



# FIRST TREET MANUFACTURING MODARABA

Head Office:

72-B, Industrial Area Kot Lakhpat  
Lahore - 54770, Pakistan.

NTN: 2551646-9 STRN: 03-02-4819-105-55

☎ 042-1111-TREET (87338) 📠 042-35114127

✉ info@ftmm.com 🌐 www.ftmm.com

Dated: March 24, 2025

**The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Karachi.

**Subject: Reduction of Capital of First Treet Manufacturing Modaraba (FTMM)  
pursuant to the De-merger of Battery Division**

Dear Sir,

In compliance with Sections 96 and 131 of the Securities Act, 2015, and Clause 5.6.1 of the Pakistan Stock Exchange Limited Regulations, First Treet Manufacturing Modaraba (FTMM) is pleased to convey the following material information:

Further to our earlier disclosure dated February 3, 2025, regarding the filing of a petition with the Honorable Lahore High Court for the reduction of FTMM's paid-up capital, we are pleased to inform you that FTMM was notified today by its external legal counsel that the certified copy of the Court's order (attached herewith) has been issued, approving the petition for the reduction of paid-up capital.

This favorable outcome marks a key milestone in FTMM's ongoing strategy to optimize its capital structure in alignment with its operational and financial objectives while ensuring compliance with all applicable legal and regulatory requirements.

Any further developments will be duly communicated to certificate holders and the market as required.

You may please inform the TREC holders of the exchange accordingly.

Yours Sincerely,

**For First Treet Manufacturing Modaraba (FTMM)**

Managed by **Treet Holdings Limited**

  
**Zunaira Dar**

Chief Legal Officer and Company Secretary

Copy to: **Registrar (Modaraba Division)**  
Securities and Exchange Commission of Pakistan  
Specialized Companies Division  
5th Floor, NIC Building, Jinnah Avenue, Blue Area,  
Islamabad.



**TREET  
GROUP**



www.treetgroup.com

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**JUDGMENT SHEET**  
**IN THE LAHORE HIGH COURT, LAHORE**  
**JUDICIAL DEPARTMENT**

C.O. No.6537 of 2025

**First Treet Manufacturing Modaraba**  
**Versus**  
**Joint Registrar of Companies, Company Registration Office,**  
**SECP, Lahore**

**J U D G M E N T**

Date of hearing: 12.03.2025.  
Petitioner by: Mr. Muhammad Mussadiq Islam, Advocate.  
Respondent by: Hafiz Talha Haroon, Advocate.

**MUHAMMAD SAJID MEHMOOD SETHI, J.-** Through instant petition under Sections 89 & 92 of the Companies Act, 2017 ("the Act of 2017"), petitioner has sought approval of reduction of paid-up *modaraba* fund / capital of the petitioner from Rs.8,835,902,870/- (PKR Eight Billion Eight Hundred Thirty-Five Million Nine Hundred Two Thousand Eight Hundred Seventy only) to Rs.1,955,999,940/- (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred Ninety-Nine Thousand Nine Hundred Forty only) in terms of the Special Resolutions as set out in para 10, as approved by the petitioner's certificate holders in Annual Review Meeting dated 28.10.2024 under Sections 89 & 92 *ibid* read with Clause 2.1.1. of the Prospectus.

2. Learned counsel for petitioner submits that scheme of arrangement between petitioner and Treet Battery Limited ("TBL") was sanctioned by this Court vide order dated 10.01.2023, passed in C.O. No.4388 of 2022, whereby the battery business and undertaking of petitioner were transferred and vested into TBL. He argues that after sanction of scheme and transfer of battery business as well as undertaking of the TBL, *Modaraba* capital is no longer represented by the available assets of petitioner, therefore, paid up *Modaraba* fund / paid up capital is liable to be reduced. He maintains that petitioner

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Lahore High Court, Lahore



wrote a letter to the Securities & Exchange Commission of Pakistan ("SECP"), which was replied and SECP advised the petitioner to approach the Hon'ble Court for reduction of share capital. He adds that Board of Directors of petitioner, in their meeting, deliberated and approved the proposed reduction of paid up *Modaraba* fund, through resolution dated 28.10.2024 and it will not cause loss to the creditors or certificate holders of the petitioner.

3. The Additional Registrar of Companies, Companies Registration Office, Lahore in the reply has stated its no objection to the acceptance of this petition.

4. After hearing the learned counsel for the parties and examining the record, there does not appear to be any impediment in allowing the petition and confirming the reduction of share capital sought by the petitioner company for which it has passed special resolution in the extraordinary general meeting of the members held on 05.09.2024. The petitioner company has followed the due process. The proposed reduction does not involve any diminution of liability in respect of unpaid share capital. SECP has no objection to the acceptance of this petition.

5. The members of the petitioner company approved the reduction in share capital by passing the following resolution in the Annual Review Meeting held on 28.10.2024:

*"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, Lahore, the certificate holders have been approved 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 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.*

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**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."

6. The record shows that all the process formalities provided by law have been complied with for reduction of the share capital of the petitioner company and that there is no impediment in allowing this petition.

7. For the foregoing reasons, this petition is allowed and the resolution passed by the members of the petitioner company for reduction of share capital is hereby approved in terms of Sections 89 & 150 of the Act of 2017.

(Muhammad Sajid Mehmood Sethi)  
Judge

\*A.P.S.\*

Copy Petition No.: 111354  
Submission Date: 13-3-25  
No of Pages: 6  
Fee (Rs. 1- per Pages):  
Urgent Fee (if any):  
Total Fee (Rs.):  
Date of Completion: 20-3-25  
Date of Delivery: 24/3

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Examiner: NS (Commercial Branch)  
Lahore High Court, Lahore

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Authorized Under Article 87 of  
Qanun-e-Shahadat Order 1984



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BEFORE THE HONOURABLE LAHORE HIGH COURT, LAHORE

C. O. No. 6537 of 2025

In the matter of:

**FIRST TREET MANUFACTURING MODARABA**  
72-B Industrial Area, Kot Lakhpat,  
Lahore

...Petitioner

Versus

9. **JOINT REGISTRAR OF COMPANIES**  
Company Registration Office,  
Securities and Exchange Commission of Pakistan,  
3<sup>rd</sup> Floor, Associated House, 7-Egerton Road,  
Lahore

...Pro forma Respondent

PETITION FOR REDUCTION OF PAID-UP MODARABA FUND / PAID-  
UP CAPITAL UNDER SECTIONS 89 AND 92 AND OTHER ENABLING  
PROVISIONS OF THE COMPANIES ACT, 2017

Respectfully Sheweth:

1. That this Petition seeks the sanction of this Honourable Court, pursuant to Section 89 of the Companies Act, 2017 (the "Act"), read with all other enabling provisions of the Act, for the reduction of paid-up modaraba fund / paid-up capital of the Petitioner as approved by its board of directors and certificate holders through special resolution.
2. That the Petitioner is a Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and is managed by Treet Holdings Limited (the "THL"). The Petitioner was incorporated on July 27, 2005. The registered office of the Petitioner is situated at 72-B Industrial Area, Kotlakhpat, Lahore. The objects of the Petitioner as provided in its prospectus ("Prospectus") includes, *inter alia*, to undertake any kind of manufacturing,

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*[Company Secretary certified list of secured creditors of Petitioner are attached herewith as Annexure G/1 and Company Secretary certified copies of No Objection Certificates from secured creditors are attached herewith as Annexure G/2]*

12. That this Honourable Court has the jurisdiction to adjudicate upon this matter, as the registered office of the Petitioner is situated in Lahore.

13. That it would be just and equitable in the circumstances if the present Petition and reduction of paid-up modaraba fund / capital of the Petitioner is allowed by this Honourable Court and orders passed as prayed for.

It is, therefore, respectfully prayed that this Honourable Court may be pleased:

- i. to approve and effect the reduction of paid-up modaraba fund / capital of the Petitioner from Rs. 8,835,902,870/- (PKR Eight Billion Eight Hundred Thirty-Five Million Nine Hundred Two Thousand Eight Hundred Seventy only) to Rs. 1,955,999,940/- (PKR One Billion Nine Hundred Fifty-Five Million Nine Hundred Ninety-Nine Thousand Nine Hundred Forty only) in terms of the Special Resolutions as set out in paragraph 10, as approved by the Petitioner's certificate holders in Annual Review Meeting dated October 28, 2024, under Sections 89 and 92 of the Act read with Clause 2.1.1. of the Prospectus;
- ii. to pass such further order or orders and to issue all consequential and necessary directions as this Honourable Court may deem fit and proper in the circumstances.

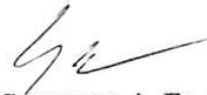
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Any other relief, which this Honorable Court deems proper, may also be graciously granted to the  
Petitioner.



PETITIONER


Through

  
**SHEHZAD A. ELAHI**  
ADVOCATE SUPREME COURT  
BARRISTER-AT-LAW

**SALMAN ZAHEER KHAN**  
ADVOCATE HIGH COURT

  
**MUSSADIQ ISLAM**  
ADVOCATE HIGH COURT

**OMER GHIAS**  
ADVOCATE HIGH COURT

  
**MUHAMMAD YAHYA**  
ADVOCATE HIGH COURT  
NAWA-E-WAQT HOUSE  
4, SHAHRAH-E-FATIMA JINNAH ROAD  
LAHORE

**ATTENDED**  
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As per instructions of my client This is  
the first Petition

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