



2015

HALF YEARLY
REPORT



TREET GROUP OF COMPANIES

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TREET GROUP OF COMPANIES

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Company Information

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Syed Sheharyar Ali Mr. Imran Azim Mr. Munir K. Bana Mr. Saulat Said Mr. Muhammad Shafique Anjum Dr. Salman Faridi	Chairperson Chief Executive Officer (Nominee National Investment Trust) (Nominee Loads Limited)
BOARD AUDIT COMMITTEE	Dr. Salman Faridi Mr. Munir K. Bana Mr. Imran Azim	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Mr. Muhammad Shafique Anjum Dr. Salman Faridi Mr. Amir Zia Mr. Jahangir Bashir	Chairman Member Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Amir Zia	
COMPANY SECRETARY	Rana Shakeel Shaukat	
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 Iftikhar Baig (Only for First Treet Manufacturing Modaraba)	

BANKERS	<p>AL-Baraka Bank Limited Askari Bank Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Habib Bank Limited JS Bank Limited Meezan Bank Limited NIB Bank Limited SilkBank Limited Soneri Bank Limited Summit Bank Limited United Bank Limited</p>	<p>Allied Bank Limited Bank Alfalah Limited Burj Bank Limited Faysal Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan SAMBA Bank Limited SINDH Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab</p>
REGISTERED OFFICE	<p>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</p>	
SHARE REGISTRAR	<p>Corplink (Private) Limited Wing Arcade, 1-K Commercial, Model Town, Lahore. Tel: 042-35916714 Fax: 042-35839182</p>	
TREET GROUP FACTORIES	<p>72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825</p> <p>Hali Road: P.O. Box No. 308, Hyderabad. Tel : 0223-880846, 883058 & 883174 Fax: 0223-880172</p> <p>First Treet Manufacturing Modaraba (Managed by Treet Holdings Limited)</p> <p>Packaging Solutions - Corrugation 22- K.M. Ferozepur Road, Kachha Tiba, Rohi Nala, Lahore. Tel: (042) 8555848</p> <p>Soap Division 80-K.M. G.T. Road, Gujranwala.</p>	

GROUP COMPANIES / OFFICES

Treet Holdings Limited (formerly Global Econo Trade Limited)
(A wholly owned subsidiary of Treet Corporation Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)
Principal Place of Business:
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

Treet HR Management (Private) Limited
(A wholly owned subsidiary of Treet Holdings Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

Treet Power Limited
(A wholly owned subsidiary of Treet Holdings Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

Global Arts Limited
(A wholly owned subsidiary of Treet Corporation Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

KARACHI OFFICE

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

Directors' Review

The directors of your Company are pleased to present a brief of operations and financial results of your Company for the half year ended December 31, 2015.

Financial Performance

Following is the summary of comparative financial results*

*More fruitful comparison is between consolidated results of this year with corresponding period last year due to following reasons:

- Treet Holdings Limited (THL) is wholly owned subsidiary of your Company.
- Your Company and THL virtually hold 100% certificates of FTMM.
- Intra- company sales within Treet Group are Inter- Stock Transfer from Treet Group's perspective.
- Like wise Intra- company services within Treet Group are set-off in consolidation

Half Year Ended						
(Rupees in thousand)	December 31, 2015		December 31, 2014		% Change	
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	2,181,881	3,710,736	2,039,619	3,493,561	6.97%	6.22%
Gross Profit	618,286	819,320	564,531	735,320	9.52%	11.42%
Operating Profit	91,138	213,068	122,899	204,652	-25.84%	4.11%
Net Profit after taxation	35,019	107,430	67,247	86,061	-47.92%	24.83%
EPS (in Rupees)	0.27	0.88	1.29	1.65		

The Company's posted profit after tax (consolidated) at Rs. 107.430 million is increased by 24.83% against Rs. 86.061 million in the corresponding period of the last year. Sales performance is described below:

SEGMENT-WISE SALES

Rs. in 000	2015-2016						
	D/E+ Bonded	Soap	Corrugation	Paper & Board	Motorbike	Battery	Total
Sales	2,114,806	483,206	941,763	-	103,886	67,075	3,710,736
Inter-Company / Segment Sales	-	-	19,477	-	-	-	19,477
	2,114,806	483,206	961,240	-	103,886	67,075	3,730,213
Rs. in 000	2014-2015						
	D/E+ Bonded	Soap	Corrugation	Paper & Board	Motorbike	Battery	Total
Sales	2,039,619	412,587	889,580	17,347	151,775	-	3,510,908
Inter-Company / Segment Sales	-	-	27,499	78,375	-	-	105,874
	2,039,619	412,587	917,079	95,722	151,775	-	3,616,782
Sales Growth %	3.69%	17.12%	4.82%	-100.00%	-31.55%		3.14%

- Blade/disposable business maintained its volumes in local and export markets;
- Soaps sales volumes showed excellent growth during the period;
- Corrugation maintained its sales volume during the period;
- Paper & Board operations discontinued its operation in September 2014;
- Motor Cycle is being revamped to get the desired results
- Your Company has started trading of "Lead Acid Batteries". Ultimate plan of the Company is to manufacture and sell the high quality "lead acid batteries" for vehicles / UPS. Construction of the plant and import of the plant and machinery is underway. Company has entered into arrangement with the Daewoo International to use the brand name of "Daewoo". Your Company is planning to establish its lead acid batteries, market before the launch of its batteries.

Production

The production of razor/ blades from Lahore and Hyderabad comes to 824.44 million blades as compared to 843.35 million blades produced in the same period of the last year, registering a decrease of 2.24%.

Accrual of Profit on Participation Term Certificates (TCLTC) based on half yearly consolidated results:

The following accrual of profit is being made on TCLTC on the basis of half yearly results:

PAY-OFF MATRIX :		Calculation of Category "B" Payment	
Profit * from	Profit* to	Payoff % on Excess Amount of profit	
-	179,500,000	NIL	
179,500,001	250,000,000	72% of amount exceeding Rs. 179,500,000.00	
250,000,001	350,000,000	Rs.50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00	
350,000,001	450,000,000	Rs.75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00	
450,000,001	550,000,000	Rs.95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00	
550,000,001	650,000,000	Rs.110,760,000.00 and 10% amount exceeding Rs. 550,000,000.00	
650,000,001	and above	Rs.120,760,000.00 and 5 % of amount exceeding Rs. 650,000,000.00	

	Rs.in 000		Rs.in 000
Consolidate Profit*	301,628	Extrapolated Profit for the full Year	603,256

*Profit means Consolidate Profit before Tax, WPPF/ WWF and Financial Charges on account of any payment or accrual made for TCLTCs

	Rs. In 000	Rs. Per TCLTC
Category "B" Payment (Additional Profit in Cash)	116,086	2.78
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	289,230	6.92
Financial Charges accrued for the period i.e. 6 months	144,615	3.46

PAY-OFF MATRIX (PER TCLTC):		Based on Extrapolated Profit for the Full Year			
Principal Redemption in Cash	Minimum Profit Payment in Cash	Minimum Payment in Cash	Category "B" Payment (Additional Profit in Cash)	Total Profit in Cash	Total Payment in Cash
(1)	(2)	(3) = (1) + (2)	(4)	(5) = (2) + (4)	(6) = (1) + (5)
0.15	4.14	4.29	2.78	6.92	7.07

However, this is accrual based on quarterly consolidated results extrapolated for full year; actual payment will be made on following dates according to actual full year results ending on June 30, 2016.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the fourth year* will be as follows:

Year	Book Closure Dates (both days inclusive)		Entitlement Date	Minimum Payment in Cash Date	Allotment Date for Conversion	Category "B" Payment (in Cash) Date
	From	To		under Category "A" Payment		
2016	11-10-2016	17-10-2016	09-10-2016	02-11-2016	02-11-2016	02-11-2016

*[as mentioned in the Prospectus of Participation Term Certificate (TCLTC) and extract from it [pertaining to fourth year] is reproduced here]

Apart from the "Total Payment in Cash", TCLTC holders [who will be entitled on October 09, 2016] will also get Ordinary Shares of the Company on the following basis:

PRINCIPAL REDEMPTION THROUGH CONVERSION			
Principal Redemption Through Conversion	No. of Share Through Conversion	Conversion Price Per Share	The Conversion price per share is for information/ accounting / taxation purpose. No further amount will be paid by the PTC holders. <i>This is the opportunity cost of the principal value of PTC forgone to get One additional Ordinary Share of the Company</i>
4.14	0.07	59.14	

Example: Thus holder of 1,000 TCLTCs will get 70 Ordinary Shares of the Company on or before November 02, 2016 vis-à-vis principal value of Rs. 4,140/- forgone.

Extraordinary General Meeting

Extraordinary General Meeting (EOGM) of the shareholders of the Company will be held on February 27, 2016 to pass the resolutions concerning "Educational Project". Notice of EOGM with Statement u/s 160 (i) (b) of the Companies Ordinance, 1984 regarding the special business is already dispatched to the shareholders.

Battery Project


Land has been acquired, letter of credits for the machinery have been opened. Civil work is about to begin. It is expected that production will be started at end of December 2016.

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 in 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.

LAHORE
February 26, 2016


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Consolidated Financial Statements

For the period ended December 31, 2015

Condensed Interim Consolidated Balance Sheet (Un-Audited)


As At December 31, 2015

	December 2015 Un-audited	June 2015 Audited
Note	(Rupees in thousand)	
Property, plant and equipment	5,277,465	4,174,580
Investment property	28,100	28,100
Long term investments	277,424	260,765
Long term loans and deposits	45,082	46,345
Deferred tax asset	13,757	18,649
	5,641,828	4,528,439
Current assets		
Stores and spares	262,774	221,793
Stock-in-trade	1,313,552	1,286,841
Trade debts - unsecured considered good	516,856	482,818
Short term investments	630,910	844,102
Loans, advances, deposits, prepayments and other receivables	979,088	836,690
Cash and bank balances	2,872,935	2,790,287
	6,576,115	6,462,531
Current liabilities		
Current portion of non-current liabilities	179,417	179,417
Finance under mark-up-arrangements - secured	1,663,654	1,806,375
Trade and other payables	675,471	923,875
Provision for taxation	84,494	61,006
	2,603,036	2,970,673
Net current assets	3,973,079	3,491,858
Net Assets	9,614,907	8,020,297
FINANCED BY:		
Issued, subscribed and paid-up capital	1,378,043	2,961,119
Reserves	4,694,464	1,314,473
Unappropriated profit	1,351,233	1,371,939
SHARE HOLDERS' EQUITY	7,423,740	5,647,531
Minority Interest	3,349	2,388
Participation term finance certificates	536,999	716,417
Surplus on revaluation of fixed assets	1,323,404	1,330,483
Long term deposits	198,202	169,843
Deferred liabilities	129,213	153,635
Contingencies and commitments	5	-
	9,614,907	8,020,297

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

LAHORE
February 26, 2016


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Profit And Loss Account (Un-Audited)

For the period ended December 31, 2015

	Note	Quarter ended		6 Months ended	
		October to December 2015	October to December 2014	July to December 2015	July to December 2014
		Rupees in '000'		Rupees in '000'	
Revenue and Sales -Net	6	1,772,540	1,713,394	3,710,736	3,493,561
Cost of Goods Sold	7	(1,340,523)	(1,392,193)	(2,891,416)	(2,758,241)
Gross Profit		432,017	321,201	819,320	735,320
Operating expenses :					
- Administrative expenses		(82,614)	(44,901)	(153,432)	(89,659)
- Selling & distribution expenses		(225,242)	(247,563)	(452,820)	(441,009)
		(307,856)	(292,464)	(606,252)	(530,668)
Operating Profit		124,161	28,737	213,068	204,652
Other income		(75,981)	46,769	92,457	104,626
		48,180	75,506	305,525	309,278
Financial expenses		(15,840)	(33,385)	(28,438)	(52,838)
Financial charges Treet-PTC		(66,254)	(63,382)	(144,615)	(136,278)
Share of profit of associate		9,091	16,500	24,541	16,500
		(24,823)	(4,761)	157,013	136,662
Workers' Profit Participation Fund		1,062	(179)	(4,139)	(3,903)
Workers' Welfare Fund		(113)	(67)	(240)	(1,479)
		949	(246)	(4,379)	(5,382)
Profit before taxation		(23,874)	(5,007)	152,634	131,280
Taxation					
- Group		(25,317)	4,861	(37,322)	(6,171)
- Associated company		(2,928)	(3,279)	(7,882)	(3,279)
Profit / (Loss) from continuing operation		(52,119)	(3,425)	107,430	121,830
Profit / (Loss) from discontinued operation	10	-	21,850	-	(35,769)
Profit after taxation		(52,119)	18,425	107,430	86,061
Earnings per share from continuing operation		(0.38)	0.35	0.88	2.34
Earnings per share from discontinued operation		-	-	-	(0.69)

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

LAHORE
February 26, 2016


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 2015

	Quarter ended		6 Months ended	
	October to December 2015	October to December 2014	July to December 2015	July to December 2014
	Rupees in '000'		Rupees in '000'	
Profit after taxation	(52,210)	18,368	107,209	85,967
Other comprehensive income				
Available -for -sale financial assets				
Fair value adjustment	-	(2)	-	(2)
	-	(2)	-	(2)
Total comprehensive income for the period	(52,210)	18,366	107,209	85,965
Attributable to:				
-Continuing operations	(52,210)	18,366	107,209	121,734
-Discontinued operation	-	-	-	(35,769)
	(52,210)	18,366	107,209	85,965

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

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

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended December 31, 2015

	July to December 2015	July to December 2014
Rupees in '000'		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	152,634	95,511
Adjustments for non-cash items :		
Financial charges for the period	28,438	52,838
Financial charges Treet-PTC	144,615	136,278
Depreciation on property, plant and equipment	107,269	99,975
Provision for gratuity	11,087	7,411
Provision for superannuation fund scheme	20,304	6,789
Profit on bank deposits	(74,229)	(16,491)
Profit on disposal of investment held for trading	(4,513)	(10,095)
Profit on disposal of available for sale investment	9,716	(52,689)
Unrealized (gain) / loss on short term investments	(13,552)	(18,152)
Share of profit from associated company	(24,541)	(16,500)
Dividend income	(2,018)	(4,501)
Provision for WPPF and WWF	4,379	5,382
(Gain)/Loss on sale of fixed assets	(5,298)	30,346
	201,657	220,591
Operating profit before working capital changes	354,291	316,102
(Increase) / decrease in operating assets :		
Stores and spares	(40,981)	(23,410)
Stock-in-trade	(26,711)	(316,092)
Trade debts	(34,038)	58,923
Short term investments	231,257	27,457
Loans, advances, deposits, prepayments and other receivables	(106,693)	(113,209)
	22,834	(366,331)
Increase / (decrease) in operating liabilities		
Trade and other payables	(104,753)	(99,041)
Cash generated from operations	272,372	(149,270)
Financial charges paid	(321,009)	(323,596)
Taxes paid	(55,267)	(2,864)
WPPF and WWF	16,915	4,358
Payment to gratuity fund	(28,992)	(24,480)
Payment to superannuation fund	(26,821)	(13,759)
	(415,174)	(360,341)
Net cash from operating activities	(142,802)	(509,611)

	July to December 2015	July to December 2014
Rupees in '000'		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,214,971)	(599,015)
Proceeds from sale of fixed assets	10,115	136,354
Long term investments	(9,716)	62,840
Long term deposits	1,263	10,028
Profit received on bank deposits	68,679	16,491
Dividend received	2,018	4,394
Net cash outflow from investing activities	(1,142,612)	(368,908)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	809,261	-
Share premium	814,519	-
Participation term finance certificates	(6,283)	(6,272)
Long Term Deposits	28,359	939
Dividend paid	(135,073)	(102,153)
Net cash from financing activities	1,510,783	(107,486)
NET INCREASE IN CASH AND CASH EQUIVALENTS	225,369	(986,005)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	983,912	(134,605)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,209,281	(1,120,610)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,872,935	754,831
Finance under mark-up arrangements	(1,663,654)	(1,875,441)
	1,209,281	(1,120,610)

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

Condensed Interim Consolidated Statement Of Changes In Shareholders Equity (Un-Audited)
For the period ended December 31, 2015

	Share Capital	Advance against issue of share capital	Capital Reserve	Statutory Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
	Rupees in '000'							
Balance as on June 30, 2014	510,231	-	591,952	252,091	266,400	(1,658)	1,275,337	2,894,353
Shares issued against Treet PTC by way of conversion	29,276	-	143,869	-	-	-	-	173,145
Total comprehensive income for the period	-	-	-	-	-	(2)	85,967	85,965
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	18,511	18,511
Final dividend for the year ended June 30, 2014 @ Rs. 2 per share	-	-	-	-	-	-	(102,111)	(102,111)
Balance as on December 31, 2014	539,507	-	735,821	252,091	266,400	(1,660)	1,277,704	3,069,863
Balance as on June 30, 2015	539,507	2,421,612	735,821	313,436	266,400	(1,184)	1,371,939	5,647,531
Shares issued against Treet PTC by way of conversion	29,275	-	143,860	-	-	-	-	173,135
Issuance of shares by way of right	809,261	(2,421,612)	3,236,131	-	-	-	-	1,623,780
Total comprehensive income for the period	-	-	-	-	-	-	107,209	107,209
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	7,079	7,079
Final dividend for the year ended June 30, 2015 @ Re. 1 per share	-	-	-	-	-	-	(134,994)	(134,994)
Balance as on December 31, 2015	1,378,043	-	4,115,812	313,436	266,400	(1,184)	1,351,233	7,423,740

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



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2015

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited (formerly Global Econo Trade Limited)

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM) (Formerly TCL Labor-Hire company (Private) Limited)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

- 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 Karachi, Lahore and Islamabad Stock Exchanges (subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange). 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.

Treet Holdings Limited (formerly Global Econo Trade 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.

First Treet Manufacturing Modaraba is a multi purpose, perpetual and multi dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 on 27 July 2005 and rules framed there under and is managed by Global Econo Trade (Private) Limited, incorporated in Pakistan under the Companies Ordinance, 1984 and registered with registrar of Modaraba Companies. Its registered office is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. First Treet Manufacturing Modaraba is listed on Lahore Stock Exchange (subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange). It is engaged in the manufacture and sale of corrugated boxes and soaps.

Treet HR Management (Private) Limited Limited) was incorporated in Pakistan on September 18, 2006 as a private company limited by shares 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 lakh pat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited (Formerly Global Econo Trade Limited), which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Global Art Limited was incorporated in Pakistan on October 26, 2007 as a private company limited by shares 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 (Private) 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 Information (Un-Audited)

For the period ended December 31, 2015

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.

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 2015.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984."

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 2015.

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 2015.

5. CONTINGENCIES AND COMMITMENTS

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

	Quarter year ended		6 Months ended	
	October to December 2015	October to December 2014	July to December 2015	July to December 2014
	Rupees in '000'		Rupees in '000'	
6. SALES - Net				
Blades	978,690	1,018,310	2,114,806	2,039,619
Soaps	225,751	201,238	483,206	412,587
Packaging products	473,597	442,976	941,763	889,580
Motorbike project	49,759	73,878	103,886	151,775
Battery Trading	44,743	-	67,075	-
	1,772,540	1,736,402	3,710,736	3,493,561
7. COST OF GOODS SOLD				
Blades	(658,202)	(746,866)	(1,494,024)	(1,462,433)
Soaps	(175,270)	(169,983)	(374,209)	(348,870)
Packaging products	(418,713)	(403,552)	(836,229)	(728,053)
Paper and board	-	3,305	-	(67,787)
Battery Trading	(37,081)	-	(53,892)	-
Motor bike project	(51,257)	(71,247)	(133,062)	(151,098)
	(1,340,523)	(1,388,343)	(2,891,416)	(2,758,241)

Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2015

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 2015	July to December 2014
	Rupees in '000'	
Purchases and services received	111,530	112,516
Goods sold and services rendered	109	47

9. This un-audited condensed interim financial information was authorized for issue by the board of directors on February 26, 2016.

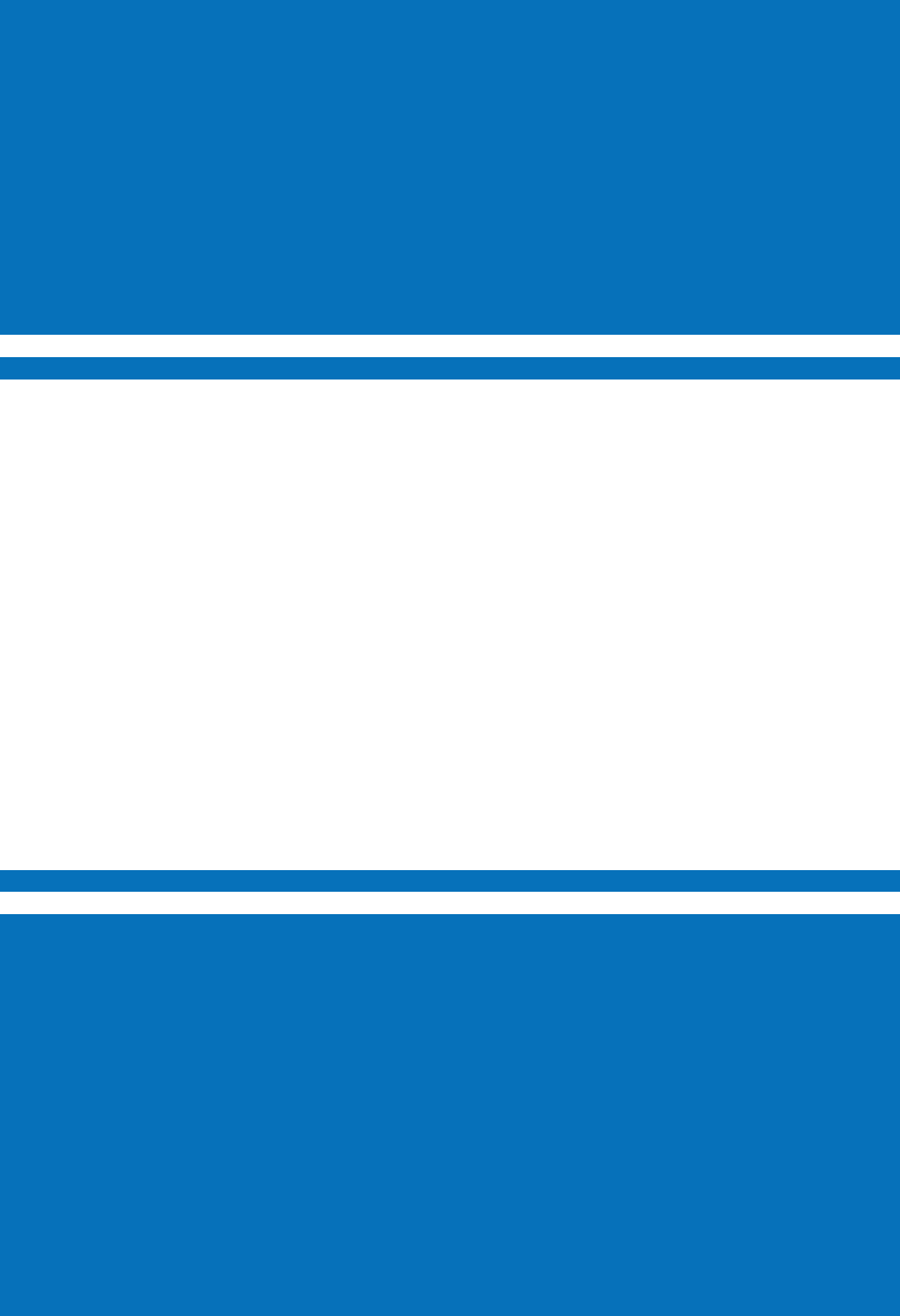
10. DISCONTINUED OPERATIONS

The profit and loss account of the discontinued paper business is as follows:

	Quarter year ended		6 Months ended	
	October to December 2015	October to December 2014	July to December 2015	July to December 2014
	Rupees in '000'		Rupees in '000'	
Revenue and Sales -Net	-	-	-	17,347
Cost of Goods Sold	-	(3,850)	-	(23,081)
Gross Profit	-	(3,850)	-	(5,734)
Operating expenses :				
- Administrative expenses	-	599	-	521
- Selling & distribution expenses	-	3,851	-	3,507
	-	4,450	-	4,028
Operating Profit	-	600	-	(1,706)
Other operating expenses	-	(600)	-	(34,063)
Net Loss from discontinued operations	-	-	-	(35,769)

11. GENERAL

Amounts have been rounded off to thousand rupees.



Financial Statements

For the period ended December 31, 2015

Auditors' Review Report on Condensed Unconsolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Treet Corporation Limited** ("the Company") as at 31 December 2015 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended ("the condensed interim unconsolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 information 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 condensed interim unconsolidated financial information as of and for the six months period ended 31 December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

The figures for the quarters ended 31 December 2015 and 31 December 2014 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Lahore

Date: February 26, 2016


KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Condensed Interim Unconsolidated Balance Sheet (Un-Audited)


As At December 31, 2015

	Note	December 2015 Un-audited (Rupees in thousand)	June 2015 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,732,658	2,738,935
Investment property		28,100	28,100
Long term investments	6	5,328,401	2,323,499
Long term loans		1,235	1,379
Long term deposits		16,403	14,261
Deferred tax asset		25,844	30,734
		8,132,641	5,136,908
Current assets			
Stores and spares		211,239	172,250
Stock-in-trade		811,085	732,744
Trade debts		70,027	67,985
Short term investments		541,116	633,300
Loans, advances, deposits, prepayments and other receivables		852,495	803,051
Cash and bank balances		663,150	2,568,077
		3,149,112	4,977,407
LIABILITIES			
Current liabilities			
Short term borrowings		1,663,654	1,806,375
Current portion of long term liabilities		179,417	179,417
Trade and other payables		367,476	430,799
Accrued mark-up on short term borrowings		154,452	302,408
Provision for taxation		64,409	37,068
		2,429,408	2,756,067
Net current assets		719,704	2,221,340
Non-current liabilities			
Long term deposits		569	600
Redeemable capital	7	536,999	716,417
Deferred Liabilities		129,213	153,635
		666,781	870,652
Contingencies and commitments	8		
		8,185,564	6,487,596
Represented by:			
Authorized capital			
150,000,000 (2015: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
10,000,000 (2015: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		1,600,000	1,600,000
Issued, subscribed and paid-up capital	9	1,378,043	539,507
Reserves		4,383,123	1,002,221
Advance against issue of shares		-	2,421,612
Unappropriated profit		1,141,543	1,235,295
Shareholders' equity		6,902,709	5,198,635
Surplus on revaluation of property - net of tax		1,282,855	1,288,961
		8,185,564	6,487,596

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 26, 2016


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-Audited)

For the period ended December 31, 2015

	Note	Six Months ended		Quarter ended	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
		Rupees in '000'		Rupees in '000'	
Sales -Net	10	2,181,881	2,039,619	1,023,433	1,018,433
Cost of sales		(1,563,595)	(1,475,088)	(703,816)	(754,397)
Gross Profit		618,286	564,531	319,617	264,036
Administrative expenses		(135,788)	(74,470)	(68,152)	(38,041)
Distribution expenses		(391,360)	(367,162)	(191,539)	(214,072)
		(527,148)	(441,632)	(259,691)	(252,113)
Operating Profit		91,138	122,899	59,926	11,923
Finance cost		(28,196)	(52,731)	(15,672)	(33,277)
Financial charges - PTCs		(144,615)	(136,278)	(66,254)	(63,382)
		(172,811)	(189,009)	(81,926)	(96,659)
Other income		152,464	143,938	(5,212)	88,261
		70,791	77,828	(27,212)	3,525
Workers' Profit Participation Fund (WPPF)		(3,540)	(3,891)	1,360	(176)
Workers' Welfare Fund (WWF)		-	(1,479)	-	(67)
		(3,540)	(5,370)	1,360	(243)
Profit /(Loss) before taxation		67,251	72,458	(25,852)	3,282
Taxation		(32,232)	(5,211)	(22,714)	4,851
Profit/(Loss) after taxation		35,019	67,247	(48,566)	8,133
Earnings/(loss) per share - basic and diluted (Rupees)		0.27	(Restated) 0.84	(0.37)	(Restated) 0.10

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 26, 2016


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 2015

	Six Months ended		Quarter year ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	Rupees in '000'		Rupees in '000'	
Profit/(Loss) after taxation for the period	35,019	67,247	(48,566)	8,133
Other comprehensive income				
Items that are or may be subsequently reclassified to profit or loss account:				
Unrealized loss on available for sale investments	-	(2)	-	(2)
Total comprehensive income/(Loss) for the period	35,019	67,245	(48,566)	8,131

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Cash Flow Statement (Un-Audited)

For the period ended December 31, 2015

Note	31 December 2015	31 December 2014
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	67,251	72,458
Adjustments for non-cash items :		
Finance cost	172,811	189,009
Depreciation on property, plant and equipment	90,404	81,559
Provision for gratuity	16,384	7,411
Provision for superannuation fund	13,830	6,789
Profit on bank deposits	(58,160)	(5,237)
Unrealized exchange gain	(1,517)	(372)
Unrealized loss/(gain) on investments at 'fair value through profit or loss'	14,548	(19,899)
Dividend income	(74,651)	(44,811)
Profit on disposal of long term investments	-	(52,689)
Provision for WPPF	3,540	5,370
Gain on sale of property, plant and equipment	(5,298)	(3,279)
	171,891	163,851
Operating profit before working capital changes	239,142	236,309
(Increase) / decrease in current assets :		
Stores and spares	(38,989)	(58,395)
Stock-in-trade	(78,341)	(123,418)
Trade debts	(525)	286,189
Short term investments	77,636	28,925
Loans, advances, deposits, prepayments and other receivables	(24,043)	(65,205)
	(64,262)	68,096
Decrease in current liabilities:		
Trade and other payables	(63,323)	(123,801)
Cash generated from operations	111,557	180,604
Finance cost paid	(320,767)	(323,489)
Income tax paid	(42,432)	(23,498)
WPPF refund	13,490	4,702
Payment to gratuity fund	(34,289)	(24,480)
Payment to superannuation fund	(20,347)	(13,759)
	(404,345)	(380,524)
Net cash used in operating activities	(292,788)	(199,920)

	31 December 2015	31 December 2014
Note	Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(88,944)	(69,849)
Proceeds from sale of property, plant and equipment	10,115	5,581
Long term investments	(3,004,902)	(837,158)
Long term loans and deposits	(1,998)	(4,142)
Interest received	58,160	5,237
Dividend received	74,651	44,811
Net cash used in investing activities	(2,952,918)	(855,520)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits - net	(31)	75
Proceeds from issue of share capital	1,624,691	-
Redemption of participation term certificates	(6,283)	(6,273)
Short term borrowings - net	(242,281)	-
Dividend paid	(134,877)	(102,083)
Net cash generated from / (used in) financing activities	1,241,219	(108,281)
Net decrease in cash and cash equivalents	(2,004,487)	(1,163,721)
Cash and cash equivalents at the beginning of the period	(1,824,482)	(350,218)
Cash and cash equivalents at the end of the period	11 (180,005)	(1,513,939)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-Audited)

For the period ended December 31, 2015

	Capital Reserves					Revenue Reserves			Total
	Share Capital	Advance against issue of share capital	Share Premium	Capital Reserve	Fair Value Reserve	General Reserve	Unappropriated Profit		
	Rupees in '000'								
Balance as at 30 June 2014 - audited	510,231	-	591,323	629	48	266,400	1,227,609	2,596,240	
Total comprehensive income for the period							67,247	67,247	
Profit for the period					(2)			(2)	
Other comprehensive income					(2)		67,247	67,245	
Incremental depreciation relating to surplus on revaluation of property - net of tax							6,106	6,106	
Transactions with owners of the Company, recognized directly in equity									
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,276		143,869					173,145	
Final cash dividend @ 20% for the year ended 30 June 2014							(102,046)	(102,046)	
Balance as on December 31, 2014 - unaudited	539,507	-	735,192	629	46	266,400	1,198,916	2,740,690	
Total comprehensive income for the period							37,869	37,869	
Profit for the period					(46)		(7,498)	(7,544)	
Other comprehensive income					(46)		30,371	30,325	
Incremental depreciation relating to surplus on revaluation of property - net of tax							6,008	6,008	
Transactions with owners of the Company, recognized directly in equity									
Advance against issue of shares received		2,421,612						2,421,612	
Balance as at 30 June 2015 - audited C/F	539,507	2,421,612	735,192	629	-	266,400	1,235,295	5,198,635	



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

LAHORE
February 26, 2016

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-Audited)

For the period ended December 31, 2015

	Capital Reserves					Revenue Reserves			Total
	Share Capital	Share Premium	Capital Reserve	Fair Value Reserve	General Reserve	Unappropriated Profit			
	Advance against issue of share capital								
Balance as at 01 July 2015 - audited B/F	539,507	2,421,612	735,192	629	-	266,400	1,235,295	5,198,635	
Total comprehensive income for the period							35,019	35,019	
Profit for the period									
Other comprehensive income									
Incremental depreciation relating to surplus on revaluation of property - net of tax							6,106	6,106	
Transactions with owners of the Company, recognized directly in equity							18,511	18,511	
Issuance of shares by way of right / Share subscription received	809,261	(2,421,612)	3,237,042	-	-	-	-	1,624,691	
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	-	143,860	-	-	-	-	173,135	
Final cash dividend @ 10% for the year ended 30 June 2015	-	-	-	-	-	-	(134,877)	(134,877)	
Balance as on December 31, 2015 - unaudited	1,378,043	-	4,116,094	629	-	266,400	1,141,543	6,902,709	

Rupees in '000'

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

LAHORE
February 26, 2016

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

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 Company's Act, 1913. Its shares are listed on Pakistan Stock Exchange (subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange). The principal activity of the Company is manufacturing and sale of razors and razor blades. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

The condensed interim unconsolidated financial information for six months period ended 31 December 2015 has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

This condensed interim unconsolidated financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Except for note 3.2, the accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2015. The Company has adopted IFRS 13 'Fair Value Measurement' during the period which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' is disclosed in notes 3.2 and 12 to this condensed interim unconsolidated financial information.

3.2 Change in accounting policy

IFRS 13 Fair value measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result the Company has added additional disclosures in this regard in note 12 to the condensed interim unconsolidated financial information. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

4. ESTIMATES

The preparation of this 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 financial statements for the year ended 30 June 2015.

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

		(Un-audited) 31 December 2015	(Audited) 30 June 2015
	Note	Rupees in '000'	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,450,255	2,436,882
Capital work-in-progress		282,403	302,053
		2,732,658	2,738,935
5.1 Operating fixed assets			
Opening net book value		2,436,882	2,455,710
Additions during the period / year	5.2	108,594	152,051
Revaluation surplus during the period / year		-	-
Disposals during the period / year - net book value	5.2	(4,817)	(6,215)
Depreciation charged during the period / year		(90,404)	(164,664)
Closing net book value		2,450,255	2,436,882

5.2 The following additions and disposals have been made during the six months period ended 31 December 2015:

	Acquisitions at Cost	Disposals at Book value
	Rupees in '000'	
Land	13,923	-
Plant and machinery	62,557	901
Furniture and fixtures	1,847	269
Computer and equipment	2,588	109
Vehicles	27,679	3,538
	108,594	4,817

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

		(Un-audited)	(Audited)
		31 December	30 June
	Note	2015	2015
		Rupees in '000'	
6 INVESTMENTS			
In equity instruments of subsidiaries- at cost	6.1	5,164,317	2,159,415
In equity instruments of Associate- at cost	6.2	162,529	162,529
Available for sale - at cost	6.3	1,555	1,555
		5,328,401	2,323,499
6.1 In equity instruments of subsidiaries - at cost			
Treet Holdings Limited - unquoted 61,101,712 (30 June 2015: 34,999,972) fully paid ordinary shares of Rs. 10 each Equity Held: 85.93 % (30 June 2015: 77.7 %)		611,017	350,000
First Treet Manufacturing Modaraba - quoted 175,745,700 (30 June 2015: 117,149,871) fully paid ordinary shares of Rs. 10 each Equity Held: 89.85 % (30 June 2015: 89.84 %)		3,515,332	1,171,499
Global Arts Limited - unquoted 103,796,831 (30 June 2015: 63,791,582) fully paid ordinary shares of Rs. 10 each Equity Held: 91.13 % (30 June 2015: 86.33 %)		1,037,968	637,916
		5,164,317	2,159,415
6.1.1 During the period, First Treet Manufacturing Modaraba, Treet Holdings Limited and Global Arts Limited made a right issue which was fully subscribed by the Company. The increase in investment is due to subscribing 58.6 million ordinary shares of First Treet Manufacturing Modaraba at Rs. 40 per share and having face value of Rs. 10 per share, 26.1 million ordinary shares of Treet Holdings Limited at face value of Rs. 10 per share and 40 million ordinary shares of Global Arts Limited at face value of Rs. 10 per share.			
6.2 This represents investment in Loads Limited, an associated company. The Company holds 15,615,750 (30 June 2015: 15,615,750) ordinary shares of Rs. 10 each representing 20.82% (30 June 2015: 20.82%) interest in equity shares of Loads Limited.			
6.3 Available for sale -at cost			
Techlogix International Limited 748,879 (30 June 2015: 748,879) fully paid ordinary shares of par value of USD 0.00015. Equity Held: 0.74 % (June 30 2015: 0.74 %)		8,593	8,593
Less: Provision for impairment		(7,038)	(7,038)
		1,555	1,555

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

7 PARTICIPATION TERM CERTIFICATES

The Company issued 41,822,250 Participation Term Certificates (PTCs) @ Rs. 30 each on 04 Oct 2012 amounting to Rs. 1,255 million. These certificates are convertible in the ratio of two PTCs into one ordinary share over a period of 07 years. Principal amount of PTCs will be reduced through redemption (in cash and through share conversion). 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 from year 2013 to year 2018 and 0.08 share per PTC for year 2019. These PTCs have been offered to all shareholders in ratio of 1:1. During the period 2.9 million ordinary shares have been issued to the PTC holders as per redemption/conversion scheme.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2015.

8.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 238.68 million (30 June 2015: Rs. 395.257 million).

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

31 December 2015 (Number of shares)	30 June 2015		(Un-audited)	(Audited)
			31 December 2015	30 June 2015
			Rupees in '000'	
8,867,412	8,867,412	Ordinary shares of Rs. 10 each fully paid-up in cash	88,674	88,674
9,877,671	6,950,114	Ordinary shares of Rs. 10 each issued for consideration other than cash	98,777	69,502
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares	381,331	381,331
80,926,051	-	Issuance of shares against right issue full paid in cash	809,261	-
137,804,309	53,950,701		1,378,043	539,507

9.1 Loads Limited, an associated company, holds 7,492,475 (30 June 2015: 7,492,475) fully paid in cash ordinary shares of the Company of Rs. 10 each, respectively.

9.2 During the period, the Company issued 80,926,051 right shares against a consideration of Rs. 4,046.30 million at Rs. 50 per share (including premium of Rs. 40 per share). The Company also issued 2,927,557 shares, against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.86 million.

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)
For the period ended December 31, 2015

	Six Months ended		Quarter year ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	Rupees in '000'		Rupees in '000'	
10 SALES - NET				
Local sales	1,640,231	1,373,793	862,824	712,288
Export sales	829,020	911,409	310,773	435,007
	2,469,251	2,285,202	1,173,597	1,147,295
Less: Sales tax	253,307	201,968	128,857	104,598
Trade discount	34,063	43,615	21,307	24,264
	287,370	245,583	150,164	128,862
	2,181,881	2,039,619	1,023,433	1,018,433

	(Un-audited)	(Audited)
	31 December	30 June
	2015	2015
	Rupees in '000'	
11 CASH AND CASH EQUIVALENTS		
Cash and bank balances	663,150	2,568,077
Short term running finance - secured	(843,155)	(743,595)
	(180,005)	1,824,482

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

12 FINANCIAL INSTRUMENTS-FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows :

	Note	Carrying Amount		Fair Value			
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments							
31 December 2015- (Un-audited)							
Financial assets measured at fair value							
Short Term Investments		541,116,000	-	541,116,000	487,775,757	53,340,243	-
		541,116,000	-	541,116,000	487,775,757	53,340,243	-
Financial assets not measured at fair value							
Cash and bank balances	12.1	663,150,000	-	663,150,000	-	-	-
Advances, deposits and other receivables	12.1	852,495,000	-	852,495,000	-	-	-
Long term deposits	12.1	16,403,000	-	16,403,000	-	-	-
Trade debts - unsecured, considered good	12.1	70,027,000	-	70,027,000	-	-	-
		1,602,075,000	-	1,602,075,000	-	-	-
Financial liabilities measured at fair value							
		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	12.1	-	332,228,227	332,228,227	-	-	-
Short term borrowing		-	1,663,654,000	1,663,654,000	-	1,663,654,000	-
Accrued mark-up	12.1	-	154,452,000	154,452,000	-	-	-
		-	2,150,334,227	2,150,334,227	-	1,663,654,000	-

12.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related companies, directors of the Company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	Six months period ended	
		31 December 2015	31 December 2014
Rupees in '000'			
I Subsidiary companies			
Treet HR Management(Private) Limited (formerly TCL Labor-Hire Company (Private) Limited)	Purchase of services	8,259	115,167
First Treet Manufacturing Modaraba	Purchase of goods	8,621	11,591
	Rental income	-	10,000
	Investment in equity shares	3,515,332	-
	Dividend income	72,633	40,417
Treet Holdings Limited (formerly Global Econo Trade Limited)	Purchase of goods	2,889	1,076
	Investment in equity shares	611,017	300,000
Global art Limited	Investment in equity shares	1,037,968	600,000
II Associated undertakings			
Packages Limited	Purchase of goods	36,978	30,433
	Sale of goods	109	47
Bulleh Shah Packaging (Pvt) Limited	Purchase of goods	-	2,258
IGI Insurance Limited	Insurance policies	21,513	23,980
Loads Limited	Financial charges - PTCs	12,033	12,670
Wazir Ali Industries Limited	Rental income	-	75
Cutting Edge (Pvt) Limited	Purchase of services	1,073	1,287
III Contribution to post employment benefit plans			
Provident fund	Contribution	10,507	7,511
Service fund	Contribution	5,502	4,086
Housing fund	Contribution	4,802	3,248
Gratuity fund	Contribution	10,922	7,411
Benevolent Fund	Contribution	1,250	-
Superannuation fund	Contribution	9,219	6,789

14 EMPLOYEE STOCK OPTION SCHEME

After getting approval of the Employee Stock Option Scheme from the Securities and Exchange Commission of Pakistan, the board and the compensation committee granted 1.61 million stock options to its eligible employees on 14 July, 2015 at a exercise price of Rs. 90.58 per share. The market value at the date of grant of option was Rs. 77.09 per share. Options do not carry the right to vote or dividend. According to the scheme, entitlement pool shall comprise a maximum of 15% of the paid-up capital of the Company. These options will have a vesting period of one year and an exercise period of one year from the date the options are vested. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. 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.

Notes To The Condensed Interim Unconsolidated Financial Information (Un-Audited)

For the period ended December 31, 2015

15 DATE OF AUTHORIZATION

This un-audited condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on February 26, 2016.

16 GENERAL

- 16.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 16.2 No significant re-arrangements or re-classification have been made in this condensed interim unconsolidated financial information.
- 16.3 All figures, except for 30 June 2015, appearing in this condensed interim unconsolidated financial information are unaudited.

LAHORE
February 26, 2016



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director



Treet Corporation Limited

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