



TREET GROUP
OF COMPANIES

TREET CORPORATION LIMITED

*"The past cannot
be changed.
The future is yet
in your power."*

1st Quarterly Report
for the period ended
September 30,
2018

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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	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Muhammad Shafique Anjum	Chairman/Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. 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 Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited	MCB Bank Limited Meezan Bank Limited MCB Islamic Bank Limited National Bank of Pakistan SINDH Bank Limited Soneri Bank Limited SILK Bank Limited SAMBA Bank Limited The Bank of Punjab United Bank Limited

COMPANY INFORMATION

REGISTERED OFFICE

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

SHARE REGISTRAR

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

TREET GROUP FACTORIES/ FACTORIES

Head Office:
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825
Blade/Razor:
Hali Road: P.O. Box No. 308, Hyderabad.
Tel: 0223-880846, 883058 & 883174
Fax: 0223-880172

First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)

Battery project

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

Packaging Solutions - Corrugation

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

Soap Division

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

Treet Holdings Limited

(A wholly owned subsidiary of Treet Corporation Limited)

Bike Project

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

Renacon Pharma Limited

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

Institute of Art and Culture

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

COMPANY INFORMATION

GROUP COMPANIES

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

ADDRESS

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

KARACHI OFFICE

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

DIRECTORS' REVIEW

The directors of your company are pleased to present un-audited consolidated financial statements for the 1st Quarter ending on September 30, 2018.

Financial Performance

Following is the summary of comparative financial results:

(Rupees in thousand)	Three Months Ended				% Change	
	September 30, 2018		September 30, 2017			
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	1,569,070	2,714,318	1,464,298	2,270,025	7.16	19.57
Gross Profit	522,606	372,746	391,550	513,835	33.47	(27.46)
Operating Profit/(Loss)	193,629	(80,898)	71,133	122,272	172.21	(166.16)
Profit/(Loss) before taxation	16,227	(220,585)	19,370	103,169	(16.23)	(313.81)
Provision for taxation	26,723	17,196	(9,313)	(18,243)	(386.94)	(194.26)
Profit/(Loss) after taxation	42,950	(203,389)	10,057	84,926	327.07	(339.49)
EPS (in Rupees)	0.27	(1.24)	0.07	0.54		

OPERATIONAL PERFORMANCE IS DESCRIBED BELOW:

	2018-2019	2018-2019	2018-2019	2017-2018	2017-2018	2017-2018	
	Sales	COGS	Gross Profit	Sales	COGS	Gross Profit	%Sales Growth
Blade & Razors	1,559,615	1,024,740	534,875	1,365,012	946,782	418,230	14.26%
Corrugation*	412,692	399,746	12,946	416,545	397,253	19,292	-0.92%
Soap	224,426	198,296	26,130	244,601	177,084	67,517	-8.25%
Batteries	352,690	568,611	(215,921)	99,286	115,561	(16,275)	255.23%
Bike	77,776	84,458	(6,682)	76,704	85,506	(8,802)	1.40%
Pharmaceutical	77,664	58,629	19,035	67,877	34,004	33,873	14.42%
Chemicals	9,455	7,092	2,363	-	-	-	
*Intersegment sales in eliminated							
	2,714,318	2,341,572	372,746	2,270,025	1,756,190	513,835	

- Blade/disposable business showed increase in local market as well as in export markets;
- Soaps sales showed declined in sales including margins but volumes and margins will be increased in the coming months due to reduction in palm oil prices in the international markets;
- Corrugation maintained its sales but margins are declined due to intense competition but it will be increased due to various measures taken by the management including inventory management, toll manufacturing in Karachi etc.;
- Battery Segment has shown its negative margins due to the following reasons:
 - Manpower is to be built up and to be trained through learning curve. Your Company has hired full work force and are being trained by the Korean experts since this is new technology and local expertise are not available and has to be trained and built up with this passage of time;
 - Cost of Korean experts is relatively high but has to be borne to develop the local workforce;
 - Production pace is slow and will be geared up gradually as learning curve is developed;
 - Depreciation and other fixed costs are to be borne fully irrespective of production volumes;
 - Utilities costs are high due to diesel generation. But this will be calm down in the coming months since Company's own grid is installed and functioning;

DIRECTORS' REVIEW

- Financial costs related to the project. Your Company is making full efforts to achieve positive EBITDA in Financial Year 2018-2019 and overall operations have enough positive cash flows to pay its borrowing costs. Moreover, various financial plans are underway to bring borrowing levels down this year.
- Motor Bike segment showed increase in volumes and margins are improved and it will be improved further due to increased due to better sales ordering position;
- Pharmaceutical business margins are declined due to increased salaries (expansion project) and increased cost of inputs. However, prices are being rationalized and R&D is being done to economize the packaging costs which is major input cost in this industry;
- Educational project has started its operations in September 2018. Donation from the Company will be reduced from the next year and rental income will be started from this year;

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.



Syed Shahid Ali
Chief Executive Officer

LAHORE
October 30, 2018

**CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2018


CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


As At September 30, 2018

	September 2018 Un-audited	June 2018 Audited
Note	(Rupees in thousand)	
Property, plant and equipment	13,340,051	13,452,359
Investment property	19,384	19,384
Long term investments	462,749	457,703
Long term loans and deposits	40,865	46,452
Deferred tax asset	47,948	-
	13,910,997	13,975,898
Current assets		
Stock-in-trade	3,389,601	2,217,728
Trade debts - unsecured considered good	1,239,797	1,035,898
Short term investments	475,726	462,484
Loans, advances, deposits, prepayments and other receivables	2,920,973	2,191,653
Cash and bank balances	539,689	1,118,210
	8,565,786	7,025,973
Current liabilities		
Current portion of non-current liabilities	179,417	290,577
Finance under mark-up-arrangements - secured	11,000,038	9,700,404
Trade and other payables	1,770,593	1,334,852
Provision for taxation	128,232	93,551
	13,078,280	11,419,384
Net current assets	(4,512,494)	(4,393,411)
Non-current liabilities		
Long term deposits	23,784	1,214
Participation term finance certificates	178,166	178,166
Deferred liabilities	314,408	337,713
	516,358	517,093
Contingencies and commitments	5	-
Net assets	8,882,145	9,065,394
FINANCED BY:		
Issued, subscribed and paid-up capital	1,600,846	1,600,846
Reserves	5,272,918	5,272,918
Unappropriated profit	336,218	532,119
Surplus on revaluation of fixed assets	1,298,628	1,301,777
SHARE HOLDERS' EQUITY	8,508,610	8,707,660
Minority Interest	373,535	357,734
	8,882,145	9,065,394

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

LAHORE
October 30, 2018


Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended September 30, 2018

	Note	3 Months ended	
		July to September 2018	July to September 2017
(Rupees in thousand)			
Revenue and Sales -Net	6	2,714,318	2,270,025
Cost of Goods Sold	7	(2,341,572)	(1,756,190)
Gross Profit		372,746	513,835
Operating expenses :			
- Administrative expenses		(143,453)	(57,102)
- Selling & distribution expenses		(310,191)	(334,461)
		(453,644)	(391,563)
Operating Profit/(Loss)		(80,898)	122,272
Other income		99,990	74,137
		19,092	196,409
Financial expenses		(202,775)	(31,722)
Financial charges Treet-PTC		(43,286)	(72,288)
Share of profit of associate		7,655	13,284
		(219,314)	105,683
Workers' Profit Participation Fund		(1,061)	(1,384)
Workers' Welfare Fund		(210)	(1,130)
		(1,271)	(2,514)
(Loss)/Profit before taxation		(220,585)	103,169
Taxation			
- Group		19,805	(15,390)
- Associated company		(2,609)	(2,853)
(Loss)/Profit after taxation		(203,389)	84,926
Profit attributable to minority interest		4,339	(8,121)
(Loss)/Profit attributable to group		(199,050)	76,805
(Loss)/Earnings per share from continued operation		(1.24)	0.54

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

LAHORE
October 30, 2018

 Syed Shahid Ali
 Chief Executive Officer


 Muhammad Shafique Anjum
 Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended September 30, 2018

	Quarter year ended		3 Months ended	
	July to September 2018	July to September 2017	July to September 2018	July to September 2017
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	451,707	(138,828)	(199,050)	76,805
Other comprehensive income				
Available -for -sale financial assets				
Fair value adjustment	-	-	-	(2,027)
	-	-	-	(2,027)
Total comprehensive income for the period	451,707	(138,828)	(199,050)	74,778

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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended September 30, 2018

	July to September 2018	July to September 2017
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(220,585)	103,169
Adjustments for non-cash items :		
Financial charges for the period	202,775	31,722
Financial charges Treet-PTC	43,286	72,288
Depreciation on property, plant and equipment	191,748	54,695
Provision for gratuity	7,415	6,027
Provision for superannuation fund scheme	7,034	5,345
Profit on bank deposits	(5,513)	(6,449)
Profit on disposal of investment held for trading	7,945	(32,661)
Fair value adjustment of available for sale investments	-	2,027
Share of profit from associated company	(7,655)	(13,284)
Provision for WPPF and WWF	1,271	2,514
(Gain)/Loss on sale of fixed assets	(30,651)	(6,008)
	417,655	116,216
Operating profit before working capital changes	197,070	219,385
(Increase) / decrease in operating assets :		
Stores and spares	267,058	-
Stock-in-trade	(1,438,931)	(417,668)
Trade debts	(203,899)	(276,931)
Short term investments	(21,187)	(142,126)
Loans, advances, deposits, prepayments and other receivables	(670,037)	(992,823)
	(2,066,996)	(1,829,548)
Increase / (decrease) in operating liabilities		
Trade and other payables	353,459	1,011,060
Cash generated from operations	(1,516,467)	(599,103)
Financial charges paid	(152,265)	(21,836)
Taxes paid	(60,120)	(30,425)
WPPF and WWF	(224)	(1,478)
Payment to gratuity fund	(14,049)	(10,446)
Payment to superannuation fund	(8,738)	(8,376)
	(235,396)	(72,561)
Net cash from operating activities	(1,751,863)	(671,664)


CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)


For the period ended September 30, 2018

	July to September 2018	July to September 2017
	(Rupees in thousand)	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(92,550)	9,961
Proceeds from sale of fixed assets	43,757	33,898
Long term deposits	5,587	(3,222)
Profit received on bank deposits	5,513	6,449
Net cash outflow from investing activities	(37,693)	47,086
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	-	7,265
Share premium	-	30,357
Long Term Deposits	(88,590)	(67,804)
Dividend paid	(9)	(4,823)
Net cash from financing activities	(88,599)	(35,005)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,878,155)	(659,583)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(8,582,194)	(5,047,383)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(10,460,349)	(5,706,966)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	539,689	817,763
Finance under mark-up arrangements	(11,000,038)	(6,524,729)
	(10,460,349)	(5,706,966)

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

LAHORE
October 30, 2018


Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended September 30, 2018

	Share Capital	Advance against issue of share capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	Surplus on revaluation of fixed assets	General Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----									
Balance as on June 30, 2017	1,421,436	98,914	4,318,696	4,213	511,941	1,311,646	266,400	1,255,027	9,188,273
Issuance of of shares by way of right	-	(98,914)	-	-	-	-	-	-	(98,914)
Issuance of of shares as fully paid bonus share	-	-	-	-	-	-	-	(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	2,186	511,941	1,308,487	266,400	1,330,471	9,197,239
Balance as on June 30, 2018	1,600,846	-	4,492,923	1,654	511,941	1,301,777	266,400	532,119	8,707,665
Total comprehensive income for the period	-	-	-	-	-	-	-	(199,050)	(199,050)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(3,149)	-	3,149	-
Balance as on September 30, 2018	1,600,846	-	4,492,923	1,654	511,941	1,298,628	266,400	336,218	8,508,610

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

LAHORE
October 30, 2018

Syed Shahid Ali
 Chief Executive Officer


Muhammad Shafique Anjum
 Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the period ended September 30, 2018

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the period ended September 30, 2018

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

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

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

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

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 2018.

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 2018.

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 2018.

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 STATEMENTS (UN-AUDITED)

For the period ended September 30, 2018

	3 Months ended	
	July to September 2018	July to September 2017
	(Rupees in thousand)	
6. SALES - Net		
Blades	1,559,615	1,365,012
Soaps	224,426	244,601
Packaging products	412,692	416,545
Batteries	352,690	-
Motor bike project	77,776	76,704
Trading operation	9,455	99,286
Pharmaceutical products	77,664	67,877
	2,714,318	2,270,025
7. COST OF GOODS SOLD		
Blades	(1,024,740)	(946,782)
Soaps	(198,296)	(177,084)
Packaging products	(399,746)	(397,253)
Batteries	(568,611)	-
Motor bike project	(84,458)	(85,506)
Trading operation	(7,092)	(115,561)
Pharmaceutical products	(58,629)	(34,004)
	(2,341,572)	(1,756,190)

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	62,332	84,352
Goods sold and services rendered	-	50

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on October 30, 2018.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)


For the period ended September 30, 2018

	September 2018 (Rupees in thousand)	June 2018
10. SOCIETY FOR CULTURAL EDUCATION		
CONDENSED INTERIM BALANCE SHEET (Un-audited)		
As At September 30, 2018		
CURRENT ASSETS		
Stock-in-trade	545	55
Loans, advances, deposits, prepayments and other receivables	3,200	2,090
Cash and bank balances	32,169	18,580
	35,914	20,725
CURRENT LIABILITIES		
Trade and other payables	4,162	3,544
NET ASSETS	31,752	17,181
FINANCED BY:		
Donations/members' contribution	78,631	10,593
Endowment fund	15,000	15,000
Net expenses incurred	(61,879)	(8,412)
	31,752	17,181

	3 Months ended	
	July to September 2018	July to September 2017
	(Rupees in thousand)	
CONDENSED INTERIM STATEMENT OF EXPENSES (Un-audited)		
For the period ended September 30, 2018		
Fees and revenue	14,076	-
Profit on bank deposits	350	366
Other income	185	-
	14,611	366
Less:		
Salaries, wages and other benefits	40,251	18,941
Fuel and power	2,662	1,758
Repairs and maintenance - Vehicles	9	11
Repairs and maintenance - Others	1,854	411
Rent, rates and taxes	125	61
Insurance	150	74
Advertising	18,712	47
Traveling and conveyance	922	508
Entertainment	345	13
Postage and telephone	99	237
Printing and stationery	2,569	374
Legal and professional charges	58	68
Computer expenses	117	40
Subscription	-	-
Bank charges	2	-
Others	203	867
	68,078	23,410
Net expenses taken to balance sheet	(53,467)	(23,044)

11. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 30, 2018

 Syed Shahid Ali
 Chief Executive Officer


 Muhammad Shafique Anjum
 Director

FINANCIAL STATEMENTS


FOR THE PERIOD ENDED SEPTEMBER 30, 2018


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As At September 30, 2018

	September 2018 Un-audited	June 2018 Audited
Note	(Rupees in thousand)	
Property, plant and equipment	3,063,301	3,088,895
Investment property	19,384	19,384
Long term investments	5,240,633	5,248,094
Long term loans and deposits	16,740	20,380
Deferred tax asset	81,269	32,530
	8,421,327	8,409,283
Current assets		
Stock-in-trade	870,718	795,406
Trade debts - unsecured considered good	271,953	267,764
Short term investments	471,836	458,506
Loans, advances, deposits, prepayments and other receivables	8,094,139	7,715,507
Cash and bank balances	60,964	151,549
	9,769,610	9,388,732
Current liabilities		
Current portion of non-current liabilities	179,417	179,417
Finance under mark-up-arrangements - secured	8,230,850	7,753,403
Trade and other payables	819,529	972,728
Provision for taxation	87,019	65,003
	9,316,815	8,970,551
Net current assets	452,795	418,181
Non-current liabilities		
Long term deposits	16,213	1,214
Participation Term Finance Certificates	178,166	178,166
Deferred liabilities	314,407	325,698
	508,786	505,078
Contingencies and commitments	6	-
Net assets	8,365,336	8,322,386
FINANCED BY:		
Issued, subscribed and paid-up capital	1,600,846	1,600,846
Reserves	4,760,228	4,760,228
Unappropriated profit	740,881	695,265
Surplus on revaluation of fixed assets	1,263,381	1,266,047
	8,365,336	8,322,386

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

LAHORE
October 30, 2018

 Syed Shahid Ali
 Chief Executive Officer


 Muhammad Shafique Anjum
 Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended September 30, 2018

	Note	3 Months ended	
		July to September 2018	July to September 2017
(Rupees in thousand)			
Revenue and Sales -Net	7	1,569,070	1,464,298
Cost of Goods Sold	8	(1,046,464)	(1,072,748)
Gross Profit		522,606	391,550
Operating expenses :			
- Administrative expenses		(130,371)	(47,579)
- Selling & distribution expenses		(198,606)	(272,838)
		(328,977)	(320,417)
Operating Profit		193,629	71,133
Other income		16,186	49,596
		209,815	120,729
Financial expenses		(149,448)	(28,052)
Financial charges Treet-PTC		(43,286)	(72,288)
		17,081	20,389
Workers' Profit Participation Fund		(854)	(1,019)
Workers' Welfare Fund		-	-
		(854)	(1,019)
Profit before taxation		16,227	19,370
Taxation		26,723	(9,313)
Profit / (Loss) from continuing operation		42,950	10,057
Earnings per share from continued operation		0.27	0.07

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

LAHORE
October 30, 2018



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)


For the period ended September 30, 2018

	July to September 2018	July to September 2017
	(Rupees in thousand)	
Profit after taxation	42,950	10,057
Other comprehensive income		
Available -for -sale financial assets		
Transfer to profit and loss account on disposal	-	-
Total comprehensive income for the period	42,950	10,057

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, 2018


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended September 30, 2018


	July to September 2018	July to September 2017
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,227	19,370
Adjustments for non-cash items :		
Financial charges for the period	149,448	28,052
Financial charges Treet-PTC	43,286	72,288
Depreciation on property, plant and equipment	58,982	47,638
Provision for gratuity	7,415	6,027
Provision for superannuation fund	7,034	5,345
Profit on bank deposits	(1,172)	(856)
Profit on disposal of investment held for trading	7,850	(32,611)
Profit on disposal of available for sale investment	(1,391)	-
Provision for WPPF and WWF	854	1,019
(Gain)/Loss on sale of fixed assets	(7,211)	(6,008)
	265,095	120,894
Operating profit before working capital changes	281,322	140,264
(Increase) / decrease in operating assets :		
Stores and spares	189,401	-
Stock-in-trade	(264,713)	(69,714)
Trade debts	(4,189)	(137,887)
Short term investments	(21,180)	(142,059)
Loans, advances, deposits, prepayments and other receivables	(357,647)	(438,514)
	(458,328)	(788,174)
Increase / (decrease) in operating liabilities		
Trade and other payables	(218,035)	550,011
Cash generated from operations	(395,041)	(97,899)
Financial charges paid	(127,888)	(15,946)
Taxes paid	(21,839)	(42,805)
Payment to gratuity fund	(14,049)	(10,446)
Payment to superannuation fund	(11,691)	(8,117)
	(175,467)	(77,314)
Net cash from operating activities	(570,508)	(175,213)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended September 30, 2018

	July to September 2018	July to September 2017
	(Rupees in thousand)	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(44,203)	(21,795)
Proceeds from sale of fixed assets	18,025	10,446
Long term investments	8,852	3,011
Long term deposits	3,640	3,011
Profit received on bank deposits	1,172	856
Net cash outflow from investing activities	(12,514)	(7,482)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	-	7,265
Share premium	-	30,357
Long Term Deposits	14,999	21,593
Dividend paid	(9)	(4,823)
Net cash from financing activities	14,990	54,392
NET INCREASE IN CASH AND CASH EQUIVALENTS	(568,032)	(128,303)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(7,601,854)	(5,401,629)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(8,169,886)	(5,529,932)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	60,964	194,797
Finance under mark-up arrangements	(8,230,850)	(5,724,729)
	(8,169,886)	(5,529,932)

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

LAHORE
October 30, 2018


Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended September 30, 2018

	Share Capital	Capital Reserve	Surplus on revaluation of fixed assets	General Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----						
Balance as on June 30, 2017	1,421,436	4,319,601	1,273,982	266,400	974,863	8,256,282
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	1,271,307	266,400	987,595	8,303,961
Balance as on June 30, 2018	1,600,846	4,493,828	1,266,047	266,400	695,265	8,322,386
Total comprehensive income for the period	-	-	-	-	42,950	42,950
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(2,666)	-	2,666	-
Balance as on September 30, 2018	1,600,846	4,493,828	1,263,381	266,400	740,881	8,365,336

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

LAHORE
October 30, 2018



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the period ended September 30, 2018

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. 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 2018.

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 2018.

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 2018.

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 30 September 2018:

	Acquisitions (Cost)	Disposals (Book value)
	(Rupees in thousand)	
Building on freehold land	67,133	-
Plant and machinery	69,412	-
Furniture and equipment	5,669	-
Vehicles	30,506	4,692
	172,720	4,692

6. CONTINGENCIES AND COMMITMENTS

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the period ended September 30, 2018

	3 Months ended	
	July to September 2018	July to September 2017
	(Rupees in thousand)	
7. SALES - Net		
Blades - local	1,011,477	895,601
Blades - export	548,138	469,411
	1,559,615	1,365,012
Trading operation	9,455	99,286
	1,569,070	1,464,298
8. COST OF GOODS SOLD		
Blades operation		
Raw and packing material consumed	(616,872)	(535,577)
Salaries, wages and other benefits	(227,279)	(314,883)
Fuel and power	(74,337)	(72,507)
Depreciation	(45,010)	(37,983)
Others	(39,213)	(30,971)
	(1,002,711)	(991,921)
Opening stock of work-in-process	(65,068)	(61,311)
Closing stock of work-in-process	51,708	54,491
Cost of goods manufactured	(1,016,071)	(998,741)
Opening stock of finished goods	(87,361)	(61,286)
Closing stock of finished goods	64,060	102,840
	(1,039,372)	(957,187)
Trading operation		
Cost of goods sold	(7,092)	(115,561)
	(1,046,464)	(1,072,748)
9. TRANSACTIONS WITH RELATED PARTIES		
Subsidiary		
- Purchases and services received	13,877	12,285
Associates		
- Purchases and services received	35,621	55,593
- Goods sold and services rendered	-	50

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 consolidated financial information was authorized for issue by the board of directors on October 30, 2018.

11. GENERAL

Amounts have been rounded off to thousand rupees.



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director















LAHORE
October 30, 2018



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www.treetonline.com

Head Office:

72-B Industrial Area Kot

Lakhpat Lahore - 54770

Phone: (+92-42) 35830881,

35156567 - 35122296

Fax: (+92-42) 35114127,

35836770

