3,107	2,991	3,126	3,292	3,012	4,482
Current Liabilities	535	624	6,874	6,660	12,494	11,124
Dividend Declared	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Certificates Outstanding	884	884	884	700	196	196
<b>Important Ratios</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Profitability						
Gross Profit / Loss	8.72%	7.75%	3.71%	-1.48%	-17.25%	-20.53%
Profit / Loss before Tax	6.47%	5.15%	-6.76%	-8.79%	-66.63%	-51.40%
Profit / Loss after Tax	6.42%	4.22%	-7.06%	-10.13%	-66.66%	-51.40%
Return to Equity						
Return on Equity before Tax	8.03%	6.73%	-11.87%	-10.90%	126.06%	-387.02%
Return on Equity after Tax	7.97%	5.52%	-12.39%	-12.57%	126.11%	-387.02%
Earning / (Loss) per Certificate	0.30	0.19	-0.61	-0.88	-15.26	-12.23
Liquidity/ Leverage						
Current Ratio	5.80	4.79	0.45	0.49	0.24	0.40
Break-up Value per Certificate	3.78	3.39	4.95	7.02	-12.10	3.16
Total Liabilities to Equity	0.18	0.24	1.65	1.44	-5.31	18.01
<b>% Change</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Sales	6.06%	-49.06%	25.98%	36.11%	-3.78%	71.52%
Gross Profit / Loss	19.25%	6.50%	-415.85%	-88.33%	-19.13%	-2033.31%
Profit / Loss before Taxation	-33.16%	138.85%	-3.16%	-82.04%	24.74%	569.74%
Profit / Loss after Taxation	-61.28%	130.49%	-12.26%	-79.31%	24.79%	569.74%
Certificateholder's Equity + Revaluation Surplus		-31.52%	-11.03%	-307.60%	-482.97%	-84.81%
Fixed Assets - Net	19.97%	-91.74%	-2.40%	21.86%	-2.76%	-14.42%
Total Assets	6.54%	-68.00%	-3.51%	17.75%	-13.27%	-3.83%
Total Liabilities	-14.82%	-90.12%	1.71%	-43.57%	12.80%	36.59%
Current Assets	3.88%	-4.33%	-5.03%	9.30%	-32.81%	20.38%
Current Liabilities	-14.23%	-90.92%	3.22%	-46.69%	12.32%	36.47%
Dividend.						
Certificates Outstanding	0.00%	0.00%	26.23%	257.87%	0.00%	0.00%

# Notice of 18th Annual Review Meeting

Notice is hereby given that 18th Annual Review Meeting of Certificate Holders of First Treet Manufacturing Modaraba ("FTMM") will be held on Monday October 28, 2024 at 10:30 A.M. at Ali Auditorium, Ferozepur Road Shahrah-E-Roomi, Lahore to transact the following business: -

## ORDINARY BUSINESS:

1. To confirm the Minutes of last Annual Review Meeting held on October 27, 2023.
2. To receive, consider and adopt the Annual Audited Accounts of FTMM for the Year Ended June 30, 2024, together with the Directors' and Auditors' Reports thereon.
3. To appoint External Auditors of FTMM for the year ending June 30, 2025 and to fix their remuneration. M/S Rehman Sarfaraz Rahim Iqbal Rafiq & Co, Chartered Accountant have offered themselves for re-appointment.

## SPECIAL BUSINESS:

4. To consider and if thought fit, pass the following Special Resolution under Section 89 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

### To approve reduction of paid-up certificate capital / Modaraba fund of FTMM

It is proposed to reduce the paid-up certificate capital / modaraba fund of FTMM from Rs. 8,835,902,870/- divided into 883,590,287 modaraba certificates of Rs. 10/- each to Rs. 1,955,999,940/- divided into 195,599,994 modaraba certificates of Rs. 10/- each. The reduction is necessary as the amount of Rs. 6,879,902,930/- of the Modaraba fund, is in excess of the requirements of FTMM and further is not represented by any assets following the demerger of the battery division/undertaking of FTMM into Treet Battery Limited, as sanctioned by the Honorable Lahore High Court, Lahore vide order dated January 10, 2024, in petition No. C.O. No. 4388 of 2024. In order to give effect to the reduction of capital of FTMM, no-objection certificates have also been obtained from the secured creditors of FTMM, listed below:

1. Al Baraka Bank (Pakistan) Limited;
2. BankIslami Pakistan Limited;
3. Faysal Bank Limited;
4. MCB Islamic Bank Limited;
5. Soneri Bank Limited; and
6. Bank AL Habib Limited.

Now therefore, the approval of the certificate holders of FTMM is required to consider and if thought fit, pass the following Special Resolutions:

**"RESOLVED THAT**, pursuant to Section 89 of the Companies Act, 2017 and such other applicable provisions of law read with Clause 2.1.1. of Prospectus of FTMM and subject to approvals, consent and permission of the Securities Exchange Commission of Pakistan and/or any other authority as may be required, and further subject to the confirmation by the Honourable High Court of Lahore, the certificate holders hereby approve the reduction of FTMM's, issued, subscribed and paid-up certificate capital / modaraba fund from Rs. 8,835,902,870/- (Rupees Eight billion eight hundred thirty-five million nine hundred two thousand eight

# Notice of 18th Annual Review Meeting

hundred seventy Only)/- divided into 883,590,287 modaraba certificates of Rs. 10/- each to Rs. 1,955,999,940/- (PKR One Billion Nine Hundred Fifty-five Million Ninety Nine thousand Nine Hundred and Ninety Hundred and Forty only) divided into 195,599,994 modaraba certificates of Rs. 10/- each.

**FURTHER RESOLVED THAT**, such reduction will be given effect by cancelling and extinguishing 687,990,293 modaraba certificates of Rs. 10/- each, being unrepresented by assets and in excess of the requirements of the FTMM.

**FURTHER RESOLVED THAT**, the Chief Executive Officer, Chief Financial Officer and Company Secretary of FTMM ("Authorized Officer") be and are hereby authorized singly and severally to do all such acts, deeds, matters and things as they may at their absolute discretion deem necessary or desirable for effectively implementation of these resolutions and to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit. The Authorized Officer is further authorized to file a petition before the Honourable Court seeking confirmation of the special resolution passed for reduction of the share capital and to take all steps facilitating the said confirmation. The Authorized Officer shall have the power to consent, on behalf of FTMM and its certificate holders, to consent to any modifications or additions to the subject resolution(s) or to any conditions, which the Court may think, fit to impose."

- 5. To ratify and approve arm's length transactions carried out with associated companies/ undertakings in the normal course of business in accordance with Section 208 of the Companies Act, 2017, by passing the following special resolution with or without modifications:**

**RESOLVED THAT**, the related party transactions carried out in the normal course of business with associated companies/undertakings as disclosed in respective notes to the Audited Financial Statements for the financial year ended June 30, 2024 be and are hereby ratified, approved and confirmed;

**FURTHER RESOLVED THAT**, the Chief Executive Officer of FTMM be and is hereby authorized to approve all related party transactions carried out in the normal course of business with associated companies/undertakings during the year ended June 30, 2024, and in this regard, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all documents/indentures as may be required on behalf of FTMM.

- 6. To authorize the Board of Directors of FTMM to approve transactions with related parties for the financial year ending June 30, 2025 by passing the following special resolution with or without modifications:**

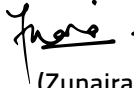
**RESOLVED THAT**, the Board of FTMM be and is hereby authorized to approve the transactions to be conducted with related parties on case-to-case basis for the financial year ending June 30, 2025;

**FURTHER RESOLVED THAT**, these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual Review Meeting for their formal ratification/ approval.

- 7. To consider any other business with the permission of the Chairman.**

# Notice of 18th Annual Review Meeting

By order of the Board



(Zunaira Dar)

Company Secretary

## LAHORE:

October 05, 2024

### Notes:

1. The Certificate Transfer Books will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive) for the purpose of determination of names of the certificate holders for attendance of Annual Review Meeting. The Certificate Holders whose names appear on the Register of Certificate Holders of First Treet Manufacturing Modaraba as on October 21, 2024 will be eligible to attend the Annual Review Meeting.
2. All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of FTMM not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at FTMM website i.e: <https://www.ftmm.com.pk>
3. In case of individuals, the account holder and/or person whose securities are in CDC sub account or investor account shall show their identity by showing original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
4. In case of corporate entity, board of director's resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
5. In the light of relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time, including vide letter No. SMD/SE/2/(20)/2021/117 date December 15, 2021, members are encouraged to participate in the Annual Review Meeting through electronic facility organized by the FTMM.

In order to attend the Meeting through electronic means the members are hereby requested to get themselves registered by sending their particulars at the designated email [corporate@treetcorp.com](mailto:corporate@treetcorp.com) giving particulars as per below table not later than 48 hours before the commencement of the meeting, by providing the following details:

Name of shareholder / proxy are holder	CNIC No. / NTN No.	Folio No. / CDC Account No.	*Mobile No.	*Email address

\*Shareholders are requested to provide their active mobile numbers and email address to ensure timely communication.

# Notice of 18th Annual Review Meeting

6. In case of corporate entities, board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to FTMM.

## **Requirement for Appointing Proxies**

- (a) In case of individuals, the account holder or sub-account holder is and/or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- (b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the CNIC or passport of the beneficial owners and the proxyholder shall be furnished with the proxy form.
- (d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

## **Updation of Shareholder Addresses/Other Particulars:**

Members holding shares in physical form are requested to promptly notify Shares Registrar of FTMM of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

## **E-Voting**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification vide SRO 2192(1)/2023 date December 05, 2023 issued by the SECP. The SECP has directed all listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business. Accordingly, member of the Company will be allowed to exercise their right to vote through e-voting facility or voting by post in its forthcoming Annual Review Meeting to be held on Monday, October 28, 2024 at 10:30 A.M. in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

- i. E-voting Procedure
  - a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course.
  - b. The web address, login details, will be communicated to members via email.
  - c. Identity of the members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

## Notice of 18th Annual Review Meeting

- d. E-Voting lines will start from October 25, 2024, 09:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote is cast by a member, he / she shall not be allowed to change it subsequently.
- ii. Postal Ballot

For Voting through Postal Ballot Members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018. Further details in this regard will be communicated to the shareholders within legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the FTMM Registered Office at 72-B, Quaid-e-Azam Industrial Estate, Lahore, or email at [corporate@treetcorp.com](mailto:corporate@treetcorp.com) one day before the Annual Review Meeting i.e. on October 27, 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC. Ballot paper for voting through post is attached herewith.

### Updation of Email/Cell Numbers/IBAN:

To comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provision and Forms) Regulations, 2018, all CDC and physical shareholders are requested to provide their email address, cell phone number and IBAN incorporated/updated in their physical folio or CDC account.

### Access to Financial Statements:

In accordance with Section 223(6) of the Companies Act, 2017 read with SECP's S.R.O.389(1)/2024 dated March 21, 2024 FTMM Annual Audited Financial Statements for the year ended June 30, 2024, along with the Director's and Auditor's Reports, are available on FTMM website at the following link: <https://ftmm.com.pk/investor-information/financial-reports/>.

Alternatively, shareholders can access the financial statements by scanning the QR code below:



<https://tinyurl.com/2ctjmnjo>

### Conversion of Physical Shares into CDC Account

The Securities and Exchange Commission of Pakistan has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act, in 2017.

# Notice of 18th Annual Review Meeting

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry -Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry -Form.

The Form of Proxy and Ballot paper are enclosed & also appearing on FTMM website.

## **STATEMENTS OF MATERIAL FACTS UNDER MODARABA REGULATIONS, 2021, READ WITH SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL REVIEW MEETING.**

This statement sets out material facts pertaining to the "Special Business" to be transacted at the Annual Review meeting ("ARM") of certificate holders of First Treet Manufacturing Modaraba ("FTMM") to be held on Monday October 28, 2024 at 10:30 A.M. at, Ali Auditorium, Ferozepur Road Shahrah-E-Roomi, Lahore. The approval of the certificate holders of FTMM, shall be sought for:

Agenda Item No. 4: reduction of paid-up certificate capital / modaraba fund of FTMM:

# Notice of 18th Annual Review Meeting

Information Required pursuant to S.R.O. 423 (I)/2018 dated April 3, 2018 of the Securities and Exchange Commission of Pakistan		
Sr. No	Subject	Description
1.	Reason and purpose of reduction of paid-up certificate capital / modaraba fund of FTMM.	<p>Pursuant to the Scheme of Arrangement Dated April 01, 2019 (the "Scheme") and Order of the Honorable Lahore High Court dated March 13, 2024, sanctioning the Scheme, all assets and liabilities pertaining to the battery business of FTMM were bifurcated as on the April 01, 2024, and subsequently transferred and vested into Treet Battery Limited ("TBL").</p> <p>FTMM had borrowed a cumulative loan up to Rs. 6.8 billion (excluding markup) from its parent company: Treet Corporation Limited. The loan was intended to meet the working capital requirements of the battery business. Subsequently, the said loan of Rs. 6.8 billion was duly converted into FTMM's equity with the approval of Securities and Exchange Commission of Pakistan, Modaraba Wing. Consequently, 6.8 million certificates of Rs. 10/- each were duly issued to Treet Corporation Limited by FTMM.</p> <p>As stated above, following the sanction of the Scheme, the battery business of FTMM which included, inter alia, the assets amounting to Rs. 6.8 billion i.e. the investment from Treet Corporation Limited was transferred to TBL. Consequently, the issued, subscribed and paid-up capital of FTMM amounting to Rs. 6.8 billion, is no longer backed or represented by any assets. Therefore, it is necessary to reduce the current/existing paid-up modaraba capital of FTMM by Rs. 6.8 billion.</p> <p>Furthermore, it is to be noted that Section 89 of the Companies Act, 2017, requires reduction of paid-up capital to be approved by the members of company by way of special resolution. Hence, the instant special resolutions.</p>
2.	Brief details of terms and conditions associated with reduction of paid-up certificate capital / modaraba fund of FTMM.	<p>FTMM's, issued, subscribed and paid-up certificate capital / modaraba fund of Rs. 8,835,902,870/- (PKR Eight Billion Eight Hundred and Thirty-Five Million Nine Hundred and Two Thousand Eight Hundred and Seventy only)/- divided into 883,590,287 modaraba certificates of Rs. 10/- is intended to be reduced to Rs. 1,955,999,940/- (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred and Ninety-Nine Thousand Nine Hundred and Forty only) divided into 195,599,994 modaraba certificates of Rs. 10/- each through cancelling and extinguishing of 687,990,293 modaraba certificates of Rs. 10/- each, being unrepresented of assets and in excess of the requirements of the FTMM.</p>
3.	The amount and number of share certificates / modaraba fund proposed to be cancelled or paid-off.	<p>687,990,293 (six hundred eighty-seven million nine hundred ninety thousand two hundred ninety-three)</p>

# Notice of 18th Annual Review Meeting

4.	Effect of reduction of paid-up certificate capital / modaraba fund of FTMM, along with comparison of existing share capital and post cancellation paid-up certificate capital / modaraba fund of FTMM	<p>Better presentation of the balance sheet and financial ratios, which will help investors and relevant stakeholders to make better-informed decisions.</p> <table border="1" data-bbox="659 438 1390 708"> <thead> <tr> <th data-bbox="659 438 1010 512">Existing Paid Up Capital</th> <th data-bbox="1010 438 1390 512">Post Cancellation Paid Up Capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="659 512 1010 708">8,835,902,870/- (PKR Eight billion eight hundred thirty-five million nine hundred two thousand eight hundred seventy Only)</td> <td data-bbox="1010 512 1390 708">1,955,999,940 (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred and Ninety Nine thousand Nine Hundred and Forty only) Certificates</td> </tr> </tbody> </table>	Existing Paid Up Capital	Post Cancellation Paid Up Capital	8,835,902,870/- (PKR Eight billion eight hundred thirty-five million nine hundred two thousand eight hundred seventy Only)	1,955,999,940 (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred and Ninety Nine thousand Nine Hundred and Forty only) Certificates
Existing Paid Up Capital	Post Cancellation Paid Up Capital					
8,835,902,870/- (PKR Eight billion eight hundred thirty-five million nine hundred two thousand eight hundred seventy Only)	1,955,999,940 (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred and Ninety Nine thousand Nine Hundred and Forty only) Certificates					
5.	Details of assets, liabilities and certificate holders' equity as per FTMM's latest annual financial statements and subsequent interim financial statements, if any.	<p>Data available on the given web link:</p> <p><a href="https://ftmm.com.pk/investor-information/financial-reports/">https://ftmm.com.pk/investor-information/financial-reports/</a></p>				
6.	List of creditors of FTMM along with information on nature and amount involved, if substantial or material.	<p>No Objection Certificates (NOCs) from all secured creditors of FTMM, in respect of the proposed reduction, have been obtained the list is enclosed:</p> <ol style="list-style-type: none"> <li>1. Al Baraka Bank (Pakistan) Limited;</li> <li>2. Bank Islami Pakistan Limited;</li> <li>3. Faysal Bank Limited;</li> <li>4. MCB Islamic Bank Limited;</li> <li>5. Soneri Bank Limited; and</li> <li>6. Bank AL Habib Limited.</li> </ol>				
7.	Brief details of qualifications, reservations or adverse remarks or disclaimer, if any, made by the auditor in his audit report on the latest annual financial statements relevant to the reduction of paid-up certificate capital / modaraba fund of FTMM.	Not Applicable				
8.	Details of any pending inspection, inquiry or investigation against FTMM under the Companies Act, 2017.	Not Applicable				

# Notice of 18th Annual Review Meeting

**Agenda Item No. 5 – To ratify and approve arm’s length transactions carried out with associated companies/ undertakings in the normal course of business in accordance with Section 208 of the Companies Act, 2017:**

FTMM carried out transactions with its related parties during the Financial Year ended on June 30, 2024, on an arm’s length basis as per the approved policy in the normal course of business. All transactions entered into with related parties have to be duly recommended by the Audit Committee and approved by the Board of Directors on a quarterly basis pursuant to Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

A few of FTMM Directors were interested in certain transactions with related parties due to their common directorship in associated/subsidiary companies. During the previous Annual Review Meeting of the FTMM, shareholders had authorized the Board of Directors to approve the transactions with related parties from time-to-time on case-to-case basis for the Financial Year ended on June 30, 2024, and such transactions shall be placed before the shareholders in the upcoming Annual Review Meeting for their formal approval/ratifications.

In view of the above, transactions conducted with related parties as shown in the notes to FTMM Financial Statements for the Financial Year ended June 30, 2024, are being placed before the shareholders for their consideration and approval/ratification.

**Agenda Item No. 6 – To authorize the Board of Directors of FTMM to approve transactions with related parties for the financial year ending June 30, 2025:**

FTMM shall be conducting transactions with its related parties during the Financial Year ending on June 30, 2025, on an arm’s length basis as per the approved policy in the normal course of business. A few of FTMM Directors may be interested in these transactions due to their common directorship in the associated/subsidiary companies. To promote transparent business practices, transactions entered into by FTMM with its related parties from time-to-time on case-to-case basis during the Financial Year ending on June 30, 2025, as authorized by the Board of Directors shall be deemed to be approved by the shareholders of FTMM and these transactions shall be placed before the shareholders in the next Annual Review Meeting of FTMM for their formal ratification/approval.

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

30 جون 2025ء کو اختتام پذیر مالیاتی سال کے دوران FTMM عمومی کاروباری امور کے دوران منظوری شدہ پالیسی کے مطابق نوعیت کے اعتبار سے متعلقہ فریقین کے ساتھ لین دین کرے گا۔ FTMM کے چند ڈائریکٹرز ایسوسی ایٹڈ/ذیلی کمپنیوں میں اپنی مشترکہ ڈائریکٹر شپ کی وجہ سے متعلقہ فریقین کے ساتھ لین دین میں دلچسپی رکھ سکتے ہیں۔ شفاف کاروباری عمل داری کو فروغ دینے کے لئے بورڈ آف ڈائریکٹرز کی منظوری سے 30 جون 2025ء کو اختتام پذیر مالیاتی سال کے دوران FTMM کی جانب سے نوعیت کے اعتبار سے وقتاً فوقتاً کی جانی والی متعلقہ فریقین کے ساتھ ٹرانزیکشنز کا FTMM کے شیئر ہولڈرز کی منظوری شمار کیا جائے گا اور ان کی باقاعدہ منظوری/توثیق کے لئے ان ٹرانزیکشنز کا FTMM کے آئندہ سالانہ جائزہ اجلاس میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

<p>مجوزہ کمی کی بابت FTMM کے تمام قرض دہندگان کی جانب سے NOCs حاصل کر لئے گئے ہیں۔ فہرست حسب ذیل ہے:</p> <ol style="list-style-type: none"> <li>1. البرکہ بینک (پاکستان) لمیٹڈ؛</li> <li>2. بینک اسلامی پاکستان لمیٹڈ؛</li> <li>3. فیصل بینک لمیٹڈ؛</li> <li>4. MCB اسلامک بینک لمیٹڈ؛</li> <li>5. سویری بینک لمیٹڈ؛ اور</li> <li>6. بینک الحیب لمیٹڈ</li> </ol>	<p>6. FTMM کے قرض دہندگان کی فہرست بمعہ شامل رقم کی نوعیت اور مالیت کی معلومات، معمولی یا ٹھوس</p>
<p>7. FTMM کے ادا شدہ سرمایہ سرٹیفکیٹ/مضاربہ فنڈ میں کمی کی بابت تازہ ترین سالانہ مالیاتی اسٹیٹمنٹس پر آڈیٹرز رپورٹ میں آڈیٹرز کی جانب سے کوالیفیکیشنز، تحفظات یا مضرتبصروں یا اظہارِ التعلقی کا خلاصہ، اگر کوئی ہے،</p>	<p>7. FTMM کے ادا شدہ سرمایہ سرٹیفکیٹ/مضاربہ فنڈ میں کمی کی بابت تازہ ترین سالانہ مالیاتی اسٹیٹمنٹس پر آڈیٹرز رپورٹ میں آڈیٹرز کی جانب سے کوالیفیکیشنز، تحفظات یا مضرتبصروں یا اظہارِ التعلقی کا خلاصہ، اگر کوئی ہے،</p>
<p>8. کپینیز ایکٹ 2017ء کے تحت FTMM کے خلاف کسی بھی زیر التوا جائزے، انکوآری یا تفتیش کی تفصیلات</p>	<p>8. کپینیز ایکٹ 2017ء کے تحت FTMM کے خلاف کسی بھی زیر التوا جائزے، انکوآری یا تفتیش کی تفصیلات</p>

4. ایجنڈا کیٹیم نمبر 5 کپینیز ایکٹ 2017ء کے سیکشن 208 کے مطابق عمومی کاروباری امور کے دوران ایسوسی ایٹڈ کمپنیوں/انڈر ٹیکنگز کے ساتھ ہونے والے غیر متعلقہ فریقین کے ساتھ لین دین (arm's length transactions) کی توثیق کرنا اور منظوری دینا:
- مضاربہ نے عمومی کاروباری امور کے دوران منظوری شدہ پالیسی کے مطابق نوعیت کے اعتبار سے متعلقہ فریقین کے ساتھ لین دین کیا۔ اسٹاک کپینیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے قاعدہ 15 کی پیروی میں متعلقہ فریقین کے ساتھ کی جانے والی تمام ٹرانزیکشنز سہ ماہی بنیادوں پر آڈٹ کمیٹی کی سفارشات اور بورڈ آف ڈائریکٹرز کی منظوری سے عمل میں لائی جاتی ہیں۔
- مضاربہ کے چند ڈائریکٹرز ایسوسی ایٹڈ/ذیلی کمپنیوں میں اپنی مشترکہ ڈائریکٹر شپ کی وجہ سے متعلقہ فریقین کے ساتھ لین دین میں دلچسپی رکھتے تھے۔ مضاربہ کے سابقہ سالانہ جائزہ اجلاس میں شیئر ہولڈرز نے مالیاتی سال 2024ء کے لئے نوعیت کے اعتبار سے وقتاً فوقتاً متعلقہ فریقین کے ساتھ لین دین کی منظوری کے لئے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرایا اور باقاعدہ منظور/تصحیح کے لئے ان ٹرانزیکشنز کو آئندہ سالانہ جائزہ اجلاس میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔
- مذکورہ بالا کی روشنی میں 30 جون 2024ء کو اختتام پذیر مالیاتی سال کے لئے مضاربہ کی مالیاتی اسٹیٹمنٹس کے نوٹس میں بیان کی گئی متعلقہ فریقین کے ساتھ لین دین کی ٹرانزیکشنز کو جائزہ اور منظوری/توثیق کے لئے شیئر ہولڈرز کے سامنے رکھا جا رہا ہے۔
5. ایجنڈا کیٹیم نمبر 6، مندرجہ ذیل خصوصی قرارداد بمعہ/علاوہ تراہیم پاس کر کے 30 جون 2025ء کو اختتام پذیر مالیاتی سال کے لئے متعلقہ فریقین کے ساتھ لین دین کی منظوری کی بابت کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانا:

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

<p>جیسا کہ اوپر بیان کیا گیا ہے اسکیم کی منظوری کے بعد FTMM کا بیٹری بزنس بشمول 6.8 بلین روپے تک کے اثاثہ جات یعنی ٹریٹ کارپوریشن لمیٹڈ سے سرمایہ کاری کو TBL کو منتقل کر دیا گیا۔ نتیجتاً، FTMM کا 6.8 بلین روپے کے جاری کردہ، سبسکرائپڈ اور ادا شدہ سرمایہ کی کسی بھی اثاثہ جات کی جانب سے نمائندگی جاری نہ رہی۔ لہذا FTMM کے حالیہ/موجودہ ادا شدہ مضاربہ سرمایہ کو 6.8 بلین روپے تک کم کرنا ضروری ہے۔</p> <p>مزید برآں، واضح رہے کہ کمپنی ایکٹ 2017ء کے سیکشن 89 کے تحت ادا شدہ سرمایہ میں کمی کے لئے خصوصی قرارداد کے ذریعے کمپنی کے اراکین کی جانب سے منظوری درکار ہے۔ لہذا مذکورہ خصوصی قراردادیں پیش کی گئی ہیں۔</p>	
<p>FTMM کا جاری کردہ، سبسکرائب شدہ اور ادا شدہ سرمایہ سٹیکہولڈرز/مضاربہ فنڈ-10/ روپے فی سٹیکہولڈر کی شرح سے 883,590,287 مضاربہ سٹیکہولڈرز میں تقسیم مبلغ 8,835,902,870/- روپے (آٹھ ارب تراسی کروڑ انسٹھ لاکھ دو ہزار آٹھ سو ستر روپے صرف) کو-10/ روپے فی سٹیکہولڈر کی شرح سے 687,990,293 مضاربہ سٹیکہولڈرز کی منسوخی اور خاتمہ کے ذریعے -10/ روپے فی سٹیکہولڈر کی شرح سے 1,955,999,940 مضاربہ سٹیکہولڈرز میں تقسیم مبلغ/1,955,999,940 روپے (ایک ارب پچانوے کروڑ انسٹھ لاکھ تانوائے ہزار نو سو چالیس روپے صرف) تک کمی درکار ہے جو FTMM کی ضروریات سے زائد اور کسی اثاثہ جات کی نمائندگی نہیں کرتے۔</p>	<p>2. FTMM کے ادا شدہ سرمایہ سٹیکہولڈرز/مضاربہ فنڈ کی بابت شرائط و ضوابط کا خلاصہ۔</p>
<p>687,990,293 (آٹھ لاکھ تانوائے ہزار دو سو تانوائے)</p>	<p>3. شیئرز سٹیکہولڈرز/مضاربہ فنڈ کی مالیت و تعداد جن کی منسوخی و ادائیگی کی تجویز دی گئی ہے</p>
<p>بیلنس شیٹ اور مالیاتی تناسب کی بہتر نمائندگی جو سرمایہ داروں اور متعلقہ اسٹیک ہولڈرز کو بہتر رضامندی دینے میں مدد کریں گے:</p>	<p>4. FTMM کے ادا شدہ سرمایہ سٹیکہولڈرز/مضاربہ فنڈ کی کمی کے اثرات اور موجودہ سرمایہ حصص اور منسوخی کے بعد FTMM کے ادا شدہ سرمایہ سٹیکہولڈرز/مضاربہ فنڈ</p>
<p>موجودہ ادا شدہ سرمایہ</p>	<p>ادا شدہ سرمایہ مابعد منسوخی</p>
<p>8,835,902,870/- روپے (آٹھ) / 1,955,999,940/- روپے (ایک) ارب تراسی کروڑ انسٹھ لاکھ دو ہزار آٹھ سو ستر روپے صرف</p>	<p>ارب پچانوے کروڑ انسٹھ لاکھ تانوائے ہزار نو سو چالیس روپے صرف</p>
<p>مذکورہ ویب لنک میں ڈیٹا دستیاب ہے: <a href="https://ftmm.com.pk/investor-information/financial-reports/">https://ftmm.com.pk/investor-information/financial-reports/</a></p>	<p>5. FTMM کی تازہ ترین سالانہ مالیاتی اسٹیٹمنٹس اور مابعد عبوری مالیاتی اسٹیٹمنٹس (اگر کوئی ہیں) کے مطابق اثاثہ جات، واجبات اور سٹیکہولڈرز کی ایکویٹی کی تفصیلات</p>

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### فریکل سٹیکہولڈنگ کی CDC کاؤنٹ میں تبدیلی

سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے جاری کردہ خط نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ، 2021ء کے ذریعے تمام لسٹڈ کمپنیوں کو کمپنیز ایکٹ 2017ء (ایکٹ) کے سیکشن 72 کے قواعد کی جانب سے توجہ دلائی ہے جس کے مطابق تمام کمپنیوں کو اپنے جاری کردہ سٹیکہولڈنگ بک انٹری فارم میں جاری کرنے کے لئے فریکل فارم میں ایکٹ 2017ء کی تاریخ اطلاق سے چار برس کے اندر تبدیل کرنے کی ہدایت کی گئی ہے۔

مذکورہ بالا سیکشن 72 کے تمام قواعد کی مکمل تعمیل اور بک انٹری فارم میں شیئرز رکھنے کی سہولت سے مکمل استفادہ کو یقینی بنانے کے لئے فریکل فارم میں سٹیکہولڈنگ رکھنے والے سٹیکہولڈرز سے التماس ہے کہ وہ اپنے سٹیکہولڈنگ کو بک انٹری فارم میں تبدیل کرائیں۔

پراسی فارم اور بیٹل پیپر لف ہڈ اور مضاربہ ویب سائٹ پر شائع کر دیئے گئے ہیں۔

مضاربہ ضوابط 2021ء کی سیکشن 72 کے ساتھ پڑھا جائے، کے مطابق سالانہ جائزہ اجلاس میں زیر غور لائے جانے والے خصوصی امور کی بابت مادی حقائق اعلامیہ یہ اعلامیہ فرسٹ ٹریٹ مینوفیکچرنگ مضاربہ (‘‘FTMM’’) کے سٹیکہولڈرز کے سالانہ جائزہ اجلاس (ARM) منعقدہ بروز پیر مورخہ 28 اکتوبر 2024 بوقت 10:30 بجے صبح علی آڈیٹوریم، فیروز پور روڈ، شاہراہ رومی، لاہور میں زیر غور لائے جانے والے ’’خصوصی امور‘‘ کی بابت مادی حقائق بیان کرتا ہے FTMM کے سٹیکہولڈرز کی منظوری مندرجہ ذیل کے لئے درکار ہوگی:

ایجنڈا آئیٹم نمبر FTMM4 کے ادا شدہ سرمایہ سٹیکہولڈنگ/مضاربہ فنڈ میں کمی

سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 13 اپریل 2018ء کے SRO 423(I)/2018 کی پیروی میں درکار معلومات		
نمبر شمار	عنوان	تفصیلات
1.	FTMM کے ادا شدہ سرمایہ سٹیکہولڈنگ/مضاربہ فنڈ میں کمی کی وجوہات	مورخہ 01 اپریل، 2019ء کے سمجھوتہ کی اسکیم (‘‘اسکیم’’) اور مورخہ 13 مارچ 2023ء کو اسکیم کی منظوری کی بابت فاضل عدالت لاہور ہائی کورٹ کے حکم کی پیروی میں FTMM میں بیٹری برنس کے تمام تراشہ جات و واجبات کو 01 اپریل 2023ء کو علیحدہ کر دیئے گئے اور نتیجتاً انہیں ٹریٹ بیٹری لمیٹڈ (‘‘TBL’’) میں منتقل کر دیا گیا۔
		FTMM نے 6.8 بلین روپے (علاوہ مارک اپ) کا مجموعی قرض اس کی مرکزی کمپنی: ٹریٹ کارپوریشن لمیٹڈ سے مستعار لئے تھے۔ قرض لینے کا مقصد بیٹری برنس کی سرمایہ زیر کار ضروریات کو پورا کرنا تھا۔ بعد ازاں، سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مضاربہ ونگ کی منظوری سے 6.8 بلین روپے کے مذکورہ قرض FTMM کی ایکویٹی میں تبدیل کر دیا گیا۔ اس کے بعد FTMM نے 10/ روپے فی سٹیکہولڈنگ کی شرح سے 6.8 بلین سٹیکہولڈنگ ٹریٹ کارپوریشن لمیٹڈ کو جاری کر دیئے۔

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کو بذریعہ ای-ووٹنگ یا ووٹنگ بذریعہ ڈاک اپنا حق رائے دہی استعمال کرنے کا اختیار ہوگا۔

i. ای-ووٹنگ کا طریقہ کار

- ای-ووٹنگ سہولت کی تفصیلات سے متعلق مضاربہ کے ان اراکین کو بذریعہ ای-میل آگاہ کیا جائے گا مقررہ وقت میں جن کے کارآمد شناختی کارڈ نمبر ان، سیل نمبر ان اور ای میل ایڈریس کی تفصیلات مضاربہ کے اراکین کے رجسٹر میں دستیاب ہیں۔
- ویب ایڈریس، لاگ ان تفصیلات سے متعلق اراکین کو بذریعہ ای میل آگاہ کیا جائے گا۔
- بذریعہ ای-ووٹنگ حق رائے دہی کا اختیار استعمال کرنے والے اراکین کی شناخت بذریعہ برقی دستخط یا لاگ ان کی تصدیق کے ذریعے عمل میں لائی جائے گی۔
- ای-ووٹنگ لائنز کا آغاز 25 اکتوبر 2024ء کو صبح 09:00 بجے ہوگا جو 27 اکتوبر 2024ء کو شام 05:00 بجے بند ہو جائے گی۔ اراکین اس دورانیہ میں کسی بھی وقت اپنا ووٹ کاسٹ کر سکتے ہیں۔ جب ایک رکن ووٹ کاسٹ کر لیتا ہے تو اسے بعد میں اسے تبدیل کرنے کی اجازت نہ ہوگی۔

ii. پوسٹل بیٹ

بذریعہ پوسٹل بیٹ ووٹنگ کے لئے اراکین کمپنیز (پوسٹل بیٹ) ضوابط 2018ء کے قواعد کے مطابق اپنا حق رائے دہی استعمال کر سکتے ہیں۔ اس بابت مزید تفصیلات سے متعلق مذکورہ ضوابط کے تحت قانونی نام فریم میں سرٹیفکیٹ ہولڈرز کو آگاہ کیا جائے گا (حسب ضرورت)۔

اراکین یقینی بنائیں گے کہ باقاعدہ طور پر اور دستخط شدہ بیٹ پیپر بمعہ نقل قومی شناختی کارڈ اجلاس کے چیئرمین کو بذریعہ ڈاک کمپنی کے رجسٹرڈ آفس واقع B-72، قائد اعظم انڈسٹریل اسٹیٹ لاهور یا ای میل [corporate@treetcorp.com](mailto:corporate@treetcorp.com) کو اجلاس کے انعقاد سے ایک یوم قبل یعنی 27 اکتوبر 2024ء کو کام کے اوقات کار میں پہنچ جائیں۔ بیٹ پیپر پر ثبت دستخط شناختی کارڈ میں موجود دستخط کے عین مطابق ہوں۔ بذریعہ ڈاک ووٹنگ کے لئے بیٹ پیپر لف ہذا ہے۔

ای میل/سیل نمبر ان/IBAN کی تجدید

کمپنیز ایکٹ 2017ء کے سیکشن 119 اوپنیز (عمومی قواعد اور فارم) ضوابط 2018ء کے قاعدہ 19 کے تقاضوں کی تعمیل میں تمام CDC اور فزیکل سرٹیفکیٹ ہولڈرز سے التماس ہے کہ وہ اپنے ای میل ایڈریس، سیل فون اور IBAN نمبر کی اپنے فزیکل فوئیو یا CDC کاؤنٹ میں درج/تجدید کروائیں۔

مالیاتی اسٹیٹمنٹس تک رسائی

کمپنیز ایکٹ 2017ء کے سیکشن (6) 223 کے ساتھ SECP کے SRO 389(1)/2023 مورخہ 21 مارچ 2023ء کے ساتھ پڑھا جائے، کے مطابق 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کمپنی کی ویب سائٹ <https://ftmm.com.pk/investor-information/financial-reports/> پر دستیاب ہیں۔

اس کے برعکس، شیئرز ہولڈرز مندرجہ ذیل QR کوڈ سکین کر کے مالیاتی اسٹیٹمنٹس تک رسائی حاصل کر سکتے ہیں۔



<https://tinyurl.com/2ctjmnjo>

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

سرکل نمبر 1 مؤرخہ 26 جنوری 2000ء میں درج ہدایات پر بھی عمل کریں گے۔ پراسی فارم مضاربہ کی ویب سائٹ <https://www.ftmm.com.pk> پر دستیاب ہے۔

3. فرد واحد کی صورت میں، جن کا وٹنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا افراد کی سکیورٹیز گروپ کا وٹنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات ضوابط کے مطابق شائع کی گئی ہیں ان کو اجلاس میں شرکت کے وقت اپنا اصلی قومی شناختی کارڈ ("CNIC") یا اصلی پاسپورٹ پیش کر کے اپنی شناخت ثابت کرنا ہوگی۔

4. کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد شخص کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوگا (اگر پہلے فراہم نہیں کیا گیا ہے)

5. سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی وقتاً فوقتاً جاری کردہ متعلقہ ہدایات بشمول مراسلہ نمبر SMD/SE/2/(2)/2021/11 مؤرخہ 15 دسمبر 2021ء کی روشنی میں مضاربہ کے ذریعے اراکین کو سالانہ جائزہ اجلاس میں شرکت کی تلقین کی جاتی ہے۔

برقی وسائل کے ذریعے اجلاس میں شرکت کے لئے اراکین سے التماس ہے کہ وہ مندرجہ ذیل جدول کے مطابق اجلاس کے آغاز سے کم از کم 48 گھنٹے قبل مقررہ ای میل ایڈریس [corporate@treetcorp.com](mailto:corporate@treetcorp.com) پر اپنی تفصیلات بھیج کر اپنا اندراج کرائیں:

نام سرٹیفکیٹ ہولڈر/پراسی ہولڈر	شناختی کارڈ/NTN نمبر	فولیو/CDC اکاؤنٹ نمبر	*موبائل نمبر	*ای میل ایڈریس

\* سرٹیفکیٹ ہولڈرز سے التماس ہے کہ بروقت رابطہ سازی کے لئے اپنے فعال موبائل نمبر اور ای میل ایڈریس کی فراہمی کو یقینی بنائیں۔

6. کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد شخص کے نمونہ کے دستخط مضاربہ کو پراسی فارم کے ساتھ جمع کرانا ہوگا (اگر پہلے فراہم نہ کیا گیا ہے)۔

پراسی کی تقرری کے تقاضے

(a) فرد واحد کی صورت میں، جن کا وٹنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا افراد کی سکیورٹیز گروپ کا وٹنٹ میں موجود ہیں اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے مطابق شائع کی گئی ہیں، کو مذکورہ بالا تقاضے کے مطابق پراسی فارم جمع کرانا ہوگا۔

(b) پراسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور شناختی کارڈ نمبرز فارم پر درج ہوں گے۔

(c) مستفید ہونے والے مالکان اور پراسی ہولڈر کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراسی فارم کے ساتھ پیش کی جائیں گی۔

(d) اجلاس کے موقع پر اسکی اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کریں گے۔

(e) کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد شخص کے نمونہ کے دستخط کمپنی کو پراسی فارم کے ساتھ جمع کرانا ہوگا (اگر پہلے فراہم نہ کیا گیا ہے)۔

سرٹیفکیٹ ہولڈر کے پتوں/دیگر تفصیلات کی تجدید

اراکین، جن کے سرٹیفکیٹس فزیکل فارم میں ہیں، سے التماس ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے صورت میں فی الفور سیکرٹری رجسٹرار کو اطلاع دیں۔ الیکٹرونک فارم میں رکھنے والے سرٹیفکیٹ ہولڈرز کو اپنے شریک یا CDC انویسٹر اکاؤنٹ سروس میں اپنے پتے کی تجدید کرانا ہوگی۔

ای-ووٹنگ

اراکین کو باضابطہ اطلاع دی جاتی ہے کہ کمپنیز (پوسٹل بیلٹ) ضوابط 2018 (ترمیمی) کی پیروی میں SECP کے جاری کردہ نوٹیفیکیشن نمبر SRO 2192(1)/2022 مؤرخہ 05 دسمبر 2022ء کے ذریعے SECP نے تمام لسٹڈ کمپنیوں کو خصوصی امور کے طور پر واضح کئے گئے تمام امور پر اراکین کو بذریعہ برقی ووٹنگ سہولت اور بذریعہ ڈاک ووٹنگ کا اختیار دیا ہے۔

اسی طرح سے، مذکورہ بالا ضوابط میں درج شرائط کی روشنی میں بروز پیر مؤرخہ 28 اکتوبر 2024ء کو بوقت 10:30 بجے صبح منعقد ہونے والے سالانہ جائزہ اجلاس میں مضاربہ کے اراکین

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

ضروریات سے کہیں زیادہ ہے اور جو کسی اثاثہ کی نمائندگی نہیں کرتے۔

مزید قرار پایا کہ چیف ایگزیکٹو آفیسر، چیف فنانسٹیل آفیسر اور FTMM کے کمپنی سیکریٹری ("مجاز افسر") کو جداگانہ حیثیت میں تمام عمل کرنے، معاہدے کرے، کام کرنے کا یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے جوہ اپنی کئی صوابدید پر ان قراردادوں کے مؤثر اطلاق کے لئے ضروری سمجھتے ہیں۔ مزید برآں انہیں کسی سوال، مشکلات اور خدشات کا اپنی کئی صوابدید پر حسب ضرورت جواب دینے کا بھی مجاز ٹھہرایا جاتا ہے جو اس بابت درکار ہیں۔ مجاز افسر کو فاضل عدالت کے روبرو درخواست دائر کرنے کا بھی مجاز ٹھہرایا جاتا ہے تاکہ وہ سرمایہ تخلیق کی کمی کے لئے خصوصی قرارداد کی منظوری کی توثیق حاصل کر سکیں اور مذکورہ توثیق کے لئے تمام ترقیاتی اقدامات کر سکیں۔ مجاز افسران FTMM اور اس کے ٹھیکہ دار کی جانب سے کسی بھی ترمیم یا اضافہ کی منظوری دینے کا اختیار رکھتے ہیں جو قرارداد/قراردادوں یا دیگر ضوابط سے مشروط ہیں اور جنہیں لاگو کرنے کے لئے عدالت مناسب سمجھتی ہے۔

5. کمپنی ایکٹ 2017ء کے سیکشن 208 کے مطابق عمومی کاروباری امور کے دوران ایسوسی ایٹڈ کمپنیوں/انڈر ٹیکنگ کے ساتھ ہونے والے غیر متعلقہ فریقین کے ساتھ لین دین (arm's length transactions) کی توثیق کرنا اور منظوری دینا:

قرار پایا کہ 30 جون 2024ء کو اختتام پذیر مالیاتی سال کے لئے پڑتا شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں درج ایسوسی ایٹڈ کمپنیوں/انڈر ٹیکنگ کے ساتھ عمومی کاروباری امور کے دوران متعلقہ فریقین کے ساتھ کئے جانے والے لین دین کی یہاں باقاعدہ تصحیح/منظوری اور توثیق کی جاتی ہے:

مزید قرار پایا کہ FTMM کے چیف ایگزیکٹو آفیسر کو 30 جون 2024ء کو اختتام پذیر سال کے دوران عمومی کاروباری امور کے دوران متعلقہ فریقین سے ہونے والے تمام تریلین دین کی منظوری کا مجاز ٹھہرایا جاتا ہے۔ اور اس بابت چیف ایگزیکٹو آفیسر FTMM کی جانب سے تمام ترقیاتی اقدامات کرنے اور حسب ضرورت تمام تر دستاویزات/معاہدوں پر دستخط کرنے کا بھی مجاز ٹھہرایا جاتا ہے۔

6. مندرجہ ذیل خصوصی قرارداد بمعہ/علاوہ ترمیم پاس کر کے 30 جون 2025ء کو اختتام پذیر مالیاتی سال کے لئے متعلقہ فریقین کے ساتھ لین دین کی منظوری کی بابت کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرایا جاتا ہے:

قرار پایا کہ FTMM کے بورڈ کو 30 جون 2025ء کو اختتام پذیر مالیاتی سال کے لئے نوعیت کے اعتبار سے متعلقہ فریقین کے ساتھ ممکن طور پر ہونے والے تمام تریلین دین کی منظوری کا مجاز ٹھہرایا جاتا ہے۔

مزید قرار پایا کہ بورڈ کی جانب سے منظور شدہ اس لین دین کو شیئر ہولڈرز کی منظوری شمار کیا جائے گا اور باقاعدہ تصحیح/منظوری کے لئے انہیں اگلے سالانہ جائزہ اجلاس میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔

7. چیئر مین کی اجازت سے دیگر امور کو زیر غور لانا

بحکم بورڈ



(زنیہ ڈار)

کمپنی سیکریٹری

لاہور: 105 اکتوبر 2024ء

نوٹس:

1. سرٹیفکیٹ ٹرانسفر Books مؤرخہ 22 اکتوبر 2024ء سے 28 اکتوبر 2024ء تک (بشمول دونوں ایام) سالانہ جائزہ اجلاس میں حاضری کے لئے سرٹیفکیٹ ہولڈرز کے ناموں کا تعین کرنے کی غرض سے بند رہیں گی۔ 21 اکتوبر 2024ء تک فرسٹ ٹریٹ مینوفیکچرنگ مضاربہ کے سرٹیفکیٹ ہولڈرز کے رجسٹر میں درج سرٹیفکیٹ ہولڈرز سالانہ جائزہ اجلاس میں شرکت کے اہل ہوں گے۔

2. اجلاس ہذا میں شرکت و ووٹ کرنے کے تمام مجاز اراکین کسی دوسرے شخص کو اپنے لئے ووٹ/شرکت کرنے کے لئے اپنا پر کسی مقرر کر سکتے ہیں۔ مؤثر کرنے کی غرض سے پراسیزر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جائیں۔ CDC کا ووٹ ہولڈرز سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ

## نوٹس برائے اٹھارواں (18واں) سالانہ جائزہ اجلاس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ فرسٹ ٹریٹ میڈیٹو پیپرنگ مضاربہ ('FTMM') کے سرٹیفکیٹ ہولڈرز کا 18واں سالانہ جائزہ اجلاس بروز پیر مورخہ 28 اکتوبر 2024 بوقت 10:30 بجے صبح علی آڈیٹوریم، فیروز پور روڈ، شاہراہ رومی، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 27 اکتوبر 2023ء کو منعقدہ سابقہ سالانہ جائزہ اجلاس کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے FTMM کے سالانہ پڑتال شدہ کھاتوں بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹ وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2025ء کو اختتام پذیر سال کے لئے FTMM کے بیرونی آڈیٹرز کی تقرری کرنا اور ان کا معاوضہ طے کرنا۔ میسرز جمن سرفراز رحیم اقبال رفیق اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

خصوصی امور:

4. کمپنیز ایکٹ 2017ء کے سیکشن 89 کے تحت مندرجہ ذیل خصوصی قرارداد کو بمعہ/علاوہ ترمیم/ترمیم، اضافہ اور/یا حذف/احذف زیر غور لانا اور مناسب سمجھنے پر منظور کرنا:  
FTMM کے ادا شدہ سرمایہ سرٹیفکیٹ/مضاربہ فنڈ میں کمی کی منظوری دینا:  
تجویز کیا جاتا ہے کہ FTMM کے ادا شدہ سرمایہ سرٹیفکیٹ/مضاربہ فنڈ کو -/10 روپے فی سرٹیفکیٹ کی شرح سے 883,590,287 مضاربہ سرٹیفکیٹس میں تقسیم -/8,835,902,870 روپے سے کم کر کے -/10 روپے فی سرٹیفکیٹ کی شرح سے 195,599,994 مضاربہ سرٹیفکیٹس میں تقسیم، /1,955,999,940 روپے کر دیا جائے۔ یہ کمی انتہائی ضروری ہے کیونکہ -/10 روپے فی سرٹیفکیٹ کی شرح سے 687,990,293 مضاربہ سرٹیفکیٹس میں تقسیم /6,879,902,930 روپے کی رقم FTMM کی ضروریات سے بہت زیادہ ہے اور پٹیشن نمبر C.O.4388/2023 میں فاضل عدالت لاہور ہائی کورٹ کے حکم صدرہ 10 جنوری 2023ء کے مطابق FTMM کے بیٹری ڈیویژن/انڈر ٹیکنگ کے ٹریٹ بیٹری لمیٹڈ میں انضمام کے بعد یہ رقم کسی اثاثہ جات کی نمائندگی نہیں کرتی FTMM کے سرمایہ میں کمی کی توثیق کے لئے FTMM کے مندرجہ ذیل قرض دہندگان سے NOC بھی حاصل کر لیا گیا ہے:

1. البرکہ بینک (پاکستان) لمیٹڈ؛
2. بینک اسلامی پاکستان لمیٹڈ؛
3. فیصل بینک لمیٹڈ؛
4. IMCB اسلامک بینک لمیٹڈ؛
5. سویری بینک لمیٹڈ؛ اور
6. بینک الحبیب لمیٹڈ

لہذا اب مندرجہ ذیل خصوصی قرارداد کو زیر غور لانا اور مناسب سمجھنے پر منظور کرنے کے لئے FTMM کے سرٹیفکیٹ ہولڈرز کی منظوری درکار ہے:  
قرار پایا کمپنیز ایکٹ 2017ء کے سیکشن 89 اور دیگر مروجہ قواعد بشمول شق 2.1.1 بابت پراسپیکٹس FTMM اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور/یا دیگر مجاز محکموں کی منظوریوں، رضامندی اور اجازت اور فاضل عدالت لاہور ہائی کورٹ کی توثیق سے مشروط سرٹیفکیٹ ہولڈرز FTMM کے جاری کردہ، سبسکرائب شدہ اور ادا شدہ سرمایہ سرٹیفکیٹ/مضاربہ فنڈ میں -/10 روپے فی سرٹیفکیٹ کی شرح سے 883,590,287 مضاربہ سرٹیفکیٹس میں تقسیم /8,835,902,870 روپے (آٹھ بلین آٹھ سو پینتیس بلین نو سو دو ہزار آٹھ سو ستر روپے صرف) سے -/10 روپے فی سرٹیفکیٹ کی شرح سے 195,599,994 مضاربہ سرٹیفکیٹس میں تقسیم 1,955,999,940 روپے (ایک بلین نو سو پچاس بلین نو سو ننانوے ہزار نو سو چالیس روپے صرف) کی منظوری دیتے ہیں۔

مزید قرار پایا کہ اس کمی کی توثیق -/10 روپے فی سرٹیفکیٹ کی شرح سے 687,990,293 مضاربہ سرٹیفکیٹ کی منسوخی اور خاتمہ کے ذریعے کی جائے گی FTMM کی







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