



TREET GROUP  
OF COMPANIES



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Treet Corporation Limited

# Half Yearly Report

for the period ended December 31, 2017



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## Company Information

BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Syed Sheharyar Ali Muhammad Shafique Anjum Mr. Saulat Said Mr. Imran Azim Mr. Munir K. Bana	Chairperson / Non-Executive Director Chief Executive Officer Independent Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
BOARD AUDIT COMMITTEE	Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana	Chairman/Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Mr. Muhammad Shafique Anjum Dr. Salman Faridi Mr. Amir Zia Mr. Jahangir Bashir	Chairman Member Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Amir Zia	
COMPANY SECRETARY	Rana Shakeel Shaukat	
HEAD OF INTERNAL AUDIT	Mr. Muhammad Ali	
EXTERNAL AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants Lahore.	
INCOME TAX CONSULTANTS	Kreston Hyder Bhimji & Co. Chartered Accountants Lahore.	
LEGAL ADVISORS	Salim & Baig, Advocates - Lahore.	
CORPORATE ADVISORS	Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore.	
SHARIAH ADVISOR	Mufti Muhammad Javed Hassan (Only for First Treet Manufacturing Modaraba)	
BANKERS	AL-Barka Bank Pakistan Limited Askari Bank Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan SILK Bank Limited Soneri Bank Limited United Bank Limited	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited Faysal Bank Limited JS Bank Limited Meezan Bank Limited SAMBA Bank Limited SINDH Bank Limited The Bank of Punjab

REGISTERED OFFICE

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

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SHARE REGISTRAR

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

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TREET GROUP FACTORIES/  
FACTORIES

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

**First Treet Manufacturing Modaraba**  
(Managed by Treet Holdings Limited)

**Battery project**

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

**Packaging Solutions - Corrugation**

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

**Soap Division**

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

**Treet Holdings Limited**

(A wholly owned subsidiary of Treet Corporation Limited)

**Bike Project**

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

**Renacon Pharma Limited**

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

**Educational Project under Global Arts Limited.**

Raiwind Road Lahore.

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GROUP COMPANIES / OFFICES

**Treet Holdings Limited**

(A wholly owned subsidiary of Treet Corporation Limited)  
72-B, Industrial Area, Kot Lakhpat, Lahore.

**First Treet Manufacturing Modaraba**

(Managed by Treet Holdings Limited)

Principal Place of Business:

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

**Treet HR Management (Private) Limited**

(A wholly owned subsidiary of Treet Holdings Limited)

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

**Treet Power Limited**

(A wholly owned subsidiary of Treet Holdings Limited)

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

**Global Arts Limited**

(A wholly owned subsidiary of Treet Corporation Limited)

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

**Society for Cultural Education**

(70% subsidiary of Treet Corporation Limited)

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

**Renacon Pharma Limited**

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

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

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KARACHI OFFICE

6-B (A-1) Saaed Hai Road, Muhammad Ali Co-operative Society, Karachi.

Tel: 021-34372270-1

Fax: 021-34372272

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## Directors' Review

The directors of your company are pleased to present a brief of operations and financial results of your Company for the half year ended December 31, 2017.

### Financial Performance

Following is the summary of comparative financial results:

(Rupees in thousand)	Half Year Ended -				% Change	
	December 31, 2017		December 31, 2016			
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	3,034,978	4,617,110	2,534,994	3,991,991	19.72%	15.66%
Gross Profit	939,372	1,189,748	775,911	963,368	21.07%	23.50%
Operating Profit	144,352	266,756	114,895	220,666	25.64%	20.89%
Net Profit after taxation	51,751	49,109	125,561	136,041	-58.78%	-63.90%
EPS (in Rupees)	0.33	0.31	0.82	0.89		

The Company's posted profit after tax (consolidated) at Rs. 49.109 million is decreased by 63.90% against Rs. 136.041 million in the corresponding period of the last year. Sales performance is described below:

### SEGMENT-WISE SALES

Rs. in 000	31-12-2017			31-12-2016			% Change
	Outside	Inter segment	Total	Outside	Inter segment	Total	
D/E+Bonded	2,838,792	-	2,838,792	2,391,880	-	2,391,880	18.68%
Soap	400,834	-	400,834	470,475	-	470,475	-14.80%
Corrugation	865,116	23,753	888,869	849,953	22,284	872,237	1.91%
Motor Bike	167,016	-	167,016	136,569	-	136,569	22.29%
Battery+Chemicals	196,186	-	196,186	143,114	-	143,114	37.08%
Pharmaceutical	149,166	-	149,166	-	-	-	-
	4,617,110	23,753	4,640,863	3,991,991	22,284	4,014,275	

- Blade/disposable business showed excellent growth both in local and Export markets and profits margins are improved;
- Soaps sales volumes are declined but margins are improved due to price rationalization;
- Corrugation maintained its volumes but margins are decreased due to escalation in raw material prices and time-lag impact on pass through impact;
- Motor Cycle volumes are catching its momentum and margins are improved;
- Your Company has started Chemical business and sales are started since November 2017. Margins are good and sales volumes are picking-up its pace gradually;
- Your Company has started commercial production of batteries since February 2018. One of the major decision is the pricing strategy of the local production vis-à-vis imported batteries (trading items) since your Company is also importing lead acid batteries to establish the channel of distribution well before our local production. Imported batteries 'costs are substantially higher than the local batteries 'production and to get the volumes of local production pricing has to be competitive thus your Company has to give discounts on imported batteries to clear the stock at Company's level and distribution level. So your Company has booked onetime loss on the stock [and on debtors through discounts plus warranty] of Rs. 80.00 million (appx). This is major reason of decline in net profits. Otherwise gross profits and operating profits has shown healthy growth across the board.
- Since your Company has embarked various projects. Our general financial philosophy is to finance the perpetual projects through perpetual financing but various financial plans are underway and interim financial requirements are met through bridge financing from banks and that will be replace with the financing options commensurable to our financial philosophy\*. Thus financial costs are increased this period [incremental impact is Rs. 150.00 million appx];  
\*Our financial plans are well elaborated in the Directors Report on Annual Financial Statement 2016-2017.
- These financial decisions when finalized will be communicated to the stakeholders from time to time;

## Production

The production of razor/ blades from Lahore and Hyderabad comes to 1,012.12 million blades as compared to 927.17 million blades produced in the same period of the last year, registering an increase of 09.16%.

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

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

PAY-OFF MATRIX :		Calculation of Category "B" Payment
Profit * from	Profit * to	Payoff % on Excess Amount of profit
-	179,500,000	NIL
179,500,001	250,000,000	72% of amount exceeding Rs. 179,500,000.00
250,000,001	350,000,000	Rs.50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00
350,000,001	450,000,000	Rs.75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00
450,000,001	550,000,000	Rs.95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00
550,000,001	650,000,000	Rs.110,760,000.00 and 10% of amount exceeding Rs. 550,000,000.00
650,000,001	and above	Rs.120,760,000.00 and 5 % of amount exceeding Rs. 650,000,000.00

	Rs.in 000		Rs.in 000
Consolidated Profit*	243,053	Extrapolated Profit for the full Year	486,106

\*Profit means Consolidated Profit before Tax, WPPF/ WWF and Financial Charges on account of any payment or accrual made for TCLTCs.

	Rs. In 000	Rs. Per TCLTC
Category "B" Payment (Additional Profit in Cash)	101,176	2.42
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	274,320	6.56
Financial Charges accrued for the period i.e. 6 months	137,160	3.28

PAY-OFF MATRIX (PER TCLTC):			Based on Extrapolated Profit for the Full Year		
Principal Redemption in Cash	Minimum Profit Payment in Cash	Minimum Payment in Cash	Category "B" Payment (Additional Profit in Cash)	Total Profit in Cash	Total Payment in Cash
(1)	(2)	(3) = (1) + (2)	(4)	(5) = (2) + (4)	(6) = (1) + (5)
0.15	4.14	4.29	2.42	6.56	6.71

However, this is accrual based on quarterly consolidated results extrapolated for full year; actual payment will be made on following dates according to actual full year results ending on June 30, 2018.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the 6th year\* will be as follows:

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



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

Apart from the "Total Payment in Cash", TCLTC holders [who will be entitled on October 09, 2018] will also get Ordinary Shares of the Company on the following basis:

PRINCIPAL REDEMPTION THROUGH CONVERSION			
Principal Redemption Through Conversion	No. of Share Through Conversion	Conversion Price Per Share	The Conversion price per share is for information/ accounting / taxation purpose. No further amount will be paid by the PTC holders. <i>This is the opportunity cost of the principal value of PTC forgone to get One additional Ordinary Share of the Company</i>
4.14	0.07	59.14	

Example: Thus holder of 1,000 TCLTCs will get 70 Ordinary Shares of the Company on or before November 02, 2018 vis-à-vis principal value of Rs. 4,140/- forgone.

#### Pharmaceutical

Your Company has acquired 58.16 equity stake in Renacon Pharma Limited. Renacon Pharma Limited specializes in the production of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines since 1996. Products also include fully automated mixers for powder form. Renacon Pharma has ISO 9001; ISO 13485; CE0120; certification through SGS, UK. It is licensed by Ministry of Health and has cGMP certificate. Renacon Pharma is the pioneer and market leader in the production of Hemodialysis Concentrates in Pakistan. Renacon Pharma is exporting its Hemodialysis Concentrates to several countries while quality-to-cost-ratio is unmatched.

Your Company has changed its status to public Company by taking following steps :

- Split its share par value from Rs. 100/- to Rs, 10/- per share;
- Changing its status from Private Limited to Public Limited Company;
- Increasing its capital base through bonus issue;
- Offering its shares to the public through listing process and raising funds to meet its expansion/diversification plan.

Your Company has already acquired [5 + 9.10] acre of land in Faisalabad Industrial Estate (M-3 Industrial City) and planning to increase not only its existing capacity but also to diversify in other areas as well.

#### Education Project

Your Company through its subsidiaries Global Arts Limited and Society for Cultural Education is in the process of getting charter for its University and is also seeking affiliation/collaboration with other University(ies) in the interim process.

#### Acknowledgements

We place on record our gratitude to our valued customers for their confidence in our products and pledge to provide them the best quality in continually improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.




Syed Shahid Ali Shah  
Chief Executive Officer



Muhammad Shafique Anjum  
Director

LAHORE  
February 27, 2018

Consolidated  
Financial Statements  
For the period ended December 31, 2017




## Condensed Interim Consolidated Balance Sheet (Un-Audited)

As At December 31, 2017

	December 2017 Un-audited	June 2017 Audited
Note	Rupees in '000'	
Property, plant and equipment	12,930,842	11,579,925
Investment property	19,384	19,384
Long term investments	442,578	426,625
Long term loans and deposits	57,105	53,415
Deferred tax asset	24,614	25,109
	<b>13,474,523</b>	<b>12,104,458</b>
<b>Current assets</b>		
Stores and spares	162,704	-
Stock-in-trade	1,865,376	1,619,134
Trade debts - unsecured considered good	974,231	888,344
Short term investments	505,519	571,687
Loans, advances, deposits, prepayments and other receivables	1,722,526	1,591,799
Cash and bank balances	820,757	1,002,213
	<b>6,051,113</b>	<b>5,673,177</b>
<b>Current liabilities</b>		
Current portion of non-current liabilities	236,662	254,082
Finance under mark-up-arrangements - secured	7,619,109	6,049,596
Trade and other payables	1,447,074	1,348,181
Provision for taxation	60,640	78,167
	<b>9,363,485</b>	<b>7,730,026</b>
<b>Net current assets</b>	<b>(3,312,372)</b>	<b>(2,056,849)</b>
<b>Net assets</b>	<b>10,162,151</b>	<b>10,047,609</b>
<b>FINANCED BY:</b>		
Issued, subscribed and paid-up capital	1,600,847	1,421,436
Share deposit money	-	98,914
Reserves	5,275,467	5,101,250
Unappropriated profit	1,155,693	1,255,027
<b>SHARE HOLDERS' EQUITY</b>	<b>8,032,007</b>	<b>7,876,627</b>
Minority Interest	320,702	192,174
Participation term finance certificates	178,165	357,583
Surplus on revaluation of fixed assets	1,305,240	1,311,646
Long term deposits	70,299	57,640
Deferred liabilities	255,738	251,939
Contingencies and commitments	5	-
	<b>10,162,151</b>	<b>10,047,609</b>

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

LAHORE  
February 27, 2018

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

## Condensed Interim Consolidated Profit And Loss Account (Un-Audited)

For the period ended December 31, 2017

	Note	Quarter ended		6 Months ended	
		October to December 2017	October to December 2016	July to December 2017	July to December 2016
		Rupees in '000'		Rupees in '000'	
Revenue and Sales -Net	6	2,347,085	2,018,246	4,617,110	3,991,991
Cost of sales	7	(1,671,172)	(1,527,304)	(3,427,362)	(3,028,623)
<b>Gross profit</b>		<b>675,913</b>	490,942	<b>1,189,748</b>	963,368
Operating expenses :					
- Administrative expenses		(145,451)	(125,515)	(202,553)	(190,434)
- Selling & distribution expenses		(385,978)	(269,646)	(720,439)	(552,268)
		(531,429)	(395,161)	(922,992)	(742,702)
<b>Operating Profit</b>		<b>144,484</b>	95,781	<b>266,756</b>	220,666
Other income		91,137	71,065	165,274	154,765
		235,621	166,846	432,030	375,431
Financial expenses		(178,420)	(38,797)	(210,142)	(62,074)
Financial charges Treet-PTC		(64,872)	(71,480)	(137,160)	(146,851)
Share of profit of associate		7,881	(1,913)	21,165	13,185
		210	54,656	105,893	179,691
Workers' Profit Participation Fund		(4,275)	(6,401)	(5,659)	(8,793)
Workers' Welfare Fund		417	(132)	(713)	(290)
		(3,858)	(6,533)	(6,372)	(9,083)
<b>Profit before taxation</b>		<b>(3,648)</b>	48,123	<b>99,521</b>	170,608
Taxation					
- Group		(29,810)	(14,114)	(45,200)	(31,801)
- Associated company		(2,359)	171	(5,212)	(2,766)
<b>Profit after taxation</b>		<b>(35,817)</b>	34,180	<b>49,109</b>	136,041
<b>Earnings per share - from continued operation</b>		<b>(0.23)</b>	Restated 0.22	<b>0.31</b>	Restated 0.89

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

LAHORE  
February 27, 2018

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

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

For the period ended December 31, 2017

	Quarter ended		6 Months ended	
	October to December 2017	October to December 2016	July to December 2017	July to December 2016
	Rupees in '000'		Rupees in '000'	
Profit after taxation	(34,992)	34,129	41,813	135,877
Other comprehensive income				
Available for sale financial assets				
Fair value adjustment	-	-	-	-
	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(34,992)</b>	<b>34,129</b>	<b>41,813</b>	<b>135,877</b>

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

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

LAHORE  
February 27, 2018



Syed Shahid Ali  
Chief Executive Officer



Muhammad Shafique Anjum  
Director

## Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended December 31, 2017

	July to December 2017	July to December 2016
	Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>99,521</b>	170,608
Adjustments for non-cash items :		
Financial charges for the period	210,142	62,074
Financial charges Treet-PTC	137,160	146,851
Depreciation on property, plant and equipment	118,331	109,386
Provision for gratuity	6,027	10,205
Provision for superannuation fund scheme	5,345	9,271
Profit on bank deposits	(12,621)	(8,796)
Profit on disposal of investment held for trading	20,547	(108,680)
Unrealized (gain) / loss on short term investments	-	(76,973)
Share of profit from associated company	(21,165)	(13,185)
Dividend income	(21,642)	(19,989)
Provision for WPPF and WWF	6,372	9,083
(Gain)/Loss on sale of fixed assets	(15,129)	(5,481)
	<b>433,367</b>	113,766
<b>Operating profit before working capital changes</b>	<b>532,888</b>	284,374
(Increase) / decrease in operating assets :		
Stores & spares	(162,704)	(28,621)
Stock-in-trade	(246,242)	24,761
Trade debts	(85,887)	46,435
Short term investments	45,621	(27,441)
Loans, advances, deposits, prepayments and other receivables	(98,414)	19,028
	<b>(547,626)</b>	34,162
<b>Increase / (decrease) in operating liabilities</b>		
Trade and other payables	215,706	318,984
<b>Cash generated from operations</b>	<b>200,968</b>	637,520
Financial charges paid	(466,462)	(329,573)
Taxes paid	(76,750)	(46,614)
WPPF and WWF	(969)	6,943
Payment to gratuity fund	(5,899)	(30,670)
Payment to superannuation fund	580	(17,364)
	<b>(549,500)</b>	(417,278)
<b>Net cash from operating activities</b>	<b>(348,532)</b>	220,242

	July to December 2017	July to December 2016
Rupees in '000'		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(1,488,019)	(1,745,823)
Proceeds from sale of fixed assets	33,898	29,602
Long term deposits	(3,690)	662
Profit received on bank deposits	12,621	8,796
Dividend received	21,642	19,836
<b>Net cash outflow from investing activities</b>	<b>(1,423,548)</b>	<b>(1,686,927)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share capital	7,265	9,554
Share premium	30,357	39,935
Participation term finance certificates	(6,282)	(6,281)
Long Term Deposits	(4,761)	(2)
Dividend paid	(5,468)	(138,105)
<b>Net cash from financing activities</b>	<b>21,111</b>	<b>(94,899)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,750,969)</b>	<b>(1,561,584)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>(5,047,383)</b>	<b>(907,484)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(6,798,352)</b>	<b>(2,469,068)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	820,757	772,005
Finance under mark-up arrangements	(7,619,109)	(3,241,073)
	<b>(6,798,352)</b>	<b>(2,469,068)</b>

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

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

For the period ended December 31, 2017

	Share Capital	Advance against issue of share capital	Capital Reserve	Statutory Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
Rupees in '000'								
<b>Balance as on June 30, 2016</b>	1,378,044	-	4,115,827	430,728	266,400	(1,184)	1,285,310	7,475,125
Shares issued against Treet PTC by way of conversion	29,276	-	143,860	-	-	-	-	173,136
Issuance of shares under employee share option scheme (ESOS)	9,554	-	39,935	-	-	-	-	49,489
Total comprehensive income for the period	-	-	-	-	-	-	135,877	135,877
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	4,905	4,905
Final dividend for the year ended June 30, 2016 @ Rs 1 per share	-	-	-	-	-	-	(137,970)	(137,970)
<b>Balance as on December 31, 2016</b>	1,416,874	-	4,299,622	430,728	266,400	(1,184)	1,288,122	7,700,562
<b>Balance as on June 30, 2017</b>	1,421,436	98,914	4,318,696	511,941	266,400	4,213	1,255,027	7,876,627
Shares issued against Treet PTC by way of conversion	29,276	-	143,860	-	-	-	-	173,136
Issuance of shares by way of right	-	(98,914)	-	-	-	-	-	(98,914)
Issuance of bonus shares	-	-	-	-	-	-	(4,520)	(4,520)
Issuance of shares under employee share option scheme (ESOS)	7,265	-	30,357	-	-	-	-	37,622
Total comprehensive income for the period	-	-	-	-	-	-	41,813	41,813
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	6,406	6,406
Final dividend for the year ended June 30, 2017	-	-	-	-	-	-	(158)	(158)
<b>Balance as on December 31, 2017</b>	1,457,977	-	4,492,913	511,941	266,400	4,213	1,298,568	8,032,012

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

LAHORE  
February 27, 2018

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director



## Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

### 1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

#### Holding Company

Treet Corporation Limited (TCL)

#### Subsidiary Companies / Undertakings

Treet Holdings Limited

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

Society for Cultural Education (SCE)

Renacon Pharma Limited (RPL)

- 1.1 Treet Corporation Limited (the holding Company) was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Act, 1913. Its shares are listed on Pakistan Exchange Limited. The principal activity of the holding company is to manufacture and sell razors and razor blades along with other trading activities. The registered office of the holding company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.2 Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Global Econo Trade Limited commenced its commercial operations from 01 January 2005. The principal activity of the company is the business of manufacturing and sale of bikes. The company was converted into Public Limited Company (unlisted), and the name and objects of the company have also been changed from that of Global Econo Trade (Private) Limited to Treet Holdings Limited w.e.f June 03, 2015 after complying with the legal formalities. Its registered office is situated at 72 - B, Industrial Area Kot Lakhpat, Lahore.
- 1.3 First Treet Manufacturing Modaraba ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes and soaps and is in the process of establishing a battery manufacturing unit in Faisalabad. The commercial production is expected to commence in the current financial year.
- 1.4 Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.
- 1.5 Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. The company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited - an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

## Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

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

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

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

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

### 2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2017.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2017.

### 4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2017.

### 5. CONTINGENCIES AND COMMITMENTS

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

	Quarter year ended		6 Months ended	
	"October to December 2017"	"October to December 2016"	"July to December 2017"	"July to December 2016"
	Rupees in '000'		Rupees in '000'	
<b>6. SALES - Net</b>				
Blades	1,473,780	1,234,890	2,838,792	2,391,880
Soaps	156,233	204,027	400,834	470,475
Packaging products	448,571	432,909	865,116	849,953
Motor bike project	90,312	75,443	167,016	136,569
Battery trading	96,900	70,977	196,186	143,114
Pharmaceutical products	81,289	-	149,166	-
	<b>2,347,085</b>	<b>2,018,246</b>	<b>4,617,110</b>	<b>3,991,991</b>
<b>7. COST OF GOODS SOLD</b>				
Blades	(945,696)	(837,537)	(1,892,478)	(1,622,559)
Soaps	(127,611)	(183,034)	(304,695)	(390,193)
Packaging products	(369,237)	(377,802)	(766,490)	(749,665)
Battery trading	(68,773)	(59,167)	(184,334)	(116,828)
Motor bike project	(89,189)	(69,764)	(174,695)	(149,378)
Pharmaceutical products	(70,666)	-	(104,670)	-
	<b>(1,671,172)</b>	<b>(1,527,304)</b>	<b>(3,427,362)</b>	<b>(3,028,623)</b>

**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	134,591	135,458
Goods sold and services rendered	50	123

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on February 27, 2018.

## Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

	December 2017	June 2017
	Rupees in '000'	
<b>10 SOCIETY FOR CULTURAL EDUCATION</b>		
<b>CURRENT ASSETS</b>		
Loans, advances, deposits, prepayments and other receivables	3,322	1,500
Cash and bank balances	6,673	9,694
	9,995	11,194
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,471	602
<b>NET CURRENT ASSETS</b>	<b>8,524</b>	<b>10,592</b>
<b>NET ASSETS</b>	<b>8,524</b>	<b>10,592</b>
<b>FINANCED BY:</b>		
Donations / members' contribution	181,013	134,731
Net expenses incurred	(172,489)	(124,139)
<b>SHARE HOLDERS' EQUITY</b>	<b>8,524</b>	<b>10,592</b>
	<b>8,524</b>	<b>10,592</b>

	Quarter year ended		6 Months ended	
	October to December 2017	October to December 2016	July to December 2017	July to December 2016
	Rupees in '000		Rupees in '000	
Fees and revenue	-	-	-	-
Profit on bank deposits	77	524	443	1,032
	77	524	443	1,032
Less:				
Salaries and other benefits	21,394	21,310	40,335	34,617
Electricity and gas	481	1,033	2,239	1,451
Repairs and maintenance - Vehicles	84	-	95	-
Repairs and maintenance - Others	286	861	697	1,265
Rent, rates and taxes	81	1,486	142	3,311
Insurance	197	-	271	-
Advertising	-	-	47	270
Traveling and conveyance	751	253	1,259	354
Entertainment	14	27	27	52
Postage and telephone	183	155	420	295
Printing and stationery	1,885	34	2,259	768
Legal and professional charges	(55)	471	13	471
Computer expenses	6	33	46	191
Subscription	-	1	-	251
Others	76	274	943	442
	25,383	25,938	48,793	43,738
<b>Net expenses taken to balance sheet</b>	<b>(25,306)</b>	<b>(25,414)</b>	<b>(48,350)</b>	<b>(42,706)</b>

## 11. GENERAL

11.1 Amounts have been rounded off to thousand rupees.

# Auditors' Review Report on Condensed Unconsolidated Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Treet Corporation Limited** ("the Company") as at 31 December 2017 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended ("the condensed interim unconsolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 information 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 condensed interim unconsolidated financial information as of and for the six months period ended 31 December 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

## Other Matters

The figures for the quarters ended 31 December 2017 and 31 December 2016 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

LAHORE  
February 27, 2018

  
KPMG TASEER HADI & CO.  
CHARTERED ACCOUNTANTS  
(BILAL ALI)

# Financial Statements

For the period ended December 31, 2017

## Condensed Interim Balance Sheet (Un-Audited)

As At December 31, 2017

	Note	(Un-audited) 31 December 2017	(Audited) 30 June 2017
Rupees in '000'			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,023,292	2,816,446
Investment property		19,384	19,384
Intangible asset		34,268	37,684
Long term investments	6	6,302,578	6,302,578
Long term loans		1,236	3,869
Long term security deposits		19,007	16,304
Deferred taxation		58,139	58,633
		<b>9,457,904</b>	<b>9,254,898</b>
<b>Current assets</b>			
Stores and spares		162,704	203,164
Stock in trade		906,399	814,283
Trade debts		194,373	132,533
Short term investments		500,897	566,773
Loans, advances, deposits, prepayments and other receivables	7	5,142,846	4,366,459
Cash and bank balances		270,199	347,967
		<b>7,177,418</b>	<b>6,431,179</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current portion of redeemable capital		179,417	179,417
Short term borrowings		6,353,199	5,359,596
Loan from Director - Interest free, repayable on demand		390,000	390,000
Trade and other payables		488,970	499,785
Accrued mark-up		220,140	348,639
Provision for taxation		49,681	41,622
		<b>7,681,407</b>	<b>6,819,059</b>
<b>Net current assets</b>		<b>(503,989)</b>	<b>(387,880)</b>
<b>Non-current liabilities</b>			
Long term deposits		1,214	1,214
Redeemable capital	8	178,163	357,583
Deferred liabilities - Employee retirement benefits		255,738	251,939
		<b>435,115</b>	<b>610,736</b>
<b>Contingencies and commitments</b>	9	<b>-</b>	<b>-</b>
		<b>8,518,800</b>	<b>8,256,282</b>
Represented by:			
Authorized capital			
250,000,000 (30 June 2017: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
150,000,000 (30 June 2017: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		<b>4,000,000</b>	<b>4,000,000</b>
Issued, subscribed and paid-up capital	10	1,600,846	1,421,436
Reserves		4,760,228	4,586,001
Unappropriated profit		888,210	974,863
		<b>7,249,284</b>	<b>6,982,300</b>
<b>Surplus on revaluation of land and building - net of tax</b>		<b>1,269,516</b>	<b>1,273,982</b>
		<b>8,518,800</b>	<b>8,256,282</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

LAHORE  
February 27, 2018

  
Syed Shahid Ali Shah  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director



## Condensed Interim Profit And Loss Account (Un-Audited)

For the period ended December 31, 2017

	Note	6 Months ended		Quarter ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		Rupees in '000'		Rupees in '000'	
Sales - net	11	3,034,978	2,534,994	1,570,680	1,305,867
Cost of sales		(2,095,606)	(1,759,083)	(1,022,858)	(906,818)
<b>Gross profit</b>		<b>939,372</b>	<b>775,911</b>	<b>547,822</b>	<b>399,049</b>
Administrative expenses		(181,968)	(171,536)	(134,389)	(113,179)
Distribution cost		(613,052)	(489,480)	(340,214)	(231,244)
		(795,020)	(661,016)	(474,603)	(344,423)
<b>Operating Profit</b>		<b>144,352</b>	<b>114,895</b>	<b>73,219</b>	<b>54,626</b>
Finance cost		(185,302)	(62,461)	(157,250)	(39,262)
Financial charges - PTCs		(137,160)	(146,851)	(64,872)	(71,480)
		(322,462)	(209,312)	(222,122)	(110,742)
Other income		303,587	255,004	253,991	177,205
Other charges		(30,588)	(8,020)	(29,569)	(6,045)
<b>Profit before taxation</b>		<b>94,889</b>	<b>152,567</b>	<b>75,519</b>	<b>115,044</b>
Taxation	12	(43,138)	(27,006)	(33,825)	(12,936)
<b>Profit after taxation</b>		<b>51,751</b>	<b>125,561</b>	<b>41,694</b>	<b>102,108</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		<b>0.33</b>	restated 0.82	<b>0.26</b>	restated 0.67

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

For the period ended 31 December 31, 2017

	6 Months ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	51,751	125,561	41,694	102,108
Other comprehensive income				
Items that are or may be subsequently reclassified to profit or loss account	-	-	-	-
	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>51,751</b>	<b>125,561</b>	<b>41,694</b>	<b>102,108</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

LAHORE  
February 27, 2018



Syed Shahid Ali Shah  
Chief Executive Officer



Muhammad Shafique Anjum  
Director

## Condensed Interim Cash Flow Statement (Un-Audited)

For the period ended December 31, 2017

	31 December 2017	31 December 2016
	Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>94,889</b>	152,567
Adjustments for non-cash items :		
Finance cost	322,462	209,312
Amortization on intangible asset	4,188	-
Depreciation on property, plant and equipment	96,450	91,496
Provision for gratuity	12,665	10,205
Provision for superannuation fund	10,690	9,272
Profit on bank deposits	(1,886)	(2,627)
Unrealized exchange gain	(6,254)	-
Unrealized loss/ (gain) on investments at 'fair value through profit or loss'	69,012	(91,931)
Dividend income	(126,803)	(130,029)
Provision for workers' profit participation fund (WPPF)	4,994	8,020
Charges to Subsidiary company	(110,000)	-
Gain on sale of property, plant and equipment	(15,130)	(5,474)
	<b>260,388</b>	98,244
<b>Operating profit before working capital changes</b>	<b>355,277</b>	250,811
(Increase) / decrease in current assets :		
Stores and spares	40,460	(26,748)
Stock in trade	(92,116)	72,055
Trade debts	(55,586)	64,827
Loans, advances, deposits, prepayments and other receivables	(622,629)	(1,335,319)
	<b>(729,871)</b>	(1,225,185)
<b>Decrease in current liabilities:</b>		
Trade and other payables	(10,499)	(91,380)
	<b>(385,093)</b>	(1,065,754)
Income tax paid	(78,343)	(35,695)
WPPF paid	-	40,218
Payment to gratuity fund	(10,605)	(30,670)
Payment to superannuation fund	(8,951)	(17,364)
Long term loans and deposits - net	(70)	551
	<b>(97,969)</b>	(42,960)
<b>Net cash used in operating activities</b>	<b>(483,062)</b>	(1,108,714)

	31 December 2017	31 December 2016
	Rupees in '000'	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(313,794)	(154,913)
Purchase of intangible	(772)	-
Proceeds from sale of property, plant and equipment	25,628	29,593
Investment in equity instrument of subsidiary	-	(202,965)
Short term investments - net	(3,136)	(103,539)
Profit received on bank deposits	1,886	2,627
Dividend received	126,803	130,029
<b>Net cash outflow from investing activities</b>	<b>(163,385)</b>	<b>(299,168)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term deposits - net	-	182
Finance cost paid	(450,961)	(330,151)
Proceeds from issue of share capital	37,623	49,480
Loan from Director - Interest free, repayable on demand	-	390,000
Redemption of participation term certificates	(6,276)	(6,272)
Short term borrowings - net	337,077	332,173
Dividend paid	(5,310)	(137,945)
<b>Net cash (used in) / generated from financing activities</b>	<b>(87,847)</b>	<b>297,467</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(734,294)</b>	<b>(1,110,415)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>(3,308,585)</b>	<b>(339,320)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(4,042,879)</b>	<b>(1,449,735)</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

LAHORE  
February 27, 2018

  
Syed Shahid Ali Shah  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

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


For the period ended December 31, 2017

	Capital Reserve		Revenue Reserves		Unappropriated Profit	Total
	Share Capital	Share Premium	Capital Reserve	General Reserve		
	Rupees in '000'					
<b>Balance as at 01 July 2016 - audited</b>	1,378,043	4,116,103	629	266,400	1,083,270	6,844,445
Total comprehensive income for the period						
Profit for the period	-	-	-	-	125,561	125,561
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	125,561	125,561
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	3,937	3,937
<b>Transactions with owners of the Company, contributions and distributions</b>						
Issuance of shares under employee stock option scheme	9,554	39,926	-	-	-	49,480
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	143,869	-	-	-	173,144
Final cash dividend @ 10% for the year ended 30 June 2016	-	-	-	-	(137,804)	(137,804)
<b>Balance as on December 31, 2016 - unaudited</b>	1,416,872	4,299,898	629	266,400	1,074,964	7,058,763
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(59,880)	(59,880)
Other comprehensive loss	-	-	-	-	(42,937)	(42,937)
	-	-	-	-	(102,817)	(102,817)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	2,716	2,716
<b>Transactions with owners of the Company, contributions and distributions</b>						
Issuance of shares under employee stock option scheme	4,564	19,074	-	-	-	23,638
<b>Balance as at 30 June 2017 - audited</b>	1,421,436	4,318,972	629	266,400	974,863	6,982,300
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	51,751	51,751
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	51,751	51,751
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	4,466	4,466
<b>Transactions with owners of the Company, contributions and distributions</b>						
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,275	143,869	-	-	-	173,144
Issuance of shares under employee stock option scheme - note 17	7,265	30,358	-	-	-	37,623
Issue of ordinary shares as bonus @ 10% - note 10.3	142,870	-	-	-	(142,870)	-
<b>Balance as on 31 December 2017 - unaudited</b>	1,600,846	4,493,199	629	266,400	888,210	7,249,284

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

LAHORE  
February 27, 2018

  
Syed Shahid Ali Shah  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

# Notes To The Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

## 1. STATUS AND NATURE OF THE BUSINESS

Treet Corporation Limited ("the Company") was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

## 2. BASIS OF PREPARATION

The condensed interim unconsolidated financial information for six months period ended 31 December 2017 has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

On 30 May 2017 the Companies Act, 2017 was enacted which replaced and repealed the Companies Ordinance, 1984 ("the repealed Ordinance"). However the Securities and Exchange Commission of Pakistan vide its circular 23 dated 04 Oct 2017 and press release of the same date, has clarified that all the companies whose financial year, including quarterly and other interim period, closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Ordinance.

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

This condensed interim unconsolidated financial information does 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 2017. 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 balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2017, whereas comparative unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2016.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2017.
- 3.2 There are certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018 and are not expected to have significant impact on this condensed interim unconsolidated financial information:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 - Share-based Payment	01 January 2018
IAS 40 - Investment Property	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle	01 January 2018
IFRS 15 - Revenue from contracts with customers	01 July 2018
IFRS 9 - Financial Instrument	01 July 2018
Amendment to IFRS 9 - Financial Instrument	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
Amendment to IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

In addition, the Companies Act, 2017 applicable from 01 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. This would have resulted in reclassification of surplus on revaluation of land and building - net of tax to equity by restating the corresponding figures which would result in increase in equity by Rs. 1,280.64 million, Rs. 1,273.98 million and Rs. 1,269.52 million as at 30 June 2016, 30 June 2017 and 31 December 2017 respectively. Further set off of loss in one class with another class of assets no longer allowed.

#### 4. Estimates

The preparation of this condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2017.

	Note	(Un-audited) 31 December 2017 (Rupees in thousand)	(Audited) 30 June 2017
<b>5. Property, plant and equipment</b>			
Operating fixed assets	5.1	2,462,497	2,465,457
Capital work-in-progress		560,795	350,989
		<b>3,023,292</b>	<b>2,816,446</b>
<b>5.1 Operating fixed assets</b>			
Opening net book value		2,465,457	2,379,132
Additions during the period/ year	5.2	103,988	303,092
Disposals during the period/ year - net book value	5.2	(10,498)	(29,831)
Depreciation charged during the period/ year		(96,450)	(186,936)
<b>Closing net book value</b>		<b>2,462,497</b>	<b>2,465,457</b>

## Notes To The Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

5.2 The following additions and disposals have been made during the six months period ended 31 December 2017:

	Additions at cost	Disposals at net book value
	(Rupees in thousand)	
Plant and machinery	43,888	-
Furniture and fixtures	1,193	109
Computer and equipment	2,573	-
Vehicles	56,334	10,389
	<b>103,988</b>	<b>10,498</b>

	(Un-audited) 31 December 2017	(Audited) 30 June 2017
Note	(Rupees in thousand)	
<b>6. Long term investments</b>		
In equity instruments of subsidiaries - at cost	6.1 <b>6,138,494</b>	6,138,494
In equity instruments of Associate - at cost	6.2 <b>162,529</b>	162,529
Available for sale - at cost	6.3 <b>1,555</b>	1,555
	<b>6,302,578</b>	<b>6,302,578</b>

### 6.1 In equity instruments of subsidiaries - at cost

#### Treet Holdings Limited - unquoted

61,101,712 (30 June 2017: 61,101,712) fully paid ordinary shares of Rs. 10 each

6.1.1 **611,017** 611,017

Equity Held: 85.93 % (30 June 2017: 85.93 %)

Chief Executive Officer - Syed Shahid Ali

#### First Treet Manufacturing Modaraba - quoted

175,745,700 (30 June 2017: 175,745,700) fully paid certificates of Rs. 10 each

6.1.2 **3,515,332** 3,515,332

Equity Held: 89.85 % (30 June 2017: 89.85 %)

Chief Executive Officer - Syed Shahid Ali

#### Global Arts Limited - unquoted

160,540,320 (30 June 2017: 160,540,320) fully paid ordinary shares of Rs. 10 each

6.1.3 **1,605,403** 1,605,403

Equity Held: 94.08 % (30 June 2017: 94.08 %)

Chief Executive Officer - Syed Shahid Ali

#### Renacon Pharma Limited - unquoted

28,356,000 (30 June 2017: 834,000) fully paid ordinary shares of Rs. 10 each

6.1.4 **406,742** 406,742

Equity held: 58.16 % (30 June 2017: 58.16 %)

Chief Executive Officer - Dr. Salman Shakoh

**6,138,494** 6,138,494



- 6.1.1 The Company directly owns 85.93% (30 June 2017: 85.93%) equity interest in Treet Holdings Limited (THL) while the remaining 14.07% (30 June 2017: 14.07%) equity interest is indirectly owned through the Company's wholly owned subsidiary, Global Arts Limited .
- 6.1.2 The Company directly owns 89.85% (30 June 2017: 89.85%) equity interest in First Treet Manufacturing Modaraba (FTMM) while the remaining 10.02% (30 June 2017: 10.02%) equity interest is indirectly owned through the Company's wholly owned subsidiary, Treet Holdings Limited .
- 6.1.3 The Company directly owns 94.08% (30 June 2017: 94.08%) equity interest in Global Arts Limited (GAL) while the remaining 5.92% (30 June 2017: 5.92%) equity interest is indirectly owned through the Company's wholly owned subsidiary, Treet Holdings Limited.
- 6.1.4 Renacon Pharma Limited (RPL) is a pharmaceutical manufacturing company incorporated on 07 July 2009. On 18 January 2017 the Company acquired 58.16% equity interest in RPL through subscription of 834,000 ordinary shares at Rs. 487.7 per share having face value of Rs. 10 per share. The increase in number of shares of the Company during the period is due to 3,300% bonus issue by RPL.

	Note	2017 (Rupees in thousand)	2016
<b>6.2 In equity instruments of Associate - at cost</b>			
<b><u>Loads Limited - quoted</u></b>			
18,895,057 (30 June 2017: 17,177,325 ) fully paid ordinary shares of Rs. 10 each	6.2.1	162,529	162,529
Equity Held: 12.49 % (30 June 2017: 12.49 %) Chief Executive Officer - Munir K. Bana			
		<b>162,529</b>	162,529

- 6.2.1 The Company's investment in Loads 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. The increase in number of shares of the Company during the period is due to 10% bonus issue by Loads Limited. The market value at reporting date is Rs. 40.31 per share.

	(Un-audited) 31 December 2017	(Audited) 30 June 2017
	(Rupees in thousand)	
<b>6.3 Available for sale -at cost</b>		
Techlogix International Limited		
748,879 (30 June 2017: 748,879) fully paid ordinary shares of par value of USD 0.00015.	8,593	8,593
Equity Held: 0.71 % (30 June 2017: 0.71 %)		
Less: Provision for impairment	(7,038)	(7,038)
	<b>1,555</b>	1,555

## Notes To The Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

### 7. Loans, advances, deposits, prepayments and other receivables

This includes advance amounting to Rs. 4,375 million (30 June 2017: Rs. 3,564 million) to First Treet Manufacturing Modarba (FTMM), subsidiary company, and is receivable on demand. Out of the total advance amount, Rs. 676 million (30 June 2017: Rs. 460 million) represents receivable on account of reimbursement of expenses, sharing of common expenses and purchase of goods under normal business trade as per the agreed terms and is interest free. The remaining advance of Rs. 3,699 million (2017: Rs. 3,104 million) is advanced for the on going Battery Project out of the short term running finance facilities availed by the Company. Markup is calculated at average borrowing rate of the Company.

### 8. Participation Term Certificates

The Company issued 41,822,250 Participation Term Certificates (PTCs) of Rs. 30 each on 04 Oct 2012 to existing shareholders in the ratio of 1 PTC for every 1 ordinary share held amounting to Rs. 1,255 million. The PTCs are listed on Pakistan Stock Exchange. The term of PTCs shall be seven years. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory share conversion) each year. The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum (pre-agreed price of Rs. 59.14 per share) from year 2013 to year 2018 and 0.08 share per PTC for year 2019 (pre-agreed price of Rs. 51.38 per share). During the period, 2.93 million ordinary shares have been issued to the PTC holders as per redemption/conversion scheme.

### 9. Contingencies and commitments

#### 9.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Company for the year ended 31 December 2017.

#### 9.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 625.44 million (30 June 2017: Rs. 510.79 million).

### 10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 December 2017	30 June 2017		(Un-audited) 31 December 2017	(Audited) 30 June 2017
(Number of shares)			Rupees in '000'	
89,793,463	89,793,463	Ordinary shares of Rs. 10 each fully paid-up in cash	897,935	897,935
15,732,828	12,805,228	Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 10.2	157,327	128,052
52,420,143	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares - note 10.3	524,201	381,331
2,138,251	1,411,800	Issuance of shares against employee share options scheme - note 10.4	21,383	14,118
160,084,685	142,143,666		1,600,846	1,421,436

- 10.1 Loads Limited, an associated company, holds 8,613,233 (30 June 2017: 7,748,885) ordinary shares of Rs. 10 each representing 5.38% (30 June 2017: 5.45% ) of the paid up capital of the Company.
- 10.2 Under the terms of conversion as referred in note 8, the Company, during the period, issued 2,927,557 (30 June 2017: 2,927,557) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.87 million. (30 June 2017: Rs. 143.87 million).
- 10.3 During the period, Company has announced 10% bonus shares in lieu of dividend to its existing shareholders, in proportion of their shareholding.
- 10.4 Under the terms of the scheme as referred in note 17, the Company, during the period, issued 726,451 fully paid ordinary shares to eligible employees. The shares were issued at the exercise price of Rs. 51.79 per share resulting in premium of Rs. 30.36 million.

	(Un-audited) Six Months ended		(Un-audited) Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Rupees in '000'		Rupees in '000'	
<b>11. SALES - Net</b>				
Local sales	2,498,171	2,034,884	1,269,495	1,029,917
Export sales	997,436	860,351	528,025	462,659
	3,495,607	2,895,235	1,797,520	1,492,576
Less:				
Sales tax	380,890	312,343	188,765	156,574
Trade discount	79,739	47,898	38,075	30,135
	460,629	360,241	226,840	186,709
	3,034,978	2,534,994	1,570,680	1,305,867

## 12. TAXATION

The Finance Act, 2017 introduced a tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year 2017 and onwards and does not distribute at least forty percent of its after tax profits through cash or bonus shares within six months of the end of the said tax year.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2018 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed unconsolidated interim financial information.

	(Un-audited)	(Audited)
	31 December 2017	30 June 2017
	Rupees in '000'	
<b>13. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	270,199	347,967
Short term running finance - secured	(4,313,078)	(3,656,552)
	(4,042,879)	(3,308,585)

## Notes To The Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

### 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 2017.
- 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.

	Available For Sale	Fair value through profit loss	Carrying Amount			Fair Value					
			Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	LeWvel 2	Level 3	Total	
<b>31 December 2017 - (Un-audited)</b>											
<b>Financial assets measured at fair value</b>											
Long term investments	1,555	-	-	-	-	-	-	-	1,555	-	1,555
Short term investments	-	500,897	-	-	-	-	-	500,897	-	-	500,897
	1,555	500,897	-	-	-	-	-	500,897	500,897	-	1,555
<b>Financial assets not measured at fair value</b>											
Long term deposits	-	-	19,007	-	-	-	-	-	19,007	-	-
Trade debts - unsecured, considered good	-	-	194,373	-	-	-	-	-	194,373	-	-
Advances, deposits and other receivables	-	-	4,891,484	-	-	-	-	-	4,891,484	-	-
Cash and bank balances	-	-	-	270,199	-	-	-	-	270,199	-	-
	-	-	5,104,864	270,199	-	-	-	-	5,375,063	-	-
<b>Financial liabilities measured at fair value</b>											
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Short term borrowing	-	-	-	-	6,743,199	-	-	-	6,743,199	-	-
Trade and other payables	-	-	-	-	358,430	-	-	-	358,430	-	-
Accrued mark up	-	-	-	-	220,140	-	-	-	220,140	-	-
Long term deposits	-	-	-	-	1,214	-	-	-	1,214	-	-
Redeemable capital	-	-	-	-	357,580	-	-	-	357,580	-	-
	-	-	-	-	7,680,563	-	-	-	7,680,563	-	-

	Carrying Amount			Fair Value					
	Available For Sale	Fair value through profit & loss	Trade and other receivables and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 June 2017 - (Audited)</b>									
<b>Financial assets - measured at fair value</b>									
Long term investments	1,555	-	-	-	1,555	-	-	1,555	1,555
Short Term investments	-	566,773	-	-	566,773	566,773	-	-	566,773
	1,555	566,773	-	-	568,328	566,773	-	1,555	568,328
<b>Financial assets - not measured at fair value</b>									
Long term security deposits	-	-	16,304	-	16,304	-	-	-	-
Trade debts	-	-	132,533	-	132,533	-	-	-	-
Advances, prepayments and other receivables	-	-	3,660,704	-	3,660,704	-	-	-	-
Cash and bank balances	-	-	34,7967	-	34,7967	-	-	-	-
	-	-	3,809,541	-	4,157,508	-	-	-	-
<b>Financial liabilities - measured at fair value</b>									
	-	-	-	-	-	-	-	-	-
<b>Financial liabilities - not measured at fair value</b>									
Short term borrowings	-	-	-	5,749,596	5,749,596	-	-	-	-
Trade and other payables	-	-	-	370,113	370,113	-	-	-	-
Accrued mark-up	-	-	-	348,639	348,639	-	-	-	-
Long term deposits	-	-	-	1,214	1,214	-	-	-	-
Redeemable capital	-	-	-	537,000	537,000	-	-	-	-
	-	-	-	7,006,562	7,006,562	-	-	-	-

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 Financial Information (Un-Audited)

For the period ended December 31, 2017

15. Reconciliation of movement of liabilities to cash flows arising from financing activities	Liabilities					Equity			Total	
	Redeemable capital	Short term borrowings including Director loan	Short term running finance - secured	Dividend Payable	Accrued markup	Long term deposits	Share capital/premium	Reserves		Unappropriated profit
	(Rupees in thousand)									
<b>As at 30 June 2017 - (Audited)</b>	537,000	2,093,044	3,656,552	18,629	348,639	1,214	5,740,408	267,029	974,863	13,637,378
<b>Changes from financing cash flows</b>										
Proceeds from issue of shares under employee stock option scheme	-	-	-	-	-	-	37,623	-	-	37,623
Short term borrowings net of repaid	-	337,077	-	-	-	-	-	-	-	337,077
Finance cost paid	-	-	-	-	(450,961)	-	-	-	-	(450,961)
Redemption of redeemable capital	(6,276)	-	-	-	-	-	-	-	-	(6,276)
Dividend paid	-	-	-	(5,310)	-	-	-	-	-	(5,310)
<b>Total changes from financing cash flows</b>	(6,276)	337,077	-	(5,310)	(450,961)	-	37,623	-	-	(87,847)
<b>Other changes including non-cash</b>										
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	(173,144)	-	-	-	-	-	173,144	-	-	-
Issue of ordinary shares as bonus @ 10%	-	-	-	-	-	-	142,870	-	(142,870)	-
Changes in borrowings	-	-	656,526	-	-	-	-	-	-	656,526
Finance cost	-	-	-	-	322,462	-	-	-	-	322,462
<b>Total liability related other changes</b>	(173,144)	-	656,526	-	322,462	-	316,014	-	(142,870)	978,988
<b>As at 31 December 2017 - (Unaudited)</b>	357,580	2,430,121	4,313,078	13,319	220,140	1,214	6,094,045	267,029	831,993	14,528,519

## 16. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated undertakings, other related companies, directors of the Company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	Six Months period ended	
		31 December 2017	31 December 2016
		Rupees in '000'	
<b>I Subsidiaries</b>			
a) Treet HR Management (Private) Limited	Funds transferred - net Purchase of services	25,000 7,500	- 7,500
b) First Treet Manufacturing Modaraba	Expenses incurred Funds transferred - net Purchase of goods Dividend income Rental income Charges incurred	35,462 564,121 11,308 105,162 18,000 110,000	90,110 1,632,074 12,201 110,193 - -
c) Treet Holdings Limited	Expenses incurred Funds transferred - net Purchase of bikes	3,584 36,828 6,835	23,086 (95,457) 4,535
d) Global Arts Limited	Investment in equity shares	-	202,965
e) Society for Cultural Education	Donation	47,232	41,276
<b>II Associated undertakings</b>			
a) Packages Limited	Purchase of goods Sale of goods	65,718 50	52,254 123
b) IGI Insurance Limited	Purchase of services	22,666	34,600
c) Loads Limited	Financial charges - PTCs Dividend income Dividend paid	12,729 17,177 -	12,729 15,616 7,621
d) Cutting Edge (Pvt) Limited	Purchase of services	13,155	1,287
<b>III Contribution to post employment benefit plans</b>			
a) Superannuation fund	Contribution	10,690	8,525
b) Gratuity fund	Contribution	12,665	10,788
c) Provident fund	Contribution	13,912	11,679
d) Service fund	Contribution	7,280	6,396
e) Housing fund	Contribution	7,244	6,333
h) Benevolent fund	Contribution	1,790	1,610
i) Superannuation fund - II	Contribution	4,199	3,349
<b>IV Key Management Personnel</b>			
	Salaries and other employee benefits	328,606	242,515
	Share options granted - note 17		

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

## Notes To The Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2017

### 17. 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 an 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 2017 is as follows:

	Granted in the year 2017	Granted in the year 2016	Granted in the year 2015 (* Modified October 2016)
	Rupees in '000'		
Original grant date	14 July 2017	16 July 2016	14 July 2015 31 October 2016
Modified grant date	N/A	N/A	
Options issued	4,259	4,114	1,605
Options no longer in issue	-	-	-
Options vested	N/A	4,114	1,605
Options exercised	N/A	533	1,605
Shares issued under the scheme	N/A	533	1,605
Original exercise price per share	66.45	51.79	90.58
Market value per share at grant date	51.53	51.63	77.09
Option discount per share at grant date	NIL	NIL	NIL
Modified exercise price per share	N/A	N/A	51.79
Market value per share at modified grant date	N/A	N/A	47.08
Option discount per share at modified grant date	N/A	N/A	NIL
Options issued to key management personnel	2,003	3,224	1,367
Options exercised by key management personnel	N/A	426	1,367

\* The shareholders of the Company in their Annual General Meeting held on 31 October 2016 approved re-pricing of 1,604,800 options already granted and pending for exercise under the scheme from initial price of Rs. 90.58 per share to revised price of Rs. 51.79 per share without any change or modification to any other terms.



**18. DATE OF AUTHORIZATION**

This un-audited condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company on February 27, 2018.

**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 this condensed interim unconsolidated financial information.

19.3 All figures, except for 30 June 2017, appearing in this condensed interim unconsolidated financial information are unaudited.

LAHORE  
February 27, 2018



Syed Shahid Ali Shah  
Chief Executive Officer

















Muhammad Shafique Anjum  
Director



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