

Half Yearly Report for the period ended December 31, 2016



TREET GROUP
OF COMPANIES

Treet Corporation Limited

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Company Information

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Mr. Saulat Said Muhammad Shafique Anjum	Chairperson / Non-Executive Director Chief Executive Officer Independent Director Non-Executive Director Non-Executive Director Executive Director Non-Executive Director Executive Director
BOARD AUDIT COMMITTEE	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana	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 Javed Hassan (Only for First Treet Manufacturing Modaraba)	

BANKERS

AL-Barka Bank Limited	Allied Bank Limited
Askari Bank Limited	Bank Alfalah Limited
BankIslami Pakistan Limited	Burj Bank 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	National Bank of Pakistan
NIB Bank Limited	SAMBA Bank Limited
SILK Bank Limited	SINDH Bank Limited
Soneri Bank Limited	The Bank of Punjab
United Bank Limited	

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

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

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. Ferozepur Road, Kachha Tiba, Rohi Nala,
Lahore. Tel: (042) 8555848

Soap Division

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

Educational Project under Global Arts Limited.

Raiwind Road Lahore.

GROUP COMPANIES / OFFICES

Treet Holdings Limited
(A wholly owned subsidiary of Treet Corporation Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.

First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)
Principal Place of Business:
72-B, Industrial Area, Kot Lakhpat, Lahore.

Treet HR Management (Private) Limited
(A wholly owned subsidiary of Treet Holdings Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.

Treet Power Limited
(A wholly owned subsidiary of Treet Holdings Limited)
72-B, Industrial Area, Kot Lakhpat, Lahore.

Global Arts Limited
(A wholly owned subsidiary of Treet Corporation Limited)
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

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, 2016.

Financial Performance

Following is the summary of comparative financial results:

(Rupees in thousand)	Half Year Ended -				% Change	
	December 31, 2016		December 31, 2015		(1) over (3)	(2) over (4)
	Treet	Consolidated	Treet	Consolidated		
	(1)	(2)	(3)	(4)		
Sales (net)	2,534,994	3,991,991	2,181,881	3,710,736	16.18%	7.58%
Gross Profit	775,911	963,368	618,286	819,320	25.49%	17.58%
Operating Profit	114,895	220,666	91,138	213,068	26.07%	3.57%
Net Profit after taxation	125,561	136,041	35,019	107,430	258.55%	26.63%
EPS (in Rupees)	0.90	0.98	0.27	0.88		

The Company's posted profit after tax (consolidated) at Rs. 136.041million is increased by 26.63% against Rs. 107,430 million in the corresponding period of the last year. Sales performance is described below:

SEGMENT-WISE SALES

Rs. in 000	2016-2017					
	D/E+ Bonded	Soap	Corrugation	Motorbike	Battery	Total
Sales	2,391,880	470,475	849,953	136,569	143,114	3,991,991
Inter-Company / Segment Sales	-	-	22,284	-	-	22,284
	2,391,880	470,475	872,237	136,569	143,114	4,014,275
Rs. in 000	2015-2016					
	D/E+ Bonded	Soap	Corrugation	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
Sales Growth %	13.10%	-2.63%	-9.26%	31.46%	113.36%	7.62%

- Blade/disposable business showed excellent growth in local markets. However, there is decline in export markets due to recessionary conditions in the global arena;
- Soaps sales volumes maintained its volumes (however, slight decrease in value) during the period;
- Corrugation maintained its margins despite reduction in sales volume during the period;
- 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 927.17 million blades as compared to 824.44 million blades produced in the same period of the last year, registering an increase of 12.46%..

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	0.00%	
179,500,001	250,000,000	72% of amount exceeding Rs. 179,500,000.00	72.00%	
250,000,001	350,000,000	Rs.50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00	25.00%	50,760,000
350,000,001	450,000,000	Rs.75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00	20.00%	75,760,000
450,000,001	550,000,000	Rs.95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00	15.00%	95,760,000
550,000,001	650,000,000	Rs.110,760,000.00 and 10% of amount exceeding Rs. 550,000,000.00	10.00%	110,760,000
650,000,001	and above	Rs.120,760,000.00 and 5 % of amount exceeding Rs. 650,000,000.00	5.00%	120,760,000

	Rs.in 000			Rs.in 000
Consolidated Profit*	326,542		Extrapolated Profit for the full Year	653,084

*Profit means Consolidated 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)	120,914	2.89
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	294,058	7.03
Financial Charges accrued for the period i.e. 6 months	147,029	3.52

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	2.89	7.03	7.18

*Difference of accrual made in last year

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, 2017.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the 5th 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	11-10-2017	17-10-2017	09-10-2017	02-11-2017	02-11-2017	02-11-2017

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

Apart from the "Total Payment in Cash", TCLTC holders [who will be entitled on October 09, 2015] 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, 2017 vis-à-vis principal value of Rs. 4,140/- forgone.

Pharmaceutical Business

Your Company has acquired 58.16 equity stake in Renacon, Pharma (Private) limited. Renacon Pharma (Pvt.) Ltd specializes in the production of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines since 1996. Products also include fully automated mixers for powder form. Renacon Pharma has ISO 9001; ISO 13485; CE0120; certification through SGS, UK. It is licensed by Ministry of Health and has CGMP certificate. Renacon Pharma is the pioneer and market leader in the production of Hemodialysis Concentrates in Pakistan. Renacon Pharma is exporting its Hemodialysis Concentrates to several countries while quality-to-cost-ratio is unmatched.

Your Company is changing its status to public Company and taking following steps :

- Splitting share par value from Rs.100/- to Rs. 10/- per share;
- Changing its status from private limited to Public Limited Company;
- Increasing its capital base through bonus issue;
- Ultimately, we will be offering its shares to the public through listing process and raise funding to meet its expansion/diversification plan; Your Company has already acquired 10 acres of land in Faisalabad Industrial Estate (M-3 Industrial City) and planning to increase not only its existing capacity but also to diversify in other areas as well.

Battery Project

Our subsidiary, First Treet Manufacturing Modaraba is building, constructing, erecting and managing "lead acid battery" plant of the state of the art technology being capable of producing 2.00 million batteries per annum of various sizes and amperes for motor vehicles/ UPS. Plant & Machinery has been procured. Construction work is underway. It is expected that production will commenced in May ~ June 2017.

Education Project

Your Company through its subsidiaries Global Arts Limited and Society for Cultural Education is in the process of getting charter for its University and is also seeking affiliation/collaboration with other University(ies) in the interim process.

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 24, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

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 2016 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 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.


Other Matters

The figures for the quarters ended 31 December 2016 and 31 December 2015 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
February 24, 2017

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS
(BILAL ALI)

Consolidated
Financial Statements
For the period ended December 31, 2016



Condensed Interim Consolidated Balance Sheet (Un-Audited)

As At December 31, 2016

	Note	(Un-audited) December 2016	(Audited) June 2016
		Rupees in '000'	
Property, plant and equipment		9,433,543	7,821,227
Investment property		19,384	19,384
Long term investments		307,829	297,410
Long term loans and deposits		46,280	46,942
Deferred tax asset		24,267	24,269
		9,831,303	8,209,232
Current assets			
Stores and spares		302,457	273,836
Stock-in-trade		1,073,311	1,098,072
Trade debts - unsecured considered good		570,458	616,893
Short term investments		711,103	498,009
Loans, advances, deposits, prepayments and other receivables		1,210,276	1,197,815
Cash and bank balances		772,005	650,509
		4,639,610	4,335,134
Current liabilities			
Current portion of non-current liabilities		235,840	247,364
Finance under mark-up-arrangements - secured		3,241,073	1,557,993
Trade and other payables		1,218,512	1,011,729
Provision for taxation		73,620	49,652
		4,769,045	2,866,738
Net current assets		(129,435)	1,468,396
Net assets		9,701,868	9,677,628
FINANCED BY:			
Issued, subscribed and paid-up capital		1,416,874	1,378,044
Reserves		4,995,566	4,811,771
Unappropriated profit		1,288,122	1,285,310
SHARE HOLDERS' EQUITY		7,700,562	7,475,125
Minority Interest		3,504	3,341
Participation term finance certificates		357,583	537,000
Surplus on revaluation of fixed assets		1,315,321	1,320,228
Long term deposits		136,575	125,053
Deferred liabilities		188,323	216,881
Contingencies and commitments	5	-	-
		9,701,868	9,677,628

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

LAHORE
February 24, 2017


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, 2016

	Note	Quarter ended		6 Months ended	
		October to December 2016	October to December 2015	July to December 2016	July to December 2015
		Rupees in '000'		Rupees in '000'	
Revenue and Sales -Net	6	2,018,246	1,772,540	3,991,991	3,710,736
Cost of Goods Sold	7	(1,527,304)	(1,340,523)	(3,028,623)	(2,891,416)
Gross Profit		490,942	432,017	963,368	819,320
Operating expenses :					
- Administrative expenses		(84,239)	(82,614)	(149,158)	(153,432)
- Selling & distribution expenses		(269,646)	(225,242)	(552,268)	(452,820)
- Donation to Society for Cultural Education	10	(41,276)	-	(41,276)	-
		(395,161)	(307,856)	(742,702)	(606,252)
Operating Profit		95,781	124,161	220,666	213,068
Other income		71,065	(75,981)	154,765	92,457
		166,846	48,180	375,431	305,525
Financial expenses		(38,797)	(15,840)	(62,074)	(28,438)
Financial charges Treet-PTC		(71,480)	(66,254)	(146,851)	(144,615)
Share of profit of associate		(1,913)	9,091	13,185	24,541
		54,656	(24,823)	179,691	157,013
Workers' Profit Participation Fund		(6,401)	1,062	(8,793)	(4,139)
Workers' Welfare Fund		(132)	(113)	(290)	(240)
		(6,533)	949	(9,083)	(4,379)
Profit before taxation		48,123	(23,874)	170,608	152,634
Taxation					
- Group		(14,114)	(25,317)	(31,801)	(37,322)
- Associated company		171	(2,928)	(2,766)	(7,882)
Profit after taxation		34,180	(52,119)	136,041	107,430
Earnings per share from continued operation		0.24	(0.38)	0.98	1.18

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

LAHORE
February 24, 2017


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, 2016

	Quarter year ended		6 Months ended	
	October to December 2016	October to December 2015	July to December 2016	July to December 2015
	Rupees in '000'		Rupees in '000'	
Profit after taxation	34,129	(52,210)	135,877	107,209
Other comprehensive income				
Available -for -sale financial assets				
Transfer to profit and loss account on disposal	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	34,129	(52,210)	135,877	107,209

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 24, 2017



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended December 31, 2016

	July to December 2016	July to December 2015
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	170,608	152,634
Adjustments for non-cash items :		
Financial charges for the period	62,074	28,438
Financial charges Treet-PTC	146,851	144,615
Depreciation on property, plant and equipment	109,386	107,269
Provision for gratuity	10,205	11,087
Provision for superannuation fund scheme	9,271	20,304
Profit on bank deposits	(8,796)	(74,229)
Profit on disposal of investment held for trading	(108,680)	(4,513)
Profit on disposal of available for sale investment	-	9,716
Unrealized (gain) / loss on short term investments	(76,973)	(13,552)
Share of profit from associated company	(13,185)	(24,541)
Dividend income	(19,989)	(2,018)
Provision for WPPF and WWF	9,083	4,379
(Gain)/Loss on sale of fixed assets	(5,481)	(5,298)
	113,766	201,657
Operating profit before working capital changes	284,374	354,291
(Increase) / decrease in operating assets :		
Stores and spares	(28,621)	(40,981)
Stock-in-trade	24,761	(26,711)
Trade debts	46,435	(34,038)
Short term investments	(27,441)	231,257
Loans, advances, deposits, prepayments and other receivables	19,028	(106,693)
	34,162	22,834
Increase / (decrease) in operating liabilities		
Trade and other payables	318,984	(104,753)
Cash generated from operations	637,520	272,372
Financial charges paid	(329,573)	(321,009)
Taxes paid	(46,614)	(55,267)
WPPF and WWF	6,943	16,915
Payment to gratuity fund	(30,670)	(28,992)
Payment to superannuation fund	(17,364)	(26,821)
	(417,278)	(415,174)
Net cash from operating activities	220,242	(142,802)

	July to December 2016	July to December 2015
	Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,745,823)	(1,214,971)
Proceeds from sale of fixed assets	29,602	10,115
Long term investments	-	(9,716)
Long term deposits	662	1,263
Profit received on bank deposits	8,796	68,679
Dividend received	19,836	2,018
Net cash outflow from investing activities	(1,686,927)	(1,142,612)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	9,554	809,261
Share premium	39,935	814,519
Participation term finance certificates	(6,281)	(6,283)
Long Term Deposits	(2)	28,359
Dividend paid	(138,105)	(135,073)
Net cash from financing activities	(94,899)	1,510,783
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,561,584)	225,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(907,484)	983,912
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(2,469,068)	1,209,281
CASH AND CASH EQUIVALENTS		
Cash and bank balances	772,005	2,872,935
Finance under mark-up arrangements	(3,241,073)	(1,663,654)
	(2,469,068)	1,209,281

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

LAHORE
February 24, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement Of Changes In Shareholders Equity (Un-Audited)

For the period ended December 31, 2016

	Share Capital	Advance against issue of share capital	Capital Reserve	Statutory Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit / (Loss)	Total
Rupees in '000'								
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 @ Rs 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
Balance as on June 30, 2016	1,378,044	-	4,115,827	430,728	266,400	(1,184)	1,285,310	7,475,125
Shares issued against Treet PTC by way of conversion	29,276	-	143,860	-	-	-	-	173,136
Issuance of shares under employee share option scheme (ESOS)	9,554	-	39,935	-	-	-	-	49,489
Total comprehensive income for the period	-	-	-	-	-	-	135,877	135,877
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	4,905	4,905
Final dividend for the year ended June 30, 2015 @ Rs 1 per share	-	-	-	-	-	-	(137,970)	(137,970)
Balance as on December 31, 2016	1,416,874	-	4,299,622	430,728	266,400	(1,184)	1,288,122	7,700,562

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

LAHORE
February 24, 2017


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, 2016

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

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 Pakistan 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.

Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Treet Holdings Limited commenced its commercial operations from 01 January 2005. The principal activity of the company is the business of manufacturing and sale of bikes. 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 Treet Holdings 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 Pakistan Exchange Limited and is engaged in the manufacture and sale of corrugated boxes and soaps.

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 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.

Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. 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.

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.

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, Kot Lakhpat, 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.

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 2016.

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 2016.

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 2016.

5. CONTINGENCIES AND COMMITMENTS

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

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

For the period ended December 31, 2016

	Quarter year ended		6 Months ended	
	October to December 2016	October to December 2015	July to December 2016	July to December 2015
	Rupees in '000'		Rupees in '000'	
6. SALES - Net				
Blades	1,234,890	978,690	2,391,880	2,114,806
Soaps	204,027	225,751	470,475	483,206
Packaging products	432,909	473,597	849,953	941,763
Motor bike project	75,443	49,759	136,569	103,886
Battery trading	70,977	44,743	143,114	67,075
	2,018,246	1,772,540	3,991,991	3,710,736
7. COST OF GOODS SOLD				
Blades	(837,537)	(658,202)	(1,622,559)	(1,494,024)
Soaps	(183,034)	(175,270)	(390,193)	(374,209)
Packaging products	(377,802)	(418,713)	(749,665)	(836,229)
Motor bike project	(59,167)	(37,081)	(116,828)	(53,892)
Battery trading	(69,764)	(51,257)	(149,378)	(133,062)
	(1,527,304)	(1,340,523)	(3,028,623)	(2,891,416)

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.

Purchases and services received	135,458	111,530
Goods sold and services rendered	123	109

9. This unaudited condensed interim financial information was authorized for issue by the board of directors on February 24, 2017.

10. SOCIETY FOR CULTURAL EDUCATION

CONDENSED INTERIM BALANCE SHEET (Un-audited)

As At December 31, 2016

	December 2016	June 2016
	Rupees in '000'	
Long term loans and deposits	-	1,050
CURRENT ASSETS		
Loans, advances, deposits, prepayments and other receivables	1,421	1,163
Cash and bank balances	53,031	53,316
	54,452	54,479
CURRENT LIABILITIES		
Trade and other payables	714	308
NET CURRENT ASSETS	53,738	54,171
NET ASSETS	53,738	55,221
FINANCED BY:		
Donations/members' contribution	127,836	86,560
Net expenses incurred	(74,098)	(31,339)
	53,738	55,221

CONDENSED INTERIM STATEMENT OF EXPENSES (Un-audited)

For the period ended December 31, 2016

	Quarter year ended		6 Months ended	
	October to December 2016	October to December 2015	July to December 2016	July to December 2015
	Rupees in '000'		Rupees in '000'	
Fees and revenue	-	-	-	-
Profit on bank deposits	524	-	1,032	-
	524	-	1,032	-
Less:				
Salaries and other benefits	21,310	-	34,617	-
Electricity and gas	1,033	-	1,451	-
Repairs and maintenance - Others	861	-	1,265	-
Rent, rates and taxes	1,486	-	3,311	-
Advertising	-	-	270	-
Travelling and conveyance	253	-	354	-
Entertainment	27	-	52	-
Postage and telephone	155	-	295	-
Printing and stationery	34	-	768	-
Legal and professional charges	471	-	471	-
Computer expenses	33	-	191	-
Subscription	1	-	251	-
Others	274	-	442	-
	25,938	-	43,738	-
Net expenses taken to balance sheet	(25,414)	-	(42,706)	-

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

For the period ended December 31, 2016

11. GENERAL

11.1 Amounts have been rounded off to thousand rupees.

LAHORE
February 24, 2017



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Financial Statements

For the period ended December 31, 2016

Condensed Interim Balance Sheet (Un-Audited)

As At December 31, 2016

	Note	(Un-audited) December 2016	(Audited) June 2016
Rupees in '000'			
ASSETS			
Non-Current assets			
Property, plant and equipment	5	2,800,192	2,760,894
Investment property		19,384	19,384
Long term investments	6	5,895,837	5,692,872
Long term loans		1,254	1,805
Long term security		16,323	16,323
Deferred taxation		48,013	48,013
		8,781,003	8,539,291
Current assets			
Stores and spares		233,694	206,946
Stock in trade		600,545	672,600
Trade debts		101,223	166,050
Short term investments		660,885	465,415
Loans, advances, deposits, prepayments and other receivables	7	2,513,455	1,149,885
Cash and bank balances		511,360	198,174
		4,621,162	2,859,070
LIABILITIES			
Current liabilities			
Current portion of long term liabilities		179,417	179,417
Short term borrowings		3,313,767	1,557,993
Loan from Director - Interest free, repayable on demand		390,000	-
Trade and other payables		405,736	456,463
Accrued mark-up		176,881	297,720
Provision for taxation		53,775	26,769
		4,519,576	2,518,362
Net current assets		101,586	340,708
Non-Current liabilities			
Long term deposits		1,219	1,037
Redeemable capital	8	357,583	537,000
Deferred Liabilities. Employee retirement benefits		188,323	216,881
		547,125	754,918
Contingencies and commitments	9		
		8,335,464	8,125,081
Represented by:			
Authorized by:			
250,000,000 (30 June 2016: 150,000,000) ordinary shares of Rs. 10 each		2,500,000	1,500,000
150,000,000 (30 June 2016: 10,000,000) preference shares of Rs. 10 each		1,500,000	100,000
		4,000,000	1,600,000
Issued, subscribed and paid up capital	10	1,416,874	1,378,044
Reserves		4,566,927	4,383,132
Unappropriated profit		1,074,964	1,083,270
		7,058,765	6,844,446
Surplus on revaluation of land and building - net of tax		1,276,699	1,280,635
		8,335,464	8,125,081

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

LAHORE
February 24, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the period ended December 31, 2016

	Note	Six Months ended		Quarter ended	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Rupees in '000'		Rupees in '000'	
Sales - net	11	2,534,994	2,181,881	1,305,867	1,023,433
Cost of sales		(1,759,083)	(1,563,595)	(906,818)	(703,816)
Gross Profit		775,911	618,286	399,049	319,617
Administrative expenses		(171,536)	(135,788)	(113,179)	(68,152)
Distribution cost		(489,480)	(391,360)	(231,244)	(191,539)
		(661,016)	(527,148)	(344,423)	(259,691)
Operating Profit		114,895	91,138	54,626	59,926
Finance cost		(62,461)	(28,196)	(39,262)	(15,672)
Financial charges - PTCs		(146,851)	(144,615)	(71,480)	(66,254)
		(209,312)	(172,811)	(110,742)	(81,926)
Other income		255,004	152,464	177,205	(5,212)
Other charges		(8,020)	(3,540)	(6,045)	1,360
Profit/ (loss) before taxation		152,567	67,251	115,044	(25,852)
Taxation		(27,006)	(32,232)	(12,936)	(22,714)
Profit/ (loss) after taxation		125,561	35,019	102,108	(48,566)
Earnings/(loss) per share - basic and diluted (Rupees)		0.90	0.27	0.74	(0.37)

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2016

	Six Months ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Rupees in '000'		Rupees in '000'	
Profit/ (loss) after taxation for the period	125,561	35,019	102,108	(48,566)
Other comprehensive income Items that are or may be subsequently reclassified to profit or loss account	-	-	-	-
Total comprehensive income/ (loss) for the period	125,561	35,019	102,108	(48,566)

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

LAHORE
February 24, 2017



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the period ended December 31, 2016

	31 December 2016	31 December 2015
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	152,567	67,251
Adjustments for non-cash items:		
Finance cost	209,312	172,811
Depreciation on property, plant and equipment	91,496	90,404
Provision for gratuity	10,205	16,384
Provision for superannuation fund	9,272	13,830
Profit on bank deposits	(2,627)	(58,160)
Unrealized exchange gain	-	(1,517)
Unrealized (gain)/loss on investments at 'fair value through profit or loss'	(91,931)	14,548
Dividend income	(130,029)	(74,651)
Provision for workers' profit participation fund (WPPF)	8,020	3,540
Gain on sale of property, plant and equipment	(5,474)	(5,298)
	98,244	171,891
Operating profit before working capital changes	250,811	239,142
(Increase)/decrease in current assets:		
Stores and spares	(26,748)	(38,989)
Stock-in-trade	72,055	(78,341)
Trade debts	64,827	(525)
Loans, advances, deposits, prepayments and other receivables	(1,335,319)	(24,043)
	(1,225,185)	(141,898)
Decrease in current liabilities:		
Trade and other payables	(91,380)	(63,334)
Cash generated from operations	(1,065,754)	33,910
Finance cost paid	(330,151)	(320,767)
Income tax paid	(35,695)	(42,432)
WPPF paid	40,218	13,490
Payment to gratuity fund	(30,670)	(34,289)
Payment to superannuation fund	(17,364)	(20,347)
Long term loans and deposits - net	551	(1,998)
	(373,111)	(406,343)
Net cash used in operating activities	(1,438,865)	(372,433)

	Note	31 December 2016	31 December 2015
		Rupees in '000'	
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(154,913)	(88,944)
Proceeds from sale of property, plant and equipment		29,593	10,115
Investment in equity instrument of subsidiary		(202,965)	(3,004,902)
Short term investments - net		(103,539)	77,636
Profit received on bank deposits		2,627	58,160
Dividend received		130,029	74,651
Net cash used in investing activities		(299,168)	(2,873,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits - net		182	(31)
Proceeds from issue of share capital		49,480	1,624,691
Loan from Director - Interest free, repayable on demand		390,000	-
Redemption of participation term certificates		(6,272)	(6,272)
Short term borrowings - net		332,173	(242,281)
Dividend paid		(137,945)	(134,877)
Net cash generated from financing activities		627,618	1,241,230
Net decrease in cash and cash equivalents		(1,110,415)	(2,004,487)
Cash and cash equivalents at beginning of the period		(339,320)	1,824,482
Cash and cash equivalents at end of the period	12	(1,449,735)	(180,005)

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

LAHORE
February 24, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 2016

	Share Capital	Advance against issue of share capital	Capital Reserves		Revenue Reserves		Total
			Share Premium	Capital Reserve	General Reserve	Un-appropriated Profit	
Rupees in '000'							
Balance as at 30 June 2015 - audited	539,507	2,421,612	735,192	629	266,400	1,235,295	5,198,635
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	35,019	35,019
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	35,019	35,019
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	6,106	6,106
Transactions with owners of the Company, contributions and distributions							
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	29,276	-	143,869	-	-	-	173,145
Final cash dividend @ 10% for the year ended 30 June 2015	-	-	-	-	-	(134,877)	(134,877)
Balance as on December 31, 2015 - unaudited	1,378,044	-	4,116,103	629	266,400	1,141,543	6,902,719
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,795)	(1,795)
Other comprehensive loss	-	-	-	-	-	(58,698)	(58,698)
	-	-	-	-	-	(60,493)	(60,493)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	2,220	2,220
Balance as at 30 June 2016 - audited	1,378,044	-	4,116,103	629	266,400	1,083,270	6,844,446
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	125,561	125,561
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	125,561	125,561
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	3,937	3,937
Transactions with owners of the Company, contributions and distributions							
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,276	-	143,869	-	-	-	173,145
Issuance of shares under employee stock option scheme - note 15	9,554	-	39,926	-	-	-	49,480
Final cash dividend @ 10% for the year ended 30 June 2016	-	-	-	-	-	(137,804)	(137,804)
Balance as on 31 December 2016 - unaudited	1,416,874	-	4,299,898	629	266,400	1,074,964	7,058,765

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

LAHORE
February 24, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 2016

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. 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

The condensed interim unconsolidated financial information for six months period ended 31 December 2016 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 and is un-audited but subject to limited scope review by external auditors as required by Code of Corporate Governance.

This condensed interim financial information does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2016. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2016.

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 2016.

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
Rupees in '000'			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,392,781	2,379,132
Capital work-in-progress		407,411	381,762
		2,800,192	2,760,894
5.1 Operating fixed assets			
Opening net book value		2,379,132	2,436,882
Additions during the period / year	5.2	129,264	146,154
Disposals during the period / year - net book value	5.2	(24,119)	(20,914)
Depreciation charged during the period / year		(91,496)	(182,990)
Closing net book value		2,392,781	2,379,132

5.2 The following additions and disposals have been made during the six months period ended 31 December 2016:

	Acquisitions at Cost	Disposals at Net Book value
Rupees in '000'		
Plant and machinery	36,233	-
Furniture and fixtures	8,617	240
Computer and equipment	2,007	53
Vehicles	82,407	23,826
	129,264	24,119

		(Un-audited) 31 December 2016	(Audited) 30 June 2016
Rupees in '000'			
6. LONG TERM INVESTMENTS			
In equity instruments of subsidiaries- at cost	6.1	5,731,753	5,528,788
In equity instruments of associate- at cost	6.2	162,529	162,529
Available for sale - at cost	6.3	1,555	1,555
		5,895,837	5,692,872

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

For the period ended December 31, 2016

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
Rupees in '000'			
6.1	In equity instruments of subsidiaries - at cost		
	Treet Holdings Limited - unquoted		
	61,101,712 (30 June 2016: 61,101,712) fully paid ordinary shares of Rs. 10 each	611,017	611,017
	Equity Held: 85.93 % (30 June 2016: 85.93 %)		
	First Treet Manufacturing Modaraba - quoted		
	175,745,700 (30 June 2016: 175,745,700) fully paid certificates of Rs. 10 each	3,515,332	3,515,332
	Equity Held: 89.85 % (30 June 2016: 89.85 %)		
	Global Arts Limited - unquoted		
	160,540,320 (30 June 2016: 140,243,860) fully paid ordinary shares of Rs. 10 each	1,605,404	1,402,439
	Equity Held: 94.08 % (30 June 2016: 93.28 %)		
		5,731,753	5,528,788

6.1.1 Global Arts Limited (GAL) made a right issue in the month of November 2016 which was fully subscribed by the Company. The increase in investment represents subscription of 20.3 million ordinary shares of GAL at face value of Rs. 10 per share.

6.2 This represents investment in Loads Limited, an associated company. The Company holds 17,177,325 (30 June 2016: 15,615,750) ordinary shares of Rs. 10 each representing 12.49% (30 June 2016: 20.82%) interest in equity shares of Loads Limited. During the period, the company has been listed on Pakistan Stock Exchange and market value as at interim reporting date is Rs. 50.91 per share.

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.

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
Rupees in '000'		
6.3	Available for sale -at cost	
	Techlogix International Limited	
	748,879 (30 June 2016: 748,879) fully paid ordinary shares of par value of USD 0.00015	8,593
	Equity Held: 0.74 % (30 June 2016: 0.74 %)	
	Less: Provision for impairment	(7,038)
		1,555

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

This includes interest free advance amounting to Rs. 1,897.56 million (30 June 2016: Rs. 305.33 million) to First Treet Manufacturing Modaraba ("FTMM"), subsidiary company, and is receivable on demand.

8. PARTICIPATION TERM CERTIFICATES

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 shall be seven years. The principal amount of PTCs will be 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 for year 2019 (pre-agreed price of Rs. 51.38 per share). During the period, 2.93 million ordinary shares have been issued to the PTC holders as per redemption/conversion scheme as referred to in note 9.2.

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 2016.

9.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 561.74 million (30 June 2016: Rs. 423.88 million).

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 December 2016	30 June 2016		(Un-audited) 31 December 2016	(Audited) 30 June 2016
(Number of shares)			Rupees in '000'	
89,793,463	89,793,463	Ordinary shares of Rs. 10 each fully paid-up in cash	897,935	897,935
12,805,228	9,877,671	Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 10.2	128,054	98,778
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares	381,331	381,331
955,400	-	Issuance of shares against employee share options scheme - note 15	9,554	-
141,687,266	137,804,309		1,416,874	1,378,044

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

For the period ended December 31, 2016

- 10.1** Loads Limited, an associated company, holds 7,620,680 (30 June 2016: 7,492,475) fully paid in cash ordinary shares of the Company of Rs. 10 each, respectively.
- 10.2** During the period, the Company issued 2,927,557 (30 June 2016: 2,927,557) full paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.86 million. (30 June 2016: Rs. 143.86 million)

	Six Months ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Rupees in '000'		Rupees in '000'	
11. SALES - Net				
Local sales	2,034,884	1,640,231	1,029,917	862,824
Export sales	860,351	829,020	462,659	310,773
	2,895,235	2,469,251	1,492,576	1,173,597
Less:				
Sales tax	312,343	253,307	156,574	128,857
Trade discount	47,898	34,063	30,135	21,307
	360,241	287,370	186,709	150,164
	2,534,994	2,181,881	1,305,867	1,023,433
			(Un-audited)	(Audited)
			31 December	30 June
			2016	2016
			Rupees in '000'	
12. CASH AND CASH EQUIVALENTS				
Cash and bank balances			511,360	198,174
Short term running finance - secured			(1,961,095)	(537,494)
			(1,449,735)	(339,320)

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

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.

	Note	Carrying Amount				Fair Value						
		Available For Sale	Fair value through profit loss	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
31 December 2016 - (Un-audited)												
Financial assets measured at fair value												
Long Term Investments		1,555	-	-	-	-	1,555	-	-	1,555	-	1,555
Short Term Investments		-	660,885	-	-	-	660,885	660,885	-	-	-	660,885
		1,555	660,885	-	-	-	662,440	660,885	-	1,555	-	662,440
Financial assets not measured at fair value												
Long term deposits	13.1	-	-	16,323	-	-	-	-	-	-	-	-
Trade debts - unsecured, considered good	13.1	-	-	101,223	-	-	-	-	-	-	-	-
Advances, deposits and other receivables	13.1	-	-	1,956,730	-	-	-	-	-	-	-	-
Cash and bank balances	13.1	-	-	-	511,360	-	-	-	-	-	-	-
		-	-	2,074,276	511,360	-	2,585,636	-	-	-	-	-
Financial liabilities measured at fair value												
		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value												
Short term borrowing		-	-	-	-	3,313,767	3,313,767	-	3,313,767	-	-	3,313,767
Trade and other payables	13.1	-	-	-	-	152,891	152,891	-	-	-	-	-
Accrued mark up	13.1	-	-	-	-	176,881	176,881	-	-	-	-	-
		-	-	-	-	3,643,539	3,643,539	-	3,643,539	-	-	3,643,539

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For the period ended December 31, 2016

	Available For Sale	Carrying Amount			Fair Value					
		Fair value through profit loss	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2016 - (Audited)										
Financial assets - measured at fair value										
Long term investments	1,555	-	-	-	-	1,555	-	-	1,555	1,555
Short Term investments	-	465,415	-	-	-	465,415	461,919	3,496	-	465,415
	1,555	465,415	-	-	-	466,970	461,919	3,496	1,555	466,970
Financial assets - not measured at fair value										
Long term security deposits	-	-	16,323	-	-	16,323	-	-	-	-
Trade debts	-	-	166,050	-	-	166,050	-	-	-	-
Advances, prepayments and other receivables	-	-	533,749	-	-	533,749	-	-	-	-
Cash and bank balances	-	-	198,174	-	198,174	198,174	-	-	-	-
	-	-	716,122	-	198,174	914,296	-	-	-	-
Financial liabilities - measured at fair value										
Financial liabilities - not measured at fair value										
Short term borrowings	-	-	-	-	-	1,557,993	-	1,557,993	-	1,557,993
Trade and other payables	-	-	-	-	-	119,531	-	-	-	-
Accrued mark-up	-	-	-	-	-	297,720	-	-	-	-
	-	-	-	-	-	1,975,244	-	1,557,993	-	1,557,993

13.1 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.

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries 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 2016	31 December 2015
		Rupees in '000'	
I Subsidiaries			
Treet HR Management (Private) Limited	Purchase of services	7,500	8,259
First Treet Manufacturing Modaraba	Purchase of goods	12,201	8,621
	Advance given during the period	1,632,074	-
	Investment in equity shares	-	2,343,833
	Dividend income	110,193	72,633
Treet Holdings Limited	Purchase of goods	4,535	2,889
	Investment in equity shares	-	611,017
Global Arts Limited	Investment in equity shares	202,965	1,037,968
II Associated undertakings			
Packages Limited	Purchase of goods	52,254	36,978
	Sale of goods	123	109
IGI Insurance Limited	Purchase of services	34,600	21,513
Loads Limited	Financial charges - PTCs	12,729	12,033
	Dividend income	15,616	-
Cutting Edge (Pvt) Limited	Purchase of services	1,287	1,073
Society for Cultural Education	Donation	41,276	-
III Contribution to post employment benefit plans			
Provident fund	Contribution	11,679	10,507
Service fund	Contribution	6,396	5,502
Housing fund	Contribution	6,333	4,802
Gratuity fund	Contribution	10,788	10,922
Benevolent Fund	Contribution	1,610	1,250
Superannuation fund	Contribution	11,874	9,219
IV Key Management Personnel			
	Salaries and other employee benefits	242,515	182,593
	Loan received from Director	390,000	-
	Share options granted - note 15		

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

For the period ended December 31, 2016

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 2016 is as follows:

		Granted in the year 2016	Granted in the year 2015 (*Modified October 2016)
Rupees in '000'			
Original grant date		16 July 2016	14 July 2015
Modified grant date		N/A	31 October 2016
Options issued		4,114	1,605
Options no longer in issue		-	-
Options vested		N/A	1,605
Options exercised		N/A	955
Shares issued under the scheme	note 10.1	N/A	955
Original exercise price per share	Rs.	51.79	90.58
Market value per share at grant date	Rs.	51.63	77.09
Option discount per share at grant date	Rs.	NIL	NIL
Modified exercise price per share	Rs.	N/A	51.79
Market value per share at modified grant date	Rs.	N/A	47.08
Option discount per share at modified grant date	Rs.	N/A	NIL
Options issued to key management personnel		3,224	1,223
Options exercised by key management personnel		N/A	903

* The shareholders of the Company in their Annual General Meeting held on 31 October 2016 approved re-pricing of 1,604,800 options already granted and pending for exercise under the scheme from initial price of Rs. 90.58 per share to revised price of Rs. 51.79 per share without any change or modification to any other terms.

16. 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 24, 2017.

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 this condensed interim unconsolidated financial information.
- 17.3 All figures, except for 30 June 2016, appearing in this condensed interim unconsolidated financial information are unaudited.

LAHORE
February 24, 2017



Syed Shahid Ali Shah
Chief Executive Officer

















Muhammad Shafique Anjum
Director



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