



TREET GROUP
OF COMPANIES



Treet Corporation Limited

1st Quarterly Report

for the period ended September 30, 2017

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Company Information

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Syed Sheharyar Ali Muhammad Shafique Anjum Mr. Saulat Said Mr. Imran Azim Mr. Munir K. Bana	Chairperson / Non-Executive Director Chief Executive Officer Independent Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
BOARD AUDIT COMMITTEE	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana	Chairman/Member 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 Pakistan Limited Askari Bank Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan SILK Bank Limited Soneri Bank Limited United Bank Limited	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited Faysal Bank Limited JS Bank Limited Meezan Bank Limited SAMBA Bank Limited SINDH Bank Limited The Bank of Punjab

REGISTERED OFFICE

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

SHARE REGISTRAR

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

TREET GROUP FACTORIES/
FACTORIES

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

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

First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)

Battery project

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

Packaging Solutions - Corrugation

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

Soap Division

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

Treet Holdings Limited

(A wholly owned subsidiary of Treet Corporation Limited)

Bike Project

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

Renacon Pharma Limited

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

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.

Society for Cultural Education

(70% subsidiary of Treet Corporation Limited)

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

Renacon Pharma Limited

18 - k.m., Ferozepur Road, Opp. Nishter Colony, Lahore.

T: [+92 - 42] 35401847, 35401852, 35401851

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 un-audited consolidated financial statements for the 1st Quarter ended on September 30, 2017.

Financial Performance

Following is the summary of comparative financial results*

(Rupees in thousand)	Three Months Ended				% Change	
	September 30, 2017		September 30, 2016			
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	1,464,298	2,270,025	1,229,127	1,973,745	19.13%	15.01%
Gross Profit	391,550	513,835	376,862	472,426	3.90%	8.77%
Operating Profit	71,133	122,272	60,269	124,885	18.03%	-2.09%
Profit before taxation	19,370	103,169	37,523	122,485	-48.38%	-15.77%
Provision for taxation	(9,313)	(18,243)	(14,070)	(20,624)	-33.81%	-11.54%
Profit after taxation	10,057	84,926	23,453	101,861	-57.12%	-16.63%
EPS (in Rupees)	0.07	0.60	0.17	0.74		

The Company's posted profit after tax (consolidated) at Rs. 84.926 million is decreased by 18.45% against Rs. 101.861 million in the corresponding period of the last year. Sales performance is described below:

SEGMENT-WISE SALES

Rs. in 000	2017-2018						
	Blade/Razor	Soap	Corrugation	Battery	Pharmaceutical	Bike	Total
Net Sales	1,365,012	244,601	416,545	99,286	67,877	76,704	2,270,025
Inter Segment Sales	-	-	13,200	-	-	-	13,200
Total Sales	1,365,012	244,601	429,745	99,286	67,877	76,704	2,283,225
Rs. in 000	2016-2017						
	Blade/Razor	Soap	Corrugation	Battery	Pharmaceutical	Bike	Total
Net Sales	1,156,990	266,488	417,044	72,137	-	61,126	1,973,745
Inter Segment Sales	-	-	11,003	-	-	-	11,003
Total Sales	1,156,990	266,488	428,047	72,137	-	61,126	1,984,748
Net Sales %	17.98%	-8.21%	0.40%	37.64%		25.49%	15.04%

- Blade/disposable business showed increase in local market as well as in export markets;
- Soaps sales showed decline in sales but maintained its margins;
- Corrugation maintained its sales but margins are declined due to intense competition;
- Trading of lead acid batteries showed increase in volumes but margins are red due to duty structure. But main aim is to establish distribution channel well before our own production;
- Motor Bike segment showed increase in volumes and margins are improved;

Production

The production of razor/ blades from Lahore and Hyderabad comes to 510.42 million blades as compared to 433.79 million blades produced in the same period of the last year, registering an increase of 17.66%.

Accrual of Profit on Participation Term Certificates (TCLTC) based on 1st quarterly consolidated results:

The following accrual of profit is being made on TCLTC on the basis of Quarterly 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% of 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
Consolidated Profit*	177,972	Extrapolated Profit for the full Year	711,888

*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)	123,854	2.96
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	296,998	7.10
Financial Charges accrued for the period i.e. 3 months	72,288	1.78

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	2.96	7.10	7.25

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, 2018.

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

Year	Book Closure Dates (both days inclusive)		Entitlement Date (tentative)	Minimum Payment in Cash Date under Category "A" Payment	Allotment Date for Conversion	Category "B" Payment (in Cash) Date
	From	To				
2018	11-10-2018	17-10-2018	09-10-2018	02-11-2018	02-11-2018	02-11-2018

*[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 19, 2018] 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, 2018 vis-à-vis principal value of Rs. 4,140/- forgone.

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.

Special thanks to our share holders for the trust and confidence reposed in us.

For and on behalf of the Board



Syed Shahid Ali Shah
Chief Executive Officer

LAHORE
October 30, 2017

Consolidated
Financial Statements
For the period ended September 30, 2017



Condensed Interim Consolidated Balance Sheet (Un-Audited)

As At September 30, 2017

	September 2017 Un-audited	June 2017 Audited
Note	Rupees in '000'	
Property, plant and equipment	11,487,377	11,579,925
Investment property	19,384	19,384
Long term investments	435,029	426,625
Long term loans and deposits	56,637	53,415
Deferred tax asset	25,108	25,109
	12,023,535	12,104,458
Current assets		
Stock-in-trade	2,036,802	1,619,134
Trade debts - unsecured considered good	1,165,275	888,344
Short term investments	746,474	571,687
Loans, advances, deposits, prepayments and other receivables	2,624,948	1,591,799
Cash and bank balances	817,763	1,002,213
	7,391,262	5,673,177
Current liabilities		
Current portion of non-current liabilities	180,238	254,082
Finance under mark-up-arrangements - secured	6,524,729	6,049,596
Trade and other payables	2,437,369	1,348,181
Provision for taxation	87,860	78,167
	9,230,196	7,730,026
Net current assets	(1,838,934)	(2,056,849)
Net assets	10,184,601	10,047,609
FINANCED BY:		
Issued, subscribed and paid-up capital	1,428,701	1,421,436
Share deposit money	-	98,914
Reserves	5,129,580	5,101,250
Unappropriated profit	1,330,471	1,255,027
SHARE HOLDERS' EQUITY	7,888,752	7,876,627
Minority Interest	321,351	192,174
Participation term finance certificates	357,583	357,583
Surplus on revaluation of fixed assets	1,308,487	1,311,646
Long term deposits	63,680	57,640
Deferred liabilities	244,748	251,939
Contingencies and commitments	5	-
	10,184,601	10,047,609

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
October 30, 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 September 30, 2017

	Note	3 Months ended	
		July to September 2017	July to September 2016
		Rupees in '000'	
Revenue and Sales -Net	6	2,270,025	1,973,745
Cost of Goods Sold	7	(1,756,190)	(1,501,319)
Gross Profit		513,835	472,426
Operating expenses :			
- Administrative expenses		(57,102)	(64,919)
- Selling & distribution expenses		(334,461)	(282,622)
		(391,563)	(347,541)
Operating Profit		122,272	124,885
Other income		74,137	83,700
		196,409	208,585
Financial expenses		(31,722)	(23,277)
Financial charges Treet-PTC		(72,288)	(75,371)
Share of profit of associate		13,284	15,098
		105,683	125,035
Workers' Profit Participation Fund		(1,384)	(2,392)
Workers' Welfare Fund		(1,130)	(158)
		(2,514)	(2,550)
Profit before taxation		103,169	122,485
Taxation			
- Group		(15,390)	(17,687)
- Associated company		(2,853)	(2,937)
Profit after taxation		84,926	101,861
Earnings per share from continued operation		0.60	0.74

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
October 30, 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 September 30, 2017

	July to September 2017	July to September 2016
Rupees in '000'		
Profit after taxation	76,805	101,748
Other comprehensive income		
Available -for -sale financial assets	(2,027)	-
Fair value adjustment	(2,027)	-
Total comprehensive income for the period	74,778	101,748

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

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
October 30, 2017



Syed Shahid Ali Shah
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended September 30, 2017

	July to September 2017	July to September 2016
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	103,169	122,485
Adjustments for non-cash items :		
Financial charges for the period	31,722	23,277
Financial charges Treet-PTC	72,288	75,371
Depreciation on property, plant and equipment	54,695	53,849
Provision for gratuity	6,027	5,103
Provision for superannuation fund scheme	5,345	4,636
Profit on bank deposits	(6,449)	(4,415)
Profit on disposal of investment held for trading	(32,661)	(66,135)
Unrealized (gain) / loss on short term investments	-	(76,973)
Fair value adjustment of available for sale investments	2,027	-
Share of profit from associated company	(13,284)	(15,098)
Provision for WPPF and WWF	2,514	2,550
(Gain)/Loss on sale of fixed assets	(6,008)	(4,153)
	116,216	(1,988)
Operating profit before working capital changes	219,385	120,497
(Increase) / decrease in operating assets :		
Stock-in-trade	(417,668)	(27,412)
Trade debts	(276,931)	17,729
Short term investments	(142,126)	(40,836)
Loans, advances, deposits, prepayments and other receivables	(992,823)	10,948
	(1,829,548)	(39,571)
Increase / (decrease) in operating liabilities		
Trade and other payables	1,011,060	28,252
Cash generated from operations	(599,103)	109,178
Financial charges paid	(21,836)	(23,850)
Taxes paid	(30,425)	(19,915)
WPPF and WWF	(1,478)	336
Payment to gratuity fund	(10,446)	(29,939)
Payment to superannuation fund	(8,376)	(17,365)
	(72,561)	(90,733)
Net cash from operating activities	(671,664)	18,445

	July to September 2017	July to September 2016
Rupees in '000'		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	9,961	(652,018)
Proceeds from sale of fixed assets	33,898	7,597
Long term deposits	(3,222)	(1,603)
Profit received on bank deposits	6,449	4,415
Net cash outflow from investing activities	47,086	(641,609)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	7,265	-
Share premium	30,357	-
Long Term Deposits	(67,804)	(6,524)
Dividend paid	(4,823)	(126)
Net cash from financing activities	(35,005)	(6,650)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(659,583)	(629,814)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(5,047,383)	(907,484)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(5,706,966)	(1,537,298)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	817,763	501,934
Finance under mark-up arrangements	(6,524,729)	(2,039,232)
	(5,706,966)	(1,537,298)

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
October 30, 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 September 30, 2017

	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, 2016	1,378,044	-	4,115,827	430,728	266,400	(1,184)	1,285,310	7,475,125
Total comprehensive income for the period	-	-	-	-	-	-	101,748	101,748
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	3,528	3,528
Balance as on September 30, 2016	1,378,044	-	4,115,827	430,728	266,400	(1,184)	1,390,586	7,580,401
Balance as on June 30, 2017	1,421,436	98,914	4,318,696	511,941	266,400	4,213	1,255,027	7,876,627
Issuance of shares by way of right	-	(98,914)	-	-	-	-	-	(98,914)
Issuance of bonus shares	-	-	-	-	-	-	(4,520)	(4,520)
Issuance of shares under employee share option scheme (ESOS)	7,265	-	30,357	-	-	-	-	37,622
Total comprehensive income for the period	-	-	-	-	-	(2,027)	76,805	74,778
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	3,159	3,159
Balance as on September 30, 2017	1,428,701	-	4,349,053	511,941	266,400	2,186	1,330,471	7,888,752

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
October 30, 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 September 30, 2017

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited (THL)

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

Society for Cultural Education (SCE)

Renacon Pharma Limited (RPL)

- 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. 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 ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes and soaps and is in the process of establishing a battery manufacturing unit in Faisalabad. The commercial production is expected to commence in the current financial year.

Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. The company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited - an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

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, Kotlakhpat Industrial Area, Lahore. Object clauses include to establish, construct, run, maintain and manage schools, professional schools and colleges, universities, coaching classes, offices, libraries, information centers and other institutions for imparting moral, academic and technical education to children and adults and to promote and encourage the study of all arts, sciences, culture, history and general knowledge, subject to necessary permissions from regulatory bodies, if any and to take over running business of, or affiliate with or obtain affiliation from, any universities, colleges, schools, educational institutes, information centers and/or any other institutions etc.

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

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

Renacon Pharma Limited (RPL) was incorporated on 07 July 2009 as a Private Limited Company under the Companies Ordinance, 1984. The company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The Company engaged in the business of manufacturing of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines. Treet Corporation Limited has acquired 58.16% equity stake in the company on 18 January 2017. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

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 2017.

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 2017.

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 2017.

5. CONTINGENCIES AND COMMITMENTS

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

	3 Months ended	
	July to	July to
	September 2017	September 2016
Rupees in '000'		
6. SALES - Net		
Blades	1,365,012	1,156,990
Soaps	244,601	266,448
Packaging products	416,545	417,044
Motor bike project	76,704	61,126
Battery trading	99,286	72,137
Pharmaceutical products	67,877	-
	2,270,025	1,973,745
7. COST OF GOODS SOLD		
Blades	(946,782)	(785,022)
Soaps	(177,084)	(207,159)
Packaging products	(397,253)	(371,863)
Motor bike project	(115,561)	(79,614)
Battery trading	(85,506)	(57,661)
Pharmaceutical products	(34,004)	-
	(1,756,190)	(1,501,319)

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	84,352	70,600
Goods sold and services rendered	50	82

9. This unaudited consolidated condensed interim financial information was authorized for issue by the board of directors on October 30, 2017.

10. GENERAL

10.1 The Board of Directors in their meeting held on 05 October 2017 has proposed a bonus issue of 10% (i.e 10 ordinary shares for every 100 shares held on the entitlement date) for the year ended 30 June 2017 (2016: Nil) amounting to Rs. 142.870 million (2016: Rs. Nil) for the approval of the members at the annual general meeting to be held on 31 October 2017. These condensed interim financial statements do not reflect this proposed dividend payable.

10.2 Subsequent to the year end, the Company has granted 4.259 million stock options to its eligible employees at an exercise price of Rs. 66.45 per share under "Treet Corporation Limited - Employee Stock Option Scheme, 2015". These options will have a vesting period of one year from grant date 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.

10.3 Amounts have been rounded off to thousand rupees.

Financial Statements

For the period ended September 30, 2017



Condensed Interim Balance Sheet (Un-Audited)

As At September 30, 2017

	Note	September 2017 Un-audited	June 2017 Audited
		Rupees in '000'	
Property, plant and equipment		2,823,848	2,854,130
Investment property		19,384	19,384
Long term investments		6,302,578	6,302,578
Long term loans and deposits		17,162	20,173
Deferred tax asset		58,633	58,633
		9,221,605	9,254,898
Current assets			
Stock-in-trade		1,087,161	1,017,447
Trade debts - unsecured considered good		270,420	132,533
Short term investments		741,443	566,773
Loans, advances, deposits, prepayments and other receivables		4,847,778	4,366,459
Cash and bank balances		194,797	347,967
		7,141,599	6,431,179
Current liabilities			
Current portion of non-current liabilities		179,417	179,417
Finance under mark-up-arrangements - secured		5,724,729	5,749,596
Trade and other payables		1,479,021	848,424
Provision for taxation		50,935	41,622
		7,434,102	6,819,059
Net current assets		(292,503)	(387,880)
Net assets		8,929,102	8,867,018
FINANCED BY:			
Issued, subscribed and paid-up capital		1,428,701	1,421,436
Reserves		4,616,358	4,586,001
Unappropriated profit		987,595	974,863
SHARE HOLDERS' EQUITY		7,032,654	6,982,300
Participation term finance certificates		357,583	357,583
Surplus on revaluation of fixed assets		1,271,310	1,273,982
Long term deposits		22,807	1,214
Deferred liabilities		244,748	251,939
Contingencies and commitments	6	-	-
		8,929,102	8,867,018

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

LAHORE
October 30, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the period ended September 30, 2017

	Note	3 Months ended	
		July to September 2017	July to September 2016
Rupees in '000'			
Revenue and Sales -Net	7	1,464,298	1,229,127
Cost of Goods Sold	8	(1,072,748)	(852,265)
Gross Profit		391,550	376,862
Operating expenses :			
- Administrative expenses		(47,579)	(58,357)
- Selling & distribution expenses		(272,838)	(258,236)
		(320,417)	(316,593)
Operating Profit		71,133	60,269
Other income		49,596	77,799
		120,729	138,068
Financial expenses		(28,052)	(23,199)
Financial charges Treet-PTC		(72,288)	(75,371)
		20,389	39,498
Workers' Profit Participation Fund		(1,019)	(1,975)
Workers' Welfare Fund		-	-
		(1,019)	(1,975)
Profit before taxation		19,370	37,523
Taxation		(9,313)	(14,070)
Profit from continuing operation		10,057	23,453
Earnings per share from continuing operation		0.07	0.17

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

LAHORE
October 30, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended September 30, 2017


	July to September 2017	July to September 2016
Rupees in '000'		
Profit after taxation	10,057	23,453
Other comprehensive income		
Available -for -sale financial assets	-	-
Transfer to profit and loss account on disposal	-	-
Total comprehensive income for the period	10,057	23,453

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 consolidated financial information.

LAHORE
October 30, 2017


Syed Shahid Ali Shah
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended September 30, 2017

	July to September 2017	July to September 2016
Rupees in '000'		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	19,370	37,523
Adjustments for non-cash items :		
Financial charges for the period	28,052	23,199
Financial charges Treet-PTC	72,288	75,371
Depreciation on property, plant and equipment	47,638	44,960
Provision for gratuity	6,027	5,103
Provision for superannuation fund scheme	5,345	4,636
Profit on bank deposits	(856)	(941)
Profit on disposal of investment held for trading	(32,611)	(64,179)
Unrealized (gain) / loss on short term investments	-	(73,128)
Provision for WPPF and WWF	1,019	1,975
(Gain)/Loss on sale of fixed assets	(6,008)	(4,153)
	120,894	12,843
Operating profit before working capital changes	140,264	50,366
(Increase) / decrease in operating assets :		
Stock-in-trade	(69,714)	75,468
Trade debts	(137,887)	5,670
Short term investments	(142,059)	(54,572)
Loans, advances, deposits, prepayments and other receivables	(438,514)	(242,925)
	(788,174)	(216,359)
Increase / (decrease) in operating liabilities		
Trade and other payables	550,011	(139,579)
Cash generated from operations	(97,899)	(305,572)
Financial charges paid	(15,946)	(23,953)
Taxes paid	(42,805)	(14,867)
Payment to gratuity fund	(10,446)	(29,939)
Payment to superannuation fund	(8,117)	(17,365)
	(77,314)	(86,124)
Net cash from operating activities	(175,213)	(391,696)

	July to September 2017	July to September 2016
Rupees in '000'		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(21,795)	(60,243)
Proceeds from sale of fixed assets	10,446	7,597
Long term deposits	3,011	1,801
Profit received on bank deposits	856	941
Net cash outflow from investing activities	(7,482)	(49,904)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	7,265	-
Share premium	30,357	-
Long Term Deposits	21,593	51
Dividend paid	(4,823)	(125)
Net cash from financing activities	54,392	(74)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(128,303)	(441,674)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(5,401,629)	(1,359,821)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(5,529,932)	(1,801,495)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	194,797	237,737
Finance under mark-up arrangements	(5,724,729)	(2,039,232)
	(5,529,932)	(1,801,495)

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

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

For the period ended September 30, 2017

	Share Capital	Capital Reserve	General Reserve	Unappropriated Profit	Total
	Rupees in '000'				
Balance as on June 30, 2016	1,378,044	4,116,732	266,400	1,083,270	6,844,446
Total comprehensive income for the period	-	-	-	23,453	23,453
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	3,055	3,055
Balance as on September 30, 2016	1,378,044	4,116,732	266,400	1,109,778	6,870,954
Balance as on June 30, 2017	1,421,436	4,319,601	266,400	974,863	6,982,300
Issuance of shares under employee share option scheme (ESOS)	7,265	30,357	-	-	37,622
Total comprehensive income for the period	-	-	-	10,057	10,057
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	2,675	2,675
Balance as on September 30, 2017	1,428,701	4,349,958	266,400	987,595	7,032,654

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

LAHORE
October 30, 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 September 30, 2017

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 (now Companies Ordinance 1984). Its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture 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.

2. BASIS OF PREPARATION

The condensed interim financial information has been presented in condensed form 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. This condensed interim information is unaudited and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2017.

3. ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2017.

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 2017.

The provision for taxation for the period has been made on an estimated basis.

5. PROPERTY, PLANT AND EQUIPMENT

The following acquisitions and disposals have been made during 3 months ended September 30, 2017

	Acquisitions (Cost)	Disposals (Book value)
	Rupees in '000'	
Building on freehold land	25,826	-
Plant and machinery	1,586	-
Furniture and equipment	1,676	65
Vehicles	16,948	7,798
	46,036	7,863

6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

		3 Months ended	
		July to September 2017	July to September 2016
		Rupees in '000'	
7.	SALES - Net		
	Blades - local	895,601	759,298
	Blades - export	469,411	397,692
		1,365,012	1,156,990
	Battery Trading	99,286	72,137
		1,464,298	1,229,127
8.	COST OF GOODS SOLD		
	Blades operation		
	Raw and packing material consumed	(535,577)	(402,485)
	Salaries, wages and other benefits	(314,883)	(212,065)
	Fuel and power	(72,507)	(76,079)
	Depreciation	(37,983)	(33,356)
	Others	(30,971)	(42,672)
		(991,921)	(766,657)
	Opening stock of work-in-process	(61,311)	(53,071)
	Closing stock of work-in-process	54,491	45,893
	Cost of goods manufactured	(998,741)	(773,835)
	Opening stock of finished goods	(61,286)	(103,886)
	Closing stock of finished goods	102,840	83,117
		(957,187)	(794,604)
	Battery trading		
	Cost of goods sold	(115,561)	(57,661)
		(1,072,748)	(852,265)
9.	TRANSACTIONS WITH RELATED PARTIES		
	Subsidiary		
	- Purchases and services received	12,285	11,040
	Associates		
	- Purchases and services received	55,593	50,987
	- Goods sold and services rendered	50	82

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

10. This unaudited condensed interim financial information was authorized for issue by the board of directors on October 30, 2017.
11. **GENERAL**
- 11.1 The Board of Directors in their meeting held on 05 October 2017 has proposed a bonus issue of 10% (i.e 10 ordinary shares for every 100 shares held on the entitlement date) for the year ended 30 June 2017 (2016: Nil) amounting to Rs. 142.870 million (2016: Rs. Nil) for the approval of the members at the annual general meeting to be held on 31 October 2017. These condensed interim financial statements do not reflect this proposed dividend payable.
- 11.2 Subsequent to the year end, the Company has granted 4.259 million stock options to its eligible employees at an exercise price of Rs. 66.45 per share under "Treet Corporation Limited - Employee Stock Option Scheme, 2015". These options will have a vesting period of one year from grant date 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.
- 11.3 Amounts have been rounded off to thousand rupees.

LAHORE
October 30, 2017



Syed Shahid Ali Shah
Chief Executive Officer

















Muhammad Shafique Anjum
Director



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Battery Project



Educational Project

