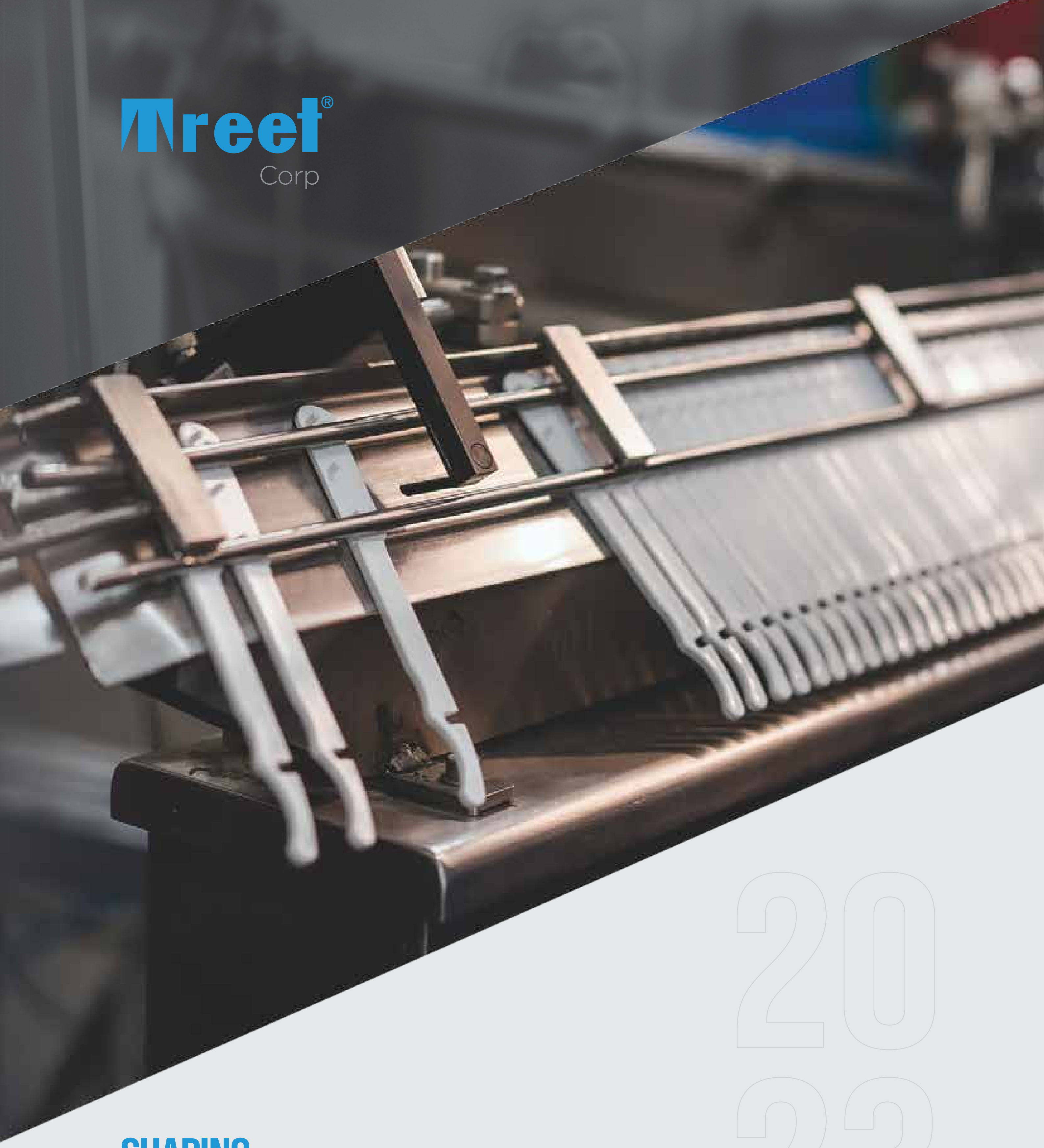
Treet® Corp



SHAPING INDUSTRIES, EMPOWERING LIVES

2023

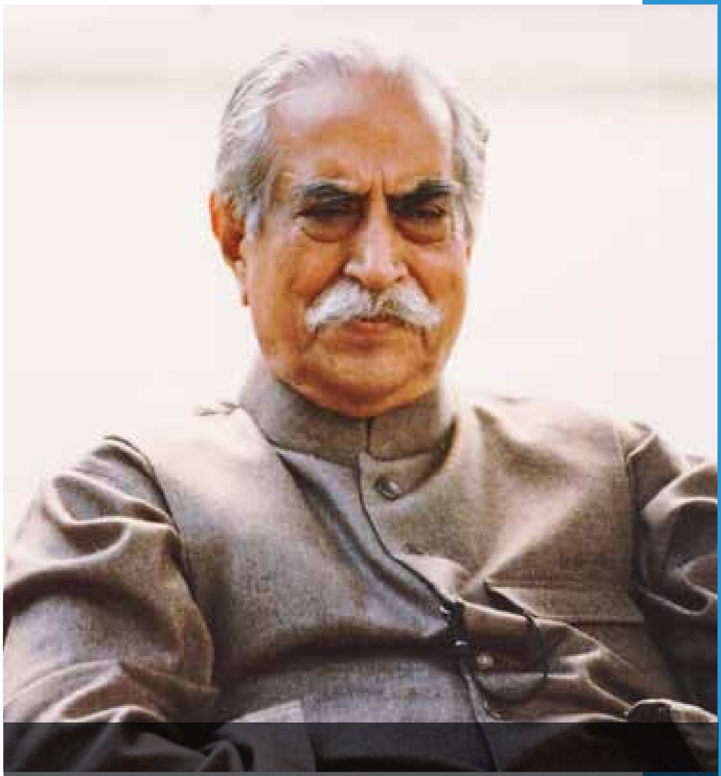
Annual Report

Treet Corporation Limited

SHAPING
INDUSTRIES
EMPOWERING
LIVES


Medical Services
Pharmaceutical Products
Chemical Trading
Corrugation
Double Edge Blades
Shaving Razors
Automotive Batteries
SHOP
Soaps
E-Commerce Services
Energy Storage Batteries
Sheet Metal Components
Alloy Wheels
Bikes

IN MEMORIAM



SYED WAJID ALI (Late)
(20 DECEMBER 1911 – 14 JUNE 2008)

“

... and the elements so mixed in him, that nature might stand up and say to all the world, ‘This was a Man!’ ”

William Shakespeare

CONTENTS

MANAGEMENT REPORT

UNCONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

INVESTORS' INFORMATION

COMPANY INFORMATION

Board of Directors (as on June 30th, 2023)

Mr. Imran Azim
(Chairman/ Non-Executive Director)
Syed Shahid Ali
(Chief Executive Officer)
Syed Sheharyar Ali
(Executive Director)
Dr. Salman Faridi
(Independent Director)
Mr. Munir Karim Bana
(Non-Executive Director)
Dr. Haroon Latif Khan
(Independent Director)
Ms. Sidra Fatima Sheikh
(Female/Independent Director)

Board of Directors (After Election w.e.f July 01st, 2023)

Syed Shahid Ali
(Chairman/ Non-Executive Director)
Syed Sheharyar Ali
(Chief Executive Officer)
Mr. Imran Azim
(Non-Executive Director)
Dr. Salman Faridi
(Non-Executive Director)
Mr. Munir Karim Bana
(Non-Executive Director)
Dr. Haroon Latif Khan
(Independent Director)
Ms. Sidra Fatima Sheikh
(Female/Independent Director)
Mr. Ahmad Shahid Hussain
(Independent Director)

Audit Committee

Ms. Sidra Fatima Sheikh	(Chairperson)
Mr. Imran Azim	(Member)
Dr. Salman Faridi	(Member)
Mr. Munir Karim Bana	(Member)
Mr. Ahmad Shahid Hussain	(Member)

Human Resource & Remuneration Committee

Syed Shahid Ali	(Chairman)
Syed Sheharyar Ali	(Member)
Mr. Imran Azim	(Member)
Dr. Haroon Latif Khan	(Member)

Chief Executive Officer

Syed Sheharyar Ali

Group Chief Financial Officer

Mr. Mohammad Mohtashim Aftab

Group Company Secretary & Head of Legal

Ms. Zunaira Dar

Group Head of Internal Audit

Mr. Muhammad Ali

Auditors

M/s Yousuf Adil
Chartered Accountants Lahore

Legal Advisors

Asad & Asad Attorney At Law

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
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Askari Bank Limited
MCB Bank Limited
Habib Bank Limited
Samba Bank Limited
United Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited
Bank Islami Pakistan Limited
Allied Bank Limited
Bank Alfalah Limited
Bank of Punjab
Silk Bank Limited
MCB Islamic Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Dubai Islamic Bank Pakistan 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.treetcorp.com

CHAIRMAN'S REVIEW REPORT

> **In the fiscal year 2022-2023, we conducted a comprehensive review of the Board and its committees through our internal Board Evaluation Process, aligning it with globally accepted practices for assessing Board performance. Moreover, we monitored our financial reporting framework to ensure strict compliance with the latest regulatory standards and industry best practices.**

Dear Shareholders,
I am pleased to present the company's annual report for the year ended June 30, 2023 and to comment on the Board's effectiveness in guiding the Company towards achievement of its strategic goals.

The current members of the Board possess extensive expertise in various key areas, including business management, strategy, finance, corporate governance, legal matters, and administration. Furthermore, each member of the Board is well aware of their fiduciary responsibilities to the Company and its shareholders.

As the Chairman of the Board, I ensure that all directors actively engage in discussions concerning strategic matters and governance issues. We prioritize soliciting input from independent directors (the directors representing minority shareholders) and those directors with pertinent experience in these areas. Their insights are thoroughly consulted and given significant weight before any decisions are made.

The Board has established well-defined terms of reference for its committee's, and members are appointed based on their specific skills and experience relevant to each committee's requirements. Additionally, both the Board and its committees convene regularly throughout the year, diligently fulfilling their governance roles by thoroughly deliberating on every matter presented to them.
In the fiscal year 2022-2023, we conducted a comprehensive review of the Board and its committees through our internal Board Evaluation Process, aligning it with globally accepted practices for assessing Board performance. Moreover, we monitored our financial reporting framework to ensure strict compliance with the latest regulatory standards and industry best practices.

On behalf of the Board, I express our gratitude to all Treet employees and partners for their unwavering dedication throughout the year, as well as to our shareholders and customers for their continuous support. We eagerly anticipate a successful 2023-2024.

Syed Shahid Ali
Chairman

MESSAGE FROM GROUP CEO

Despite the prevailing headwinds, our proactive management approach resulted in a consolidated Net Sales of Rs. 23,352 million, marking a remarkable YOY increase.

Dear Shareholders,
As we reflect on FY 2023, I am filled with immense pride and gratitude. In a year marked by challenges, our group not only weathered the storm but also achieved consistent growth across all our ventures. Our unwavering commitment to our strategy of deleveraging and prioritizing shareholder value has been our guiding light. While the global economic landscape faced significant disruptions, with many nations, including ours, grappling with inflation, increased interest rates, and other economic pressures, we remained resilient. Our diversified portfolio and agile structure enabled us to promptly respond to shifting consumer needs and market demands, both domestically and globally. Our adaptability, coupled with our pledge to "exceed shareholder expectations" and our embrace of digital transformation, has solidified our leadership position in the industry. Key milestones, like the successful demerging of the battery segment from FTMM and the launch of the Daewoo Heavy Vehicle battery (DHV), underscore our team's relentless drive and innovation. Despite the prevailing headwinds, our proactive management approach resulted in a consolidated Net Sales of Rs. 23,352 million, marking a remarkable YOY increase.

As we gaze into the horizon, our commitment to product innovation, quality enhancement, strategic sales and marketing, meticulous operational planning, and cost efficiency fills us with hope. We are poised and confident that our focused efforts will further amplify our sales, boost profitability, and refine our liquidity management, all while reducing leveraging across the corporation.

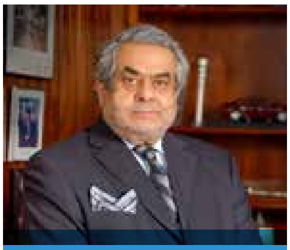
To our invaluable stakeholders, business partners, customers, shareholders, retailers, distributors, and of course, our Board of Directors, Management, and devoted employees: your unwavering faith in our brands and dedication to our vision is our driving force.

I am profoundly grateful for the Treet Corporation team's relentless effort and commitment. United, we continue to break new ground and set industry gold standards.

Stay inspired, and let's continue to flourish together!

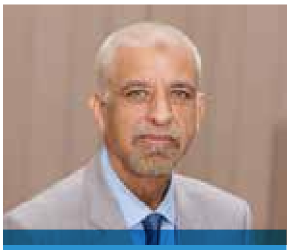
Syed Sheharyar Ali
Chief Executive Officer

BOARD OF DIRECTORS



Syed Shahid Ali
Chairman/Non- Executive Director

Syed Sheharyar Ali
Chief Executive Officer



Mr. Imran Azim
Non- Executive Director

Dr. Salman Faridi
Non- Executive Director

Mr. Syed Shahid Ali is a highly accomplished business executive with extensive management experience, currently serving as the Chairman of the Treet Corporation Limited since 1995. In addition to his role as Chairman, Mr. Ali serves as a board member for various companies, including Packages Limited, IGI Insurance Limited, and Treet Battery Limited.

Throughout his career, Mr. Ali has demonstrated strong leadership skills, playing a crucial role in driving the growth and success of Treet Corporation Limited. He is passionate about the company's success and has a vision for its future that he continues to drive. Mr. Ali is also actively engaged in social and cultural activities and holds senior positions in several hospitals, demonstrating his commitment to giving back to the community.

Mr. Ali holds a Master's Degree in Economics and Graduate Diplomas in Development Economics from Oxford University, as well as a Diploma in Management Sciences from the University of Manchester. His academic qualifications have provided him with a solid foundation in economics and management, which he has applied throughout his career, shaping the company's future with his unwavering commitment and leadership.

After concluding his academic pursuits, Mr. Syed Sheharyar Ali embarked on his professional journey with Treet Corporation Limited in 2001. At a remarkably young age, he assumed the role of Director, marking his spot among the youngest to occupy this position within the company. His steady ascent through the corporate ranks has led him to his current role as Chief Executive Officer (CEO) of Treet Corporation Limited, where he expertly supervises an eclectic portfolio of companies spanning sectors from manufacturing and healthcare to information technology, automobiles, sports, and music.

In his capacity as CEO, Mr. Ali continually strives to build on the prestigious heritage of Treet Corporation Limited while also guiding its future trajectory. With a relentless passion for innovation and operational enhancements, he remains committed to upholding the core values that define the company.

Mr. Ali's academic foundation was laid at Saint Louis University, USA, where he earned a Bachelor of Business Administration in Sales and Marketing Operations. Upon joining Treet Corporation Limited, his visionary leadership and uncanny knack for business excellence have been amply demonstrated in his role as CEO. With an unwavering focus on innovation, Mr. Ali continues to set new benchmarks in the corporate landscape.

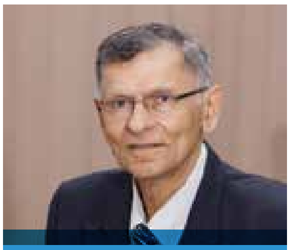
Mr. Imran Azim is a highly experienced professional who has served in the financial, asset management, and manufacturing sectors for over four decades. Having worked with some of the largest and most reputable companies in his career, he brings a wealth of expertise to the board of Treet Corporation Limited,.

Currently, Mr. Azim serves on the board of Habib Asset Management Limited, Treet Holdings Limited, First Treet Manufacturing Modaraba, and Global Arts Limited. His deep knowledge and extensive experience make him an invaluable asset to Treet Corporation Limited and its leadership team.

Dr. Salman Faridi is a distinguished Independent Director and Board Member at Treet Corporation Limited. He brings with him over two decades of medical experience from the UK, Middle East, and Pakistan, and currently serves as the Medical Director of Liaquat National Hospital, one of Pakistan's largest private healthcare institutions.

As a fellow of the Royal Society of Medicine, Dr. Faridi has been appointed to several key positions in the healthcare industry, including standing member of the Pakistan Standard and Quality Authority for Healthcare Issues and a member of the corporate syndicate for MBA in Healthcare Management at the Institute of Business Management in Karachi. He is passionate about healthcare management and has been serving as a member of the advisory board for the formulation of national guidelines on the prophylaxis and management of venous thromboembolism (VTE). Dr. Faridi is also a board member of Renacon Pharma Limited.

Dr. Faridi graduated from Dow Medical College and obtained his FRCS from the UK in 1983. His extensive medical experience and qualifications have enabled him to make significant contributions to the healthcare industry in Pakistan and beyond.



Mr. Munir K. Bana
Non-Executive Director

Dr. Haroon Latif Khan
Independent Director

Ms. Sidra Fatima Sheikh
(Female/Independent Director)

Mr. Ahmad Shahid Hussain
Independent Director

Mr. Munir K. Bana serves on the Board of Treet Corporation Limited and its affiliated companies. He has over 25 years of experience on the Board of Loads Limited. He started as Director of Finance and later became Chief Executive of the Corporation.

Mr. Bana's career highlights include serving as Finance Director for multinational companies Parke-Davis & Boots, a multinational company, for 18 years. He has been nominated by the Prime Minister as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, and has been elected as Chairman of the Pakistan Association of Automotive Parts & Accessories Manufacturers. He is a proponent of public-private partnerships and has been actively involved in initiatives to develop the automotive industry in Pakistan.

In addition to being a chartered accountant and fellow of the Institute of Chartered Accountants of Pakistan, Mr. Bana holds a Bachelor's Degree in Commerce from the University of Karachi. Mr. Bana's long-standing tenure as a Board member of Treet Corporation Limited and its associated companies since 2008 is a testament to his exceptional leadership and financial expertise.

Dr. Haroon Latif Khan brings a wealth of experience in healthcare management to Treet Corporation Limited as an Independent Director on its Board. He has been associated with the Lahore Institute of Fertility & Endocrinology (LIFE) as a Clinical Embryologist since 2006, eventually becoming the Lab Director and Chief Executive of the clinic.

He is also a Board Member of the Asia Pacific Initiative on Reproduction (ASPIRE) and a General Secretary of the IVF Society of Pakistan and the Pakistan Society of Andrology & Sexual Medicine (PSASM).

Dr. Khan holds a Fellowship in Sexual Medicine from Holland and an Executive Education Degree in Management of Healthcare Delivery from Harvard Business School, Boston, USA. With his extensive experience and expertise, he plays a vital role in contributing to the growth and success of the company

Ms. Sidra Fatima Sheikh is an accomplished Independent Director who brings invaluable expertise and experience to the board. She is a partner at The Sheikh Partnership law firm, where she has served since 2004. Additionally, she serves on the Managing Committee of Gulab Devi Hospital and Al-Aleem Medical College.

Ms. Sheikh has a notable track record of success in various fields and has pursued her legal education with CPE/PGDL and LPC from BPP Law School, London, underscoring her commitment to the legal profession. In 2001, she was enrolled as a Solicitor of the Supreme Court of England & Wales, and more recently, as an advocate of the Supreme Court of Pakistan.

Ms. Sheikh is a graduate of The London School of Economics and Political Science. She has also trained with The Oberman Partnership Solicitors (now Kerman & Co), London.

Mr. Ahmad Shahid Hussain serves as an Independent Director on Treet Corporation's Board, leveraging his expertise and strategic insights to contribute to the growth and success of the company.

He is the Director and Chief Strategy Officer of Service Sales Corporation (Pvt.) Limited (SSC), Lahore, since March 2011. SSC is a prominent company with a network of 350 shoe outlets operating under the brands NDURE and SHOE PLANET, along with a thriving B2B business under the brands Calza and Liza. SSC also boasts two large footwear manufacturing plants in Lahore, solidifying its position as a key player in the footwear sector in Pakistan.

With a strong passion for technology, Mr. Hussain holds a Bachelor's and Master's Degree in Computer Engineering from Carnegie Mellon University. He brings a wealth of experience from his four-year tenure at Microsoft Corporation, where he worked at their headquarters in Redmond, WA, USA.

Within SSC, Mr. Ahmad Shahid Hussain heads the B2B business and leads the online e-commerce operations. In addition to his role at SSC, he serves as an advisory board member for the National Incubation Center Lahore at LUMS, demonstrating his commitment to fostering innovation and entrepreneurship.

MANAGEMENT TEAM

Standing (L to R)

Sohaib Chaudhry	Group Head Innovation
Muhammad Ali	Group Head Internal Audit
Farhan Athar	Group Head Supply Chain
Imran Aziz	Chief Operating Officer Packsol

Seated (L to R)

Zunaira Dar	Group Head Legal & Company Secretary
Tariq Hussain Khan	Group Head Human Resources
Khurram Iqbal	Chief Financial Officer Treet Battery Ltd.

Dr Salman Shakoh
Chief Executive Officer
Renacon Pharma Ltd.

Standing (L to R)

Syed Sheharyar Ali	Group Chief Executive Officer
Shahid Zia	Chief Operating Officer Blades, Razors & Soaps Sales
Mubashir Amjad Hussain	Group Chief Information Officer
Shoaib Zafar	Chief Operating Officer Treet Battery Ltd.

Seated (L to R)

Ehsan-ul-Haq	Chief Operating Officer Blades & Razors Manufacturing
Abdul Wahid Qureshi	Chief Operating Officer Renacon Pharma Ltd
Mohtashim Aftab	Group Chief Financial Officer

To set global standards in diverse industries, pioneer sustainable innovation and quality, and drive advancements in clean energy, eco-friendly materials, and revolutionary healthcare, fostering a healthier society and a greener planet.

VISION

MISSION

Deliver superior-quality products across all industries in which we operate, while ensuring growth, shareholder value, and social impact through operational excellence.

OUR VALUES

"RIPE IT T" symbolizes our readiness to live by our value system. As an organization, we have matured, and our values now serve as the inspiring and solid pillars that guide us in our work. This presents a ripe opportunity for "T" (Treet) to achieve greater milestones towards sustainable growth and profitability.

Respect
Integrity
Passion
Empowerment
Innovation
Transparency
TeamWork

CODE OF CONDUCT

We are all defined by the actions we take. They reflect our principles and values, and if we are consistent with them, they let people know what they can expect from us. Our Code of Conduct reflects our core principles – Safety, Integrity and Fairness – and puts them into practice. It explains the expectations and responsibilities within the company and those we do business with. We all must live by it, because it is a condition of working with, and for, Treet.

A BRIEF OVERVIEW OF OUR CODE:

Fairness

- Recognize human rights and treat people with dignity and respect .
- Recruit and manage employees fairly.
- Give back to communities we operate in.

Safety

- Follow the safety rules and procedures .
- Follow the Life-Saving Rules.
- Stop work if behavior or conditions are unsafe.
- Make and distribute products safely.
- Report safety concerns immediately.

Integrity

- Compete in a fair and honest way.
- Protect personal and conf idential information.
- Keep a clear line between business & personal interests.
- Look after company property and use it appropriately.
- Alert to fraud and report suspicious activity.
- Communicate in a professional way.

DECADES-LONG JOURNEY

1949
Only assembler of FORD Cars in South Asia

1950
Khopra Oil Mills.

1951
Wazir Ali Industries (Vegetable Ghee Production)

2005
Incorporation of Modaraba (FTMM)

2000
Launched Industrial Blades

1997
Counted among first 10 recepients in achieving ISO certification in Pakistan

2006
Manufacturing Corrugated Packaging (Packsol)

2008
Started assembling 3/2 wheeler bikes

1954

TCL started manufacturing of Carbon Steel Blades at HYD Plant

1984

Commenced Production of Stainless Steel Blades at LHR Plant

1986

Started Manufacturing Disposable Shaving Razors

1996

Launched Bathing Soaps

1996

Began Exporting Blades and Razors

2008

Launched Disposable Barber Razor (Ustra)

2017

TCL acquired shares in RPL entering pharmaceutical industry

2018

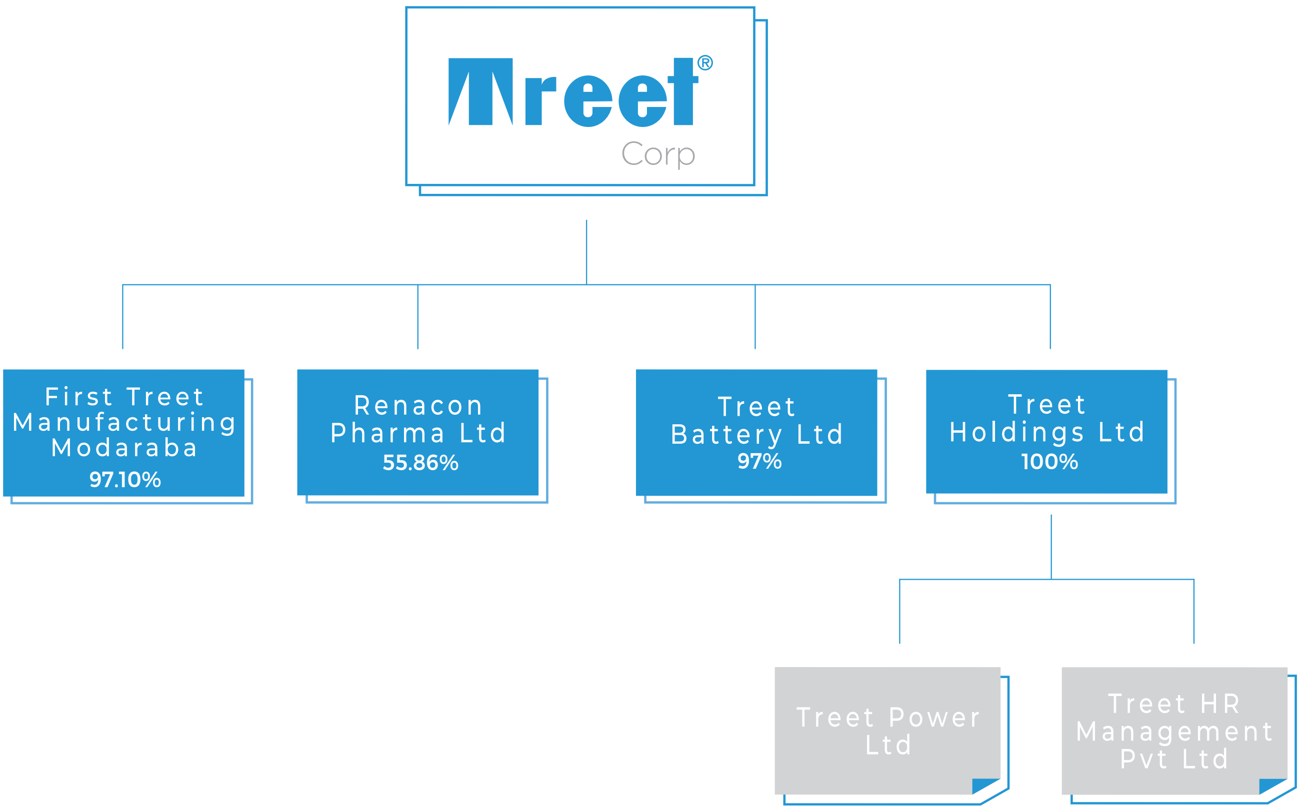
Started manufacturing Car and UPD Battries (Daewoo Battery)

OUR LEADERSHIP

Our leadership behaviours add the next defining component to the culture we want to build in Treet. They set the standard for how we lead in our company. They challenge, inspire and elevate our leaders who endeavour to live by them every day. Leaders play an essential part in creating that culture of collaboration and community that will help lead our people from good to great performance. We have outlined nine leadership behaviours under 'Performance Leadership', 'Organizational Leadership' and 'Personal Leadership'.

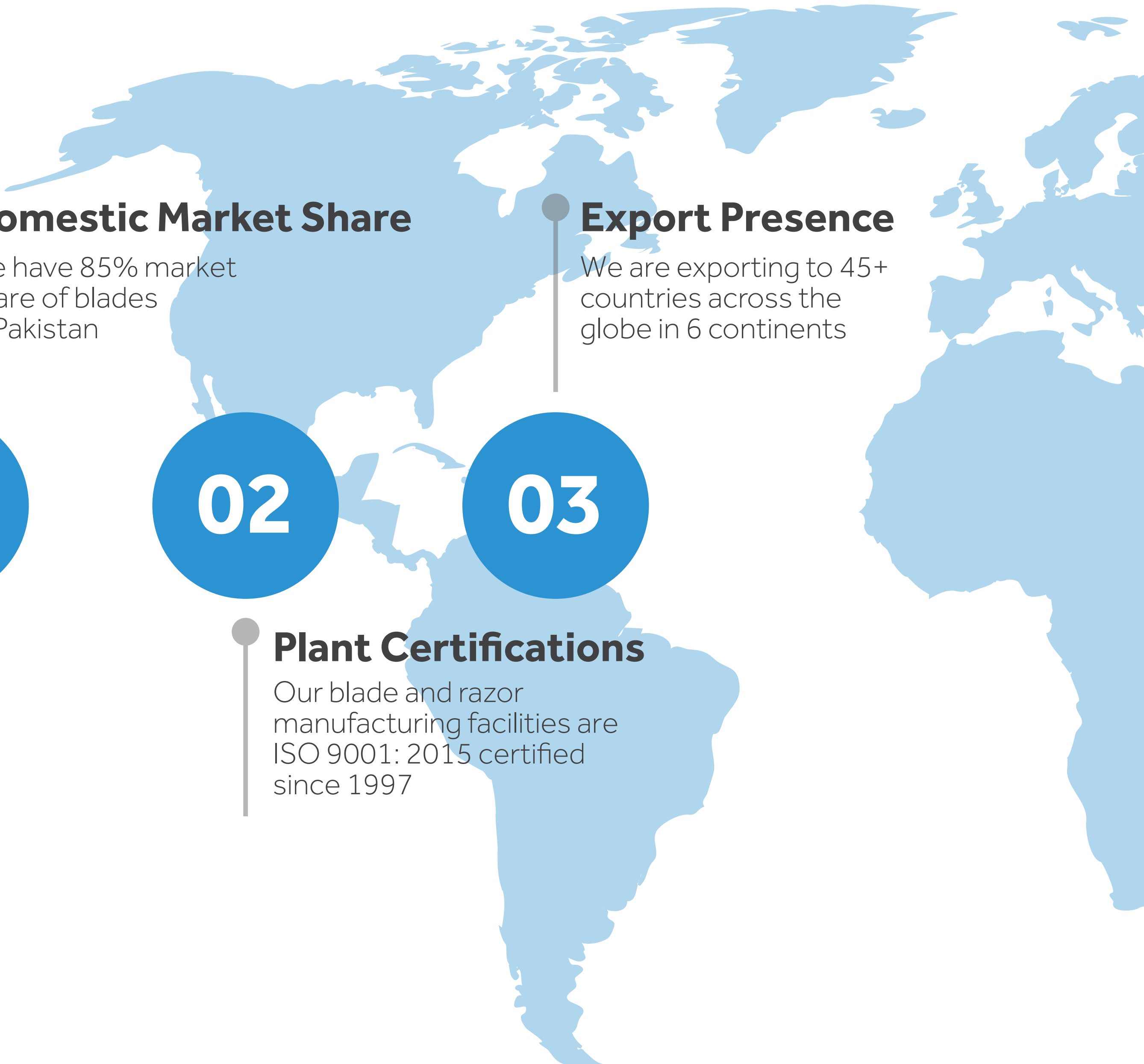
Performance leadership		
Creates customer value	Drives operational excellence	Leads change
Organizational leadership		
Builds connections	Inspires others	Develops teams
Personal leadership		
Sets the example	Develops self	Engages others

GROUP OVERVIEW
ORGANOGRAM & COMPANY DETAILS



Companies	Symbol	Shares held by			
		TREET	THL	DIRECTORS	OUTSIDER
Treet Holdings Limited	THL	100.00%			
Treet Power Limited	TPL		100%		
Treet HR Management (Private) Limited	THRM		100%		
First Treet Manufacturing Modaraba	FTMM	97.11%	2.22%	0.002%	0.68%
Renacon Pharma Limited	RPL	55.86%		38.71%	5.43%
Treet Battery Limited	TBL	97%	2%		

KEY FACTS
BLADES & RAZORS



01

Domestic Market Share

We have 85% market share of blades in Pakistan

02

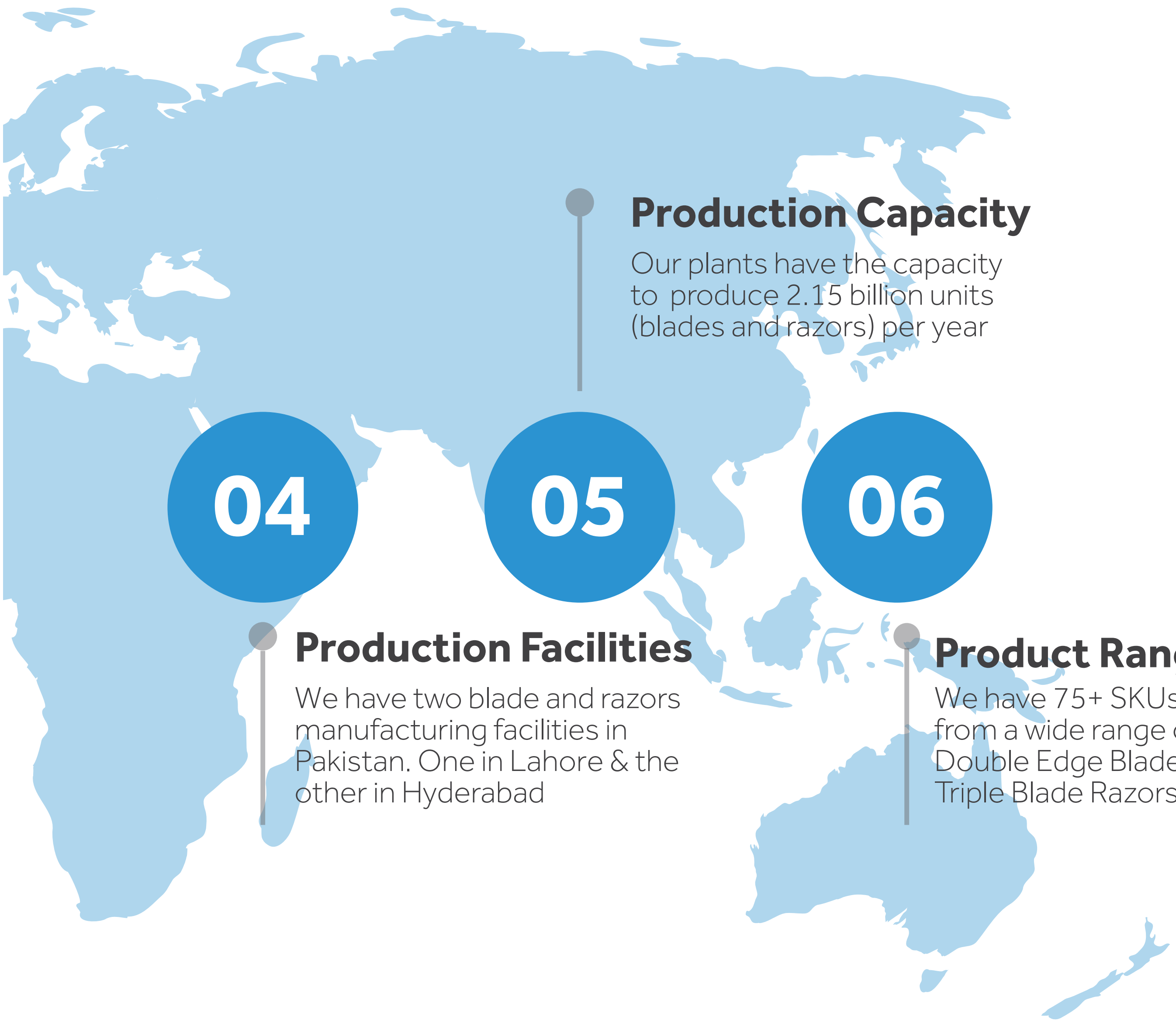
Plant Certifications

Our blade and razor manufacturing facilities are ISO 9001: 2015 certified since 1997

03

Export Presence

We are exporting to 45+ countries across the globe in 6 continents



05

Production Capacity

Our plants have the capacity to produce 2.15 billion units (blades and razors) per year

04

Production Facilities

We have two blade and razors manufacturing facilities in Pakistan. One in Lahore & the other in Hyderabad

06

Product Range

We have 75+ SKUs starting from a wide range of Double Edge Blades to Triple Blade Razors

BUSINESS UPDATES
BLADES & RAZORS - MANUFACTURING

Ehsan-ul-Haq
Chief Operating Officer
Blades & Razors - Manufacturing

Treet Corporation Limited (TCL) journey in razor blade manufacturing commenced in 1954 when operations were initiated at the carbon steel blade plant in Hyderabad, Sindh. In significant stride towards modernization and quality, a cutting-edge razor blade facility was established in Lahore in 1984. This state of the art plant was built to produce premium stainless steel double edge (DE) blades, disposable razors, and system razors, highlighting the unwavering commitment to excellence.

The DE blade currently holds an impressive 85% market share within the local market. Furthermore, we take immense pride in contributing substantially to the nation's foreign exchange reserves by exporting products to more than 40 countries worldwide, securing a position among the top 10 global players.

At the core of TCL's manufacturing philosophy lie two foundational principles: quality and customer satisfaction. These guiding principles are woven into the very fabric of manufacturing activities. To emphasize dedication to quality, both of our manufacturing facilities have earned ISO 9001 Quality Management System (QMS) certifications. The products have achieved prestigious CE-Mark and REACH certifications. This distinguished recognition sets the company apart as one of the select razor blade manufacturers to achieve these product certifications. Operations are conducted under stringent compliance with globally acknowledged blade and razor manufacturing practices and standards.

Recognizing the discerning nature of consumers worldwide when it comes to products used for hygiene, beauty, and grooming, stringent quality control measures have been implemented at every stage of the manufacturing process. Our laboratories are equipped with cutting-edge equipment for measuring tip thickness spread and studying blade protrusion. In a move to further elevate the quality management, the traditional quality management system has been digitised. This not only enhances the value of daily management activities but also serves as a repository of technical knowledge that strengthens the team's capabilities. These developments empower TCL to consistently deliver high-quality shaving products that cater to the emerging needs of both local and global markets. The dedication to quality management and technological advancements ensures a competitive edge in the trade, firmly establishing Treet as a trusted name in the shaving industry.

The importance of a skilled workforce is recognized. The adoption of customized Skill Matrices has helped in Multi Skilling initiatives, empowering employees to adapt to various roles within the organization, ensuring operational flexibility. To equip executives for future roles, the company has recently launched the "Management Trainee Program" for new entrants and the "Young Leaders Development Program" for middle management. Technical managers are also regularly attending advanced operation and quality management workshops of AOTS-Japan. Drawing inspiration from Japanese practices, lean manufacturing principles have been implemented across operations. For instance, the adoption of 5S methodology ensures a clutter-free, efficient, and organized workplace. This practice has;

BUSINESS UPDATES
BLADES & RAZORS - MANUFACTURING

- Resulted in a zero-accident year, emphasizing the importance of a safe and healthy work environment.
- Strengthened our sustainability efforts, focusing waste reduction, enhancing productivity and efficiency in our manufacturing processes.

Alongside this, Total Productive Maintenance (TPM), another Japanese concept has also been introduced, which has played a crucial role in minimizing machinery breakdowns and improving overall equipment effectiveness (OEE). Now, digitalization channels have allowed us to monitor OEE in real-

time, providing insights into equipment performance and identifying areas for improvement. This has led to consistent enhancements in our production capacity. Through OEE ratings for the machines, the engineering services departments have also achieved significant reductions in mean time to repair (MTTR), ensuring seamless operations. Moreover, Six Sigma principles have been integrated to enhance products' quality further. By identifying and reducing process variations, products are consistently produced to meet the highest standards of precision and quality. These practices have contributed to minimizing waste, optimizing processes, and maximizing efficiency. As a result, reductions in production cycle times and resource utilization have been achieved.
Recently, there has been a transition from traditional Sales and Operational Planning (S&OP) to Integrated Business Planning (IBP), aligning our strategic objectives, financial goals, and operational execution seamlessly. This strategic shift is enhancing agility in responding to market dynamics by;

- Continuous monitoring of Work-in-Progress (WIP) as per set limits. This real-time visibility into WIP levels ensures optimal resource allocation and minimizes bottlenecks.
- Streamlining operations through Enterprise Resource Planning (ERP) data visualization. The initiative has supported data accuracy leading to informed decision making.
- Real-time monitoring of market trends and preferences to stay ahead of industry.
- Integrate data analytics into decision-making processes for more agile and informed strategies.

In conclusion, commitment to excellence in manufacturing, dedication to customer satisfaction, and resilience in the face of challenges define Treet's journey. Sincere appreciation is extended to the top management, employees, customers, and suppliers for their unwavering support, guidance, and tireless efforts. With such collective synergy and a focus on core strengths, confidence in making significant progress in the years to come is unwavering.

BUSINESS UPDATES
BLADES, RAZORS & SOAPS - SALES & MARKETING

Shahid Zia
Chief Operating Officer
Blades, Razors & Soap Sales

Treet Corporation Limited's (TCL) Sales and Marketing Division plays a pivotal role in the company's operations in terms of revenue generation and development of brand equity. It is responsible for both local and export sales of razor blades and disposable razors. Additionally, it oversees the manufacturing activities of the company's soap business and manages its local sales. The National Sales Office serves as the central hub for nationwide sales, facilitated by an extensive distribution network with over 400 distributors covering towns and cities across the country. This ensures nationwide accessibility to the products. Meanwhile, the export department diligently handles sales across forty countries worldwide, aiming to further enhance export sales by exploring new territories.

In Fiscal year 2022-23, Treet Corporation achieved commendable results despite facing significant challenges both locally and globally. The overall local sales for the year stood at Rs. 7.87 Billion at Company Price (including GST), marking a 30% increase from the previous year. Notably, the hygiene razor category showed promising growth: volume for hygiene razors rose by 2%, while the value surged by 53% from the last year. Treet Hygiene Razor maintained its position as the national best-selling brand, followed by TEC-II and TRIM-II XL razors. While the devaluation of the Pakistani Rupee against the US Dollar favored exporters, the nation still wrestled with high inflation and a stringent monetary policy. These factors overshadowed its overall export prospects and economic recovery. Nevertheless, in 2022-23, the export team achieved sales amounting to USD 14.3 Million.

Soap production primarily depends on imported raw materials. Stricter government regulations on purchases from the US, coupled with fluctuations in the USD/PKR exchange rate, posed challenges throughout the year. To counteract these issues, price increments were introduced to improve margins. Despite this, soap sales reached 2470 tons, valued at Rs. 988 Million, marking a 102% increase from the previous year.

In 2022-23, there was a significant uptick in the acceptance and use of disposable razors within the local market. Factors such as increased barbering costs, shifts in shaving habits, and a move towards self-shaving or the use of hygiene razors over traditional Double Edge blades contributed to this trend. However, as the demand for disposable razors grew, preferences for Double Edge Blades, especially the carbon steel variants produced in TCL-Hyderabad, waned in the local market. For the second consecutive year, Double Edge Blades experienced a downturn in local sales. A combination of factors, such as rising barber charges, a growing beard trend among youth, the influx of high-quality, affordable smuggled blades in the market, and urban barbers opting for hair trimmers, all contributed to the reduced consumption of Double Edge blades.

BUSINESS UPDATES

BLADES, RAZORS & SOAPS - SALES & MARKETING

In 2022-23, Pakistan encountered economic challenges including supply chain disruptions, high inflation, and adverse global conditions. In spite of these obstacles, production continued smoothly and sales targets, especially in middle and lower-income segments, were achieved. The company employed strategic sales and marketing tactics to counteract competition from the unorganized sector. However, inflation, driven by increasing food and energy prices, significantly impacted the purchasing power of consumers. Furthermore, the depreciation of the Pakistani rupee, coupled with heightened interest rates and GST., curbed economic activities. Despite these challenges, the dedication, resilience,

and effective strategies of both the local and export teams played an integral role in sustaining operations and achieving sales targets.

The disposable razors market shows promising growth prospects. To capitalize on this, the company plans to develop next-generation shaving razors that cater to a wider consumer base. As TCL progresses, it remains devoted to innovation, excellence, and growth. The team is optimistic about navigating the dynamic business environment and strengthening its position in the coming years. The outstanding sales achievements owe much to the collective efforts of the TCL team at every level. Their dedication ensured smooth operations even

accounts, and finance departments, in particular, provided invaluable support and guidance.

In conclusion, TCL extends its heartfelt gratitude to its valued stakeholders for their unwavering trust and support. Their partnership remains pivotal to the company's journey, and their continued trust is deeply appreciated.

BUSINESS UPDATES
TREET BATTERY LIMITED

Shoaib Zafar
Chief Operating Officer
Treet Battery Limited

Daewoo Battery, a product of Treet Battery Limited, has swiftly risen to prominence as one of the most dependable and rapidly expanding brands in the auto and backup battery sector since its inception in 2018. It has carved out a distinct presence in the market by being recognized as a top-tier battery brand, renowned for its unwavering reliability and the trust it instills in end-users. This reputation is attributed to a cutting-edge manufacturing facility, situated in Faisalabad, which is ISO 9001 & 14001 certified, and a strategic collaboration with Korean technology partners.

The Battery business is fully committed in continuing to build upon its strengths of operations, quality management, responsible governance, and sustainability. We specialize in manufacturing Deep Cycle Batteries for power backups & energy storage applications and Maintenance-Free Batteries for automobiles, with a strong emphasis on maintaining product quality. Notably, we proudly supply Sealed Maintenance-free (SMF) automotive batteries to prominent OEMs in the country, such as Hyundai, KIA, MG, Proton, Changan, Peugeot, and Isuzu.

Fiscal year 2022-23 marked an important chapter in the success story of Daewoo Battery, solidifying its position as a prominent and premium brand with an impressive 69% increase in net sales revenue compared with the previous year. The volume growth remained strong at 8%. This remarkable achievement translates to a Compound Annual Growth Rate (CAGR) of 24.6% in volume since 2019. Moreover, this marks the first time since our business inception that we have achieved profit from operations, representing a staggering 323% increase over the last year.

SMF (Sealed Maintenance Free) battery segment growth clocked at 9% against the previous year while the backup battery segment grew by a modest 5% owing to reduced electricity load shedding in the typical season (March-June) resulting into lower industrial production. The shutdowns and reduced output of the Large Scale Manufacturing (LSM) sector contributed to a relatively better electricity supply to domestic users.

On the sales front special emphasis was placed on above-the-line and below-the-line marketing activities supporting conversion of prominent distributor shops into Daewoo branded model shops in Lahore, Islamabad, Rawalpindi, and Peshawar boosting brand visibility. Sales staff and top management directly engaged with markets across the country with a purpose-led intent to enhance dealer network engagement and expand the brand's footprint in trade. A powerful end-user engagement campaign was also successfully launched in the form of free battery check-ups at notable high footfall locations including Packages Mall, Emporium Mall, and at prominent petrol pumps in collaboration with Total Parco Ltd.

Our accomplishments are a direct result of the unwavering dedication of the team, the trust placed in us by our esteemed customers, and a relentless commitment to excellence in both our products and services.

Throughout the fiscal year, Battery business confronted an array of significant challenges that had a major impact on its operations. These challenges included unprecedented high financing

BUSINESS UPDATES
TREET BATTERY LIMITED

costs, stemming from economic and political instability. Import curbs further complicated matters by disrupting the supply of essential materials. Additionally, the sharp devaluation of the local currency against the dollar exacerbated the company's difficulties, making imports considerably more expensive. Rising inflation rates and a concurrent decrease in consumer purchasing power posed additional hurdles. Notably, input costs, with Lead prices at the forefront, surged by almost 60% compared to the preceding year.

The fiscal year presented a demanding economic landscape in Pakistan, characterized by ongoing

economic and political instability, heightened inflation, and a sharp depreciation of the national currency. These factors collectively created a challenging business environment, especially impacting the LSM sectors, including textiles, automobiles, pharmaceuticals, and petroleum products. These sectors collectively reported a negative growth rate of almost 10%. Particularly noteworthy was the substantial downturn in the automobile industry, marked by a nearly 56% reduction in unit sales.

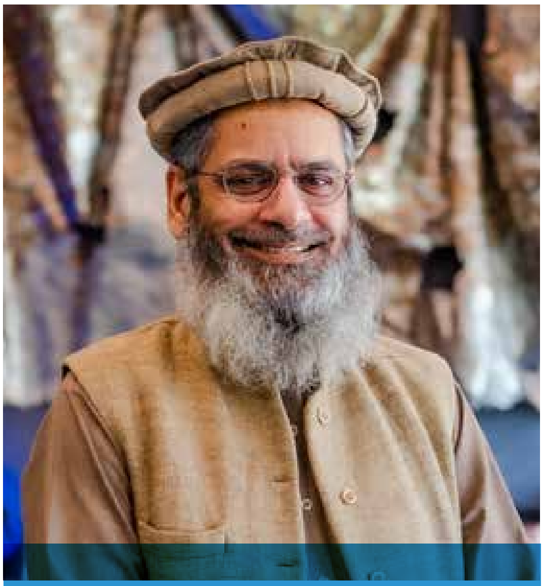
Despite the formidable industry-wide challenges, Treet Battery maintained its unwavering commitment to OEM partnerships, delivering high-quality products, and providing exceptional after-sales services. The company's state-of-the-art Manufacturing Plant continued to operate at optimal levels to optimize working capital and inventory, minimizing rejections and process

wastages to improve overall efficiency and output. Concurrently, cost-saving initiatives and quality improvements produced favorable outcomes, facilitated by the implementation of the TPM (Total Productive Maintenance) derived management methodology.

On the corporate front battery business has been demerged from First Treet Manufacturing Modaraba, all rights, liabilities and obligations have been transferred and vested in Treet Battery Limited with effect from 1st April 2023. This will allow for improved strategic focus and financing for future capital expansions.

Looking ahead, Daewoo Battery remains committed to upholding the highest standards of quality, innovation, and customer satisfaction.

BUSINESS UPDATES
PACKAGING SOLUTIONS



Imran Aziz
Chief Operating Officer
Packsol

Since inception, our commitment to superior and consistent quality, outstanding services, and ethical practices has played a pivotal role in the construction of a loyal customer base and the establishment of a strong reputation in the market for Packaging Solutions (Packsol).

Our production facility is FSSC-22000 and ISO-9001:2015 compliant while the business unit is also enlisted on the SEDEX online portal after qualifying through SMETA-4 pillar methodology audit which makes Packsol as one of the few facilities with such certifications in the business of Corrugated Boards. Our facility meets all the relevant international and local quality standards, earning the full trust of its clients and are among the top 5% of the production units. We enjoy a significant advantage over most of our competitors, boasting over a decade of successful service to the corporate sector. Several major corporations rely on us for over 50% of their packaging needs, demonstrating their confidence in us. Our business spans various categories, including Food & Beverages, Dairy, Sports, Home Appliances, Textiles, and Garments, among others.

Some of the key customers are:

1) PepsiCo	2) Lotte	3) Engro
4) Shell	5) PSO	6) CBL
7) Nippon	8) IFFCO	9) Rupali
10) Waves	11) Treet	12) Pak Kuwait

Corrugated Boxes Business exhibited remarkable financial performance, compared to the previous year. This impressive outcome can be attributed to several key strategies. We diversified the customer base to mitigate industry-specific risks and made prudent adjustments to pricing structures in response to rising costs, including those associated with raw materials and salaries. High-value client relationships were strengthened through tailored solutions such as Vendor-Managed Inventory (VMI) and Just-In-Time (JIT) service models. As an outcome of the undertaken measures, Packsol has achieved positive results, showing an increase of 14% in Operating Profit compared to the previous year.

The economic and political setbacks, along with uncertainties, have adversely affected off-take, leading to subsequent price wars. Fluctuating exchange rates, exorbitant markup rates, and rising energy, transportation, and other costs have exceeded expectations and affected the bottom line of every industry. However, our commitment to continuous improvement and plant capability enhancement remains unwavering. Our dedicated team actively pursues innovative solutions to boost efficiency and enhance production performance, resulting in cost-effectiveness and profitability. The successful transition from a gas furnace to a

BUSINESS UPDATES
PACKAGING SOLUTIONS

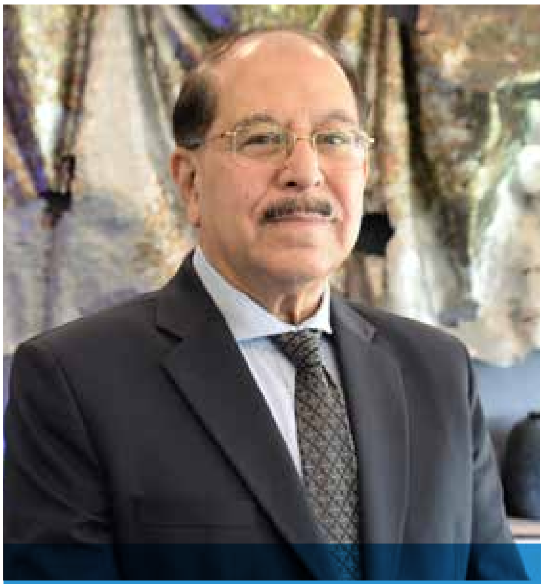
coal furnace has significantly reduced energy costs, positively impacting the bottom line.

Among all packaging systems, corrugated board & cartons stand out as the most environmentally friendly option, being 100% recyclable and highly efficient for long-lasting shipping packaging. It constitutes approximately 40% of the total paper consumption globally and has been a staple in industrial outfits for centuries, with no sign of waning. Pakistan's installed capacity for brown paper is estimated to be well over 1 million metric tons per year. Despite economic instability and price volatility in inputs, Packsol maintained an average collection

period in line with industry norms despite the challenges posed by economic instability, high price volatility in inputs, including major raw materials, energy costs, and fuel.

Looking ahead, the Packsol team is enthusiastic about harnessing the full operational potential, thanks to its firmly established customer base, a highly skilled team, and a steadfast commitment to embracing technological advancements. A promising future is on the horizon.

BUSINESS UPDATES
RENACON PHARMA LIMITED



Dr Salman Shakoh
Chief Executive Officer
Renacon Pharma Limited

Renacon Pharma Ltd (RPL), subsidiary of Treet Corporation Limited, a research-based pharmaceutical company, stands out as a pioneer in the manufacturing of high-quality powder and solution formulations of Hemodialysis Concentrates. The journey began in 1997 in Pakistan, and RPL has since become a market leader with about 65-70% of the market share. RPL has received recognition as one of the top 15-20 global companies producing Hemodialysis Concentrates worldwide in various "Global Market Reports" spanning from 2014 to 2023, published by reputable international firms.

Our diverse activities encompass the development and marketing of auto-mixers, hemodialysis disinfectants, hemodialysis cartridges, recharging 'salt tablets' for water softeners, and more. It is also in the final stages of Nutraceuticals development, particularly for renal patients. Certain products such as dialyzers, bloodlines, catheters, etc., are exported overseas under RPL's brand names, forming part of the product portfolio, with the intention of eventual production at the Renacon production facility.

RPL holds a GMP certificate from the "Drug Regulatory Authority" (DRAP) and ISO13485, ISO9001, CE1639, ISO14001 & ISO45001 certifications through SGS, EU, since 2007, enabling free sale in EU and approval by MHRA, UK. The company is preparing for additional registration of products in several countries in anticipation of significantly increased production capacity in the new FIEDMC plant (M-3 Industrial Estate Faisalabad).

RPL has witnessed a constant growth trajectory over the past many years meeting demand from existing plant which is operating at maximum capacity. To put it in perspective, in Fiscal year (FY) 2022-23 company sales were 1.067 billion rupees, marking a significant 49% growth from 715 million rupees in FY 2022-23. Furthermore, Operating Profit for FY 2022-23 amounted to 142.518 million rupees, compared to 59.929 million rupees in FY 2021-22, representing an impressive increase of 138%. These accomplishments were achieved despite numerous challenges, including static prices in 80% of tender business, substantial devaluation of Rupee, rising costs of raw and packaging materials, increased energy costs, escalating local and international freight expenses, and significant cash-flow issues due to delays in recovery from government tender business.

After facing setbacks in exports during FY 2021-22 due to the COVID-19 pandemic and the global economic downturn, despite production constraints, Renacon's export operations are now showing signs

BUSINESS UPDATES
RENACON PHARMA LIMITED

of recovery. The Company is in touch with export customers from 13 countries, including Germany, Greece, Ukraine, Russia, and six other states. The growth strategy places a strong emphasis on digital marketing and participation in international exhibitions to drive expansion.

As we are limited by our capacity to serve international customers with current production plant, in just a few months from now a transition to a new state-of-the-art production facility at FIEDMC, Faisalabad, equipped with advanced automation technology, shall take place that will significantly boost our capacity and efficiency. This expansion is primarily geared towards the international exports

market. It's important to note that this transition will adhere to international standards, making it possible for delegates from drug regulatory agencies in importing countries to conduct visits. To further augment our visibility, an upgraded multilingual website, available in English, French, Spanish, and Russian, shall be launched soon to facilitate international engagement and allow products to compete successfully with major counterparts from countries such as India, China, Malaysia, and Turkey.

In conclusion, Renacon extends sincere gratitude to all stakeholders, valued customers and bankers

for their continued support and trust in company. We look forward to the future with optimism, emphasizing our unwavering commitment to excellence, innovation, and growth. Your partnership remains pivotal in our ongoing success.

DIRECTOR`S REVIEW

We are delighted to present the Directors' Report together with the audited Financial Statements for the year ended June 30, 2023.

OUTLOOK

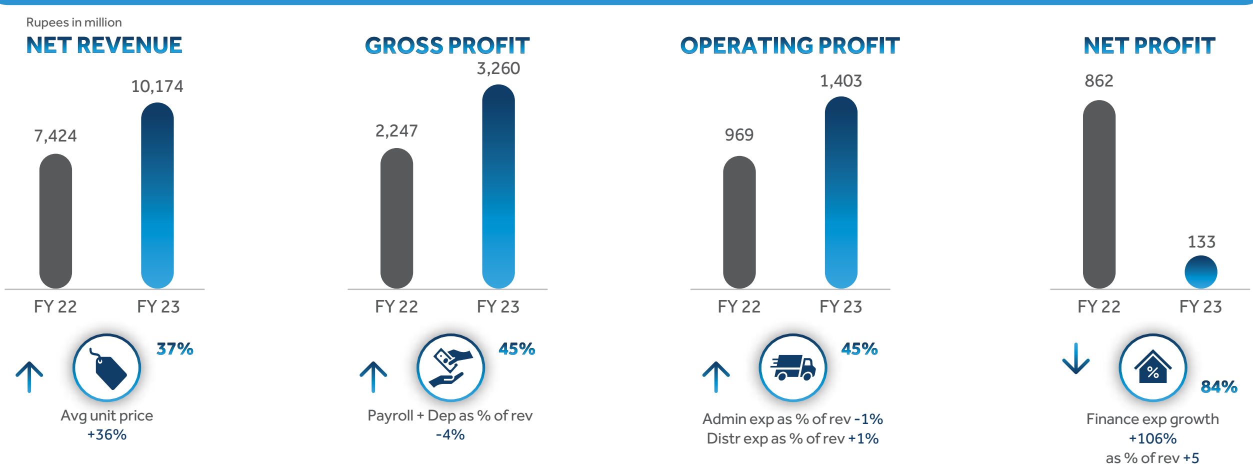
During the fiscal year 2022/23, withstanding the prevailing economic adversities, the Corporation has exhibited a commendable performance, manifesting an overall enhancement across all business segments. The consolidated top-line revenue has displayed a robust growth of 48% when compared to the preceding year. We effectively managed the significant impact of inflation by implementing regular price adjustments throughout the year, thereby contributing to the preservation of our profit margins. Nonetheless, the substantial escalation in financial costs has presented a notable challenge. Our unwavering commitment to reduce the group's reliance on excessive borrowing is steadfast, and we are in the process of carrying out a rights issue for TCL. The proceeds from this rights issue will substantially be allocated towards the repayment of outstanding bank loans.

In addition to our financial strategies, we are continuously dedicated to elevating the quality of our existing product portfolio and introducing new and improved offerings. As part of this endeavor, we are poised to launch two novel products: the Rubberized Handle Razor and Treet Shaving Foam. Both of these products are anticipated to be introduced to the market during the fiscal year 2024.

BUSINESS REVIEW – TREET CORPORATION LIMITED (TCL)

During this period, TCL's top-line revenue has witnessed a remarkable surge, with net sales increasing by an impressive 37% compared to the same period last year, soaring from Rs. 7,424 million to a staggering Rs. 10,174 million. This significant growth is primarily attributed to a 53% increase in export sales and a 30% rise in domestic sales when compared to the figures from the previous year. The gross profit, standing at Rs. 3,260 million, reflects a 45% increase compared to the same period last year (FY 2022: Rs. 2,247 million). This improvement stems from enhanced cost management practices and the sale of high-margin products to both our export and local customers. Furthermore, the impact of inflation was somewhat managed through regular price adjustments throughout the year, contributing to the preservation of profit margins.

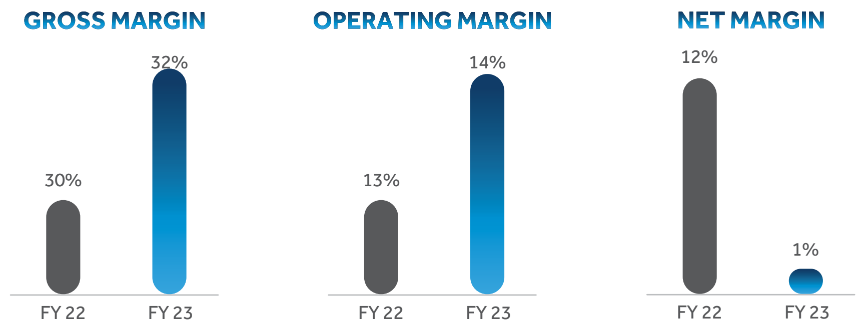
"The company has delivered stellar performance despite operating in a very challenging environment"



"Operating margin holding steady despite inflationary environment though net margin has been hit by increase in financing costs"

Operating profit reached Rs. 1,403 million, marking a significant improvement of 45% compared to the corresponding period last year (FY 2022: Rs. 969 million). It's worth noting that administration, and selling and distribution expenses increased by 36% and 53%, respectively, in comparison to the previous year, primarily driven by the impact of inflation

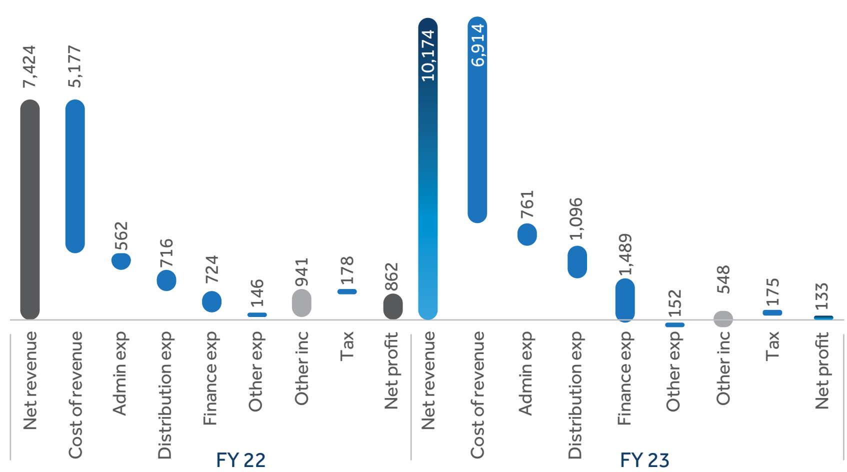
The adverse impact of financing costs has been notable, primarily due to the substantial increase in borrowing rates as a result of domestic economic challenges. While partial repayments were made to the banks, the reduction in borrowing was offset by the impact of higher borrowing costs, which surged by 106% compared to the previous year, amounting to Rs. 1,489 million (FY 2022: Rs. 724 million). Additionally, impairment testing was conducted for THL, resulting in an impairment provision of Rs. 90 million. In contrast, during the corresponding period, there was an impairment reversal related to the investment in FTMM, amounting to Rs. 656 million. Consequently, the Profit After Tax has declined to Rs. 133 million compared to the same period last year (FY 2022: Rs. 862 million).



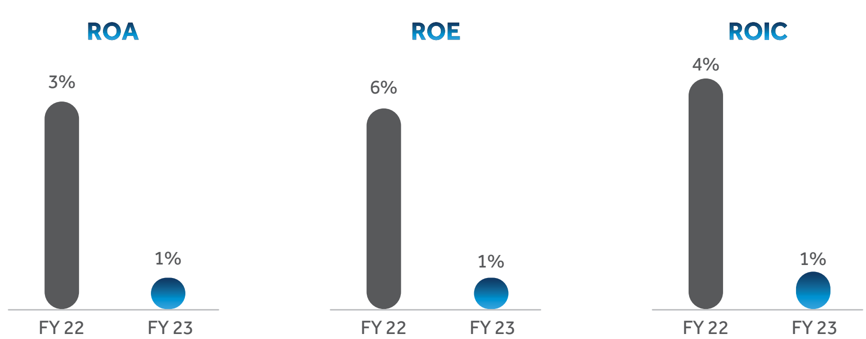
"High cost of leverage is the primary culprit behind the fall in profitability in TCL"

Resultantly, the Profit after tax has declined to Rs. 133 million compared to last year same period (FY 2022: Rs. 862 million).

TCL - PROFIT BUILDUP (PKR M)



"Company planning to reduce leverage through rights issue to partially offset the high leverage cost which has dampened profitability"



RIGHT ISSUE

Treet Corporation Ltd (TCL) has unveiled its strategy to raise Rs. 2.5 billion through a rights issue of shares. The principal objective behind this capital-raising move is to bolster the financial strength of TCL's balance sheet by clearing its current short-term debt. Consequently, the newfound liquidity generated through this undertaking will serve a dual

DIRECTOR`S REVIEW

purpose: firstly, it will contribute to reducing excessive leverage, and secondly, it will offer flexibility to support TCL's expansion initiatives while alleviating the burden of borrowing costs.

CAPACITY ENHANCEMENT PROJECTS

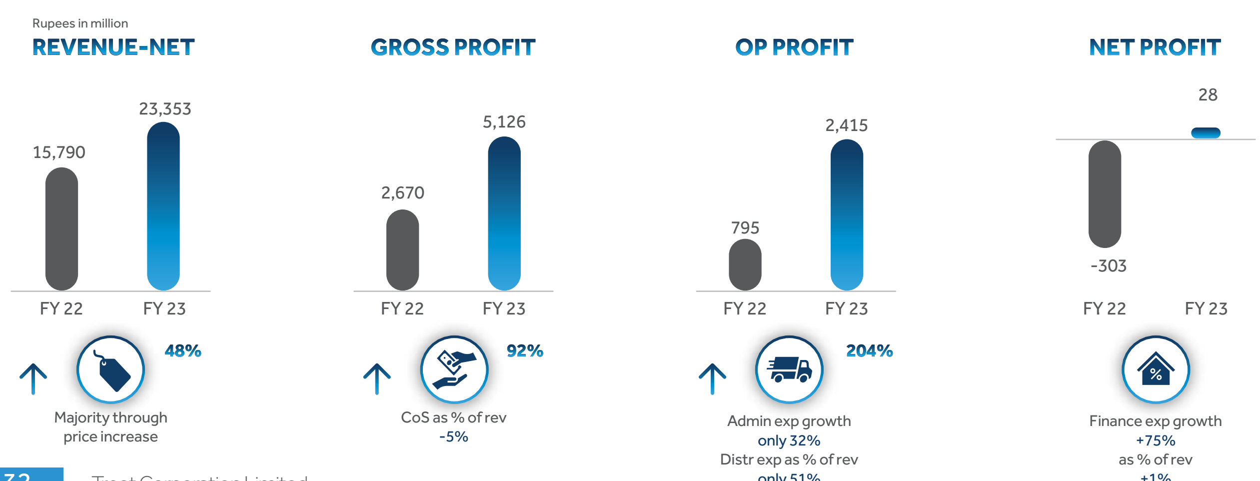
Treet Razors have emerged as the top-selling commodity in both domestic and international markets. The soaring demand for this product has surpassed the capabilities of our current manufacturing facility. In order to address this capacity limitation, the management has devised a strategy to augment the enhancement of production capacity.

BUSINESS REVIEW – GROUP RESULTS

In the fiscal year 2022-2023, the Corporation achieved a total turnover of Rs. 23,353 million, marking a substantial increase of Rs. 7,563 million (48%) compared to the corresponding period in the preceding year. This notable rise signifies robust sales growth in terms of both value and volume across all business segments. Throughout the review period, the cost of sales amounted to Rs. 18,227 million, reflecting a 39% increase compared to the corresponding period in the prior year (June 2022: Rs. 13,121 million), a trend in line with the elevated sales figures. Gross profit reached Rs. 5,126 million, showcasing a significant improvement of 92% over the same period in the previous year (June 2022: Rs. 2,669 million). This enhancement can be mainly attributed to heightened sales volumes and effective price optimization strategies. The impact of inflation was effectively managed through consistent price adjustments throughout the year, thereby contributing to the preservation of profit margins. Stringent cost control measures also played a pivotal role in achieving an operating profit of Rs. 2,415 million, representing a remarkable improvement of 204% over the corresponding period in the prior year (FY 2022: Rs. 794 million).

Despite a substantial increase in interest rates within monetary policies during the year, which had an adverse impact, the net profit exhibited significant improvement, rising by 110% compared to the corresponding period in the previous year. The prevailing decline in the automotive sector has had an adverse impact on our associated company, Loads Limited, resulting in recording a loss of Rs. 196 million in our financial statements. The Corporation maintained profitability, securing a net profit of Rs. 28 million, in contrast to a loss of Rs. 303 million in the same period of the preceding year. This level of profit translates to an Loss Per Share (EPS) of Rs. 0.004 per share, as opposed to a loss of Rs. 1.77 per share in the corresponding period of the prior year.

"Despite challenging year, TCL managed to report consolidated net profit of PKR 28m due to price increases and cost controls allowing margins to expand"



SUMMARY OF COMPARATIVE FINANCIAL RESULTS

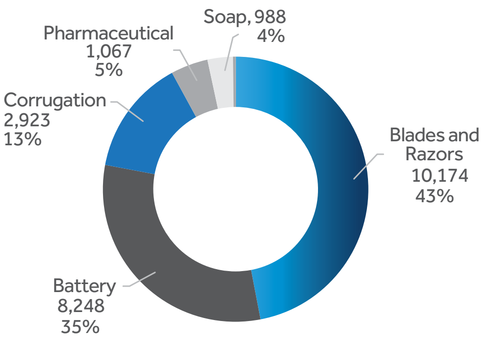
(Rupees in million)

Description	Financial Year June , 2023		Financial Year June , 2022		% Change	
	Treet	Consolidated	Treet	Consolidated	Treet	Consolidated
Sales (net)	10,174	23,353	7,424	15,790	37%	48%
Gross Profit	3,260	5,126	2,247	2,669	45%	92%
Operating Profit/(Loss)	1,402	2,415	969	794	45%	204%
Profit/(Loss) before Taxation	308	281	1,040	(56)	-71%	752%
Net Profit/(Loss) after taxation	133	28	862	(303)	-84%	110%
EPS (in Rupees)	0.75	(0.004)	4.88	-1.77		

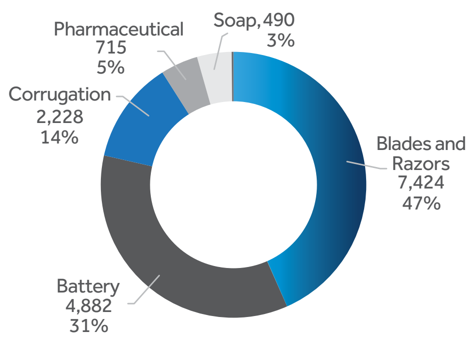
SEGMENT WISE SALES IS AS FOLLOWS:

Rupees in million

FY 23 SEGMENTWISE REVENUE



FY 22 SEGMENTWISE REVENUE



"Striving the headwinds with overall positive revenue growth"

DIVIDEND

In view of financial performance of the Company, the Board of Directors have recommended to pay the final cash dividend of PKR --- per share (2022: PKR ---per share).

TREET BATTERY LIMITED (TBL)

Following a court order, the Battery Segment has been successfully demerged from First Treet Manufacturing Modaraba (FTMM). All assets, liabilities, and the associated business, in the state they existed immediately before the sanction date, have been seamlessly transferred from FTMM to Treet Battery Limited (TBL). TBL's financial results comprise three months of operations from the battery segment, starting on April 1, 2023.

During the period on three months, for the year ending in June 2023, Treet Battery Limited achieved revenue of Rs. 2.04 billion. The company also successfully generated a gross profit of Rs. 484.6 million, signifying a substantial improvement. This improvement can be attributed to effective cost management, enhanced plant operations, and the company's initiatives in price rationalization. TBL's advanced manufacturing plant continues to operate at peak efficiency levels, optimizing working capital and inventory while minimizing rejections and process wastages to enhance overall efficiency and output. Focused cost-saving initiatives produced positive results, alongside the implementation of robust quality improvements. The introduction of the TPM (Total Productive Maintenance) management methodology has played a crucial role in reducing losses associated with our manufacturing system, ultimately increasing overall production effectiveness.

As a result, the company achieved an impressive operating profit of Rs. 308 million. However, due to significant increase in financial costs, which had an adverse impact, largely offsetting profits by Rs. 301 million, mainly due to the high leverage in the battery segment. Overall, TBL recorded a net profit of Rs. 57.9 million.

While reviewing the full year performance of battery segment, it is noteworthy that the topline revenue amounted to Rs. 8,248

DIRECTOR`S REVIEW

million, indicating a remarkable increase of 69% compared to the corresponding period in the previous year. This marks a significant milestone as the segment has achieved its first-ever operating profit of Rs. 610 million, a substantial improvement over Rs. 274 million loss incurred in the same period last year.

It is important to acknowledge that the escalation in financial charges, driven by domestic economic challenges, has led to a significant increase in financial expenditures. Consequently, the segment recorded a net loss of Rs. 234 million. It is worth noting that this loss is considerably less when compared to the corresponding period in the prior year (Net Loss 2022: Rs. 771 million).

FIRST TREET MANUFACTURING MODARABA (FTMM)

FTMM operates primarily in three segments: Battery, Corrugated Boxes, and Soaps. As per a court order, the Battery segment was demerged from FTMM, effective from April 1, 2023. The financial results encompass nine months of the battery segment's performance and the full year results for the corrugated boxes and soaps segments. FY 2023 demonstrated impressive growth and financial performance for FTMM, with substantial increases in revenue, gross profit, operating profit, resulting in improved profitability, and a reduced net loss compared to the previous year.

The battery segment experienced robust growth, with revenue increasing from Rs. 4,881 million to Rs. 6,207 million, marking a substantial 27% rise. Similarly, the corrugated boxes and soaps segments also witnessed impressive revenue growth, reaching Rs. 3,911 million, a 40% increase from Rs. 2,796 million the previous year.

Notably, the company achieved a gross profit of Rs. 303.2 million, a significant improvement compared to the Rs. 129.5 million in the previous year. This achievement can be attributed to enhanced cost management and the company's efforts in price rationalization, effectively passing on the impact of inflation through regular price adjustments throughout the year. Furthermore, the company's operating profit surged to Rs. 126.87 million, a substantial leap from Rs. 16.9 million reported in the previous year. This outstanding performance resulted from effective cost management.

However, financing costs had an adverse impact, primarily due to the significant increase in borrowing rates. Although partial repayments were made to the banks, the reduction in borrowing was offset by the impact of higher borrowing costs, significantly affecting our bottom line. Consequently, the net loss for the year amounted to Rs. 126 million, compared to a loss of Rs. 542 million in the previous year.

RENACON PHARMA LIMITED (RPL)

The net revenue for the period stands at Rs. 1,066 million, reflecting a notable increase of 49% compared to the previous year (FY 2022: Rs. 715 million). Gross profit has seen a substantial improvement, reaching Rs. 223 million, which represents an impressive 88% increase over the corresponding period in the previous year (FY 2022: Rs. 118 million). This improvement can be primarily attributed to increased sales volumes and effective price rationalization efforts. Profit After Tax has reached Rs. 67 million, a notable improvement compared to the Rs. 31 million reported during the same period last year.

IMPAIRMENT PROVISIONING – International Accounting Standard (IAS) 36.

Management has carried out an impairment testing in accordance with IAS 36 of the carrying amount of investment in subsidiaries/ associated company(s): Treet Holdings Limited (THL) and First Treet Manufacturing Modaraba (FTMM), against the value in use, which has been calculated based on present value of the projected future cashflows of THL and FTMM. As a result, a provision of Rs. 90 million has been recorded in Treet's books for THL.

CODE OF CORPORATE GOVERNANCE:

The Directors of the Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange. The Company has taken all necessary steps to ensure good corporate governance and full compliance of the Code and we confirm the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the company's ability to continue as a going concern;
- Statement of pattern of shareholding has been included as part of this Annual Report; and
- Statement of shares held by associated undertakings and related persons have also been disclosed separately.

Statements regarding the following are annexed or disclosed in the notes to the accounts:

- Pattern of Shareholding
- Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to giving back to the Society and Company has contributed in the form of donations and charity to a number of organizations; including but not limited to Gulab Devi Chest Hospital.

HEALTH, ENVIRONMENT AND SAFETY

As a testament to our commitment to a more sustainable environment, our company is firmly dedicated to the development of products and manufacturing processes that prioritize environmental friendliness. We have established a comprehensive Health, Safety, and Environment Policy aimed at reducing our environmental impact to the maximum extent feasible, taking into account economic and practical considerations.

Our company places paramount importance on safety and is dedicated to safeguarding the well-being of our employees, customers, and the wider community in all current and future endeavors. Additionally, we are resolute in our commitment to uphold strict compliance with national regulations governing environmental, health, and safety standards across all our operations.

DIRECTOR`S REVIEW

MEETINGS OF THE BOARD OF DIRECTORS:

During the year, the Board of Directors of the company have met 05 times and the attendance at each of these meetings is as follows:

Name	Designation	28-Sep-22	27-Oct-22	14-Feb-23	26-Apr-23	26-Jun-23	2022-2023
Mr. Imran Azim	Chairman/Non-Executive Director	P	P	P	P	P	5/5
Syed Shahid Ali	Chief Executive Officer	A	P	P	P	P	4/5
Syed Sheharyar Ali	Executive Director	P	P	P	P	P	5/5
Mr. Munir Karim Bana	Non-Executive Director	P	P	P	P	P	5/5
Dr. Salman Faridi	Independent Director	P	P	P	P	P	5/5
Ms. Sidra Fatima Sheikh	Independent Director	P	P	P	P	P	5/5
Dr. Haroon Latif Khan	Independent Director	P	P	P	P	P	5/5
Quorum of Meetings		6/7	7/7	7/7	7/7	7/7	

P Present

A Absent

BOARD COMMITTEES AND THEIR MEETINGS

AUDIT COMMITTEE:

During the year, the Audit Committee of the Board have met 04 times and the attendance at each of these meetings is as follows.

Name	Designation	28-Sep-22	27-Oct-22	14-Feb-23	26-Apr-23	2022-2023
Dr. Salman Faridi	Chairman/Member	P	P	P	P	4/4
Mr. Imran Azim	Member	P	P	P	P	4/4
Mr. Munir Karim Bana	Member	P	P	P	P	4/4
Quorum of Meetings		3/3	3/3	3/3	3/3	

P Present

A Absent

HR COMMITTEE:

During the year, the HR Committee of the Board have met 01 times and the attendance at each of these meetings is as follows.

Name	Designation	13-Feb-23	2022-2023
Ms. Sidra Fatima Sheikh	Chairperson/Member	P	1/1
Mr. Imran Azim	Member	P	1/1
Syed Shahid Ali	Member	P	1/1
Quorum of Meetings		3/3	

P	Present
A	Absent

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The fee of the non-executive and independent directors for attending the Board and Committee Meeting(s) of the Company is determined by the Board from time to time.

EXTERNAL AUDITOR

The financial statements of the company for the current year 2022-23 were audited by M/s Yousuf Adil & Co. Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s Yousuf Adil & Co. Chartered Accountants as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

ACKNOWLEDGE-MENTS

We express our sincere appreciation to our esteemed customers for their trust in our products, and we are dedicated to delivering the highest quality by consistently enhancing our offerings. We extend our gratitude to all our colleagues, management, and factory personnel who exhibit unwavering commitment to their roles, as the success of our Company is fundamentally rooted in their dedication. Additionally, we extend our thanks to our shareholders for their confidence in our Company, assuring them that we are fully committed to maximizing the returns on their investments in our Company.

Syed Sheharyar Ali
Chief Executive Officer

LAHORE

September 28, 2023

ایچ آر اینڈ آر کمیٹی

سال بھر میں ایچ آر اینڈ آر کمیٹی کا 01 اجلاس منعقد ہوا۔ ان اجلاسوں میں ہر رکن کی حاضری حسب ذیل ہے:

نام	عہدہ	02-13-2023		2022/2023
مس سدرہ فاطمہ شیخ	چیئر پرسن/رکن	P		1/1
مسٹر عمران عظیم	رکن	P		1/1
مسٹر سید شاہد علی	رکن	P		1/1

P اجلاس میں حاضر

A اجلاس سے غیر حاضر

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی

کمپنی کے بورڈ اور کمیٹی اجلاسوں میں شرکت کے لئے نان ایگزیکٹو اور خودمختار ڈائریکٹرز کی فیس کا تعین بورڈ کرتا ہے۔

بیرونی آڈیٹرز

حالیہ برس 23-2022 کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس کا آڈٹ میسرز یوسف عادل اینڈ کو چارٹرڈ اکاؤنٹنٹس نے کیا ہے۔ سالانہ اجلاس عام کے اختتام پر یہ آڈیٹرز ریٹائر ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے اپنی دوبارہ تقرری کی سفارش کی ہے۔ اگلے برس کے لئے بورڈ نے آڈٹ کمیٹی کی تجویز پر میسرز یوسف عادل اینڈ کو چارٹرڈ اکاؤنٹس کی بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔ جو آئندہ سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔

اظہار تشکر

ہم اپنے معزز صارفین کی جانب سے ہماری مصنوعات پر اعتماد کا تہہ دل سے شکریہ ادا کرتے ہیں اور اپنی مصنوعات میں مسلسل بہتری لا کر انہیں عمدہ معیار فراہم کرنے کا اعادہ کرتے ہیں۔ ہم اپنے تمام ساتھیوں، انتظامیہ اور فیکٹری کے عملہ کا بھی شکریہ ادا کرنا چاہتے ہیں جو اپنی کام میں دلجمعی سے کام کرتے ہیں اور اپنی کوششوں سے کمپنی کی کامیابی میں کردار ادا کرتے ہیں۔ ہم اپنے سٹیک ہولڈرز کی جانب سے ہماری کمپنی پر اعتماد کے بھی شکر گزار ہیں اور انہیں یقین دلاتے ہیں کہ ہم کمپنی میں ان کے سرمایہ کا بہترین متبادل فراہم کرنے کے لئے پرعزم ہیں۔

سید شہریار علی

چیف ایگزیکٹو آفیسر

لاہور

28-09-2023

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کے اجلاس

سال بھر میں کمپنی کے بورڈ آف ڈائریکٹرز کے 05 اجلاس منعقد ہوئے ان اجلاسوں میں ہر ایک کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	28 ستمبر 2022ء	27 اکتوبر 2022ء	14 فروری 2023ء	26 اپریل 2023ء	26 جون 2023ء		2022/ 2023
عمران عظیم	چیئرمین/ نان ایگزیکٹو ڈائریکٹر	P	P	P	P	P		5/5
سید شاہد علی	چیف ایگزیکٹو آفیسر	A	P	P	P	P		4/5
سید شہر یار علی	ایگزیکٹو ڈائریکٹر	P	P	P	P	P		5/5
مسٹر منیر کریم بانا	نان ایگزیکٹو ڈائریکٹر	P	P	P	P	P		5/5
ڈاکٹر سلمان فریدی	خود مختار ڈائریکٹر	P	P	P	P	P		5/5
مس سدرہ فاطمہ شیخ	خود مختار ڈائریکٹر	P	P	P	P	P		5/5
ڈاکٹر ہارون لطیف خان	خود مختار ڈائریکٹر	P	P	P	P	P		5/5

P اجلاس میں حاضر

A اجلاس سے غیر حاضر

بورڈ کمیٹیاں اور ان کے اجلاس

آڈٹ کمیٹی

سال بھر میں بورڈ آڈٹ کمیٹی کے 04 اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر رکن کی حاضری حسب ذیل ہے:

نام	عہدہ	28 ستمبر 2022ء	27 اکتوبر 2022ء	14 فروری 2023ء	26 اپریل 2023ء		2022/ 2023
ڈاکٹر سلمان فریدی	چیئرمین/ رکن	P	P	P	P		4/4
مسٹر عمران عظیم	رکن	P	P	P	P		4/4
مسٹر منیر کریم بانا	رکن	P	P	P	P		4/4

P اجلاس میں حاضر

A اجلاس سے غیر حاضر

کاروباری و مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء اور پاکستان سٹاک ایکسچینج کے ضابطہ کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ کمپنی نے بہتر کارپوریٹ گورننس اور ضابطہ کی مکمل تعمیل کو یقینی بنانے کے لئے تمام ضروری اقدامات کئے ہیں لہٰذا ہم مندرجہ ذیل کی توثیق کرتے ہیں:

- انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی درست عکاسی کرتی ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- بورڈ کی منظوری سے قبل چیف ایگزیکٹو اور چیف فائنشیئل آفیسر نے ان مالیاتی اسٹیٹمنٹس کی باقاعدہ توثیق کی ہے۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں کمپنی نے مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں اور معقول فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی رپورٹنگ معیارات اور کمپنیز ایکٹ 2017ء کے قواعد پر عمل کیا گیا ہے اور ان میں کسی بھی ترک کو مناسب انداز میں ظاہر کیا گیا ہے۔
- داخلی نظم وضبط کا ایک مربوط سسٹم موجود ہے اور اس میں مزید نکھار لایا گیا ہے اور سال بھر میں اس کا مؤثر اطلاق کیا گیا ہے۔
- گروپ اور کمپنی کی مالیاتی حالت کو مدنظر رکھتے ہوئے ہمیں کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی شک نہیں۔
- شیئر ہولڈنگ کی وضع کو لازمی جزو کے طور پر سالانہ رپورٹ میں شامل کیا گیا ہے۔
- وابستہ کمپنیوں اور متعلقہ افراد کے ملکیتی حصص کی تفصیلات کو بھی علیحدہ سے بیان کیا گیا ہے۔

مندرجہ ذیل سے متعلق بیانات کھاتوں کے نوٹس میں ظاہر اور لف کئے گئے ہیں:

- شیئر ہولڈنگ کی وضع
- ڈائریکٹرز، CEO، CFO اور کمپنی سیکریٹری کی جانب سے کمپنی کے حصص میں تجارت

کاروباری سماجی ذمہ داری

کمپنی معاشرے کی فلاح کے لئے پرعزم ہے لہٰذا کمپنی نے کئی اداروں بشمول گلاب دیوی چیسٹ ہسپتال عطیات اور صدقات ادا کئے ہیں۔

صحت، ماحولیات اور تحفظ

کمپنی کے مقاصد پاکیزہ دنیا کے لئے ہمارے عزم کی عکاسی کرتے ہیں جس میں ایسی مصنوعات کی تیاری اور مینوفیکچرنگ طریق عمل شامل ہیں جو ماحول دوست ہوں۔

کمپنی نے صحت، حفاظت اور ماحولیات کی پالیسی وضع کی ہے جو اقتصادی اور عملی لحاظ سے موافق ہے اور اس کے ماحول پر اثرات کو کم کرتی ہے۔ کمپنی یقینی بناتی ہے کہ اس کی تمام حالیہ اور آئندہ سرگرمیاں اپنے ملازمین، کسٹمرز اور عوام کی صحت کو خطرے میں ڈالے بغیر محفوظ انداز میں بروئے کار لائی جائیں۔ مزید برآں، کمپنی یہ یقینی بنانے کے لئے پرعزم ہے کہ اس کی تمام سرگرمیاں ملکی ماحولیاتی اور حفظان صحت کے اصولوں کے عین مطابق ہوں۔

ڈائریکٹرز رپورٹ

نتیجتاً، کمپنی نے 308 ملین روپے کا بھاری آپریٹنگ منافع حاصل کیا۔ البتہ، قرضوں پر لاگت میں نمایاں اضافے اور بیٹری کے شعبہ میں قرضوں کے اصراف کے باعث منافع 301 ملین روپے تک گر گیا۔ مجموعی طور پر، TBL نے 57.9 ملین روپ کا خالص منافع ریکارڈ کیا۔

بیٹری کے شعبہ کی مکمل سال کی کارکردگی کا جائزہ لیتے ہوئے یہ امر قابل ذکر ہے کہ 8,248 ملین روپے کی ٹاپ لائن آمدنی گذشتہ برس کی اسی مدت کے مقابلے میں 69% نمایاں اضافہ ظاہر کر رہی ہے۔ اس طرح بیٹری کے شعبے نے 610 ملین روپے کا پہلا آپریٹنگ منافع حاصل کر کے سنگ میل کو عبور کیا۔ جو گذشتہ برس کی اسی مدت کے مقابلے میں 274 ملین روپے کی نمایاں بہتری ظاہر کرتا ہے۔

یہ تسلیم کرنا اہم ہے کہ بڑھتے ہوئے مالیاتی اخراجات جو ملکی معاشی مشکلات کے باعث پیدا ہوئے نے قرضوں پر اخراجات میں ہوش ربا اضافہ کیا۔ نتیجتاً، اس شعبے نے 234 ملین روپے کا خالص خسارہ ریکارڈ کیا۔ واضح رہے کہ یہ خسارہ گذشتہ برس کی اسی مدت کے مقابلے کافی کم ہے (خالص خسارہ 2022: 771 ملین روپے)

فرسٹ ٹریٹ مینوفیکچرنگ مضاربہ (FTMM)

FTMM بنیادی طور پر تین شعبوں: بیٹری، کاروگیٹڈ باکسز اور صابن میں آپریٹ کرتی ہے۔ عدالتی حکم کے مطابق بیٹری کے شعبے کو FTMM سے علیحدہ کر دیا گیا جو یکم اپریل 2023ء سے شروع ہوا۔ مالیاتی نتائج بیٹری کے شعبہ کی نو ماہ، کاروگیٹڈ باکسز اور صابن کے شعبہ کی ایک سال کی کارکردگی ظاہر کرتے ہیں۔ مالیاتی سال 2023ء نے FTMM کی متاثر کن نمو اور مالیاتی کارکردگی دکھائی جس سے آمدنی، مجموعی منافع، آپریٹنگ منافع میں نمایاں بہتری ہوئی اور نفع میں بھرپور اضافہ ہوا جب کہ گذشتہ برس کی نسبت خالص سیلز میں اضافہ ہوا۔

بیٹری کے شعبہ میں 27% کے متاثر کن اضافہ کے ساتھ آمدنی میں 4,881 ملین روپے سے 6,207 ملین روپے اضافے نے ٹھوس نمو کو ظاہر کیا۔ اسی طرح سے، کاروگیٹڈ باکسز اور صابن کے شعبہ نے بھی گذشتہ برس میں 2,796 ملین روپے کے مقابلہ میں 40% اضافے کے ساتھ 3,911 ملین روپے کی متاثر کن آمدنی ریکارڈ کی۔

واضح رہے کہ کمپنی نے 303.2 ملین روپے کا کل منافع حاصل کیا جو گذشتہ برس میں 129.5 ملین روپے کل منافع کے مقابلے میں اچھی کارکردگی ظاہر کرتا ہے۔ یہ کامیابی لاگت پر مؤثر کنٹرول اور قیمتوں میں ردوبدل کی کمپنی کی کوششوں اور اس کے ذریعے مہنگائی کے اثرات کو منتقل کر کے حاصل کی گئی۔ مزید برآں، کمپنی کا آپریٹنگ منافع 126.87 ملین روپے تک بڑھ گیا جو گذشتہ برس میں 16.9 ملین روپے کے مقابلے میں بہت زیادہ ہے۔ یہ اعلیٰ کارکردگی لاگت پر مؤثر کنٹرول کے نتیجے میں سامنے آئی۔

البتہ قرضوں پر لاگت کے بدترین اثرات، قرض حاصل کرنے کی شرح میں نمایاں اضافے کے باعث سامنے آئے۔ اگرچہ بینکوں کو جزوی ادائیگیاں کر دی گئی ہیں لیکن قرضوں پر زیادہ لاگت کے اثرات نے قرضوں کے بوجھ میں کمی کو معدوم کر دیا ہے۔ جس سے ہماری اہداف متاثر ہوئے ہیں۔ نتیجتاً، مذکورہ سال کے لئے کل خسارہ 126 ملین روپے تک پہنچ گیا جو گذشتہ برس کی اسی مدت میں 542 ملین روپے تھا۔

ریناکون فارما لمیٹڈ (RPL)

مذکورہ مدت کے لئے خالص آمدنی 1,066 ملین روپے رہی جو گذشتہ برس کی نسبت 49% کی نمایاں اضافہ کی عکاسی کرتا ہے (مالیاتی 2022: 715 ملین روپے)۔ کل منافع میں بھی خاطر خواہ بہتری سامنے آئی جو 223 ملین روپے تک پہنچ گیا۔ جو گذشتہ برس کی اسی مدت کے مقابلے میں 88% منافع ظاہر کرتا ہے (مالیاتی سال 2022: 118 ملین روپے)۔ اس پیش رفت کو سیلز کے اضافی حجم اور قیمتوں میں مؤثر ردوبدل کی کوششوں سے منسوب کیا جاتا ہے۔ نفع علاوہ ٹیکس 67 ملین تک پہنچ گیا جو گذشتہ برس کی اسی مدت میں 31 ملین روپے کے مقابلے میں نمایاں اضافہ ظاہر کرتا ہے۔

امپیئر منٹ پروویژن - بین الاقوامی مالیاتی معیارات (IAS) 36

انتظامیہ نے IAS 36 کے تحت امپیئر منٹ ٹیسٹنگ کی جو ذیلی/ ایسوسی ایٹڈ کمپنیوں ٹریٹ ہولڈنگز لمیٹڈ (THL) اور فرسٹ ٹریٹ مینوفیکچرن مضاربہ (FTMM) میں سرمایہ کاری کی رقم پر کی گئی۔ جس کا THL اور FTMM کے ممکنہ کیش فلو کی حالیہ قیمت کی بنیاد پر تعین کیا گیا۔ نتیجتاً، THL کی ٹریٹ کی کتابوں میں 90 ملین روپے امپیئر منٹ پروویژن کا اضافہ ہوا۔

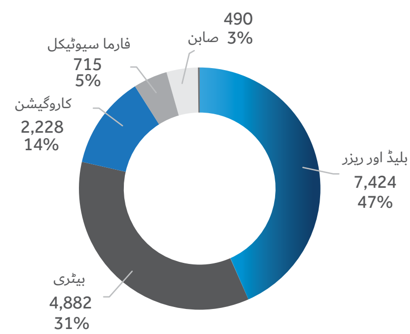
متقابل مالیاتی نتائج کا خلاصہ

(ملین روپوں میں)

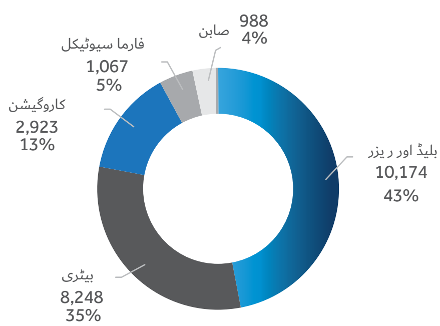
	مالیاتی سال جون،2023ء		مالیاتی سال جون،2022ء		فی صد تبدیلی	
	ٹریٹ	مجموعی	ٹریٹ	مجموعی	ٹریٹ	مجموعی
فروخت (خالص)	10,174	23,353	7,424	15,790	37%	48%
مجموعی منافع	3,260	5,126	2,247	2,669	45%	92%
آپریٹنگ نفع/(نقصان)	1,402	2,415	969	794	41%	204%
نفع/(نقصان) بمعہ ٹیکس	308	281	1,040	(56)	-71%	752%
خالص نفع/(نقصان) علاوہ ٹیکسیشن	133	28	862	(303)	-84%	110%
فی حصص آمدنی (روپے)	0.75	(0.004)	4.88	-1.77		

ہر شعبے کی سیلز حسب ذیل ہے:

مالیاتی سال 2022 شعبے کے لحاظ سے آمدنی -ملین روپوں میں



مالیاتی سال 2023 شعبے کے لحاظ سے آمدنی -ملین روپوں میں



"مجموعی مثبت ریوینیو کے ساتھ مشکلات پر قابو پانے کی کوشش"

منافع منقسمہ

کمپنی کی مالیاتی کارکردگی کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے............روپیہ فی حصص (2022:......روپے فی حصص) حتمی نقد منافع منقسمہ ادا کرنے کی سفارش کی ہے۔

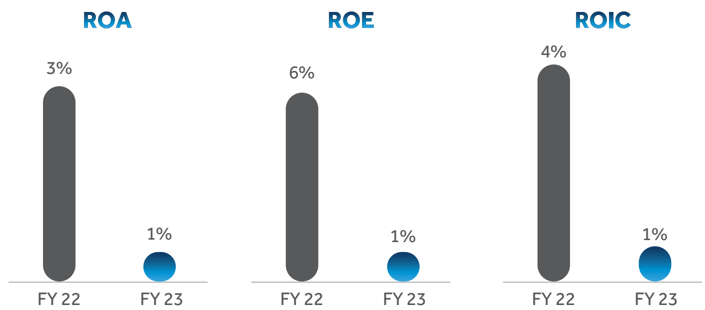
ٹریٹ بیٹری لمیٹڈ (TBL)

عدالتی حکم کے بعد، بیٹری کے شعبے کو کامیابی کے ساتھ فرسٹ ٹریٹ مینوفیکچرنگ مضاربہ (FTMM) سے علیحدہ کیا گیا۔ اجازت سے قبل تمام اثاثہ جات، واجبات اور متعلقہ کاروبار کو FTMM سے ٹریٹ بیٹری لمیٹڈ (TBL) کو منتقل کر دیا گیا۔ TBL کے مالیاتی نتائج میں بیٹری کے شعبہ سے تین ماہ کے آپریشنز شامل ہیں جس کا آغاز یکم اپریل 2023ء کو ہوا۔

جون 2023ء کو اختتام پذیر سال کے تین ماہ کے دورانیہ میں، ٹریٹ بیٹری لمیٹڈ نے 2.04 ملین روپے کی آمدنی حاصل کی۔ کمپنی نے 484.6 ملین روپے کا مجموعی منافع بھی حاصل کیا جو نمایاں پیش رفت کی عکاسی کرتا ہے۔ یہ پیش رفت لاگت پر مؤثر کنٹرول، پلانٹ آپریشنز میں اضافہ اور قیمتوں میں ردوبدل کے لئے کمپنی کے اقدامات سے منسوب کی جا رہی ہے۔ TBL کا جدید پیداواری پلانٹ اپنی بھرپور استعداد کے ساتھ کام کر رہا ہے اور اس زیر کار سرمایہ اور انوینٹری کو مؤثر انداز میں صرف کیا گیا ہے تاکہ استرداد اور پراسیس ضیاع کو کم سے کم کیا جا سکے اور مجموعی کارکردگی اور پیداوار کو بڑھایا جا سکے۔ لاگت کی بچت اور معیار میں بہتری کے اقدامات نے مثبت نتائج مرتب کئے ہیں۔ TPM (ٹوٹل پروڈکٹو مینٹیننس) کے تعارف سے انتظامی طریقہ کار نے ہمارے پیداواری نظام سے منسوب خساروں کو کم کرنے میں اہم کردار ادا کیا ہے جس کے نتیجے میں پیداوار میں مجموعی اضافہ دیکھنے کو ملا۔

ڈائریکٹرز رپورٹ

''کمپنی قرضوں کے استعمال کو کم کرنے کے لئے رائٹ اجرا کی منصوبہ بندی کر رہی ہے تاکہ قرضوں کے استعمال پر اخراجات کو کم کیا جا سکے جو منافع کو متاثر کر رہا ہے۔



استعداد بڑھانے کے منصوبے

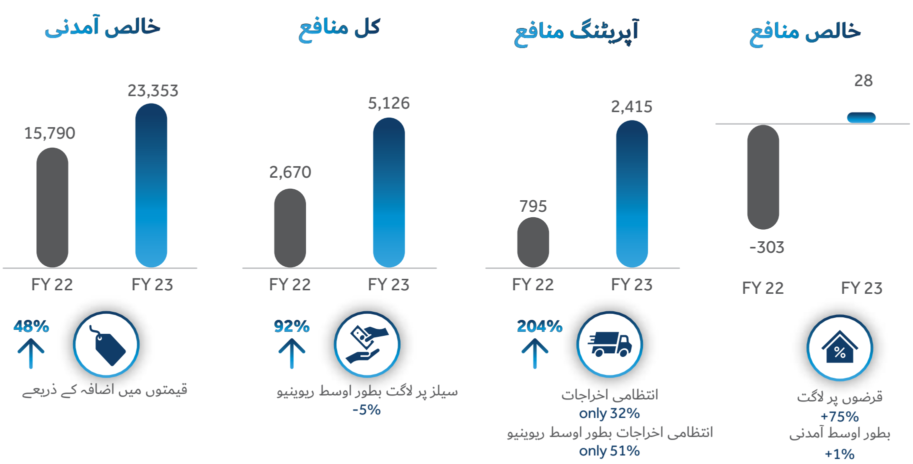
ٹریٹ ریز ملکی وغیر ملکی منڈیوں میں اولین فروخت ہونے والی پراڈکٹ کے طور پر ابھرا ہے۔اس پروڈکٹ کی بڑھتی ہوئی طلب ہماری پیداواری فیسلٹی کی استعداد سے تجاوز کر چکی ہے۔ استعداد میں کمی پورا کرنے کے لئے انتظامیہ نے پیداواری استعداد کو بڑھانے کے لئے حکمت عملی ترتیب دی ہے۔

کاروباری جائزہ-گروپ نتائج

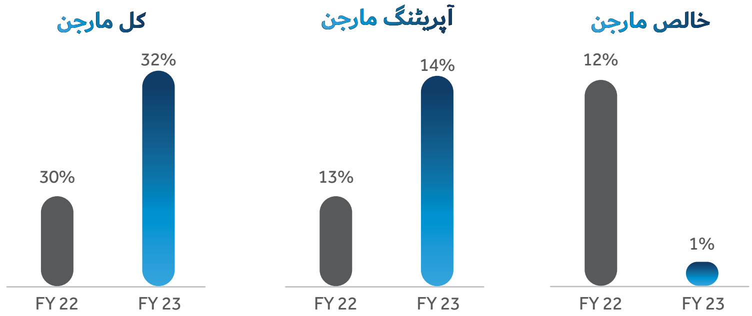
مالیاتی سال2023-2022ء کے دوران گروپ نے23,353 ملین روپے ٹرن اوور حاصل کیا گذشتہ برس کی اسی مدت کے مقابلے میں7,563 ملین (48%) زائد ہے۔ یہ خاطر خواہ اضافہ کاروبار کے تمام شعبوں میں سیلز کی قیمت اور حجم میں نمایاں ترقی کو ظاہر کرتا ہے۔ زیر جائزہ مدت کے دوران، سیلز پر لاگت18,227 ملین روپے رہی جو گذشتہ برس کی اسی مدت کی نسبت 39%اضافے کی عکاسی کرتی ہے(جون2022: 13,121 ملین روپے) جو بڑھتے ہوئے سیلز کے اعداد وشمار میں اضافے کا رجحان ظاہر کرتے ہیں۔کل منافع5,126 ملین روپے تک پہنچ گیا جو گذشتہ برس کی اسی مدت کی نسبت92% نمایاں پیش رفت کو ظاہر کرتا ہے(جون2022ء:2,669 ملین روپے)۔اس اضافے کو بڑھتے ہوئے فروخت کے حجم اور قیمت میں ردو بدل کی مؤثر حکمت عملی سے منسوب کیا جاتا ہے۔قیمتوں میں بروقت ردو بدل کے ذریعے مہنگائی کے اثرات کو مؤثر انداز میں مینج کیا گیا۔جس سے نفع کے مارجن کو محفوظ کرنے میں مدد ملی۔ لاگت کو کنٹرول کرنے کے مربوط اقدامات نے2,415 ملین روپے آپریٹنگ منافع حاصل کرنے میں اہم کردار ادا کیا۔ جو گذشتہ برس کی اسی مدت میں204% کی نمایاں پیش رفت کی عکاسی کرتی ہے(مالیاتی سال2022: 794 ملین روپے)

سال بھر میں مانیٹری پالیسی میں تجدید کے بعد شرح سود میں اضافے کے باوجود، جس کے بدترین اثرات سامنے آئے، خالص منافع میں نماں بہتری سامنے آئی جو گذشتہ برس کی اسی مدت کی نسبت110% کا اضافہ دکھا رہی ہے۔آٹو موٹیو سیکٹر میں جاری تنزلی نے ہماری ایسوسی ایٹڈ کمپنی، لوڈز لمیٹڈ، کی کارکردگی پر برے اثرات مرتب کئے جس کے باعث ہماری مالیاتی اسٹیٹمنٹس میں196 ملین روپے کا خسارہ ریکارڈ ہوا۔گروپ نے منافع کو برقرار رکھتے ہوئے28 ملین روپے کا خالص منافع درج کیا۔ جب کہ گذشتہ برس کی اسی مدت میں303 ملین روپے خسارہ ریکارڈ ہوا تھا۔منافع کی یہ سطح گذشتہ برس میں1.77 روپے فی حصص خسارے کے مقابلے میں 0.004 روپے فی حصص خسارے کی صورت میں سامنے آیا۔

مشکل ترین سال کے باوجود ٹی سی ایل 28 ملین روپے کا ٹھوس منافع درج کرنے میں کامیاب ہوا۔ جو قیمتوں میں اضافے اور لاگت پر کنٹرول کے باعث ممکن ہوا۔نتیجتاً مارجن میں توسیع ہوئی۔



''منہگائی کے باوجود نیٹ مارجن کے ذریعے آپریٹنگ مارجن کا کنٹرول قرضوں پر لاگت میں اضافے سے متاثر ہوا۔



قرضوں پر لاگت کے بدترین اثرات واضح ہیں جو ملکی معاشی مسائل کے نتیجے میں قرض حاصل کرنے کی شرح میں اضافے سے منسوب کئے جا رہے ہیں۔ اگرچہ بینکوں کو جزوی ادائیگیاں کی گئیں لیکن قرضوں میں کمی ان پر لاگت کی وجہ سے معدوم ہوگئی۔ جو گذشتہ برس کی نسبت 106% اضافے کے ساتھ 1,489 ملین روپے ہو گئے (مالیاتی سال 2022ء: 724 ملین روپے)۔ مزید برآں، THL کے امپیئر منٹ ٹیسٹنگ کی گئی جس کے نتیجے میں 90 ملین روپے کے امپیئر منٹ اخراجات سامنے آئے۔ اس کے برعکس، گذشتہ برس کے دوران FTMM میں سرمایہ کاری کی بابت 656 ملین روپے کی امپیئر منٹ واپسی ہوئی۔ جس کے نتیجے میں، نفع علاوہ ٹیکس گذشتہ برس کی اسی مدت کی نسبت کم ہو کر 133 ملین روپے ہو گیا (مالیاتی سال 2022ء: 862 ملین روپے)

TCL-نفع میں اضافہ (ملین روپوں میں)

TCL کی منافع میں کمی کی بڑی وجہ ''قرضوں کے اصراف'' کی زیادہ لاگت ہے۔''

رائٹ اجرا

ٹریٹ کارپوریشن لمیٹڈ (TCL) نے حصص کے رائٹ اجرا کے ذریعے 2.5 بلین روپے سرمایہ بڑھانے کی حکمت عملی ظاہر کی۔ سرمایہ بڑھانے کا بنیادی مقصد حالیہ قلیل مدتی قرضہ ادا کر کے TCL کی بیلنس شیٹ میں مالیات کو مستحکم کرنا ہے۔ نتیجتاً، اس معاہدے کے ذریعے حاصل لیکویڈٹی دہرے مقاصد حاصل کرنے میں مدد دے گی۔ اولاً قرضوں کے زائد اصراف کو کم کرنا اور ثانیاً قرضوں پر لاگت کے بوجھ کو کم کر کے TCL کے توسیعی اقدامات کو سہارا دینا۔

ڈائریکٹرز رپورٹ

ہم30 جون2023ءکواختتام پذیرسال کے لئے کمپنی کے ڈائریکٹرز کی رپورٹ بمعہ پڑتال شدہ مالیاتی اسٹیٹمنٹس ازراہِ مسرت پیش کرتے ہیں۔

منظرنامہ

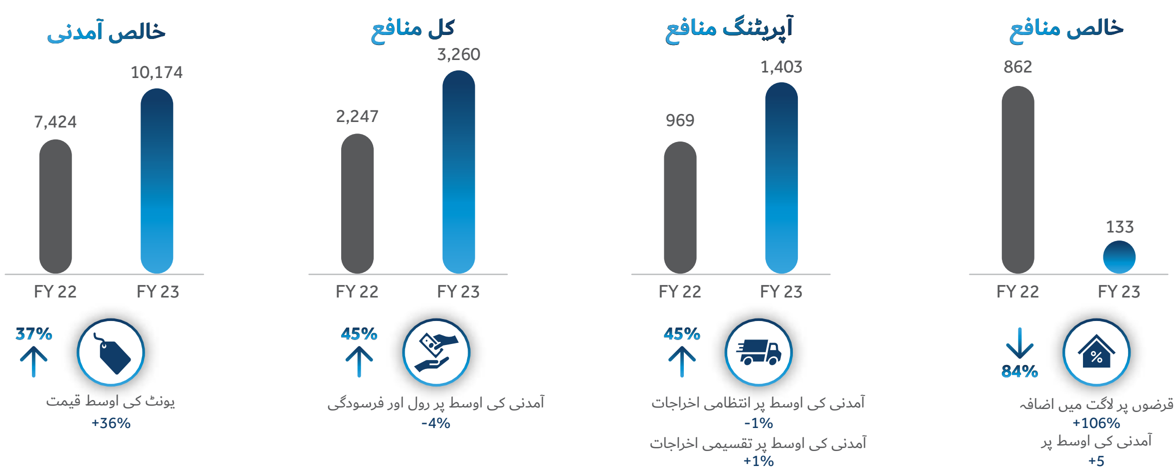
مالیاتی سال2022/23ء کے دوران موجودہ معاشی بدحالی کے قطع نظر، گروپ نے قابل تعریف کارکردگی دکھائی ہے جوتمام کاروباری شعبوں میں مجموعی ترقی سے عیاں ہے۔ٹاپ لائن ریوینیو نے گذشتہ برس کی نسبت 48% کی پائیدارنموظاہرکی ہے۔ہم نے سال بھرمیں باقاعدگی سے قیمتوں میں ردوبدل کرکے منہگائی کے اثرات کوکافی حدتک مینج کیاہے جس سے پرافٹ مارجن میں خاطرخواہ اضافہ ہواہے۔علاوہ ازیں، قرضوں کی لاگت میں نمایاں اضافے نے ایک نیاچیلنج پیش کیاہے۔بھاری قرضوں پرگروپ کے انحصارکوکم کرنے کاہماراعزم جاری ہےاورہم TCLکے لئے رائٹس اجراپرعمل کرنے جارہے ہیں۔رائٹس اجرا کی آمدنی سے بینکوں کے واجب الاداقرضوں کی ادائیگی میں مددملے گی۔

قرضوں پر ہماری حکمت عملی کے علاوہ ہم اپنے موجودہ پروڈکٹ پورٹ فولیو کے معیارکو بڑھانے اورنئ اوربہترمصنوعات متعارف کرانے کے لئے پرعزم ہیں۔ان کاوشوں میں ہم دومنفرد مصنوعات: ربڑپرمشتمل ریزراورٹریٹ شیونگ فوم متعارف کرانے کے لئے تیارہیں۔یہ دونوں مصنوعات مالیاتی سال2024ءکے دوران مارکیٹ میں داخل کردی جائیں گی۔

کاروباری جائزہ-ٹریٹ کارپوریشن لمیٹڈ(TCL)

زیرجائزہ سال کے ددوران TCL کا ٹاپ لائن ریوینیومیں خاطرخواہ اضافہ دیکھنے کوملا جب کہ نیٹ سیلز کا حجم گذشتہ برس کی اسی مدت کی نسبت 37% تک یعنی7,424 ملین روپے سے 10,174 ملین روپےتک بڑھ گیا۔یہ متاثرکن نموبرآمدات کی53% فروخت میں اضافے اورملکی سطح پر30% اضافے سے منسوب کی جارہی ہے۔3,260 ملین روپے کاکل منافع گذشتہ برس کے اعدادوشمار(مالیاتی سال2022: 2,247 ملین روپے) کی نسبت 45% اضافے کی عکاسی کرتا ہے۔یہ پیش رفت لاگت پرکنٹرول اورغیرملکی وملکی صارفین کوزیادہ منافع والی مصنوعات کی فروخت کی وجہ سے ممکن ہوئی۔مزیدبرآں، منہگائی کے اثرات کوسال بھرکے دوران قیمتوں کے لگاتارردوبدل کے ذریعے کم کیاگیا جس کی مدد سے پرافٹ مارجن کومستقل کیاگیا۔

> ”کمپنی نے مشکل ترین ماحول میں کام کرنے کے باوجودعمدہ کارکردگی دکھائی ہے۔“



آپریٹنگ منافع میں گذشتہ برس کی اسی مدت کی نسبت 45% کا نمایاں اضافہ ہواجو1,403 ملین روپے تک پہنچ گیا(مالیاتی سال2022ء: 969 ملین روپے)۔قابل ذکرامریہ ہے کہ مہنگائی کے باعث ایڈمنسٹریشن، سیلنگ اورڈسٹری بیوشن اخراجات میں گذشتہ برس کی نسبت بالترتیب36% اور53% اضافہ ہوا۔

CORPORATE GOVERNANCE
AND COMPLIANCE

Treet's corporate governance structure is based on the company's articles of association and statutory, regulatory and other compliance requirements applicable to companies listed on the stock exchange, complemented by several internal procedures. These procedures include a risk assessment and control system, as well as a system of assurances on compliance with the applicable laws, regulations and company's code of conduct.

Corporate Governance Statement

The Board of Directors is responsible for setting the goals, objectives and strategies the Company should adopt, and for formulating the policies and guidelines towards achieving those goals and objectives. The Board is accountable to the shareholders for the discharge of its fiduciary function. The management is responsible for the implementation of the aforesaid goals and strategies in accordance with the policies and guidelines laid down by the Board of Directors. To facilitate a smooth running of the day to day affairs of the Company, the Board entrusts the Chief Executive Officer and Chief Financial Officer with necessary powers and responsibilities. The Board is also assisted by a number of sub-committees comprising mainly of non-executive directors and independent directors.

Insider Trading & Competition Law

The Company has a stringent policy on insider trading and securities transactions. The policy paper, which is circulated to all the employees of the Company from time to time, divides the employees in certain categories based on their position and involvement in day-to-day decision-making process and access to price sensitive information.

As embodied in our Code of Conduct, Treet supports the principles of free enterprise and fair competition. The Company competes vigorously but fairly with its competitors within the framework of applicable laws - all to provide better and increasingly useful products and more efficient services to our customers.

Material Interests of Board Members

Directors are required to disclose, at the time of appointment and on an annual basis, the directorship or membership they hold in other companies. This is in pursuance with Section 205 of the Companies Act, 2017, which also requires them to disclose all material interests. We use this information to help us maintain an updated list of related parties. In case any conflict of interest arises, we refer the matter to the Board of Directors.

Risk Management

The Board has the overall responsibility of overseeing the risk management processes, which include both risk management and internal control procedures. The Company's processes, which are documented and regularly reviewed, are designed to safeguard assets and address risks that the businesses might face or that may impact business continuity. These are, in turn, reported to the Board and senior management for timely action where required to ensure uninterrupted operations.

The Company maintains a clear organizational structure with a well-defined chain of authority. Senior management is responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Treet Corporation Limited
Year ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (07) as per the following ,

   a. Male 06
   b. Female 01

2. The composition of the Board is as follows:

Category	Name
i. Independent Director	Dr. Salman Faridi Dr. Haroon Latif Khan
ii. Non – Executive Directors	Mr. Imran Azim Mr. Munir Karim Bana
iii. Executive Directors	Syed Shahid Ali Syed Sheharyar Ali
iv. Female / Independent Director	Ms. Sidra Fatima Sheikh

The Board has a total number of seven (7) directors with two (2) executive directors. For a Board comprising of seven directors, one-third equates to 2.33. Two executive directors have been appointed - the fraction has not been rounded up as the Board believes that the present composition of the board has the right balance, and a mix of knowledge, expertise and skills to maximize performance.

3. The Directors have confirmed that none of them are serving as a Director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. One of our Directors, Ms. Sidra Fatima Sheikh's training was undertaken during the year. Majority of the Directors of the Company are exempted from the requirement of Directors' Training program. The below mentioned Director's have procured the relevant exemption certificate(s) from the Securities and Exchange Commission of Pakistan (SECP):

(i) Syed Shahid Ali Shah

(ii) Munir Karim Bana

Furthermore, Mr. Imran Azim and Dr. Salman Faridi are also exempted on the basis of their qualification and experience. The Company is in the process of procuring their respective exemption certificate(s) from SECP.

10. 10. No new appointments have been made during the year for the Chief Financial Officer

STATEMENT OF COMPLIANCE WITH
CODE OF CORPORATE GOVERNANCE

(CFO), the Company Secretary and the Head of Internal Audit. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a. Audit Committee

Dr. Salman Faridi	(Chairman)
Mr. Imran Azim	(Member)
Mr. Munir Karim Bana	(Member)

b. Human Resource & Remuneration Committee

Ms. Sidra Fatima Sheikh	(Chairman)
Mr. Imran Azim	(Member)
Mr. Syed Shahid Ali	(Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:

a) Audit Committee (4 Quarterly)

b) Human Resource & Remuneration Committee (1 Meetings)

15. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below if applicable:

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Sr. No.	Requirement	Explanation	Regulation Number
1	Nomination Committee	Currently the Board has not constituted a separate nomination Committee and the functions are being performed by the Human Resource and Remuneration Committee.	29
2	Risk Management Committee	Similarly the Functions of Risk Management Committee are being performed by the Senior Management of the Company and apprise the Board accordingly.	30

Mr. Imran Azim
Chairman (Outgoing)

Syed Shahid Ali
Chairman (Incoming)

INDEPENDENT AUDITOR`S
REVIEW REPORT

To the members of Treet Corporation Limited

TO THE MEMBERS OF TREET CORPORATION LIMITED REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Treet Corporation Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non- compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors! statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Yousuf Adil

Yousuf Adil
Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Lahore

UDIN: CR2023101800vo6jVsdB

UN-CONSOLIDATED

FINANCIAL STATEMENTS

For the year ended 30 June 2023

Independent Auditor's Report

To the members of Treet Corporation Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Treet Corporation Limited (the Company) which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Key audit matter	**How the matter was addressed in our audit**
Revenue Recognition The Company's sales comprise of revenue from the local and export sale of blades and razors which has been disclosed in note 33 to the unconsolidated financial statements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, revenue recognition criteria has been explained in note 5.17 to the unconsolidated financial statements. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control of the goods to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: • Obtained an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue; • Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • Checked on a sample basis whether the recorded local and export sales transactions are based on satisfaction of performance obligation (i.e. on delivery of goods and after issue of gate passes for local sales and on shipment of goods for export sales). • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents. • Evaluated the adequacy and appropriateness of disclosures made in the unconsolidated financial statements.

<table>
<tr><th>Key audit matter(s)</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Valuation of Stock-in-trade

Stock in trade has been valued following an accounting policy as stated in note 5.10 to the unconsolidated financial statements and the value of stock in trade is disclosed in note 11 to the unconsolidated financial statements. Stock in trade forms material part of the Company's assets comprising around 11% of total assets.

The valuation of stock in trade is carried at lower of cost and net realizable value (NRV). Cost as different components, which includes judgement in relation to allocation of overhead costs, which are incurred in bringing the finished goods to its present location and condition. Judgements are also involved in determining the NRV of stock in trade in line with the accounting policy.

Due to the above factors, we have considered the valuation of stock in trade as a key audit matter.</td><td>Our audit procedures to address the Key Audit Matter included the following:

• Obtained an understanding of mechanism of recording purchases and valuation of stock in trade and testing the design and implementation of key internal controls;
• On a sample basis, verified supporting documents for purchases of raw materials and the production costs;
• Verified calculations of actual production costs and checked allocation of these costs to work in process and finished goods;
• Obtained an understanding and assessed reasonableness of the management's process for determination of NRV and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis;
• Compared the NRV, on a sample basis, to the carrying value of stock in trade to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; and
• For valuation of goods in transit, verified the supporting documents on sample basis.
• Reviewed the adequacy of disclosure made in the unconsolidated financial statements in accordance with the requirements of the applicable accounting and reporting standards.</td></tr>
<tr><td>Recoverability of long-term investments

Refer notes 5.6 and 8 to the unconsolidated financial statements.
As at June 30, 2023, the carrying value of the Company's long-term investments was Rs. 11,377 million. The management conducted impairment test to assess the recoverability of the carrying value of the Company's long-term investments and recognized a further impairment loss of Rs. 90.66 million.
We have identified assessing the carrying value of long-term investments as a key audit matter due to the significance of this balance to the unconsolidated financial statements as well as significance of management's judgements in determining the recoverable amount.</td><td>Our audit procedures to address the Key Audit Matter included the following:

• Discussed with the Company's management key assumptions used in valuation model and testing the mathematical accuracy of the model;
• Evaluated the assumptions and judgements adopted by management in its discounted cash flow analysis (i-e growth rate, terminal values and discount rate) used to derive the recoverable amount of the investment in subsidiary;
• Checked the recoverable amount of listed investments using externally quoted market prices;
• Compared the recoverable amount of investments with their carrying values to identify the additional impairment loss or reversal, as the case may be; and
• Reviewed the adequacy of disclosure made in the unconsolidated financial statements in accordance with the requirements of the applicable accounting and reporting standards.</td></tr>
</table>

Information Other than the Unconsolidated Financial Statements, Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss , unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan.

Yousuf Adil

Yousuf Adil
Chartered Accountants

Lahore

UDIN: AR20231018015MIGNxVp

Unconsolidated Statement of Financial Position

As at 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	7,417,682	7,664,616
Intangible asset	7	1,313	15,389
Long term investments	8	11,377,175	11,467,835
Long term loans	9	2,752	6,310
Long term security deposits		20,282	19,914
		18,819,204	19,174,064
Current assets			
Stores and spares	10	278,929	295,269
Stock in trade	11	2,858,633	1,975,521
Short term investments	12	97,726	98,894
Trade debts	13	290,342	161,603
Loans, advances, deposits, prepayments and other receivables	14	4,704,382	3,462,488
Employees provident fund		5,997	-
Cash and bank balances	16	189,318	266,399
		8,425,327	6,260,174
Liabilities			
Current liabilities			
Short term borrowings-Secured	17	5,828,618	6,943,813
Current portion of long term finances	23	91,601	86,047
Current portion of government grant	24	-	504
Trade and other payables	18	2,048,522	1,187,660
Employees provident fund		-	2,210
Unclaimed dividend		15,568	15,624
Accrued mark-up	19	381,119	214,337
Current portion of lease liabilities	21	8,840	8,234
Provision for taxation-net	20	732	17,454
		8,375,000	8,475,883
Net current liabilities		50,327	(2,215,709)
Non-current liabilities			
Long term deposits	22	13,853	5,603
Long term finances - secured	23	2,187,500	778,597
Deferred liabilities - employee retirement benefits	25	1,103,599	886,938
Deferred taxation	26	236,417	243,963
Lease liabilities	21	8,155	13,405
		3,549,524	1,928,506
		15,320,007	15,029,849
Contingencies and commitments	28		
Represented by:			
Authorized capital			
750,000,000 (2022: 250,000,000) ordinary shares of Rs. 10 each		7,500,000	2,500,000
150,000,000 (2022: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		9,000,000	4,000,000
Issued, subscribed and paid up capital	29	1,787,211	1,787,211
Reserves	30	5,172,461	5,172,461
Unappropriated profit		2,914,546	2,808,409
Surplus on revaluation of property, plant and equipment - net of tax	31	5,215,789	5,261,768
Loan from director	32	230,000	-
		15,320,007	15,029,849

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

LAHORE	**Syed Sheharyar Ali**	**Mohtashim Aftab**	**Syed Shahid Ali**
28th September 2023	Chief Executive Officer	Group Chief Financial Officer	Director

Unconsolidated Statement of Profit or Loss

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Revenue - net	33	10,173,875	7,423,897
Cost of revenue	34	(6,913,631)	(5,177,182)
Gross profit		3,260,244	2,246,715
Administrative expenses	35	(761,857)	(561,534)
Distribution cost	36	(1,096,011)	(716,244)
		(1,857,868)	(1,277,778)
Operating profit		1,402,376	968,937
Finance cost	37	(1,489,112)	(724,330)
Other operating expenses	38	(152,430)	(146,065)
		(1,641,542)	(870,395)
Other income	39	547,715	941,139
Profit before taxation		308,549	1,039,681
Taxation	40	(175,096)	(177,851)
Profit for the year		133,453	861,830
Earnings per share			
Basic earnings per share (Rupees)	41	0.75	4.88
Diluted earnings per share (Rupees)	41	0.75	4.85

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit for the year		**133,453**	861,830
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss:			
- Re-measurement of employee retirement benefits		**(59,339)**	(55,845)
- Re-measurement of employee retirement benefits - tax		**46,237**	31,442
- Effect of change in tax rate on account of surplus on revaluation of buildings		**(60,193)**	-
		(73,295)	(24,403)
Total comprehensive income for the year		**60,158**	837,427

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

Unconsolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash generated from operations	42	**1,099,643**	(940,783)
Income tax paid		**(227,547)**	(147,178)
Finance cost paid		**(1,322,330)**	(670,931)
Contributions to defined benefit plans		**(69,790)**	(169,075)
Long term loans and deposits - net		**11,440**	437
		(1,608,227)	(986,747)
Net cash used in from operating activities		**(508,584)**	(1,927,530)
Cash flows from investing activities			
Fixed capital expenditure		**(129,838)**	(342,943)
Proceeds from disposal of property, plant and equipment		**25,216**	41,609
Proceeds from disposal of long term investments		**-**	4,809
Proceeds from disposal of short term investments		**-**	271,789
Profit received on bank deposits		**13,870**	8,531
Dividend received	39.2	**949**	1,705
Net cash used in from investing activities		**(89,803)**	(14,500)
Cash flows from financing activities			
Proceeds from issue of share capital under ESOS		**-**	94,605
Receipts from long term finances		**1,500,000**	750,000
Repayments of long term finances		**(86,047)**	(142,995)
Lease rentals paid - principal		**(7,398)**	(8,826)
Reciepts of short term borrowings		**1,258,581**	657,482
Repayments of short term borrowings		**(2,123,110)**	(407,974)
Loan received from director		**230,000**	-
Dividend paid		**(56)**	(172,437)
Net cash generated from financing activities		**771,970**	769,855
Net increase / (decrease) in cash and cash equivalents		**173,583**	(1,172,175)
Cash and cash equivalents at beginning of year		**(4,565,075)**	(3,392,900)
Cash and cash equivalents at end of year	43	**(4,391,492)**	(4,565,075)

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

LAHORE	**Syed Sheharyar Ali**	**Mohtashim Aftab**	**Syed Shahid Ali**
28th September 2023	Chief Executive Officer	Group Chief Financial Officer	Director

Unconsolidated Statement of Changes in Equity

For the year ended 30 June 2023

		Capital Reserves				Revenue Reserves		
	Share Capital	Share Premium	Capital Reserve	Loan from a director	Surplus on revaluation of land and buildings - net of tax	General Reserve	Un-appropriated Profit	Total
	---------------------------(Rupees in thousand)---------------------------------							
Balance as at 30 June 2021	1,748,343	4,849,695	629	-	5,332,251	266,400	2,101,491	14,298,809
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	861,830	861,830
Other comprehensive loss	-	-	-	-	-	-	(24,403)	(24,403)
	-	-	-	-	-	-	837,427	837,427
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	(44,324)	-	44,324	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	-	(26,159)	-	-	(26,159)
Transactions with owners of the Company, contributions and distributions								
Issuance of shares under employee stock option scheme	38,868	55,737	-	-	-	-	-	94,605
Transfer to share premium on issuance of shares under employee share option scheme (ESOS)	-	-	-	-	-	-	(174,833)	(174,833)
	38,868	55,737	-	-	-	-	(174,833)	(80,228)
Balance as at 30 June 2022	1,787,211	4,905,432	629	-	5,261,768	266,400	2,808,409	15,029,849
Total comprehensive loss for the year								
Profit for the year	-	-	-	-	-	-	133,453	133,453
Other comprehensive loss	-	-	-	-	-	-	(73,295)	(73,295)
	-	-	-	-	-	-	60,158	60,158
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	(45,979)	-	45,979	-
Transactions with owners of the Company, contributions and distributions								
Loan received from a director	-	-	-	230,000	-	-	-	230,000
Balance as at 30 June 2023	1,787,211	4,905,432	629	230,000	5,215,789	266,400	2,914,546	15,320,007

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

1 STATUS AND NATURE OF THE BUSINESS

1.1 Treet Corporation Limited (the "Company") was incorporated in Pakistan on 22 January 1977 as a public limited company under the Companies Act, 1913 (now Companies Act, 2017). Its shares are 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 at 72-B Kot Lakhpat, Industrial Area, Lahore and at Hali Road, Hyderabad. Furthermore, Company has its sales warehouses located in Lahore, Quetta and Rawalpindi.

2 BASIS OF PREPARATION

2.1 Separate financial statements

These financial statements are the separate financial statements of the Company in which investments in subsidiaries and associate are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following investments in subsidiaries and associate:

Name of Company	2023	2022
	(Direct holding percentage)	
Subsidiaries		
- Treet Holdings Limited	100.00	100.00
- First Treet Manufacturing Modaraba	97.11	97.11
- Renacon Pharma Limited	55.86	55.86
- Treet Battery Limited	97.09	-
Associate		
- Loads Limited	12.49	12.49

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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; and

- 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 and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared on the historical cost convention except for certain items of property, plant and equipment which are stated at revalued amounts, investment in listed securities which are stated at their fair values and recognition of employee retirement benefits which are stated at present value. The methods used to measure fair values/present values are discussed further in their respective policy notes.

2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees, unless otherwise indicated.

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are used or where judgments were exercised in application of accounting policies are as follows:

3.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Company expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2 Stores and spares

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

3.3 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.4 Expected credit loss (ECL) against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

3.5 Employee benefits

The Company operates approved funded gratuity and superannuation scheme covering all its full time permanent employees who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity and superannuation schemes are managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market-related value at the beginning of the year. Gratuity and superannuation cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

3.6 Recoverable amount of non financial assets / cash generating unit and impairment

The management of the Company reviews carrying amounts of its non financial assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

3.7 Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

3.8 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

3.9 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.10 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

3.11 Revaluation of property, plant and equipment

Revaluation of certain classes of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to current depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

3.12 Lease term

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

4.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

- IFRS 17 – Insurance Contracts

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements, except as described in note 5.1.

5.1 Employee benefits

Defined contribution plans

The Company has maintained two contributory schemes for the employees, as below:

i) A recognized contributory provident fund scheme namely “Treet Corporation Limited - Group Employees Provident Fund” is in operation covering all permanent employees. Equal monthly contributions are made both by the Company and employees in accordance with the rules of the scheme at 10% of the basic salary.

ii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employee Service Fund" is in operation which covers all permanent management employees. In accordance with the rules of the scheme, equal monthly contributions are made by the Company at 10% of basic salary from the date the employee gets permanent status however it is optional for employees to contribute in service fund. Additional contributions may be made by the Company for those employees who have at most 15 years of service remaining before reaching retirement age. Employee can start their additional contribution above the threshold limit of 10% of the basic salary at any time.

Defined benefit plans

An approved funded gratuity scheme and a funded superannuation scheme are in operation for all employees with qualifying service periods of six months and ten years respectively. These are operated through "Treet Corporation Limited - Group Employees Gratuity Fund" and "Treet Corporation Limited - Group Employee Superannuation Fund" respectively. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the 'Projected Unit Credit Method' and latest actuarial valuation has been carried out at 30 June 2021. When calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actual gains and losses arising from experience, adjustments and changes in actuarial assumptions are charged to equity through other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the statement of profit or loss. The main features of defined benefit schemes are mentioned in note 26 to these unconsolidated financial statements.

Employee Stock Option Scheme

The Company operates an equity settled stock option scheme to be called 'Treet Corporation Limited - Employees Stock Option Scheme, 2015'. The Compensation Committee ("Committee") of the Board of Directors ("Board") evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees.

These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a pre-determined price on the date of grant of options. The main features of the scheme are mentioned in note 28 to these unconsolidated financial statements.

The grant date fair value of equity settled share based payments to employees, determined as option discount as allowed by Public Companies (Employee Stock Option Scheme) Rules 2001, is recognized as employee compensation expense on a straight line basis over the vesting period with a consequent credit to equity as employee stock option compensation reserve. The deferred employee stock option cost is shown as a deduction from employee stock option compensation reserve. Option discount means the excess of market price of the share at the date of grant of an option under a Scheme over exercise price of the option.

When an unvested option lapses by virtue of an employee not conforming to the vesting conditions after recognition of an employee compensation expense in the statement of profit or loss, such employee compensation expense is reversed in the profit or loss account equal to the amortized portion with a corresponding effect to employee stock option compensation reserve equal to the un-amortized portion.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognized in the statement of profit or loss is reversed with a corresponding reduction to employee stock option compensation reserve. When the options are exercised, employee stock option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

5.2 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising from differences between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax loses used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and tax credits, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan.

Deferred tax is charged in the statement of profit or loss, except in the case of items charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.3 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any, except for freehold land, buildings on freehold land and plant and machinery. Freehold land is stated at revalued amount determined based on valuation carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings on freehold land is stated at revalued amount determined based on valuation carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. Previously, plant and machinery was carried at cost less accumulated depreciation and impairment loss, however during the year, the Board of Directors of the Company in their meeting dated 29 June 2021 approved the change in accounting policy and now, plant and machinery is stated at revalued amount, which is determined based on valuation carried out by independent valuer as at 30 June 2021. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the related asset, and the net amount is restated to the revalued amount.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decrease that offset previous increase of the same assets are charged against this surplus, all other decrease's are charged to the statement of profit or loss.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful life as disclosed in note 6.1 to these unconsolidated financial statements.

Depreciation on additions to property, plant and equipment is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation methods, residual value and the useful life of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss as and when incurred.

On disposal or scrapping, the cost of the assets and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the statement of profit or loss.

Capital work in progress

Capital work in progress is stated at cost, less any identified impairment loss. Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use.

5.4 Intangible assets

Intangible assets represent the cost of computer software (ERP system) and are stated at cost less accumulated amortization and any identified impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the statement of profit or loss as incurred.

All intangibles are amortized over the period of five years on a straight line basis as referred in note 8 so as to write off the cost of an asset over its estimated useful life. Amortization on additions to intangible assets is charged from the day on which an asset is available for use till the day the asset is fully amortized or disposed off.

5.5 Leases

The Company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss account if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

5.6 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are required and re-evaluates this classification on regular basis.

Investment in subsidiaries and associates

Investments in subsidiaries and associates where the Company has control / significant influence are measured at cost less impairment, if any, in the Company's separate financial statements. At subsequent reporting date, the recoverable amounts of investments are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss. Investments in subsidiaries and associates that have suffered an impairment are reviewed for possible reversal of impairment at each reporting date. Where impairment losses are subsequently reversed, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Impairment losses recognized in the statement of profit or loss on investments in subsidiaries and associates are reversed through the statement of profit or loss.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27, 'Separate Financial Statements'. Investments in associates, in the consolidated financial statements, are being accounted for using the equity method.

5.7 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.8 Financial Instruments

5.8.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

5.8.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, long term loans, trade debts, term deposits and other receivable.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

Equity instrument at fair value through other comprehensive income comprises of long term investment in Techlogix International Limited.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial assets at fair value through profit or loss comprise of short term investment in listed equity securities and long term receivables.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise trade and other payables, short term borrowings, long term financing, current portion of long term liabilities, long term deposits, accrued markup and unclaimed dividend.

5.8.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

5.9 Stores and spares

These are valued at the moving average cost except for items in transit, which are valued at invoice price and related expenses incurred up to the balance sheet date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares.

5.10 Stock in trade

Stock of raw materials, packing materials, work in process and finished goods is valued at lower of moving weighted average cost and net realizable value, except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work in process and finished goods includes direct production costs such as raw materials, consumables, labor and appropriate proportion of production overheads.

Finished goods purchased for resale are valued at moving average cost of purchase and comprise of purchase price and other costs incurred in bringing the material to its present location and condition.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to be incurred to make the sale.

5.11 Trade debts, loans, deposits and other receivables

These are stated at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

5.12 Cash and cash equivalents

Cash and cash equivalents are carried at amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, current and deposit account balances with banks, term deposit receipt and outstanding balance of running finance facilities availed by the Company.

5.13 Mark-up bearing borrowings

Borrowings are recognized initially at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued markup to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

5.14 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Company.

5.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A provision for warranties is recognized when the underlying products or services are sold, based on historical data and a weighting of possible outcomes against their associated probabilities.

5.16 Foreign currency translation

Foreign currency transactions are translated into Pakistan Rupees which is the Company's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction.

All monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss. All non-monetary assets and liabilities are translated in Pakistan Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

5.17 Revenue recognition

Revenue from contracts with customers is recognised, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

5.17.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are delivered to customers and in very few cases when goods are handed over to the customers i.e. ex-factory, in case of local sales. Further in case of export sale, control is transferred when goods are loaded on vessels.

5.18 Dividends

Dividend income is recognized when the Company's right to receive the dividend is established.

5.19 Interest income

Interest income is recognised as it accrues under the effective interest method.

5.20 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

5.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

5.22 Research and development costs

Research and development costs are charged to statement of profit or loss as and when incurred.

5.23 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit and as a liability in the Company’s unconsolidated statement of financial position in the year in which the dividends are approved by the Board of Directors or the Company’s shareholders as the case may be.

5.24 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.25 Government grant

The Company follows deferral method of accounting for government grant related to subsidized long term financing. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in statement of profit or loss account, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

5.26 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.27 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

5.28 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

	Note	2023	2022
		(Rupees in thousand)	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**7,116,022**	7,375,524
Capital work in progress	6.2	**301,660**	289,092
		7,417,682	7,664,616

6.1 Operating fixed assets

2023

	Annual rate of depreciation	Cost / revalued amount as at July 01, 2022	Additions/ (Deletions)	Cost / revalued amount as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Elimination due to revaluation	Depreciation charge / (deletions) for the year	Accumulated depreciation as at June 30, 2023	Book value as at June 30, 2023
	%	----	----	----	----(Rupees in thousand)----	----	----	----	----
Owned									
Freehold land - note 6.1.1	-	4,275,500	-	4,275,500	-	-	-	-	4,275,500
Buildings on free hold land - note 6.1.1	5	695,791	-	695,791	34,966	-	34,966	69,932	625,859
Right of use asset - building	15-35	34,174	16,265 (20,510)	29,929	16,418	-	9,580 (10,172)	15,826	14,103
Plant and machinery	10	2,370,818	9,962	2,380,780	230,826 -	-	238,721	469,547	1,911,233
Furniture and equipment	10	149,161	2,952 (417)	151,696	63,598	-	13,602 (262)	76,938	74,758
Computer & IT equipment	25	68,136	12,407 (1,544)	78,999	58,922	-	5,575 (1,222)	63,275	15,724
Vehicles	20	422,334	91,232 (47,987)	465,579	235,659	-	67,086 (36,011)	266,734	198,845
		8,015,914	132,818 (70,458)	8,078,274	640,389	- -	369,530 (47,667)	962,252	7,116,022

2022

	Annual rate of depreciation	Cost / revalued amount as at July 01, 2021	Additions/ (Deletions)	Cost / revalued amount as at June 30, 2022	Accumulated depreciation as at July 01, 2021	Elimination due to revaluation	Depreciation charge / (deletions) for the year	Accumulated depreciation as at June 30, 2022	Book value as at June 30, 2022
	%	----	----	----	----(Rupees in thousand)----	----	----	----	----
Owned									
Freehold land - note 6.1.1	-	4,275,500	-	4,275,500	-	-	-	-	4,275,500
Buildings on free hold land - note 6.1.1	5	695,791	-	695,791	-	-	34,966	34,966	660,825
Right of use asset - building	15-35	32,865	1,309	34,174	7,673	-	8,745	16,418	17,756
Plant and machinery	10	1,975,632	395,186	2,370,818	-	-	230,826	230,826	2,139,992
Furniture and equipment	10-25	196,780	22,236 (1,719)	217,297	106,253	-	17,532 (1,264)	122,521	94,776 -
Vehicles	20	408,003	86,103 (71,772)	422,334	231,239	-	62,252 (57,832)	235,659	186,675
		7,584,571	504,834 (73,491)	8,015,914	345,165	-	354,321 (59,096)	640,390	7,375,524

6.1.1 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of Immovable Property	Total area (acres)	Covered Area (Square Feet)
Main Haali/ Link Road Hyderabad	Manufacturing facility	**5.49 Acres**	239,057
72-B Main Peco Road, Kot Lakhpat Lahore	Head Office & Manufacturing facility	**11.62 Acres**	506,167
Warehouse land, 14 Km Multan Road, Lahore	Warehouse	**1.5 Acres**	65,340
05 Km off Ferozpur Road, Gajju Matta, Kacha Road, Lahore	Warehouse	**10.29 Acres**	448,232

		Note	2023	2022
			(Rupees in thousand)	
6.1.2	Depreciation charge for the year has been allocated as follows:			
	Cost of sales	34	**319,996**	303,091
	Administrative expenses	35	**38,333**	33,487
	Distribution cost	36	**10,902**	17,743
			369,231	354,321
6.1.3	Had there been no revaluation, the net book value of specific classes of operating fixed assets would have been as follows:			
	Land		**111,933**	111,933
	Buildings		**285,117**	303,283
	Plant and machinery		**934,387**	1,117,938
			1,331,437	1,533,154
6.1.4	The latest valuation of Company's assets was carried as at 30 June 2021 by an independent valuer named Medallion Servies Private Limited and Dimensions Evaluators & Consultants Private Limited and the forced sale value as at that date is as follows:			
	Land		**3,634,175**	
	Buildings		**591,424**	
	Plant and machinery		**1,580,507**	
			5,806,106	

6.1.5 All assets of the Company as at 30 June 2023 are located in Pakistan and are in the name of the Company.

6.1.6 The following assets were disposed off during the year having net book value above Rs 0.5 million:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Relationship with the Company	Particulars of purchaser
	---------- (Rupees in thousand) ----------							
Vehicles								
Honda Civic	4,012	1,436	2,576	2,652	76	Company Policy	Employee	Farid Rasheeed
Glory-580 Pro	4,500	1,625	2,875	3,607	732	Company Policy	Employee	Hussain Yousaf
Toyota-Yaris	2,888	16	2,872	-	(2,872)	Company Policy	Employee	Sohail Habib
Suzuki Cultus	875	14	861	35	(826)	Company Policy	Employee	Anis Gohar Sheihk
Suzuki Cultus	990	198	792	120	(672)	Company Policy	Employee	Sameer Malik
2023	13,265	3,289	9,976	6,414	(3,562)			
2022	15,878	7,886	7,992	10,768	2,776			

6.17 Right of use asset

The company has lease contracts of its Lahore Gulberg Office, Lahore Rest House, Karachi Sales Office, Multan Sales Office and Hyderabad Warehouse buildings. Lease terms are made for fixed period, subject to renewal upon mutual consent of both parties. Where applicable, the company seeks to include extension and termination options to provide operational flexibility. Lease terms are negotiated on individual basis and contain a wide range of different terms and conditions. Management exercise significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

		Note	2023	2022
			(Rupees in thousand)	
6.2	**Capital work in progress**			
	Civil works		4,652	2,783
	Plant and machinery		244,900	190,709
	Furniture and equipment		33,723	19,395
	Vehicles		18,385	-
	Advances for capital expenditure		-	76,205
			301,660	289,092
6.2.1	**Movement in capital work-in-progress - at cost**			
	As at 01 July		289,092	475,833
	Additions during the year		129,838	376,666
	Opening advances and intransit realized		-	(58,848)
	Less: Transfers to operating fixed assets		(117,270)	(503,525)
	Less: Charged off during the year		-	(1,034)
	As at 30 June		301,660	289,092

7 INTANGIBLE ASSET

Intangible asset represents computer software (ERP system)

		Note	2023	2022
7.1	**Oracle computer software and implementation**			
	Cost			
	As at 01 July		73,836	73,836
	Addition during the year		716	-
			74,552	73,836
	Accumulated amortization			
	As at 01 July		(58,447)	(43,680)
	Amortization for the year	7.1.1	(14,792)	(14,767)
			(73,239)	58,447
	Balance as at 30 June		1,313	15,389
	Rate of amortization		20%	20%

7.1.1 Amortization on intangible assets has been charged to administration expenses.

	Note	2023	2022
		(Rupees in thousand)	
8 LONG TERM INVESTMENTS			
In equity instruments of subsidiaries - at cost	8.1	**11,081,553**	11,172,213
In equity instruments of associate - at cost	8.2	**287,455**	287,455
Fair value through OCI	8.3	**8,167**	8,167
		11,377,175	11,467,835

8.1 In equity instruments of subsidiaries - at cost

	Note	2023	2022
Treet Holdings Limited - unquoted			
71,104,740 (2022: 71,104,740) fully paid ordinary shares of Rs. 10 each	8.1.1	**675,137**	675,137
Equity held: 100 % (2022: 100 %)			
Chief Executive Officer - Syed Shahid Ali			
Less: Accumulated impairment allowance	8.1.1.1	**(356,518)**	(265,858)
		318,619	409,279
First Treet Manufacturing Modaraba - quoted			
858,010,993 (2022: 655,251,700) fully paid certificates of Rs. 10 each	8.1.2	**10,280,721**	10,280,721
Equity held: 97.11 % (2022: 97.11 %)			
Chief Executive Officer - Syed Shahid Ali			
Less: Reserve for demerger	8.1.2	**(8,004,882)**	-
Less: Accumulated impairment allowance	8.1.2.1	**-**	-
		2,275,839	10,280,721
Renacon Pharma Limited - unquoted			
34,833,790 (2022: 34,833,790) fully paid ordinary shares of Rs. 10 each	8.1.3	**482,213**	482,213
Equity held: 55.86% (2022: 55.86%)			
Chief Executive Officer - Dr. Salman Shakoh			
Treet Battery Limited - unquoted			
856,638,175 (2022: Nil) fully paid ordinary shares of Rs. 10 each	8.1.2	**8,004,882**	-
Equity held: 97.09% (2022: Nil)			
Chief Executive Officer - Syed Sheharyar Ali			
		11,081,553	11,172,213

8.1.1 The Company directly owns 100% (2022: 100%) equity interest in Treet Holding Limited (THL).

8.1.1.1 Accumulated impairement allowance

	Note	2023	2022
Opening balance		**(265,859)**	(235,429)
Charge during the year	8.1.1.2	**(90,659)**	(30,430)
Closing balance		**(356,518)**	(265,859)

8.1.1.2 During last year, the management assessed the recoverable amount of the Company's investment in THL as per the requirements of IAS 36 "Impairment of Assets". The recoverable amount was calculated based on five years' business plan which included a comprehensive analysis of existing operational deployments of the Company along with strategic business plans and business growth.

However, during the year, recoverable amount is lower than carrying amount therefore, further impairment loss is recorded during the year amounting to Rs. 90.66 million which has been recognized in the statement of profit or loss under "other expenses".

The value in use calculation was based on cash flow projections derived from aforesaid business plan, which was extrapolated beyond five years, by using a growth rate of 5%. The cash flows were discounted using a discount rate of 24% which was sensitive to discount rate and local inflation rates. Based on this calculation, the recoverable amount based on value in use per share of the Company was determined at Rs 4.48 which was higher than fair value less cost of disposal of investment, (which is calculated based on the fair value of THL's net assets as at 30 June 2023 and which is substantially a Level 3 inputs of the fair value hierarchy in accordance with IFRS 13 "Fair Value Measurement"). Hence the Company recognized impairment loss of Rs. 90.66 million during the year.

The recoverable amount of 71,104,740 ordinary shares was Rs. 318.62 million at 30 June 2023 which is calculated based on the value in use of THL as at 30 June 2023.

8.1.2 The Company directly owns 97.11% (2022: 97.11%) equity interest in First Treet Manufacturing Modaraba (FTMM) and 2.22% (2022: 2.22%) through its subsidiary, Treet Holdings Limited.

On January 21, 2019, Directors of Treet Holding Limited (Management company of FTMM) in their Board meeting decided to spin off the battery segment of First Treet Modaraba Management Company (FTMM) into Treet Battery Limited (TBL), thereby establishing a separate entity to handle this specific business segment.

The Scheme of Arrangement for demerger of Battery Segment has been sanctioned by Honorable High Court effective from April 1, 2023 and has successfully facilitated the transfer and vesting of the battery segment's business into TBL. The process, as outlined by the scheme, has been executed in the following manner:

-The battery Segment and its associated business, as they stood immediately before the sanction date, have been seamlessly separated from FTMM. This separation took place without the need for any additional actions, deeds, processes, or procedures.

-Subsequently, the battery segment and its business have been transferred and vested in TBL.

As sanctioned by the Honorable Lahore High Court (LHC), the certificate holders of FTMM were granted 0.9984 ordinary shares in TBL for each existing certificate in FTMM. These ordinary shares served as consideration for the transfer and vesting of the battery segment and its business into TBL. However, FTMM has applied to the Honorable Lahore High Court (LHC) for a reduction in certificates, which is pending approval as of the date of the financial statements. After this approval, the remaining 189,937,517 and 4,336,754 certificates shall be directly and indirectly owned by the Company.

8.1.2.1 **Accumulated impairement allowance**

	Note	2023	2022
		(Rupees in thousand)	
Opening balance		-	581,138
Transferred to non-current assets held for sale		-	74,618
Reversal during the year		-	(655,756)
Closing balance		-	-

8.1.3 Renacon Pharma Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 55.86% (2022: 55.86%) equity interest in RPL.

		Note	2023	2022
			(Rupees in thousand)	
8.2	**In equity instruments of associate - at cost**			
	Loads Limited - quoted			
	31,387,657 (2022: 31,387,657) fully paid ordinary shares of Rs. 10 each Equity held: 12.49% (2022: 12.49%) Chief Executive Officer - Munir K. Bana	8.2.1	**287,455**	287,455
			287,455	287,455

8.2.1 The Company's investment in Loads Limited is less than 20% but it is considered an associate in accordance with the requirements of IAS - 28 "Investments in Associates" since the Company has significant influence over its financial and operating policies through its representation on the Board of Loads Limited.
Carrying amount of investment of company is Rs.9.16 per share as at june 30, 2023. Fair value less cost of disposal of investment amounting to Rs.6.19 per share.and value in use computed by the management of the Company is amounting to Rs. 10.16 per share which is higher.Therefore, value in use has been considered as recoverable amount as per requirements of IAS 36 "Impairment of Assets".

		Note	2023	2022
8.3	**Fair value through OCI**			
	Techlogix International Limited - unquoted			
	711,435 (2022: 711,435) fully paid ordinary shares of par value of USD 0.00014682 Equity held: 0.67% (2022: 0.67%) Investment classified as fair value through other comprehensive income	**8.3.1**	**8,167**	8,167

8.3.1 Techlogix International Limited ("Techlogix") is a Bermuda registered Company with the beneficial owners, Salman Akhtar and Kewan Khawaja of United States of America. Techlogix is engaged in providing specialized technical consultancy and software development services to national and international clients. The Company intends to hold this investment of USD 104.45 (2022: USD 104.45) over the long term and realise its returns. During the year, the Company has not received any return (2022: Nill).

8.3.2 This investment was made before the promulgation of the Companies Act, 2017 and the requirements of repealed Companies Ordinance, 1984 were duly complied with at the time of investment.

9 LONG TERM LOANS

	Note	2023	2022
Loans to employees - secured, considered good	9.1	**24,310**	23,817
Less : Current portion of loan to employees - secured, considered good	14	**(21,558)**	(17,507)
		2,752	6,310

9.1 These loans are interest free and are secured against employees' retirement benefits. These loans are recoverable in 12 to 24 monthly instalments. This include loans to executives amounting to Rs.13.7 million (2022: Rs. 2.43 million) which further include loan to the following key management personnels;

		Note	2023	2022
			(Rupees in thousand)	
9.1.1	Arshad Latif		-	-
	M. Mohtashim Aftab		-	3,600
	Mr. Akhlaq Ahmed		-	1,686
	Amir Kaleem		619	-
	Israr-Ul Haq		1,163	-
	Muhammad Khurram Iqbal		2,482	-
	Chaudhry Ehsan Ul Haq		4,500	-
	Zunaira Dar		2,014	-
	Mohammad Imran		465	-
	Rashid Siddique		657	-
	Rana Imran Ahmed		401	-
	Asghar Ali Bhatti		656	-
			12,957	5,286
9.1.2	Maximum outstanding balance with reference to month end balances are as follows:			
	Arshad Latif		-	803
	M. Mohtashim Aftab		-	4,800
	Mr. Akhlaq Ahmed		-	1,686
	Amir Kaleem		2,972	-
	Israr-Ul Haq		1,395	-
	Muhammad Khurram Iqbal		3,505	-
	Chaudhry Ehsan Ul Haq		5,400	-
	Zunaira Dar		2,686	-
	Mohammad Imran		1,860	-
	Rashid Siddique		717	-
	Rana Imran Ahmed		1,604	-
	Asghar Ali Bhatti		1,575	-

9.1.3 Further, no amount is due from Directors and Chief Executive at the year end (2022: Rs. Nil).

10 STORES AND SPARES

	Note	2023	2022
Stores		131,364	143,951
Spares		147,565	151,318
	10.1	278,929	295,269

10.1 It includes stores and spares in transit amounting to Rs. Nil million (2022: Rs. 3.11 million).

11 STOCK IN TRADE

	Note	2023	2022
Raw and packing material	11.1	1,899,397	1,150,463
Work in process		137,153	341,213
Finished goods	11.2	827,100	487,110
		2,863,650	1,978,786
Provision for obsolete and slow moving inventory	11.2	(5,017)	(3,265)
		2,858,633	1,975,521

11.1 It includes raw material in transit amounting to Rs. 167.8 million (2022: Rs. 276.90 million).

11.2 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounts to Rs.5.02 million (2022: Nil). It also includes finished goods in transit amounting to Nil (2022: 1.84 million).

	Note	2023	2022
		(Rupees in thousand)	
12 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Listed equity securities	12.1	97,726	98,894
		97,726	98,894

12.1 Detail of investments in listed equity securities is stated below:

2023

		Shares	Cost	Market value	Opening unrealized gain / (loss)	Realized gain/ (loss) on disposal during the year	Unrealized gain / (loss) during the year	Closing unrealized gain / (loss)
		Number	(Rupees in thousand)					
a)	**Banks**							
	Silk Bank Limited	13,000,000	24,155	13,000	(8,815)	-	(2,340)	(11,155)
b)	**Textile**							
	Sunrays Textiles Mills Limited	27,026	2,458	2,703	3,494	-	(3,250)	244
	Maqbool Textiles Mills Limited	894,500	27,554	81,847	49,686	-	4,607	54,293
c)	**Miscellaneous**							
	Transmission Engineering Limited	133,000	-	-	-	-	-	-
d)	**Steel Mills**							
	Aisha Steel Mills Limited	32,704	-	176	361	-	(185)	176
		14,087,230	54,167	97,726	44,726	-	(1,168)	43,558

2022

		Shares	Cost	Market value	Opening unrealized gain / (loss)	Realized gain / (loss) on disposal during the year	Unrealized gain / (loss) during the year	Closing unrealized gain / (loss)
		Number	(Rupees in thousand)					
a)	**Banks**							
	Silk Bank Limited	13,000,000	24,155	15,340	2,127	(220)	(10,790)	(8,815)
b)	**Textile**							
	Sunrays Textiles Mills Limited	27,026	2,458	5,953	5,920	-	(2,426)	3,494
	Maqbool Textiles Mills Limited	894,500	27,554	77,240	623	-	49,063	49,686
c)	**Mutual Funds**							
	JS investments	133,000	-	-	-	-	-	-
d)	**Miscellaneous**							
	Transmission Engineering Limited	32,704	-	361	-	-	361	361
		14,087,230	54,167	98,894	8,670	(220)	36,208	44,726

		Note	2023	2022
			(Rupees in thousand)	
13	**TRADE DEBTS**			
	Foreign debtors		257,384	122,977
	Local debtors	13.1	32,958	38,626
			290,342	161,603
	Considered doubtful		1,785	1,785
			292,127	163,388
	Less: Expected credit loss	13.2	(1,785)	(1,785)
			290,342	161,603

13.1 **It include unsecured receivable from following related parties:**

	Note	2023	2022
Elite Brands Limited	13.1.1	18,310	21,700
Renacon Pharma Limited		-	-
Liaqat National Hospital	13.1.2	17	16
		18,327	21,716

13.1.1 This represents receivable in the normal course of business and is due by less than 30 days. The balance is neither past due nor impaired. Maximum amount outstanding at any time during the year, with respect to month end balances, was Rs. 6.56 million.

13.1.2 This represents receivable in the normal course of business and is past due by more than 61 to 180 days. Maximum amount outstanding at any time during the year is Rs. 0.025 million with respect to month end balances.

13.2 The movement in expected credit loss with respect to trade debts for the year is as follows:

	2023	2022
Balance as at 01 July	1,785	1,785
Charge for the year	-	-
Balance as at 30 June	1,785	1,785

	Note	2023	2022
		(Rupees in thousand)	
14 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of loan to employees	9	21,558	17,507
Advances to employees	14.1	89,796	48,997
Advances to suppliers		110,383	55,115
Margin deposits against letters of credits		-	1,852
Deposits	14.2	-	270,000
Balances with statutory authorities:			
Export rebate		166,921	144,441
Collector of customs - custom duty		26,294	10,353
Advance income tax		58,216	43,989
Sales tax receivable		17,842	-
		269,273	198,783
Receivable from broker against sale of investments		4,139	4,130
Receivable from subsidiary companies - unsecured, considered good - at amortised cost			
-First Treet Manufacturing Modaraba	18.2	-	2,560,990
-Treet battery limited		3,859,167	-
-Renacon Pharma Limited		294,506	252,113
		4,153,673	2,813,103
Receivable from other related parties - unsecured, considered good			
-Loads Limited	14.3	6,629	6,629
-Treet Power Limited		2,455	2,455
-Hi-Tech Alloy Wheels Limited		3,473	3,473
		12,557	12,557
Employees Housing Fund		40,286	38,138
Others		2,717	2,306
		4,704,382	3,462,488

14.1 These are interest free advances to employees in respect of salary, medical and travelling expenses and are secured against their retirement benefits. These include an aggregate amount of Rs. 27.44 million (2022: Rs. 6.9 million) receivable from executives of the Company. Out of total receivables, amount of Rs. 5.09 million is receivable from Chief Executive Officer.

	2023	2022
	(Rupees in thousand)	
Following are employees whose outstanding amount exceed Rs.1 million.		
Nasir Mahmood	21,123	-
Zain Ul Abadin	1,006	-
Syed Qamar Abbas Zaidi	1,191	-
Syed Shahid Ali Shah	5,090	-
Adnan Fazal ur Rehman	-	1,767

14.2 This represents retention amount of Rs. 270 million, representing 10% of the sale consideration of Global Arts Limited (GAL), maintained in escrow account with Habib Bank Limited, in accordance with the terms of the share purchase agreement (the agreement) between the Company and Chimera Education (Private) Limited (CEPL) for sale of 100% equity interest of Global Arts Limited.

In accordance with the terms of the agreement, the retention amount will be released to the Company after 6 months from the closing date i.e. 30 June 2022, subject to no claims being filed by CEPL. Therefore, this amount was classified as deposits in loans, advances, deposits and prepayments in previous period.

During the current period stipulated conditions were met, and Company have received this deposit.

14.3 These represent receivable from related parties on account of payments made on behalf of related parties, receivable on account of reimbursement of expenses, and advances given to meet working capital requirements of relates parties. A provision for impairment was charged in previous period hence, these balances are net of provision for impairment.

	Note	2023	2022
		(Rupees in thousand)	
14.3.1 Accumulated impairment allowance			
Opening balance		(12,557)	-
Charge during the year	38	-	(12,557)
Closing balance		(12,557)	(12,557)

14.4 Ageing of balances

The balances due from related parties are neither past due nor impaired. Aging of balance due from related parties is as follows:

	Less than 3 months	3 to 6 months	6 to 12 months	Greater than 12 months	2023	2022
	---(Rupees in thousand)---					
Treet Battery Limited	3,859,167	-	-	-	3,859,167	-
Renacon Pharma Limited	43,379	32,739	-	218,388	294,506	252,113
Treet Power Limited	-	-	-	2,455	2,455	2,455
Hi-Tech Alloy Wheels Limited	-	-	-	3,473	3,473	3,473
Loads Limited	-	-	-	6,629	6,629	6,629
First Treet Manufacturing Modaraba	-	-	-	-	-	2,560,990

14.5 Maximum outstanding balance due from related parties at any time during the year, with reference to month end balances is as follows:

	2023	2022
	(Rupees in thousand)	
First Treet Manufacturing Modaraba	3,467,873	2,819,730
Renacon Pharma Limited	252,113	297,650
Treet HR Management (Private) Limited	25	25
Treet Power Limited	2,455	4,910
Hi-Tech Alloy Wheels Limited	3,502	7,004
Loads Limited	6,630	13,259
Treet Battery Limited	3,893,587	-
Global Arts Limited	-	122,712
Global Assets Limited	-	59

15 The Company maintains a Provident Fund for the benefit of its employees, monthly contributions are being made by employee and employer at 10% of basic salary. During the period, the Company withdrew an amount of Rs. 121 million from its Provident Fund to meet working capital requirements. The withdrawal is subject to a markup rate of KIBOR plus 2%. The Company has repaid the whole principal amount during the year, however, the accrued markup on the withdrawal is outstanding at period ended.

	Note	2023	2022
		(Rupees in thousand)	
16 CASH AND BANK BALANCES			
Cash in hand		1,424	3,581
Cash at bank in local currency			
- *Current accounts*	16.1	141,124	217,891
- *Saving accounts*	16.2	46,770	44,927
		187,894	262,818
		189,318	266,399

16.1 These include bank accounts of Rs. 1.14 million (2022: Rs. 82.8 million) maintained under Shariah compliant arrangements.

16.2 These include deposits of Rs. 0.13 million (2022: Rs. 1.3 million) under Shariah compliant arrangements, which carries profit rate ranging from 4.8% to 7.73% per annum (2022: 3% to 4.65% per annum). The remaining balance carry mark-up at the rates ranging from 12% to 19.5% per annum (2022: 10% to 12.25% per annum).

	Note	2023	2022
17 SHORT TERM BORROWINGS			
Short term running finance - secured	17.1	3,660,020	3,951,237
Export refinance and others- secured	17.2	943,810	1,474,092
Islamic mode of financing - secured	17.3	1,224,788	1,518,484
		5,828,618	6,943,813

17.1 This represents running finance facility availed from various commercial banks to meet working capital requirements of the Company. These carry markup at an effective markup rate ranging from 14.66% to 24.98% (2022: 8.01% to 16.02%) per annum payable quarterly in arrears.

17.2 This represents export refinance and other funded (FATR) facilities availed from various commercial banks to meet working capital requirements of the Company. Export Refinance Facilities carry markup at an effective markup rate ranging from 3% to 18% (2022: 2.5% to 7.5%) and FATR facilities carry markup rate ranging from 11.03% to 22.07% (2022: 8.1% to 16.73%) per annum payable quarterly in arrears.

17.3 This represents musharka running finance and other facilities availed under shariah compliant mode from various Islamic banks to meet working capital requirements of the Company. These carry profit at an effective profit rate ranging from 12.52% to 24.12% (2022: 9.51% to 15.31%) per annum payable quarterly in arrears or on maturity.

17.4 The aggregate unavailed short term borrowing facilities amounts to Rs. 891.5 million (2022: Rs. 3,100 million).

17.5 The facilities mentioned in 17.2 to 17.4 above are secured by first joint pari passu charge / hypothecation charge / ranking charge over present and future current assets of the Company, lien marked over import documents and title of ownership of goods imported under letters of credit.

	Note	2023	2022
		(Rupees in thousand)	
18 TRADE AND OTHER PAYABLES			
Trade creditors:			
Related parties - unsecured	18.1	40,766	19,014
Others		701,901	175,190
		742,667	194,204
Due to related party - unsecured	18.2	120,635	33,166
Accrued liabilities		432,019	434,625
Contract liability	18.3	379,862	301,911
Employees deposits - secured		85,548	80,790
Withholding sales tax payable		4,870	2,640
Withholding income tax payable		20,258	15,536
Workers Profit Participation Fund	18.6	31,601	-
Workers Welfare Fund	18.7	11,066	21,011
Sales tax payable		-	13,961
Other payables		47,927	89,243
Payable to employee retirement benefit funds:			
- Service fund	18.4	101,054	573
- Superannuation fund	18.5	71,015	-
		2,048,522	1,187,660

		Note	2023	2022
			(Rupees in thousand)	
18.1	**Related parties - unsecured**			
	Subsidiary companies:			
	First Treet Manufacturing Modaraba		33,886	18,656
	Treet Holdings Limited		1,336	-
	Other related parties:			
	Elite Brands Limited		5,182	11
	Gulab Devi Chest Hospital		46	33
	Packages Limited		-	314
	Liaquat National Hospital		316	
			40,766	19,014

These are interest free in the normal course of business.

18.2 This represents payable to Treet Holdings Limited (THL), Treet HR Management (Private) Limited and First Treet Manufacturing Modarbah(FTMM) subsidiary companies, on account of payments made on behalf of the Company. The amount payable to THL carries markup at an effective rate ranging from 15.16% to 23.69% during the year.

18.3 This represents advance received from customers for future sale of goods. During the year, the Company has recognized revenue amounting to Rs. 290.42 million, out of the contract liability as at 30 June 2022.

18.4 This represents contributory fund maintained by the Company which covers all permanent management employees. Equal monthly contributions are made by the Company at 10% of basic salary. However, it is optional for employees to contribute in service fund. During the period, the Company withdrew an amount of Rs. 125 million from its Service Fund to meet working capital requirements. The withdrawal amount is subject to a markup rate of KIBOR plus 2%. The Company has repaid partial amount of Rs. 25 million from principal amount, however, the accrued markup on the withdrawal is outstanding at the period ended.

18.5 The Company maintains a Superannuation Fund to provide retirement benefits to employees and is managed in accordance with the Company's Superannuation Fund Policy. During the period, the Company withdrew an amount of Rs. 114 million from Fund to meet working capital requirements. The withdrawal is subject to a markup rate of KIBOR plus 2%. All principal and markup amount is outstanding as at period ended.

		Note	2023	2022
18.6	**Workers Profit Participation Fund**			
	Balance as at 01 July		-	121,180
	Charge for the year	38	15,599	20,783
			15,599	141,963
	Interest on delayed payment		-	7,861
	Payments during the year		(17,105)	(107,816)
	Payments to employees on behalf of WPPF		(2,704)	(24,073)
	Reversal for the prior year		(21,228)	(17,935)
	Amount withdrawn from fund		65,940	-
	Repayments of amount withdrawn		(16,000)	-
	Markup on amount withdrawn	18.6.1	7,099	-
	Balance as at 30 June		31,601	-

18.6.1 This represents markup on amount withdrawn from Fund which carries markup at rate of KIBOR plus 2.5% as per worker welfare fund act.

	Note	2023	2022
		(Rupees in thousand)	
18.7 Workers Welfare Fund			
Balance as at 01 July		21,011	66,585
Charge for the year	39	11,066	21,012
Prior year		(12,670)	(48,326)
Payments during the year		(8,341)	(18,260)
		(9,945)	(45,574)
Balance as at 30 June		11,066	21,011

19 ACCRUED MARK-UP

	Note	2023	2022
Accrued mark-up / return on:			
Long term borrowings		86,619	7,352
Short term borrowings		294,500	206,985
		381,119	214,337

20 PROVISION FOR TAXATION-NET

	Note	2023	2022
Advance income tax paid		227,547	123,817
Provision for taxation		(228,279)	(141,271)
		(732)	(17,454)

21 LEASE LIABILITIES

	Note	2023	2022
Liability against right of use asset		16,995	21,639
Current portion of liability against right of use asset		(8,840)	(8,234)
		8,155	13,405

21.1 Movement of liability against right of use liability is as follows:

	Note	2023	2022
Opening balance		21,639	26,823
Liability against right of use asset recognised during the year		16,266	1,309
Termination of existing lease liability		(13,512)	-
Interest on unwinding of liability against right of use assets	37	3,007	2,333
Payments during the year		(10,405)	(8,826)
Closing balance		16,995	21,639

	Note	2023	2022
		(Rupees in thousand)	
21.2 Maturity analysis of liability against right of use asset is as follows:			
Less than one year		10,734	9,882
One to five years		8,935	14,765
Total undiscounted liability against right of use asset as at 30 June		19,669	24,647
Impact of discounting on liability against right of use asset		(2,674)	(3,008)
		16,995	21,639

22 LONG TERM DEPOSITS

These represent interest free deposits received from freight forwarding agencies and other contractors which have been kept in a separate bank account in terms of section 217 of the Companies Act 2017.

23 LONG TERM FINANCES - SECURED

	Note	2023	2022
Loan from financial instituitions			
Meezan Bank Limited	23.1	29,101	58,202
Pakistan Kuwait Investment Company - Term Finance Loan	23.4	750,000	750,000
The Bank of Punjab	23.3	1,500,000	-
Habib Bank Limited	23.2	-	56,442
		2,279,101	864,644
Less: Current portion shown under current liabilities		(91,601)	(86,047)
		2,187,500	778,597

23.1 This represents diminishing Musharika facility amounting to Rs. 29.1 million (2022: 58.2 million), obtained from Meezan Bank Limited during previous years. The tenor of the facility is 4 years inclusive of 1-year grace period. The facility is secured by way of Joint Pari Passu charge over all present and future Plant and machinery of the Company. The loan is repayable in twelve quarterly equal installments (after grace period of 1 Year) amounting to Rs. 7.20 million, commencing from 11 September 2021. The facility carries markup at 3 month kibor + 2% spread per annum. The effective markup rate ranging from 16.83% to 24.08% (2022: 9.40% to 16.83%) per annum, payable quarterly in arrears.

23.2 This represents long term loan facility obtained from Habib Bank Limited with sanctioned limit of Rs. 257.60 million. The Company obtained this term loan / SBP COVID-19 relief facility under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. The Company obtained Rs. 227.78 million, for paying salaries for the months from April 2020 to June 2020. The facility carries mark-up at the rate of 2% (2022: 2%) per annum payable quarterly in arrears. The loan is secured against first Joint Pari Passu hypothecation charge amounting to Rs. 343.47 million on all present and future plant and machinery of the Company. The loan is repayable in eight equal quarterly installments of Rs. 28.47 million started from 01 January 2021.

The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

23.3 This represents syndicate facility comprising of HBL and Bank of Punjab amounting to Rs. 750,000,000 million each i.e Rs. 1,500,000,000 in total. The tenure of this facility is 8 years with 2 years as grace period. The facility is secured by way of first joint parri passu charge over all present and future asset of the company. The loan is repayable in full in 24 Equal Quarterly payments.The reason for availing this facility was Balance Sheet Profiling i.e Reducing the current loan by availing a long term loan. The facility was first disbursed on july 6 2022, with markup charging on the facility at 3 month Kibor + 1.10% spread. The tentative Repayments of the facility amount to Rs.62.5 million. The effective markup rate ranging from 16.44% to 22.99% per annum, payable quarterly in arrears.

23.4 This represents facility amounting to Rs. 750 million , obtained from Pakistan Kuwait Investment Company (Private) Limited during current year for balance sheet re-profiling. The tenor of the facility is upto 8 years inclusive of 2-year grace period. The facility is secured by way of 1st Joint Pari Passu charge over all present and future Plant and machinery of the Company. The loan is repayable in twenty four quarterly equal installments (after grace period of 2 Year) amounting to Rs. 31.25 million, commencing from March 22, 2024. The facility carries markup at 3 month kibor + 1.65% spread per annum. The effective markup rate ranging from 16.23% to 23.38% per annum, payable quarterly in arrears.

	Note	2023	2022
		(Rupees in thousand)	
24 GOVERNMENT GRANT			
Balance as at 01 July		504	7,347
Recognized during the year	23.2	-	-
Amortization during the year		(504)	(6,843)
Balance as at 30 June		-	504
Current portion		-	(504)
Non-current portion		-	-
25 DEFERRED LIABILITIES - EMPLOYEE RETIREMENT BENEFITS			
Gratuity fund		557,623	470,993
Superannuation fund		545,976	415,945
	25.1	1,103,599	886,938

	Note	Gratuity 2023	Gratuity 2022	Superannuation 2023	Superannuation 2022
		---------(Rupees in thousand)---------			
25.1 Net retirement benefit obligation					
Amounts recognized in the balance sheet are as follows:					
Present value of defined benefit obligation	25.3	648,305	564,644	613,713	529,250
Fair value of plan assets	25.4	(90,682)	(93,651)	(67,737)	(113,305)
Net retirement benefit obligation	25.2	557,623	470,993	545,976	415,945

	Gratuity		Superannuation	
	2023	2022	**2023**	2022
	---------(Rupees in thousand)---------			
25.2 Movement in net obligation				
Net liability as at 01 July	**470,993**	449,008	**415,945**	433,973
Charge to statement of profit or loss	**105,485**	85,286	**93,107**	80,180
Re-measurements chargeable in statement of comprehensive income	**41,731**	51,108	**23,771**	12,015
Contribution made by the Company	**(60,586)**	(114,409)	**13,153**	(110,223)
Net liability as at 30 June	**557,623**	470,993	**545,976**	415,945
25.3 Movement in the liability for funded defined benefit obligations				
Liability for defined benefit obligations as at 01 July	**564,644**	588,195	**529,250**	550,087
Benefits paid by the plan	**(60,586)**	(139,409)	**(37,847)**	(110,223)
Current service costs	**47,123**	46,230	**37,123**	36,088
Past service costs	**-**	-	**-**	6,286
Interest cost	**70,771**	51,725	**67,618**	49,417
Benefits due but not paid (payables)	**(461)**	(2,472)	**-**	(1,620)
	621,491	544,269	**596,144**	530,035
Re-measurments on obligation:				
Actuarial losses on present value				
- Changes in financial assumptions	**1,427**	1,430	**1,413**	1,416
- Experience adjustments	**25,387**	18,945	**16,156**	(2,201)
	26,814	20,375	**17,569**	(785)
Present value of defined benefit obligations as at 30 June	**648,305**	564,644	**613,713**	529,250
25.4 Movement in fair value of plan assets				
Fair value of plan assets as at 01 July	**93,651**	139,187	**113,305**	116,114
Contributions into the plan	**60,586**	114,409	**(13,153)**	110,223
Benefits paid by the plan	**(60,586)**	(139,409)	**(37,847)**	(110,223)
Interest income on plan assets	**12,409**	12,669	**11,634**	11,611
Benefits due but not paid	**(461)**	(2,472)	**-**	(1,620)
Return on plan assets excluding interest income	**(14,917)**	(30,733)	**(6,202)**	(12,800)
Fair value of plan assets as at 30 June	**90,682**	93,651	**67,737**	113,305

	Gratuity		Superannuation	
	2023	2022	2023	2022
	---------(Rupees in thousand)---------			
25.5 Plan assets				
Plan assets comprise:				
Listed securities	41,032	45,803	23,651	24,990
Unlisted securities	2,105	6,246	-	1,730
Deposits with banks	4,762	2,979	7,151	54,364
Investment in mutual funds	4,116	4,628	-	-
Government securities	36,000	36,000	33,000	33,000
Others	3,128	467	3,935	841
Less: Payables	(461)	(2,472)	-	(1,620)
	90,682	93,651	67,737	113,305

Before making any investment decision, an Asset-Liability matching study is performed by the Board of Trustees of the funds to evaluate the merits of strategic investments. Risk analysis of each category is done to analyze the impacts of the interest rate risk, currency risk and longevity risk.

25.6 Profit or loss includes the following in respect of retirement benefits:

	Gratuity		Superannuation	
	2023	2022	2023	2022
	---------(Rupees in thousand)---------			
Interest cost	70,771	51,725	67,618	49,417
Current service cost	47,123	46,230	37,123	36,088
Past service cost	-	-	-	6,286
Interest income on plan assets	(12,409)	(12,669)	(11,634)	(11,611)
Total, included in salaries and wages	105,485	85,286	93,107	80,180
25.7 Actual return on plan assets	(2,508)	(18,064)	5,432	(1,189)
25.8 Actuarial losses recognized directly in other comprehensive income				
Cumulative amount at 01 July	(356,591)	(305,483)	(370,341)	(358,326)
Losses recognized during the year	(41,731)	(51,108)	(23,771)	(12,015)
Cumulative amount at 30 June	(398,322)	(356,591)	(394,112)	(370,341)

25.9 The Company expects to pay Rs. 131 million in contributions to gratuity fund during the year ending 30 June 2023.

25.10 The Company expects to pay Rs. 109 million in contributions to superannuation fund during the year ending 30 June 2023.

25.11 Significant actuarial assumptions used for valuation of these plans are as follows:

	2023		2022	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation per annum
Discount rate used for profit and loss charge	13.25%	13.25%	10.00%	10.00%
Discount rate used for year-end obligation	16.25%	16.25%	13.25%	13.25%
Expected rates of salary increase	15.25%	15.25%	12.25%	12.25%
Expected rates of return on plan assets	16.25%	16.25%	13.25%	13.25%

Mortality rate

The rates assumed were based on the SLIC 2001 - 2005.

25.12 Weighted average duration of the defined benefit obligation is 8 years for gratuity and superannuation plans.

	2023	2022
	(Rupees in thousand)	
25.13 Cost on account of defined benefit plans has been allocated as follows:		
Unconsolidated Statement of Profit or Loss		
Cost of revenue	142,060	120,737
Administrative expenses	27,198	18,670
Distribution cost	11,617	9,222
Charged to related group companies	17,717	16,837
	198,592	165,466
Unconsolidated Statement of Comprehensive Income		
Charged to other comprehensive income	59,339	55,845
Charged to related group companies	6,163	7,278
	65,502	63,123

25.14 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 June 2023 would have been as follows:

		Impact on present value of defined benefit obligation as at 30 June 2023			
		Gratuity		Superannuation	
	Change	Increase	Decrease	Increase	Decrease
		---------(Rupees in thousand)---------			
Discount rate	100 bps	(519,759)	616,305	(484,864)	580,461
Future salary increase	100 bps	616,305	519,007	580,461	484,121

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

25.15 Risk on account of defined benefit plan

The entity faces following risks on account of defined benefit plans:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liablities.

Demographic risk

- **Mortality Risk -** The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal Risk -** The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	Note	2023	2022
		(Rupees in thousand)	
26 DEFERRED TAXATION		(236,417)	(243,963)
26.1 Deferred tax liability arises in respect of following temporary differences:			
Taxable temporary differences on:		(113,430)	(118,917)
- Accelerated tax depreciation		(325,559)	(281,395)
- Surplus on revaluation of depreciable assets		(3,645)	(3,827)
- Right of use asset		(442,634)	(404,139)
Deductible temporary differences on:			
- Employee retirement benefits		201,363	155,126
- Provision for doubtful debts		461	385
- Liability against right of use asset		4,393	4,665
		206,217	160,176
		(236,417)	(243,963)
26.1.1 Movement in deferred tax liability is as follows:			
Balance as at 01 July		(243,963)	(206,775)
Recognized in statement of profit or loss:			
- Accelerated tax depreciation		5,487	(35,148)
- Right of use asset		182	867
- Surplus on revaluation of PPE		16,029	12,180
- Provision for WPPF		-	(20,089)
- Expected credit loss		76	52
- Liability against right of use asset		(272)	(333)
		21,502	(42,471)
Recognized in statement of comprehensive income / equity:			
- Re-measurement of employee retirement benefits recognized		46,237	31,442
Effect of change in tax rate on account of surplus on revaluation of depreciable assets		(60,193)	(26,159)
		(13,956)	5,283
Balance as at 30 June		(236,417)	(243,963)

27 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 in their annual general meeting held on 31 October 2014 and the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/CIW/ESOS/02/2014 dated February 19, 2015.

Under the Scheme, the Company may grant options to eligible employees selected by the Board Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise prices determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital of the Company (as increased from time to time). Further the grant of options in anyone calendar year exceeding 3% of the paid up capital shall require approval of the shareholders. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at 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.

As of June 30, 2022, the total number of outstanding options were 1,198 thousand, having a maturity date up to October 24, 2022. No new options were granted or forfeited during the year. Consequently, the outstanding options lapsed within the current period.

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 During previous years, with respect to the tax year 2013, the ACIR passed an order dated 28 February 2019, u/s 122(5A) of Income Tax Ordinance 2001 and created a tax demand of Rs. 10.06 million. The Company paid Rs 1 million (10% of demand), under protest, and recorded the same in advance tax. The Company appealed before the CIR (Appeals-1) which was decided in favor of the Company for majority of the matters.

Being aggrieved, the tax department filed an appeal, dated 22 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

28.1.2 During the previous years, with respect to the tax year 2009, Additional Commissioner Inland Revenue (ACIR) vide order dated 30-06-2015, u/s 122(5A) of Income Tax Ordinance 2001, created an income tax demand of Rs. 15.7 million, where ACIR disallowed addition u/s 111(1)(a) amounting Rs. 20.15 million, adjustment of minimum tax u/s 113 amounting Rs. 3.77 million and allocation of expenses to dividend income.

Being aggrieved the Company filed an appeal before CIR Appeals (CIR-A) which was decided in favor of the Company and case was remanded back to the assessing officer. Being aggrieved, during 2018, the department filed an appeal before ATIR with respect to disallowance of additions u/s 111(1)(a) amounting Rs. 20,159,000 which is pending adjudication at the year end.

ACIR vide order dated 29 June 2019, u/s 124/129 of Income Tax Ordinance 2001, disallowed minimum tax amounting to Rs 3.77 million. Being aggrieved, the Company preferred an appeal before CIR (Appeals), dated 14 October 2019, which was decided in favor of the Company during the year, vide order no. 45, dated 30 November 2020.

The management and the tax advisor of the Company are confident of favorable outcome of the appeal filed by tax department against ATIR; therefore, no provision has been recorded in these unconsolidated financial statements.

28.1.3 During previous years, with respect to the tax year 2017, Additional Commissioner Inland Revenue (ACIR), passed an order dated 30 November 2018, u/s 122(5A) of Income Tax Ordinance 2001, and created an income tax demand of Rs. 11.48 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company for majority of the matters and case was remanded back to assessing officer. The tax department filed an appeal before ATIR against the order of CIR(A). The Company also preferred an appeal before ATIR on account of difference issues such as proration of profit between local and export sale, disallowance u/s 65B, dividend income allocation etc. Both the counter appeals are pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

28.1.4 During previous years, with respect to the tax period from July 2013 to June 2018, ACIR, vide order dated 23 May 2019, created a sales tax demand of Rs. 138.04 million on the contention that the Company has claimed illegal/ inadmissible input sales tax adjustment. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company. The department filed an appeal, dated 9 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

28.1.5 During the tax year 2016 , the additional Commissioner Inland Revenue invoked provision of Section 122(5A) of the Income Tax Ordinance, 2001 on different Issues such as addition u/s 111(1)(d), addition u/s 111(1)(b), allocation of expenses between export and local sale, inter corporate dividend, profit on sales of fixed assets, disposal of investment property addition u/s 111(1)(c), disallowed statutory depreciation allowance, disallowed intial allowance, amortisation of advertisment expenses etc and passed an order dated March 31, 2022 by raising a tax demand amounting to Rs 125,602,103. An appeal has was filed by the entity before the CIR, Lahore on April 23, 2022.

The company's first appeal was accepted almost in total by the Commissioner Inland Revenue(Appeals), thereby deleting as well as sending back a couple of add backs for re-visiting his decision, whereby the whole tax demand mentioned above has been deleted. The additional Commission Inland Revenue went into second appeal before Appellate Tribunal Inland Revenue on January 12, 2023 against the order of Commissioner Inland Revenue(Appeals), which is still pending in court.

A favorable outcome is expected in line with the decision of Commissioner Inland Revenue (Appeals).

28.1.6 During previous year, with respect to the tax year 2015, ACIR passed an order u/s 122(5A) dated 21 April 2021 and created an income tax demand of Rs. 25.35 million. The Company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Company has appealed before CIR(A) which is pending adjudication at the year end.

Being aggrieved with the appellate order the company in the current period filed second appeal before the learned ATIR on April 29 2022 contesting the portion of annulment which is pending adjudication at this point in time. However, the department were also filed second appeal on account of couple of add backs where adequate relief was not allowed in the first appeal.

Both of the counter appeals are still pending in the ATIR till the year end. Management and tax advisor of the company are confident of favourable outcome of the case.

28.1.7 During the previous years, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated 18 December 2020, created a Punjab sales tax demand of Rs. 175.15 million along with default surcharge and penalty of Rs. 141.82 million, on the contention that the Company has received services taxable services but failed to withhold and deposit the due tax as per provisions of the Punjab Sales Tax on Services (Withholding) Rules, 2015.

Being aggrieved, the Company has filed an appeal, dated February 22, 2021, before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been heard on June 02, 2021 and July 01, 2021 and decision is awaited. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

		2023	2022
		(Rupees in thousand)	
28.2	**Commitments**		
28.2.1	In respect of:		
	- irrevocable letters of credit	**573,813**	1,385,054

28.2.2 Guarantees given by banks on behalf of the Company in favour of Sui Northern Gas Pipeline Limited and Sui Southern Gas Limited as at 30 June 2023, amounts to Rs. 5 million and Rs. 2.4 million respectively (2022: Rs. 7.4 million).

28.2.3 Guarantees given by banks on behalf of the Company in favour of Collector of Customs as at 30 June 2023, amounts to Rs. 13.2 million (2022: Rs. 13.2 million).

28.2.4 Guarantees given by banks on behalf of the Company in favour of Yde Sa (Smc-private) Limited as at 30 June 2023, amounts to Rs. 1.85 million (2022: Nil).

29 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2023	2022	2023	2022
	(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	**220,061**	220,061
Ordinary shares of Rs. 10 each fully issued as bonus shares	**52,420,143**	52,420,143	**524,201**	524,201
Ordinary shares of Rs. 10 each issued against ESOS	**14,501,351**	14,501,351	**145,014**	145,014
	178,721,122	178,721,122	**1,787,211**	1,787,211

29.1 Reconciliation of number of shares	Note	2023	2022
		(Rupees in thousand)	
At 01 July		**1,787,211**	1,748,343
Issued against employee share option scheme	29.2	**-**	38,868
At 30 June		**1,787,211**	1,787,211

29.2 This represents, ordinary shares issued to eligible employees by the Company in previous period, under the terms of the scheme as disclosed in note 27 to these unconsolidated financial statements. Exercise price for the issuance of shares was 24.34.

29.3 Syed Shahid Ali (Chief Executive Officer) holds 56,141,899 (2022: 56,141,899) and Syed Sheharyar Ali (Executive Director) holds 18,913,152 (2022: 13,545,243) ordinary shares of Rs. 10 each, representing 31.41% (2022: 31.41%) and 10.58% (2022: 7.58%) of the paid up capital of the Company respectively.

29.4 Loads Limited, an associated company, holds 4,837,958 (2022: 4,837,958) ordinary shares of Rs. 10 each, representing 2.71% (2022: 2.71%) of the paid up capital of the Company.

29.5 Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meeting of the Company. All shares rank equally with regard to Company's residual assets.

	Note	2023	2022
		(Rupees in thousand)	
30 RESERVES			
Capital reserves	30.1	**4,906,061**	4,906,061
General reserves		**266,400**	266,400
		5,172,461	5,172,461

	Note	2023	2022
		(Rupees in thousand)	
30.1 CAPITAL RESERVES			
Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited		629	629
Share premium	30.1.1	4,905,432	4,905,432
		4,906,061	4,906,061

30.1.1 This reserve can be utilized by the Company only for the purposes specified under section 81(2) of the Companies Act, 2017.

31 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

	2023	2022
Revaluation surplus as at 01 July	5,543,163	5,599,667
- Transferred to unappropriated profit as a result of incremental depreciation charged - net of deferred tax	(45,979)	(44,324)
- related deferred tax liability on incremental depreciation	(16,029)	(12,180)
	(62,008)	(56,504)
Revaluation surplus as at 30 June	5,481,155	5,543,163
Less: Related deferred tax liability on revaluation surplus as at 01 July	281,395	267,416
- on account of incremental depreciation charged	(16,029)	(12,180)
- tax rate adjustment	-	26,159
	265,366	281,395
Revaluation surplus as at 30 June - net	5,215,789	5,261,768

32 This represents an interest free and unsecured loan from a director of the Company received during the period which is payable at the discretion of the Company.

33 REVENUE - NET

	2023	2022
Blades and Razors		
Export sales - gross	3,556,438	2,322,780
Less: Trade discount	(22,630)	(9,796)
	3,533,808	2,312,984
Local sales - gross	7,969,178	6,131,407
Less: Sales tax	(1,241,501)	(945,907)
Less: Trade discount	(96,589)	(97,290)
	6,631,088	5,088,210
Trading income-Batteries		
Sales - gross	-	18,757
Less: Sales tax	-	(893)
Less: Trade discount	-	-
	-	17,864
Trading income - Chemicals		
Sale of Chemicals - gross	10,628	5,672
Less: Sales tax	(1,649)	(824)
Less: Trade discount	-	(9)
	8,979	4,839
Revenue from contracts with customers - net	10,173,875	7,423,897

33.1 Disaggregation of Revenue

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

	Blades & Razors		Batteries		Chemicals		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	---Rupees in thousands---							
Primary Geographical Markets								
Asia	9,873,695	7,218,383	-	17,864	8,979	4,839	9,882,674	7,241,086
Europe	54,897	53,681	-	-	-	-	54,897	53,681
North America	12,766	11,288	-	-	-	-	12,766	11,288
Africa	84,156	68,711	-	-	-	-	84,156	68,711
South America	139,382	49,080	-	-	-	-	139,382	49,080
Australia	-	51	-	-	-	-	-	51
	10,164,896	7,401,194	-	17,864	8,979	4,839	10,173,875	7,423,897
Major Products								
Blades and razors	10,164,896	7,401,194	-	-	-	-	10,164,896	7,401,194
Batteries	-	-	-	17,864	-	-	-	17,864
Chemicals	-	-	-	-	8,979	4,839	8,979	4,839
	10,164,896	7,401,194	-	17,864	8,979	4,839	10,173,875	7,423,897
Timing of revenue recognition								
Products transferred at a point in time	10,164,896	7,401,194	-	17,864	8,979	4,839	10,173,875	7,423,897

		Note	2023	2022
			(Rupees in thousand)	
34	**COST OF REVENUE**			
	Raw and packing materials consumed		4,165,049	2,955,073
	Stores and spares consumed		166,623	164,485
	Salaries, wages and other benefits	34.1	1,481,951	1,285,623
	Fuel and power		656,017	427,286
	Repairs and maintenance		21,009	22,664
	Rent, rates and taxes	34.2	12,994	4,982
	Insurance		42,863	38,592
	Travelling and conveyance		30,756	13,885
	Printing and stationery		14,575	10,079
	Postage and telephone		8,711	7,143
	Depreciation on property, plant and equipment	6.1.2	319,996	303,091
	Other expenses		7,199	17,483
			6,927,743	5,250,386
	Opening stock of work in process	11	341,213	212,652
	Closing stock of work in process		(137,153)	(341,213)
	Cost of goods manufactured		204,060	(128,561)
	Opening stock of finished goods		487,110	465,885
	Finished goods purchased for resale - batteries and chemicals		-	10,720
	Closing stock of finished goods	11	(822,083)	(487,110)
			(334,973)	(10,505)
	Freight, octroi and handling		116,801	65,862
			6,913,631	5,177,182

34.1 Salaries, wages and other benefits include Rs. 142 million (2022: Rs. 120.9 million) and Rs. 45.8 million (2022: Rs. 41.72 million) in respect of defined benefit schemes and defined contribution schemes respectively.

34.2 This include short term lease expense of karachi warehouse amounting to Rs. 2.95 million (2022: Nil).

		Note	2023	2022
35	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits	35.1	521,529	398,743
	Repairs and maintenance		4,378	3,264
	Rent, rates and taxes		770	1,152
	Travelling and conveyance		33,098	25,539
	Entertainment		4,908	2,363
	Postage and telephone		3,812	2,641
	Printing and stationery		17,805	12,838
	Legal and professional charges	35.2	56,865	31,801
	Computer expenses		24,256	15,654
	Meeting fees	44	2,485	2,400
	Subscription		1,993	1,050
	Depreciation on property, plant and equipment	6.1.2	38,333	33,487
	Amortization on intangible asset	7.1	14,792	14,767
	Insurance		7,373	6,639
	Utilities		10,136	3,907
	Others		19,324	5,289
			761,857	561,534

35.1 Salaries and other benefits include Rs. 27.1 million (2022: Rs. 18.7 million) and Rs. 21.8 million (2022: Rs. 17.25 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2023	2022
			(Rupees in thousand)	
35.2	Legal and professional charges include the following in respect of auditors' remuneration:			
	Statutory audit		**3,540**	2,950
	Half yearly review		**720**	600
	Certification charges		**198**	165
	Out of pocket expenses		**446**	372
			4,904	4,087

36 DISTRIBUTION COST

	Note	2023	2022
Salaries and other benefits	36.1	**466,898**	390,664
Repairs and maintenance		**4,740**	3,795
Advertising		**385,127**	144,579
Freight, octroi and handling		**103,273**	91,015
Rent, rates and taxes		**4,873**	632
Travelling and conveyance		**77,551**	42,105
Postage and telephone		**4,628**	5,018
Depreciation on property, plant and equipment	6.1.2	**10,902**	17,743
Printing and stationery		**716**	367
Legal and professional charges		**6,897**	1,904
Others expenses		**30,406**	18,422
		1,096,011	716,244

36.1 Salaries and other benefits include Rs. 11.6 million (2022: Rs. 9.2 million) and Rs. 7.8 million (2022: Rs. 7.62 million) in respect of defined benefit schemes and defined contribution schemes respectively.

37 FINANCE COST

	2023	2022
Markup on short term borrowings	**1,008,201**	641,927
Markup on long term borrowings	**420,410**	58,140
Unwinding of liability against right of use asset	**3,007**	2,333
Bank charges	**57,494**	21,930
	1,489,112	724,330

	Note	2023	2022
		(Rupees in thousand)	
38 OTHER OPERATING EXPENSES			
Impairment allowance on investment in			
- Treet Holdings Limited	8.1.1.1	90,659	30,430
Impairment of receivables from related parties			
- Treet Power Limited		-	2,455
- Hi-tech Alloy Wheels Limited		-	3,472
- Loads Limited		-	6,630
Donations	38.1	150	3,399
Assets written off		-	12,896
Markup expense charged by Treet Holding Limited		4,358	2,831
Exchange loss - net	38.2	52,840	52,006
Realized loss on short term investments at fair value through profit or loss		-	220
Unrealized loss on short term investments at fair value through profit or loss	12.1	1,168	-
Workers' Profit Participation Fund	18.6	1,470	10,714
Workers' Welfare Fund	18.7	-	21,012
Other		1,785	-
		152,430	146,065

38.1 During the year, donations have been given to the following:

	2023	2022
Lahore Gymkhana Tennis Club	150	150
Cancer Care Hospital	-	500
Layton Rahmatullah Benevolent Hospital	-	165
Infection Control And Prevention Foundation	-	200
Government College Township	-	500
The Association For Overseas Technical Scholarship	-	25
Haji Muhammad Ghurki Trust	-	500
Institute of Art and Culture	-	1,359
	150	3,399

38.1.1 None of the Directors of the Company or their spouse has any interest in donees.

38.2 This represents exchange loss - net of gain incurred on actual foreign currency conversion.

	Note	2023	2022
		(Rupees in thousand)	
39 OTHER INCOME			
Income from financial assets			
Profit on bank deposits	39.1	13,870	8,531
Unrealized gain on short term investments at fair value through profit or loss	12.1	-	36,208
Unrealized exchange gain		6,862	623
Dividend income	39.2	949	1,705
Reversal of impairment loss on investment in FTMM	8.1.2.1	-	655,756
Mark-up income from			
- First Treet Manufacturing Modaraba		183,042	73,631
- Renacon Pharma Limited		47,169	18,939
- Treet Battery Limited		136,871	-
		388,763	795,393
Income from non financial assets			
Profit on disposal of property, plant and equipment		12,763	27,214
Realized gain on disposal of long term investment	8.3	-	73
Scrap sale		63,845	38,501
Export rebate	39.3	70,471	74,647
Gain on lease termination		3,175	-
Liabilities written off		1,844	-
Workers' Welfare Fund	18.7	1,604	-
Service Charges			
- First Treet Manufacturing Modaraba Limited		4,195	4,584
- Treet Holdings Limited		573	570
- Renacon Pharma Limited		157	157
- Treet Battery Limited		325	-
		158,952	145,746
		547,715	941,139

39.1 Income during the year, from savings bank accounts relating to deposits placed under shariah based arrangements amounted to Rs. 0.74 million (2022: Rs. 1.14 million).

39.2 Detail of dividend income received during the year is as follows:

	2023	2022
Shahtaj Textile Limited	-	135
Sunrays Textile	54	-
Maqbool Textile Mills Limited	895	1,565
	949	1,700

39.3 Rebate income is net of commission paid to agents of Rs. 3.18 million (2022: Rs. 4.16 million).

	Note	2023	2022
		(Rupees in thousand)	
40 TAXATION			
Current			
- For the year		228,279	141,271
- For prior years		(31,681)	(5,891)
Deferred			
- For the year	26.1.1	(21,502)	42,471
	40.1	175,096	177,851

40.1 Tax charge reconciliation

Numerical reconciliation between tax expense and accounting profit:

	2023	2022
Profit before taxation	308,549	1,039,681
Tax at 29% (2022: 29%)	89,479	301,507
Tax effect of:		
- income under FTR, reudced rate and others	34,540	(135,951)
-effect of change in local sales ratio and tax rate	23,445	-
- Prior year tax	(31,681)	(5,891)
- Permanent difference - donations to unapproved institutions	44	675
- Super tax	59,269	17,511
	175,096	177,851

			2023	2022
41	**EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED**			
	41.1 Basic earnings per share			
	i -Profit attributable to ordinary share holders:			
	Profit for the year after taxation	**Rupees in thousand**	133,453	861,830
	ii-Weighted-average number of ordinary shares:			
	Weighted average number of shares	**Number in thousand**	178,721	176,505
	Basic earnings / (loss) per share	**Rupees**	0.75	4.88

		2023	2022
41.2 Diluted earnings per share			
i-Profit attributable to ordinary share holders (Diluted):			
Profit for the year after taxation (diluted)	**Rupees in thousand**	133,453	861,830
ii-Weighted-average number of ordinary shares (diluted):			
Weighted average number of shares (basic)		178,721	176,505
Effect of share options on issue		-	1,198
Weighted-average number of ordinary shares (diluted)	**Number in thousand**	178,721	177,703
Diluted earnings per share	**Rupees**	0.75	4.85

		Note	2023	2022
			(Rupees in thousand)	
42	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		308,549	1,039,681
	Adjustments for non cash items:			
	Impairment allowance on investment in			
	- Treet Holdings Limited	8.1.1.1	90,660	30,430
	Reversal of impairment allowance on investment in FTMM	39	-	(655,756)
	Finance cost	37	1,489,112	724,330
	Depreciation on property, plant and equipment	6.1	369,530	354,321
	Provision for employees benefit plans	25.1.3	180,875	148,629
	Amortization on intangible asset	35	14,792	14,767
	Provision for Workers' Profit Participation Fund	38	1,470	10,714
	Provision for Workers' welfare fund	39	(1,604)	21,012
	Assets written off	38	-	12,896
	Provision for obsolete and slow moving inventory	11	5,017	-
	Profit on bank deposits	39	(13,870)	(8,531)
	Realized gain on disposal of short term investments			
	at fair value through profit or loss	38	-	220
	Profit on disposal of property, plant and equipment	39	(12,763)	(27,214)
	Profit on lease termination	39	(3,175)	
	Unrealized loss on short term investments at fair value through profit or loss	38	1,168	(36,208)
	Unrealized exchange gain	39	(6,862)	(623)
	Markup income from related parties	39	(367,082)	(73,631)
	Export rebate	39	(70,471)	(74,647)
	Dividend income	39	(949)	(1,705)
			1,675,848	439,004
	Operating profit before working capital changes		1,984,397	1,478,685
	Effect on cashflow due to working capital changes			
	(Increase) / decrease in current assets:			
	Stores and spares		16,340	(39,061)
	Stock in trade		(888,129)	(501,099)
	Trade debtors		(121,877)	(3,773)
	Loans, advances, deposits, prepayments and other receivables		(790,114)	(1,593,397)
			(1,783,780)	(2,137,330)
	(Decrease) / increase in current liabilities:			
	Trade and other payables		899,026	(282,138)
			1,099,643	(940,783)
43	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	16	189,318	266,399
	Short term running finance - secured	17	(3,660,020)	(3,951,237)
	Musharika running finance		(920,790)	(880,237)
			(4,391,492)	(4,565,075)

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these unconsolidated financial statements with respect to remuneration, including certain benefits to the chief executive, executive directors, non-executive directors and executives of the Company is as follows:

	Chief Executive		Executive Directors		Non- Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Managerial remuneration	46,080	46,080	30,018	35,121	-	-	361,909	323,397
Provident fund	-	-	1,818	1,143	-	-	16,289	13,664
Service fund	-	-	1,818	1,143	-	-	14,252	11,363
Superannuation fund - I	-	-	4,271	1,813	-	-	35,917	23,547
Gratuity fund	-	-	5,312	2,617	-	-	41,352	31,231
Bonus	-	-	5,190	14,352	-	-	97,097	129,177
Incentives	-	-	-	-	-	-	81,706	48,302
Utilities	8,641	5,067	-	2,324	-	-	19,890	-
Medical	5,808	3,538	827	43	-	-	3,902	1,662
Fees	-	-	-	-	2,485	2,400	-	-
	60,529	54,685	49,254	58,556	2,485	2,400	672,314	582,343
Number of persons	1	1	1	2	4	4	69	58

44.1 The chief executive officer, directors and executives are provided with free use of Company maintained cars and telephone facility, according to their entitlement.

45 NUMBER OF EMPLOYEES

The Company has employed following number of persons including permanent and contractual staff:

	2023	2022
	(Number of persons)	
Closing number of employees	2,233	2,119
Average number of employees	2,176	2,187

46 TRANSACTIONS WITH RELATED PARTIES

The related parties include subsidiaries, associated companies, other related group companies, directors of the Company, key management personnel, companies in which key management personnel / directors have control or joint control and post employment benefit plans. Balances with related parties are disclosed in respective notes to these unconsolidated financial statements. Transactions with employees benefit plans are disclosed in note 26 to these unconsolidated financial statements. Significant transactions with related parties other than disclosed elsewhere in financial statements are as follows:

46.1	Transactions with related parties	Relationship	Nature of transactions	2023	2022
				(Rupees in thousand)	
I	**Subsidiaries**				
	Treet Holdings Limited	Subsidiary Co. (100% Direct equity interest)	Expenses incurred on behalf of related party	15,182	8,584
			Funds received by the Company - net of payments	1,193	5,026
			Purchase of bikes by the Company	7,403	6,794
			Interest charged by related party	4,358	2,831
			Lease rentals charged by the Company	573	571
			Expenses incurred on behalf of related party	450,932	472,192
	First Treet Manufacturing Modaraba	Subsidiary Co. (97.11% Direct equity interest)	Funds transferred by the Company - net of receipts	318,525	932,110
			Purchase of goods by the Company	71,713	48,950
			Sales of goods by the Company	-	17
			Interest charged by the Company	183,043	73,630
			Rentals charged by the Company	4,195	4,582
			Conversion of debt to equity of FTMM	-	1,835,903
			Guarantee provided on behalf of related party	1,504	-
	Treet Battery Limited	Subsidiary Co.	Expenses incurred on behalf of related party	64,496	-
		(97.09% Direct equity interest)	Funds transferred by the Company - net of receipts	113,830	-
			Interest charged by the Company	136,871	-
			Rentals charged by the Company	325	-
			Guarantee provided on behalf of related party	600	-
	Renacon Pharma Limited	Subsidiary Co.	Expenses incurred on behalf of related party	90,817	71,304
		(55.86% Direct equity interest)	Interest charged by the Company	47,169	18,939
			Funds received by the Company - net of payments	95,751	27,200
			Rentals charged by the Company	157	157
			Guarantee provided on behalf of related party	985	985
II	**Other Related parties**				
	Treet HR Management (Private) Limited	Other related party (0% direct holding) (100% indirect holding)	Purchase of services by the Company	17,022	17,022
			Interest charged by the Company	-	-
			Expenses incurred on behalf of related party	-	451
			Funds received by the Company - net of payments	-	25,000
			Funds transferred by the Company - net of receipts	17,022	-

	Transactions with related parties	Relationship	Nature of transactions	2023	2022
				(Rupees in thousand)	
	Cutting Edge (Private) Limited	Common directorship	Purchase of services by the Company	2,359	-
	Elite Brands Limited	Common directorship	Purchase of services by the Company	27,073	-
			Sale of goods by the Company	495,956	794,571
			Discount on sales	14,023	29,415
	Gulab Devi Chest Hospital	Common directorship	Purchase of services by the Company	380	-
	Liaquat National Hospital	Common directorship	Sales made by the company	79	74
			Discount on sales	5	9
			Purchase of services by the Company	954	-
	IGI Life Insurance	Common directorship	Insurance premium charged to the Company	26,451	21,343
	IGI General Insurance	Common directorship	Insurance premium charged to the Company	30,398	25,761
III	**Employee benefits**				
	Provident fund	Other related party	Contribution paid during the year	51,272	46,058
	Service fund	Other related party	Contribution paid during the year	24,374	20,529
	Housing fund	Other related party	Advance paid during the year - net	2,149	3,627
IV	**Key management personnel**				
	Key management personnel other than directors	Key management personnel	Salaries and other benefits	154,010	161,338

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The share options issued to key management personnel are disclosed in note 28 to these unconsolidated financial statements. The salaries and other benefits of directors, who are also key management personnel, are disclosed in note 44 to these unconsolidated financial statements. Other transactions with key management personnel are disclosed in respective notes in these unconsolidated financial statements. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

Name	Relationship	% of shareholding in the Company
Mr. Syed Shahid Ali	Director / Key management personnel	31%
Mr. Syed Sheharyar Ali	Director / Key management personnel	11%
Mr. Munir Karim Bana	Director / Key management personnel	0.14%
Mr. Salman Faridi	Director / Key management personnel	0%
Ms. Sidra Fatima Sheikh	Director / Key management personnel	N/A
Mr. Imran Azim	Director / Key management personnel	N/A
Mr. Haroon Latif Khan	Director / Key management personnel	N/A
Mr. Ahmad Shahid	Director / Key management personnel	N/A
Mrs. Zunaira Dar	Key management personnel	N/A
Mr. Muhammad Mohtashim Aftab	Key management personnel	N/A
Mr. Rashid Ali Rizvi	Key management personnel	N/A
Mr. Arshad Latif	Key management personnel	N/A
Mr. Muhammad Javaid Aslam	Key management personnel	N/A
Mr. Akhlaq Ahmed	Key management personnel	N/A
Mr. Imran Khan	Key management personnel	N/A
Mr. Nasir Mahmood	Key management personnel	N/A

47 FINANCIAL RISK MANAGEMENT

47.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

47.2 Credit risk

Credit risk represents the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. As the Company is the major manufacturer of blades, it believes that it is not exposed to major concentration of credit risk.

47.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	(Rupees in thousand)	
Financial asset at amortized cost		
Long term security deposits	20,282	19,914
Long term loans	2,752	6,310
Trade debts	290,342	161,603
Loans, advances and other receivables	4,234,930	3,159,593
Cash at bank	187,894	262,818
	4,736,200	3,610,238

47.2.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2023	2022
Customers	290,342	161,603
Banking companies and financial institutions	187,894	264,670
Others	4,257,964	3,183,965
	4,736,200	3,610,238

47.2.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

47.2.3.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against letter of credit, term deposit receipt and long term deposit (escrow account). Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2023	2022
Cash at Bank	**Short term**	**Long term**	**Agency**	(Rupees in thousand)	
Allied Bank Limited	A1+	AAA	PACRA	**14**	12
Albaraka Bank Limited	A-1	A+	JCR VIS	**17**	146
Askari Bank Limited	A1+	AA+	PACRA	**53,925**	45,943
Bank Alfalah Limited	A1+	AA+	PACRA	**8,303**	9,796
Bank Islami Pakistan Limited	A1	AA-	PACRA	**278**	2,801
Bank of Punjab	A1+	AA+	PACRA	**2,182**	-
Dubai Islamic Bank Limited	A-1+	AA	JCR VIS	**121**	1,360
Faysal Bank Limited	A1+	AA	PACRA	**1,127**	2,640
Habib Bank Limited	A-1+	AAA	JCR VIS	**109,765**	57,746
MCB Bank Limited	A1+	AAA	PACRA	**2,896**	24,731
National Bank of Pakistan	A1+	AAA	PACRA	**2,139**	12,245
Samba Bank Limited	A-1	AA	JCR VIS	**8**	7
Sindh Bank Limited	A-1	A+	JCR VIS	**498**	412
Soneri Bank Limited	A1+	AA-	PACRA	**865**	16,686
United Bank Limited	A-1+	AAA	JCR VIS	**4,760**	6,269
Silk Bank Limited	A-2	A-	JCR VIS	**140**	1,947
MCIB Bank Limited	A1	A	PACRA	**856**	80,077
				187,894	262,818
Deposits - Escrow account					
Habib Bank Limited	**A1+**	**AAA**	**PACRA**	**-**	**270,000**
Margin against letters of credit					
Habib Metropolitan Bank Limited	**A1+**	**AA+**	**PACRA**	**-**	**1,852**
Total				**187,894**	**264,670**

47.2.3.2 Counterparties without external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts against sale of blades and razors. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Export sales are either secured through letter of credit or on advance received basis. Majority of the local sales are made through distributors. As explained in note 5.8, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June was determined as follows:

	2023		2022	
	Gross carrying amount	**Loss Allowance**	Gross carrying amount	Loss Allowance
	(Rupees in thousand)			
The aging of trade debts at the reporting date is:				
The aging of trade debts at the reporting date is:				
Not past due	**98,523**	-	12,214	-
Past due:				
1- 90 days	**137,275**	-	142,675	-
91 - 180 days	**35,346**	-	2,379	-
181 - 365 days	**17,832**	-	2,786	-
365-and more days	**3,151**	1,785	3,334	1,785
	292,127	1,785	163,388	1,785

The Company provides unsecured loans and advances to inter-companies. The Company monitors the ability of the inter-companies to repay the loans and advances on an individual basis. Loans and advances provided to intercompanies are not secured by any collateral or supported by any other credit enhancements. Generally, the Company considers loans and advances to inter-companies have low credit risk. The Company assumes that there is a significant increase in credit risk when an inter-company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the inter-companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the inter-companies are not able to pay when demanded. The Company considers an inter-company's loan or advance to be credit impaired when:

- The inter-company is unlikely to repay its loan or advance to the Company in full;

- The inter-company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

47.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2023				
	Carrying Amount	Contrac-tual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	1,515,317	1,515,317	1,515,317	-	-
Long term deposits	13,853	13,853	-	13,853	-
Long term finances - secured	2,279,101	2,279,101	91,601	1,437,500	750,000
Short term borrowings	5,828,618	5,828,618	5,828,618	-	-
Unclaimed dividend	15,568	15,568	15,568	-	-
Liability against right of use asset	16,995	19,669	10,734	8,935	-
Accrued mark-up	381,119	381,119	381,119	-	-
	10,050,571	10,053,245	7,842,957	1,460,288	750,000

	2022				
	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	751,811	751,811	751,811	-	-
Long term deposits	5,603	5,603	-	5,603	-
Long term finances - secured	864,644	865,147	86,551	466,096	312,500
Short term borrowings	6,943,813	6,943,813	6,943,813	-	-
Unclaimed dividend	15,624	15,624	15,624	-	-
Liability against right of use asset	21,639	24,647	9,882	14,765	-
Accrued mark-up	214,337	214,337	214,337	-	-
	8,817,471	8,820,982	8,022,018	486,464	312,500

47.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

47.4.1 Currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the unconsolidated statement of financial position date.

	2023 (Rupees in thousand)		2022 (Rupees in thousand)	
	USD	EUR	USD	EUR
Assets				
- Trade debts	257,384	-	122,977	-
Liabilities				
- Trade creditors and bills payable	(34,292)	-	-	-
Net Statement of financial position exposure	223,092	-	122,977	-
Off statement of financial position items				
- Outstanding letters of credit	384,474	189,339	1,344,230	40,824
Net exposure	(161,382)	(189,339)	(1,221,253)	(40,824)

47.4.2 Exchange rates applied during the year

The following significant exchange rates have been applied:

	Average rates		Reporting date rate	
	2023	2022	2023	2022
Selling Rate				
USD	246.55	182.00	287.10	206.00
EURO	265.01	201.00	314.27	215.75
Buying Rate				
USD	246.05	182.00	286.60	205.50
EURO	264.98	201.00	314.72	215.23

47.4.3 Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected statement of profit or loss by the amounts shown below at the statement of financial position date . The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2023	2022
	(Rupees in thousand)	
USD	22,309	12,298

47.4.4 Currency risk management

Since the maximum amount exposed to currency risk is only 0.081% (2022: 0.114%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to US dollar will not have any material impact on the operational results.

47.4.5 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

47.4.5.1 Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2023		2022	
	Note	Financial assets	Financial liabilities	Financial assets	Financial liabilities
		(Rupees in thousand)			
Non-derivative financial instruments					
Deposit - Escrow account	14	-	-	270,000	-
		-	-	270,000	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

47.4.5.2 Variable rate financial instruments

		2023		2022	
	Note	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Non-derivative financial instruments					
Long term finances - secured	23	-	2,279,101	-	864,644
Short term borrowings	17	-	5,828,618	-	6,943,813
Trade and other payables	18	-	1,515,317	-	751,811
Bank balances - saving accounts	16	46,770	-	44,927	-
Receivable from subsidiary companies and other related parties (excluding accrued markup)	14	2,249,449	-	1,580,756	-
		2,296,219	9,623,036	1,625,683	8,560,268

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2022.

	Profit / (Loss)	
	2023	2022
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(73,268)	(61,828)
Decrease of 100 basis points		
Variable rate instruments	73,268	61,828

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

47.4.5.3 Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

47.4.6 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Company's investment in ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

A 10% increase in share prices at the year end would have increased the Company's profit in case of investments classified as fair value through profit or loss as follows:

	2023	2022
	(Rupees in thousand)	
Effect on profit or loss before taxation	9,773	9,889
Effect on investments	9,773	9,889

The sensitivity analysis prepared is not necessarily indicative of the effects on profit or loss, equity and assets of the Company.

47.5 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

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.

	Note	Carrying amount					Fair value			
		Fair value through OCI	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands								
30 June 2023										
Financial assets at fair value										
Long term investments	8	8,167	-	-	-	8,167	-	-	8,167	8,167
Short term investments	12	-	97,726	-	-	97,726	97,726	-	-	97,726
		8,167	97,726	-	-	105,893	97,726	-	8,167	105,893
Financial assets at amortised cost										
Long term security deposits		-	-	20,282	-	20,282	-	-	-	-
Long term loans	9	-	-	2,752	-	2,752	-	-	-	-
Trade debts	13	-	-	290,342	-	290,342	-	-	-	-
Loans, advances, and other receivables	14	-	-	4,234,930	-	4,234,930	-	-	-	-
Cash and bank balances	16	-	-	189,318	-	189,318	-	-	-	-
	47.5.1	-	-	4,737,624	-	4,737,624	-	-	-	-
Financial liabilities - not measured at fair value										
Short term borrowings	17	-	-	-	5,828,618	5,828,618	-	-	-	-
Trade and other payables	18	-	-	-	1,515,317	1,515,317	-	-	-	-
Accrued mark-up	19	-	-	-	381,119	381,119	-	-	-	-
Long term deposits	22	-	-	-	13,853	13,853	-	-	-	-
Liability against right of use asset	21	-	-	-	16,995	16,995	-	-	-	-
Unclaimed dividend		-	-	-	15,568	15,568	-	-	-	-
Long term finances - secured	23	-	-	-	2,279,101	2,279,101	-	-	-	-
	47.5.1	-	-	-	10,050,571	10,050,571	-	-	-	-

	Note	Carrying amount					Fair value			
		Fair value through OCI	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
		---------- Rupees in thousands ----------								
30 June 2022										
Financial assets at fair value										
Long term investments	8	8,167	-	-	-	8,167	-	-	8,167	8,167
Short term investments	12	-	98,894	-	-	98,894	98,894	-	-	98,894
		8,167	98,894	-	-	107,061	98,894	-	8,167	107,061
Financial assets at amortised cost										
Long term security deposits		-	-	19,914	-	19,914	-	-	-	-
Long term loans	9	-	-	6,310	-	6,310	-	-	-	-
Trade debts	13	-	-	161,603	-	161,603	-	-	-	-
Loans, advances, and other receivables	14	-	-	3,159,593	-	3,159,593	-	-	-	-
Cash and bank balances	16	-	-	266,399	-	266,399	-	-	-	-
	47.5.1	-	-	3,613,819	-	3,613,819	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Short term borrowings	17	-	-	-	6,943,813	6,943,813	-	-	-	-
Trade and other payables	18	-	-	-	751,811	751,811	-	-	-	-
Accrued mark-up	19	-	-	-	214,337	214,337	-	-	-	-
Long term deposits	22	-	-	-	5,603	5,603				
Liability against right of use asset	21	-	-	-	21,639	21,639	-	-	-	-
Unclaimed dividend		-	-	-	15,624	15,624	-	-	-	-
Long term finances - secured	23	-	-	-	864,644	864,644	-	-	-	-
	47.5.1	-	-	-	8,817,471	8,817,471	-	-	-	-

47.5.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

47.5.2 Freehold land, buildings and plant and machinery have been carried at revalued amounts determined by professional valuers (level 2 measurement) based on their assessment as disclosed in note 32. The valuations were conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's land and building. For revaluation of freehold land, fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land and neighbouring properties, which were recently sold or purchased, to determine a resonable selling/buying price. Incase of buildings, fair market value was assessed according to the observations made by valuer on the basis of existing outlook, appearance, face value, individual merits, class and type of construction, quality and standard of material used for construction and by applying suitable price adjustments. For revaluation of plant and machinery, suppliers and different machinery consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable items of plant and machinery to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

47.6 Capital risk management

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as total debt (current and non-current borrowings) to debt plus equity.

The debt to equity ratios were as follows:

	2023	2022
	(Rupees in thousand)	
Total debt	8,107,719	7,808,961
Total equity and debt	23,427,726	22,838,810
Debt to equity ratio	35%	34%

48 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities				
	Lease liabilities	Long term finances - secured	Short term borrowings	Unclaimed Dividend Payable	Total
	------------------------(Rupees in thousand)------------------------				
As at 30 June 2022	21,639	865,148	6,943,813	15,624	7,846,224
Changes from financing cash flows					
Proceeds from issue of share capital under ESOS	-	-	-	-	-
Receipts from long term finances - net	-	1,500,000	1,258,581	-	2,758,581
Repayments of short term borrowings - net	-	(86,047)	(2,123,110)	-	(2,209,157)
Principal portion of lease rentals paid	(10,404)	-	-	-	(10,404)
Dividend paid	-	-	-	(56)	(56)
Total changes from financing cash flows	(10,404)	1,413,953	(864,529)	(56)	538,964
Other changes including non- cash					
Changes in short term running finance and musharika running finance	-	-	(250,664)	-	(250,664)
Liability against right of use asset recognized	2,754	-	-	-	2,754
Interest on unwinding of lease liability	3,006	-	-	-	3,006
Total liability related other changes	5,760	-	(250,664)	-	(244,904)
As at 30 June 2023	16,995	2,279,101	5,828,620	15,568	8,140,284

	Liabilities				
	Lease liabilities	Long term finances - secured	Short term borrowings	Unclaimed Dividend Payable	Total
	------------------------(Rupees in thousand)------------------------				
As at 30 June 2021	26,823	258,143	6,171,512	13,228	6,469,706
Changes from financing cash flows					
Proceeds from issue of share capital under ESOS	-	-	-	-	-
Receipt from long term finances - net	-	607,005	-	-	607,005
Repayments of short term borrowings - net	-		249,508	-	249,508
Principal portion of lease rentals paid	(8,826)				(8,826)
Dividend paid	-	-	-	2,396	2,396
Total changes from financing cash flows	(8,826)	607,005	249,508	2,396	850,083
Other changes including non- cash					
Changes in short term running finance and musharika running finance	-	-	522,793	-	522,793
Liability against right of use asset recognized	1,309	-	-	-	1,309
Interest on unwinding of lease liability	2,333	-	-	-	2,333
Total liability related other changes	3,642	-	522,793	-	526,435
As at 30 June 2022	21,639	865,148	6,943,813	15,624	7,846,224

	Production capacity		Actual production	
	2023	2022	**2023**	2022
	(Units in millions)		(Units in millions)	
49 PLANT CAPACITY AND PRODUCTION				
Hyderabad plant	**880**	880	**532**	588
Lahore plant	**1,350**	1,350	**1,173**	1,133
	2,230	2,230	**1,705**	1,721

The variance of actual production from capacity is primarily on account of the product mix.

50 PROVIDENT FUND TRUST

The following information is based on the latest un-audited financial statements of the Provident Fund Trust:

	Un-audited 2023	Un-Audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	**681,017**	953,137
Cost of investments made	**295,020**	469,223
Percentage of investments made	**45%**	51%
Fair value of investments	**306,258**	490,326

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (**Un-Audited**)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	**41,931**	13.7%	55,576	11.3%
Shares in unlisted securities	**-**	0.0%	4,149	0.8%
Listed Debt Instruments	**85,000**	27.8%	50,000	10.2%
Government securities	**16,300**	5.3%	16,300	3.3%
Mutual funds	**49,682**	16.2%	301,774	61.5%
Other Investments	**113,345**	37.0%	62,527	12.8%
	306,258	100%	490,326	99.9%

The investments out of provident fund trust have not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

51 SERVICE FUND TRUST

The following information is based on the latest un-audited financial statements of the Service Fund Trust:

	Un-audited 2023	Un-Audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	**260,122**	252,486
Cost of investments made	**104,805**	70,724
Percentage of investments made	**37%**	28%
Fair value of investments	**96,645**	70,183

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (Un-Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	30,953	32.0%	36,084	51.4%
Government securities	15,000	15.5%	15,000	21.4%
Mutual funds	16,611	17.2%	19,099	27.2%
Listed Debt Instruments	34,081	35.3%	-	0.0%
	96,645	100%	70,183	100%

The investments out of service fund trust have been made in accordance with the provisions of section 218 of the Companies Act.

52 CORRESPONDING FIGURES

Reclassification has been made to the corresponding figures to enhance comparability with the current year's financial statements. As a result, following line items have been amended in the statement of financial position, statement of profit or loss and related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

Reclassified from	Reclassified to	Rupees in "000"
Cost of revenue (Insurance expense)	Administration (Insurance expense)	6,639
Cost of revenue (Insurance expense)	Distribution (Other expenses)	1877

53 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on _______________ by the Board of Directors of the Company.

54 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on August 03, 2023 proposed to issue further 192,307,692 ordinary shares with a face value of PKR 10/- each, as right shares. The Company has issued draft Offer Letter to Stock Exchange for its review/ comments.

The right shares will be offered to the members in proportion of 107.602 right shares for every 100 ordinary shares held, which corresponds to 107.602% of the total paid-up capital of the Company at a price of Pkr 13/- per right shares. This price includes a premium of Pkr 3/- per right share. These unconsolidated financial statements do not reflect these issuance of right shares.

LAHORE	**Syed Sheharyar Ali**	**Mohtashim Aftab**	**Syed Shahid Ali**
28th September 2023	Chief Executive Officer	Group Chief Financial Officer	Director

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Independent Auditor's Report

To the members of Treet Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Treet Corporation Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Key audit matter	**How the matter was addressed in our audit**
Revenue Recognition The Group's sales comprise of revenue from the local and export sale of blades and razors, batteries, soaps, corrugated boxes, bikes, hemodialysis concentrates and others which has been disclosed in note 35 to the consolidated financial statements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, revenue recognition criteria has been explained in note 5.18 to the consolidated financial statements. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Group and because of the potential risk that revenue transactions may not have been recognized based on transfer of control of the goods to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: • Obtained an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue; • Assessed the appropriateness of the Group's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • Checked on a sample basis whether the recorded local and export sales transactions are based on satisfaction of performance obligation (i.e. on delivery of goods and after issue of gate passes for local sales and on shipment of goods for export sales). • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents. • Evaluated the adequacy and appropriateness of disclosures made in the consolidated financial statements..

Key audit matter(s)	How the matter was addressed in our audit
Valuation of Stock-in-trade Stock in trade has been valued following an accounting policy as stated in note 5.11 to the consolidated financial statements and the value of stock in trade is disclosed in note 13 to the consolidated financial statements. Stock in trade forms material part of the Company's assets comprising around 16.73% of total assets. The valuation of stock in trade is carried at lower of cost and net realizable value (NRV). Cost as different components, which includes judgement in relation to allocation of overhead costs, which are incurred in bringing the finished goods to its present location and condition. Judgements are also involved in determining the NRV of stock in trade in line with the accounting policy. Due to the above factors, we have considered the valuation of stock in trade as a key audit matter.	**Our audit procedures to address the Key Audit Matter included the following:** • Obtained an understanding of mechanism of recording purchases and valuation of stock in trade and testing the design and implementation of key internal controls; • On a sample basis, verified supporting documents for purchases of raw materials and the production costs; • Verified calculations of actual production costs and checked allocation of these costs to work in process and finished goods; • Obtained an understanding and assessed reasonableness of the management's process for determination of NRV and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; • Compared the NRV, on a sample basis, to the carrying value of stock in trade to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; and • For valuation of goods in transit, verified the supporting documents on sample basis. • Reviewed the adequacy of disclosure made in the consolidated financial statements in accordance with the requirements of the applicable accounting and reporting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan.

Yousuf Adil

Yousuf Adil
Chartered Accountants

Lahore

UDIN: AR202310180QROd2YUo7

Consolidated statement of financial position

As at 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	17,009,546	16,989,955
Right of use assets	7	32,052	43,397
Intangible assets	8	134,926	149,002
Long term investments	9	530,622	759,545
Long term deposits	10	111,746	99,375
Long term loans and advances	11	2,752	6,310
		17,821,644	18,047,584
Current assets			
Stores and spares	12	426,550	414,584
Stock in trade	13	4,538,884	3,222,335
Trade debts	14	1,799,114	1,092,944
Short term investments	15	100,668	102,368
Loans, advances, deposits, prepayments and other receivables	16	2,061,783	1,926,211
Employees provident fund		5,997	-
Cash and bank balances	17	367,407	516,794
		9,300,403	7,275,236
Liabilities			
Current liabilities			
Current portion of long term liabilities	18	140,340	107,541
Short term borrowings	19	8,493,325	10,052,206
Trade and other payables	20	3,496,264	2,364,941
Unclaimed dividend		15,602	15,625
Accrued mark-up	21	540,632	329,207
Provision for taxation		180,770	255,293
		12,866,933	13,124,813
Net current liabilities		(3,566,530)	(5,849,577)
Non-current liabilities			
Long term deposits	22	13,853	5,601
Deferred liabilities - employee retirement benefits	23	1,103,599	886,938
Long term finance	25	2,710,632	965,689
Government grant	26	46,304	8,283
Deferred taxation	27	506,173	629,770
Lease liabilities	28	19,971	32,367
		4,400,532	2,528,648
Contingencies and commitments	29		
		9,854,582	9,669,359
Represented by:			
Authorized capital			
750,000,000 (2022: 250,000,000) ordinary shares of Rs. 10 each		7,500,000	2,500,000
150,000,000 (2022: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		9,000,000	4,000,000
Issued, subscribed and paid up capital	30	1,787,211	1,787,211
Reserves	31	5,895,681	5,895,681
Accumulated loss		(4,818,098)	(4,820,401)
Surplus on revaluation of property, plant and equipment - net of tax	32	6,419,059	6,495,360
Loan from a director		230,000	-
Equity attributable to owners of the Company		9,513,853	9,357,852
Non - controlling interest	33	340,729	311,507
		9,854,582	9,669,359

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

LAHORE	**Syed Sheharyar Ali**	**Mohtashim Aftab**	**Syed Shahid Ali**
28th September 2023	Chief Executive Officer	Group Chief Financial Officer	Director

Consolidated statement of profit or loss

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Revenue - net	34	23,352,714	15,789,923
Cost of revenue	35	18,226,644	13,120,865
Gross profit		5,126,070	2,669,058
Administrative expenses	36	865,230	653,671
Distribution cost	37	1,845,834	1,195,099
Expected credit loss on trade debts	14.2	-	26,077
		2,711,064	1,874,847
Operating profit		2,415,006	794,211
Finance cost	38	1,976,632	1,129,469
Other operating expenses	39	267,547	163,700
		2,244,179	1,293,169
Other income	40	328,709	437,036
Share of (loss) / profit of associate		(218,115)	6,229
Profit / (loss) before taxation		281,421	(55,693)
Taxation		275,339	216,229
- Group		(22,303)	31,068
- Associate	41	253,036	247,297
Profit / (loss) after tax		28,385	(302,990)
Attributable to:			
Equity holders of the Parent Company		(697)	(313,013)
Non - controlling interest		29,082	10,023
		28,385	(302,990)
Basic earnings / (loss) per share	42	(0.004)	(1.77)
Diluted earnings / (loss) per share	42	(0.004)	(1.76)

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

Consolidated statement of comprehensive income
For the year ended 30 June 2023

	2023	2022
	(Rupees in thousand)	
Profit / (loss) after tax	28,385	(302,990)
Other comprehensive income / (loss) from continuing operations		
Items that will never be reclassified to profit or loss account:		
Remeasurement of defined benefit obligation - net of tax	(13,102)	(24,403)
Effect of change in tax rate on account of surplus on revaluation of buildings	(60,193)	-
Share of loss in associate's defined benefit liability - net of tax	133	(2,175)
	(73,162)	(26,578)
Total comprehensive income for the year	(44,777)	(329,568)
Attributable to:		
Equity holders of the Parent Company	(73,858)	(339,591)
Non-controlling interest	29,081	10,023
	(44,777)	(329,568)

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

Consolidated statement of cash flows

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash generated from operations	48	**1,960,502**	723,121
Finance cost paid		**(1,759,245)**	(1,022,179)
Taxes paid		**(451,156)**	(321,110)
WPPF and WWF paid		**(3,098)**	(151,365)
Payment to gratuity fund and superannuation fund		**5,102**	(188,087)
Long term loans and deposits - net		**(8,813)**	251,716
		(2,217,210)	(1,431,025)
Net cash used in operating activities		**(256,708)**	(707,904)
Cash flows from investing activities			
Fixed capital expenditure		**(644,186)**	(539,879)
Proceeds from sale of property, plant and equipment		**17,541**	585,189
Proceeds from disposal of long term investments		**228,923**	63,606
Acquisition of associate		**-**	-
Profit received on bank deposits		**34,096**	24,102
Dividend received		**-**	1,707
Net cash (used in) / generated from investing activities		**(363,626)**	134,725
Cash flows from financing activities			
Proceeds from issue of shares under employee stock option scheme		**-**	94,605
Payment of lease liabilities		**(15,909)**	(15,941)
Long term loans - net		**1,815,763**	718,017
Loan from director		**230,000**	-
Short term borrowings - net		**(825,803)**	89,077
Dividend paid		**(23)**	(172,470)
Net cash generated from financing activities		**1,204,028**	713,288
Net increase in cash and cash equivalents		**583,694**	140,109
Cash and cash equivalents at beginning of year		**(6,394,592)**	(6,534,701)
Cash and cash equivalents at end of year	49	**(5,810,898)**	(6,394,592)

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

LAHORE	**Syed Sheharyar Ali**	**Mohtashim Aftab**	**Syed Shahid Ali**
28th September 2023	Chief Executive Officer	Group Chief Financial Officer	Director

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Share Capital	Share Premium	Capital Reserves: Capital Reserve	Capital Reserves: Share in capital reserve of associate	Capital Reserves: Surplus on revaluation of property, plant and equipment- net of tax	Capital Reserves: Statutory Reserve	Loan from director	Revenue Reserves: General Reserve	Revenue Reserves: Accumulated loss	Total equity attributable to shareholders of Holding Company	Non - Controlling Interest (NCI)	Total shareholders equity
	(Rupees in thousand)											
Balance as at 30 June 2021	1,748,343	4,848,790	629	212,184	6,775,227	511,941		266,400	(4,567,281)	9,796,233	308,271	10,104,504
Total comprehensive loss for the year												
Loss for the year	-	-	-	-	-	-	-	-	(313,013)	(313,013)	10,023	(302,990)
Other comprehensive income	-	-	-	-	-	-	-	-	(26,578)	(26,578)	-	(26,578)
	-	-	-	-	-	-	-	-	(339,591)	(339,591)	10,023	(329,568)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	(110,495)	-	-	-	110,495	-	-	-
Surplus realized on disposal of property, plant and equipment	-	-	-	-	(144,950)	-	-	-	144,950	-	-	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	-	(25,350)	-	-	-	-	(25,350)	-	(25,350)
<u>Change in ownership interest</u>												
Transfer to / acquisition from NCI	-	-	-	-	928	-	-	-	5,859	6,787	(6,787)	-
<u>Transactions with owners of the Group, contributions and distributions</u>												
Issuance of shares under employee stock option scheme	38,868	55,737	-	-	-	-	-	-	-	94,605	-	94,605
Final dividend for the year ended 30 June 2021 at Rs.1 per share	-	-	-	-	-	-	-	-	(174,833)	(174,833)	-	(174,833)
	38,868	55,737	-	-	-	-	-	-	(174,833)	(80,228)	-	(80,228)
Balance as at 30 June 2022	1,787,211	4,904,527	629	212,184	6,495,360	511,941	-	266,400	(4,820,401)	9,357,852	311,507	9,669,358
Total comprehensive income for the year												
Loss for the year	-	-	-	-	-	-	-	-	(696)	(696)	29,082	28,386
Other comprehensive income	-	-	-	-	-	-	-	-	(73,162)	(73,162)	-	(73,162)
	-	-	-	-	-	-	-	-	(73,858)	(73,858)	29,082	(44,776)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	(76,301)	-	-	-	76,301	(0)	-	(0)
Surplus realized on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	-	-	-	-	-	-	-	-	-
<u>Change in ownership interest</u>												
Transfer to / acquisition from NCI	-	-	-	-	-	-	-	-	(140)	(140)	140	-
<u>Transactions with owners of the Group, contributions and distributions</u>												
Loan received from a director	-	-	-	-	-	-	230,000	-	-	230,000	-	230,000
Balance as at 30 June 2023	1,787,211	4,904,527	629	212,184	6,419,059	511,941	230,000	266,400	(4,818,098)	9,513,853	340,729	9,854,582

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

LAHORE
28th September 2023

Syed Sheharyar Ali
Chief Executive Officer

Mohtashim Aftab
Group Chief Financial Officer

Syed Shahid Ali
Director

Notes to the consolidated financial statements
For the year ended 30 June 2023

1 STATUS AND NATURE OF THE BUSINESS

The Group comprises of :

Holding Company

Treet Corporation Limited

	2023	2022
	(Holding percentage)	
Subsidiary Companies		
- Treet Holdings Limited	**100.00**	100.00
- First Treet Manufacturing Modaraba	**99.32**	99.32
- Treet HR Management (Private) Limited	**100**	100.00
- Treet Power Limited	**100**	100.00
- Renacon Pharma Limited	**55.86**	55.86
- Treet Battery Limited	**100.00**	100.00
Associate		
- Loads Limited	**12.49**	12.49
- Global Assets (Private) Limited	**28.85**	28.85

Treet Corporation Limited

Treet Corporation Limited ("the Holding Company") was incorporated in Pakistan on 22 January 1977 as a public limited company under the Companies Act, 1913 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of 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. The manufacturing facilities of the Holding Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

First Treet Manufacturing Modaraba

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 subsidiary of Treet Corporation Limited), incorporated in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.The registered office and manufatcuring facility of the Modaraba are situated at 72-B, Kot Lakhpat, Industrial Area, Lahore.

Treet Battery Limited

Treet Battery Limited was incorporated on 22 February 2019 in Pakistan under the Companies Act, 2017. The subsidiary company carries 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 cadmimum 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.

Restructuring of First Treet Manufacturing Modaraba

First Treet Manufacturing Modaraba (FTMM) and Treet Battery Limited (TBL) filed a joint petition before the Honourable Lahore High Court, Lahore (the Court) seeking approval of the Court for a Scheme of Arrangement (the Scheme) for demerger, bifurcation and reconstruction of the battery undertaking and business of the Modaraba (the Business) under sections 279 to 282 of the Companies Act, 2017. The Scheme was also approved by the certificate and shareholders of FTMM and TBL in separate Extra Ordinary General Meetings of the members held on March 02, 2022. On January 10, 2023, the Court sanctioned the Scheme. The Court, in its order, specified April 01, 2019 as the effective date of demerger.

Vesting and transfer of the Business to the Treet Battery Limited

As per the Scheme, from and on the effective date the Business was duly transferred and vested in Treet Battery Limited (TBL) in the following manner:

(i) the battery undertaking and business subsisting immediately preceding the sanction date was, without further act or deed, matter or thing, process or procedure, be separated from the FTMM and transferred to and vested in TBL on the sanction date. The transfer and vesting of the battery undertaking was free from all mortgages or charges or other encumbrance.

(ii) the separation from the FTMM and transfer to and vesting in TBL was treated as having taken effect from the effective date i.e. April 01, 2019, and as from that time and until the sanction date i.e. April 01, 2023, the Business was deemed to have been owned and held for and on account and for the benefit of TBL and all profits, dividends, bonus shares, right shares and entitlements accruing or arising to FTMM from or on account of the Business were treated as profits, dividends, bonus share, right shares and entitlements accruing or arising to TBL.

(iii) As consideration for transfer and vesting of the Business, TBL were to alot 0.9984 ordinary shares to the certificate holders of the FTMM in respect of one certificate in FTMM held by them.

Main features of the Scheme are summarized below:

(i) 883.277 million shares of TBL having face value of Rs. 8,832.773 million were to be issued to the certificate holders of FTMM, consequently certificate capital of FTMM, attributable to the Business were to be reduced by 687.99 million certificates having face value of Rs. 6,879.903 million and remaining 195.287 million shares having face value of Rs. 1,952.870 million were to be issued against share premium of Rs. 1,952.870 million of FTMM.

(ii) The balance of surplus on revaluation of property, plant and equipment were to be segregated between the Business and subsisting businesses of FTMM on the basis of the valuation determined by an independent valuer on June 30, 2021.

(iii) The properties, assets, rights, liabilities and obligations comprised in battery segement including, without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated losses of FTMM relating to battery segement as at the day preceding the effective date and immediately preceding the sanction date were to be accounted for in the books of TBL.

(iv) All suits, appeals, arbitration governmental investigations and other legal proceedings instituted by or against FTMM in respect of battery segement, and pending before any court, tribunal, regulatory body, or any other authority were to be treated as suit, appeals and legal proceedings by or against TBL and may be continued, prosecuted and enforced by or against TBL accordingly.

Transfer of Battery Segment balances

On the sanctioned date, FTMM has transferred assets and liabilities of Battery segement to TBL as per the Scheme sanctioned by the Honourable Lahore High Court, Lahore.

Treet Holdings Limited

Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 under the Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its commercial operations from 01 January 2005. The principal activity of the subsidiary company is assembling and sale of motor bike and rickshaw. The subsidiary company is the management company of First Treet Manufacturing Modaraba. Its head office and assembly plant are situated at 72-B, Industrial Area Kot Lakhpat, Lahore.

Treet HR Management (Private) Limited

Treet HR Management (Private) Limited was incorporated in Pakistan on 18 September 2006 as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The subsidiary company is engaged in the business of rendering professional and technical services and providing related workforce to the host companies / customers under service agreements. The registered office of the subsidiary company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company subsidiary is a wholly owned subsidiary of Treet Holdings Limited, which is also a subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Treet Power Limited

'Treet Power Limited was incorporated in Pakistan on 20 November 2007 under the Companies Ordinance, 1984 (now Companies Act, 2017). At present the subsidiary company is planning to set up an Electric Power Generation Project for generating, distributing and selling of Electric Power, which is kept in abeyance in order to complete other projects of the Group Companies of Treet Corporation Limited. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The subsidiary company is a wholly owned subsidiary of Treet Holdings Limited, which is also a subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Renacon Pharma Limited

Renacon Pharma Limited was incorporated on 07 July 2009 as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The subsidiary company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The subsidiary company is engaged in the business of manufacturing of all types of formulations of Haemodialysis concentration in powder and solution form for all brands of machines. The registered office and manufacturing facility of the subsidiary company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

1.1 Basis of consolidation and equity accounting

These consolidated financial statements comprise the financial statements of the Holding Company, its subsidiary companies and its associates as at 30 June 2023. These consolidated financial statements have been prepared from the information available in the audited separate financial statements of the Holding Company for the year ended 30 June 2023 and the audited financial statements of the subsidiaries and associates for the year ended 30 June 2023.

1.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Holding Company have been eliminated against the shareholders' equity in the subsidiary companies. The financial statements of the subsidiaries are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - group transactions, are eliminated.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Non-controlling interest is measured at proportionate share of identifiable net assets at the time of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or under IFRS - 09, depending on the level of influence retained.

1.2.1 Associates

Associates are all entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the associate after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to statement of profit or loss account where appropriate.

The Group's share of its associates post acquisition profits or losses is recognized in the consolidated statement of profit or loss and its share in post acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The Group's share of its associates post acquisition changes in net assets are recognized directly in equity with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associate including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

Unrealized gains arising from transactions between the Group and its associates are eliminated against investment to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associates, which the Group intends to dispose off within twelve months of the reporting date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying amount and fair value less cost to sell.

Dilution gains and losses arising in investments in associates are recognized in the consolidated statement of profit or loss.

At each reporting date, the Group reviews the carrying amounts of its investments in associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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 (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under 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; and

- 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 and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value as referred to in note 5.21, the measurement of certain items of property, plant and equipment as referred to in note 5.3 at revalued amounts and recognition of certain employee retirement benefits as referred to in note 5.1 at present value. In these consolidated financial statements, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

2.3 Functional and presentational currency

These consolidated financial statements are presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees except stated otherwise.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

3.1 Property, plant and equipment

The Group reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Group expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2 Stores and spares

The Group reviews the stores and spares for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

3.3 Stock-in-trade

The Group reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.4 Expected credit loss (ECL) against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

3.5 Employee benefits

The Group operates approved funded gratuity and superannuation scheme covering all its full time permanent employees who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity and superannuation schemes are managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market-related value at the beginning of the year. Gratuity and superannuation cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

3.6 Taxation

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Group also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

3.7 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

3.8 Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

3.9 Revaluation of property, plant and equipment

Revaluation of certain classes of property, plant and equipment is carried out by an independent professional valuer.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

3.10 Lease term

The Group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

4.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements.

5.1 Employee benefits

Defined contribution plans

The Group has maintained five contributory schemes for the employees, as below:

i) A recognized contributory provident fund scheme namely "Treet Corporation Limited - Group Employees Provident Fund" is in operation covering all permanent employees. Equal monthly contributions are made both by the Group and employees in accordance with the rules of the scheme at 10% of the basic salary. Group's contribution to the fund is charged to consolidated statement of profit or loss.

ii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employee Service Fund" is in operation which covers all permanent management employees. In accordance with the rules of the scheme, equal monthly contributions are made both by the Group and employees at 10% of basic salary from the date the employee gets permanent status. Additional contributions may be made by the Group for those employees who have at most 15 years of service remaining before reaching retirement age, however, employees can start their additional contribution above the threshold limit of 10% of the basic salary at any time. Group's contribution to the fund is charged to consolidated statement of profit or loss.

iii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Benevolent Fund" in operation for the benefit of employees if the employee opts for the scheme. The contributions to the fund are made at 10% of employees basic salary on monthly basis by both employee and the employer. Periodic bonuses by the Group to all the employees in any year, not exceeding one month's basic salary of an employee, are credited to his personal account in the Fund at the sole discretion of the Group. Group's contribution to the fund is charged to consolidated statement of profit or loss.

iv) An unrecognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Superannuation-II Fund" is in operation covering all permanent management employees. Equal monthly contributions are made both by the Group and employees in accordance with the rules of the scheme at 12% of the basic salary. Group's contribution to the fund is charged to consolidated statement of profit or loss.

v) An unrecognized contributory fund scheme namely, "Treet Corporation Limited - Group Employees Housing Fund Scheme" is in operation covering permanent management employees with minimum five years of service with the Group. Equal contributions are made monthly both by the Group and employees in accordance with the rules of the Scheme at 20% of the basic pay. Group's contribution to the fund is charged to consolidated statement of profit or loss.

Defined benefit plans

An approved funded gratuity scheme and a funded superannuation scheme is in operation for all employees with qualifying service periods of six months and ten years respectively. These are operated through "Treet Corporation Limited - Group Employees Gratuity Fund" and "Treet Corporation Limited - Group Employee Superannuation Fund", respectively. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to consolidated statement of profit or loss. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method for valuation. The latest valuation was carried out at 30 June 2022. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in consolidated statement of profit or loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated statement of profit or loss account. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

5.2 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax losses used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and tax credits, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is charged in the statement of profit or loss, except in the case of items charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.3 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any, except for freehold land, buildings on freehold land and plant and machinery. Freehold land is stated at revalued amount determined based on valuation carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings on freehold land is stated at revalued amount determined based on valuation carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. The plant and machinery is stated at revalued amount, which was determined based on valuation carried out by independent valuer as at 30 June 2021. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the related asset, and the net amount is restated to the revalued amount.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful lives given in note 6.1.

Depreciation on additions to property, plant and equipment is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Depreciation methods, residual value and the useful life of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to statement of profit or loss as and when incurred.

On disposal or scrapping, the cost of the assets and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the statement of profit or loss.

Capital work in progress

Capital work in progress is stated at cost, less any identified impairment loss. Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use.

Investment property

Property not held for own use or for the sale in the ordinary course of business is classified as investment property. The investment property of the Group comprise of land and is valued using the cost method and is stated at cost less any identified impairment loss.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the consolidated statement of profit or loss.

5.4 Intangible assets

Goodwill
Goodwill arising from a business combination is allocated to cash generating unit or group of cash generating units that are expected to benefit from the synergies of the combination. Impairment loss in respect of goodwill is not reversed.

Goodwill arising on the acquisition of the subsidiaries is measured at cost less accumulated impairment losses, if any.

Computer software
Intangible assets represent the cost of computer software (ERP system) and are stated at cost less accumulated amortization and any identified impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

All intangibles with finite useful life are amortized over the period of five years on a straight line basis so as to write off the cost of an asset over their estimated useful life. Amortisation on additions to intangible assets is charged from the day the asset is available for use till the day the asset is fully amortized or disposed off.

5.5 Leases

The Group is the lessee.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss account if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

5.6 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are required and re-evaluates this classification on regular basis.

5.7 Impairment

Financial assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract asset

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The carrying amount of the Group's non-financial assets, other than inventories, goodwill and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.8 Stores and spares

These are valued at the moving average cost except for items in transit, which are valued at invoice price and related expenses incurred upto the reporting date. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares.

5.9 Stock in trade

Stocks of raw materials, packing materials, work-in-process and finished goods are valued at lower of moving average cost and net realizable value, except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work in process and finished goods includes direct production costs such as raw materials, consumables, labor and appropriate proportion of production overheads. Finished goods purchased for resale are valued at moving average cost of purchase and comprise of purchase price and other costs incurred in buying the material to its present location and condition.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to be incurred to make the sale.

5.10 Trade debts, loans, deposits and other receivables

These are classified at amoritzed cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

5.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, current and deposit account balances with banks and outstanding balance of running finance facilities availed by the Group.

5.12 Borrowings

Borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

5.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Group.

5.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A provision for warranties is recognised on the basis of best estimate of the warranty expense at the balance sheet date based on the past practice of customer claims and quantum of warranty expenses incurred during the year. While making the estimate, the Group takes into account the frequency of customer complaints, the past and expected trend of defects in the product etc.

5.15 Foreign currency translation

Foreign currency transactions are translated into Pakistan Rupees which is the Group's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss. All non-monetary assets and liabilities are translated in Pakistan Rupees using the exchange rates prevailing at the date of transaction or at the date when the fair value was determined.

5.16 Revenue recognition

Revenue from contracts with customers is recognised, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

5.16.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are delivered to customers and in very few cases when goods are handed over to the customers i.e. ex-factory, in case of local sales. Further in case of export sale, control is transferred when goods are loaded on vessels.

5.16.2 Dividends

Dividend income is recognized when the Group's right to receive the dividend is established.

5.16.3 Interest income

Interest income is recognised as it accrues under the effective interest method.

5.17 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Group on account of contractual delays in delivery of performance obligations and incentive on target achievements.

5.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss account in the period in which they are incurred.

5.19 Financial instruments

5.19.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

5.19.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, long term loans and advances, trade debts, deposits and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Group has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

Equity instrument at fair value through other comprehensive income comprises of long term investment in Techlogix International Limited.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at fair value through profit or loss comprise of short term investment in listed equity securities and long term deposits.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in consolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in consolidated statement of profit or loss.

Financial liabilities comprise trade and other payables, short term borrowings, long term financing, current portion of long term liabilities, long term deposits, accrued markup and unclaimed dividend.

5.19.3 Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial libilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

5.20 Research and development costs

Research and development costs are charged to profit or loss account as and when incurred.

5.21 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.22 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director of the Group that makes strategic decisions.

5.23 Government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group recognizes government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

Loan at subsidized rate under SBP refinancing scheme for payment of wages and salaries is initially measured at the fair value i.e. the present value of the expected future cash flows discounted at a market-related interest rate. The difference between the amount received and the fair value is recognized as government grant.

5.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.25 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

5.26 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in thousand)	
Operating fixed assets	6.1	15,396,402	15,792,559
Capital work in progress	6.2	1,613,144	1,197,396
		17,009,546	16,989,955

6.1 Operating fixed assets

2023

	Annual rate of depreciation	Cost / revalued amount as at July 01, 2022	Additions / (Deletions)	Cost / revalued amount as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Depreciation charge / (deletions) for the year	Accumulated depreciation as at June 30, 2023	Book value as at June 30, 2023
	%	--------	--------	--------	(Rupees in thousand)	--------	--------	--------
Owned								
Freehold land - note 6.1.1	-	4,948,574	-	4,948,574	-	-	-	4,948,574
Building on freehold land - note 6.1.1	3.33 - 5	4,440,489	12,842	4,453,331	132,489	129,511	262,000	4,191,331
Buildings on leasehold land	10	21,432	-	21,432	2,143	3,283	5,426	16,006
Plant and machinery	10	6,548,670	113,427	6,662,097	425,876	435,678	861,554	5,800,543
Furniture and equipment	10 - 25	324,337	40,482	364,402	139,763	32,199	171,700	192,703
			(417)			(262)		
Computer & IT equipment	25	85,222	15,873	99,436	73,615	6,803	79,082	20,354
			(1,658)			(1,336)		
Vehicles	20	460,772	111,624	508,799	263,015	70,478	281,908	226,891
			(63,597)			(51,585)		
		16,829,496	294,248	17,058,072	1,036,901	677,952	1,661,670	15,396,402
			(65,672)			(53,183)		

2022

	Annual rate of depreciation	Cost / revalued amount as at July 01, 2022	Additions / (Deletions)	Cost / revalued amount as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Depreciation charge / (deletions) for the year	Accumulated depreciation as at June 30, 2022	Book value as at June 30, 2022
	%	--------	--------	--------	(Rupees in thousand)	--------	--------	--------
Owned								
Freehold land - note 6.1.1	-	4,948,574	-	4,948,574	-	-	-	4,948,574
Building on freehold land - note 6.1.1	3.33 - 5	4,440,489	-	4,440,489	-	132,489	132,489	4,308,000
Buildings on leasehold land	10	21,432	-	21,432	-	2,143	2,143	19,289
Plant and machinery	10	6,153,484	395,186	6,548,670	-	425,876	425,876	6,122,794
Furniture and equipment	10 - 25	307,039	17,878	324,337	109,378	30,642	139,762	184,575
			(580)			(258)		
Computer & IT equipment	25	79,710	6,932	85,222	67,590	7,292	73,615	11,606
			(1,420)			(1,266)		
Vehicles	20	436,746	100,036	460,772	259,255	63,179	263,015	197,721
			(76,010)			(59,383)		
		16,387,474	520,032	16,829,496	436,223	659,478	1,036,901	15,792,559
			(78,010)			(60,907)		

6.1.1 Particulars of immovable property (i.e. land and building) in the name of Holding Company and its subsidiaries are as follows:

Location	Usage of Immovable Property	Total area (acres)	Covered Area (Square Feet)
Main Haali/ Link Road Hyderabad	Manufacturing facility	**5.49**	98,696
72-B Main Peco Road, Kot Lakhpat Lahore	Head Office and Manufacturing facility	**11.62**	231,440
Warehouse land, 14 Km Multan Road, Lahore	Warehouse	**1.50**	10,752
09 Km Thokar Niaz Baig, Lahore	Education campus	**15.17**	348,480
Faisalabad Industrial Estate, Sahianwala Faisalabad	Manufacturing facility	**40**	367,184
05 Km off Ferozpur Road, Gajju Matta, Kacha Road, Lahore	Manufacturing facility and ware-house	**10.29**	142,403

6.1.2 The latest revaluation is carried out at 30 June 2021. As per the revaluation report, forced sale value of freehold land, building on freehold land and plant and machinery is Rs. 4,204.4 million, Rs. 3,792.63 million and 4,922.79 million respectively.

	Note	2023	2022
		(Rupees in thousand)	
6.1.3 Depreciation charge for the year has been allocated as follows:			
Cost of goods sold - blades	35.1	**310,416**	303,091
Cost of goods sold - soaps	35.2	**416**	3,588
Cost of goods sold - corrugated boxes	35.3	**33,482**	28,612
Cost of goods sold - bikes	35.4	**1,811**	1,810
Cost of goods sold - battery	35.5	**262,936**	274,432
Cost of goods sold - pharmaceutical products	35.6	**2,187**	2,561
		611,249	614,094
Administrative expenses	36	**47,091**	38,250
Distribution cost	37	**19,612**	18,021
		677,952	670,365

6.1.4 Had the assets not been revalued, the net book value of specific classes of operating fixed assets would have amounted to:

	2023	2022
Freehold land	**367,054**	469,885
Buildings	**2,929,082**	3,821,834
Plant and Machinery	**3,409,249**	3,920,264
	6,705,385	8,211,983

6.1.5 The following assets were disposed off during the year having net book value above Rs. 0.5 million:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss) on disposal	Mode of disposal	Relationship with the Company	Particulars of purchaser
	---------------- (Rupees in thousand)							
Vehicles								
Honda Civic	4,012	1,435	2,577	2,652	75	Company Policy	Employee	Farid Rasheeed
Glory	4,500	1,625	2,875	3,607	732	Company Policy	Employee	Hussain Yousaf
Toyota Yaris	2,888	16	2,872	-	(2,872)	Company Policy	Employee	Sohail Habib
Suzuki Cultus	875	14	861	35	(826)	Company Policy	Employee	Anis Gohar Sheikh
Suzuki Cultus	990	198	792	120	(672)	Company Policy	Employee	Sameer Malik
2023	**13,265**	**3,288**	**9,977**	**6,414**	**(3,563)**			
2022	15,878	7,886	7,992	10,768	2,776			

	Note	2023	2022
		(Rupees in thousand)	
6.2 Capital work in progress			
Civil works		1,270,542	861,076
Plant and machinery		286,645	240,720
Furniture and equipment		36,141	19,395
Vehicles		19,816	-
Advances for capital expenditure		-	76,205
		1,613,144	1,197,396

7 RIGHT OF USE ASSETS

	Note	2023	2022
Cost as at 01 July		137,141	126,776
Additions during the year		16,625	10,365
		153,766	137,141
Accumulated depreciation			
As at 01 July		(54,467)	(38,977)
Amortization for the year	7.1	(17,272)	(15,490)
		(71,739)	(54,467)
Cancellation of lease		(49,975)	(39,277)
Net book value as at 30 June		32,052	43,397

Annual rate of depreciation - 15% - 35% (2022: 15% - 35%)

7.1 The depreciation charge for the year on the right of use assets has been allocated as under:

	Note	2023	2022
Cost of revenue	35	17,272	8,745
Distribution cost	37	-	6,745
		17,272	15,490

		Note	2023	2022
			(Rupees in thousand)	
8	**INTANGIBLE ASSETS**			
	Oracle computer software and implementation	8.1	1,313	15,389
	Goodwill acquired on acquisition	8.2	133,613	133,613
			134,926	149,002

8.1 Oracle computer software and implementation

Intangible asset represents computer software (ERP system).

	2023	2022
Cost		
As at 01 July	73,836	73,836
Addition during the year	716	-
	74,552	73,836
Accumulated amortisation		
As at 01 July	(58,447)	(43,680)
Amortisation for the year	(14,792)	(14,767)
	(73,239)	(58,447)
Balance at 30 June	1,313	15,389

Rate of amortisation - 20% (2022: 20%)

8.2 Goodwill acquired on acquisition

This represents excess of purchase consideration paid by the Group for acquisition of Renacon Pharma Limited (RPL) over Group's interest in the fair value of identifiable net assets of RPL at date of acquisition.

The recoverable amount of goodwill has been tested for impairment as at 30 June 2023 based on value in use in accordance with IAS 36 "Impairment of Assets". The recoverable amount was calculated on the basis of five years business plan which includes a comprehensive analysis of existing operational deployments of the Company along with strategic business plans and business growth. The value in use calculations are based on cash flow projections derived from aforesaid business plan, which have been extrapolated beyond five years, by using a growth rate of 5%. The cash flows are discounted using a discount rate of 16.95% which is sensitive to discount rate and local inflation rates. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

		Note	2023	2022
9	**LONG TERM INVESTMENTS**			
	At FVOCI	9.1	8,167	8,167
	Investment in associates	9.2	522,455	751,378
			530,622	759,545

		Note	2023	2022
			(Rupees in thousand)	
9.1	**Fair value through OCI**			
	Techlogix International Limited - unquoted			
	711,435 (2021: 711,435) fully paid ordinary shares of par value of USD 0.190761. Equity held: 0.67 % (2022: 0.67 %)			
	Investment classified as fair value through other Comprehensive income		**8,167**	8,167
			8,167	8,167

9.1.1 Techlogix International Limited ("Techlogix") is a Bermuda registered Company with the beneficial owners, Salman Akhtar and Kewan Khawaja of United States of America. Techlogix is engaged in providing specialized technical consultancy and software development services to national and international clients. The Group intends to hold this investment of USD 104.5 (2022: USD 104.5) over the long term and realise its returns. During the year, the Group has not received any return (2022: Rs. Nil).

9.1.2 This investment was made before the promulgation of the Companies Act, 2017 and the requirements of repealed Companies Ordinance, 1984 were duly complied with at the time of investment.

		Note	2023	2022
9.2	**Investment in associate**			
	Loads Limited- quoted 31,387,657 (2022: 31,387,657) fully paid ordinary shares of Rs. 10 each Equity held: 12.49% (2022: 12.49%) Chief Executive Officer - Munir K. Bana	9.2.1	**509,290**	733,619
	Global Assets (Private) Limited - unquoted 3,000,000 fully paid ordinary shares of Rs. 10 each Equity held: 28.74% (2022: 28.74%) Chief Executive Officer - Syed Shahid Ali	9.2.2	**13,165**	17,759
			522,455	751,378

	2023	2022
	(Rupees in thousand)	
9.2.1 Loads Limited		
Cost	**287,455**	287,455
Brought forward amounts of post acquisition reserves and profits recognized directly in consolidated statement of profit or loss	**446,164**	460,441
	733,619	747,896
Investment made during the year	**-**	-
	733,619	747,896
Share of profit / (loss) for the year		
- before taxation	**(213,053)**	19,350
- provision for taxation	**(11,432)**	(31,068)
	(224,485)	(11,718)
Share of other comprehensive income	**156**	(2,559)
Balance as at 30 June	**509,290**	733,619

The Holding Company's investment in Loads Limited is less than 20% but it is considered an associate in accordance with the requirements of IAS - 28 "Investments in Associates" since the Company has significant influence over its financial and operating policies through its representation on the Board of Loads Limited.

Loads Limited ("Loads") was incorporated in Pakistan on 01 January 1979 as a private limited Company. On 19 December 1993, Loads was converted to public unlisted Company and subsequently on 01 November 2016, the shares of the Loads were listed on Pakistan Stock Exchange Limited. The registered office of the Loads is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi. The principal activity of the Loads is to manufacture and sale of radiators, exhaust systems and other components for automotive industry. The activities of the Loads are largely independent of the Holding Company. The following table summarizes the financial information of Loads as included in its own consolidated audited financial statements and the Group's share in the results. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in its associate.

	2023	2022
	(Rupees in thousand)	
Percentage of direct holding - 12.49% (2022: 12.49%)		
Percentage of effective holding - 12.57% (2022: 12.57%)		
Non-current assets	4,404,997	5,432,763
Current assets	2,439,622	3,682,337
Non-current liabilities	(926,014)	(1,347,689)
Current liabilities	(3,751,938)	(3,819,444)
Net assets (100%)	2,166,667	3,947,967
Group's share of net assets	270,673	493,204
Impact of revaluation of property plant and equipment	238,617	240,415
Carrying amount of interest in associate	509,290	733,619
Revenue	7,791,955	7,791,955
Loss from operations	(1,797,633)	(86,255)
Other comprehensive income	12,971	(32,762)
Total comprehensive income (100%)	(1,784,662)	(119,017)
Group's share of total comprehensive income / (loss)	(224,329)	(14,960)

9.2.1.1 Partial investment was made before the promulgation of the Companies Act, 2017 and the requirements of repealed Companies Ordinance, 1984 were duly complied at the time of investment. Further investments made during the year is complied with the requirement of Company's Act 2017.

9.2.2 Global Assets (private) Limited

	2023	2022
Cost	30,000	**30,000**
Brought forward amounts of post acquisition reserves and (loss) recognized directly in consolidated statement of profit or loss	(12,241)	**881**
Share of (loss) / profit for the year	(4,594)	**(13,122)**
Balance as at 30 June	13,165	**17,759**

Global Assets (Private) Limited (formerly Treet Assets (Private) Limited) was incorporated on 12 May 2008 in Pakistan under the (repealed) Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activities of the company is to deal with investments in shares, debentures, bonds or any securities of the company or on behalf of the holding company i.e. Messrs. Treet Corporation Limited as well as other group companies. The registered office of the company is situated at 72-B, Industrial Area, Kot lakh pat, Lahore. The following table summarizes the financial information of Global Assets Limited as included in its own audited financial statements and the Group's share in the results. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in its associate.

	Note	2023	2022
		(Rupees in thousand)	
Percentage interest held		**28.85%**	**28.85%**
Current assets		42,826	58,828
Current liabilities		(325)	(326)
Net assets (100%)		42,501	58,502
Group's share of net assets		12,261	16,877
Excess of purchase consideration over net assets		882	882
Carrying amount of interest in associate		13,143	17,759
Total comprehensive (loss)/income		(15,926)	(45,488)
Group's share of total comprehensive (loss) / income		(4,594)	(13,122)

9.2.2.1 This investment was made before the promulgation of the Companies Act, 2017 and the requirements of repealed Companies Ordinance, 1984 were duly complied at the time of investment.

10 LONG TERM DEPOSITS

		2023	2022
Security deposit		111,706	99,335
Others		40	40
		111,746	99,375

11 LONG TERM LOANS

	Note	2023	2022
Loans to employees - secured, considered good	11.1	24,310	23,817
Less : Current portion of loan to employees - secured, considered good	16	(21,558)	(17,507)
		2,752	6,310

11.1 These loans are interest free and are secured against employees' retirement benefits. These loans are recoverable in 12 to 24 monthly instalments. This includes loans to executives amounting to Rs. 13.7 million (2022: Rs. 2.43 million) which further include loan to the following key management personnels;

	2023	2022
Arshad Latif	-	-
M. Mohtashim Aftab	-	3,600
Mr. Akhlaq Ahmed	-	1,686
Amir Kaleem	619	-
Israr-Ul Haq	1,163	-
Muhammad Khurram Iqbal	2,482	-
Chaudhry Ehsan Ul Haq	4,500	-
Zunaira Dar	2,014	-
Mohammad Imran	465	-
Rashid Siddique	657	-
Rana Imran Ahmed	401	-
Asghar Ali Bhatti	656	-
	12,957	5,286

	Note	2023	2022
		(Rupees in thousand)	
11.2 Maximum outstanding balance with reference to month end balances are as follows:			
Arshad Latif		-	803
M. Mohtashim Aftab		-	4,800
Mr. Akhlaq Ahmed		-	1,686
Amir Kaleem		2,972	-
Israr-Ul Haq		1,395	-
Muhammad Khurram Iqbal		3,505	-
Chaudhry Ehsan Ul Haq		5,400	-
Zunaira Dar		2,686	-
Mohammad Imran		1,860	-
Rashid Siddique		717	-
Rana Imran Ahmed		1,604	-
Asghar Ali Bhatti		1,575	-

Further, no amount is due from Directors and Chief Executive at the year end (2022: Rs. Nil).

12 STORES AND SPARES

	Note	2023	2022
Stores		268,320	264,800
Spares		163,753	155,307
	12.1	432,073	420,107
Provision for obsolete and slow moving inventory		(5,523)	(5,523)
		426,550	414,584

12.1 It includes stores and spares in transit amounting to Rs. Nil (2022: Rs. 3.11 million).

		Note	2023	2022
			(Rupees in thousand)	
13	**STOCK IN TRADE**			
	Blades, razor and other trading operations:			
	Raw and packing material	13.1	1,899,397	1,150,463
	Work in process	35.1	137,153	341,213
	Finished goods	13.2 & 35.1	827,100	487,110
			2,863,650	1,978,786
	Battery:			
	Raw and packing materials	13.1	853,846	464,796
	Work in process	35.5	238,743	332,698
	Finished goods	13.2 & 35.5	48,479	72,681
			1,141,068	870,175
	Soaps:			
	Raw and packing materials		84,586	35,893
	Finished goods	35.2	82,898	28,198
			167,484	64,091
	Corrugated boxes:			
	Raw and packing materials		197,641	199,788
	Work in process	35.3	11,197	7,975
	Finished goods	35.3	38,668	22,941
			247,506	230,704
	Bike:			
	Raw and packing materials	13.1	15,052	13,730
	Finished goods	35.4	3,905	1,465
			18,957	15,195
	Pharmaceutical products:			
	Raw and packing materials	13.1	85,774	56,687
	Work in process	35.6	-	-
	Finished goods	35.6	19,805	10,242
			105,579	66,929
			4,544,244	3,225,880
	Provision for obsolete and slow moving inventory		(5,360)	(3,545)
			4,538,884	3,222,335

13.1 It includes raw material in transit, the break up is as follows;

	2023	2022
Blades	168	277
Battery	125	25
Bike	-	-
Pharmaceutical products	30	19
	323	321

13.2 The amount charged to consolidated statement of profit or loss on account of write down of finished goods to net realizable value amounts to Nil (2022: Nil). It also includes finished goods in transit amounting to Nil (2022: Rs. 1.84 million).

	Note	2023	2022
		(Rupees in thousand)	
14 TRADE DEBTS			
Foreign debtors		**258,013**	122,977
Local debtors	14.1	**1,580,615**	1,060,105
		1,838,628	1,183,082
Less: Impairment allowance	14.2	**(39,514)**	(90,138)
		1,799,114	1,092,944

14.1 It includes unsecured receivable from following related parties:

	Note	2023	2022
Liaqat National Hospital	14.1.1	**3,254**	4,914
Loads Limited	14.1.2	**45**	100
Gilab Devi Chest Hospital	14.1.3	**141**	252
Elite Brands Limited	14.1.4	**32,487**	25,053
Specialized Autoparts Industries (Pvt) Limited	14.1.5	**75**	5
Multiple Autoparts Industries (Pvt) Limited		**-**	5
		36,002	30,329

14.1.1 This represents receivable in the normal course of business and is due by not more than 180 days. The maximum amount outstanding at the end of any month was Rs. 5.38 million (2022: 7.82 million).

14.1.2 This represents receivable in the normal course of business and is due by not more than 90 days. The maximum amount outstanding at the end of any month was Rs. 0.25 million (2022: Rs 51.95 million).

14.1.3 This represents receivable in the normal course of business and is due by less than 90 days. The balance is neither past due nor impaired. Maximum amount outstanding at any time during the year, with respect to month end balances, was Rs. 0.176 million (2022: Rs 0.252 million).

14.1.4 This represents receivable in the normal course of business and is due by less than 90 days. The balance is neither past due nor impaired. Maximum amount outstanding at any time during the year, with respect to month end balances, was Rs. 20.737 million (2022: Rs. 25.05 million).

14.1.5 This represents receivable in the normal course of business and is due by less than 90 days. The balance is neither past due nor impaired. Maximum amount outstanding at any time during the year, with respect to month end balances, was Rs. 0.075 million (2022: Rs. 0.005 million).

14.2 The movement in allowance for impairment is as follows:

	Note	2023	2022
Balance as at 01 July		**90,138**	62,891
Expected credit loss for the year		**4,011**	27,247
Reversal of expected credit loss for the year	40	**(54,635)**	-
Balance as at 30 June		**39,514**	90,138

	Note	2023	2022
		(Rupees in thousand)	
15 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Listed equity securities	15.1	**100,668**	102,368
		100,668	102,368

15.1 Detail of investments in listed equity securities is stated below:

		2023						
		Shares	Cost	Market value	Opening unrealized gain / (loss)	Realized gain on disposal during the year	Unreal-ized gain / (loss) during the year	Closing unrealized gain / (loss)
		Number	-------------------------(Rupees in thousand)-------------------------					
a)	**Banks**							
	Silk Bank Limited	15,925,000	26,612	15,925	(7,820)	-	(2,867)	(10,687)
b)	**Textile**							
	Sunrays Textiles Mills Limited	27,026	2,458	2,703	3,495	-	(3,250)	245
	Maqbool Textiles Mills Limited	894,500	27,554	81,847	49,686	-	4,607	54,293
c)	**Steel Mills**							
	Aisha Steel Mills Limited	32,704	-	176	361	-	(185)	176
d)	**Miscellaneous**							
	IGI Holdings Limited	203	31	17	(9)	-	(5)	(14)
	Transmission Engineering Limited	133,000	-	-	-	-	-	-
		17,012,433	56,655	100,668	45,713	-	(1,700)	44,013

		2022						
		Shares	Cost	Market value	Opening unrealized gain / (loss)	Realized gain on disposal during the yea	Unrealized gain / (loss) during the year	Closing unrealized gain / (loss)
		Number	-------------------------(Rupees in thousand)-------------------------					
a)	**Banks**							
	Silk Bank Limited	15,925,000	26,612	18,792	5,549	(220)	(13,218)	(7,820)
b)	**Textile**							
	Sunrays Textiles Mills Limited	27,026	2,458	5,953	5,919	-	(2,426)	3,495
	Maqbool Textiles Mills Limited	894,500	27,554	77,240	624	-	49,063	49,686
c)	**Steel Mills**							
	Aisha Steel Mills Limited	32,704	-	361	-	-	361	361
d)	**Miscellaneous**							
	IGI Holdings Limited	203	31	22	8	-	(17)	(9)
	Transmission Engineering Limited	133,000	-	-	-	-	-	-
		17,012,433	56,655	102,368	12,100	(220)	33,763	45,713

	Note	2023	2022
		(Rupees in thousand)	
16 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of loan to employees - secured, considered good	11	21,558	17,507
Advances to employees - secured, considered good	16.1	154,643	116,263
Advances to suppliers - unsecured, considered good	16.2	392,492	281,644
Margin deposits - Letter of credits		-	31,065
Deposits		23,115	277,451
Prepayments		55	-
Advances to related parties / employee retirement funds - unsecured considered good			
- Loads Limited		6,629	6,629
- Hi-Tech Alloy Wheels Limited		3,473	3,473
- Employees Housing Fund		40,286	38,138
	16.3	50,388	48,240
Balance with statutory authorities			
- Export rebate		166,921	144,441
- Collector of customs - custom duty		38,201	11,049
- Advance income tax		742,779	971,831
- Sales tax		456,608	18,927
		1,404,509	1,146,248
Receivable from broker against sale of investments		4,140	4,131
Other receivables		10,883	3,663
		2,061,783	1,926,212

16.1 These are interest free advances to employees in respect of salary, medical and travelling expenses and are secured against employees retirement benefits. These include an aggregate amount of Rs. 27.44 million (2022: Rs. 6.9 million) receivable from executives of the Group. Amount of Rs. 5.09 million is advanced to chief executive officer.

16.2 These are interest free in the normal course of business.

16.3 These represent amounts receivable from related parties against reimbursement of expenses and purchase of goods or services under normal business trade as per the agreed terms and are interest free.

Maximum outstanding balance due from related parties at any time during the year, with reference to month end balances is as follows:

	Note	2023	2022
		(Rupees in thousand)	
- Loads Limited		**6,629**	6,629
- Employees Housing Fund		**40,286**	38,138
- Hi-Tech Alloy Wheels Limited		**3,473**	3,473

17 CASH AND BANK BALANCES

	Note	2023	2022
Cash in hand		**21,850**	29,927
Cash at bank - local currency			
Current accounts	17.1	**190,075**	371,745
Saving accounts	17.2	**159,310**	198,357
		349,385	570,102
- Temporary Overdraft		**(3,828)**	(83,235)
		367,407	516,794

17.1 These include bank accounts of Rs. 1.14 million (2022: Rs. 82.8 million) maintained under Shariah compliant arrangements.

17.2 These carry mark-up at the rates ranging from 12.5% to 19.5% per annum (2022: 2% to 12.25% per annum).

These include deposits of Rs. 0.13 million (2022: Rs. 1.3 million) under Shariah compliant arrangements, which carries profit rate ranging from 4.8% to 7.73% per annum (2022: 3% to 4.65% per annum). The remaining balance carry mark-up at the rates ranging from 12% to 19.5% per annum (2022: 10% to 12.25% per annum).

18 CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2023	2022
Current portion of long term finances	25	**109,406**	90,498
Current portion of deferred government grant		**14,947**	3,205
Current portion of lease liabilities	28	**15,987**	13,838
		140,340	107,541

19 SHORT TERM BORROWINGS

	Note	2023	2022
Short term running finance - secured		**6,178,305**	6,911,385
Short term advance - secured		**1,321,210**	1,616,729
Export refinance - secured		**943,810**	1,474,092
Interest free, unsecured		**50,000**	50,000
		8,493,325	10,052,206

19.1 Particulars of borrowings

	Note	2023	2022
Interest / markup based financing	19.2	**4,700,252**	5,523,574
Islamic mode of financing			
- Holding Company	19.3	**1,224,788**	1,518,484
- Subsidiary Company	19.4	**2,518,285**	2,960,148
Loan from director of subsidiary	19.5	**50,000**	50,000
		8,493,325	10,052,206

19.2 The Holding company and subsidary company Renacon Pharma has availed following running finance facilities:

- This represents running finance facility availed from various commercial banks to meet working capital requirements of the Company. These carry markup at an effective markup rate ranging from 14.66% to 24.98% (2022: 8.01% to 16.02%) per annum payable quarterly in arrears.

- This represents export refinance and other funded facilities availed from various commercial banks to meet working capital requirements of the Company. These carry markup at an effective markup rate ranging from 3% to 22.70% (2022: 2.5% to 12.93%) per annum payable quarterly in arrears.

- The running finance facility is availed from MCB Bank Limited and carries markup @ 1 Month KIBOR + 1% (2022: 1 Month KIBOR + 1.5%) per annum, payable quarterly. The approved limit of this facility is Rs. 100 million (2022: 100 million). Further, this is secured against the 1st pari passu charge over all present and future current assets of the Company (including 25% security margin) and corporate guarantee of the Treet Corporation Limited (parent company). The limit will expire on 31 December 2023 and it is renewable. The markup on this short term facility ranges from 15.30% to 23.05% (2022: 9.01% to 15.81%) per annum.

- The aggregate unavailed short term borrowing facilities amounts to Rs. 891.5 million (2022: Rs. 3,100 million)

19.3 This represents musharka running finance and other facilities availed under shariah compliant mode from various Islamic banks to meet working capital requirements of the Company. These carry profit at an effective profit rate ranging from 12.52% to 24.12% (2022: 9.51% to 15.31%) per annum payable quarterly in arrears or on maturity.

The facilities mentioned in 21.2 to 21.3 above are secured by first joint pari passu charge / hypothecation charge / ranking charge over present and future current assets of the Holding Company, lien marked over import documents and title of ownership of goods imported under letters of credit.

19.4 The subsidiary company, has availed following Islamic mode of financing facilities:

- The facilities mentioned in 21.2 to 21.3 above are secured by first joint pari passu charge / hypothecation charge / ranking charge over present and future current assets of the Holding Company, lien marked over import documents and title of ownership of goods imported under letters of credit.

- All the short term borrowings from the various financial institutions as disclosed carry profit rates ranging from 3 to 9 Month KIBOR + 1.00% to 2.5% (2022: 3 to 9 Month KIBOR + 1.00% to 2.5%) per annum, payable quarterly. Further, these are secured against the 1st/ Joint Pari Passu charge over all present and future current assets, plant and machinery of the Modaraba (including 25% safety margin) and corporate guarantee of Treet Corporation Limited. The limits will expire on various dates by 16 July 2023 but are renewable.

19.5 This loan is from director and is unsecured, markup free and payable at the convenience of the Company.

	Note	2023	2022
		(Rupees in thousand)	
20 TRADE AND OTHER PAYABLES			
Trade creditors			
- Related parties	20.1	5,544	358
- Others		1,621,527	894,029
		1,627,071	894,387
Other creditors - related parties	20.2	305	343
Accrued liabilities		697,233	616,040
Contract liabilities	20.3	474,484	444,848
Employees deposits		85,548	80,790
Withholding sales tax payable		9,671	6,989
Withholding income tax payable		33,767	29,585
Provision for warranty		130,000	127,696
Retention money payable		14,480	14,394
Workers' profit participation fund	20.6	47,075	11,324
Workers' welfare fund	20.7	14,889	22,386
Sales tax payable		127,597	13,961
Other payables		62,075	99,415
Payable to employee retirement benefit funds:			
- Service fund	20.4	101,054	573
- Superannuation fund	20.5	71,015	2,210
		172,069	2,783
		3,496,264	2,364,941

20.1 This represents unsecured balances due to:

	2023	2022
Elite Brands Limited	5,182	11
Packages Limited	-	314
Gulab Devi Chest Hospital	46	33
Liaquat National Hospital	316	-
	5,544	358

These are interest free in the normal course of business.

		Note	2023	2022
			(Rupees in thousand)	
20.2	**This represents unsecured balances due to:**			
	IGI General Insurance Limited		305	343

20.3 This represents advance received from customers for future sale of goods. During the year, the Group has recognized revenue amounting to Rs. 275.72 million (2022: Rs. 153.4 million) out of the contract liability as at 30 June 2022.

20.4 This represents contributory fund maintained by the Company which covers all permanent management employees. Equal monthly contributions are made by the Company at 10% of basic salary. However, it is optional for employees to contribute in service fund. During the period, the Company withdrew an amount of Rs. 125 million from its Service Fund to meet working capital requirements. The withdrawal amount is subject to a markup rate of KIBOR plus 2%. The Company has repaid partial amount of Rs. 25 million from principal amount, however, the accrued markup on the withdrawal is outstanding at the period ended.

20.5 The Company maintains a Superannuation Fund to provide retirement benefits to employees and is managed in accordance with the Company's Superannuation Fund Policy. During the period, the Company withdrew an amount of Rs. 114 million from Fund to meet working capital requirements. The withdrawal is subject to a markup rate of KIBOR plus 2%. All principal and markup amount is outstanding as at period ended.

		Note	2023	2022
20.6	**Workers' profit participation fund**			
	Balance as at 01 July		11,329	129,877
	Interest on funds unutilized		2,446	9,065
	Payments during the year		(17,105)	(107,816)
	Payments to employees on behalf of WPPF		(2,705)	(24,073)
	Reversal for the prior year		(21,228)	(17,930)
	Amounts withdrawn from fund		65,940	-
	Repayments of amount withdrawn		(16,000)	-
	Markup on amount withdrawn		7,099	-
	Charge for the year		17,299	22,206
	Balance as at 30 June		47,075	11,329
20.7	**Workers' welfare fund**			
	Balance as at 01 July		22,386	67,796
	Charge for the year		14,889	22,387
	Prior year adjustment		(12,670)	(48,326)
	Paid during the year	39	(9,716)	(19,471)
	Balance as at 30 June		14,889	22,386

	Note	2023	2022
		(Rupees in thousand)	
21 ACCRUED MARK-UP			
Accrued markup / return on:			
Long term borrowings		86,619	7,352
Short term borrowings		454,013	321,855
		540,632	329,207

22 LONG TERM DEPOSITS

These represent interest free deposits received from freight forwarding agencies and other contractors which have been kept in a separate bank account in terms of section 217 of the Companies Act 2017.

	Note	2023	2022
23 DEFERRED LIABILITIES - EMPLOYEE RETIREMENT BENEFITS			
Gratuity fund		557,623	470,993
Superannuation fund		545,976	415,945
	23.1	1,103,599	886,938

	Note	Gratuity 2023	Gratuity 2022	Superannuation 2023	Superannuation 2022
		(Rupees in thousand)		(Rupees in thousand)	
23.1 Net retirement benefit obligation					
Amounts recognized in the balance sheet are as follows:					
Present value of defined benefit obligation	23.3	648,305	564,644	613,713	529,250
Fair value of plan assets	23.4	(90,682)	(93,651)	(67,737)	(113,305)
Net retirement benefit obligation	23.2	557,623	470,993	545,976	415,945
23.2 Movement in net obligation					
Net liability as at 01 July		470,993	449,008	415,945	433,973
Charge to statement of profit or loss		105,485	85,286	93,107	80,180
Re-measurements chargeable in statement of comprehensive income		41,731	51,108	23,771	12,015
Contribution made by the Company		(60,586)	(114,409)	13,153	(110,223)
Net liability as at 30 June		557,623	470,993	545,976	415,945

	Gratuity		Superannuation	
	2023	2022	**2023**	2022
	(Rupees in thousand)		**(Rupees in thousand)**	
23.3 Movement in the liability for funded defined benefit obligations				
Liability for defined benefit obligations as at 01 July	**564,644**	588,195	**529,250**	550,087
Benefits paid by the plan	**(60,586)**	(139,409)	**(37,847)**	(110,223)
Current service costs	**47,123**	46,230	**37,123**	36,088
Past service costs	**-**	-	**-**	6,286
Interest cost	**70,771**	51,725	**67,618**	49,417
Benefits due but not paid (payables)	**(461)**	(2,472)	**-**	(1,620)
	621,491	544,269	**596,144**	530,035
Re-measurements on obligation:				
Actuarial losses on present value				
-Changes in demographic assumptions	**1,427**	1,430	**1,413**	1,416
-Experience adjustments	**25,387**	18,945	**16,156**	(2,201)
	26,814	20,375	**17,569**	(785)
Present value of defined benefit obligations as at 30 June	**648,305**	564,644	**613,713**	529,250
23.4 Movement in fair value of plan assets				
Fair value of plan assets as at 01 July	**41,032**	139,187	**23,651**	116,114
Contributions into the plan	**2,105**	114,409	**-**	110,223
Benefits paid by the plan	**4,762**	(139,409)	**7,151**	(110,223)
Interest income on plan assets	**4,116**	12,669	**-**	11,611
Benefits due but not paid	**36,000**	(2,472)	**33,000**	(1,620)
Return on plan assets	**3,128**	-	**3,935**	-
excluding interest income	**(461)**	(30,733)	**-**	(12,800)
Fair value of plan assets as at 30 June	**90,682**	93,651	**67,737**	113,305
23.5 Plan assets				
Plan assets comprise:				
Listed securities	**45,803**	45,803	**24,990**	24,990
Unlisted securities	**6,246**	6,246	**1,730**	1,730
Deposits with banks	**2,979**	2,979	**54,364**	54,364
Investment in mutual funds	**4,628**	4,628	**-**	-
Government securities	**36,000**	36,000	**33,000**	33,000
Others	**467**	467	**841**	841
Less: Payables	**(2,472)**	(2,472)	**(1,620)**	(1,620)
	93,651	93,651	**113,305**	113,305

Before making any investment decision, an Asset-Liability matching study is performed by the Board of Trustees of the funds to evaluate the merits of strategic investments. Risk analysis of each category is done to analyze the impacts of the interest rate risk, currency risk and longevity risk.

23.6 Profit or loss includes the following in respect of retirement benefits:

	Gratuity		Superannuation	
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
Interest cost	70,771	51,725	67,618	49,417
Current service cost	47,123	46,230	37,123	36,088
Past service costs	-	-	-	6,286
Interest income on plan assets	(12,409)	(12,669)	(11,634)	(11,611)
Total, included in salaries and wages	105,485	85,286	93,107	80,180
23.7 Actual return on plan assets	3,655	(18,064)	-	(1,189)
23.8 Actuarial losses recognized directly in other comprehensive income				
Cumulative amount at 01 July	(356,591)	(305,483)	(370,341)	(358,326)
Losses recognized during the year	(41,731)	(51,108)	(23,771)	(12,015)
Cumulative amount at 30 June	(398,322)	(356,591)	(394,112)	(370,341)

The Company expects to pay Rs. 131 million in contributions to gratuity fund during the year ending 30 June 2024.

The Company expects to pay Rs. 109 million in contributions to superannuation fund during the year ending 30 June 2023.

23.9 Significant actuarial assumptions used for valuation of these plans are as follows:

	2023		2022	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation fund per annum
Discount rate used for profit and loss charge	13.25%	13.25%	10.00%	10.00%
Discount rate used for year-end obligation	16.25%	16.25%	13.25%	13.25%
Expected rates of salary increase	15.25%	15.25%	12.25%	12.25%
Expected rates of return on plan assets	16.25%	16.25%	13.25%	13.25%

Mortality rate

The rates assumed were based on the SLIC 2001 - 2005.

23.9.1 Weighted average duration of the defined benefit obligation is 9 years for gratuity and superannuation plans.

24 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 in their annual general meeting held on 31 October 2014 and the SECP vide its letter No. SMD/CIW/ESOS/02/2014 dated 19 February 2015.

Under the Scheme, the Company may grant options to eligible employees selected by the Board Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise prices determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital of the Company (as increased from time to time). Further the grant of options in anyone calendar year exceeding 3% of the paid up capital shall require approval of the shareholders. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at 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.

As of June 30, 2022, the total number of outstanding options were 1,198 thousand, having a maturity date up to October 24, 2022. No new options were granted or forfeited during the year. Consequently, the outstanding options lapsed within the current period.

	Note	2023	2022
		(Rupees in thousand)	
25 LONG TERM FINANCES - SECURED			
Holding Company:			
Meezan Bank Limited - Diminishing Musharika	25.1	29,101	58,202
Habib Bank Limited - Term Finance Loan	25.2	-	56,442
Pakistan Kuwait Investment Company - Term Finance	25.3	750,000	750,000
The Bank of Punjab - Syndicate Loan	25.4	1,500,000	-
Subsidiary Company:			
Bank Islami Limited - Terf Facility	25.5	290,937	101,183
Term Finance	25.6	250,000	90,360
		2,820,038	1,056,187
Less: Current portion of long term finances	18	(109,406)	(90,498)
		2,710,632	965,689

25.1 This represents diminishing Musharika facility amounting to Rs. 29.1 million (2022: 58.2 million), obtained from Meezan Bank Limited during previous years. The tenor of the facility is 4 years inclusive of 1-year grace period. The facility is secured by way of Joint Pari Passu charge over all present and future Plant and machinery of the Company. The loan is repayable in twelve quarterly equal installments (after grace period of 1 Year) amounting to Rs. 7.20 million, commencing from 11 September 2021. The facility carries markup at 3 month kibor + 2% spread per annum. The effective markup rate ranging from 16.83% to 24.08% (2022: 9.40% to 16.83%) per annum, payable quarterly in arrears.

25.2 This represents long term loan facility obtained from Habib Bank Limited with sanctioned limit of Rs. 257.60 million. The Company obtained this term loan / SBP COVID-19 relief facility under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. The Company obtained Rs. 227.78 million, for paying salaries for the months from April 2020 to June 2020. The facility carries mark-up at the rate of 2% (2022: 2%) per annum payable quarterly in arrears. The loan is secured against first Joint Pari Passu hypothecation charge amounting to Rs. 343.47 million on all present and future plant and machinery of the Company. The loan is repayable in eight equal quarterly installments of Rs. 28.47 million started from 01 January 2021.

The loan has been measured at fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per Circular 11/2020 issued by the ICAP.

25.3 This represents facility amounting to Rs. 750 million, obtained from Pakistan Kuwait Investment Company (Private) Limited during the year for balance sheet re-profiling. The tenor of the facility is 8 years inclusive of 2-year grace period. The facility is secured by way of 1st Joint Pari Passu charge over all present and future Plant and machinery of the Company. The loan is repayable in twenty four quarterly equal installments (after grace period of 2 Year) amounting to Rs. 31.25 million, commencing from March 22, 2024. The facility carries markup at 3 month kibor + 1.65% spread per annum. The effective markup rate ranging from 16.23% to 23.38% per annum, payable quarterly in arrears.

25.4 This represents syndicate facility comprising of HBL and Bank of Punjab amounting to Rs. 750,000,000 million each i.e Rs. 1,500,000,000 in total. The tenure of this facility is 8 years with 2 years as grace period. The facility is secured by way of first joint parri passu charge over all present and future asset of the company. The loan is reapyable in full in 24 Equal Quarterly payments.The reason for availing this facility was Balance Sheet Profiling i.e Reducing the current loan by availing a long term loan. The facility was first disbursed on july 6 2022, with markup charging on the facility at 3 month Kibor + 1.10% spread. The tentative Repayments of the facility amount to Rs.62.5 million. The effective markup rate ranging from 16.44% to 22.99% per annum, payable quarterly in arrears.

25.5 This represents long term loan facility obtained from Bank Islami Pakistan Limited of Rs.300 million (2022: Rs. 300 million) under 'Islamic Temporary Economic Refinance Facility' (ITERF). According to the conditions of the ITERF, the Company will use this facility for the retirement of LC established through bank. The facility carries markup @ SBP + 4% p.a. (below market interest) and is secured against lien over asset imported, ranking charge over fixed asset of the Company, corporate guarantee of the Treet Corporation Limited (Parent Company) and personal guarantee of Director. The principal is repayable in quarterly instalments starting from July 2023. The markup on this facility is 5% per annum (2022: 5%).

25.6 Term finance facility of Rs. 505 million (2022: Rs. 505 million) has been obtained from Karandaaz Pakistan through Bank Alfalah Limited. This loan is secured against first pari passu/ hypothecation charge over all present and future fixed assets of the Company and corporate guarantee of Treet Corporation Limited (Parent Company). This carries markup @ 3 month KIBOR + 0.25 % p.a. The facility will be repaid in quarterly instalments beginning from 17 April 2026 and ending on 29 December 2028. The markup on this facility ranges from 15.6% to 22.3% (2022: 7.7% to 12.14%) per annum.

		Note	2023	2022
			(Rupees in thousand)	
26	**GOVERNMENT GRANT**			
	Balance as at 01 July		**11,488**	15,929
	Recognized during the year	25.2	**50,267**	2,402
	Amortization during the year		**(504)**	(6,843)
	Balance as at 30 June		**61,251**	11,488
	Current portion		**(14,947)**	(3,205)
	Non-current portion		**46,304**	8,283

			2023	2022
			(Rupees in thousand)	
27	**DEFERRED TAXATION**	27.1	**(506,173)**	(629,770)

27.1 Deferred tax liability arising in respect of the following items:

Taxable temporary differences on:			
- Accelerated tax depreciation		**(1,262,999)**	(852,045)
- Surplus on revaluation of depreciable assets		**(325,559)**	(656,568)
- Group share of profits and revaluation surplus of associates		**(37,740)**	(71,460)
- Right of use asset		**(3,645)**	(3,827)
		(1,629,943)	(1,583,900)
Deductible temporary differences on:			
- Employee retirement benefits		**201,363**	155,126
- Provision for doubtful debts		**3,292**	24,817
- Provision for slow moving/obsolete stores		**1,602**	1,683
- Provision for warranty		**37,700**	37,032
- Impairment allowance on ECL		**130**	-
- Minimum tax		**-**	10,559
- Unused tax losses	27.1.1	**874,996**	817,087
- Liability against right of use asset		**4,687**	11,789
		1,123,770	1,058,093
- Deferred tax asset not recognized in the profit and loss account of subidiaries		**-**	(103,963)
		(506,173)	(629,770)

27.1.1 This represents deferred tax asset on unused tax losses amounting to Rs. 7,810.57 million (2022: Rs. 7,810.57 million). This includes business loss accounting to Rs. 5,282.36 million (2022: Rs. 5,282.36 million) which can be carried forward for six preceding tax years, from the tax year to which it relates, as per requirements of Income Tax Ordinance, 2001. This also includes depreciation loss of Rs. 2,528.21 million (2022: Rs. 2,528.21 million) which is available for infinite period.

		2023	2022
		(Rupees in thousand)	
27.1.2	Movement in deferred tax liability is as follows:		
	Balance as at 01 July	(629,770)	(665,124)
	Recognized in statement of profit or loss:		
	- Accelerated tax depreciation	(357,987)	(125,882)
	- Provision for slow moving/obsolete stores	81	5
	- Right of use asset	182	867
	- Surplus on revaluation of buildings	331,009	28,642
	- Share of loss of associate	-	227
	- Provision for warranties	668	(9,373)
	- Provision for WPPF	-	(20,089)
	- Unused tax losses	57,909	159,893
	- Provision for doubtful debts	(21,525)	6,793
	- Liability against right of use asset	(272)	(8,966)
	- Related deferred tax asset related to revaluation surplus arisen during the year	7,102	-
	- Minimum tax	-	(2,430)
		17,167	29,687
	Recognized in other comprehensive income / equity:		
	- Re-measurement of employee retirement benefits recognized	46,237	31,442
	- Share of other comprehensive income of associate	-	384
		46,237	31,826
	Effect of change in tax rate on account of surplus on revaluation of depreciable assets	60,193	(26,159)
	Balance as at 30 June	(506,173)	(629,770)

		2023	2022
28	**LEASE LIABILITY**	19,971	32,367
	Liability against right of use asset	35,958	46,205
	Current portion of liability against right of use asset	(15,987)	(13,838)
		19,971	32,367

	2023	2022
	(Rupees in thousand)	
Maturity analysis of liability against right of use asset is as follows:		
Less than one year	19,364	17,727
One to five years	21,765	36,225
More than five years	-	-
Total undiscounted liability against right of use asset as at 30 June	41,129	53,952
Impact of discounting on liability against right of use asset	(5,171)	(7,747)
	35,958	46,205
Movement of liability against right of use liability is as follows:		
Opening balance	46,205	81,334
Liability against right of use asset recognized during the year	16,266	1,309
Interest on unwinding of liability against right of use assets	5,247	4,988
Cancellation of Lease liability	(13,512)	(34,542)
Modification of Lease Liability	-	9,056
Payments during the year	(18,248)	(15,940)
Closing balance	35,958	46,205

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

Contingencies - The Holding Company

- During previous years, with respect to the tax year 2013, the ACIR passed an order dated 28 February 2019, u/s 122(5A) of Income Tax Ordinance 2001 and created a tax demand of Rs. 10.06 million. The Company paid Rs 1 million (10% of demand), under protest, and recorded the same in advance tax. The Company appealed before the CIR (Appeals-1) which was decided in favor of the Company for majority of the matters.

  Being aggrieved, the tax department filed an appeal, dated 22 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

- During the previous years, with respect to the tax year 2009, Additional Commissioner Inland Revenue (ACIR) vide order dated 30-06-2015, u/s 122(5A) of Income Tax Ordinance 2001, created an income tax demand of Rs. 15.7 million, where ACIR disallowed addition u/s 111(1)(a) amounting Rs. 20.15 million, adjustment of minimum tax u/s 113 amounting Rs. 3.77 million and allocation of expenses to dividend income.

  Being aggrieved the Company filed an appeal before CIR Appeals (CIR-A) which was decided in favor of the Company and case was remanded back to the assessing officer. Being aggrieved, during 2018, the department filed an appeal before ATIR with respect to disallowance of additions u/s 111(1)(a) amounting Rs. 20,159,000 which is pending adjudication at the year end.

  ACIR vide order dated 29 June 2019, u/s 124/129 of Income Tax Ordinance 2001, disallowed minimum tax amounting to Rs 3.77 million. Being aggrieved, the Company preferred an appeal before CIR (Appeals), dated 14 October 2019, which was decided in favor of the Company during the year, vide order no. 45, dated 30 November 2020.

The management and the tax advisor of the Company are confident of favorable outcome of the appeal filed by tax department against ATIR; therefore, no provision has been recorded in these unconsolidated financial statements.

- During previous years, with respect to the tax year 2017, Additional Commissioner Inland Revenue (ACIR), passed an order dated 30 November 2018, u/s 122(5A) of Income Tax Ordinance 2001, and created an income tax demand of Rs. 11.48 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company for majority of the matters and case was remanded back to assessing officer. The tax department filed an appeal before ATIR against the order of CIR(A). The Company also preferred an appeal before ATIR on account of difference issues such as proration of profit between local and export sale, disallowance u/s 65B, dividend income allocation etc. Both the counter appeals are pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

- During previous years, with respect to the tax period from July 2013 to June 2018, ACIR, vide order dated 23 May 2019, created a sales tax demand of Rs. 138.04 million on the contention that the Company has claimed illegal/ inadmissible input sales tax adjustment. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company. The department filed an appeal, dated 9 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

  During the tax year 2016 , the additional Commissioner Inland Revenue invoked provision of Section 122(5A) of the Income Tax Ordinance, 2001 on different Issues such as addition u/s 111(1)(d), addition u/s 111(1)(b), allocation of expenses between export and local sale, inter corporate dividend, profit on sales of fixed assets, disposal of investment property addition u/s 111(1)(c), disallowed statutory deprciation allowance, disallowed intial allowance, amortisation of advertisment expenses etc and passed an order dated 31-03-2022 by raising a tax demand amounting to Rs 125,602,103. An appeal has was filed by the entity before the CIR, Lahore on 23-April-2022

  The company's first appeal was accepted almost in total by the Commissioner Inland Revenue(Appeals), thereby deleting as well as sending back a couple of add backs for re-visiting his decision, whereby the whole tax demand mentioned above has been deleted. The additional Commission Inland Revenue went into second appeal before Appellate Tribunal Inland Revenue against the order of Commissioner Inland Revenue(Appeals), which is still pending in court.

  A favorable outcome is expected in line with the decision of Commissioner Inland Revenue (Appeals).

- During previous year, with respect to the tax year 2015, ACIR passed an order u/s 122(5A) dated 21 April 2021 and created an income tax demand of Rs. 25.35 million. The Company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Company has appealed before CIR(A) which is pending adjudication at the year end.

- Being aggrieved with the appellate order the company in the current period filed second appeal before the learned ATIR on 29-April-2022 contesting the portion of annulment which is pending adjudication at this point in time. However, the department were also filed second appeal on account of couple of add backs where adequate relief was not allowed in the first appeal.

  Both of the counter appeals are still pending in the ATIR till the year end. Management and tax advisor of the company are confident of favourable outcome of the case.

- During the previous years, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated 18 December 2020, created a Punjab sales tax demand of Rs. 175.15 million along with default surcharge and penalty of Rs. 141.82 million, on the contention that the Company has received services taxable services but failed to withhold and deposit the due tax as per provisions of the Punjab Sales Tax on Services (Withholding) Rules, 2015.

Being aggrieved, the Company has filed an appeal, dated 22 February 2021, before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been heard on 02 June 2021 and 01 July 2021 and decision is awaited. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.

Contingencies - First Treet Manufacturing Modaraba

- For the tax period July 2011 to June 2013 a sale tax demand of Rs. 9,526,018 along with default surcharge of Rs. 35,463 and penalty amounting to Rs. 508,485 was created by ACIR, Audit Unit-03, Zone-VI, CRTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissibility of input sales tax. Against this order, the Modaraba filed appeal before the Commissioner Inland Revenue (Appeals), Zone-II, Lahore and the learned CIR-Appeals has decided the case in favor of the Modaraba. Against this order, the department went into an appeal before ATIR, pending adjudication until the year end.

- For the tax period July 2017 to June 2018 a sale tax demand of Rs. 14,753,014 along with penalty of Rs. 855,726 (aggregating to Rs. 15,608,740) was created by Deputy Commissioner Inland Revenue, Unit-08, Audit-01, LTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissible claim of input tax Rs. 13,574,483, non-compliance of 73 etc. Against this order the Modaraba filed appeal before the CIR (Appeals), Zone-1, Lahore on 26-05-2022 and the appeal was heard on 01-08-2022 and CIR Appeals has remanded the case back for re-adjudication. Against this order, the department filed a second appeal before the ATIR on 29-12-2022 which is pending adjudication at the year end. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected.

- For the the tax period April 2016 to April 2019, a refund of input sales tax refund of Rs. 43,412,131 has been rejected alongwith default surcharge (to be calculated at the time of payment/ recovery) and penalty amounting to Rs. 2,331,682 by DCIR, Unit-8, Audit-01, LTU, Lahore after conducting post refund audit in terms of rule 36 of the sales tax rules, 2006. Against this order the Modaraba filed an appeal before the commisioner inland revenue (appeals), Zone-01, Lahore on 02-09-2022. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected.

Based on the opinion of tax advisor of the Modaraba's legal counsel, management is expecting a favorable outcome of the above cases. Therefore, no provision in this regard has been recognized in these consolidated financial statements.

Contingencies - Treet Holdings Limited

- During previous years, with respect to tax year 2012, the Additional Commissioner Inland Revenue (ACIR) passed an order u/s 122(5A) on different issues i.e. allocation of expenses between normal income and presumptive income, u/s 34(3), bad debts, exchange loss, payment of WWF & dividend income and created an income tax demand of Rs. 1.29 million. Being aggrieved, the Company filed an appeal, dated 09 August 2018, before the Commissioner Inland Revenue (Appeals), Zone-1, Lahore and the learned CIR -Appeals has remanded the case back for re-adjuducation.

  Against this order, company filed second appeal before the ATIR on January 21, 2022 on the issue of remand back which is still pending adjudication. The tax advisor of the company are confident of favourable outcome.

- During previous years, with respect to tax year 2013, the Additional Commissioner Inland Revenue (ACIR), passed an order u/s 122(5A) on different issues i.e. u/s 29, bad debts, capital gains on securities, exchange loss & sale / transfer of stock and created an income tax demand of Rs. 17.28 million. Being aggrieved, the Company filed an appeal, dated 9 August 2018, before the Commissioner Inland Revenue (Appeals), Zone-1, Lahore. During the year favourable decision was given on November 24, 2021 and the case was remaded back to the department. Furthermore, the company filed an Appeal before the commissioner Inland Revenue (Appeals), Zone-1, Lahore and the learned CIR-Appeals has remanded the case back for re-adjucation.

Against this order, the company filed second appeal before the ATIR on January 21, 2022 and is still pending at the year end. The tax advisor of the company are confident of favourable outcome.

- During previous years, with respect to tax year 2012, the Assistant Commissioner Inland Revenue, Enforcement-06, Zone- 1, Large Tax Payer Unit, Lahore passed an order u/s 161/205 and arbitrarily created an income tax demand of Rs. 1.098 million. Being aggrieved, the Company filed an appeal, dated 28 June 2018, before the Commissioner Inland Revenue (Appeals), Zone-1, Lahore and the learned CIR appeals has remanded the case back for re-adjudication.

  Against this order, company filed second appeal before the ATIR on January 19, 2022 on the issues of remand back which is pending adjudication at year end. Company and the tax advisor expect a favourable outcome of the case.

- For the tax year 2013, the Assistant Commissioner Inland Revenue, Enforcement-06, Zone- 1, Large Tax Payer Unit, Lahore passed an order u/s 161/205 and arbitrarily created an income tax demand of Rs. 1.126 million. Being aggrieved, the Company filed an appeal, dated 05 December 2018, before the Commissioner Inland Revenue (Appeals), Zone-1, Lahore which was remanded back for re-adjudcation.

  Against this order company filed second appeal before the ATIR on 19 January 2022 on issue of remand back which is pending adjudictaion at year end. The Company has already paid the demand raised under protest to government exchequer and recorded the same in advance income tax. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements.

- During previous years, with respect to tax year 2014, the Assistant Commissioner Inland Revenue, Enforcement-06, Zone- 1, Large Tax Payer Unit, Lahore passed an order u/s 161/205 and arbitrarily created an income tax demand of Rs. 1.350 million. Being aggrieved, the Company filed an appeal, dated 01 February 2019, before the Commissioner Inland Revenue (Appeals), Zone-1, Lahore which was remanded back for re-adjudication.

  Against this order company filed second appeal before the ATIR on 19 January 2022 on issue of remand back which is pending adjudictaion at year end.The Company has already paid the demand raised under protest to government exchequer and recorded the same in advance income tax. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements.

- During previous years, with respect to tax year 2009, the Deputy Commissioner Inland Revenue, Enforcement Unit-04 & 08, Zone- 1, Large Tax Payer Unit, Lahore passed an order u/s 161/205 and arbitrarily created an income tax demand of Rs. 34.65 million. Against this order, the Company filed an appeal before the commisioner inland revenue, Appeals-1, Lahore and the leasrned CIR-Appeals has accepted all the grounds taken before him except discount of Rs. 22.87 million given to wholesellers and dealers having tax impat of Rs. 2.29 million.

  The company filed second appeal before the ATIR on 10 January 2014 and case is pending adjudication at year end. The management and company are of the view that a favourable outcome is expected.The Company has already paid the demand raised under protest to government exchequer and recorded the same in advance income tax. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements.

29.2 Commitments

- Outstanding letters of credit as at 30 June 2023 amounted to Rs. 617,861 million (2022: Rs. 868.63 million).

- Outstanding capital commitments as at 30 June 2023 amounted to Rs. 62.766 million (2022: Rs. 174.98 million).

- Guarantees given by banks on behalf of the Holding Company in favour of Sui Northern Gas Pipeline Limited and Sui Southern Gas Limited as at 30 June 2023, amounts to Rs. 5 million and Rs. 2.4 million respectively (2022: Rs. 7.4 million).

- Guarantees given by banks on behalf of the Holding Company in favour of Collector of Customs as at 30 June 2023, amounts to Rs. 13.2 million (2022: Rs. 13.2 million).

- Guarantees given by banks on behalf of the holding Company in favour of Yde Sa (Smc-private) Limited as at 30 June 2023, amounts to Rs. 1.85 million (2022: Nil).

- Bank guarantees given on behalf of Renacon Pharma Limited and First Treet Manufacturing Modaraba as at June 30, 2023 amounts to Rs. 5.17 million (2022: Rs. 4.90 million) and Rs. 5,817 million (2022: Nill). The bank guarantees confirmed in the name of First Treet Manufacturing Modarba will be transferred from First Treet Mnaufacturing Modaraba to Treet Battery Limited after the completion of due process

- Guarantees given by the Holding Company to various financial institutions on behalf of First Treet Manufacturing Modaraba and Renacon Pharma Limited as at 30 June 2022 amounts to Rs. 2,758 million (2021: Rs. 2,758 million) and Rs. 444 million (2021: Rs. 444 million) respectively. These guarantees carry commission at the rate of 0.02% (2021: 0.02%) per annum, payable annually in arears.

- Other guarantees given by group companies as at June 30, 2022 amounts to Rs. 29.25 million.

30 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2023	2022	**2023**	2022
	(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	**220,061**	220,061
Ordinary shares of Rs. 10 each fully issued as bonus shares	**52,420,143**	52,420,143	**524,201**	524,201
Ordinary shares of Rs. 10 each issued against employee share option scheme	**14,501,351**	14,501,351	**145,014**	145,014
	178,721,122	178,721,122	**1,787,211**	1,787,211

30.1 Reconciliation of number of shares

	Note	**2023**	2022
At 01 July		**1,787,211**	1,748,343
Issued against employee share option scheme	30.2	**-**	38,868
At 30 June		**1,787,211**	1,787,211

30.2 This represents, ordinary shares issued to eligible employees by the Company in previous period, under the terms of the scheme as disclosed in note 28 to these unconsolidated financial statements. Exercise price for the issuance of shares was 24.34.

	Note	2023	2022
		(Rupees in thousand)	

31 RESERVES

	Note	2023	2022
Capital reserves	31.1	5,629,281	5,629,281
General reserves		266,400	266,400
		5,895,681	5,895,681

31.1 Capital reserves

	Note	2023	2022
Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited		629	629
Capital reserve of associate		212,184	212,184
Share premium	31.1.1	4,904,527	4,904,527
Statutory reserves	31.1.2	511,941	511,941
		5,629,281	5,629,281

31.1.1 This reserve can be utilized by the Group only for the purposes specified under section 81(2) of the Companies Act, 2017.

31.1.2 This represents profit set aside in compliance with the requirements of Prudential Regulations for Modaraba issued by the Securities and Exchange Commission of Pakistan and is not available for distribution.

32 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

	Note	2023	2022
Surplus attributed to:			
Property, plant and equipment		6,492,196	6,568,659
Surplus on revaluation of property, plant and equipment as at 01 July		7,186,674	7,470,223
Surplus transferred to equity on account of incremental depreciation charged during the year - net of deferred tax	32.1	(76,463)	(109,957)
- Related deferred tax liability		(45,957)	(28,642)
Realized on disposal of assets during the year	32.2	-	(144,950)
		(122,420)	(283,549)
Revaluation surplus as at 30 June		7,064,254	7,186,674
Related deferred tax liability:			
- On revaluation as at 01 July		(618,015)	(672,816)
- on account of incremental depreciation charged during the year		45,957	28,642
- tax rate adjustment		-	26,159
		(572,058)	(618,015)
Surplus on revaluation of property, plant and equipment as at 30 June	32.3	6,492,196	6,568,659

		2023	2022
		(Rupees in thousand)	
32.1	**Charge of incremental depreciation for the year net of tax attributable to:**		
	Owners of the Group	(76,301)	(110,495)
	Non-controlling interests	(162)	538
		(76,463)	(109,957)
32.2	**Realized on disposal of assets during the year**		
	Owners of the Group	-	(144,950)
	Non-controlling interests	-	(538)
		-	(145,488)
32.3	**Balance as at 30 June attributable to:**		
	Owners of the Group	6,419,059	6,495,360
	Non-controlling interests	73,137	73,299
		6,492,196	6,568,659

32.4 Land, buildings and plant and machinery had been revalued last year on 30 June 2021 by M/s Medallion (Pvt) Limited, an independent valuer not connected with the Group and approved by Pakistan Banks' Association (PBA) resulting in a surplus of Rs. 2,305.34 million on plant and machinery and increase in surplus of land and building, amounting to Rs. 647.88 million and Rs. 227.27 million respectively. The basis of revaluation for items of these operating fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land and neighbouring properties, which were recently sold or purchased to determine a reasonable selling/buying price.

Buildings

Fair market value of buildings was assessed according to the observations made by valuer on the basis of existing out-look, appearance, face value, individual merits, class and type of construction, quality and standard of material used for construction and by applying suitable price adjustments.

Plant and machinery

Suppliers and different machinery consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable items of plant and machinery to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

33 NON-CONTROLLING INTEREST

33.1 Group entities

The following table summarizes the information relating to the Group's subsidiaries that have Non Controlling Interest (NCI):

30 June 2023 Amount in Rupees	**Treet Battery Limited**	**First Treet Manufacturing Modaraba**	**Renacon Pharma Limited**
NCI percentage	**0.69%**	**0.68%**	44.14%
Non current assets	7,576,369	714,755	1,264,822
Current assets	1,748,293	2,991,001	697,851
Non-current liabilities	156,309	87,584	569,436
Current liabilities	7,857,819	624,323	687,732
Net assets	**1,310,534**	**2,993,849**	**705,505**
Carrying amount of NCI	**9,029**	**20,291**	**311,409**
Revenue - net	2,040,584	3,911,423	1,066,912
(Loss) / profit after taxation	57,991	(126,388)	66,920
Other comprehensive income	-	-	-
Total comprehensive income	**57,991**	**(126,388)**	66,920
Total comprehensive (loss) / income allocated to NCI	**400**	**(857)**	**29,538**
Net cash flows used in operating activities	(249,295)	(983,750)	34,245
Net cash flows (used in) / generated from investing activities	(15,736)	(131,004)	(422,419)
Net cash flows generated from financing activities	288,807	943,031	369,607
Net decrease in cash and cash equivalents	23,776	(171,723)	(18,567)

	Note	2023	2022
		(Rupees in thousand)	
34 REVENUE - NET			
Blades and trading income	34.1	**10,173,875**	7,423,880
Soaps	34.2	**988,187**	489,760
Corrugated boxes	34.3	**2,830,431**	2,227,652
Bikes	34.4	**45,406**	51,376
Battery	34.5	**8,247,903**	4,881,872
Hemodialysis concentrates (Pharmaceutical products)	34.6	**1,066,912**	715,383
Services of THRM	34.7	**-**	-
		23,352,714	15,789,923

	2023	2022
	(Rupees in thousand)	
34.1 Blades and trading income		
Trading income-batttery		
Sale of batteries - gross	-	18,757
Less: Sales tax	-	(893)
	-	17,864
Trading income		
Sale of Chemical - gross	10,628	5,672
Less: Sales tax	(1,649)	(824)
Trade discount	-	(9)
	8,979	4,839
	10,173,875	7,423,880
34.2 Soaps		
Local Sales	1,198,563	590,169
Less: Sales tax	(210,237)	(100,017)
Trade discount	(139)	(392)
	(210,376)	(100,409)
	988,187	489,760

	2023	2022
	(Rupees in thousand)	
34.3 Corrugated boxes		
Local Sales	3,326,674	2,620,234
Less: Sales tax	(496,061)	(392,340)
Trade discount	(182)	(242)
	(496,243)	(392,582)
	2,830,431	2,227,652
34.4 Bikes		
Local Sales	46,088	61,745
Less: Sales tax	-	(10,186)
Trade discount	(682)	(183)
	(682)	(10,369)
	45,406	51,376
34.5 Battery		
Local sales	10,293,261	6,153,927
Less: Sales tax	(1,692,860)	(1,017,756)
Trade discount	(352,498)	(254,299)
	(2,045,358)	(1,272,055)
	8,247,903	4,881,872
34.6 Hemodialysis concentrates (Pharmaceutical products)		
Export sales	17,060	54,178
Local sales	1,051,476	661,205
Less: Trade discount	(1,624)	-
	1,049,852	661,205
	1,066,912	715,383
34.7 Services of THRM		
Local sales	4,320	4,320
Less: Sales tax	(4,320)	(4,320)
	-	-

34.8 Disaggregation of Revenue

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

	Blades and trading operations		Soap		Corrugated boxes		Bikes		Battery		Hemodialysis concentrates		Human resource services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in thousands															
Primary Geo-graphical Markets																
Asia	9,882,674	7,241,069	988,187	489,760	2,830,431	2,227,652	45,406	51,376	8,247,903	4,881,872	1,066,912	715,383	-	-	23,061,513	15,607,112
Africa	84,156	68,711	-	-	-	-	-	-	-	-	-	-	-	-	84,156	68,711
Europe	54,897	53,681	-	-	-	-	-	-	-	-	-	-	-	-	54,897	53,681
US	152,148	60,368	-	-	-	-	-	-	-	-	-	-	-	-	152,148	60,368
Australia	-	51	-	-	-	-	-	-	-	-	-	-	-	-	-	51
	10,173,875	7,423,880	988,187	489,760	2,830,431	2,227,652	45,406	51,376	8,247,903	4,881,872	1,066,912	715,383	-	-	23,352,714	15,789,923
Major Products / Service Lines																
Blades and trading operations	10,173,875	7,423,880	-	-	-	-	-	-	-	-	-	-	-	-	10,173,875	7,423,880
Soap	-	-	988,187	489,760	-	-	-	-	-	-	-	-	-	-	988,187	489,760
Corrugated boxes	-	-	-	-	2,830,431	2,227,652	-	-	-	-	-	-	-	-	2,830,431	2,227,652
Bikes	-	-	-	-	-	-	45,406	51,376	-	-	-	-	-	-	45,406	51,376
Battery	-	-	-	-	-	-	-	-	8,247,903	4,881,872	-	-	-	-	8,247,903	4,881,872
Hemodialysis concentrates	-	-	-	-	-	-	-	-	-	-	1,066,912	715,383	-	-	1,066,912	715,383
Human resource services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10,173,875	7,423,880	988,187	489,760	2,830,431	2,227,652	45,406	51,376	8,247,903	4,881,872	1,066,912	715,383	-	-	23,352,714	15,789,923
Timing of revenue recognition																
Products transferred at a point in time	10,173,875	7,423,880	988,187	489,760	2,830,431	2,227,652	45,406	51,376	8,247,903	4,881,872	1,066,912	715,383	-	-	23,352,714	15,789,923
Services provided over the time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10,173,875	7,423,880	988,187	489,760	2,830,431	2,227,652	45,406	51,376	8,247,903	4,881,872	1,066,912	715,383	-	-	23,352,714	15,789,923

	Note	2023	2022
		(Rupees in thousand)	
35 COST OF REVENUE			
Blades and trading operations	35.1	6,851,968	5,115,280
Soaps	35.2	850,883	463,651
Corrugated boxes	35.3	2,757,325	2,202,873
Bikes	35.4	55,108	57,068
Battery	35.5	6,898,579	4,717,145
Hemodialysis concentrates (Pharmaceutical products)	35.6	812,781	564,848
		18,226,644	13,120,865

35.1 Blades and trading operations

	Note	2023	2022
Raw and packing material consumed		4,103,386	2,899,329
Stores and spares consumed		166,623	164,485
Salaries, wages and other benefits	35.1.1	1,481,951	1,270,949
Fuel and power		656,017	427,286
Freight, octroi and handling		116,801	65,862
Repair and maintenance		21,009	22,664
Rates and taxes		12,994	4,982
Insurance		42,863	47,108
Travelling and conveyance		30,756	13,885
Printing and stationery		14,575	10,079
Postage and telephone		8,711	7,143
Depreciation on property, plant and equipment	6.1.3 & 7.1	319,996	303,091
Others		7,199	17,483
		6,982,881	5,254,346
Opening stock of work in process	13	341,213	212,652
Closing stock of work in process		(137,153)	(341,213)
Cost of goods manufactured		7,186,941	5,125,785
Opening stock of finished goods		487,110	465,885
Finished goods purchased for resale - batteries and chemicals	13	-	10,720
Closing stock of finished goods		(822,083)	(487,110)
		6,851,968	5,115,280

35.1.1 Salaries, wages and other benefits include Rs. 142 million (2022: Rs. 120.9 million) and Rs. 45.8 million (2022: Rs. 41.72 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2023	2022
			(Rupees in thousand)	
35.2	**Soaps**			
	Raw and packing material consumed		**823,741**	403,876
	Stores and spares consumed		**1,871**	3,396
	Salaries, wages and other benefits	35.2.1	**11,968**	24,769
	Fuel and power		**-**	15,875
	Freight and forwarding		**25,199**	8,065
	Travelling and conveyance		**874**	579
	Repair and maintenance		**1,105**	1,051
	Insurance		**318**	401
	Depreciation on property, plant and equipment	6.1.3	**416**	3,588
	Manufacturing charges		**40,091**	3,876
			905,583	465,476
	Opening stock of work-in-process	13	**-**	-
	Closing stock of work-in-process		**-**	-
	Cost of goods manufactured		**905,583**	465,476
	Opening stock of finished goods	13	**28,198**	26,373
	Closing stock of finished goods		**(82,898)**	(28,198)
			850,883	463,651

35.2.1 Salaries, wages and other benefits include Rs. 2.545 million (2022: Rs. 0.855 million) in respect of defined benefit and contributions schemes.

		Note	2023	2022
35.3	**Corrugated boxes**			
	Raw and packing material consumed		**2,178,739**	1,729,657
	Stores and spares consumed		**41,879**	37,680
	Salaries, wages and other benefits	35.3.1	**203,713**	193,888
	Fuel and power		**155,912**	115,156
	Freight and forwarding		**97,035**	68,855
	Repair and maintenance		**40,338**	28,164
	Rates and taxes		**855**	766
	Insurance		**3,499**	3,784
	Travelling and conveyance		**6,388**	3,967
	Depreciation on property, plant and equipment	6.1.3	**33,482**	28,612
	Other expenses		**14,432**	7,298
			2,776,273	2,217,827
	Opening stock of work in process		**7,975**	7,629
	Closing stock of work in process	13	**(11,197)**	(7,975)
	Cost of goods manufactured		**2,773,053**	2,217,481
	Opening stock of finished goods		**22,941**	8,333
	Closing stock of finished goods	13	**(38,668)**	(22,941)
			2,757,325	2,202,873

35.3.1 Salaries, wages and other benefits include Rs. 15.583 million (2022: Rs. 5.977 million) in respect of defined benefit and contributions schemes.

		Note	2023	2022
			(Rupees in thousand)	
35.4	**Bikes**			
	Raw and packing material consumed		**43,173**	42,736
	Carriage inward		**38**	415
	Salaries, wages and other benefits	35.4.1	**9,594**	9,447
	Service charges		**-**	37
	Repair and maintenance		**104**	118
	Printing and stationery		**75**	160
	Freight and Handling		**943**	1,918
	Travelling and conveyance		**133**	40
	Depreciation on property, plant and equipment	6.1.3	**1,811**	1,810
	Other expenses		**1,677**	425
			57,548	57,106
	Opening stock of finished goods	13	**1,465**	1,427
	Closing stock of finished goods	13	**(3,905)**	(1,465)
			55,108	57,068

35.4.1 Salaries, wages and other benefits include Rs. 0.26 million (2022: Rs. 0.57 million) in respect of defined benefit and contributions schemes.

		Note	2023	2022
35.5	**Battery**			
	Raw material and packing material consumed		**5,383,327**	3,589,306
	Stores and spares consumed		**3,021**	10,380
	Salaries, wages and other benefits	35.5.1	**350,869**	294,638
	Fuel and power		**482,101**	335,482
	Freight and forwarding		**190,552**	89,869
	Repair and maintenance		**41,452**	35,636
	Rates and taxes		**11,102**	872
	Insurance		**23,576**	24,004
	Traveling and conveyance		**20,065**	10,851
	Depreciation on property, plant and equipment	6.1.3 & 7.1	**270,628**	274,432
	Other manufacturing expenses		**12,061**	23,805
			6,788,754	4,689,275
	Opening stock of work in process	13	**332,698**	348,360
	Closing stock of work in process	13	**(238,743)**	(332,698)
	Cost of goods manufactured		**6,882,709**	4,704,937
	Opening stock of finished goods	13	**64,349**	76,557
	Closing stock of finished goods	13	**(48,479)**	(64,349)
			6,898,579	4,717,145

35.5.1 Salaries, wages and other benefits include Rs 3.514 million (2022: Rs. 4.201 million) in respect of defined benefit and contributions schemes.

		Note	2023	2022
			(Rupees in thousand)	
35.6	**Hemodialysis concentrates (Pharmaceutical products)**			
	Raw material and packing material consumed	35.6.1	665,295	397,479
	Salaries wages and other benefits	35.6.2	78,663	61,150
	Repair and maintenance		4,658	6,259
	Fuel and power		14,473	7,931
	Rates and taxes		249	12
	Printing and stationery		1,458	1,058
	Postage and telephone		920	1,153
	Entertainment		365	352
	Travelling		4,644	3,142
	Insurance		1,644	2,948
	Depreciation on property, plant and equipment	6.1.3	2,187	2,561
	Other manufacturing expenses		47,788	45,516
			822,344	529,561
	Opening stock of work in process	13	-	2,815
	Closing stock of work in process		-	-
	Cost of goods manufactured		822,344	532,376
	Opening stock of finished goods	13	10,242	42,714
	Closing stock of finished goods		(19,805)	(10,242)
			812,781	564,848

35.6.1 These includes imported items amounting to Rs. 282.863 million (2022: 156.217 million).

35.6.2 Salaries, wages and other benefits include Rs. 1.86 million (2022: Rs. 4.73 million) in respect of defined benefit and contributions schemes.

36 ADMINISTRATIVE EXPENSES

	Note	2023	2022
Salaries, wages and other benefits	36.1	559,155	430,076
Repairs and maintenance		4,462	3,314
Rates and taxes		852	1,242
Traveling and conveyance		40,504	29,948
Entertainment		4,997	2,363
Postage and telephone		4,368	2,926
Printing and stationery		19,467	13,609
Legal and professional charges	36.2	90,007	74,114
Computer expenses		24,298	15,654
Directors' fee		2,825	2,820
Subscription		2,011	1,050
Depreciation on property, plant and equipment	6.1.3	47,091	38,250
Depreciation on investment property		431	-
Amortization on intangible asset		14,791	14,767
Other expenses		49,971	23,538
		865,230	653,671

36.1 Salaries and other benefits include Rs. 20.00 million (2022: Rs. 20.00 million) in respect of defined benefit and contributions schemes.

		Note	2023	2022
			(Rupees in thousand)	
36.2	Legal and professional charges include the following in respect of auditors' remuneration:			
	Audit fees of Holding Company		3,450	2,950
	Audit fees of Subsidiary Companies		3,380	2,946
	Half yearly reviews		1,020	900
	Out of pocket expenses		591	493
	Other services		1,556	323
			9,997	7,612

37 DISTRIBUTION COST

	Note	2023	2022
Salaries, wages and other benefits	37.1	604,656	498,743
Repair and maintenance		983	6,753
Electricity and gas		8,957	1,265
Advertisement		456,964	151,510
Rates and taxxes		13,594	9,564
Freight, octroi and handling		103,273	91,015
Traveling and conveyance		112,316	63,357
Printing and stationery		933	595
Postage and telephone		6,767	8,042
Depreciation on property, plant and equipment	6.1.3	19,612	24,766
Warranty claims and provisions		366,191	239,548
Royalty		90,953	52,692
Other expenses		60,635	47,249
		1,845,834	1,195,099

37.1 Salaries and other benefits include Rs. 20.35 million (2022: Rs. 20.35 million) in respect of defined benefit and contribution schemes.

38 FINANCE COST

	2023	2022
Mark-up on:		
Markup on short term borrowings	1,486,248	1,035,166
Markup on long term borrowings	420,410	58,140
Unwinding of lease liability against right of use assets	3,513	4,988
Interest on Workers' Profit Participation Fund	2,449	1,204
Bank charges	64,012	29,971
	1,976,632	1,129,469

	Note	2023	2022
		(Rupees in thousand)	
39 OTHER OPERATING EXPENSES			
Realized exchange loss	39.1	103,465	71,948
Workers' Profit Participation Fund	20.6	3,170	12,137
Impairment of other receivables		-	10,197
Donations	39.2	150	3,399
Workers' Welfare Fund	20.7	3,824	22,387
Assets written off		17,277	22,031
Provision for obsolete and slow moving inventory		344	-
Unrealized loss on short term investments at fair value through profit or loss		1,699	2,445
Provision for sales tax		-	71
Realized loss on disposal of short term investments at fair value through profit or loss		-	220
Others		137,618	18,865
		267,547	163,700

39.1 This represents exchange loss - net of gain incurred on actual foreign currency conversion.

		2023	2022
39.2 During the year, donations have been given to the followings:			
Lahore Gymkhana Tennis Club		150	150
Cancer Care Hospital		-	500
Layton Rahmatullah Benevolent Hospital		-	165
Infection Control And Prevention Foundation		-	200
Government College Township		-	525
Haji Muhammad Ghurki Trust		-	500
Institute of Art and Culture		-	1,359
		150	3,399

	Note	2023	2022
40 OTHER INCOME			
Income from financial assets			
Profit on bank deposits	40.1	34,096	24,102
Unrealized gain on short term investments at fair value through profit or loss		-	36,208
Unrealized exchange gain		6,862	623
Liabilities written off		7,829	-
Realized gain on disposal of long term investment - FTMM		-	73
Dividend income	40.2	949	1,707
		49,736	62,713
Income from non-financial assets			
Profit on disposal of property, plant and equipment	61.5	17,541	229,811
Scrap sale		69,438	43,787
Export rebate	40.3	70,471	75,998
Reversal of expected credit loss	14.2	54,635	-
Reversal of deficit on revaluation		60,000	-
Workers' Welfare Fund		3,175	-
Gain on lease termination		1,604	-
Others		2,109	24,727
		278,973	374,323
		328,709	437,036

40.1 This includes income from savings accounts relating to deposits placed under shariah based arrangement amounting to Rs. 0.68 million (2022: Rs. 1.14 million). This also includes profit amounting to Rs. 3.80 million (2022: Rs. 2.08 million) on deposit kept with Faysal bank in favor of FESCO.

	Note	2023	2022
		(Rupees in thousand)	
40.2 Dividend income is received from the following:			
Shahtaj Textile Limited		-	135
Sunrays Textile Mills Limited		54	-
Maqbool Textile Mills Limited		895	1,572
		949	1,707

40.3 Rebate income is net of commission paid to consultant of Rs 4.16 million (2022: Rs. 4.16 million).

41 TAXATION

	Note	2023	2022
Current			
- For the year		411,514	255,066
- For prior years		(32,277)	(9,376)
Deferred			
- For the year		(103,898)	(29,461)
		275,339	216,229
Associate		(22,303)	31,068
	41.1	253,036	247,297

		Note	2023	2022
			(Rupees in thousand)	
41.1	**Tax charge reconciliation**			
	Numerical reconciliation between tax expense and accounting loss			
	Profit / (loss) before taxation		281,421	(55,693)
	Tax at 29% (2022: 29%)		81,612	(16,151)
	Tax effect of:			
	- Income under FTR		34,732	(135,951)
	- Impact of tax related to associate		(22,303)	29,383
	- Prior year tax		(32,278)	(9,376)
	- Minimum tax adjustment		108,514	133,900
	- Permanent difference - donations to unapproved institutions		44	675
	- Deferred tax asset not recognised-net		-	227,305
	- Super tax		59,269	17,512
	- effect of change in local sales ratio and tax rate		23,445	-
			253,036	247,297

			2023	2022
42	**EARNING / (LOSS) PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS**			
42.1	**Basic earnings / (loss) per share**			
	i-Loss attributable to ordinary share holders:			
	Earning / (Loss) for the year after taxation attributable to equity holders of the parent	**Rupees in thousand**	(697)	(313,013)
	ii-Weighted-average number of ordinary shares:			
	Weighted average number of shares	**Number in thousand**	176,505	176,505
	Profit / (Loss) per share	**Rupees**	(0.004)	(1.77)
42.2	**Diluted earnings / (loss) per share**			
	i-Profit attributable to ordinary share holders (Diluted):			
	Profit / (loss) for the year after taxation (diluted)	**Rupees in thousand**	(696)	(313,013)
	ii-Weighted-average number of ordinary shares (diluted):			
	Weighted average number of shares (basic)		176,505	176,505
	Effect of share options on issue		-	1,198
	Weighted-average number of ordinary shares (diluted)	**Number in thousand**	176,505	177,703
	Diluted earnings / (loss) per share	**Rupees**	(0.004)	(1.76)

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements with respect to remuneration, including certain benefits to the chief executive, executive directors, non-executive directors and executives of the Group is as follows:

	Chief Executive		Executive Directors		Non- Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022
	--------	--------	--------	--(Rupees in thousand)--	--------	--------	--------	--------
Managerial remuneration	58,678	57,854	30,018	35,121	-	-	444,496	391,330
Provident fund	98	1,177	1,818	1,143	-	-	19,280	17,441
Service fund	98	1,177	1,818	1,143	-	-	17,243	15,140
Housing fund	-	5,298	-	-	-	-	-	18,171
Superannuation fund - I	-	-	4,271	1,813	-	-	35,917	23,547
Gratuity fund	-	1,182	5,312	2,617	-	-	41,507	31,377
Bonus	6,000	6,000	5,190	14,352	-	-	101,998	130,553
Incentives	-	-	-	-	-	-	81,706	48,302
Utilities	9,901	6,244	-	2,324	-	-	23,623	4,038
Medical	7,068	4,715	827	43	-	-	11,873	8,170
Other	12,956	6,837	-	-	-	-	44,354	31,806
Fees	-	-	-	90	2,825	2,730	-	-
	94,799	90,484	49,254	58,646	2,825	2,730	821,997	719,875
Number of persons	1	1	1	2	4	4	84	79

The chief executive officer, directors and executives are provided with free use of Company maintained cars and telephone facility, as well as production bonus according to their entitlement.

44 NUMBER OF EMPLOYEES

The Group has employed following number of persons including permanent and contractual staff:

	2023	2022
	(Number of persons)	
As at 30 June:	2,697	2,674
Average number of employees:	2,686	2,737

45 TRANSACTIONS WITH RELATED PARTIES

The related parties include associated companies, directors of the Company, key management personnel, companies in which key management personnel / directors have control or joint control and post employment benefit plans. Balances with related parties are disclosed in respective notes to these consolidated financial statements. Transactions with employees benefit plans are disclosed in note 25 to these consolidated financial statements. Significant transactions with related parties other than disclosed elsewhere in financial statements are as follows:

I	Related Parties	Relationship	Nature of transactions	2023	2022
				(Rupees in thousand)	
	Packages Limited	Other related party	Purchase of goods by the Group	-	30,969
	Cutting Edge (Private) Limited	Other related party	Purchase of services by the Group	2,359	-
	Elite Brands Limited	Other related party	Purchase of services by the Group	27,073	-
			Sale of goods by the Group	556,918	794,571
			Discount on sales	14,023	29,415
	Gulab Devi Chest Hospital	Other related party	Purchase of services	1,138	-
			Donation made by the Group	-	-
			Sale of Goods	-	1,352
	Loads Limited	Associated Company (12.49% Equity held)	Sale of batteries	43	-
	Liaquat National Hospital	Other related party	Sales made by the company	9,482	3,079
			Discount on sales	5	9
			Purchase of services	2,750	479
	IGI Life Insurance Limited	Other related party	Insurance premium charged to the Group	88,143	52,262
			Claims received against insurance	-	6,000
	IGI General Insurance Limited	Other related party	Insurance premium charged to the Group	76,199	30,960
	Multiple AutoParts Industries (Pvt) Limited	Other related party	Sale of batteries by the Group	5	5
	Specialized AutoParts Industries (Pvt) Limited	Other related party	Sale of batteries by the Group	56	102

I	Related Parties	Relationship	Nature of transactions	2023	2022
				(Rupees in thousand)	
	Employee benefits				
	Provident fund	Other related party	Contribution paid during the year	**53,418**	48,348
	Service fund	Other related party	Contribution paid during the year	**25,635**	22,676
	Housing fund	Other related party	Contribution paid during the year	**497**	497
	Housing fund	Other related party	Advance paid during the year	**2,149**	3,627
	Superannuation fund - II	Other related party	Contribution paid during the year	**368**	243
	Gratuity fund	Other related party	Contribution expense for the year	**828**	724
	Defined benefit plans			**1,224**	1,953
	Key management personnel				
	Key management personnel	Key management personnel	Salaries and other benefits	**154,010**	164,599

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The share options issued to key management personnel are disclosed in note 26 to these consolidated financial statements. The salaries and other benefits of directors are disclosed in note 46 to these consolidated financial statements. Other transactions with key management personnel are disclosed in respective notes in these consolidated financial statements. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

Name	Relationship	% of shareholding in the Company
Syed Shahid Ali	Director / Key management personnel	31%
Syed Sheharyar Ali	Director / Key management personnel	11%
Mr. Munir K. Bana	Director / Key management personnel	0.14%
Mr. M. Shafique Anjum	Director / Key management personnel	0.19%
Mr. Dr. Salman Faridi	Director / Key management personnel	0%
Mr. Imran Azim	Director / Key management personnel	0%
Ms. Sidra Sheikh	Director / Key management personnel	N/A
Mrs. Zunaira Dar	Key management personnel	N/A
Mr. Muhammad Mohtashim Aftab	Key management personnel	N/A
Mr. Muhammad Zubair	Key management personnel	N/A
Mr. Nabeel Khalid Butt	Key management personnel	N/A
Mr. Rashid Ali Rizvi	Key management personnel	N/A
Mr. Arshad Latif	Key management personnel	N/A
Mr. Muhammad Javaid Aslam	Key management personnel	N/A
Mr. Akhlaq Ahmed	Key management personnel	N/A
Mr. Imran Khan	Key management personnel	N/A
Mr. Nasir Mahmood	Key management personnel	N/A
Mr. Hamad Mahmood	Key management personnel	N/A

46 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

'The Group's Board of Directors (" the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. the Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Group and the manner in which such risks are managed is as follows:

46.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

46.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	(Rupees in thousand)	
Long term deposits	111,746	99,375
Long term loans and advances	2,752	6,310
Trade debts	1,799,114	1,092,944
Loans, advances, deposits, prepayments and other receivables	110,084	382,056
Bank balances	349,385	570,102
	2,373,081	2,150,787

46.1.2 Exposure to credit risk

The Group identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2023	2022
	(Rupees in thousand)	
Customers	1,799,114	1,092,944
Banking companies and financial institutions	619,385	840,102
Others	224,582	217,741
	2,643,081	2,150,787

46.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, regulatory authorities and untility companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

46.1.3(a) Counterparties with external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts. As explained in note 3.4, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. On adoption of IFRS 9, management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. the Group has used four years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors.

The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2023 was determined as follows:

	2023		2022	
	Gross carry-ing amount	Loss Allowance	Gross carry-ing amount	Loss Allowance
	------------------(Rupees in thousand)------------------			
Not past due	951,455	-	604,037	1,425
Less than 30 days	338,060	-	204,459	-
Past due 1 - 3 months	203,936	-	178,812	11,490
Above 3 months	345,177	39,514	195,774	77,223
	1,838,628	39,514	1,183,082	90,138

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

46.1.3(b) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, marging against letter of credit and term deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating Short term	Long term	Rating Agency	2023 (Rupees in thousand)	2022
MCB Islamic Bank Limited	A-1	A	PACRA	2,278	80,637
Faysal Bank Limited	A1+	AA	PACRA	13,533	10,280
United Bank Limited	A-1+	AAA	JCR VIS	11,907	16,874
Habib Bank Limited	A-1+	AAA	JCR VIS	125,862	431,970
Askari Bank Limited	A1+	AA+	PACRA	53,929	46,413
National Bank of Pakistan	A1+	AAA	PACRA	44,543	42,942
Bank of Punjab	A1+	AA+	PACRA	2,182	-
MCB Bank Limited	A1+	AAA	PACRA	5,452	46,801
Silk Bank Limited	A-2	A-	JCR VIS	140	1,947
Samba Bank Limited	A-1	AA	JCR VIS	8	7
Bank Alfalah Limited	A1+	AA+	PACRA	10,838	13,827
Bank Islami Pakistan Limited	A1	AA-	PACRA	1,494	3,772
Soneri Bank Limited	A1+	AA-	PACRA	6,898	23,689
Sindh Bank Limited	A-1	A+	JCR VIS	498	412
Dubai Islamic Bank Limited	A-1+	AA	JCR VIS	23,243	34,563
Allied Bank Limited	A1+	AAA	PACRA	16,295	23,643
Albaraka Bank (Pakistan) Limited	A-1	A+	JCR VIS	421	1,964
JS Bank Limited	A-1+	AA-	PACRA	25	25
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	1,002	2,006
Meezan Bank Limited	A-1+	AAA	JCR-VIS	28,451	57,839
Bank Al Habib Limited	A-1+	AAA	PACRA	386	491
				349,385	840,102

46.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Group. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. the Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2023				
	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
			(Rupees in thousand)		
Financial liabilities at amortized cost					
Short term borrowings	8,493,325	8,493,325	8,493,325	-	-
Lease liability against right of use assets	35,958	41,129	19,364	21,765	-
Trade and other payables	2,400,859	2,400,859	2,400,859	-	-
Unclaimed dividend	15,602	15,602	15,602	-	-
Accrued mark-up	540,632	540,632	540,632	-	-
Long term deposits	13,853	13,853	-	13,853	-
Long term finances - secured	2,820,038	1,597,322	631,634	653,188	312,500
	14,320,267	13,102,722	12,101,416	688,806	312,500

	2022				
	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
			(Rupees in thousand)		
Financial liabilities at amortized cost					
Short term borrowings	10,052,206	10,052,206	10,052,206	-	-
Lease liability against right of use assets	46,205	53,952	17,727	36,225	-
Trade and other payables	1,624,236	1,624,236	1,624,236	-	-
Unclaimed dividend	15,625	15,625	15,625	-	-
Accrued mark-up	329,207	329,207	329,207	-	-
Long term deposits	5,602	5,602	-	5,602	-
Long term finances - secured	1,056,187	1,385,897	420,209	653,188	312,500
	13,129,269	13,466,726	12,459,210	695,015	312,500

46.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

46.3.1 Currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the consolidated statement of financial position date.

	2023 (Rupees in thousand)		2022 (Rupees in thousand)	
	USD	EUR	USD	EUR
Assets				
- Trade debts	258,013	-	122,977	-
Net Statement of financial position exposure	258,013	100,296	122,977	100,296
Off statement of financial position items				
- Outstanding letters of credit	1,344,230	40,824	1,344,230	40,824
Net exposure	(1,086,217)	59,472	(1,221,253)	59,472

Exchange rates applied during the year

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
USD	246.30	182.00	287.10	205.50
EURO	264.64	201.00	314.27	215.00

Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected statement of profit or loss by the amounts shown below at the statement of financial position date . The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2023	2022
	(Rupees in thousand)	
USD	25,801	12,298

46.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

46.3.2.1 Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2023		2022	
	Note	Financial assets	Financial liabilities	Financial assets	Financial liabilities
		--------------------(Rupees in thousand)--------------------			
Non-derivative financial instruments					
Long term deposit - Escrow account	16	-	-	270,000	-
		-	-	270,000	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

46.3.2.2 Variable rate financial instruments

		2023		2022	
	Note	Financial assets	Financial liabilities	Financial assets	Financial liabilities
		--------------------(Rupees in thousand)--------------------			
Non-derivative financial instruments					
Long term finances - secured	25	-	-	-	-
Short term borrowings	19	-	8,493,325	-	10,052,206
Bank balances - saving accounts	17	159,310	-	198,357	-
Receivable from related parties and others	16	10,102	-	10,102	-
		169,412	8,493,325	208,459	10,052,206

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the consolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2022.

	Profit / (Loss)	
	2023	2022
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	**(83,239)**	(98,437)
Decrease of 100 basis points		
Variable rate instruments	**83,239**	98,437

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

46.3.2.3 Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

46.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Group's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Group diversifies its portfolio and continuously monitors developments in equity markets. In addition the Group actively monitors the key factors that affect stock price movement.

A 10% increase in share prices at the year end would have impacted the Group's profit in case of held for trading investments is as follows:

	2023	2022
	(Rupees in thousand)	
Effect on profit or loss	**1,007**	1,024
Effect on investments	**1,007**	1,024

The sensitivity analysis prepared is not necessarily indicative of the effects on profit and loss, equity and assets of the Group.

46.4 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

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.

	Note	Carrying amount					Fair value			
		Fair value through OCI	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands								
30 June 2023										
Financial assets at fair value										
Long term investments		8,167	-	-	-	8,167	-	-	8,167	8,167
Short term investments		-	100,668	-	-	100,668	100,668	-	-	100,668
		8,167	100,668	-	-	108,835	100,668	-	8,167	108,835
Financial assets at amortised cost										
Long term deposits		-	-	111,746	-	111,746	-	-	-	-
Long term loans and advances		-	-	2,752	-	2,752	-	-	-	-
Trade debts		-	-	1,799,114	-	1,799,114	-	-	-	-
Short term investments		-	-	100,668	-	100,668	-	-	-	-
Loans, advances, deposits, and other receivables		-	-	110,084	-	110,084	-	-	-	-
Cash and bank balances		-	-	371,235	-	371,235	-	-	-	-
	46.4.1	-	-	2,495,599	-	2,495,599	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value										
Short term borrowings		-	-	-	8,493,325	8,493,325	-	-	-	-
Lease liability against right of use assets		-	-	-	35,958	35,958	-	-	-	-
Trade and other payables		-	-	-	2,400,859	2,400,859	-	-	-	-
Unclaimed dividend		-	-	-	15,602	15,602	-	-	-	-
Accrued mark-up		-	-	-	540,632	540,632	-	-	-	-
Long term deposits		-	-	-	13,853	13,853	-	-	-	-
Long term finances - secured		-	-	-	2,820,038	2,820,038	-	-	-	-
	46.4.1	-	-	-	14,320,267	14,320,267	-	-	-	-

	Note	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 2022										
Financial assets at fair value										
Long term investments		8,167	-	-	-	8,167	-	-	8,167	8,167
Short term investments		-	102,368	-	-	102,368	102,368	-	-	102,368
		8,167	102,368	-	-	110,535	102,368	-	8,167	110,535
Financial assets at amortised cost										
Long term deposits		-	-	99,375	-	99,375	-	-	-	-
Long term loans and advances		-		6,310	-	6,310	-	-	-	-
Trade debts		-	-	1,092,944	-	1,092,944	-	-	-	-
Short term investments		-	-	-	-	-	-	-	-	-
Loans, advances, deposits, and other receivables		-	-	382,056	-	382,056	-	-	-	-
Bank balances		-	-	600,029	-	600,029	-	-	-	-
		-	-	2,180,714	-	2,180,714	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Short term borrowings		-	-	-	10,052,206	10,052,206	-	-	-	-
Lease liability against right of use assets		-	-	-	46,205	46,205	-	-	-	-
Trade and other payables		-	-	-	1,624,236	1,624,236	-	-	-	-
Unclaimed dividend		-	-	-	15,625	15,625	-	-	-	-
Accrued mark-up					329,207	329,207	-	-	-	-
Long term deposits		-	-	-	5,602	5,602	-	-	-	-
Long term finances - secured		-	-	-	1,056,187	1,056,187	-	-	-	-
		-	-	-	13,129,268	13,129,268	-	-	-	-

46.4.1 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

46.4.2 Freehold land, buildings and plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment as disclosed in note 6.1. The valuations were conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's land and building. For revaluation of freehold land, fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land and neighbouring properties, which were recently sold or purchased, to determine a resonable selling/buying price. Incase of buildings, fair market value was assessed according to the observations made by valuer on the basis of existing outlook, appearance, face value, individual merits, class and type of construction, quality and standard of material used for construction and by applying suitable price adjustments. For revaluation of plant and machinery, suppliers and different machinery consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable items of plant and machinery to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

46.5 Capital risk management

The Group's objectives when managing capital are:

a) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends attributed to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio of total debt (current and non-current borrowings) to debt plus equity.

The debt to equity ratios were as follows:

	2023	2022
	(Rupees in thousand)	
Total debt	11,313,363	11,108,393
Total equity and debt	20,827,215	20,466,244
Debt to equity ratio	54%	54%

	2023	2022
	(Rupees in thousand)	

47 OPERATING SEGMENTS

47.1 Geographical Information

Significant sales are made by the Group in the following countries:

	2023	2022
Pakistan	19,801,846	13,422,763
Saudi Arabia	538,449	440,811
United Arab Emirates	673,369	407,390
China	697,760	496,643
Bangladesh	189,852	85,726
Jordan	22,902	-
Singapore	163,023	167,346
Sri Lanka	119,887	91,260
Yemen	294,168	204,946
Brazil	36,293	25,669
Lebanon	8,020	119,396
Uzbekistan	41,075	23,239
Tajikistan	30,278	14,182
Other countries	735,792	290,552
	23,352,714	15,789,922

Sales are attributed to countries on the basis of the customer`s location.

47.2 Business segments

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns, that are different from those of other business segments. As at 30 June 2021 the Group is engaged into following main business segments:

(i) Manufacture and sale of blades;
(ii) Manufacture and sale of soaps;
(iii) Manufacture and sale of corrugated boxes;
(iv) Assembling and sale of motor bikes;
(v) Manufacture and sale of paper and board.
(vi) Manufacture and sale of battery;
(vi) Manufacturing and sale of hemodialysis concentrates (pharmaceutical products).

47.3 Business segment wise detail

	Note	Blades and Razors		Battery		Soaps		Corrugated boxes		Bikes		Pharmaceutical Products		Others		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		-----	-----	-----	-----	-----	-----	Rupees in thousand	-----	-----	-----	-----	-----	-----	-----	-----	-----
Revenue																	
- external customers		11,525,616	8,454,172	10,293,261	6,153,927	1,198,563	590,169	3,326,674	2,620,234	46,088	61,745	1,068,536	715,383	10,628	24,429	27,469,366	18,620,059
		11,525,616	8,454,172	10,293,261	6,153,927	1,198,563	590,169	3,326,674	2,620,234	46,088	61,745	1,068,536	715,383	10,628	24,429	27,469,366	18,620,059
Less : Sales tax		1,241,501	945,909	1,692,860	1,017,756	210,237	100,017	496,061	392,340	-	10,186	-	-	1,649	1,717	3,642,308	2,467,925
Trade discount		119,219	107,086	352,498	254,299	139	392	182	242	682	183	1,624	-	-	9	474,344	362,211
		1,360,720	1,052,995	2,045,358	1,272,055	210,376	100,409	496,243	392,582	682	10,369	1,624	-	1,649	1,726	4,116,652	2,830,136
Net revenue	34	10,164,896	7,401,177	8,247,903	4,881,872	988,187	489,760	2,830,431	2,227,652	45,406	51,376	1,066,912	715,383	8,979	22,703	23,352,714	15,789,923
Cost of revenue - raw and packing material consumption		4,097,456	2,880,019	5,383,327	3,588,907	823,741	403,876	2,178,739	1,730,056	43,173	42,736	665,295	397,479	5,930	19,310	13,197,661	9,062,383
Cost of revenue - other than raw and packing material consunption		2,748,582	2,215,951	1,515,252	1,127,839	27,142	59,775	578,585	473,216	12,697	14,332	147,487	167,369	-	-	5,029,745	4,058,482
Gross profit / (loss)		3,318,858	2,305,207	1,349,324	165,126	137,304	26,109	73,107	24,380	(10,464)	(5,692)	254,130	150,535	3,049	3,393	5,125,308	2,669,058
Inter company / inter segment - net sales		-	-	-	141	-	-	92,805	47,316	7,403	-	-	1,377	27,000	27,005	127,208	75,839
Inter company / inter segment - purchases		(76,443)	(43,149)	(1,547)	-	-	(84)	(8,324)	(10,711)	(8,012)	(616)	(33,067)	(21,279)	-	-	(127,394)	(75,839)
Gross profit / (loss) - segment wise		3,242,415	2,262,058	1,347,777	165,267	137,304	26,025	157,588	60,985	(11,073)	(6,308)	221,063	130,633	30,049	30,398	5,125,122	2,669,058
Administrative expenses	36																
Allocated		747,076	554,897	35,164	44,248	5,958	4,490	44,306	29,559	3,170	3,541	26,967	16,336	2,588	436	865,230	653,507
Unallocated		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164
																865,230	653,671
Distribution cost	37	1,096,011	714,368	581,884	384,599	56,691	1,673	45,362	35,356	14,308	**12,742**	51,578	46,362	-	-	1,845,833	1,195,099
Segment results		1,399,328	992,793	730,729	(263,580)	74,655	19,862	67,919	(3,930)	(28,551)	(22,591)	142,518	67,935	27,461	29,962	2,414,059	820,288
Impairment loss on ECL																(23,384)	(26,077)
Finance cost	38															(1,976,632)	(1,129,469)
Other operating expenses	39															(267,547)	(163,700)
Other income	40															328,709	437,036
																498,936	(61,922)
Share of profit of associate																(217,638)	6,229
Profit/ (Loss) before taxation from continuing operations																281,298	(55,693)
Taxation																(251,570)	(247,297)
Profit/ (Loss) after taxation from continuing operations																29,728	(302,990)
47.3.1 Segment assets		22,644,095	11,270,664	1,133,508	9,078,297	432,035	231,139	460,836	2,184,895	352,746	147,401	2,042,294	1,620,170	63,498	**30,709**	27,129,012	24,563,275
Unallocated assets																-	759,545
Total Assets																27,129,012	25,322,821
47.3.2 Segment liabilities		11,769,269	10,231,923	3,725,869	3,934,986	154,784	63,437	469,539	202,527	41,604	67,196	910,724	504,797	22,850	**18,827**	17,094,638	15,023,693
Unallocated liabilities																87,584	629,770
																17,182,223	15,653,463

47.3.3 Unallocated assets includes deferred tax laibility, investment in associate and results of Treet Power Limited and Treet Battery Limited

	Note	2023	2022
		(Rupees in thousand)	
48 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit / (loss) before taxation		281,421	(55,695)
Adjustments for non cash items:			
Finance cost	38	1,976,632	1,129,469
Depreciation on property, plant and equipment	6.1	677,952	670,365
Depreciation on right of use assets	7.1	17,272	15,490
Unrealised exchange gain - net	40	(6,862)	(623)
Amortization on intangible asset	8.1	14,792	14,767
Provision for gratuity	23.2	105,485	85,286
Provision for superannuation	23.2	93,107	80,180
Provision for warranty	37	366,191	239,548
Profit on bank deposits	40	(34,096)	(24,102)
Expected credit loss on trade debts		-	26,077
Reversal of impairment under expected credit loss	40	-	-
Profit on disposal of property, plant and equipment	40	(17,541)	(229,811)
Reversal of revaluation deficit	40	(60,000)	-
Provision for WPPF and WWF	39	649	(12,598)
Unrealized (gain) / loss on investment at fair value through profit or loss	39	(1,699)	(36,208)
Provision for sales tax	39	-	71
Assets written off	39	17,277	22,031
Provision for obsolete and slow moving inventory	39	344	-
Share of (profit) / loss from associates		218,115	(6,229)
Dividend income	40	-	(1,707)
		3,367,618	1,972,006
Operating profit before working capital changes		3,649,309	1,916,311
Decrease / (Increase) in current assets:			
Stores and spares		(11,966)	(70,650)
Stock in trade		(1,316,893)	(507,354)
Trade debtors		(699,308)	(160,157)
Short term investment		3,400	298,245
Loans, advances, deposits, prepayments and other receivables		(342,407)	(279,172)
		(2,367,174)	(719,088)
Increase / (Decrease) in current liabilities:			
Trade and other payables		704,939	(476,241)
Increase in long term deposits		8,252	2,139
		1,960,502	723,121
49 CASH AND CASH EQUIVALENT			
Cash and bank balances	17	367,407	516,793
Short term running finance - secured	19	(6,178,305)	(6,911,385)
		(5,810,898)	(6,394,592)

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

	Liabilities						Equity		
	Short term borrowings	Loan from Chief Executive	Unclaimed Dividend Payable	Lease liability against right of use assets	Long term finance	Deferred government grant	Share capital/ premium	Employee Stock Option Compensation Reserve	Total
	--------	--------	--------	--------	(Rupees in thousand)	--------	--------	--------	
As at 30 June 2022	3,090,821	50,000	15,625	46,205	1,056,187	11,488	6,691,738	-	10,962,064
Cash flows									
Proceeds from issue of shares under employee stock option scheme	(825,801)	-	-	-	-	-	-	-	(825,801)
Short term borrowings - net	-	230,000	-	-	-	-	-	-	230,000
Loan from Chief Executive Officer - Interest free	-	-	-	(14,266)	-	-	-	-	(14,266)
Payment of lease liability against right of use assets	-	-	-	-	1,763,851	-	-	-	1,763,851
Long term loans - net	-	-	-	-	-	50,267	-	-	50,267
Dividend paid	-	-	(23)	-	-	-	-	-	(23)
Total changes from financing cash flows	(825,801)	230,000	(23)	(14,266)	1,763,851	50,267	-	-	1,204,028
Non-cash changes									
Liability against right of use assets reognised during the year	-	-	-	-	-	-	-	-	-
Cancellation of lease liability	-	-	-	12,284	-	-	-	-	12,284
Interest on unwinding of liability against right of use assets	-	-	-	5,247	-	-	-	-	5,247
Government grant recognised	-	-	-	(13,512)	-	-	-	-	(13,512)
Government grant amortised	-	-	-	-	-	(504)	-	-	(504)
Total liability related other changes	-	-	-	4,019	-	(504)	-	-	3,515
As at 30 June 2023	2,265,020	280,000	15,602	35,958	2,820,038	61,251	6,691,738	-	12,169,607

	Liabilities							Equity	
	Short term borrowings	Loan from Chief Executive	Unclaimed Dividend Payable	Lease liability against right of use assets	Long term finance	Deferred government grant	Share capital/ premium	Employee Stock Option Compensation Reserve	Total
	----------------(Rupees in thousand)----------------								
As at 30 June 2021	3,001,744	50,000	13,262	81,334	342,311	15,929	6,597,133	-	10,101,713
Cash flows									
Proceeds from issue of shares under employee stock option scheme	-	-	-	-	-	-	94,605	-	94,605
Short term borrowings - net	89,077	-	-	-	-	-	-	-	89,077
Payment of lease liability against right of use assets	-	-	-	(15,940)	-	-	-	-	(15,940)
Long term loans - net	-	-	-	-	713,876	-	-	-	713,876
Dividend paid	-	-	2,363	-	-	-	-	-	2,363
Total changes from financing cash flows	89,077	-	2,363	(15,940)	713,876	-	94,605	-	883,981
Non-cash changes									
Liability against right of use assets reognised during the year	-	-	-	-	-	-	-		-
Cancellation of lease liability	-	-	-	(25,486)	-	-	-	-	(25,486)
Interest on unwinding of liability against right of use assets	-	-	-	6,297	-		-	-	6,297
Government grant recognised					-	2,402			2,402
Government grant amortised	-	-	-	-	-	(6,843)	-	-	(6,843)
Total liability related other changes	-	-	-	(19,189)	-	(4,441)	-	-	(23,630)
As at 30 June 2022	3,090,821	50,000	15,625	46,205	1,056,187	11,488	6,691,738	-	10,962,064

	Production capacity 2023	Production capacity 2022	Actual production 2023	Actual production 2022
51 PLANT CAPACITY AND PRODUCTION				
Blades - units in millions	2,230	2,230	1,705	1,721
Corrugated boxes - in metric tones	30,000	30,000	20,466	23,578
Bikes - in units	18,000	18,000	470	1,245
Soap - in metric tones	N/A	5,000	2,462	-
Batteries - numbers	1,200,000	1,200,000	733,316	672,711
Hemodialysis concentrates - in thousand session	2,400	2,400	2,473	2,294

Actual production was sufficient to meet the market demand. The variance of actual production from capacity is related to production mix and market conditions.

52 PROVIDENT FUND TRUST

The following information is based on the latest un-audited financial statements of the Provident Fund Trust:

	Un-audited 2023	Un-audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	681,017	953,137
Cost of investments made	295,020	469,223
Percentage of investments made	45%	51%
Fair value of investments	306,258	490,326

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	41,931	13.7%	55,576	11.3%
Shares in unlisted securities	-	0.0%	4,149	0.8%
Listed Debt Instruments	85,000	27.8%	50,000	10.2%
Government securities	16,300	5.3%	16,300	3.3%
Mutual funds	49,682	16.2%	301,774	61.5%
Other Investments	113,345	37.0%	62,527	12.8%
	306,258	100%	490,326	100%

The investments out of provident fund trust have not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

53 SERVICE FUND TRUST

The following information is based on the latest un-audited financial statements of the Service Fund Trust:

	Un-audited 2023	Un-audited 2022
	(Rupees in thousand)	
Size of the fund - total assets	260,122	252,486
Cost of investments made	104,805	70,724
Percentage of investments made	37%	28%
Fair value of investments	96,645	70,183

The break-up of fair value of investments is:

	2023 (Un-audited)		2022 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	30,953	32.0%	36,084	51.4%
Government securities	15,000	15.5%	15,000	21.4%
Mutual funds	16,611	17.2%		
Listed Debt Instruments	34,081	35.3%	19,099	27.2%
	96,645	100%	70,183	100%

The investments out of service fund trust have been made in accordance with the provisions of section 218 of the Companies Act.

54 GENERAL

The figures have been rounded off to nearest rupee unless otherwise stated.

55 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 28, 2023 by the Board of Directors of the Holding Company.

56 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on August 03, 2023 proposed to issue further 192,307,692 ordinary shares with a face value of PKR 10/- each, as right shares. The Company has issued draft Offer Letter to Stock Exchange for its review/ comments.

The right shares will be offered to the members in proportion of 107.60 right shares for every 100 ordinary shares held, which corresponds to 107.60% of the total paid-up capital of the Company at a price of PKR 13/- per right shares. This price includes a premium of PKR 3/- per right share. These unconsolidated financial statements do not reflect these issuance of right shares.

LAHORE 28th September 2023	Syed Sheharyar Ali Chief Executive Officer	Mohtashim Aftab Group Chief Financial Officer	Syed Shahid Ali Director

INVESTORS'

INFORMATION

PATTERN OF SHAREHOLDING

(Section 227(2)(f))
PATTERN OF SHAREHOLDING
1.1 Name of the Company: **TREET CORPORATION LIMITED**
2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

	Shareholdings		
2.2 No. of Shareholders	From	To	Total Shares Held
1,419	1	100	48,447
1,681	101	500	631,737
1,442	501	1,000	1,268,921
3,028	1,001	5,000	8,099,059
874	5,001	10,000	6,686,700
336	10,001	15,000	4,239,510
194	15,001	20,000	3,520,567
124	20,001	25,000	2,857,561
91	25,001	30,000	2,565,460
46	30,001	35,000	1,524,539
44	35,001	40,000	1,715,923
22	40,001	45,000	943,651
45	45,001	50,000	2,217,137
28	50,001	55,000	1,489,973
12	55,001	60,000	703,900
16	60,001	65,000	998,157
14	65,001	70,000	959,915
7	70,001	75,000	509,400
11	75,001	80,000	870,800
9	80,001	85,000	739,150
5	85,001	90,000	439,530
9	90,001	95,000	841,692
15	95,001	100,000	1,494,000
5	100,001	105,000	518,295
5	105,001	110,000	535,193
4	110,001	115,000	455,500
4	115,001	120,000	470,936
4	120,001	125,000	493,677
5	125,001	130,000	635,792

	Shareholdings		
No. of Shareholders	From	To	Total Shares Held
2	130,001	135,000	265,975
4	135,001	140,000	555,500
5	145,001	150,000	747,000
3	150,001	155,000	459,964
1	155,001	160,000	160,000
3	160,001	165,000	491,000
2	165,001	170,000	334,000
1	180,001	185,000	180,500
2	185,001	190,000	376,000
2	190,001	195,000	390,000
4	195,001	200,000	800,000
1	200,001	205,000	204,351
1	205,001	210,000	210,000
1	210,001	215,000	212,000
2	215,001	220,000	437,000
3	220,001	225,000	663,083
1	225,001	230,000	225,700
3	230,001	235,000	699,000
2	245,001	250,000	497,500
2	250,001	255,000	500,913
1	255,001	260,000	259,500
1	260,001	265,000	264,000
1	265,001	270,000	267,500
2	270,001	275,000	549,134
3	275,001	280,000	830,267
2	280,001	285,000	567,834
1	290,001	295,000	292,500
1	295,001	300,000	300,000
1	305,001	310,000	307,430
1	310,001	315,000	314,500
2	315,001	320,000	319,700
1	320,001	325,000	645,862

	Shareholdings		
No. of Shareholders	From	To	Total Shares Held
1	325,001	330,000	330,000
1	335,001	340,000	339,066
1	355,001	360,000	355,453
1	370,001	375,000	374,000
1	390,001	395,000	390,500
1	410,001	415,000	415,000
1	435,001	440,000	440,000
1	465,001	470,000	466,000
3	495,001	500,000	1,500,000
1	520,001	525,000	524,382
1	555,001	560,000	557,000
1	600,001	605,000	604,500
1	620,001	625,000	622,128
1	640,001	645,000	644,000
1	655,001	660,000	657,577
1	720,001	725,000	725,000
1	885,001	890,000	888,850
1	950,001	955,000	952,000
1	995,001	1,000,000	1,000,000
1	1,145,001	1,150,000	1,150,000
1	1,700,001	1,705,000	1,703,108
1	1,885,001	1,890,000	1,890,000
1	1,915,001	1,920,000	1,919,000
1	3,010,001	3,015,000	3,014,000
1	3,995,001	4,000,000	4,000,000
1	4,835,001	4,840,000	4,837,958
1	11,560,001	11,565,000	11,563,714
1	18,910,001	18,915,000	18,913,152
1	56,140,001	56,145,000	56,141,899
9,592			178,721,122

SHAREHOLDERS
INFORMATION

		No. of Share-holders	No. of Shares Held	No. of Share-holders	No. of Shares Held	No. of Share-holders	No. of Shares Held	
		CDC*	CDC*	Physical	Physical	TOTAL	TOTAL	%
Syed Shahid Ali	Director	1	56,141,899	-	-	1	56,141,899	31.41%
Syed Sheharyar Ali	Director	1	18,913,152	-	-	1	18,913,152	10.58%
Ms. Sidra Fatima Sheikh	Director	-	-	-	-	-	-	0%
Imran Azim	Director - Nominee NIT	-		-	-	-	-	0.00%
Munir Karim Bana	Director - Nominee Loads Limited	1	250,313	-	-	1	250,313	0.14%
Dr. Salman Faridi	Director	1	110	-	-	1	110	0.00%
Dr. Haroon Latif Khan	Director	-	-	-	-	-	-	0.0%
Loads Limited	Associated Company	1	4,837,958	-	-	1	4,837,958	2.70%
NIT & ICP		3	11,623,762	-	-	3	11,623,762	6.50%
Foreign Company		1	150,000	-	-	1	150,000	0.08%
Bank, DFI, Insurance		9	6,477,674	-	-	9	6,477,674	3.62%
Joint Stock Companies		80	5,981,866	-	-	80	5,981,866	3.38%
Mutual & Pension Funds		8	1,280,654	-	-	8	1,280,654	0.72%
Federal Board of Revenue	Government Holding	1	274,134	-	-	1	274,134	0.15%
Modaraba		1	67,500	-	-	1	67,500	0.03%
Others		8	413,222	-	-	8	413,222	0.23%
Individual		7,941	70,863,369	1,535	1,445,509	9,476	72,721,122	40.46%
		8,057	177,275,613	1,535	1,445,509	9,592	178,721,122	100%

*based on no. of accounts in CDC / folios

SHAREHOLDERS HOLDING 5% SHARES OR MORE

Sr. No.	Name of Shareholder	Shares
1	SYED SHAHID ALI	56,141,899
2	SYED SHEHARYAR ALI	18,913,152
3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	11,563,714

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that Annual General Meeting of the shareholders of Treet Corporation Limited (the "Company") will be held on Friday, October 27, 2023 at 11:00 A.M. at **72-B, Industrial Area, Kot Lakhpat, Lahore (Registered Address)** to transact the following business: -

ORDINARY BUSINESS:

1. To confirm the Minutes of the Extraordinary General Meeting held on June 26, 2023.

2. To receive, consider and adopt the Annual Audited Financial Statements (Standalone & consolidated) of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon.

3. To appoint External Auditors of the Company for the year ending June 30, 2024 and to fix their remuneration. M/S Yousaf Adil & Co, Chartered Accountant have offered themselves for appointment.

4. The approval of shareholder in accordance with S.R.O. 389 (I)/2023.- In exercise of the powers conferred by Section 510(1), 223(6) and 223(6) of the Companies Act, 2017 (the "Act"), with the provision of the Electronic Transaction Ordinance, 2002 and in supersession/partial modification of the notification S.R.O 787 (I)/2014, to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc ("Annual Audited Financial Statements") to its shareholders through QR enable code and weblink subject to fulfilment of requirements.

SPECIAL BUSINESS:

5. **Approval of Remuneration of Chairman of the Board of Directors of the Company:**

   To approve the remuneration of Chairman of the Board of Directors of Treet Corporation Limited amounting to Rs. 5 (five) million per month for a term of three years, effective from July 01, 2023. Allowances, and other benefits shall be given as per the Company Policy.

   RESOLVED THAT pursuant to the provisions of the Companies Act, 2017, and the Articles of Association of the Company, approval be and is hereby granted to pay remuneration to Syed Shahid Ali, the Chairman of the Board of Directors, in the amount of Rs. 5 (five) million per month, effective from July 01, 2023 for a period of three years, ending on June 30, 2026, for his services to the Company.

   FURTHER RESOLVED THAT this remuneration shall be in consideration of Syed Shahid Ali's extensive industry experience, leadership, mentorship, and continued contributions to the success and growth of the Company.

   FURTHER RESOLVED THAT the Board of Directors are authorized to take all necessary actions, including the execution of any agreements or documents, to give effect to this resolution."

6. **(i) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):**

   FURTHER RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 (the "Act") and Regulation 5(5) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations") and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 200,000,000/- (Rupees Two Hundred Million Only) to First Treet Manufacturing Modaraba ("FTMM"), being an associated undertaking, in the form of a working capital loan, for a period of one year starting from the date of approval by shareholders.

   FURTHER RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 2,495,000,000/- (Rupees Two Billion Four Hundred Ninety Five Million Only) to FTMM, being an associated undertaking, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the rate of return (if any) for ear marked non-funded/funded facilities pursuant to the above resolutions shall be charged to the subsidiary/associated company at the same rate as charged by the bank to the Company.

(ii) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

FURTHER RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and, Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 450,000,000/- (Rupees Four Hundred and Fifty Million Only) to Renacon Pharma Limited ("RPL"), being an associated undertaking, in the form of a working capital loan, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 1,500,000,000/- (Rupees One Billion Five Hundred Million Only) to Renacon Pharma Limited ("RPL"), being an associated undertaking, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the rate of return (if any) for ear marked non-funded/funded facilities pursuant to the above resolutions shall be charged to the subsidiary/associated company at the same rate as charged by the bank to the Company.

(iii) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 7,000,000/- (Rupees Seven Million Only) to Treet Power Limited ("TPL"), being an associated undertaking, in the form of working capital loan, for a period of one year starting from the date of approval by Shareholders.

(iv) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 3,000,000/- (Rupees Three Million Only) to Treet HR Management (Private) Limited ("THRM"), being an associated undertaking, in the form of working capital loan, for a period of one year starting from the date of approval by Shareholders.

(v) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 4,500,000,000/- (Rupees Four Billion Five Hundred Million Only) to Treet Battery Limited ("TBL"), being an associated undertaking, in the form of working capital loan, for a period of one year starting from the date of approval by Shareholders.

RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 3,360,000,000/- (Rupees Three Billion Three Hundred Sixty

Million Only) in Treet Battery Limited ("TBL"), being an associated undertaking for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the rate of return (if any) for ear marked non-funded/funded facilities pursuant to the above resolutions shall be charged to the subsidiary/associated company at the same rate as charged by the bank to the Company.

(vi) To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee up to PKR 700,000,000/- (Rupees Seven Hundred Million Only) in favour of DFIs/FIs/Banks for and on behalf of its group concern i.e M/S Loads Limited (the associated company) to accommodate for arrangement of funds under commercial paper/ short term sukuk, etc. This resolution is valid for a period of one year starting from the date of approval by shareholders.

7. **To ratify and approve arm's length transactions carried out with associated companies/ undertakings in the normal course of business in accordance with Section 208 of the Companies Act 2017:**

   RESOLVED THAT, the related party transactions carried out in the normal course of business with associated companies/undertakings as disclosed in respective notes to the Audited Financial Statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed;

   FURTHER RESOLVED THAT, the Chief Executive Officer of the Company be and is hereby authorized to approve all related party transactions carried out in the normal course of business with associated companies/ undertakings during the year ended June 30, 2023 and in this regard the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all documents/indentures as may be required on behalf of the Company.

8. **To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2024 by passing the following special resolution with or without modifications:**

   RESOLVED THAT, the Board of the Company be and is hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2024;

   FURTHER RESOLVED THAT, these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/ approval.

9. **To transact any other business with the permission of the Chair.**

By Order of the Board

(Zunaira Dar)
Company Secretary

Lahore: October 05, 2023

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS

The share transfer Books of the Company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive) for the purpose of attending Annual General Meeting. Transfers received in order at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business on October 20, 2023 will be treated in time for payment of the final dividend to the transferees.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING

All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Offi¬ce of the Company not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e. https://treetcorp.com/regulatory-information/

(i) For Attending the Meeting

(a) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.

(b) In case of corporate entity, Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

(ii) For Appointing Proxies

(a) In case of individuals, the account holder or sub-account holder is and/or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

(b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(c) Attested copies of the CNIC or passport of the benefi¬cial owners and the proxy shall be furnished with the proxy form.

(d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

(e) In case of corporate entities, board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

(f) The Form of Proxy is enclosed herewith.

- Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
- Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.
- In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.
- Pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated 31, 2016, Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate it audited financial statement to its shareholders through Email /CD /DVD /USB or any other electronic media at their registered addresses.

- The Financial Statements of the Company for the year ended June 30, 2023 along with reports have been placed on the website of the Company: https://treetcorp.com/regulatory-information/.

- As per Section 72(2) of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING.

AGENDA ITEM 5: Approval of Remuneration of Chairman as per section 75 of Article of Association and section 171(1)(c)(i) of the Companies Act, 2017.

As per section 75 of the Articles of Association of the Company, the Board of Directors has to determine the remuneration of Chairman. The approval of the chairman's remuneration as 'Non-Executive Director' as per section 171 (1)(c)(i) of the Companies Act, 2017 required to be approved by Shareholders. The remuneration of Chairman Syed Shahid Ali has already been approved by the board of directors in their meeting held on June 26, 2023.

Syed Shahid Ali being sponsor Director, has been CEO of the Company since 1995, making significant contributions to its growth and success. He has played a pivotal role in shaping the Company and his extensive experience, knowledge, and continued insight are considered invaluable to the Company's continued progress and the Board feels that it is important to acknowledge Syed Shahid Ali's contributions and retain his services for the benefit of the Company.

The Board of Directors of Treet Corporation Limited, believe it is in the best interests of the Company and its shareholders to provide remuneration to our Chairman, Syed Shahid Ali, who has served the Company for an extended period and continues to contribute significantly to its success. We present the following justification for the Chairman's remuneration:

Syed Shahid Ali has dedicated a substantial portion of his professional life to Treet Corporation Limited and the industry in which we operate. It has been decided by the Board of Directors of the Company that Syed Shahid Ali should continue to provide special consultancy services, strategic direction and guidance to the current executive team and the Board of Directors, in lieu of a reasonable compensation.

AGENDA ITEMS 6, 7 & 8

Information to be disclosed pursuant to Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "**Regulations**").

Name of Associated/ Subsidiary Companies	First Treet Manufacturing Modaraba	Renacon Pharma Limited	Treet Power Limited	Treet HR Management (Private) Limited	Treet Battery Limited	Corporate Guarantee/Ear-marking of its Un-Funded/Funded Facilities
Name of the associated company or associated undertaking along with criteria based on which the associated relationship is	First Treet Manufacturing Modaraba (FTMM) The Company owns 97.11% of certificates of FTMM and holds 100% of the shares of Treet Holdings Limited, being the Modaraba company managing FTMM which holds 2.22% in FTMM.	Renacon Pharma Limited (RPL) is setting up hemodialysis concentrates plant in Faisalabad; RPL is Subsidiary of the company by directly owning 55.86% shares capital.	Treet Power Limited (TPL) is a subsidiary by indirectly owning 100.00% share capital through its directly owned subsidiary THL.	Treet HR Management (Private) Limited (THRM) is a subsidiary by indirectly owning 100.00% share capital through its directly owned subsidiary THL.	Treet Battery Limited ("TBL") is a subsidiary of the Company by directly owning 97.10% share capital.	• First Treet Manufacturing Modaraba • Renacon Pharma Limited • Treet Battery Limited • Loads Limited
Earnings per share for the last three years	2020: (15.34) 2021: (2.42) 2022: (0.63)	2020: 0.46 2021: (0.08) 2022: 0.5	2020: (0.08) 2021: (0.52) 2022: (0.52)	2020: 18.42 2021: 7.36 2022: 19.06	2020: 0.72 2021: 0.13 2022: 0.31	Not Applicable
Breakup value per share, based on latest audited financial statements	3.4	14.3	(5.9)	100	1.5	Not Applicable
Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;	FTMM is listed Modaraba. Detailed accounts are available at https://treetcorp.com/financial-reports/.					Detailed accounts are available at www.treetcorp.com .
a description of the project and its history since conceptualization;	First Treet Manufacturing Modaraba ("FTMM" or the "Modaraba") is a multipurpose, perpetual and multidimensional Modaraba and is managed by Treet Holdings Limited and is engaged in the manufacture and sale of corrugated boxes and soaps. Information memorandum is available at www.treetcorp.com and also available in the Financial Statements (for 2022-2023) of the Company.	Renacon Pharma Limited ("RPL") is a prominent Hemodialysis Concentrates manufacturer in Pakistan. The Company obtained its manufacturing license in 1998 and subsequently replaced majority market of the old Acetate solution with its newer Bicarbonate Concentrate solution within 5 years of introduction.	The company was incorporated m Pakistan on September 18, 2006 as a private company limited by shares under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act. 2017). The company Is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements.	Tree! Power Limited is incorporated on November 20, 2007 in Pakistan The company is a wholly owned subsidiary of Tree! Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company. At present the company is planning to set up an Electric Power Generation Project for generating, distribution and selling of Electric Power, which is kept in abeyance in order to complete other projects of the Group Companies of Treet Corporation Limited.	Treet Battery Limited 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 hybrid batteries, absorbed glass mat batteries, gel batteries	Not Applicable

		Information memorandum is available at www.treetcorp.com and also available in the Financial Statements (for 2022-2023) of the Company.	The name of the company have been changed from that of TCL Labor Hire Company (Private) Limited to that of Treet HR Management (Private) Limited w.e.f December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B. industrial Area Kot lakh pat, Lahore The company is a wholly owned subsidiary of M/s Treet Holdings Limited, which is also a wholly owned subsidiary of M/s Treet Corporation Limited an ultimate parent, a listed company.			
starting date and expected date of completion;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
time by which such project shall become commercially operational;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
expected return on total capital employed in the project; and	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
funds invested of to be invested by the promoters distinguishing between cash and non-cash amounts:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total amount of loans or advances or guarantee;	Up to an extent of Rs.200 million	Up to an extent of Rs. 450 million	Up to an extent of Rs. 7.0 million	Up to an extent of Rs. 3.0 million	Up to an extent of Rs. 4,500 million	FTMM: 2,495 million RPL: 1,500 million TBL: 3,360 million Loads: 700 million
Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;	To meet the working capital requirements of the company.	To meet the working capital requirements of the company.	To meet the working capital requirements of the company.	To meet the working capital requirements of the company.	To meet the working capital requirements of the company.	To meet the letter of credit/guarantee requirements of above subsidiaries/ associated concern
in case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;	Approval from shareholders is being sought to Avail borrowing levels up to Rs. 200 million.	Approval from shareholders is being sought to Avail borrowing levels up to Rs. 450 million.	Approval from shareholders is being sought to Avail borrowing levels up to Rs. 7.0 million.	Approval from shareholders is being sought to Avail borrowing levels up to Rs. 3.0 million.	Approval from shareholders is being sought to Avail borrowing levels up to Rs. 4,500 million.	Not Applicable

average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Not Applicable
rate of interest, mark up, profit, fees or commission etc. to be charged;	Equivalent cost (average rate of investing) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	The rate of return (if any) ear marked non-funded/Funded facilities pursuant to the above resolutions shall be charged to the subsidiary/ associated company at the same rate as charged by the bank to the Company.
sources of funds from where loans or advances will be given;	Own Source	Own Source	Own Source	Own Source	Own Source	Not Applicable
where loans or advances are being granted using borrowed funds,	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
justification for granting loan or advance out of borrowed funds;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
detail of guarantees / assets pledged for obtaining such funds, if any; and	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Floating Charge over Current Assets [current and future] of the Company through supplemental charge [letter of hypothecation].
repayment sched-ules of borrowing of the investing company;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
if the loans or advances carry con-version feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conver-sion may take place and the time when the conversion may be exercisable;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

repayment schedule and terms of loans or advances to be given to the investee company;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	Agreements with subsidiary will be available at the AGM for review of the shareholders	Agreements with subsidiary will be available at the AGM for review of the shareholders	Agreements with subsidiary will be available at the AGM for review of the shareholders	Agreements with subsidiary will be available at the AGM for review of the shareholders	Agreements with subsidiary will be available at the AGM for review of the shareholders	Agreements with subsidiary will be available at the AGM for review of the shareholders
direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Syed Shahid Ali, Syed Sheharyar Ali are directors in the Company and on the Board of Treet Holdings Limited (Modaraba Management Company).	Syed Shahid Ali, Syed Sheharyar Ali are directors in the Company	THL major shareholder in the Company	Syed Shahid Ali, Syed Sheharyar Ali and Munir Karim Bana are directors in the Company and on the Board of Treet Power Limited.	Syed Shahid Ali and Syed Sheharyar Ali are directors in the Company and on the board of TBL	Common Directorship
any other important details necessary for the members to understand the transaction; and	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
in case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely,	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Interest of Investee Company, its Sponsors and Directors in the Company:

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

Audited Financial Statements of Investee Companies:

As required by Regulation 4(3) of the Regulations, following financial statements of First Treet Manufacturing Modaraba, Renacon Pharma Limited, Treet Battery Limited, Treet Power Limited and Treet HR Management (Private) Limited shall be made available for inspection by the members at the meeting, namely:

Annual Audited Accounts for the year ended June 30, 2023
Annual Audited Accounts for the year ended June 30, 2022
Annual Audited Accounts for the year ended June 30, 2021

Due Diligence Undertaking of Directors:

The Directors of the Company hereby certify to the Members that the Directors have, as required by Regulation 3(3) of the Regulations, carried out the requisite due diligence of associated Companies/ Subsidiaries for the investment mentioned in table.

The recommendations of the said due diligence report are duly signed under the authority of the Directors will be made available for inspection by the members at the meeting;

KEY OPERATING
FINANCIAL DATA

Rs. In 000	2023	2022	2021	2020*	2019*	2018	2017	2016
Sales	23,352,714.00	15,789,922.63	14,191,739.00	11,111,578.00	11,972,060.00	9,410,276	8,418,188	7,615,231
Export Sales	3,533,808.00	2,312,984.00	2,529,246.00	2,058,400.00	2,538,191.00	2,087,699	1,877,190	1,875,341
Gross Profit	5,126,070.00	2,669,057.83	2,546,931.00	1,309,592.00	1,246,890.00	1,757,390	2,014,884	1,804,382
Profit / (Loss) before Taxation	281,421.00	(55,693.36)	1,122,436.00	(2,555,424.00)	(1,948,764.00)	(478,835)	304,576	267,796
Profit / (Loss) after Taxation	28,385.00	(302,990.36)	547,885.00	(2,655,891.00)	(2,125,246.00)	(630,512)	215,910	214,314
Shareholders' Equity+ Revaluation Surpulus	9,854,982.00	9,669,359.30	10,104,504.00	6,794,847.00	9,060,834.00	9,065,394	9,281,533	8,798,692
Fixed Asset-Net	17,041,598.00	17,033,352.39	16,947,483.00	13,990,499.00	16,256,605.00	13,308,050	11,383,772	7,840,611
Total Assets	27,122,047.00	25,322,820.39	25,785,498.00	22,723,219.00	24,731,935.00	21,001,871	17,777,635	12,544,365
Total Liabilities	17,267,465.00	15,653,462.63	15,680,993.00	15,928,372.00	15,671,101.00	11,936,477	8,496,102	3,745,673
Current Assets	9,300,403.00	7,275,236.00	6,980,868.00	5,996,172.00	7,740,609.00	7,025,973	5,717,417	4,335,134
Current Liabilities	12,866,933.00	13,124,813.21	13,873,960.00	15,021,936.00	15,188,379.00	11,419,384	7,828,940	2,866,738
Cash Dividend	0%	0%	10%	0%	0%	0%	0%	10%
Stock Dividend	0%	0%	0%	0%	0%	0%	10%	0%
Share Outstanding	178,721,122.00	178,721,122.00	174,834,322.00	169,831,322.00	165,450,942.00	160,084,685	142,143,666	137,804,309

* Restated

Important Ratios	2023	2022	2021	2020*	2019*	2018	2017	2016
Profitability								
Gross Profit	21.95%	16.90%	17.95%	11.79%	10.41%	18.68%	23.93%	23.69%
Profit before Tax	1.21%	-0.35%	7.91%	-23.00%	-16.28%	-5.09%	3.62%	3.52%
Profit after Tax	0.12%	-1.92%	3.86%	-23.90%	-17.75%	-6.70%	2.56%	2.81%
Return to Equity								
Return on Equity before Tax	2.86%	-0.58%	11.11%	-37.61%	-21.51%	-5.28%	3.28%	3.04%
Return on Equity after Tax	0.29%	-3.13%	5.42%	-39.09%	-23.46%	-6.96%	2.33%	2.44%
Earning per share	(0.00)	(1.77)	3.24	(15.46)	(12.69)	(3.97)	1.45	1.59
Liquidity/Leverage								
Current ratio	0.72	0.55	0.50	0.40	0.51	0.62	0.73	1.51
Break-up value per Share	55.14	54.10	57.79	40.01	54.76	56.63	65.30	63.85
Total Liability to Equity	1.75	1.62	1.55	2.34	1.73	1.32	0.92	0.43

% Change	2023	2022	2021	2020*	2019*	2018	2017	2016
Sales	47.90%	11.26%	27.72%	-7.19%	27.22%	11.79%	10.54%	10.36%
Export Sales	52.78%	-8.55%	22.87%	-18.90%	21.58%	11.21%	0.10%	9.63%
Gross Profit	92.06%	4.80%	94.48%	5.03%	-29.05%	-12.78%	11.67%	25.53%
Profit Before Taxation	605.30%	-104.96%	-143.92%	31.13%	306.98%	-257.21%	13.73%	25.06%
Profit after Taxation	109.37%	-155.30%	-120.63%	24.97%	237.07%	-392.03%	0.74%	-11.52%
Shareholders' Equity+Revaluation Surpulus	1.92%	-4.31%	48.71%	-25.01%	-0.05%	-2.33%	5.49%	93.00%
Fixed Asset-Net	0.05%	0.51%	21.14%	-13.94%	22.16%	16.90%	45.19%	86.56%
Total Assets	7.11%	-1.79%	13.48%	-8.12%	17.76%	18.14%	41.72%	14.13%
Total Liabilities	10.31%	-0.18%	-1.55%	1.64%	31.29%	40.49%	126.82%	-6.60%
Current Assets	27.84%	4.22%	16.42%	-22.54%	10.17%	22.89%	31.89%	-32.92%
Current Liabilities	-1.96%	-5.40%	-7.64%	-1.10%	33.01%	45.86%	173.10%	-3.50%
Dividend							-100.00%	0.00%
Shares Outstanding	0.00%	2.22%	2.95%	2.65%	3.35%	12.62%	3.15%	155.43%

FORM
OF PROXY

I/We, ______________________ of ___________________ being a member of Treet Corporation Limited, holder of ________ Ordinary shares as per Register Folio No. ____________

For beneficial owners as per CDC List
CDC Participant I.D No. --------------- Sub Account No. ---------------------
CNIC No
Passport No. ------------------------------

Hereby Appoint Mr. /Mrs. /Miss ______________________ of __________________ person or failing him / her Miss / Mrs / Mr. ________________________ of ____________________

another person on my / our proxy to attend and vote for me / us and my / our behalf at Annual General Meeting of the Company to be held on Friday, October 27th ,2023 at 11:00AM and at every adjournment thereof, if any

Please affix Rupees Fifty Revenue Stamp

(Signature should agree with specimen Signature registered with the Company)

Signed this ____ day of October 2023

Signature of Shareholder ________________

Signature of Proxy ______________________

1. WITNESS Signature: ________________________ Name: ___________________________ Address: __________________________ ________________________________ CNIC #	**2. WITNESS** Signature: ________________________ Name: ___________________________ Address: __________________________ ________________________________ CNIC#

1. This Proxy Form. Duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.

2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. For CDC Account Holders / Corporate Entities in addition to the above the following requirements have to be met;

i. Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be provided with the proxy forms.
ii. The proxy shall produce his original CNIC or original Passport at the time of the meeting.
iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Shaping Industries,
Empowering Lives

Treet Corporation Limited

72B, Peco Road, Kot Lakhpat Industrial Area, Lahore 54770, Pakistan
+92-42-1111-Treet (87338) \ WhatsApp: +92 328 8733888
www.treetcorp.com
info@treetgroup.com
@treetcorp

01.53.0002.BD/00-EN-1023