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COMPANY INFORMATION

Board of Directors

Mr. Syed Shahid Ali

Chief Executive Officer

Mr. Syed Sheharyar 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

It is our pleasure to present the half yearly financial statements (reviewed) for the period ended December 31st, 2020.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in million)

	Half Year		Half Year		% Change	
	December 31, 2020		December 31, 2019			
	Treet	Consolidated	Treet	Consolidated		
Sales (net)	3,960	7,179	3,455	6,373	14.62%	12.65%
Gross Profit	1,306	1,274	1,116	711	17.03%	79.18%
Operating Profit/(Loss)	618	302	605	(312)	2.15%	196.79%
Profit/(Loss) before Taxation	496	(174)	389	(1,085)	27.51%	83.96%
Net Profit/(Loss) after taxation	414	(353)	303	(1,190)	36.63%	70.34%
EPS (in Rupees)	2.43	(1.98)	1.87	(6.92)	29.95%	71.39%

BUSINESS REVIEW – GROUP RESULTS

For the six-month period, the Group's turnover was Rs. 7,179 million, registering an increase of Rs. 806 million (12.65%) over the same period of previous year. The increase reflects upside in sales of blades, soap, battery and pharmaceutical products.

Segment wise sales is as follows:

(Rupees in million)

Segment	Sales		
	Half Year	Half Year	+/-
	December 31, 2020	December 31, 2019	%
Blades	3,916	3,397	15.28%
Soap	500	455	9.89%
Corrugation	738	900	-18.00%
Trading	44	58	-24.14%
Pharmaceutical	267	243	9.88%
Bike	11	85	-87.06%
Battery	1,703	1,235	37.89%
Total	7,179	6,373	12.65%

For the six months period under review, Operating Profit is Rs. 302 million which shows improvement by 196.79% over corresponding period last year (December 2019: Rs. (312) million). This is mainly attributable to increased sales volumes resulted in improvement in absorption of fixed costs and various cost controlling measures that have been put in place. Loss after tax is Rs. 353 million which shows an improvement by 70.34% compared to last year same period. The decrease in loss is primarily due to lesser financial charges attributable to lower policy rate. This level of loss has delivered a negative EPS of Rs. 1.98 per share compared to Rs. 6.92 per share last year same period.

Directors' Review

FINANCIAL PLAN

Further to the signing of the MOU for the sales of the education venture of the Group, the Due Diligence work is underway. Once the Due Diligence is complete, the Company will sign Sales Purchase Agreement with the prospective buyer for the sale of 100% ownership. The proceeds from the sales will be used to pay off the bank borrowing.

The work on capacity enhancement project of Hygiene Razors is progressing as per plan. Once the project is complete, it will not only increase the market share but will also improve the profit margins of the group. The Company is doing this project from its own sources.

As already communicated, spin off Battery segment from its subsidiary (First Treet Manufacturing Modaraba) to separate Company (Treet Battery Limited) is in progress. Execution of demerger plan is underway. Currently, regulatory and legal approvals are being sought from Financial Institutions and Regulators. Efforts are being made to improve the cost structure of the Battery project to bring in cost efficiencies along with plans to reduce the leveraging of the project.

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
25th February 2021

**CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE PERIOD ENDED DECEMBER 31, 2020


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

As At December 31, 2020

	December 2020 UNAUDITED Rupees in '000	June 2020 AUDITED Rupees in '000
<i>Note</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	15,117,569	15,502,995
Investment property	12,896	12,896
Long term investments	433,874	426,320
Long term loans and deposits	94,013	82,522
	<u>15,658,352</u>	<u>16,024,733</u>
CURRENT ASSETS		
Stores and spares	340,083	350,306
Stock-in-trade	1,805,330	2,296,876
Trade debts - unsecured considered good	905,891	878,646
Short term investments	281,035	244,678
Loans, advances, deposits, prepayments and other receivables	1,921,450	1,855,062
Cash and bank balances	1,418,862	476,937
	6,672,651	6,102,505
Asset held for sale	2,020,906	2,020,906
CURRENT LIABILITIES		
Current portion of long term liabilities	111,100	54,164
Short term borrowings	12,759,250	13,034,254
Trade and other payables	2,272,866	1,807,392
Provision for taxation	366,290	126,126
	<u>15,509,506</u>	<u>15,021,936</u>
NET CURRENT ASSETS		
	(6,815,949)	(6,898,525)
NON-CURRENT LIABILITIES		
Long term deposits	11,213	11,214
Long term loans	219,148	126,672
Liability against assets subject to finance lease	47,148	54,511
Deferred liabilities	718,717	778,555
	996,226	970,952
Contingencies and commitments	5	-
	-	-
NET ASSETS		
	<u>7,846,177</u>	<u>8,155,256</u>
FINANCED BY:		
Issued, subscribed and paid-up capital	1,708,142	1,698,313
Reserves	5,684,219	5,618,059
Unappropriated profit / (loss)	(4,630,281)	(4,318,826)
Surplus on revaluation of fixed assets	4,868,405	4,893,916
SHARE HOLDERS' EQUITY		
	7,630,485	7,891,462
Minority Interest	215,692	263,794
	<u>7,846,177</u>	<u>8,155,256</u>

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

LAHORE
25th February 2021


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 December 31, 2020

	Note	6 Months ended		Quarter ended	
		July to December 2020	July to December 2019	October to December 2020	October to December 2019
		Rupees in '000		Rupees in '000	
Revenue -Net	6	7,179,158	6,372,676	3,625,089	3,021,734
Cost of revenue	7	(5,904,911)	(5,662,072)	(2,895,817)	(2,893,516)
Gross Profit / (Loss)		1,274,247	710,604	729,272	128,218
- Administrative expenses		(330,933)	(261,405)	(220,751)	(147,434)
- Distribution cost		(640,817)	(761,564)	(338,443)	(403,772)
		(971,750)	(1,022,969)	(559,194)	(551,206)
Operating Profit / (Loss)		302,497	(312,365)	170,078	(422,988)
Other income		87,478	111,308	(17,188)	100,492
		389,975	(201,057)	152,890	(322,496)
Financial expenses		(537,700)	(858,670)	(257,195)	(536,747)
Share of profit / (loss) of associate		8,951	2,117	13,305	2,117
		(138,774)	(1,057,610)	(91,000)	(857,126)
Workers' Profit Participation Fund		(31,348)	(26,431)	(11,645)	(16,970)
Workers' Welfare Fund		(3,617)	(541)	(3,550)	3,448
		(34,965)	(26,972)	(15,195)	(13,522)
Profit / (Loss) before taxation		(173,739)	(1,084,582)	(106,195)	(870,648)
Taxation					
- Group		(129,632)	(95,993)	(64,264)	(49,560)
- Associated company		(6,278)	(5,023)	(4,614)	(5,023)
Profit / (Loss) from continuing operation		(309,649)	(1,185,598)	(175,073)	(925,231)
Profit / (Loss) from discontinued operation		(43,770)	(4,412)	(21,111)	(2,110)
Profit / (Loss) after taxation		(353,419)	(1,190,010)	(196,184)	(927,341)
Loss attributable to minority interest		16,453	37,817	3,988	22,061
Loss attributable to group		(336,966)	(1,152,193)	(192,196)	(905,280)
Earnings / (Loss) per share		(1.98)	(6.92)	(1.00)	(5.43)

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

LAHORE
25th February 2021


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 December 31, 2020

	6 Months ended	
	July to December 2020	July to December 2019
	Rupees in '000	
Profit / (loss) after taxation	(336,966)	(1,152,193)
Other comprehensive income		
Available for sale financial assets		
Transfer to profit and loss account on disposal	-	-
	-	-
Total comprehensive income / (loss) for the period	(336,966)	(1,152,193)

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
25th February 2021


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 December 31, 2020

	July to December 2020	July to December 2019
Rupees in '000		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(217,509)	(1,088,994)
Adjustments for non-cash items :		
Financial charges for the period	537,700	858,670
Depreciation on property, plant and equipment	416,622	357,709
Provision for gratuity	38,738	23,586
Provision for superannuation fund scheme	31,593	19,752
Profit on bank deposits	(9,651)	(7,530)
Profit on disposal of investment held for trading	(39,540)	35,276
Impairment on available for sale Investment transferred from equity	-	(7,038)
Share of profit from associated company	(8,951)	(2,117)
Employees share option scheme (ESOS)	60,547	(9,787)
Dividend income	(103)	(856)
Provision for WPPF and WWF	34,965	26,972
(Gain)/Loss on sale of fixed assets	(4,989)	(13,157)
	<u>1,056,931</u>	<u>1,281,480</u>
Operating profit / (loss) before working capital changes	839,422	192,486
(Increase) / decrease in operating assets :		
Stores and spares	10,223	(4,592)
Stock-in-trade	491,546	194,991
Trade debts	(27,245)	(26,658)
Short term investments	3,183	30,431
Loans, advances, deposits, prepayments and other receivables	(41,060)	275,305
	<u>436,647</u>	<u>469,477</u>
Increase / (decrease) in operating liabilities		
Trade and other payables	704,658	85,371
	<u>704,658</u>	<u>85,371</u>
Cash generated from / (used in) from operations	1,980,727	747,334
Financial charges paid	(738,222)	(887,211)
Taxes paid	(25,328)	(73,760)
WPPF and WWF	(4,194)	(1,458)
Payment to gratuity fund	(66,788)	33,351
Payment to superannuation fund	(53,930)	(13,177)
	<u>(888,462)</u>	<u>(942,255)</u>
Net cash inflow/(outflow) from operating activities	<u>1,092,265</u>	<u>(194,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(41,265)	(385,949)
Proceeds from sale of fixed assets	15,057	82,344
Long term investments	(4,881)	15,330
Long term deposits	(11,491)	(34,503)
Profit received on bank deposits	9,651	7,530
Dividend received	103	856
	<u>(32,826)</u>	<u>(314,392)</u>
Net cash inflow/(outflow) from investing activities	<u>(32,826)</u>	<u>(314,392)</u>


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

For the period ended December 31, 2020

	July to December 2020	July to December 2019
	Rupees in '000	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease obligation	(7,363)	-
Share capital	9,829	10,346
Share premium	5,613	5,908
Participation term finance certificates	-	(6,276)
Long Term Loan	92,476	-
Long Term Deposits	56,935	(19,818)
Dividend paid	-	585
Net cash inflow/(outflow) from financing activities	157,490	(9,255)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,216,929	(518,568)
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	(11,340,388)	(13,226,005)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,418,862	232,428
Finance under mark-up arrangements	(12,759,250)	(13,458,433)
	(11,340,388)	(13,226,005)

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

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

Condensed Interim Consolidated Statement of changes in equity

For the period ended December 31, 2020

	Share Capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	Surplus on revaluation of land buildings - net of tax	Employees stock option compensation reserve	General Reserve	Unappropriated Profit	Total
	<i>Rupees in '000</i>								
Balance as on June 30, 2019	1,654,508	4,674,250	(7,462)	511,941	4,642,427	10,522	266,400	(1,606,263)	10,146,323
Shares issued against Treet PTC by way of conversion	33,458	138,432	-	-	-	-	-	-	171,890
Issuance of shares under employee share option scheme (ESOS)	10,346	5,908	-	-	-	-	-	-	16,254
Reversal of impairment	-	-	7,038	-	-	-	-	-	7,038
Reversal of expense under ESOS	-	-	-	-	-	(9,787)	-	-	(9,787)
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,152,193)	(1,152,193)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(9,388)	-	-	9,388	-
Balance as on December 31, 2019	1,698,312	4,818,590	(424)	511,941	4,633,039	735	266,400	(2,749,068)	9,179,525
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
Recognition of fair value change of shares under employee share option scheme (ESOS)	-	-	-	-	-	60,547	-	-	60,547
Total comprehensive income for the period	-	-	-	-	(25,511)	-	-	(336,966)	(336,966)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	25,511	-
Balance as on December 31, 2020	1,708,142	4,824,203	20,394	511,941	4,868,405	61,281	266,400	(4,630,281)	7,630,485

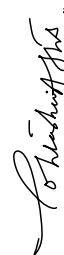
The attached notes 1 to 11 form an integral part of this condensed interim financial statements

LAHORE
25th February 2021

Syed Shahid Ali
Chief Executive Officer



Mohitashim Afzab
Group Chief Financial Officer



Imran Azim
Director



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

For the period ended December 31, 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 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 (Flotation 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 Arts 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.
- 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.

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

For the period ended December 31, 2020

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,

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.

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	July to	October to	October to
	December	December	December	December
	2020	2019	2020	2019
	Rupees in '000		Rupees in '000	
6. REVENUE - Net				
Blades	3,916,562	3,397,207	2,068,342	1,705,336
Soaps	499,630	454,329	203,588	183,584
Packaging products	737,693	900,116	411,364	402,879
Batteries	1,703,960	1,234,786	769,742	516,603
Motor bike project	10,671	84,922	5,608	47,005
Trading operation	43,608	58,219	24,934	32,576
Pharmaceutical products	267,034	243,097	141,511	133,751
	<u>7,179,158</u>	<u>6,372,676</u>	<u>3,625,089</u>	<u>3,021,734</u>
7. COST OF REVENUE				
Blades	(2,599,908)	(2,279,917)	(1,405,044)	(1,351,643)
Soaps	(485,803)	(393,925)	(202,231)	(165,964)
Packaging products	(774,657)	(929,325)	(423,887)	(451,441)
Batteries	(1,767,796)	(1,738,107)	(718,757)	(763,660)
Motor bike project	(17,214)	(90,182)	(9,093)	(49,858)
Trading operation	(33,771)	(35,976)	(18,033)	(17,433)
Pharmaceutical products	(225,762)	(194,640)	(118,772)	(93,517)
	<u>(5,904,911)</u>	<u>(5,662,072)</u>	<u>(2,895,817)</u>	<u>(2,893,516)</u>

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

For the period ended December 31, 2020

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.

	Quarter year ended	
	October to December 2020	October to December 2019
	Rupees in '000	
Purchases and services received	102,070	202,917
Goods sold and services rendered	328,634	177

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors February 25, 2021.

10. SOCIETY FOR CULTURAL EDUCATION

STATEMENT OF FINANCIAL POSITION (Un-audited)

As At December 31, 2020

	December 2020 Rupees in '000	June 2020 Rupees in '000
CURRENT ASSETS		
Loans, advances, deposits, prepayments and other receivables	4,942	4,032
Cash and bank balances	18,326	32,106
	23,268	36,138
CURRENT CURRENT LIABILITIES		
Trade and other payables	68,306	3,027
NET CURRENT ASSETS	(45,038)	33,111
NET ASSETS	(45,038)	33,111
FINANCED BY:		
Donations/members' contribution	476,423	450,765
Net expenses incurred	(521,461)	(417,654)
SHARE HOLDERS' EQUITY	(45,038)	33,111
Contingencies and commitments	-	-
	(45,038)	33,111

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


For the period ended December 31, 2020

	6 Months ended		Quarter year ended	
	July to December 2020	July to December 2019	October to December 2020	October to December 2019
	Rupees in '000		Rupees in '000	
Fees and revenue	72,672	69,210	71,693	26,292
Profit on bank deposits	-	1,889	-	851
Other income	-	7	-	-
	<u>72,672</u>	<u>71,106</u>	<u>71,693</u>	<u>27,143</u>
Less:				
Salaries, wages and other benefits	78,964	98,437	39,631	45,826
Fuel and power	2,722	6,878	1,020	3,760
Repairs and maintenance - Vehicles	26	89	26	29
Repairs and maintenance - Others	(139)	7,911	147	4,228
Rent, rates and taxes	432	1,335	256	324
Insurance	-	999	-	161
Advertising	-	317	-	57
Traveling and conveyance	421	1,964	266	901
Entertainment	-	15	-	15
Postage and telephone	746	1,821	524	572
Printing and stationery	288	2,157	259	956
Legal and professional charges	245	110	-	18
Computer expenses	187	5	167	(6)
Subscription	-	24	-	16
Bank charges	-	1	-	-
Others	264	179	250	99
	<u>84,156</u>	<u>122,242</u>	<u>42,546</u>	<u>56,956</u>
Net expenses taken to balance sheet	<u>(11,484)</u>	<u>(51,136)</u>	<u>29,147</u>	<u>(29,813)</u>

11. GENERAL

11.1 Amounts have been rounded off to thousand rupees.

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
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 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, condensed interim unconsolidated statement of cash flows and notes to the 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 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 interim 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 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 and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2020, have not been reviewed and we do not express a conclusion on them.

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

Lahore
February 25, 2021


KPMG Taseer Hadi & Co.
Chartered Accountants

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2020


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

As at 31 December 2020

		(Un-audited) 31 December 2020	(Audited) 30 June 2020
----- (Rupees in thousand) -----			
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	5	5,924,578	6,071,624
Investment property		12,896	12,896
Intangible asset		36,895	18,474
Long term investments	6	3,679,106	3,603,635
Long term loans		971	1,028
Long term security deposits		19,914	22,894
		<u>9,674,360</u>	<u>9,730,551</u>
<u>Current assets</u>			
Stores and spares		245,833	243,650
Stock in trade		832,983	995,749
Trade debts		185,055	164,498
Short term investments		277,839	242,184
Loans, advances, deposits, prepayments and other receivables	7	8,147,931	8,555,582
Cash and bank balances		1,185,767	186,411
		<u>10,875,408</u>	<u>10,388,074</u>
Non-current assets held for sale	8	1,808,789	1,605,403
		<u>12,684,197</u>	<u>11,993,477</u>
LIABILITIES			
<u>Current liabilities</u>			
Short term borrowings		8,485,075	8,668,696
Current portion of long term liabilities		95,941	23,622
Trade and other payables		809,340	600,133
Unclaimed dividend		13,233	13,233
Accrued mark-up		138,459	219,201
Provision for taxation		165,360	80,632
		<u>9,707,408</u>	<u>9,605,517</u>
Net current assets / (liabilities)		<u>2,976,789</u>	<u>2,387,960</u>
<u>Non-current liabilities</u>			
Long term deposits		11,214	11,214
Long term finances - secured	9	209,236	125,047
Government grant	9	9,912	1,625
Deferred liabilities - Employee retirement benefits		664,020	714,039
Deferred taxation		12,605	12,610
		<u>906,987</u>	<u>864,535</u>
Contingencies and commitments	10	<u>11,744,162</u>	<u>11,253,976</u>
<u>Represented by:</u>			
Authorized capital			
250,000,000 (30 June 2020: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
150,000,000 (30 June 2020: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up capital	11	1,708,143	1,698,313
Reserves		5,152,789	5,086,629
Fair value reserve on investment		-	-
Unappropriated profit		1,060,875	636,722
Surplus on revaluation of land and buildings - net of tax		3,822,355	3,832,312
		<u>11,744,162</u>	<u>11,253,976</u>

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


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

For the period ended December 31, 2020

	Note	Six months ended		Quarter ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in thousand) -----					
Revenue	12	3,960,169	3,455,426	2,093,275	1,737,912
Cost of revenue		(2,654,352)	(2,339,007)	(1,429,870)	(1,392,190)
Gross profit		1,305,817	1,116,419	663,405	345,722
Administrative expenses		(294,916)	(208,429)	(178,949)	(111,522)
Distribution cost		(393,197)	(302,966)	(218,356)	(104,544)
Operating profit		617,704	605,024	266,100	129,656
Finance cost		(333,463)	(584,010)	(142,276)	(298,118)
Other operating expenses		(38,068)	(77,907)	(18,365)	(64,457)
		(371,531)	(661,917)	(160,641)	(362,575)
Other income		249,330	445,866	15,691	436,319
Profit before taxation		495,503	388,973	121,150	203,400
Taxation		(81,307)	(86,058)	(35,855)	(40,177)
Profit after taxation		414,196	302,915	85,295	163,223
Earnings per share - basic and diluted	(Rupees)	2.43	1.87	0.50	1.01

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


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

For the period ended December 31, 2020

	<u>Six months ended</u>		<u>Quarter ended</u>	
	<u>31 December</u> <u>2020</u>	31 December 2019	<u>31 December</u> <u>2020</u>	31 December 2019
	----- (Rupees in thousand) -----			
Profit after taxation for the period	414,196	302,915	85,295	163,223
<u>Other comprehensive income</u>				
<i>Items that are or may be subsequently reclassified to statement of profit or loss</i>	-	-	-	-
Total comprehensive income for the period	<u>414,196</u>	<u>302,915</u>	<u>85,295</u>	<u>163,223</u>

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

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

For the period ended December 31, 2020

	31 December 2020	31 December 2019
	--- (Rupees in thousand) ---	
<u>Cash flows from operating activities</u>		
Profit before taxation	495,503	388,973
<i>Adjustments for non cash items:</i>		
Finance cost	333,463	584,010
Amortization on intangible asset	6,818	4,212
Depreciation on property, plant and equipment	137,725	137,669
Employee stock option charge / (reversal) for the period	60,547	(9,788)
Provision for gratuity	15,597	21,985
Provision for superannuation fund	14,242	19,028
Profit on bank deposits	(3,078)	(3,468)
Unrealized exchange loss	3,043	2,982
Unrealized gain on investments at 'fair value through profit or loss'	(38,912)	(8,939)
Dividend income	(103)	(856)
Provision for workers' profit participation fund (WPPF)	31,348	20,735
Provision for workers' welfare fund (WWF)	3,415	5,000
Interest on advances to the subsidiary company	(149,659)	(366,153)
Gain on disposal of long term investment	-	(707)
Gain on sale of property, plant and equipment	(5,004)	(12,359)
	409,442	393,351
Operating profit before working capital changes	904,945	782,324
<i>(Increase)/decrease in current assets:</i>		
Stores and spares	(2,183)	9,429
Stock in trade	162,766	23,403
Trade debts	(23,600)	(192,205)
Loans, advances, deposits, prepayments and other receivables	585,814	(314,724)
	722,797	(474,097)
<i>Increase in current liabilities:</i>		
Trade and other payables	187,629	249,078
	1,815,371	557,305
Income tax paid	(28,503)	(40,812)
Finance cost paid	(414,205)	(677,573)
Payment to gratuity fund	(43,647)	(24,049)
Payment to superannuation fund	(45,981)	(12,453)
Long term loans - net	57	1,496
Long term security deposits - net	2,980	750
	(529,299)	(752,641)
Net cash generated / (used in) from operating activities	1,286,072	(195,336)

Note

5.1

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


For the period ended December 31, 2020

	31 December 2020	31 December 2019
<i>Note</i>	--- (Rupees in thousand) ---	
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(753)	(208,876)
Purchase of intangible	(25,239)	-
Proceeds from disposal of property, plant and equipment	15,078	20,960
Proceeds from disposal of long term investments	-	1,133
Acquisition of long term investments	(278,857)	-
Short term investments - net	3,257	60,855
Profit received on bank deposits	3,078	3,468
Dividend received	103	856
Net cash (used in) from investing activities	(283,333)	(121,604)
<u>Cash flows from financing activities</u>		
Proceeds from issue of share capital under ESOS	15,443	16,255
Long term borrowing	164,795	-
Loan from Chief Executive Officer - interest free, unsecured	(89,245)	49,745
Redemption of participation term certificates	-	(6,276)
Short term borrowings - net	1,982	293,852
Net cash generated from financing activities	92,975	353,576
Net decrease in cash and cash equivalents	1,095,714	36,636
Cash and cash equivalents at beginning of the period	(6,104,508)	(5,864,758)
Cash and cash equivalents at end of the period	(5,008,794)	(5,828,122)

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The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
25th February 2021


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

Condensed Interim Unconsolidated Statement of Changes in Equity

For the period ended December 31, 2020

	Capital Reserves		Surplus on revaluation of land/buildings - net of tax	Employee Stock Option Compensation Reserve	Revenue Reserves			Total	
	Share Capital	Share Premium			Capital Reserve	Fair value reserve on investment	General Reserve		Up-appropriated Profit
Balance as at 01 July 2019	1,654,508	4,674,526	629	3,880,130	10,522	(7,038)	266,400	904,500	11,254,037
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	302,915	302,915
Other comprehensive income	-	-	-	(7,997)	-	-	-	7,997	-
Incremental depreciation relating to surplus on revaluation of building - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners of the Company, contributions and distributions									
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	33,458	138,432	-	-	-	-	-	-	171,890
Issuance of shares under employee stock option scheme - note 16	10,347	5,908	-	(9,788)	-	-	-	-	16,255
Reversal of expense under employee stock option scheme	-	-	-	-	-	-	-	-	(9,788)
Recognition of fair value change of share based payments - note 16	-	-	-	-	-	-	-	-	-
Transfer to share premium on issuance of share under employee stock option scheme - note 16	-	-	-	-	-	7,038	-	-	7,038
Reversal of fair value loss on short term investments	-	-	-	-	-	-	-	-	-
Balance as on 31 December 2019 - unaudited	1,698,313	4,818,866	629	3,842,133	734	-	266,400	1,215,272	11,842,347
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	(493,047)	(493,047)
Other comprehensive loss	-	-	-	-	-	-	-	(95,274)	(95,274)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	-	-	-	(888,321)
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	(9,821)	-	-	-	9,821	-
Balance as at 30 June 2020 - audited	1,698,313	4,818,866	629	3,832,312	734	-	266,400	6,667,22	11,253,976
Total comprehensive income for the period	-	-	-	-	-	-	-	414,196	414,196
Profit for the period	-	-	-	-	-	-	-	414,196	414,196
Other comprehensive income	-	-	-	(9,957)	-	-	-	9,957	-
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners of the Company, contributions and distributions									
Conversion of PTCs into ordinary shares @ 0.08 share per PTC	-	-	-	-	-	-	-	-	-
Issuance of shares under employee stock option scheme - note 16	9,830	5,613	-	-	-	-	-	-	15,443
Reversal of expense under employee stock option scheme	-	-	-	-	-	-	-	-	-
Recognition of fair value change of share based payments - note 16	-	-	-	60,517	-	-	-	-	60,517
Transfer to share premium on issuance of share under employee stock option scheme - note 16	-	-	-	-	-	-	-	-	-
Reversal of fair value loss on short term investments	-	-	-	-	-	-	-	-	-
Balance as on 31 December 2020 - unaudited	1,708,143	4,824,479	629	3,822,355	61,281	-	266,400	1,660,875	11,244,162

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
25th February 2021

Syed Shahid Ali
Chief Executive Officer



Mohitashim Aftab
Group Chief Financial Officer



Imran Azim
Director



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

For the period ended December 31, 2020

1 Status and nature of business

Treet Corporation Limited (“the Company”) was incorporated in Pakistan on 22 January 1977 as a public limited company under the repealed Companies Act, 1913 (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 condensed interim 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 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, for the period ended on 31 December 2020.

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, 2019.

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 audited 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.

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

For the period ended December 31, 2020

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 three months and six months period ended 31 December 2019.

3 Estimates

The preparation of these condensed interim unconsolidated 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 were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2020.

4 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these 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 2020.

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

Standard or interpretation	Effective date (accounting periods beginning on or after)
- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01 January 2021
- Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37)	01 January 2022
- Annual Improvements to IFRS Standards 2018-2020	01 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01 January 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3)	01 January 2022
- IFRS 17 Insurance Contracts	01 January 2023
- Classification of liabilities as current or non-current (Amendments to IAS 1)	01 January 2023
- Amendments to IFRS 7	01 January 2023

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

For the period ended December 31, 2020

		(Un-audited) 31 December 2020	(Audited) 30 June 2020
	<i>Note</i>	(Rupees in thousand)	
5 Property, plant and equipment			
Operating fixed assets	5.1	5,355,412	5,347,868
Capital work-in-progress		569,166	723,756
		<u>5,924,578</u>	<u>6,071,624</u>
5.1 Operating fixed assets			
Opening net book value		5,347,868	5,315,007
Additions during the period / year	5.2	155,343	320,633
Disposals during the period / year - net book value	5.2	(10,074)	(18,077)
Depreciation charged during the period / year		(137,725)	(269,695)
Closing net book value		<u>5,355,412</u>	<u>5,347,868</u>
5.2	The following additions and disposals have been made during the six months period ended 31 December 2020:		
		<u>Additions at cost</u>	<u>Disposals at net book value</u>
		(Rupees in thousand)	
Buildings		17,090	-
Plant and machinery		129,413	-
Furniture & fixtures and Computer		6,970	200
Vehicles		1,870	9,874
		<u>155,343</u>	<u>10,074</u>
		(Un-audited) 31 December 2020	(Audited) 30 June 2020
	<i>Note</i>	(Rupees in thousand)	
6 Long term investments			
In equity instruments of subsidiaries - at cost	6.1	3,508,410	3,432,939
In equity instruments of Associate - at cost	6.2	162,529	162,529
Fair value through OCI	6.3	8,167	8,167
		<u>3,679,106</u>	<u>3,603,635</u>

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

For the period ended December 31, 2020

		(Un-audited) 31 December 2020	(Audited) 30 June 2020
		(Rupees in thousand)	
6.1	In equity instruments of subsidiaries - at cost		
	<i>Note</i>		
	<u>Treet Holdings Limited - unquoted</u>		
	61,101,712 (30 June 2020: 61,101,712) fully paid ordinary shares of Rs. 10 each	611,017	611,017
	Equity held: 85.93 % (30 June 2020: 85.93 %)		
	Chief Executive Officer - Syed Shahid Ali		
	Less: Accumulated impairment allowance	(96,704)	(96,704)
		514,313	514,313
	<u>First Treet Manufacturing Modaraba - quoted</u>		
	170,851,700 (30 June 2020: 170,851,700) fully paid certificates of Rs. 10 each	3,417,441	3,417,441
	Equity held: 87.35 % (30 June 2020: 87.35 %)		
	Chief Executive Officer - Syed Shahid Ali		
	Less: Accumulated impairment allowance	(905,557)	(905,557)
		2,511,884	2,511,884
	<u>Global Arts Limited - unquoted</u>		
	180,879,161 (30 June 2020: 160,540,320) fully paid ordinary shares of Rs. 10 each	1,808,789	1,605,403
	Equity held: 100% (30 June 2020: 88.76%)		
	Chief Executive Officer - Syed Shahid Ali		
	Less: Transferred to non-current assets held for sale	(1,808,789)	(1,605,403)
		-	-
	<u>Renacon Pharma Limited - unquoted</u>		
	34,833,790 (30 June 2020: 28,355,600) fully paid ordinary shares of Rs. 10 each	482,213	406,742
	Equity held: 55.84 % (30 June 2020: 45.45 %)		
	Chief Executive Officer - Dr. Salman Shakoh		
		3,508,410	3,432,939
6.1.1	The Company directly owns 85.93% (30 June 2020: 85.93%) equity interest in Treet Holdings Limited while the remaining 14.07% (30 June 2020: 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 2020: 87.35%) equity interest in First Treet Manufacturing Modaraba ("FTMM") while 10.02% (30 June 2020: 10.02%) equity interest is indirectly owned through the Company's subsidiary, Treet Holdings Limited.		

On 21 January 2019, the Board of the Directors of the Modarba Management Company has decided in their meeting to spin off the battery segment into a new company named as Treet Battery Limited after complying with the necessary legal requirements in this regard.

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

For the period ended December 31, 2020

6.1.3 The Company directly owned 88.76% equity interest in Global Arts Limited ("GAL") as at 30 June 2020. The remaining 11.24% shares were held by Treet Holding Limited ("THL") and Renacon Pharma (Private) Limited ("RPL") having equity interest of 5.58% and 5.6%, respectively. During the period, the Company has purchased the 100% equity interest in GAL pursuant to the Company's intention to dispose off the investment as disclosed in note 8 to the condensed interim unconsolidated financial statements.

6.1.4 Renacon Pharma Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 55.84% (30 June 2020: 45.45%) equity interest in RPL.

		(Un-audited) 31 December 2020	(Audited) 30 June 2020
6.2	In equity instruments of Associate - at cost	<i>Note</i>	(Rupees in thousand)
	<u>Loads Limited - quoted</u>		
	18,895,057 (30 June 2020: 18,895,057) fully paid	<i>6.2.1</i>	162,529
	Equity held: 12.49 % (30 June 2020: 12.49 %)		162,529
	Chief Executive Officer - Munir K. Bana		162,529
		<u>162,529</u>	<u>162,529</u>

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 2020	(Audited) 30 June 2020
6.3	Fair value through OCI	<i>Note</i>	(Rupees in thousand)
	<u>Techlogix International Limited</u>		
	711,435 (30 June 2020: 711,435) fully paid ordinary shares of par value of USD 0.190761.	<i>6.3.1</i>	8,167
	Equity held: 0.67% (30 June 2020: 0.67%)		8,167
		<u>8,167</u>	<u>8,167</u>

6.3.1 The Company directly owns 0.67% (30 June 2020: 0.67%) equity interest in Techlogix International Limited.

7 Loans, advances, deposits, prepayments and other receivables

This includes advance amounting to Rs. 7,218.23 million (30 June 2020: Rs. 7,410.11 million) to First Treet Manufacturing Modaraba ("FTMM"), subsidiary company. The amount is advanced to FTMM for the ongoing Battery Project out of the short term running finance facilities availed by the Company. In the annual general meeting of the Company dated 31 October 2020, it was decided that the amount advanced to FTMM is to be converted into equity subject to regulatory approvals. Consequently, no further markup has been charged by the Company on outstanding amount since 31 October 2020.

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

For the period ended December 31, 2020

	(Un-audited)	(Audited)
	31 December	30 June
	2020	2020
	(Rupees in thousand)	
8 Non-current assets held for sale	<u>1,808,789</u>	<u>1,605,403</u>

Board of Directors of Treet Corporation Limited in their meeting held on 26 February 2020 decided to sale education project which constitutes Global Arts Limited, Institute of Art and Culture and Society for Cultural Education. Consequently, long term investment in Global Arts Limited has been classified as non-current assets held for sale and measured at lower of carrying value or fair value less cost to sell. The Company has purchased the remaining fully paid ordinary shares of Global Arts Limited, during the period ended on 31 December 2020.

	(Un-audited)	(Audited)
	31 December	30 June
	2020	2020
	(Rupees in thousand)	
9 Long term finances - secured		
Loan from financial institutions	<u>298,280</u>	<u>145,647</u>
Less: current portion shown under current liabilities	<u>(89,044)</u>	<u>(20,600)</u>
	<u>209,236</u>	<u>125,047</u>
Deferred Income-government grant	<u>16,809</u>	<u>4,647</u>
Less: current portion of deferred income - government grant	<u>(6,897)</u>	<u>(3,022)</u>
	<u>9,912</u>	<u>1,625</u>
	<u><u>219,148</u></u>	<u><u>126,672</u></u>
9.1 Loan from financial institution includes:		
Meezan Bank Limited - <i>Diminishing Musharika</i>	<u>87,303</u>	<u>87,303</u>
Habib Bank Limited - <i>Term Finance Loan</i>	<u>210,977</u>	<u>58,344</u>
	<u><u>298,280</u></u>	<u><u>145,647</u></u>

10 Contingencies and commitments

10.1 Contingencies

There are no material changes in contingencies from the preceding annual published unconsolidated financial statements of the Company for the year ended 30 June 2020.

10.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 483.23 million (30 June 2020: Rs. 95.52 million).

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

For the period ended December 31, 2020

11 Issued, subscribed and paid up capital

	31 December	30 June	(Un-audited)	(Audited)
	2020	2020	31 December	30 June
	(Number of shares)		(Rupees in thousand)	
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	22,006,165	22,006,165	220,062	220,060
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 11.2	6,594,551	5,611,551	65,945	56,116
	<u>170,814,322</u>	<u>169,831,322</u>	<u>1,708,143</u>	<u>1,698,312</u>

11.1 Loads Limited, an associated company, holds 8,887,958(30 June 2020: 8,887,958) ordinary shares of Rs. 10 each representing 5.23% (30 June 2020: 5.23%) of the paid up capital of the Company.

11.2 Under the terms of the scheme as referred in note 16, the Company, during the period, issued 983,000 fully paid ordinary shares to eligible employees. The shares were issued at the exercise price of Rs. 15.71 per share resulting in premium of Rs. 5.61 million.

12 Revenue

In the following table, revenue from contracts with customers is disaggregated by major products and service line, primary geographical markets and timing of revenue recognition.

	(Un-audited)		(Un-audited)	
	Six months ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	------(Rupees in thousand)-----			
12.1 Major Product / Service Line				
<u>Blades and Razors</u>				
Export sales	1,430,706	1,171,872	751,188	623,189
Local sales - gross	2,953,131	2,704,061	1,542,471	1,318,329
Less: Sales tax	(463,349)	(423,928)	(242,136)	(205,351)
Less: Trade discount	(3,926)	(54,798)	16,819	(30,831)
	2,485,856	2,225,335	1,317,154	1,082,147
<u>Trading income</u>				
Sale of batteries - gross	720	2,058	-	-
Less: Sales tax	(105)	(299)	-	-
Less: Trade discount	-	(264)	-	-
	615	1,495	-	-

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

For the period ended December 31, 2020

	(Un-audited)		(Un-audited)	
	Six months ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	------(Rupees in thousand)-----			
Sale of Chemicals - gross	50,612	66,548	29,386	38,275
Less: Sales tax	(7,558)	(9,682)	(4,391)	(5,634)
Less: Trade discount	(62)	(142)	(62)	(65)
	42,992	56,724	24,933	32,576
	3,960,169	3,455,426	2,093,275	1,737,912
12.2 Primary Geographical Markets				
Asia	3,915,607	3,388,190	2,074,883	1,697,800
Africa	29,420	18,034	13,590	7,313
Australia	-	28	-	-
Europe	12,801	11,820	3,039	5,151
US	2,341	37,354	1,763	27,648
	3,960,169	3,455,426	2,093,275	1,737,912
12.3 Timing of revenue recognition				
Products transferred at point in time	3,960,169	3,455,426	2,093,275	1,737,912
			(Un-audited)	(Un-audited)
			31 December	31 December
			2020	2019
			(Rupees in thousand)	
13 Cash and cash equivalents				
Cash and bank balances			1,185,767	459,999
Short term running finance - secured			(6,194,561)	(6,288,121)
			(5,008,794)	(5,828,122)

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

For the period ended December 31, 2020

14 Financial risk management and Fair value measurement of financial instruments

14.1 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 2020.

14.2 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.

	Carrying Amount			Fair Value					
	Fair value through OCI	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees in thousands -----									
31 December 2020- (Ur-audited)									
<u>Financial assets measured at fair value</u>									
Long term investments	8,167	-	-	-	8,167	-	-	8,167	8,167
Short term investments	-	277,839	-	-	277,839	277,839	-	-	277,839
	8,167	277,839	-	-	286,006	277,839	-	8,167	286,006
<u>Financial assets not measured at fair value</u>									
Long term security deposits	-	-	19,914	-	19,914	-	-	-	-
Trade debts - unsecured, considered good	-	-	185,055	-	185,055	-	-	-	-
Advances, deposits and other receivables	-	-	7,401,888	-	7,401,888	-	-	-	-
Long term loans	-	-	7,580	-	7,580	-	-	-	-
Cash and bank balances	-	-	1,185,767	-	1,185,767	-	-	-	-
	-	-	8,800,204	-	8,800,204	-	-	-	-
<u>Financial liabilities measured at fair value</u>									
<u>Financial liabilities not measured at fair value</u>									
Short term borrowing	-	-	-	8,485,075	8,485,075	-	-	-	-
Trade and other payables	-	-	-	630,885	630,885	-	-	-	-
Accrued mark up	-	-	-	138,459	138,459	-	-	-	-
Long term deposits	-	-	-	11,214	11,214	-	-	-	-
Long term finances - secured	-	-	-	219,148	219,148	-	-	-	-
	-	-	-	9,484,781	9,484,781	-	-	-	-

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

For the period ended December 31, 2020

	Carrying Amount		Fair Value						
	Fair value through OCI	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousands									
30 June 2020 - (Audited)									
<u>Financial assets - measured at fair value</u>									
Long term investments	8,167	-	-	-	8,167	-	-	8,167	8,167
Short term Investments	-	242,184	-	-	242,184	242,184	-	-	242,184
	8,167	242,184	-	-	250,351	242,184	-	8,167	250,351
<u>Financial assets - not measured at fair value</u>									
Long term security deposits	-	-	22,894	-	22,894	-	-	-	-
Trade debts	-	-	164,498	-	164,498	-	-	-	-
Advances, prepayments and other receivables	-	-	7,963,611	-	7,963,611	-	-	-	-
Long term loans	-	-	6,722	-	6,722	-	-	-	-
Cash and bank balances	-	-	186,411	-	186,411	-	-	-	-
	-	-	8,344,136	-	8,344,136	-	-	-	-
Financial liabilities - measured at fair value									
<u>Financial liabilities - not measured at fair value</u>									
Short term borrowings	-	-	-	8,668,696	8,668,696	-	-	-	-
Trade and other payables	-	-	-	417,252	417,252	-	-	-	-
Accrued mark-up	-	-	-	219,201	219,201	-	-	-	-
Long term deposits	-	-	-	11,214	11,214	-	-	-	-
Long term finances - secured	-	-	-	126,672	126,672	-	-	-	-
	-	-	-	9,443,035	9,443,035	-	-	-	-

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.

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

For the period ended December 31, 2020

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. Transactions with related parties are as follows:

Transactions with related parties	Relationship	Nature of transactions	Six months period ended	
			31 December 2020	31 December 2019
			(Rupees in thousand)	
I Subsidiaries				
Treet HR Management	Subsidiary Co. (100% Equity Held)	Purchase of services Funds transferred - net Expenses incurred	7,500 11,077 -	7,500 - -
First Treet Manufacturing Modaraba	Subsidiary Co. (87.35% Equity held)	Expenses incurred Funds transferred - net Purchase of goods Rental income Interest on advances to the subsidiary company	- (378,489) 13,427 17,500 149,659	36,025 271,656 9,782 17,500 366,153
Treet Holdings Limited	Subsidiary Co. (85.93% Equity held)	Expenses incurred Funds transferred - net Purchase of bikes Rental Income	- (69,722) 676 500	12,692 (54,040) 2,506 500
Global Arts Limited	Subsidiary Co. (100% Equity held)	Funds transferred - net	(44,389)	7,000
Society for Cultural Education	Subsidiary Co.	Donation	-	12,785
Renacon Pharma Limited	Subsidiary Co. (55.86% direct holding)	Funds transferred - net Expenses incurred	(229,635) -	- 29,866
II Related parties				
Packages Limited	Common directorship	Purchase of goods Sale of goods	3,901 -	81,066 110
IGI Insurance Limited	Common directorship	Purchase of services	341	19,922
Loads Limited	Common directorship	Expenses incurred Finance cost paid - PTCs	1,740 -	- 7,802
Cutting Edge (Pvt) Limited	Common directorship	Purchase of services	1,287	1,290
Roboart (Private) Limited	Common directorship	Purchase of services	166	-
Elite Brands Limited	Common directorship	Sale of goods Purchase of services	420,891 6,099	216,337 -
Ghulab Devi Chest Hospital	Common directorship	Donation	758	-
Liaquat National Hospital	Common directorship	Sale of goods	16	42
III Post employment benefit plans				
Superannuation fund		Contribution	28,484	19,028
Provident fund		Contribution	22,063	8,628
Service fund		Contribution	10,284	9,009
Housing fund		Contribution	-	23,586
Gratuity fund		Contribution	31,194	21,985
Benevolent Fund		Contribution	-	2,171
Superannuation fund II		Contribution	-	2,704
IV Key Management Personnel				
		- Salaries and other employee benefits	283,164	164,018
		- Repayment of loan received from CEO	89,245	46,225
		- Proceeds from loan received from CEO	-	96,000
		- 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 Statements (Un-audited)

For the period ended December 31, 2020

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 any one calendar year exceeding 3% of the paid up capital shall require approval of the shareholders. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a exercise price determined on the date of grant of options. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of two years of grant date if not exercised.

The details of the share options granted under the scheme together with the status as at 31 December 2020 is as follows:

	Granted in the year 2020	Granted in the year 2019	Granted in the year 2018	Granted in the year 2017
		(* Modified October 2020)	(Modified October 2019)	(Modified October 2018)
	----- (In '000') -----			
Original grant date	31 October 2020	17 July 2019	30 July 2018	14 July 2017
Modified grant date		31 October 2020	28 October 2019	26 October 2018
Options issued	1,890	4,962	4,769	4,259
Options no longer in issue	N/A	N/A	N/A	-
Options vested	N/A	N/A	4,769	4,259
Options exercised	N/A	N/A	2,018	2,439
Shares issued under the scheme	N/A	N/A	2,018	2,439
Original exercise price per share	24.34	15.71	35.44	66.45
Market value per share at grant date	27.66	12.81	35.60	51.53
Option discount per share at grant date	N/A	(2.90)	0.16	(14.92)
Modified exercise price per share	N/A	16.09	15.71	20.00
Market value per share at modified grant date	N/A	27.66	15.06	25.36
Option discount per share at modified grant date	N/A	N/A	(0.65)	5.36
Options issued to key management personnel	216	1,138	2,416	2,003
Options exercised by key management personnel	N/A	N/A	984	1,334

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

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* The shareholders of the Company in their Annual General Meeting held on 31 October 2020 through a special resolution approved rectified price of 4,962,000 options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial price of Rs. 15.71 per share to the revised price of Rs. 16.09 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.

17 Impact of COVID-19

World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The federal and provincial governments of Pakistan also took various measures, including imposition of lockdown to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to the Company including the suspension of production, sales and operations. However, the Government's initiative to subsequently relax the lockdown along with various other incentives to businesses helped in reviving the demand from June 2020 onwards. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at 31 December 2020. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

18 Date of authorization

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 25th February 2021.

19 General

19.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

19.2 No significant re-arrangements or re-classification have been made in these condensed interim unconsolidated financial statements.

19.3 All figures, except for 30 June 2020, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
25th February 2021



Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Imran Azim
Director



HEAD OFFICE

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