



TREET GROUP
OF COMPANIES

TREET CORPORATION LIMITED

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

Half Yearly Report
for the period ended
December 31,

2018

CONTENTS

GOVERNANCE

02	Company Information
05	Directors' Review

CONSOLIDATED FINANCIAL STATEMENTS

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

UNCONSOLIDATED FINANCIAL STATEMENTS

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

COMPANY INFORMATION

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Syed Sheharyar Ali Muhammad Shafique Anjum Mr. Saulat Said Mr. Imran Azim Mr. Munir K. Bana	Chairperson / Non-Executive Director Chief Executive Officer Independent Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
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 a brief of operations and financial results of your Company for the half year ended December 31, 2018.

Financial Performance

Following is the summary of comparative financial results:

(Rupees in thousand)	Half Year Ended -				% Change	
	December 31, 2018		December 31, 2017			
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	3,287,558	5,625,596	3,034,978	4,617,110	8.32%	21.84%
Gross Profit	1,197,049	787,328	939,372	1,189,748	27.43%	-33.82%
Operating Profit	291,822	(650,716)	144,352	266,756	102.16%	-346.08%
Net Profit after taxation	131,422	(896,415)	51,751	49,109	153.95%	-1925.36%
EPS (in Rupees)	0.81	(5.41)	0.33	0.29		

The Company's posted loss after tax (consolidated) at Rs. 896,415 million is decreased against Rs. 49,109 million in the corresponding period of the last year. Sales performance is described below:

SEGMENT-WISE SALES

Rs. in 000	31-12-2018			31-12-2017			% Change
	Net Sales	Inter segment sales	Total Sales	Net Sales	Inter segment sales	Total Sales	
D/E+Bonded	3,243,085	-	3,243,085	2,838,792	-	2,838,792	14.24%
Soap	489,362	-	489,362	400,834	-	400,834	22.09%
Corrugation	904,303	29,999	934,302	865,116	23,753	888,869	5.11%
Trading	44,473	-	44,473	196,186	-	196,186	-77.33%
Pharmaceutical	190,137	-	190,137	149,166	-	149,166	27.47%
Bike	155,964	-	155,964	167,016	-	167,016	-6.62%
Batteries	598,272	-	598,272	-	-	-	-
	5,625,596	29,999	5,655,595	4,617,110	23,753	4,640,863	21.87%

- Blade/disposable business showed excellent growth both in local and Export markets and profits margins are improved;
- Soaps sales volumes are increased but margins are decreased due to price rationalization;
- Corrugation maintained its volumes but margins are decreased due to escalation in raw material prices and time-lag impact on pass through impact;
- Motor Cycle volumes and margins are maintained;
- Pharmaceutical business showed excellent growth in sales volumes and margins are maintained. Moreover, expansion/ diversification plan is being executed and commercial production will be expected to start from new plant in last quarter of this calendar year.
- Chemical business showed increased volumes and improved margins;
- Battery business started picking up and sales volumes are taking momentum. Efforts are being made to develop export markets through new product development and market development.

Directors' Review

	Rs. in 000	2018-2019	EBITDA (on consolidated basis) is in GREEN and it will further be improved with increased sales volumes and cost controls and price rationalization (including volume increase across the board). Moreover, cash flows will further be improved through better inventory management and ensuing financial plans.
Net Loss after Tax		(896,415)	
Add Back:			
Financial Charges		538,841	
Taxation		35,910	
Depreciation		340,770	
		-	
Earning before interest, tax, depreciation and amortization (EBITDA)		19,106	

- Education project has started its operations and it is expected that it will stand on its feet within one year;

Accrual of Profit on Participation Term Certificates (TCLTC) based on Half Yearly consolidated results:

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

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

*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)		
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	173,144	4.14
Financial Charges accrued for the period i.e. 9 months	129,858	3.11

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)
0.12	4.14	4.26	-	4.14	4.26

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, 2019.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the 7th 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		
2019	11-10-2019	17-10-2019	09-10-2019	02-11-2019	02-11-2019	02-11-2019

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

Apart from the "Total Payment in Cash", TCLTC holders [who will be entitled on October 09, 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	0.08	51.75	

Example: Thus holder of 1,000 TCLTCs will get 80 Ordinary Shares of the Company on or before November 02, 2019 vis-à-vis principal value of Rs. 4,140/- forgone. This will be last payment and TCLCL will be ceased to exist after above entitlement date.

Financial Plan

Your Company has planned to spin off the battery segment from its subsidiary (First Treet Manufacturing Modaraba) to separate Company (Treet Battery Limited) under scheme of arrangements. Execution of demerger plan will be communicated to the shareholders from time to time.

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.

For and on behalf of the Board



Syed Shahid Ali
Chief Executive Officer

LAHORE
February 26, 2019

Consolidated Financial Statements

For the period ended December 31, 2018


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

As At December 31, 2018

	December 2018 Un-audited	(Restated) June 2018 Audited
Note	Rupees in '000'	
Property, plant and equipment	13,648,440	13,452,359
Investment property	12,895	19,384
Long term investments	1,426,803	457,703
Long term loans and deposits	49,914	46,452
Deferred tax asset	130	-
	15,138,182	13,975,898
Current assets		
Stores and spares	180,416	267,058
Stock-in-trade	3,050,481	1,950,670
Trade debts - unsecured considered good	1,224,057	1,035,898
Short term investments	461,630	462,484
Loans, advances, deposits, prepayments and other receivables	1,407,692	2,191,653
Cash and bank balances	429,985	1,118,210
	6,754,261	7,025,973
Current liabilities		
Current portion of non-current liabilities	178,163	290,577
Finance under mark-up-arrangements - secured	11,822,837	9,700,404
Trade and other payables	1,068,480	1,334,852
Provision for taxation	61,128	93,551
	13,130,608	11,419,384
Net current assets	(6,376,347)	(4,393,411)
Non-current liabilities		
Long term deposits	7,824	1,214
Participation term finance certificates	-	178,166
Deferred liabilities	305,856	337,713
	313,680	517,093
Contingencies and commitments	5	-
Net assets	8,448,155	9,065,394
Financed By:		
Issued, subscribed and paid-up capital	1,654,508	1,600,846
Reserves	5,464,759	5,272,918
Unappropriated profit	(332,042)	532,119
Surplus on revaluation of fixed assets	1,291,729	1,301,777
Share holders' equity	8,078,954	8,707,660
Minority Interest	369,201	357,734
	8,448,155	9,065,394

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

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 2018

	Note	6 Months ended		Quarter ended	
		July to December 2018	July to December 2017	October to December 2018	October to December 2017
Rupees in '000'					
Revenue and Sales -Net	6	5,625,596	4,617,110	2,911,278	2,347,085
Cost of Goods Sold	7	(4,838,268)	(3,427,362)	(2,496,696)	(1,671,172)
Gross Profit		787,328	1,189,748	414,582	675,913
Operating expenses :					
- Administrative expenses		(589,902)	(202,553)	(446,449)	(145,451)
- Selling & distribution expenses		(848,142)	(720,439)	(537,951)	(385,978)
		(1,438,044)	(922,992)	(984,400)	(531,429)
Operating Profit		(650,716)	266,756	(569,818)	144,484
Other income		333,452	165,274	233,462	91,137
		(317,264)	432,030	(336,356)	235,621
Financial expenses		(452,905)	(210,142)	(250,130)	(178,420)
Financial charges: Treet-PTC		(85,936)	(137,160)	(42,650)	(64,872)
Share of profit of associate		7,655	21,165	-	7,881
		(848,450)	105,893	(629,136)	210
Workers' Profit Participation Fund		(8,873)	(5,659)	(7,812)	(4,275)
Workers' Welfare Fund		(572)	(713)	(362)	417
		(9,445)	(6,372)	(8,174)	(3,858)
Profit before taxation		(857,895)	99,521	(637,310)	(3,648)
Taxation					
- Group		(35,911)	(45,200)	(55,716)	(29,810)
- Associated company		(2,609)	(5,212)	-	(2,359)
Profit after taxation		(896,415)	49,109	(693,026)	(35,817)
Profit attributable to minority interest		22,206	(7,295)	17,867	826
Profit attributable to group		(874,209)	41,814	(675,159)	(34,991)
Earnings per share from continued operation		(5.41)	0.29	(4.18)	0.23

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

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

For the period ended December 31, 2018

	6 Months ended		Quarter ended	
	July to December 2018	July to December 2017	October to December 2018	October to December 2017
	Rupees in '000'			
Profit after taxation	(874,209)	41,813	(675,159)	(34,991)
Other comprehensive income				
Available for sale financial assets				
Fair value adjustment	-	(2,027)	-	-
	-	(2,027)	-	-
Total comprehensive income for the period	(874,209)	39,786	(675,159)	(34,991)

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

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

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director

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


For the period ended December 31, 2018

	July to December 2018	July to December 2017
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(857,895)	99,521
Adjustments for non-cash items :		
Financial charges for the period	452,905	210,142
Financial charges Treet-PTC	85,936	137,160
Depreciation on property, plant and equipment	336,908	118,331
Provision for gratuity	7,415	6,027
Provision for superannuation fund scheme	7,034	5,345
Profit on bank deposits	(12,504)	(12,621)
Profit on disposal of investment held for trading	7,098	20,547
Share of profit from associated company	(7,655)	(21,165)
Employees share option scheme (ESOS)	23,593	-
Dividend income	(3,783)	(21,642)
Provision for WPPF and WWF	9,445	6,372
(Gain)/Loss on sale of fixed assets	(29,678)	(15,129)
	876,714	433,367
Operating profit before working capital changes	18,819	532,888
(Increase) / decrease in operating assets :		
Stores and spares	86,642	(162,704)
Stock-in-trade	(1,099,811)	(246,242)
Trade debts	(188,159)	(85,887)
Short term investments	(6,244)	45,621
Loans, advances, deposits, prepayments and other receivables	808,724	(98,414)
	(398,848)	(547,626)
Increase / (decrease) in operating liabilities		
Trade and other payables	(275,346)	215,706
	(275,346)	215,706
Cash generated from operations	(655,375)	200,968
Financial charges paid	(517,923)	(466,462)
Taxes paid	(90,271)	(76,750)
WPPF and WWF	(1,235)	(969)
Payment to gratuity fund	(19,785)	(5,899)
Payment to superannuation fund	(16,478)	580
	(645,692)	(549,500)
Net cash from operating activities	(1,301,067)	(348,532)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(543,359)	(1,488,019)
Proceeds from sale of fixed assets	46,533	33,898
Long term investments	(964,054)	-
Long term deposits	(3,462)	(3,690)
Profit received on bank deposits	12,504	12,621
Dividend received	3,783	21,642
Net cash outflow from investing activities	(1,448,055)	(1,423,548)

	July to December 2018	July to December 2017
Rupees in '000'		
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	24,387	7,265
Share premium	24,388	30,357
Participation term finance certificates	(5,031)	(6,282)
Long Term Deposits	(105,804)	(4,761)
Dividend paid	524	(5,468)
Net cash from financing activities	(61,536)	21,111
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,810,658)	(1,750,969)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(8,582,194)	(5,047,383)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(11,392,852)	(6,798,352)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	429,985	820,757
Finance under mark-up arrangements	(11,822,837)	(7,619,109)
	(11,392,852)	(6,798,352)

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

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of changes in equity

For the period ended December 31, 2018

	Share Capital	Advance against issue of share capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	Surplus on revaluation of land buildings - net of tax	Employee stock option compensation reserve	General Reserve	Unappropriated Profit	Total
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
Shares issued against Treet PTC by way of conversion	29,276	-	143,860	-	-	-	-	-	-	173,136
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)	-	-	-	-	41,813	39,786
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(6,406)	-	-	6,406	-
Balance as on December 31, 2017	1,457,977	-	4,492,913	2,186	511,941	1,305,240	-	266,400	1,298,726	9,335,383
Balance as on June 30, 2018	1,600,846	-	4,492,923	1,654	511,941	1,301,777	-	266,400	532,119	8,707,660
Shares issued against Treet PTC by way of conversion	29,275	-	143,860	-	-	-	-	-	-	173,135
Issuance of of shares under employee share option scheme (ESOS)	24,387	-	24,388	-	-	-	-	-	-	48,775
Recognition of fair value charge of shares under employee share option scheme (ESOS)	-	-	-	-	-	-	23,593	-	-	23,593
Transfer to share premium on issuance of shares under employee share option scheme (ESOS)	-	-	13,071	-	-	-	(13,071)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(874,209)	(874,209)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(10,048)	-	-	10,048	-
Balance as on December 31, 2018	1,654,508	-	4,674,242	1,654	511,941	1,291,729	10,522	266,400	(332,042)	8,078,954

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

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

For the period ended December 31, 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 December 31, 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.

	6 Months ended		Quarter year ended	
	July to December 2018	July to December 2017	October to December 2018	October to December 2017
Rupees in '000'				
6. SALES - Net				
Blades	3,243,085	2,838,792	1,683,470	1,473,780
Soaps	489,362	400,834	264,936	156,233
Packaging products	904,303	865,116	491,611	448,571
Batteries	598,272	-	245,582	-
Motor bike project	155,964	167,016	78,188	90,312
Trading operation	44,473	196,186	35,018	96,900
Pharmaceutical products	190,137	149,166	112,473	81,289
	5,625,596	4,617,110	2,911,278	2,347,085

7. COST OF GOODS SOLD				
Blades	(2,035,562)	(1,892,478)	(1,010,822)	(945,696)
Soaps	(438,225)	(304,695)	(239,929)	(127,611)
Packaging products	(844,302)	(766,490)	(444,556)	(369,237)
Batteries	(1,179,574)	-	(610,963)	-
Motor bike project	(164,077)	(174,695)	(79,619)	(89,189)
Trading operation	(29,004)	(184,334)	(21,912)	(68,773)
Pharmaceutical products	(147,524)	(104,670)	(88,895)	(70,666)
	(4,838,268)	(3,427,362)	(2,496,696)	(1,671,172)

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	145,734	134,591
Goods sold and services rendered	-	50

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on February 26, 2019.

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

For the period ended December 31, 2018

10. SOCIETY FOR CULTURAL EDUCATION

CONDENSED INTERIM BALANCE SHEET (Un-audited)

As At December 31, 2018

	December 2018	June 2018
	Rupees in '000'	
CURRENT ASSETS		
Stock-in-trade	1,564	55
Loans, advances, deposits, prepayments and other receivables	9,625	2,090
Cash and bank balances	21,623	18,580
	32,812	20,725
CURRENT LIABILITIES		
Trade and other payables	6,100	3,544
NET CURRENT ASSETS	26,712	17,181
NET ASSETS	26,712	17,181
FINANCED BY:		
Donations/members' contribution	353,328	10,593
Endowment fund	15,000	15,000
Net expenses incurred	(341,616)	(8,412)
SHARE HOLDERS' EQUITY	26,712	17,181

CONDENSED INTERIM STATEMENT OF EXPENSES (Un-audited)

For the period ended December 31, 2018

	6 Months ended		Quarter year ended	
	July to December 2018	July to December 2017	October to December 2018	October to December 2017
	Rupees in '000'			
Fees and revenue	33,495	-	19,419	-
Profit on bank deposits	1,246	443	896	77
Other income	185	-		
	34,926	443	20,315	77
Less:				
Salaries, wages and other benefits	93,945	40,335	53,694	21,394
Fuel and power	4,189	2,239	1,527	481
Repairs and maintenance - Vehicles	79	95	70	84
Repairs and maintenance - Others	4,450	697	2,596	286
Rent, rates and taxes	252	142	127	81
Insurance	1,840	271	1,690	197
Advertising	21,653	47	2,941	-
Traveling and conveyance	1,662	1,259	740	751
Entertainment	823	27	478	14
Postage and telephone	391	420	292	183
Printing and stationery	2,792	2,259	223	1,885
Legal and professional charges	58	13	-	(55)
Computer expenses	494	46	377	6
Subscription	-	-	-	-
Bank charges	(26)	-	(28)	-
Others	296	943	93	76
	132,898	48,793	64,820	25,383
Net expenses taken to balance sheet	(97,972)	(48,350)	(44,505)	(25,306)

11 GENERAL

11.1 Amounts have been rounded off to thousand rupees.

LAHORE

February 26, 2019


Syed Shahid Ali
Chief Executive Officer

Amir Zia
Group Chief financial officer

Muhammad Shafique Anjum
Director

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

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Treet Corporation Limited ("the Company") as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

The figures of the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2018 and 31 December 2017, have not been reviewed and we do not express a conclusion on them.

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

Lahore
Febraury 26, 2019



KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statements

For the period ended December 31, 2018

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

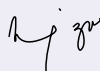
As at 31 December 2018

	Note	(Un-audited) 31 December 2018	(Audited) 30 June 2018
Rupees in '000'			
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,232,010	3,058,815
Investment property		12,895	19,384
Intangible asset		25,892	30,080
Long term investments	6	5,248,094	5,248,094
Long term loans		2,754	623
Long term security deposits		19,757	19,757
Deferred taxation		33,451	32,530
		8,574,853	8,409,283
Current assets			
Stores and spares		180,416	189,401
Stock in trade		836,397	606,005
Trade debts		261,207	267,764
Short term investments		457,974	458,506
Loans, advances, deposits, prepayments and other receivables	7	7,044,465	6,751,453
Cash and bank balances		156,734	151,549
		8,937,193	8,424,678
Assets held for sale	6.1.2	956,594	964,054
		9,893,787	9,388,732
LIABILITIES			
Current liabilities			
Current portion of redeemable capital		178,166	179,417
Short term borrowings		8,531,400	7,753,403
Trade and other payables		418,898	681,761
Unclaimed dividend		13,301	13,301
Accrued mark-up		259,105	277,666
Provision for taxation		32,486	65,003
		9,433,356	8,970,551
Net current assets		460,431	418,181
Non-current liabilities			
Long term deposits		1,214	1,214
Redeemable capital	8	-	178,166
Deferred liabilities - Employee retirement benefits		334,751	325,698
		335,965	505,078
Contingencies and commitments	9		
		8,699,319	8,322,386
Represented by:			
Authorized capital			
250,000,000 (30 June 2018: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
150,000,000 (30 June 2018: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		4,000,000	4,000,000
Issued, subscribed and paid up capital	10	1,654,508	1,600,846
Reserves		4,952,077	4,760,228
Unappropriated profit		831,155	695,265
Surplus on revaluation of land and buildings - net of tax		1,261,579	1,266,047
		8,699,319	8,322,386

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



Syed Shahid Ali
Chief Executive Officer



Amir Zia
Group Chief financial officer



Muhammad Shafique Anjum
Director

LAHORE

February 26, 2019

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

For the period ended December 31, 2018

	Note	6 Months ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Rupees in '000'		Rupees in '000'	
Sales - net	11	3,287,558	3,034,978	1,650,908	1,570,680
Cost of sales		(2,090,509)	(2,095,606)	(1,044,045)	(1,022,858)
Gross profit		1,197,049	939,372	606,863	547,822
Administrative expenses		(312,344)	(181,968)	(181,973)	(134,389)
Distribution cost		(592,883)	(613,052)	(394,277)	(340,214)
		(905,227)	(795,020)	(576,250)	(474,603)
Operating Profit		291,822	144,352	30,613	73,219
Finance cost		(343,273)	(185,302)	(193,825)	(157,250)
Financial charges - PTCs		(85,945)	(137,160)	(42,659)	(64,872)
		(429,218)	(322,462)	(236,484)	(222,122)
Other income		318,048	303,587	301,862	253,991
Other expenses		(24,400)	(30,588)	(23,546)	(29,569)
Profit before taxation		156,252	94,889	72,445	75,519
Taxation		(24,830)	(43,138)	(51,553)	(33,825)
Profit after taxation		131,422	51,751	20,892	41,694
Earnings per share - basic and diluted (Rupees)		0.81	0.33	0.13	0.26

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director

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

For the period ended 31 December 31, 2018

	6 Months ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	131,422	51,751	20,892	41,694
Other comprehensive income				
Items that are or may be subsequently reclassified to profit or loss account	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	131,422	51,751	20,892	41,694

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

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


For the period ended December 31, 2018

Note	31 December 2018	31 December 2017
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	156,252	94,889
Adjustments for non-cash items :		
Finance cost	429,218	322,462
Amortization on intangible asset	4,189	4,188
Depreciation on property, plant and equipment	121,394	96,450
Employee stock option charge	23,593	-
Provision for gratuity	14,829	12,665
Provision for superannuation fund	14,067	10,690
Profit on bank deposits	(2,980)	(1,886)
Unrealized exchange loss/(gain)	6,854	(6,254)
Unrealized loss on investments at 'fair value through profit or loss'	11,545	69,012
Dividend income	(3,782)	(126,803)
Provision for workers' profit participation fund (WPPF)	8,229	4,994
Charges to subsidiary company	(240,242)	(110,000)
Gain on disposal of long term investment	(1,277)	-
Gain on sale of property, plant and equipment	(10,446)	(15,130)
	375,191	260,388
Operating profit before working capital changes	531,443	355,277
(Increase) / decrease in current assets :		
Stores and spares	8,985	40,460
Stock in trade	(230,392)	(92,116)
Trade debts	6,557	(55,586)
Loans, advances, deposits, prepayments and other receivables	(63,923)	(622,629)
	(278,773)	(729,871)
Decrease in current liabilities:		
Trade and other payables	(262,863)	(10,499)
	(10,193)	(385,093)
Income tax paid	(45,809)	(78,343)
WPPF paid	(8,235)	-
Finance cost paid	(447,779)	(450,961)
Payment to gratuity fund	(7,473)	(10,605)
Payment to superannuation fund	(12,370)	(8,951)
Long term loans and deposits - net	(2,131)	(70)
	(523,797)	(548,930)
Net cash used in operating activities	(533,990)	(934,023)

	31 December 2018	31 December 2017
Note	Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(301,096)	(313,794)
Purchase of intangible	-	(772)
Proceeds from sale of property, plant and equipment	16,953	25,628
Proceeds from disposal of long term investments in subsidiary	8,852	-
Short term investments - net	(12,794)	(3,136)
Profit received on bank deposits	2,980	1,886
Dividend received	3,782	126,803
Net cash used in investing activities	(281,323)	(163,385)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	48,774	37,623
Loan from Chief Executive paid- Interest free, repayable on demand	(340,000)	-
Redemption of participation term certificates	(6,273)	(6,276)
Short term borrowings - net	887,267	337,077
Dividend paid	-	(5,310)
Net cash generated from financing activities	589,768	363,114
NET DECREASE IN CASH AND CASH EQUIVALENTS	(225,545)	(734,294)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(4,871,733)	(3,308,585)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12 (5,097,278)	(4,042,879)

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director


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

For the period ended December 31, 2018

	Capital Reserve				Revenue Reserves			Total
	Share Capital	Share Premium	Capital Reserve	Surplus on revaluation of land buildings - net of tax	Employee Stock Option Compensation Reserve	General Reserve	Unappropriated Profit	
	Rupees in '000'							
Balance as at 01 July 2017	1,421,436	4,318,972	629	1,273,982	-	266,400	974,863	8,256,282
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	51,751	51,751
Other comprehensive income	-	-	-	-	-	-	51,751	51,751
Incremental depreciation relating to surplus on revaluation of building - net of tax	-	-	-	(4,466)	-	-	4,466	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	-	-	-	-	-
Transactions with owners of the Company, contributions and distributions								
Issuance of shares under employee stock option scheme - note 16	7,265	30,358	-	-	-	-	-	37,623
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	143,869	-	-	-	-	-	173,144
Issuance of ordinary shares as fully paid bonus shares @ 10%	142,870	-	-	-	-	-	(142,870)	-
Balance as on December 31, 2017 - unaudited	1,600,846	4,493,199	629	2,69,516	-	266,400	888,210	8,518,800
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(134,775)	(134,775)
Other comprehensive loss	-	-	-	-	-	-	(62,558)	(62,558)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	(4,388)	-	-	4,388	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	919	-	-	-	919
Balance as at 30 June 2018 - audited	1,600,846	4,493,199	629	1,266,047	-	266,400	695,265	8,322,386
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	131,422	131,422
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	(4,468)	-	-	4,468	-
Transactions with owners of the Company, contributions and distributions								
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	143,869	-	-	-	-	-	173,144
Issuance of shares under employee stock option scheme - note 16	24,387	24,387	-	-	-	-	-	48,774
Recognition of fair value charge of share based payments - note 16	-	-	-	-	23,593	-	-	23,593
Transfer to share premium on issuance of share under employee stock option scheme - note 16	-	13,071	-	-	(13,071)	-	-	-
Balance as on 31 December 2018 - unaudited	1,654,508	4,674,526	629	1,261,579	10,522	266,400	831,155	8,699,319

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2019


Syed Shahid Ali
Chief Executive Officer


Amir Zia
Group Chief financial officer


Muhammad Shafique Anjum
Director

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

For the period ended December 31, 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 Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

2. BASIS OF PREPARATION

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the provisions of the Companies Act, 2017.
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017.

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

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

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

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2018. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

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

3. ESTIMATES

The preparation of these condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2018.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 01 July 2018 as stated below:

4.1 Change in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is effective from the annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the changes from previous accounting policy are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

The Company is engaged in the sale of blade, razors products and trading chemicals. The contracts with customers for the sale of goods generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations at 01 July 2018, did not have a material impact on the amounts of revenue recognized in these condensed interim financial statements.

4.2 IFRS 9 Financial Instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting and was effective for annual periods beginning on or after 01 July 2018. The securities and Exchange Commission of Pakistan (SECP), vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.

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

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

-	IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
-	Amendment to IFRS 9 - Financial Instrument	01 January 2019
-	IFRS 16 - Leases	01 January 2019
-	Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures	01 January 2019
-	Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement	01 January 2019
-	Amendment to IFRS 3 - Business Combinations - Definition of a Business	01 January 2019
-	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2019
-	Annual Improvements to IFRS Standards 2015-2017 Cycle	01 January 2019

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

For the period ended December 31, 2018

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
	Note	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,648,519	2,539,328
Capital work-in-progress		583,491	519,487
		3,232,010	3,058,815

5.1 Operating fixed assets

Opening net book value		2,539,328	2,465,457
Additions during the period/ year	5.2	237,093	289,080
Disposals during the period/ year - net book value	5.2	(6,508)	(58,558)
Depreciation charged during the period/ year		(121,394)	(156,651)
Closing net book value		2,648,519	2,539,328

5.2 The following additions and disposals have been made during the six months period ended 31 December 2018:

	Additions at cost	Disposals at net book value
	(Rupees in thousand)	
Buildings	70,083	-
Plant and machinery	80,763	-
Furniture and fixtures	35,173	265
Computer and equipment	2,456	-
Vehicles	48,618	6,243
	237,093	6,508

		(Un-audited) 31 December 2018	(Audited) 30 June 2018
	Note	(Rupees in thousand)	
6. Long term investments			
In equity instruments of subsidiaries - at cost	6.1	6,040,604	6,048,064
In equity instruments of Associate - at cost	6.2	162,529	162,529
Available for sale - at cost	6.3	1,555	1,555
		6,204,688	6,212,148
Less: Assets held for sale		(956,594)	(964,054)
		5,248,094	5,248,094

		(Un-audited) 31 December 2018 (Rupees in thousand)	(Audited) 30 June 2018
6.1 In equity instruments of subsidiaries - at cost			
Treet Holdings Limited - unquoted			
61,101,712 (30 June 2018: 61,101,712) fully paid ordinary shares of Rs. 10 each	6.1.1	611,017	611,017
Equity held: 85.93 % (30 June 2018: 85.93 %)			
Chief Executive Officer - Syed Shahid Ali			
First Treet Manufacturing Modaraba - quoted			
170,851,700 (30 June 2018: 171,224,700) fully paid certificates of Rs. 10 each	6.1.2	3,417,442	3,424,902
Equity held: 87.35 % (30 June 2018: 87.54 %)			
Chief Executive Officer - Syed Shahid Ali			
Global Arts Limited - unquoted			
160,540,320 (30 June 2018: 160,540,320) fully paid ordinary shares of Rs. 10 each	6.1.3	1,605,403	1,605,403
Equity held: 88.76 % (30 June 2018: 88.76 %)			
Chief Executive Officer - Syed Shahid Ali			
Renacon Pharma Limited - unquoted			
28,342,800 (30 June 2018: 28,342,800) fully paid ordinary shares of Rs. 10 each	6.1.4	406,742	406,742
Equity held: 45.45 % (30 June 2018: 45.45 %)			
Chief Executive Officer - Dr. Salman Shakoh			
		6,040,604	6,048,064

Assets held for sale:

First Treet Manufacturing Modaraba - quoted			
47,829,710 (30 June 2018: 48,202,710) fully paid ordinary shares of Rs. 10 each (cost Rs. 20 per share)	6.1.2	(956,594)	(964,054)
		5,084,010	5,084,010

6.1.1 The Company directly owns 85.93% (30 June 2018: 85.93%) equity interest in Treet Holdings Limited while the remaining 14.07% (30 June 2018: 14.07%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited .

6.1.2 The Company directly owns 87.35% (30 June 2018: 87.54%) equity interest in First Treet Manufacturing Modaraba ("FTMM") while 10.02% (30 June 2018: 10.02%) equity interest is indirectly owned through the Company's subsidiary, Treet Holdings Limited. The decrease in equity interest is due to sale of 0.37 million certificates during the period at an average rate of Rs. 23.73 per certificate.

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

For the period ended December 31, 2018

The Board of Directors of the Company in their meeting held on 27 February 2018 resolved to reduce the Company's certificate holding in FTMM up-to 59.85% (dilution of 30% in certificate holding from 89.85%) either through selling of modaraba certificates in the market (or otherwise) and/or not to subscribe fully the further issue of capital (if any) of FTMM. The management is committed to the sale of modaraba certificates (up-to 30%) constituting 48,202,710 number of certificates and expects this sale to be completed within the next twelve months after the reporting date and consequently this expected dilution of investment in FTMM has been classified as 'Assets held for sale' in accordance with the requirements of IFRS 5 'Non- Current Assets Held for Sale and Discontinued Operations'.

- 6.1.3** The Company directly owns 88.76% (30 June 2018: 88.76%) equity interest in Global Arts Limited while the remaining 11.24% (30 June 2018: 11.24 %) equity interest is indirectly owned through the Company's subsidiaries, Treet Holdings Limited (wholly owned) and Renacon Pharma Limited.
- 6.1.4** Renacon Pharma Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 45.45% (30 June 2018: 45.45%) equity interest in RPL and 10.39% (30 June 2018: 10.39%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited.

	Note	2018 (Rupees in thousand)	2017
6.2 In equity instruments of Associate - at cost			
<u>Loads Limited - quoted</u>			
18,895,057 (30 June 2018: 18,895,057) fully paid ordinary shares of Rs. 10 each	6.2.1	162,529	162,529
Equity held: 12.49 % (30 June 2018: 12.49 %)			
Chief Executive Officer - Munir K. Bana			
		162,529	162,529

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

	(Un-audited) 31 December 2018 (Rupees in thousand)	(Audited) 30 June 2018
6.3 Available for sale -at cost		
Techlogix International Limited		
748,879 (30 June 2018: 748,879) fully paid ordinary shares of par value of USD 0.00015.	8,593	8,593
Equity held: 0.71 % (30 June 2018: 0.71 %)		
Less: Provision for impairment	(7,038)	(7,038)
	1,555	1,555

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

This includes advance amounting to Rs. 6,161 million (30 June 2018: Rs. 5,830 million) to First Treet Manufacturing Modarba ("FTMM"), subsidiary company, and is receivable on demand. The amount is advanced to FTMM for the on going Battery Project out of the short term running finance facilities availed by the Company. Markup is calculated at average borrowing rate of the Company. It also includes receivable on account of reimbursement of expenses, sharing of common expenses and purchase of goods under normal business trade as per the agreed terms and are interest free.

8. 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 (pre-agreed price of Rs. 51.38 per share) for year 2019. Shares issued through conversion will rank parri passu with existing shares. During the period, 2.93 million ordinary shares have been issued to the PTC holders as per redemption/conversion scheme.

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 2018.

9.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 702.73 million (30 June 2018: Rs. 730.34 million).

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	31 December 2018	30 June 2018	(Un-audited) 31 December 2018	(Audited) 30 June 2018
	(Number of shares)		Rupees in '000'	
Ordinary shares of Rs. 10 each fully paid-up in cash	89,793,463	89,793,463	897,935	897,935
Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 10.2	18,660,328	15,732,828	186,602	157,327
Ordinary shares of Rs. 10 each fully issued as bonus shares	52,420,143	52,420,143	524,201	524,201
Issuance of shares against employee share options scheme - note 10.3	4,576,951	2,138,251	45,770	21,383
	165,450,885	160,084,685	1,654,508	1,600,846

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

For the period ended December 31, 2018

- 10.1** Loads Limited, an associated company, holds 8,613,233 (30 June 2018: 8,613,233) ordinary shares of Rs. 10 each representing 5.38% (30 June 2018: 5.38%) of the paid up capital of the Company.
- 10.2** Under the terms of conversion as referred in note 8, the Company, during the period, issued 2,927,557 (30 June 2018: 2,927,557) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.87 million. (30 June 2018: Rs. 143.87 million).
- 10.3** Under the terms of the scheme as referred in note 16, the Company, during the period, issued 24,387 fully paid ordinary shares to eligible employees. The shares were issued at the exercise price of Rs. 20.00 per share resulting in premium of Rs. 37.46 million.

	(Un-audited)		(Un-audited)	
	Six Months ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Rupees in '000'		Rupees in '000'	
11. SALES - Net				
Blades and Razors				
Export sales	1,115,954	997,436	565,493	528,025
Local sales - gross	2,583,711	2,252,379	1,295,840	1,181,646
Less: Sales tax	(410,820)	(367,324)	(209,572)	(174,725)
Less: Trade discount	(45,761)	(43,699)	(27,974)	(33,953)
	2,127,130	1,841,356	1,058,294	972,968
Trading income				
Sale of batteries - gross	15,431	234,922	5,601	76,979
Less: Sales tax	(2,224)	(11,933)	(796)	(12,408)
Less: Trade discount	(1,197)	(36,041)	(693)	(4,122)
	12,010	186,948	4,112	60,449
Sale of Chemicals - gross	38,004	10,870	26,938	10,870
Less: Sales tax	(5,540)	(1,632)	(3,929)	(1,632)
	32,464	9,238	23,009	9,238
	3,287,558	3,034,978	1,650,908	1,570,680

	(Un-audited)	(Un-audited)
	31 December 2018	31 December 2017
	Rupees in '000'	

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	156,734	270,199
Short term running finance - secured	(5,254,012)	(4,313,078)
	(5,097,278)	(4,042,879)

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

- 13.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2018.
- 13.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Available For Sale	Fair value through profit loss	Carrying Amount		Fair Value				
			Trade and other receivables	Cash and cash equivalents	Total	Level 1	Level 2	Level 3	Total
31 December 2018 - (Un-audited)									
Financial assets measured at fair value									
Long term investments	1,555	-	-	-	1,555	-	-	1,555	1,555
Short term investments	-	457,974	-	-	457,974	457,974	-	-	457,974
	1,555	457,974	-	-	459,529	457,974	-	1,555	459,529
Financial assets not measured at fair value									
Long term deposits	-	-	19,757	-	-	-	-	-	-
Trade debts - unsecured, considered good	-	-	261,207	-	-	-	-	-	-
Advances, deposits and other receivables	-	-	6,745,490	-	-	-	-	-	-
Cash and bank balances	-	-	156,734	-	-	-	-	-	-
	-	-	7,026,454	156,734	-	-	-	-	-
	-	-	7,026,454	156,734	-	-	-	-	-
Financial liabilities measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Short term borrowing	-	-	-	-	8,531,400	-	-	-	-
Trade and other payables	-	-	-	-	314,603	-	-	-	-
Accrued mark up	-	-	-	-	259,105	-	-	-	-
Long term deposits	-	-	-	-	1,214	-	-	-	-
Redeemable capital	-	-	-	-	178,166	-	-	-	-
	-	-	-	-	9,284,488	-	-	-	-

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

For the period ended December 31, 2018

	Available For Sale	Fair value through profit & loss	Carrying Amount			Fair Value					
			Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
30 June 2018 - (Audited)											
Financial assets - measured at fair value											
Long term investments	1,555	-	-	-	-	-	1,555	-	-	1,555	1,555
Short Term investments	-	458,506	-	-	-	-	458,506	458,506	-	-	458,506
	1,555	458,506	-	-	-	-	460,061	458,506	-	1,555	460,061
Financial assets - not measured at fair value											
Long term security deposits	-	-	16,304	-	-	-	-	16,304	-	-	-
Trade debts	-	-	132,533	-	-	-	-	132,533	-	-	-
Advances, prepayments and other receivables	-	-	3,660,704	-	-	-	-	3,660,704	-	-	-
Cash and bank balances	-	-	-	347,967	-	-	-	347,967	-	-	-
	-	-	3,809,541	347,967	-	-	-	4,157,508	-	-	-
Financial liabilities - measured at fair value											
Financial liabilities - not measured at fair value											
Short term borrowings	-	-	-	-	7,753,403	-	-	7,753,403	-	-	-
Trade and other payables	-	-	-	-	509,938	-	-	509,938	-	-	-
Accrued mark-up	-	-	-	-	277,666	-	-	277,666	-	-	-
Long term deposits	-	-	-	-	1,214	-	-	1,214	-	-	-
Redeemable capital	-	-	-	-	357,983	-	-	357,983	-	-	-
	-	-	-	-	8,899,804	-	-	8,899,804	-	-	-

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. Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities					Equity			Total	
	Redeemable capital	Short term borrowings	Loan from Chief Executive	Unclaimed Dividend Payable	Accrued markup	Long term deposits	Share capital/premium	Reserves		Unappropriated profit
	(Rupees in thousand)									
As at 30 June 2018 - (Audited)	357,583	2,340,121	390,000	13,301	277,666	1,214	6,094,045	267,029	695,265	10,436,224
Changes from financing cash flows										
Proceeds from issue of shares under employee stock option scheme	-	-	-	-	-	-	48,774	-	-	48,774
Proceeds from borrowing	-	2,077,388	-	-	-	-	-	-	-	2,077,388
Repayment of borrowings	-	(1,190,121)	(340,000)	-	-	-	-	-	-	(1,530,121)
Redemption of redeemable capital	(6,273)	-	-	-	-	-	-	-	-	(6,273)
Dividend paid	-	-	-	-	-	-	-	-	-	-
Total changes from financing cash flows	(6,273)	887,267	(340,000)	-	-	-	48,774	-	-	589,768
Other changes including non-cash										
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	(173,144)	-	-	-	-	-	173,144	-	-	-
Total comprehensive profit for the period	-	-	-	-	(447,779)	-	-	-	135,890	135,890
Finance cost paid	-	-	-	-	429,218	-	-	-	-	(447,779)
Finance cost	-	-	-	-	(18,561)	-	-	-	-	429,218
Total liability related other changes	(173,144)	-	-	-	(18,561)	-	173,144	-	135,890	117,329
As at 31 December 2018 - (Unaudited)	178,166	3,227,388	50,000	13,301	259,105	1,214	6,315,963	267,029	831,155	11,143,321
As at 30 June 2017 - (Audited)	537,000	1,703,044	390,000	18,629	348,639	1,214	5,740,408	267,029	974,863	9,980,826
Changes from financing cash flows										
Proceeds from issue of shares under employee stock option scheme	-	-	-	-	-	-	37,623	-	-	37,623
Proceeds from borrowing	-	890,124	-	-	-	-	-	-	-	890,124
Repayment of borrowings	-	(553,044)	-	-	-	-	-	-	-	(553,044)
Redemption of redeemable capital	(6,273)	-	-	-	-	-	-	-	-	(6,273)
Dividend paid	-	-	-	(5,310)	-	-	-	-	-	(5,310)
Total changes from financing cash flows	(6,273)	337,080	-	(5,310)	-	-	37,623	-	-	363,120
Other changes including non-cash										
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	(173,144)	-	-	-	-	-	173,144	-	-	-
Issue of ordinary shares as bonus @ 10%	-	-	-	-	-	-	142,870	-	-	142,870
Total comprehensive (loss) for the period	-	-	-	-	(450,961)	-	-	-	(142,870)	(142,870)
Finance cost paid	-	-	-	-	322,462	-	-	-	-	(450,961)
Finance cost	-	-	-	-	(128,499)	-	-	-	-	322,462
Total liability related other changes	(173,144)	-	-	-	(128,499)	-	316,014	-	(142,870)	(128,499)
As at 31 December 2017 - (Unaudited)	357,583	2,040,124	390,000	13,319	220,140	1,214	6,094,045	267,029	831,993	10,215,447

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

For the period ended December 31, 2018

15. TRANSACTIONS WITH RELATED PARTIES

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

Transactions with related parties	Relationship	Nature of transactions	Six Months period ended	
			31 December 2018	31 December 2017
			Rupees in '000'	
Subsidiaries				
Treet HR Management	Subsidiary Co.	Funds transferred - net	-	25,000
		Purchase of services	7,500	7,500
		Purchase of services	6,860	-
First Treet Manufacturing Modaraba	Subsidiary Co (87.35% Equity held)	Expenses incurred	(158,856)	35,462
		Funds transferred - net	245,794	564,121
		Purchase of goods	12,448	11,308
		Dividend income	-	105,162
		Rental income	18,000	18,000
		Charges incurred	240,241	110,000
Treet Holdings Limited	Subsidiary Co. (85.93% Equity held)	Expenses incurred	9,709	3,584
		Funds transferred - net	(30,396)	36,828
		Purchase of bikes	5,874	6,835
		Rental Income	550	-
Global Arts Limited	Subsidiary Co. (88.76% Equity held)	Funds transferred - net	52,000	-
Society for Cultural Education	Subsidiary Co.	Donation	109,831	47,232
Renacon Pharma Limited	Subsidiary Co. (45.45% direct holding) (10.39% indirect holding)	Funds transferred - net	(17)	-
		Expenses incurred	(5,571)	-

II Related parties

Packages Limited	Common directorship	Purchase of goods	40,753	65,718
		Sale of goods	-	50
Bulleh Shah Packaging (Pvt) Limited	Common directorship	Purchase of services	14,428	-
		Sale of goods	76	-
IGI Insurance Limited	Common directorship	Purchase of services	30,512	22,666
Loads Limited	Common directorship	Expenses incurred	683	-
		Finance cost paid - PTCs	7,527	12,729
		Dividend income	-	17,177
Cutting Edge (Pvt) Limited	Common directorship	Purchase of services	1,287	13,155
Elite Brands Limited	Common directorship	Sale of goods	231,319	-

III Post employment benefit plans

Superannuation fund		Contribution	14,067	10,690
Provident fund		Contribution	16,189	12,665
Service fund		Contribution	8,382	13,912
Housing fund		Contribution	8,766	7,280
Gratuity fund		Contribution	14,829	7,244
Benevolent Fund		Contribution	2,095	1,790
Superannuation fund II		Contribution	2,623	4,199

IV Key Management Personnel

	Salaries and other employee benefits	321,126	328,606
	Repayment of Loan received from CEO	340,000	-
	Share options granted - note 16		

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

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

For the period ended December 31, 2018

16. 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 anyone 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 2018 is as follows:

	Granted in the year 2018	Granted in the year 2017	Granted in the year 2016
	(*Modified October 2018)		
	Rupees in '000'		
Original grant date	30 July 2018	14 July 2017	16 July 2016
Modified grant date	N/A	26 October 2018	N/A
Options issued	4,768	4,259	4,114
Options no longer in issue	-	-	3,581
Options vested	N/A	4,259	4,114
Options exercised	N/A	2,439	533
Shares issued under the scheme	N/A	2,439	533
Original exercise price per share	35.44	66.45	51.79
Market value per share at grant date	35.60	51.53	51.63
Option discount per share at grant date	0.16	NIL	NIL
Modified exercise price per share	N/A	20.00	N/A
Market value per share at modified grant date	N/A	25.36	N/A
Option discount per share at modified grant date	N/A	5.36	N/A
Options issued to key management personnel	2,416	2,003	3,224
Options exercised by key management personnel	N/A	1,334	426

* The shareholders of the Company in their Annual General Meeting held on 26 October 2018 through a special resolution approved re-pricing of 4,259,400 options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial price of Rs. 66.45 per share to the revised price of Rs. 20.00 per share, without any change or modification in the vesting period, exercise period or any other specific terms and condition under which such options have been granted. The revised price of Rs. 20 per share was determined by the Board of Directors in their meeting held on 04 October 2018.

17. DATE OF AUTHORIZATION

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2019.

18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 18.2 No significant re-arrangements or re-classification have been made in these condensed interim unconsolidated financial statements.
- 18.3 All figures, except for 30 June 2018, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
February 26, 2019



Syed Shahid Ali
Chief Executive Officer



Amir Zia
Group Chief financial officer

















Muhammad Shafique Anjum
Director



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