

Half Yearly Report
for the period ended December 31, 2019



“Today’s
Accomplishments
were Yesterday’s
Impossibilities”

Robert H. Schuller

Treet Corporation Limited

CONTENTS

GOVERNANCE

02	Company Information
05	Directors' Review

CONSOLIDATED FINANCIAL STATEMENTS

07	Condensed Interim Consolidated Balance Sheet (Un-Audited)
08	Condensed Interim Consolidated Profit And Loss Account (Un-Audited)
09	Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
10	Condensed Interim Consolidated Cash Flow Statement (Un-Audited)
12	Condensed Interim Consolidated Statement Of Changes In Shareholders Equity (Un-Audited)
13	Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

UNCONSOLIDATED FINANCIAL STATEMENTS

18	Auditor's Review Report
20	Condensed Interim Balance Sheet (Un-Audited)
21	Condensed Interim Profit And Loss Account (Un-Audited)
22	Condensed Interim Statement of Comprehensive Income (Un-audited)
23	Condensed Interim Cash Flow Statement (Un-Audited)
25	Condensed Interim Statement of Changes in Equity (Un-audited)
26	Notes To The Condensed Interim Financial Information (Un-Audited)

COMPANY INFORMATION

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Syed Sheharyar Ali Muhammad Shafique Anjum Mr. Saulat Said Mr. Imran Azim Mr. Munir K. Bana	Chairperson / Non-Executive Director Chief Executive Officer Independent Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
AUDIT COMMITTEE	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana	Chairman/Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Muhammad Shafique Anjum	Chairman/Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Mohtashim Aftab	
COMPANY SECRETARY	Usman Saleem	
HEAD OF INTERNAL AUDIT	Mr. Muhammad Ali	
EXTERNAL AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants Lahore.	
INCOME TAX CONSULTANTS	Kreston Hyder Bhimji & Co. Chartered Accountants Lahore.	
LEGAL ADVISORS	Salim & Baig, Advocates - Lahore.	
CORPORATE ADVISORS	Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore.	
SHARIAH ADVISOR	Mufti Muhammad Javed Hassan (Only for First Treet Manufacturing Modaraba)	
BANKERS	AL-Barka Bank Pakistan Limited Askari Bank Limited Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited	MCB Bank Limited Meezan Bank Limited MCB Islamic Bank Limited National Bank of Pakistan Sindh Bank Limited Soneri Bank Limited Silk Bank Limited Samba Bank Limited The Bank of Punjab United Bank Limited

COMPANY INFORMATION

REGISTERED OFFICE

72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825
E-mail: info@treetonline.com
Home Page: www.treetonline.com

SHARE REGISTRAR

Corplink (Private) Limited
Wing Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 042-35916714
Fax: 042-35839182

TREET GROUP FACTORIES/ FACTORIES

Head Office:

72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

Blade/Razor:

Hali Road: P.O. Box No. 308, Hyderabad.
Tel: 0223-880846, 883058 & 883174
Fax: 0223-880172

First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)

Battery project

Faisalabad Industrial Estate Development and Management Company
(FIEDMC)M-3 Motorway City, Sahianwala Interchange, Faisalabad.

Packaging Solutions - Corrugation

22- K.M. Ferozpur Road, Kachha Tiba, Rohi Nala,
Lahore. Tel: (042) 8555848

Soap Division

80-K.M. G.T. Road, Gujranwala.

Treet Holdings Limited

(A wholly owned subsidiary of Treet Corporation Limited)

Bike Project

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

Renacon Pharma Limited

18 - k.m., Ferozpur Road, Opp. Nishter Colony, Lahore.
T: [+92 - 42] 35401847, 35401852, 35401851

Institute of Art and Culture

7km Thokar Niaz Baig, Main Raiwind Road Lahore.
+92 42 32590040-7

COMPANY INFORMATION

GROUP COMPANIES

Treet Holdings Limited
First Treet Manufacturing Modaraba
Treet HR Management (Private) Limited
Treet Power Limited
Global Arts Limited
Society for Cultural Education
Renacon Pharma Limited

ADDRESS

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

KARACHI OFFICE

6-B (A-1) Saaed Hai Road, Muhammad Ali Co-operative Society, Karachi.
Tel: 021-34372270-1
Fax: 021-34372272

Directors' Review

It pleases us to present the reviewed financial statements (un-audited) for the period ended December 31st, 2019.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in millions)	Half Year December 31, 2019		Half Year December 31, 2018		% Change	
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	3,455	6,373	3,288	5,625	5.08%	13.30%
Gross Profit	1,116	711	1,074	787	3.91%	-9.66%
Operating Profit/(Loss)	605	(317)	291	(651)	107.90%	51.31%
Profit/(Loss) before Taxation	389	(1,089)	156	(858)	149.36%	-26.92%
Net Profit/(Loss) after taxation	303	(1,190)	131	(896)	131.30%	-32.81%
EPS (in Rupees)	1.80	(6.92)	0.81	(5.41)	122.22%	-27.91%

BUSINESS REVIEW – GROUP RESULTS

For the six-month period, the Group's turnover was Rs. 6,373 million, registering an increase of Rs. 748 million (13.30%) over the same period of previous year. The increase reflects upside in sales of blades, battery and pharmaceutical products.

Segment wise sales is as follows:

Segment	(Rupees in millions)		
	Sales		
	Half Year December 31, 2019	Half Year December 31, 2018	+/- %
Blades	3,397	3,243	4.75%
Soap	455	489	-6.95%
Corrugation	900	904	-0.44%
Trading	58	45	28.89%
Pharmaceutical	243	190	27.89%
Bike	85	156	-45.51%
Battery	1,235	598	106.52%
Total	6,373	5,625	13.30%

For the six months period under review, Operating Loss is Rs. 317 million which shows reduction in loss by 51% over corresponding period last year. Reduction in loss is attributable to increased sales volumes resulted in improvement in absorption of fixed costs, partially offset by depreciation of PKR against USD that caused higher input cost. Loss after tax is Rs. 1,190 million which is 33% higher compared to last year same period. The increase in loss is primarily due to higher financial charges attributable to increase in policy rate along with increased level of borrowing. This level of loss has delivered a negative EPS of Rs. 6.92 per share compared to Rs. 5.41 per share last year same period.

Financial Plan

As already communicated, spin off Battery segment from its subsidiary (First Treet Manufacturing Modaraba) to separate Company (Treet Battery Limited) is in progress. Execution of demerger plan is underway. Currently, regulatory and legal approvals are being sought from Financial Institutions and Regulators. Efforts are being made to improve the cost structure of the Battery project to bring in cost efficiencies along with plans to reduce the leveraging of the project.

Acknowledgements

We place on record our gratitude to our valued customers for their confidence in our products and pledge to provide them the best quality by continually improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

For and on behalf of the Board



Syed Shahid Ali
Chief Executive Officer

LAHORE
February 26, 2020

Consolidated Financial Statements

For the period ended December 31, 2019

Condensed Interim Consolidated Statement of Financial Position (Un-audited)


As At December 31, 2019


	Note	Un-audited December 2019	Audited June 2019
Rupees in '000'			
Property, plant and equipment		17,795,814	17,836,757
Investment property		12,895	12,896
Long term investments		467,099	478,297
Long term loans and deposits		82,690	48,187
Deferred tax asset		-	-
		18,358,498	18,376,137
Current assets			
Stores and spares		291,426	286,834
Stock-in-trade		2,761,992	2,956,983
Trade debts - unsecured considered good		1,261,941	1,235,283
Short term investments		369,641	435,348
Loans, advances, deposits, prepayments and other receivables		2,371,542	2,573,504
Cash and bank balances		232,428	358,990
		7,288,970	7,846,942
Current liabilities			
Current portion of non-current liabilities		-	201,266
Finance under mark-up-arrangements - secured		13,458,433	13,066,427
Trade and other payables		1,866,109	1,777,075
Provision for taxation		373,069	143,611
		15,697,611	15,188,379
Net current assets		(8,408,641)	(7,341,437)
Non-current liabilities			
Long term deposits		4,496	1,214
Deferred liabilities		601,149	547,817
		605,645	549,031
Contingencies and commitments	5	-	-
Net assets		9,344,212	10,485,669
Financed by:			
Issued, subscribed and paid-up capital		1,698,312	1,654,508
Reserves		5,597,242	5,455,651
Unappropriated profit		(2,749,068)	(1,606,263)
Surplus on revaluation of fixed assets		4,633,039	4,642,427
SHARE HOLDERS' EQUITY		9,179,525	10,146,323
Minority Interest		164,687	339,346
		9,344,212	10,485,669

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

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)

For the period ended December 31, 2019


	Note	6 Months ended		Quarter ended	
		July to December 2019	July to December 2018	October to December 2019	October to December 2018
Rupees in '000'					
Revenue and Sales -Net	6	6,372,676	5,625,596	3,021,734	2,911,278
Cost of Goods Sold	7	(5,662,135)	(4,838,268)	(2,893,516)	(2,496,696)
Gross Profit		710,541	787,328	128,218	414,582
Operating expenses :					
- Administrative expenses		(266,021)	(589,902)	(149,658)	(446,449)
- Selling & distribution expenses		(761,564)	(848,142)	(403,772)	(537,951)
		(1,027,585)	(1,438,044)	(553,430)	(984,400)
Operating Profit		(317,044)	(650,716)	(425,212)	(569,818)
Other income		111,575	333,452	100,606	233,462
		(205,469)	(317,264)	(324,606)	(336,356)
Financial expenses		(858,670)	(452,905)	(536,747)	(250,130)
Financial charges: Treet-PTC		-	(85,936)	-	(42,650)
Share of profit of associate		2,117	7,655	2,117	-
		(1,062,022)	(848,450)	(859,236)	(629,136)
Workers' Profit Participation Fund		(26,431)	(8,873)	(16,970)	(7,812)
Workers' Welfare Fund		(541)	(572)	3,448	(362)
		(26,972)	(9,445)	(13,522)	(8,174)
Profit before taxation		(1,088,994)	(857,895)	(872,758)	(637,310)
Taxation					
- Group		(95,993)	(35,911)	(49,560)	(55,716)
- Associated company		(5,023)	(2,609)	(5,023)	-
Profit after taxation		(1,190,010)	(896,415)	(927,341)	(693,026)
Profit attributable to minority interest		37,817	22,206	22,061	17,867
Profit attributable to group		(1,152,193)	(874,209)	(905,280)	(675,159)
Earnings per share from continued operation		(6.92)	(5.41)	(5.43)	(4.18)

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

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2019

	6 Months ended		Quarter ended	
	July to December 2019	July to December 2018	October to December 2019	October to December 2018
	Rupees in '000'			
Profit after taxation	(1,152,193)	(874,209)	(905,280)	(675,159)
Other comprehensive income				
Available for sale financial assets				
Transfer to profit and loss account on disposal	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	(1,152,193)	(874,209)	(905,280)	(675,159)

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

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

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the period ended December 31, 2019

	July to December 2019	July to December 2018
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,088,994)	(857,895)
Adjustments for non-cash items :		
Financial charges for the period	858,670	452,905
Financial charges Treet-PTC	-	85,936
Depreciation on property, plant and equipment	357,709	336,908
Provision for gratuity	23,586	7,415
Provision for superannuation fund scheme	19,752	7,034
Profit on bank deposits	(7,530)	(12,504)
Profit on disposal of investment held for trading	35,276	7,098
Impairment on available for sale Investment transferred from equity	(7,038)	-
Share of profit from associated company	(2,117)	(7,655)
Employees share option scheme (ESOS)	(9,787)	23,593
Dividend income	(856)	(3,783)
Provision for WPPF and WWF	26,972	9,445
(Gain)/Loss on sale of fixed assets	(13,157)	(29,678)
	1,281,480	876,714
Operating profit before working capital changes	192,486	18,819
(Increase) / decrease in operating assets :		
Stores and spares	(4,592)	86,642
Stock-in-trade	194,991	(1,099,811)
Trade debts	(26,658)	(188,159)
Short term investments	30,431	(6,244)
Loans, advances, deposits, prepayments and other receivables	275,305	808,724
	469,477	(398,848)
Increase / (decrease) in operating liabilities		
Trade and other payables	85,371	(275,346)
	747,334	(655,375)
Cash generated from operations	747,334	(655,375)
Financial charges paid	(887,211)	(517,923)
Taxes paid	(73,760)	(90,271)
WPPF and WWF	(1,458)	(1,235)
Payment to gratuity fund	33,351	(19,785)
Payment to superannuation fund	(13,177)	(16,478)
	(942,255)	(645,692)
Net cash from operating activities	(194,921)	(1,301,067)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(385,949)	(543,359)
Proceeds from sale of fixed assets	82,344	46,533
Long term investments	15,330	(964,054)
Long term deposits	(34,503)	(3,462)
Profit received on bank deposits	7,530	12,504
Dividend received	856	3,783
Net cash outflow from investing activities	(314,392)	(1,448,055)

	July to December 2019	July to December 2018
Rupees in '000'		
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	10,346	24,387
Share premium	5,908	24,388
Participation term finance certificates	(6,276)	(5,031)
Long Term Deposits	(19,818)	(105,804)
Dividend paid	585	524
Net cash from financing activities	(9,255)	(61,536)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(518,568)	(2,810,658)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(12,707,437)	(8,582,194)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(13,226,005)	(11,392,852)
	-	-
CASH AND CASH EQUIVALENTS		
Cash and bank balances	232,428	429,985
Finance under mark-up arrangements	(13,458,433)	(11,822,837)
	(13,226,005)	(11,392,852)

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

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of changes in equity


For the period ended December 31, 2019

	Share Capital	Advance against issue of share capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	Surplus on revaluation of land buildings - net of tax	Employee stock option compensation reserve	General Reserve	Unappropriated Profit	Total
	Rupees in '000'									
Balance as on June 30, 2019 as previously reported	1,600,846	-	4,492,923	1,654	511,941	1,301,777	-	266,400	532,119	8,707,660
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(874,209)	(874,209)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(3,149)	-	-	3,149	-
Balance as on December 31, 2018	1,600,846	-	4,492,923	1,654	511,941	1,298,628	-	266,400	(338,941)	7,833,451
Balance as on June 30, 2019	1,654,508	-	4,674,250	(7,462)	511,941	4,642,427	10,522	266,400	(1,606,263)	10,146,323
Shares issued against Treet PTC by way of conversion	33,458	-	138,432	-	-	-	-	-	-	171,890
Issuance of of shares under employee share option scheme (ESOS)	10,346	-	5,908	-	-	-	-	-	-	16,254
Reversal of Expenses under ESOS	-	-	-	-	-	-	(9,787)	-	-	(9,787)
Reversal of impairment	-	-	-	7,038	-	-	-	-	-	7,038
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(1,152,193)	(1,152,193)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(9,388)	-	-	9,388	-
Balance as on December 31, 2019	1,698,312	-	4,818,590	(424)	511,941	4,633,039	735	266,400	(2,749,068)	9,179,525

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

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2019

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited (THL)

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

Society for Cultural Education (SCE)

Renacon Pharma Limited (RPL)

Treet Battery Limited (TBL)

- 1.1 Treet Corporation Limited (the holding Company) was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Act, 1913. Its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the holding company is to manufacture and sell razors and razor blades along with other trading activities. The registered office of the holding company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.2 Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Global Econo Trade Limited commenced its commercial operations from 01 January 2005. The principal activity of the company is the business of manufacturing and sale of bikes. The company was converted into Public Limited Company (unlisted), and the name and objects of the company have also been changed from that of Global Econo Trade (Private) Limited to Treet Holdings Limited w.e.f June 03, 2015 after complying with the legal formalities. Its registered office is situated at 72 - B, Industrial Area Kot Lakhpat, Lahore.
- 1.3 First Treet Manufacturing Modaraba ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.
- 1.4 Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.
- 1.5 Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. The company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited - an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2019

- 1.6 Treet Power Limited was incorporated on 20 November 2007 in Pakistan as an unquoted Public Limited Company under the Companies Ordinance, 1984. At present Treet Power Limited is planning to set up an electric power generation project for generating, distribution and selling of electric power. Its registered office is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.7 Society for Cultural Education (SCE) is a Society registered under the Societies Registration Act, XXI of 1860, and having its Registered/Head Office at, 72-B, Kotlakhpat Industrial Area, Lahore. Object clauses include to establish, construct, run, maintain and manage schools, professional schools and colleges, universities, coaching classes, offices, libraries, information centers and other institutions for imparting moral, academic and technical education to children and adults and to promote and encourage the study of all arts, sciences, culture, history and general knowledge, subject to necessary permissions from regulatory bodies, if any and to take over running business of, or affiliate with or obtain affiliation from, any universities, colleges, schools, educational institutes, information centers and/or any other institutions etc.

Treet Corporation Limited is entitled to nominate 70% of the members as well as governing body of the Society. The remaining members are to be nominated by PSV (Private) Limited another Company that is being governed by Professor Pervaiz Vandal and Professor Sajida H. Vandal who are veterans of this field and renowned for their contribution towards Culture and Art.

SCE, being a body corporate, is a subsidiary of the Company in terms of Section 3 of the Companies Ordinance, 1984, since Company is entitled to nominate majority of the governing body of SCE and pursuant to directions given by Securities and Exchange Commission of Pakistan vide letter no. EMD/233/613/2002-826 dated February 24, 2016. Company is circulating the balance sheet and a statement of expenditure pertaining to SCE along with the Financial Statements of the Company.

- 1.8 Renacon Pharma Limited (RPL) was incorporated on 07 July 2009 as a Private Limited Company under the Companies Ordinance, 1984. The company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The Company engaged in the business of manufacturing of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines. Treet Corporation Limited has acquired 58.16% equity stake in the company on 18 January 2017. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.
- 1.8 Treet Battery Limited was incorporated on 22 February 2019 in Pakistan under the Companies Act, 2017 and in the process of initiating its operations by the period end. The Company will carry out business as manufacturers, assemblers, processors, producers, suppliers, sellers, importers, exporters, makers, fabricators and dealers in all batteries including but not limited to lead acid batteries, deep cycle batteries, lithium batteries, nickel cadmium batteries, nickel metal hydride batteries, absorbed glass mat (AGM) batteries, Gel batteries used in or required for industrial, transport, commercial and domestic and any other purpose. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2019.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2019.

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2019.

5 CONTINGENCIES AND COMMITMENTS

There is no material change in the position of contingent liabilities since the last audited published financial statements.

	6 Months ended		Quarter year ended	
	July to December 2019	July to December 2018	October to December 2019	October to December 2018
Rupees in '000'				
6. SALES - Net				
Blades	3,397,207	3,243,085	1,705,336	1,683,470
Soaps	454,329	489,362	183,584	264,936
Packaging products	900,116	904,303	402,879	491,611
Batteries	1,234,786	598,272	516,603	245,582
Motor bike project	84,922	155,964	47,005	78,188
Trading operation	58,219	44,473	32,576	35,018
Pharmaceutical products	243,097	190,137	133,751	112,473
	6,372,676	5,625,596	3,021,734	2,911,278
7. COST OF GOODS SOLD				
Blades	(2,279,980)	(2,035,562)	(1,351,643)	(1,010,822)
Soaps	(393,925)	(438,225)	(165,964)	(239,929)
Packaging products	(929,325)	(844,302)	(451,441)	(444,556)
Batteries	(1,738,107)	(1,179,574)	(763,660)	(610,963)
Motor bike project	(90,182)	(164,077)	(49,858)	(79,619)
Trading operation	(35,976)	(29,004)	(17,433)	(21,912)
Pharmaceutical products	(194,640)	(147,524)	(93,517)	(88,895)
	(5,662,135)	(4,838,268)	(2,893,516)	(2,496,696)

8. TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

	6 Months ended	
	July to December 2019	July to December 2018
Rupees in '000'		
Purchases and services received	202,917	145,734
Goods sold and services rendered	177	-

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2019

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on February 26, 2020.

10. SOCIETY FOR CULTURAL EDUCATION

CONDENSED INTERIM BALANCE SHEET (Un-audited)

As At December 31, 2019

	December 2019	June 2019
	Rupees in '000'	
CURRENT ASSETS		
Stock-in-trade	963	314
Loans, advances, deposits, prepayments and other receivables	2,532	3,718
Cash and bank balances	12,550	32,106
	16,045	36,138
CURRENT LIABILITIES		
	20,854	3,027
NET CURRENT ASSETS	(4,809)	33,111
NET ASSETS	(4,809)	33,111
FINANCED BY:		
Donations / members' contribution	463,980	450,765
Net expenses incurred	(468,789)	(417,654)
SHARE HOLDERS' EQUITY	(4,809)	33,111

CONDENSED INTERIM STATEMENT OF EXPENSES (Un-audited)

For the period ended December 31, 2019

	6 Months ended		Quarter year ended	
	July to December 2019	July to December 2018	October to December 2019	October to December 2018
	Rupees in '000'			
Fees and revenue	69,210	33,495	26,292	19,419
Profit on bank deposits	1,889	1,246	851	896
Other income	7			
	71,106	34,741	27,143	20,315
Less:				
Salaries, wages and other benefits	98,437	93,945	45,826	53,694
Fuel and power	6,878	4,189	3,760	1,527
Repairs and maintenance - Vehicles	89	79	29	70
Repairs and maintenance - Others	7,911	4,450	4,228	2,596
Rent, rates and taxes	1,335	252	324	127
Insurance	999	1,840	161	1,690
Advertising	317	21,653	57	2,941
Traveling and conveyance	1,964	1,662	901	740
Entertainment	15	823	15	478
Postage and telephone	1,821	391	572	292
Printing and stationery	2,157	2,792	956	223
Legal and professional charges	110	58	18	-
Computer expenses	5	494	(6)	377
Subscription	24	-	16	-
Bank charges	-	(27)	-	(28)
Others	179	296	99	93
	122,241	132,897	56,956	64,820
Net expenses taken to balance sheet	(51,135)	(98,156)	(29,813)	(44,505)

11 GENERAL

11.1 Amounts have been rounded off to thousand rupees.

LAHORE
February 26, 2020

 Syed Shahid Ali
 Chief Executive Officer


 Muhammad Mohtashim Aftab
 Group Chief Financial Officer


 Muhammad Shafique Anjum
 Director

Independent Auditor's Review Report to the members of Treet Corporation Limited

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Treet Corporation Limited ("the Company")** as at 31 December 2019 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows, and notes to condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2019 and 31 December 2018, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Mr. Kamran Iqbal Yousafi

Lahore
February 26, 2020


KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statements

For the period ended December 31, 2019


Condensed Interim Unconsolidated Statement of Financial Position (Un-audited)

As at 31 December 2019


	Note	Un-audited December 2019 (Rupees in thousand)	Audited June 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,188,524	6,125,918
Investment property		12,896	12,896
Intangible asset		17,492	21,704
Long term investments	6	6,211,299	6,204,687
Long term loans		477	1,973
Long term security deposits		22,894	23,644
		12,453,582	12,390,822
Current assets			
Stores and spares		184,084	193,513
Stock-in-trade		874,798	898,201
Trade debts		478,288	287,846
Short term investments		379,949	431,865
Loans, advances, deposits, prepayments and other receivables	7	8,229,483	7,507,794
Cash and bank balances		459,999	198,581
		10,606,601	9,517,800
LIABILITIES			
Current liabilities			
Current portion of redeemable capital		-	178,166
Short term borrowings		9,324,106	8,755,727
Trade and other payables		841,852	624,455
Unclaimed dividend		13,240	13,240
Accrued mark-up		296,808	390,371
Provision for taxation		152,790	95,945
		10,628,796	10,057,904
Net current assets		(22,195)	(540,104)
Non-current liabilities			
Long term deposits		1,214	1,214
Redeemable capital	8	-	-
Deferred liabilities - Employee retirement benefits		545,021	481,508
Deferred taxation		42,805	13,959
		589,040	496,681
Contingencies and commitments	9	-	-
		11,842,347	11,354,037
Represented by:			
Authorized capital			
250,000,000 (30 June 2019: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
150,000,000 (30 June 2019: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		4,000,000	4,000,000
Issued, subscribed and paid-up capital			
Reserves	10	1,698,313	1,654,508
Fair value reserve on investment		5,086,629	4,952,077
Unappropriated profit		-	(7,038)
Surplus on revaluation of land & building - net of tax		1,215,272	904,360
		3,842,133	3,850,130
		11,842,347	11,354,037

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)


For the period ended December 31, 2019


	Note	6 Months ended		Quarter ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		(Rupees in thousand)		(Rupees in thousand)	
Revenue	11	3,455,426	3,287,558	1,737,912	1,650,908
Cost of revenue		(2,339,007)	(2,213,370)	(1,392,190)	(1,166,906)
Gross profit		1,116,419	1,074,188	345,722	484,002
Administrative expenses		(208,429)	(312,344)	(111,522)	(181,973)
Distribution cost		(302,966)	(470,022)	(104,544)	(271,416)
		(511,395)	(782,366)	(216,066)	(453,389)
Operating Profit		605,024	291,822	129,656	30,613
Finance cost		(584,010)	(343,273)	(298,118)	(193,825)
Financial charges - PTCs		-	(85,945)	-	(42,659)
		(77,907)	(24,400)	(64,457)	(23,546)
		(661,917)	(453,618)	(362,575)	(260,030)
Other income		445,866	318,048	436,319	301,862
Profit before taxation		388,973	156,252	203,400	72,445
Taxation		(86,058)	(24,830)	(40,177)	(51,553)
Profit after taxation		302,915	131,422	163,223	20,892
Earnings per share - basic and diluted	(Rupees)	1.80	0.81	0.97	0.13

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2019

	6 Months ended		Quarter ended	
	31 December 2019 (Rupees in thousand)	31 December 2018	31 December 2019 (Rupees in thousand)	31 December 2018
Profit after taxation for the period	302,915	131,422	163,223	20,892
Other comprehensive income				
Items that are or may be subsequently reclassified to statement of profit or loss	-	-	-	-
Total comprehensive income for the period	302,915	131,422	163,223	20,892

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the period ended December 31, 2019


	31 December 2019	31 December 2018
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	388,973	156,252
Adjustments for non-cash items :		
Finance cost	584,010	429,218
Amortization on intangible asset	4,212	4,189
Depreciation on property, plant and equipment	137,669	121,394
Employee stock option (reversal) / charge for the period	(9,788)	23,593
Provision for gratuity	21,985	14,829
Provision for superannuation fund	19,028	14,067
Profit on bank deposits	(3,468)	(2,980)
Unrealized exchange loss/(gain)	2,982	6,854
Unrealized (gain) / loss on investments at 'fair value through profit or loss'	(8,939)	11,545
Dividend income	(856)	(3,782)
Provision for workers' profit participation fund (WPPF)	20,735	8,229
Provision for workers' welfare fund (WWF)	5,000	-
Interest on advances to the subsidiary company	(366,153)	(240,242)
Gain on disposal of long term investment	(707)	(1,277)
Gain on sale of property, plant and equipment	(12,359)	(10,446)
	393,351	375,191
Operating profit before working capital changes	782,324	531,443
(Increase) / decrease in current assets :		
Stores and spares	9,429	8,985
Stock in trade	23,403	(230,392)
Trade debts	(192,205)	6,557
Loans, advances, deposits, prepayments and other receivables	(314,724)	(63,923)
	(474,097)	(278,773)
Increase / (decrease) in current liabilities:		
Trade and other payables	249,078	(262,863)
	557,305	(10,193)
Income tax paid	(40,812)	(45,809)
WPPF paid	-	(8,235)
Finance cost paid	(677,573)	(447,779)
Payment to gratuity fund	(24,049)	(7,473)
Payment to superannuation fund	(12,453)	(12,370)
Long term loans - net	1,496	(2,131)
Long term security deposits - net	750	-
	(752,641)	(523,797)
Net cash used in operating activities	(195,336)	(533,990)

	31 December 2019	31 December 2018
	(Rupees in thousand)	
	Note	
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(208,876)	(301,096)
Proceeds from sale of property, plant and equipment	20,960	16,953
Proceeds from disposal of long term investments	1,133	8,852
Short term investments - net	60,855	(12,794)
Profit received on bank deposits	3,468	2,980
Dividend received	856	3,782
Net cash used in investing activities	(121,604)	(281,323)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital under ESOS	16,255	48,774
Loan from Chief Executive Officer - interest free, unsecured	49,745	(340,000)
Redemption of participation term certificates	(6,276)	(6,273)
Short term borrowings - net	293,852	887,267
Net cash generated from financing activities	353,576	589,768
Net decrease in cash and cash equivalents	36,636	(225,545)
Cash and cash equivalents at beginning of the period	(5,864,758)	(4,871,733)
Cash and cash equivalents at end of the period	12 (5,828,122)	(5,097,278)

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)


For the period ended December 31, 2019


	Capital Reserve			Revenue Reserves					Total
	Share Capital	Share Premium	Capital Reserve	Surplus on revaluation of land buildings - net of tax	Employee Stock Option Compensation Reserve	Fair value reserve on investment	General Reserve	Unappropriated Profit	
(Rupees in thousand)									
Balance as at 01 July 2018	1,600,846	4,493,199	629	1,266,047	-	(7,038)	266,400	702,303	8,322,386
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	131,422	131,422
Other comprehensive income	-	-	-	-	-	-	-	-	-
								131,422	131,422
Incremental depreciation relating to surplus on revaluation of building - net of tax	-	-	-	(4,468)	-	-	-	4,468	-
Transactions with owners of the Company, contributions and distributions									
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	143,869	-	-	-	-	-	-	173,144
Issuance of shares under employee stock option scheme - note 15	24,387	24,387	-	-	-	-	-	-	48,774
Recognition of fair value charge of share based payments - note 15	-	-	-	-	23,593	-	-	-	23,593
Transfer to share premium on issuance of share under employee stock option scheme - note 15	-	13,071	-	-	(13,071)	-	-	-	-
Balance as on December 31, 2018 - unaudited	1,654,508	4,674,526	629	1,261,579	10,522	(7,038)	266,400	838,193	8,699,319
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	151,205	151,205
Other comprehensive income	-	-	-	2,593,027	-	-	-	(89,464)	2,503,563
				2,593,027				61,741	2,654,768
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	(4,426)	-	-	-	4,426	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	(50)	-	-	-	-	(50)
Balance as at 30 June 2019 - audited	1,654,508	4,674,526	629	3,850,130	10,522	(7,038)	266,400	904,360	11,354,037
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	302,915	302,915
Other comprehensive income	-	-	-	-	-	-	-	-	-
								302,915	302,915
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	(7,997)	-	-	-	7,997	-
Transactions with owners of the Company, contributions and distributions									
Conversion of PTCs into ordinary shares @ 0.08 share per PTC	33,458	138,432	-	-	-	-	-	-	171,890
Issuance of shares under employee stock option scheme - note 15	10,347	5,908	-	-	-	-	-	-	16,255
Reversal of expense under employee stock option scheme	-	-	-	-	(9,788)	-	-	-	(9,788)
Recognition of fair value charge of share based payments - note 15	-	-	-	-	-	-	-	-	-
Transfer to share premium on issuance of share under employee stock option scheme - note 15	-	-	-	-	-	-	-	-	-
Reversal of fair value loss on short term investments	-	-	-	-	-	7,038	-	-	7,038
Balance as on 31 December 2019 - unaudited	1,698,313	4,818,866	629	3,842,133	734	-	266,400	1,215,272	11,842,347

The annexed notes 1 to 17 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2020


Syed Shahid Ali
Chief Executive Officer


Muhammad Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

1. STATUS AND NATURE OF THE BUSINESS

Treet Corporation Limited ("the Company") was incorporated in Pakistan on 22 January 1977 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

2. BASIS OF PREPARATION

These unconsolidated 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 are notified under the provisions of the Companies Act, 2017
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2019 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and are un-audited but subject to limited scope review by external auditors as required by Code of Corporate Governance.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2019, whereas comparative unconsolidated profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the three months and six months period ended 31 December 2018.

3. ESTIMATES

The preparation of these condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2019.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2019 except for the adoption of new standards effective as of 01 July 2019 as stated below:

4.1 Change in significant accounting policies

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual periods beginning on or after 01 July 2019. There are other new standards which are effective from 01 July 2019 but they do not have a material effect on the Company's condensed interim unconsolidated financial statements. The detail of new significant accounting policy adopted and the nature and effect of the changes from previous accounting policy are set out below:

4.1.1 IFRS 16 'Leases'

"IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Adoption of this standards has no material impact on the condensed interim unconsolidated financial statements for the period six month ended on 31 December 2019."

4.2 Other than those disclosed above in note 4.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Standard or interpretation	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 3 - Business Combinations – Definition of a Business	01 January 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2020
- Amendments to References to Conceptual Framework in IFRS Standards	01 January 2020
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	01 January 2020

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

	Note	(Un-audit- ed) 31 December 2019 (Rupees in thousand)	(Audited) 30 June 2019
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,476,939	5,315,007
Capital work-in-progress		711,585	810,911
		6,188,524	6,125,918

5.1 Operating fixed assets

Opening net book value		5,315,007	2,539,328
Additions during the period/ year	5.2	308,202	412,418
Revaluation surplus during the period/ year		-	2,614,542
Disposals during the period/ year - net book value	5.2	(8,601)	(15,245)
Depreciation charged during the period/ year		(137,669)	(236,036)
Closing net book value		5,476,939	5,315,007

5.2 The following additions and disposals have been made during the six months period ended 31 December 2019:

	Additions at cost (Rupees in thousand)	Disposals at net book value
Buildings	51,436	-
Plant and machinery	217,537	-
Furniture and fixtures	11,795	
Computer and equipment	1,056	155
Vehicles	26,378	8,446
	308,202	8,601

	Note	(Un-audit- ed) 31 December 2019 (Rupees in thousand)	(Audited) 30 June 2019
6. Long term investments			
In equity instruments of subsidiaries - at cost	6.1	6,040,603	6,040,603
In equity instruments of Associate - at cost	6.2	162,529	162,529
Fair value through OCI	6.3	8,167	1,555
		6,211,299	6,204,687

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

		(Un-audit- ed) 31 December 2019 (Rupees in thousand)	(Audited) 30 June 2019
6.1 In equity instruments of subsidiaries - at cost			
Treet Holdings Limited - unquoted			
61,101,712 (30 June 2019: 61,101,712) fully paid ordinary shares of Rs. 10 each	6.1.1	611,017	611,017
Equity held: 85.93 % (30 June 2019: 85.93 %)			
Chief Executive Officer - Syed Shahid Ali			
First Treet Manufacturing Modaraba - quoted			
170,851,700 (30 June 2019: 171,224,700) fully paid certificates of Rs. 10 each	6.1.2	3,417,441	3,417,441
Equity held: 87.35 % (30 June 2019: 87.54 %)			
Chief Executive Officer - Syed Shahid Ali			
Global Arts Limited - unquoted			
160,540,320 (30 June 2019: 160,540,320) fully paid ordinary shares of Rs. 10 each	6.1.3	1,605,403	1,605,403
Equity held: 88.76 % (30 June 2019: 88.76 %)			
Chief Executive Officer - Syed Shahid Ali			
Renacon Pharma Limited - unquoted			
28,342,800 (30 June 2019: 28,342,800) fully paid ordinary shares of Rs. 10 each	6.1.4	406,742	406,742
Equity held: 45.45 % (30 June 2019: 45.45 %)			
Chief Executive Officer - Dr. Salman Shakoh			
		6,040,603	6,040,603

6.1.1 The Company directly owns 85.93% (30 June 2019: 85.93%) equity interest in Treet Holdings Limited while the remaining 14.07% (30 June 2019: 14.07%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited .

6.1.2 The Company directly owns 87.35% (30 June 2019: 87.35%) equity interest in First Treet Manufacturing Modaraba ("FTMM") while 10.02% (30 June 2019: 10.02%) equity interest is indirectly owned through the Company's subsidiary, Treet Holdings Limited.

On 21 January 2019, the Board of the Directors of the Modaraba Management Company has decided in their meeting to spin off the battery segment into a new company named as Treet Battery Limited after complying with the necessary legal requirements in this regard.

6.1.3 The Company directly owns 88.76% (30 June 2019: 88.76%) equity interest in Global Arts Limited while the remaining 11.24% (30 June 2019: 11.24 %) equity interest is indirectly owned through the Company's subsidiaries, Treet Holdings Limited (wholly owned) and Renacon Pharma Limited.

6.1.4 Renacon Pharma Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 45.45% (30 June 2019: 45.45%) equity interest in RPL and 10.39% (30 June 2019: 10.39%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

		(Un-audited) 31 December 2019 (Rupees in thousand)	(Audited) 30 June 2019
6.2	In equity instruments of Associate - at cost		
	Loads Limited - quoted		
	18,895,057 (30 June 2019: 18,895,057) fully paid ordinary shares of Rs. 10 each	6.2.1 162,529	162,529
	Equity held: 12.49 % (30 June 2019: 12.49 %)		
	Chief Executive Officer - Munir K. Bana		
		162,529	162,529

6.2.1 The Company's investment in Load Limited is less than 20% but it is considered to be an associate as per the requirements of IAS - 28 "Investments in Associates" because the Company has significant influence over its financial and operating policies through representation on the Board.

6.3 Fair value through OCI

Techlogix International Limited			
711,435 (30 June 2019: 748,879) fully paid ordinary shares of par value of USD 0.00015.		8,167	8,593
Equity held: 0.67 % (30 June 2019: 0.71 %)			
Less: Provision for impairment		-	(7,038)
		8,167	1,555

6.3.1 The Company directly owns 0.67% (30 June 2019: 0.71%) equity interest in Techlogix International Limited. The decrease in equity interest is due to sale of 37,444 shares during the period at Rs. 30.27 per share.

7. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes advance amounting to Rs. 7,189.74 million (30 June 2019: Rs. 6,497.90 million) to First Treet Manufacturing Modarba ("FTMM"), subsidiary company, and is receivable on demand. The amount is advanced to FTMM for the on going Battery Project out of the short term running finance facilities availed by the Company. Markup is calculated at average borrowing rate of the Company. It also includes receivable on account of reimbursement of expenses, sharing of common expenses and purchase of goods under normal business trade as per the agreed terms and are interest free.

8. REDEEMABLE CAPITAL

The Company issued 41,822,250 Participation Term Certificates ("PTCs") of Rs. 30 each on 04 Oct 2012 to existing shareholders in the ratio of 1 PTC for every 1 ordinary share held amounting to Rs. 1,255 million. The PTCs are listed on Pakistan Stock Exchange. The term of PTCs is seven years. The principal amount of PTCs is reduced through redemption (in cash and through mandatory share conversion) each year. The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum (pre-agreed price of Rs. 59.14 per share) from year 2013 to year 2018 and 0.08 share per PTC (pre-agreed price of Rs. 51.38 per share) for year 2019. Shares issued through conversion are rank parri passu with existing shares. During the period, PTC's has been fully redeemed and the Company has issued 3.35 million ordinary shares to the PTC holders as per redemption/conversion scheme.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2019.

9.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 93.75 million (30 June 2019: Rs. 244.19 million).

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	31 December 2019 (Number of shares)	30 June 2019	(Un-audited) 31 December 2019 (Rupees in thousand)	(Audited) 30 June 2019
Ordinary shares of Rs. 10 each fully paid-up in cash	89,793,463	89,793,463	897,935	897,935
Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 10.2	22,006,165	18,660,385	220,061	186,602
Ordinary shares of Rs. 10 each fully issued as bonus shares	52,420,143	52,420,143	524,201	524,201
Issuance of shares against employee share options scheme - note 10.3	5,611,551	4,576,951	56,116	45,770
	169,831,322	165,450,942	1,698,313	1,654,508

10.1 Loads Limited, an associated company, holds 8,741,438 (30 June 2019: 8,741,438) ordinary shares of Rs. 10 each representing 5.28% (30 June 2019: 5.28%) of the paid up capital of the Company.

10.2 Under the terms of conversion as referred in note 8, the Company, during the period, issued 3.35 million (30 June 2019: 2.93 million) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.08 shares per PTCs at a pre agreed price of Rs 51.38 per share resulting in premium of Rs. 138.43 million. (30 June 2019: Rs. 143.87 million).

10.3 Under the terms of the scheme as referred in note 15, the Company, during the period, issued 1.03 million fully paid ordinary shares to eligible employees. The shares were issued at the exercise price of Rs. 15.71 per share resulting in premium of Rs. 5.98 million.

11 Revenue

In the following table, revenue from contracts with customers is disaggregated by major products and service line, primary geographical markets and timing of revenue recognition.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

	(Un-audited) 6 Months ended		(Un-audited) Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in thousand)		(Rupees in thousand)	
11.1 Major Product / Service Line				
Blades and Razors				
Export sales	1,171,872	1,115,954	623,189	565,493
Local sales - gross	2,704,061	2,583,711	1,318,329	1,295,840
Less: Sales tax	(423,928)	(410,820)	(205,351)	(209,572)
Less: Trade discount	(54,798)	(45,761)	(30,831)	(27,974)
	2,225,335	2,127,130	1,082,147	1,058,294
Trading income				
Sale of batteries - gross	2,058	15,431	-	5,601
Less: Sales tax	(299)	(2,224)	-	(796)
Less: Trade discount	(264)	(1,197)	-	(693)
	1,495	12,010	-	4,112
Sale of Chemicals - gross	66,548	38,004	38,275	26,938
Less: Sales tax	(9,682)	(5,540)	(5,634)	(3,929)
Less: Sales tax	(142)	-	(65)	-
	56,724	32,464	32,576	23,009
	3,455,426	3,287,558	1,737,912	1,650,908
11.2 Primary Geographical Markets				
Asia	3,388,190	3,249,499	1,697,800	1,624,717
Africa	18,034	22,370	7,313	15,284
Australia	28	2,086	-	-
Europe	11,820	5,911	5,151	3,254
US	37,354	7,692	27,648	7,653
	3,455,426	3,287,558	1,737,912	1,650,908
11.3 Timing of revenue recognition				
Products transferred at point in time	3,455,426	3,287,558	1,737,912	1,650,908
			(Un-audited) 31 December 2019	(Un-audited) 31 December 2018
			(Rupees in thousand)	
12. CASH AND CASH EQUIVALENTS				
Cash and bank balances			459,999	156,734
Short term running finance - secured			(6,288,121)	(5,254,012)
			(5,828,122)	(5,097,278)

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

- 13.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2019.
- 13.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair value through OCI	Fair value through profit loss	Carrying Amount		Fair Value						
			Trade and other receivables	Cash and cash equivalents	Other	Total	Level 1	Level 2	Level 3	Total	
31 December 2019 - (Un-audited)											
Financial assets measured at fair value											
Long term investments	8,167	-	-	-	-	-	-	-	8,167	-	8,167
Short term investments	-	379,949	-	-	-	379,949	379,949	-	-	-	379,949
	8,167	379,949	-	-	-	388,116	379,949	-	-	8,167	388,116
Financial assets not measured at fair value											
Long term deposits	-	-	22,894	-	-	22,894	-	-	-	-	-
Trade debts -- unsecured, considered good	-	-	478,288	-	-	478,288	-	-	-	-	-
Advances, deposits and other receivables	-	-	7,427,643	-	-	7,427,643	-	-	-	-	-
Cash and bank balances	-	-	459,999	459,999	-	459,999	-	-	-	-	-
	-	-	7,928,825	459,999	-	8,388,824	-	-	-	-	-
Financial liabilities measured at fair value											
Financial liabilities not measured at fair value											
Short term borrowing	-	-	-	-	9,324,106	9,324,106	-	-	-	-	-
Trade and other payables	-	-	-	-	570,877	570,877	-	-	-	-	-
Accrued mark up	-	-	-	-	296,808	296,808	-	-	-	-	-
Long term deposits	-	-	-	-	1,214	1,214	-	-	-	-	-
Redeemable capital	-	-	-	-	10,193,005	10,193,005	-	-	-	-	-

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

	Carrying Amount			Fair Value					
	Fair value through OCI	Fair value through profit loss	Trade and other receivables and cash equivalents	Other	Total	Level 1	Level 2	Level 3	Total
30 June 2019 - (Audited)									
Financial assets - measured at fair value									
Long term investments	1,555	-	-	-	1,555	-	-	1,555	1,555
Short term investments	-	431,865	-	-	431,865	431,865	-	-	431,865
	1,555	431,865	-	-	433,420	431,865	-	1,555	433,420
Financial assets - not measured at fair value									
Long term security deposits	-	-	23,644	-	23,644	-	-	-	-
Trade debts	-	-	287,846	-	287,846	-	-	-	-
Advances, prepayments and other receivables	-	-	6,827,427	-	6,827,427	-	-	-	-
Cash and bank balances	-	-	198,981	-	198,981	-	-	-	-
	-	-	7,138,917	-	7,137,498	-	-	-	-
Financial liabilities - measured at fair value									
Financial liabilities - not measured at fair value									
Short term borrowings	-	-	-	8,755,727	8,755,727	-	-	-	-
Trade and other payables	-	-	-	496,865	496,865	-	-	-	-
Accrued mark-up	-	-	-	390,371	390,371	-	-	-	-
Long term deposits	-	-	-	1,214	1,214	-	-	-	-
Redeemable capital	-	-	-	178,166	178,166	-	-	-	-
	-	-	-	9,822,343	9,822,343	-	-	-	-

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprised over short term and their carrying amounts approximate their fair value.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Transactions with related parties	Relationship	Nature of transactions	6 Months period ended	
			31 December 2019	31 December 2018
(Rupees in thousand)				
Subsidiaries				
Treet HR Management	Subsidiary Co. (100% Equity Held)	Purchase of services Expenses incurred	7,500 -	7,500 6,860
First Treet Manufacturing Modaraba	Subsidiary Co (87.35% Equity held)	Expenses incurred	36,025	(158,856)
		Funds transferred - net	271,656	245,794
		Purchase of goods	9,782	12,448
		Rental income	17,500	18,000
Treet Holdings Limited	Subsidiary Co. (85.93% Equity held)	Interest on advances to the subsidiary company	366,153	240,241
		Expenses incurred	12,692	9,709
		Funds transferred - net	(54,040)	(30,396)
		Purchase of bikes Rental Income	2,506 500	5,874 550
Global Arts Limited	Subsidiary Co. (88.76% Equity held)	Funds transferred - net	7,000	52,000
Society for Cultural Education	Subsidiary Co.	Donation	12,785	109,831
Renacon Pharma Limited	Subsidiary Co. (45.45% direct holding) (10.39% indirect holding)	Funds transferred - net	-	(17)
		Expenses incurred	29,866	(5,571)

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

Transactions with related parties	Relationship	Nature of transactions	Six Months period ended	
			31 December 2019	31 December 2018
(Rupees in thousand)				
II Related parties				
Packages Limited	Common directorship	Purchase of goods	81,066	40,753
		Sale of goods	110	-
Bulleh Shah Packaging (Pvt) Limited	Common directorship	Purchase of services	-	14,428
		Sale of goods	-	76
IGI Insurance Limited	Common directorship	Purchase of services	19,922	30,512
Loads Limited	Common directorship	Expenses incurred	-	683
		Finance cost paid - PTCs	7,802	7,527
Cutting Edge (Pvt) Limited	Common directorship	Purchase of services	1,290	1,287
Elite Brands Limited	Common directorship	Sale of goods	216,337	231,319
Liaquat National Hospital	Common directorship	Sale of goods	42	27
III Post employment benefit plans				
Superannuation fund		Contribution	19,028	14,067
Provident fund		Contribution	8,628	16,189
Service fund		Contribution	9,009	8,382
Housing fund		Contribution	23,586	8,766
Gratuity fund		Contribution	21,985	14,829
Benevolent Fund		Contribution	2,171	2,095
Superannuation fund II		Contribution	2,704	2,623
IV Key Management Personnel				
		Salaries and other employee benefits	164,018	321,126
		Repayment of Loan received from CEO	46,225	340,000
		Proceeds from loan received from CEO	96,000	-
		Share options granted - note 15		

All transactions with related parties have been carried out on mutually agreed terms and conditions.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

15. EMPLOYEE STOCK OPTION SCHEME

The Company has granted share options to its employees under the Treet Corporation Limited - Employee Stock Options Scheme, 2015 ("the scheme") as approved by the shareholders and the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/CIW/ESOS/02/2014 dated 19 February 2015.

Under the Scheme, the Company may grant options to eligible employees selected by the Board Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise prices determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital of the Company (as increased from time to time). Further the grant of options in any one calendar year exceeding 3% of the paid up capital shall require approval of the shareholders. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a exercise price determined on the date of grant of options. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of two years of grant date if not exercised.

The details of the share options granted under the scheme together with the status as at 31 December 2019 is as follows:

	Granted in the year 2019	Granted in the year 2018 (* Modified October 2019)	Granted in the year 2017 (Modified October 2018)
	(Rupees in thousand)		
Original grant date	17 July 2019	30 July 2018	14 July 2017
Modified grant` date		28 October 2019	26 October 2018
Options issued	4,962	4,769	4,259
Options no longer in issue	N/A	N/A	-
Options vested	N/A	4,769	4,259
Options exercised	N/A	1,035	2,439
Shares issued under the scheme	N/A	1,035	2,439
Original exercise price per share	15.71	35.44	66.45
Market value per share at grant date	12.81	35.60	51.53
Option discount per share at grant date	(2.90)	0.16	(14.92)
Modified exercise price per share	N/A	15.71	20.00
Market value per share at modified grant date	N/A	15.06	25.36
Option discount per share at modified grant date	N/A	(0.65)	5.36
Options issued to key management personnel	1,138	2,416	2,003
Options exercised by key management personnel	N/A	504	1,334

* The shareholders of the Company in their Annual General Meeting held on 28 October 2019 through a special resolution approved re-pricing of 4,768,700 options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial price of Rs. 35.44 per share to the revised price of Rs. 15.71 per share, without any change or modification in the vesting period, exercise period or any other specific terms and condition under which such options have been granted. The revised price of Rs. 15.71 per share was determined by the Board of Directors in their meeting held on 04 October 2019.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2019

16. DATE OF AUTHORIZATION

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2020..

17. GENERAL

- 17.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 17.2 No significant re-arrangements or re-classification have been made in these condensed interim unconsolidated financial statements.
- 17.3 All figures, except for 30 June 2019, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
February 26, 2020



Syed Shahid Ali
Chief Executive Officer



Muhammad Mohtashim Aftab
Group Chief Financial Officer










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Director










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