



All your
needs that
matter!

TABLE OF CONTENT

GOVERNANCE

Company Information	02
---------------------	----

Directors' Review	03
-------------------	----

CONSOLIDATED FINANCIAL STATEMENTS

Condensed Interim Consolidated Statement of Financial Position	06
---	----

Condensed Interim Consolidated Statement of Profit or Loss Account	07
--	----

Condensed Interim Consolidated Statement of Comprehensive Income	08
--	----

Condensed Interim Consolidated Statement of Changes in Equity	09
--	----

Condensed Interim Consolidated Cash Flow Statement	10
---	----

Notes to the Consolidated Condensed Interim Financial Statements	12
--	----

UNCONSOLIDATED FINANCIAL STATEMENTS

Condensed Interim Statement of Financial Position	17
--	----

Condensed Interim Statement of Profit or Loss Account	18
--	----

Condensed Interim Statement of Comprehensive Income	19
--	----

Condensed Interim Statement of Changes in Equity	20
---	----

Condensed Interim Cash Flow Statement	21
--	----

Notes to the Condensed Interim Financial Statements	23
--	----

COMPANY INFORMATION

Board of Directors

Mr. Syed Shahid Ali
Chief Executive Officer

Mr. Syed Shehryar Ali
Executive Director

Mr. Muhammad Shafique Anjum
Executive Director

Mr. Imran Azim
Non-Executive Director
/Chairman

Dr. Salman Faridi
Independent Director

Ms. Sidra Fatima Sheikh
Independent Director

Mr. Munir Karim Bana
Non-Executive Director

Audit Committee

Dr. Salman Faridi
Chairman/Member

Mr. Imran Azim
Member

Mr. Munir K. Bana
Member

Human Resource & Remuneration Committee

Ms. Sidra Fatima Sheikh
Chairperson/Member

Mr. Imran Azim
Member

Mr. Syed Shahid Ali
Member

Group Chief Financial Officer

Mr. Mohammad Mohtashim Aftab

Company Secretary & Head of Legal

Ms. Zunaira Dar

Head of Internal Audit

Mr. Muhammad Ali

External Auditors

KMPG Taseer Hadi & Co.
Chartered Accountants Lahore.

Legal Advisors

Syed Ali Rizvi - Khosa & Rizvi

Share Registrar

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

Bankers

AL-Baraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited

MCB Bank Limited
Meezan Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Group Companies

First Treet Manufacturing Modaraba
Global Arts Limited
Renacon Pharma Limited
Society for Cultural Education
Treet Holdings Limited
Treet HR Management (Pvt) Ltd.
Treet Power Limited
Treet Battery Limited

Registered Office

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

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited consolidated Financial Statements of the Group for the three months period ended on September 30, 2020.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in million)

	September 30, 2020		September 30, 2019		% Change	
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	1,867	3,554	1,718	3,351	8.67%	6.06%
Gross Profit/(Loss)	642	545	771	582	-16.73%	-6.36%
Operating Profit/(Loss)	352	111	475	111	-25.89%	0.00%
Profit/(Loss) before Taxation from Continuing Operations	374	(89)	186	(214)	101.08%	-58.41%
Net Profit/(Loss) after taxation from Continuing Operations	329	(156)	140	(260)	135.00%	-40.00%
Net Profit/(Loss) after taxation	329	(178)	140	(263)	135.00%	-32.32%
EPS (in Rupees)	1.93	(0.97)	0.84	(1.59)	129.76%	-38.99%

BUSINESS REVIEW – GROUP RESULTS

It is our pleasure to report that the Group's operational performance has shown some improvement even in a difficult business environment. For the three months period, the Group's turnover was Rs. 3,554 million, registering a growth of 6% over the corresponding period of last year (Rs. 3,351 million). The increase reflects upside in sales of blade, soap, battery and pharmaceutical products.

For the three months period under consideration, Operating Profit is Rs. 111 million which is same as last year corresponding period. Loss after tax is Rs. 178 million which is 32.32% lower compared to last year same period. The reduction in loss is primarily due to revenue growth, strict control over costs, and better profit margin management. This level of loss has delivered a negative EPS of Rs. 0.97 per share [2019-20: Rs. (1.59)] per share last year same period.

Segment wise sales is as follows:

(Rupees in million)

	Sales			% Change
	Quarter Ended			
	September 30, 2020	September 30, 2019		
Blades	1,848	1,692	9.22%	
Trading	19	26	-26.92%	
Battery	934	718	30.08%	
Corrugation*	342	500	-31.60%	
Soap	296	271	9.23%	
Bike	5	38	-86.84%	
Pharmaceutical	126	113	11.50%	
Total	3,570	3,358	6.31%	

* The sales of corrugation segment includes intercompany sales of Rs. 16 million (2019-20: Rs. 7 million)

DIRECTORS' REVIEW

A brief review of the operational performance of the Group's entities is as follows:

TREET CORPORATION LIMITED (TCL)

Treet Corporation Limited is a flagship project of the Group and is engaged in manufacturing and sales of blades and razors. For the three months period, the turnover was Rs. 1,867 million, registering an increase of 8.67% over the same period of last year. Gross profit recorded at Rs. 642 million with reduction of 16.73% as compare to same corresponding period of last year (2019-20: Rs. 771 million). Profit after tax is Rs. 329 million which is almost 2.35 times higher as compare to last corresponding period (2019-20: Rs. 140 million).

FIRST TREET MANUFACTURING MODARABA (FTMM)

a) BATTERY

The battery segment has shown healthy increase in the volume which is approximately 17% higher compared to last year same period. Furthermore, the estimated market share of our battery has increased over 7% during the current period.

The net revenue for the period is Rs. 934 million, which is 30% higher compared to last period. The business has posted gross loss of Rs. 115 million which has improved by 55% compared to last period.

b) CORRUGATION

The net revenue for the period is Rs. 342 million which has decreased by 31.60% as compared to last comparable period. The decrease in revenue is attributable to low economic activity which is due to COVID-19. The business has posted a gross loss of Rs. 11 million compared to a gross profit of Rs. 22 million. The loss is mainly due to increase in raw material cost, higher freight charges and limited pass through impact (i.e. increased cost is not passed on to the customer due to intense competition).

Efforts are being made to broaden the customer base through market diversification. Moreover, prices are also being rationalized in tandem with the increased costs (raw material, salaries etc.) however, with time lagged impact.

c) SOAPS

The net revenue for the period is Rs. 296 million, which is 9% higher compared to last period. The business has posted gross profit of Rs. 11 million which has declined by 72% compared to last period.

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 by 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 27, 2020

**CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2020


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

As At September 30, 2020

	Note	September 2020 Un-audited (Rupees in thousand)	June 2020 Audited
Non-Current Assets			
Property, plant and equipment		15,259,642	15,502,995
Investment property		12,895	12,896
Long term investments		435,386	426,320
Long term loans and deposits		85,280	82,522
Deferred tax asset		-	-
		15,793,203	16,024,733
Current assets			
Stores and spares		355,966	350,306
Stock-in-trade		1,864,759	2,296,876
Trade debts - unsecured considered good		834,710	878,646
Short term investments		297,100	244,678
Loans, advances, deposits, prepayments and other receivables		1,930,419	1,855,062
Cash and bank balances		687,098	476,937
		5,970,052	6,102,505
Asset held for sale		2,020,906	2,020,906
Current liabilities			
Current portion of long term liabilities		39,602	54,164
Short term borrowings		12,414,756	13,034,254
Trade and other payables		2,032,330	1,807,392
Provision for taxation		234,706	126,126
		14,721,394	15,021,936
Net current assets		(6,730,436)	(6,898,525)
Non-current liabilities			
Long term deposits		1,213	11,214
Long term loans		291,467	126,672
Liabilities against assets subject to finance lease		54,511	54,511
Deferred liabilities		738,289	778,555
		1,085,480	970,952
Contingencies and commitments	5	-	-
Net assets		7,977,287	8,155,256
FINANCED BY:			
Issued, subscribed and paid-up capital		1,708,142	1,698,313
Reserves		5,623,672	5,618,059
Unappropriated profit		(4,464,677)	(4,318,826)
Surplus on revaluation of fixed assets		4,873,886	4,893,916
SHARE HOLDERS' EQUITY		7,741,023	7,891,462
Minority Interest		236,264	263,794
		7,977,287	8,155,256

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director

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

For the period ended September 30, 2020

	Note	3 Months ended	
		July to September 2020 (Rupees in thousand)	July to September 2019
Revenue -Net	6	3,554,069	3,350,942
Cost of revenue	7	(3,009,094)	(2,768,556)
Gross Profit / (Loss)		544,975	582,386
- Administrative expenses		(131,336)	(113,971)
- Distribution cost		(302,374)	(357,792)
		(433,710)	(471,763)
Operating Profit / (Loss)		111,265	110,623
Other income		104,709	10,816
		215,974	121,439
Financial expenses		(280,505)	(321,923)
Share of profit / (loss) of associate		(4,354)	-
		(68,885)	(200,484)
Workers' Profit Participation Fund		(19,703)	(9,461)
Workers' Welfare Fund		(67)	(3,989)
		(19,770)	(13,450)
Profit / (Loss) before taxation		(88,655)	(213,934)
Taxation			
- Group		(65,368)	(46,433)
- Associated company		(1,664)	-
Profit / (Loss) from continuing operation		(155,687)	(260,367)
Profit / (Loss) from discontinued operation		(22,659)	(2,302)
Profit / (Loss) after taxation		(178,346)	(262,669)
Loss attributable to minority interest		12,465	15,756
Loss attributable to group		(165,881)	(246,913)
Earnings / (Loss) per share		(0.97)	(1.59)

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director

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

For the period ended September 30, 2020

	3 Months ended	
	July to September 2020	July to September 2019
Profit / (loss) after taxation	(165,881)	(246,913)
Other comprehensive income		
Available -for -sale financial assets		
Transfer to profit and loss account on disposal	-	-
	-	-
Total comprehensive income / (loss) for the period	(165,881)	(246,913)

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 statements

LAHORE
October 27, 2020



Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer




Imran Azim
Director

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

For the period ended September 30, 2020

	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
------(Rupees in thousand)-----									
Balance as on June 30, 2019	1,600,846	4,492,923	1,654	511,941	4,642,427	10,522	266,400	532,119	12,058,832
Reversal of impairment	-	-	7,038	-	-	-	-	-	7,038
Reversal of expense under ESOS	-	-	-	-	-	(9,759)	-	-	(9,759)
Total comprehensive income for the period	-	-	-	-	-	-	-	(246,913)	(246,913)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(3,152)	-	-	3,152	-
Balance as on September 30, 2019	1,600,846	4,492,923	8,692	511,941	4,639,275	763	266,400	288,358	11,809,198
Balance as on June 30, 2020	1,698,313	4,818,590	20,394	511,941	4,893,916	734	266,400	(4,318,826)	7,891,462
Issuance of shares under employee share option scheme (ESOS)	9,829	5,613	-	-	-	-	-	-	15,442
Total comprehensive income for the period	-	-	-	-	-	-	-	(165,881)	(165,881)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(20,030)	-	-	20,030	-
Balance as on September 30, 2020	1,708,142	4,824,203	20,394	511,941	4,873,886	734	266,400	(4,464,677)	7,741,023

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director

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

For the period ended September 30, 2020


	July to September 2020	July to September 2019
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(111,314)	(216,236)
Adjustments for non-cash items :		
Financial charges for the period	280,505	321,923
Depreciation on property, plant and equipment	238,442	199,309
Provision for gratuity	18,010	11,793
Provision for superannuation fund scheme	15,276	9,876
Profit on bank deposits	(3,777)	(4,127)
Profit on disposal of investment held for trading	(52,419)	(9,184)
Impairment on available for sale Investment transferred from equity	-	(7,038)
Share of profit from associated company	4,354	-
Employees share option scheme (ESOS)	-	(9,759)
Provision for WPPF and WWF	19,770	13,450
(Gain)/Loss on sale of fixed assets	(1,912)	(7,434)
	518,249	518,809
Operating profit / (loss) before working capital changes	406,935	302,573
(Increase) / decrease in operating assets :		
Stores and spares	(5,660)	-
Stock-in-trade	432,117	(288,229)
Trade debts	43,936	88,808
Short term investments	(3)	9,216
Loans, advances, deposits, prepayments and other receivables	(37,893)	408,344
	432,497	218,139
Increase / (decrease) in operating liabilities		
Trade and other payables	412,184	(458,590)
Cash generated from /(used in) from operations	1,251,616	62,122
Financial charges paid	(469,582)	(320,254)
Taxes paid	(37,464)	(45,438)
WPPF and WWF	758	6
Payment to gratuity fund	(35,849)	21,243
Payment to superannuation fund	(28,252)	(18,650)
	(570,389)	(363,093)
Net cash inflow / (outflow) from operating activities	681,227	(300,971)

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

For the period ended September 30, 2020

	July to September 2020	July to September 2019
	(Rupees in thousand)	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(4,901)	(7,193)
Proceeds from sale of fixed assets	11,724	75,925
Long term investments	(15,084)	-
Long term deposits	(2,758)	(19,970)
Profit received on bank deposits	3,777	4,127
Net cash inflow / (outflow) from investing activities	(7,242)	52,889
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	9,829	-
Share premium	5,613	-
Long Term Loan	164,795	-
Long Term Deposits	(24,563)	(2,682)
Dividend paid	-	565
Net cash inflow/(outflow) from financing activities	155,674	(2,117)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	829,659	(250,199)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(12,557,317)	(12,707,437)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(11,727,658)	(12,957,636)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	687,098	567,060
Finance under mark-up arrangements	(12,414,756)	(13,524,696)
	(11,727,658)	(12,957,636)

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director

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

For the period ended September 30, 2020

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)
Treet Battery Limited (TBL)

- 1.1 Treet Corporation Limited (the holding Company) was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Ordinance, 1913 (now Companies Act, 2017). 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 (now Companies Act, 2017). 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 (now Companies Act, 2017). 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 Arts Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). 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, 2020

- 1.6 Treet Power Limited was incorporated on 20 November 2007 in Pakistan as an unquoted Public Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). 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 (now Companies Act, 2017), 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 (now Companies Act, 2017). 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 45.47% 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.
- 1.9 Treet Battery Limited was incorporated on 22 February 2019 in Pakistan under the Companies Act, 2017 and in the process of initiating its operations by the period end. The Company will carry out business as manufacturers, assemblers, processors, producers, suppliers, sellers, importers, exporters, makers, fabricators and dealers in all batteries including but not limited to lead acid batteries, deep cycle batteries, lithium batteries, nickel cadmium batteries, nickel metal hydride batteries, absorbed glass mat (AGM) batteries, Gel batteries used in or required for industrial, transport, commercial and domestic and any other purpose. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

These condensed interim financial statements are 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. These condensed interim financial statements do 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 2020.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements for the year ended 30 June 2020.

4. ESTIMATES

The preparation of condensed Interim financial statements 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 2020.

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

For the period ended September 30, 2020

5 CONTINGENCIES AND COMMITMENTS

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

	3 Months ended	
	July to September 2020	July to September 2019
	(Rupees in thousand)	
6. REVENUE - Net		
Blades	1,848,220	1,691,871
Soaps	296,042	270,745
Packaging products	326,329	497,237
Batteries	934,218	718,183
Motor bike project	5,063	37,917
Trading operation	18,674	25,643
Pharmaceutical products	125,523	109,346
	3,554,069	3,350,942

7. COST OF REVENUE

Blades	(1,194,864)	(928,274)
Soaps	(283,572)	(227,961)
Packaging products	(350,770)	(477,884)
Batteries	(1,049,039)	(974,447)
Motor bike project	(8,121)	(40,324)
Trading operation	(15,738)	(18,543)
Pharmaceutical products	(106,990)	(101,123)
	(3,009,094)	(2,768,556)

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	130,680	116,108
Goods sold and services rendered	60,480	-

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors October 27, 2020.

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

For the period ended September 30, 2020

10. SOCIETY FOR CULTURAL EDUCATION**STATEMENT OF FINANCIAL POSITION (Un-audited)**

As At September 30, 2020

	September 2020	June 2020
	(Rupees in thousand)	
CURRENT ASSETS		
Loans, advances, deposits, prepayments and other receivables	29,913	4,032
Cash and bank balances	(7,518)	32,106
	22,395	36,138
CURRENT LIABILITIES		
Trade and other payables	96,580	3,027
NET CURRENT ASSETS	(74,185)	33,111
NET ASSETS	(74,185)	33,111
FINANCED BY:		
Issued, subscribed and paid-up capital	476,423	450,765
Unappropriated profit / (loss)	(550,608)	(417,654)
SHARE HOLDERS' EQUITY	(74,185)	33,111
Contingencies and commitments	-	-
	(74,185)	33,111


CONDENSED INTERIM STATEMENT OF INCOME AND EXPENDITURE (Un-audited)

For the period ended September 30, 2020

	3 Months ended	
	July to September 2020	July to September 2019
	(Rupees in thousand)	
Fees and revenue	979	42,918
Profit on bank deposits	-	1,038
Other income	-	7
	979	43,963
Less:		
Salaries, wages and other benefits	39,333	52,611
Fuel and power	1,702	3,118
Repairs and maintenance - Vehicles	-	60
Insurance	-	838
Advertising	-	260
Traveling and conveyance	155	1,063
Printing and stationery	29	1,201
Legal and professional charges	245	92
Computer expenses	20	11
Subscription	-	8
Bank charges	-	1
Others	126	6,023
	41,610	65,286
Net expenses taken to balance sheet	(40,631)	(21,323)

11. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director

FINANCIAL STATEMENTS


FOR THE PERIOD ENDED SEPTEMBER 30, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As At September 30, 2020

	Note	September 2020 Un-audited (Rupees in thousand)	June 2020 Audited
NON-CURRENT ASSETS			
Property, plant and equipment	5	6,005,388	6,090,098
Investment property		12,895	12,896
Long term investments		3,603,635	3,603,635
Long term loans and deposits		22,941	23,922
		9,644,859	9,730,551
Current assets			
Stores and spares		247,604	243,650
Stock-in-trade		886,849	995,749
Trade debts - unsecured considered good		164,318	164,498
Short term investments		294,606	242,184
Loans, advances, deposits, prepayments and other receivables		8,833,804	8,555,582
Cash and bank balances		201,144	186,411
		10,628,325	10,388,074
Asset held for sale		1,605,403	1,605,403
Current liabilities			
Current portion of long term liabilities		23,622	23,622
Short term borrowings		8,104,718	8,668,696
Trade and other payables		1,036,962	832,567
Provision for taxation		126,089	80,632
		9,291,391	9,605,517
Net current assets		2,942,337	2,387,960
Non-current liabilities			
Long term deposits		1,213	11,214
Long term loans		291,467	126,672
Deferred liabilities		696,197	726,649
		988,877	864,535
Contingencies and commitments	6	-	-
Net assets		11,598,319	11,253,976
FINANCED BY:			
Issued, subscribed and paid-up capital		1,708,142	1,698,313
Reserves		5,092,242	5,086,629
Unappropriated profit / (loss)		970,603	636,722
Surplus on revaluation of fixed assets		3,827,332	3,832,312
		11,598,319	11,253,976

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director


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

For the period ended September 30, 2020

	Note	3 Months ended	
		July to September 2020	July to September 2019
		(Rupees in thousand)	
Revenue -Net	7	1,866,894	1,717,514
Cost of revenue	8	(1,224,482)	(946,817)
Gross Profit / (Loss)		642,412	770,697
- Administrative expenses		(115,967)	(96,907)
- Distribution cost		(174,841)	(198,422)
		(290,808)	(295,329)
Operating Profit / (Loss)		351,604	475,368
Other income		233,639	9,547
		585,243	484,915
Financial expenses		(191,187)	(285,892)
		394,056	199,023
Workers' Profit Participation Fund		(19,703)	(9,607)
Workers' Welfare Fund		-	(3,843)
		(19,703)	(13,450)
Profit / (Loss) before taxation		374,353	185,573
Taxation		(45,452)	(45,881)
Profit / (Loss) from continuing operation		328,901	139,692
Earnings / (Loss) per share		1.93	0.84

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended September 30, 2020

	3 Months ended	
	July to September 2020	July to September 2019
Profit after taxation	328,901	139,692
Other comprehensive income		
Available -for -sale financial assets		
Transfer to profit and loss account on disposal	-	-
Total comprehensive income for the period	328,901	139,692

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 27, 2020



Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director


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

For the period ended September 30, 2020

	Share Capital	Capital Reserve	Surplus on revaluation of fixed assets	Employee stock option compensation reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----								
Balance as on June 30, 2019	1,654,508	4,675,155	3,850,130	10,522	266,400	(7,038)	904,360	11,354,037
Reversal of impairment	-	-	-	-	-	7,038	-	-
Reversal of expense under ESOS	-	-	-	(9,759)	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	139,692	139,692
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(2,665)	-	-	-	2,665	-
Balance as on September 30, 2019	1,654,508	4,675,155	3,847,465	763	266,400	-	1,046,717	11,493,729
Balance as on June 30, 2020	1,698,313	4,819,495	3,832,312	734	266,400	-	636,722	11,253,976
Issuance of shares under employee share option scheme (ESOS)	9,829	5,613	-	-	-	-	-	15,442
Total comprehensive income for the period	-	-	-	-	-	-	328,901	328,901
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(4,980)	-	-	-	4,980	-
Balance as on September 30, 2020	1,708,142	4,825,108	3,827,332	734	266,400	-	970,603	11,598,319

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2020

	July to September 2020	July to September 2019
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	374,353	185,573
Adjustments for non-cash items :		
Financial charges for the period	191,187	285,892
Depreciation on property, plant and equipment	74,675	65,839
Provision for gratuity	15,597	11,793
Provision for superannuation fund scheme	14,242	9,876
Profit on bank deposits	(1,239)	(1,745)
Profit on disposal of investment held for trading	(52,419)	(9,185)
Employees share option scheme (ESOS)	-	(9,759)
Provision for WPPF and WWF	19,703	13,450
(Gain)/Loss on sale of fixed assets	(1,938)	(7,434)
	259,808	358,727
Operating profit / (loss) before working capital changes	634,161	544,300
(Increase) / decrease in operating assets :		
Stores and spares	(3,954)	-
Stock-in-trade	108,900	(147,898)
Trade debts	180	115,817
Short term investments	(3)	9,185
Loans, advances, deposits, prepayments and other receivables	(245,447)	(138,166)
	(140,324)	(161,062)
Increase / (decrease) in operating liabilities		
Trade and other payables	217,126	(264,856)
Cash generated from / (used in) from operations	710,963	118,382
Financial charges paid	(223,627)	(236,377)
Taxes paid	(23,005)	(29,607)
WPPF and WWF	6	6
Payment to gratuity fund	(33,436)	21,243
Payment to superannuation fund	(36,620)	(18,650)
	(316,682)	(263,385)
Net cash inflow/(outflow) from operating activities	394,281	(145,003)


CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2020

	July to September 2020	July to September 2019
	(Rupees in thousand)	
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	795	(80,995)
Proceeds from sale of fixed assets	11,179	14,906
Long term investments	-	-
Long term deposits	981	(12,112)
Profit received on bank deposits	1,239	1,745
Net cash inflow/(outflow) from investing activities	14,194	(76,456)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	9,829	-
Share premium	5,613	-
Long Term Loan	164,795	-
Long Term Deposits	(10,001)	14,996
Dividend paid	-	585
Net cash inflow/(outflow) from financing activities	170,236	15,581
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	578,711	(205,878)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(8,482,285)	(8,557,146)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(7,903,574)	(8,763,024)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	201,144	375,597
Finance under mark-up arrangements	(8,104,718)	(9,138,621)
	(7,903,574)	(8,763,024)

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

LAHORE
October 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

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

For the period ended September 30, 2020

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 Act, 1913 (now Companies Act, 2017). 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

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 30 September 2020 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 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 2020. 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 2020, 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 3 months period ended 30 September 2020.

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 2020 except for the adoption of new standards effective.

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

For the period ended September 30, 2020

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 2020.

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 2020:

	Acquisitions (Cost)	Disposals (Book value)
	(Rupees in thousand)	
Plant and machinery	61,498	-
Furniture and equipment	4,710	162
Vehicles	-	6,037
	66,208	6,199

6. CONTINGENCIES AND COMMITMENTS

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

	3 Months ended	
	July to September 2020	July to September 2019
	(Rupees in thousand)	
7. REVENUE - Net		
Blades - local	1,166,646	1,143,188
Blades - export	681,574	548,683
	1,848,220	1,691,871
Trading operation	18,674	25,643
	1,866,894	1,717,514

8. COST OF REVENUE

Blades operation	(1,208,741)	(928,274)
Trading activity	(15,741)	(18,543)
	(1,224,482)	(946,817)

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

For the period ended September 30, 2020

	3 Months ended	
	July to September 2020	July to September 2019
(Rupees in thousand)		
9. TRANSACTIONS WITH RELATED PARTIES		
Subsidiary		
- Purchases and services received	12,510	9,263
- Goods sold and services rendered	164,458	-
Associates		
- Purchases and services received	47,212	51,157
- Goods sold and services rendered	61,385	-

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. These unaudited condensed interim financial statements were authorized for issue by the board of directors October 27, 2020.

11. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2020



Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director



HEAD OFFICE

72-B, Industrial Area Kot Lakhpat,
Lahore - 54770, Pakistan

www.treetonline.com

Phone: (+92-42) 111 187 338