

3rd Quarterly Report
for the period ended March 31, 2020



“Today’s
Accomplishments
were Yesterday’s
Impossibilities”

Robert H. Schuller

Treet Corporation Limited

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Company Information

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

REGISTERED OFFICE

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

SHARE REGISTRAR

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

TREET GROUP FACTORIES/
FACTORIES

Head Office:
72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825
Blade/Razor:
Hali Road: P.O. Box No. 308, Hyderabad.
Tel : 0223-880846, 883058 & 883174
Fax: 0223-880172
First Treet Manufacturing Modaraba
(Managed by Treet Holdings Limited)

Battery project

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

Packaging Solutions - Corrugation

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

Soap Division

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

Treet Holdings Limited

(A wholly owned subsidiary of Treet Corporation Limited)

Bike Project

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

Renacon Pharma Limited

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

Institute of Art and Culture

7km Thokar Niaz Baig, Main Raiwind Road Lahore.
+92 42 32590040-7

GROUP COMPANIES

Treet Holdings Limited
First Treet Manufacturing Modaraba
Treet HR Management (Private) Limited
Treet Power Limited
Global Arts Limited
Society for Cultural Education
Renacon Pharma Limited

ADDRESS

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

KARACHI OFFICE

6-B (A-1) Saaed Hai Road, Muhammad Ali Co-operative Society, Karachi.
Tel: 021-34372270-1
Fax: 021-34372272

Directors' Review

It pleases us to present the financial statements (un-audited) for the 3rd quarter ended on March 31st, 2020.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS – CONSOLIDATED

(Rupees in millions)	Nine Months Ended			Quarter Ended		
	31-Mar-20	31-Mar-19	% Change	31-Mar-20	31-Mar-19	% Change
	(1)	(2)	(1) over (2)	(3)	(4)	(3) over (4)
Sales (net)	8,902	8,668	2.70%	2,438	3,043	-19.88%
Gross Profit/(Loss)	1,189	1,166	1.97%	387	378	2.38%
Operating Profit/(Loss)	(158)	(1,018)	-84.48%	68	(365)	-118.63%
Profit/(Loss) before Taxation	(1,422)	(1,402)	1.43%	(333)	(544)	-38.79%
Net Profit/(Loss) after taxation	(1,579)	(1,448)	9.05%	(426)	(574)	-25.78%
EPS (in Rupees)	(9.42)	(8.90)		(2.54)	(3.53)	

SUMMARY OF COMPARATIVE FINANCIAL RESULTS – UNCONSOLIDATED

(Rupees in millions)	Nine Months Ended			Quarter Ended		
	31-Mar-20	31-Mar-19	% Change	31-Mar-20	31-Mar-19	% Change
	(1)	(2)	(1) over (2)	(3)	(4)	(3) over (4)
Sales (net)	4,840	4,971	-2.64%	1,384	1,683	-17.77%
Gross Profit/(Loss)	1,622	1,742	-6.89%	505	545	-7.34%
Operating Profit/(Loss)	935	413	126.39%	330	122	170.49%
Profit/(Loss) before Taxation	796	174	357.47%	407	17	2294.12%
Net Profit/(Loss) after taxation	614	121	407.44%	311	(11)	-2927.27%
EPS (in Rupees)	3.66	0.74		1.85	(0.07)	

BUSINESS REVIEW – GROUP RESULTS

For the nine months period, the Group's turnover was Rs. 8,902 million, registering an increase of Rs. 234 million (2.70%) over the same period of previous year. The increase reflects upside in sales of battery, chemical and pharmaceutical products

SEGMENT WISE SALES IS AS FOLLOWS:

(Rupees in millions)	Sales					
	Nine Months Ended			Quarter Ended		
	31-Mar-20	31-Mar-19	% Change	31-Mar-20	31-Mar-19	% Change
	(1)	(2)	(1) over (2)	(3)	(4)	(3) over (4)
Blades	4,749	4,891	-2.90%	1,352	1,648	-17.96%
Soap	564	718	-21.45%	110	229	-51.97%
Corrugation	1,246	1,387	-10.17%	345	483	-28.57%
Battery	1,758	1,063	65.38%	432	465	-7.10%
Bike	107	224	-52.23%	22	68	-67.65%
Trading	91	80	13.75%	32	35	-8.57%
Pharmaceutical	387	304	27.30%	144	114	26.32%
Total	8,902	8,668	2.70%	2,438	3,043	-19.88%

For the nine months period under consideration, Operating Loss is Rs. 158 million which shows reduction in loss by 84.48% over corresponding period last year. Reduction in loss is mainly attributable to reduction in various elements of fixed costs, partially offset by depreciation of PKR against USD that caused higher input cost. Loss after tax is Rs. 1,579 million which is 9.05% higher compared to last year same period. The increase in loss is primarily due to higher financial charges attributable to increase in policy rate along with increased level of borrowing. This level of loss has delivered a negative EPS of Rs. 9.42 per share compared to Rs. 8.90 per share last year same period.

The impact of lockdown due to COVID-19 has resulted in closure of operations of Blades & Razor and Battery plant alongwith a drop in sales for the last 10 days of March 2020 of all business segments. This has directly impacted our sales which has dropped approx. by Rs. 400 million.

FINANCIAL PLAN

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

Acknowledgements

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



Syed Shahid Ali
Chief Executive Officer

LAHORE
April 27, 2020

CONSOLIDATED

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FINANCIAL STATEMENTS

For the period ended March 31, 2020


Condensed interim consolidated statement of financial position (un-audited)

As at March 31, 2020


	March 2020 Un-audited	June 2019 Audited
Note	(Rupees in thousand)	
Property, plant and equipment	17,550,398	17,836,757
Investment property	12,895	12,896
Long term investments	467,099	478,297
Long term loans and deposits	74,811	48,187
Deferred tax asset	-	-
	18,105,203	18,376,137
Current assets		
Stores and spares	310,830	286,834
Stock-in-trade	2,962,381	2,956,983
Trade debts - unsecured considered good	1,138,323	1,235,283
Short term investments	382,740	435,348
Loans, advances, deposits, prepayments and other receivables	2,076,049	2,573,504
Cash and bank balances	538,235	358,990
	7,408,558	7,846,942
Current liabilities		
Current portion of non-current liabilities	-	201,266
Finance under mark-up-arrangements	13,416,703	13,066,427
Trade and other payables	2,080,608	1,777,075
Provision for taxation	571,806	143,611
	16,069,117	15,188,379
Net current assets	(8,660,559)	(7,341,437)
Non-current liabilities		
Long term deposits	1,496	1,214
Deferred liabilities	626,823	547,817
	628,319	549,031
Contingencies and commitments	5	-
Net assets	8,816,325	10,485,669
FINANCED BY:		
Issued, subscribed and paid-up capital	1,698,312	1,654,508
Reserves	5,597,242	5,455,651
Unappropriated profit	(3,169,798)	(1,606,263)
Surplus on revaluation of fixed assets	4,627,294	4,642,427
SHARE HOLDERS' EQUITY	8,753,050	10,146,323
Minority Interest	63,275	339,346
	8,816,325	10,485,669

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director


Condensed interim consolidated statement of profit or loss account (un-audited)


For the period ended March 31, 2020


	Note	9 Months ended		Quarter ended	
		July to March 2020 (Rupees in thousand)	July to March 2019 (Rupees in thousand)	January to March 2020 (Rupees in thousand)	January to March 2019 (Rupees in thousand)
Revenue and sales -net	6	8,901,654	8,668,282	2,437,785	3,042,686
Cost of goods sold	7	(7,712,738)	(7,502,687)	(2,050,603)	(2,664,419)
Gross profit		1,188,916	1,165,595	387,182	378,267
Operating expenses :					
- Administrative expenses		(369,170)	(884,648)	(103,149)	(294,746)
- Selling & distribution expenses		(977,428)	(1,298,993)	(215,864)	(448,526)
		(1,346,598)	(2,183,641)	(319,013)	(743,272)
Operating profit/(loss)		(157,682)	(1,018,046)	68,169	(365,005)
Other income		56,843	532,206	36,461	196,429
		(100,839)	(485,840)	104,630	(168,576)
Financial expenses		(1,274,064)	(792,027)	(415,394)	(339,122)
Financial charges Treet-PTC		-	(128,909)	-	(42,973)
Share of profit of associate		2,117	16,315	-	8,660
		(1,372,786)	(1,390,461)	(310,764)	(542,011)
Workers' Profit Participation Fund		(48,166)	(10,222)	(21,735)	(1,349)
Workers' Welfare Fund		(1,206)	(857)	(665)	(284)
		(49,372)	(11,079)	(22,400)	(1,633)
Loss before taxation		(1,422,158)	(1,401,540)	(333,164)	(543,644)
Taxation					
- Group		(205,317)	(69,077)	(109,324)	(33,166)
- Associated company		(5,023)	(12,883)	-	(10,275)
Loss after taxation		(1,632,498)	(1,483,500)	(442,488)	(587,085)
Profit attributable to minority interest		53,830	35,268	16,013	13,061
Loss attributable to group		(1,578,668)	(1,448,232)	(426,475)	(574,024)
Loss per share from continued operation		(9.42)	(8.90)	(2.54)	(3.53)

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed interim consolidated statement of comprehensive income (un-audited)


For the period ended March 31, 2020

	9 Months ended		Quarter ended	
	July to March 2020 (Rupees in thousand)	July to March 2019 (Rupees in thousand)	January to March 2020 (Rupees in thousand)	January to March 2019 (Rupees in thousand)
Loss after taxation	(1,578,668)	(1,448,232)	(426,475)	(574,024)
Other comprehensive income				
Available for sale financial assets				
Transfer to profit and loss account on disposal	-	-	-	-
Total comprehensive loss for the period	(1,578,668)	(1,448,232)	(426,475)	(574,024)


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

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed interim consolidated statement of cash flows (un-audited)

For the period ended March 31, 2020

	July to March 2020	July to March 2019
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,422,158)	(1,401,540)
Adjustments for non-cash items :		
Financial charges for the period	1,274,064	792,027
Financial charges Treet-PTC	-	128,909
Depreciation on property, plant and equipment	617,166	528,928
Provision for gratuity	23,586	7,415
Provision for superannuation fund scheme	19,752	7,034
Profit on bank deposits	(11,123)	(17,191)
Profit on disposal of investment held for trading	22,177	(5,275)
Impairment on available for sale Investment transferred from equity	(7,038)	-
Share of profit from associated company	(2,117)	(16,315)
Employees share option scheme (ESOS)	(9,787)	23,593
Dividend income	(1,265)	(3,783)
Provision for WPPF and WWF	49,372	11,079
(Gain)/Loss on sale of fixed assets	(18,790)	(33,843)
	1,955,997	1,422,578
Operating profit before working capital changes	533,839	21,038
(Increase) / decrease in operating assets :		
Stores and spares	(23,996)	(23,412)
Stock-in-trade	(5,398)	(741,148)
Trade debts	96,960	(709,473)
Short term investments	30,431	(27,743)
Loans, advances, deposits, prepayments and other receivables	596,220	653,504
	694,217	(848,272)
Increase / (decrease) in operating liabilities		
Trade and other payables	312,067	620,045
Cash generated from operations	1,540,123	(207,189)
Financial charges paid	(1,337,198)	(754,506)
Taxes paid	(95,165)	(98,005)
WPPF and WWF	(1,458)	(1,235)
Payment to gratuity fund	53,420	(30,857)
Payment to superannuation fund	(7,572)	(22,240)
	(1,387,973)	(906,843)
Net cash from operating activities	152,150	(1,114,032)


Condensed interim consolidated statement of cash flows (un-audited)


For the period ended March 31, 2020


	July to March 2020	July to March 2019
(Rupees in thousand)		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(345,140)	(983,626)
Proceeds from sale of fixed assets	33,127	54,508
Long term investments	15,330	(964,054)
Long term deposits	(26,624)	(5,629)
Profit received on bank deposits	11,123	17,191
Dividend received	1,265	3,783
Net cash outflow from investing activities	(310,919)	(1,877,827)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	10,346	24,387
Share premium	5,908	24,388
Participation term finance certificates	(6,276)	(5,031)
Long Term Deposits	(22,818)	(108,605)
Dividend paid	578	524
Net cash from financing activities	(12,262)	(64,337)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(171,031)	(3,056,196)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(12,707,437)	(8,582,194)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(12,878,468)	(11,638,390)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	538,235	72,192
Finance under mark-up arrangements	(13,416,703)	(11,710,582)
	(12,878,468)	(11,638,390)

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director


Condensed interim consolidated statement of changes in shareholders equity (un-audited)


For the period ended March 31, 2020

	Share Capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	Surplus on revaluation of land buildings - net of tax	Employee stock option compensation reserve	General Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----									
Balance as on June 30, 2019	1,600,846	4,492,923	1,654	511,941	1,301,777	-	266,400	532,119	8,707,660
Shares issued against Treet PTC by way of conversion	29,275	143,860	-	-	-	-	-	-	173,135
Issuance of shares under employee share option scheme (ESOS)	24,387	24,388	-	-	-	-	-	-	48,775
Recognition of fair value charge of shares under employee share option scheme (ESOS)	-	-	-	-	-	23,593	-	-	23,593
Transfer to share premium on issuance of shares under employee share option scheme (ESOS)	-	13,071	-	-	-	(13,071)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,448,232)	(1,448,232)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(13,141)	-	-	13,141	-
Balance as on March 31, 2019	1,654,508	4,674,242	1,654	511,941	1,288,636	10,522	266,400	(902,972)	7,504,931
Balance as on June 30, 2019	1,654,508	4,674,250	(7,462)	511,941	4,642,427	10,522	266,400	(1,606,263)	10,146,323
Shares issued against Treet PTC by way of conversion	33,458	138,432	-	-	-	-	-	-	171,890
Issuance of shares under employee share option scheme (ESOS)	10,346	5,908	-	-	-	-	-	-	16,254
Reversal of Expenses under ESOS	-	-	-	-	-	(9,787)	-	-	(9,787)
Reversal of impairment	-	-	7,038	-	-	-	-	-	7,038
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,578,668)	(1,578,668)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(15,133)	-	-	15,133	-
Balance as on March 31, 2020	1,698,312	4,818,590	(424)	511,941	4,627,294	735	266,400	(3,169,798)	8,753,050

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Notes to the consolidated condensed interim financial information (un-audited)

For the period ended March 31, 2020

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited (THL)

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

Society for Cultural Education (SCE)

Renacon Pharma Limited (RPL)

Treet Battery Limited (TBL)

- 1.1 Treet Corporation Limited (the holding Company) was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Act, 1913. Its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the holding company is to manufacture and sell razors and razor blades along with other trading activities. The registered office of the holding company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.2 Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Global Econo Trade Limited commenced its commercial operations from 01 January 2005. The principal activity of the company is the business of manufacturing and sale of bikes. The company was converted into Public Limited Company (unlisted), and the name and objects of the company have also been changed from that of Global Econo Trade (Private) Limited to Treet Holdings Limited w.e.f June 03, 2015 after complying with the legal formalities. Its registered office is situated at 72 - B, Industrial Area Kot Lakhpat, Lahore.
- 1.3 First Treet Manufacturing Modaraba ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.
- 1.4 Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Notes to the consolidated condensed interim financial information (un-audited)

For the period ended March 31, 2020

- 1.5 Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. The company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited – an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.
- 1.6 Treet Power Limited was incorporated on 20 November 2007 in Pakistan as an unquoted Public Limited Company under the Companies Ordinance, 1984. At present Treet Power Limited is planning to set up an electric power generation project for generating, distribution and selling of electric power. Its registered office is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.7 Society for Cultural Education (SCE) is a Society registered under the Societies Registration Act, XXI of 1860, and having its Registered/Head Office at, 72-B, Kotlakhpat Industrial Area, Lahore. Object clauses include to establish, construct, run, maintain and manage schools, professional schools and colleges, universities, coaching classes, offices, libraries, information centers and other institutions for imparting moral, academic and technical education to children and adults and to promote and encourage the study of all arts, sciences, culture, history and general knowledge, subject to necessary permissions from regulatory bodies, if any and to take over running business of, or affiliate with or obtain affiliation from, any universities, colleges, schools, educational institutes, information centers and/or any other institutions etc.

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

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

- 1.8 Renacon Pharma Limited (RPL) was incorporated on 07 July 2009 as a Private Limited Company under the Companies Ordinance, 1984. The company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The Company engaged in the business of manufacturing of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines. Treet Corporation Limited has acquired 58.16% equity stake in the company on 18 January 2017. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.
- 1.9 Treet Battery Limited was incorporated on 22 February 2019 in Pakistan under the Companies Act, 2017 and in the process of initiating its operations by the period end. The Company will carry out business as manufacturers, assemblers, processors, producers, suppliers, sellers, importers, exporters, makers, fabricators and dealers in all batteries including but not limited to lead acid batteries, deep cycle batteries, lithium batteries, nickel cadmium batteries, nickel metal hydride batteries, absorbed glass mat (AGM) batteries, Gel batteries used in or required for industrial, transport, commercial and domestic and any other purpose. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2019.

Notes to the consolidated condensed interim financial statements (un-audited)

For the period ended March 31, 2020

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2019.

4 ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2019.

5 CONTINGENCIES AND COMMITMENTS

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

	9 Months ended		Quarter ended	
	July to March 2020 (Rupees in thousand)	July to March 2019	January to March 2020 (Rupees in thousand)	January to March 2019
6. SALES - Net				
Blades	4,748,856	4,891,401	1,351,649	1,648,316
Soaps	564,213	718,352	109,884	228,990
Packaging products	1,245,577	1,387,260	345,461	482,957
Batteries	1,758,241	1,063,220	432,262	464,948
Motor bike project	107,187	224,459	22,265	68,495
Trading operation	90,651	79,625	32,432	35,152
Pharmaceutical products	386,929	303,965	143,832	113,828
	8,901,654	8,668,282	2,437,785	3,042,686

7. COST OF GOODS SOLD

Blades	(3,129,352)	(3,137,789)	(849,372)	(1,102,227)
Soaps	(498,897)	(640,041)	(104,972)	(201,816)
Packaging products	(1,246,240)	(1,319,863)	(316,915)	(475,561)
Batteries	(2,372,767)	(1,872,647)	(634,660)	(693,073)
Motor bike project	(113,664)	(234,306)	(23,482)	(70,229)
Trading operation	(58,125)	(57,842)	(22,149)	(28,838)
Pharmaceutical products	(293,693)	(240,199)	(99,053)	(92,675)
	(7,712,738)	(7,502,687)	(2,050,603)	(2,664,419)

Notes to the consolidated condensed interim financial statements (un-audited)

For the period ended March 31, 2020

8. TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

	9 Months ended	
	July to March 2020	July to March 2019
	(Rupees in thousand)	
Purchases and services received	239,176	220,812
Goods sold and services rendered	485,766	-

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on April 27, 2020.

	March 2020	June 2019
	(Rupees in thousand)	

10. SOCIETY FOR CULTURAL EDUCATION

CONDENSED INTERIM BALANCE SHEET (Un-audited)

As At March 31, 2020

CURRENT ASSETS		
Loans, advances, deposits, prepayments and other receivables	16,952	4,032
Cash and bank balances	11,785	32,106
	28,737	36,138
CURRENT LIABILITIES		
Trade and other payables	21,305	3,027
NET CURRENT ASSETS	7,432	33,111
NET ASSETS	7,432	33,111
FINANCED BY:		
Issued, subscribed and paid-up capital	476,423	450,765
Unappropriated profit	(468,991)	(417,654)
SHARE HOLDERS' EQUITY	7,432	33,111
Contingencies and commitments	-	-
	7,432	33,111

Notes to the consolidated condensed interim financial statements (un-audited)

For the period ended March 31, 2020

Condensed interim statement of revenue and expenses (Un-audited)


For the period ended March 31, 2020


	9 Months ended	
	July to March 2020	July to March 2019
	(Rupees in thousand)	
Fees and revenue	119,459	69,475
Profit on bank deposits	2,605	2,008
Other income	7	439
	122,071	71,922
Less:		
Salaries, wages and other benefits	140,304	148,181
Fuel and power	10,326	5,683
Repairs and maintenance - Vehicles	108	112
Repairs and maintenance - Others	10,527	7,752
Rent, rates and taxes	1,666	388
Insurance	999	3,775
Advertising	317	21,661
Traveling and conveyance	2,694	2,684
Entertainment	210	823
Postage and telephone	2,384	1,048
Printing and stationery	2,516	3,213
Legal and professional charges	110	75
Computer expenses	557	1,548
Subscription	24	28
Bank charges	-	(26)
Others	620	834
	173,362	197,779
Net expenses taken to balance sheet	(51,291)	(125,857)

11. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

UNCONSOLIDATED

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FINANCIAL STATEMENTS

For the period ended March 31, 2020


Condensed interim statement of financial position (un-audited)


As at March 31, 2020


	Note	March 2020 Un-audited	June 2019 Audited
(Rupees in thousand)			
Property, plant and equipment		6,126,444	6,147,622
Investment property		12,895	12,896
Long term investments		6,211,299	6,204,687
Long term loans and deposits		19,864	25,617
		12,370,502	12,390,822
Current assets			
Stores and spares		204,326	193,513
Stock-in-trade		1,207,294	898,201
Trade debts - unsecured considered good		232,309	287,846
Short term investments		379,949	431,865
Loans, advances, deposits, prepayments and other receivables		8,252,185	7,507,794
Cash and bank balances		287,609	198,581
		10,563,672	9,517,800
Current liabilities			
Current portion of non-current liabilities		-	178,166
Finance under mark-up-arrangements		8,885,854	8,755,727
Trade and other payables		1,034,875	1,028,066
Provision for taxation		277,843	95,945
		10,198,572	10,057,904
Net current assets		365,100	(540,104)
Non-current liabilities			
Long term deposits		(1,787)	1,214
Deferred liabilities		584,287	495,467
		582,500	496,681
Contingencies and commitments	6	-	-
Net assets		12,153,102	11,354,037
FINANCED BY:			
Issued, subscribed and paid-up capital		1,698,312	1,654,508
Reserves		5,086,630	4,945,039
Unappropriated profit		1,530,938	904,360
Surplus on revaluation of fixed assets		3,837,222	3,850,130
		12,153,102	11,354,037

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director


Condensed interim profit and loss account (un-audited)

For the period ended March 31, 2020

	Note	9 Months ended		Quarter ended	
		July to March 2020 (Rupees in thousand)	July to March 2019	January to March 2020 (Rupees in thousand)	January to March 2019
Revenue and sales -net	7	4,839,507	4,971,026	1,384,081	1,683,468
Cost of goods sold	8	(3,217,720)	(3,229,419)	(878,712)	(1,138,912)
Gross profit		1,621,787	1,741,607	505,369	544,556
Operating expenses :					
- Administrative expenses		(314,577)	(469,067)	(106,147)	(156,724)
- Selling & distribution expenses		(372,333)	(859,172)	(69,368)	(266,288)
		(686,910)	(1,328,239)	(175,515)	(423,012)
Operating profit		934,877	413,368	329,854	121,544
Other income		760,809	460,264	367,116	157,905
		1,695,686	873,632	696,970	279,449
Financial expenses		(852,983)	(561,349)	(268,974)	(218,076)
Financial charges Treet-PTC		-	(128,909)	-	(42,973)
		842,703	183,374	427,996	18,400
Workers' Profit Participation Fund		(47,135)	(9,169)	(21,400)	(920)
Workers' Welfare Fund		-	-	-	-
		(47,135)	(9,169)	(21,400)	(920)
Profit before taxation		795,568	174,205	406,596	17,480
Taxation		(181,898)	(53,413)	(95,840)	(28,584)
Profit / (Loss) from continuing operation		613,670	120,792	310,756	(11,104)
Earnings per share from continued operation		3.66	0.74	1.85	(0.07)

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed interim statement of comprehensive income (un-audited)

For the period ended March 31, 2020

	9 Months ended		Quarter ended	
	July to March 2020 (Rupees in thousand)	July to March 2019	January to March 2020 (Rupees in thousand)	January to March 2019
Profit after taxation	613,670	120,792	310,756	(11,104)
Other comprehensive income				
Available for sale financial assets				
Transfer to profit and loss account on disposal	-	-	-	-
Total comprehensive income for the period	613,670	120,792	310,756	(11,104)


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

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed interim statement of cash flows (un-audited)

For the period ended March 31, 2020

	July to March 2020	July to March 2019
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	795,568	174,205
Adjustments for non-cash items :		
Financial charges for the period	852,983	561,349
Financial charges Treet-PTC	-	128,909
Depreciation on property, plant and equipment	213,908	185,210
Provision for gratuity	23,586	7,415
Provision for superannuation fund scheme	19,752	7,034
Profit on bank deposits	(4,821)	(4,598)
Profit on disposal of investment held for trading	21,510	(5,399)
Profit on disposal of available for sale investment	(707)	(1,391)
Employees share option scheme (ESOS)	(9,787)	-
Dividend income	(1,265)	(3,782)
Provision for WPPF and WWF	47,135	9,169
(Gain)/Loss on sale of fixed assets	(17,484)	(14,978)
	1,144,810	868,938
Operating profit before working capital changes	1,940,378	1,043,143
(Increase) / decrease in operating assets :		
Stores and spares	(10,813)	7,016
Stock-in-trade	(309,093)	(287,317)
Trade debts	55,537	(180,944)
Short term investments	30,406	(27,736)
Loans, advances, deposits, prepayments and other receivables	(687,050)	640,013
	(921,013)	151,032
Increase / (decrease) in operating liabilities		
Trade and other payables	109,644	280,960
Cash generated from operations	1,129,009	1,475,135
Financial charges paid	(1,003,537)	(630,363)
Taxes paid	(57,706)	(39,130)
WPPF and WWF	6	6
Payment to gratuity fund	53,420	(30,857)
Payment to superannuation fund	(7,572)	(19,076)
	(1,015,389)	(719,420)
Net cash from operating activities	113,620	755,715


Condensed interim cash flow statement (un-audited)

For the period ended March 31, 2020

	July to March 2020	July to March 2019
(Rupees in thousand)		
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(207,828)	(465,983)
Proceeds from sale of fixed assets	32,582	29,493
Long term investments	1,133	(955,202)
Long term deposits	5,753	(7,546)
Profit received on bank deposits	4,821	4,598
Dividend received	1,265	3,782
Net cash outflow from investing activities	(162,274)	(1,390,858)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital	10,346	24,387
Share premium	5,908	24,387
Participation term finance certificates	(6,276)	(5,022)
Long Term Deposits	(3,001)	(1,255)
Dividend paid	578	544
Net cash from financing activities	7,555	43,041
NET INCREASE IN CASH AND CASH EQUIVALENTS	(41,099)	(592,102)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(8,557,146)	(7,601,854)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(8,598,245)	(8,193,956)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	287,609	11,908
Finance under mark-up arrangements	(8,885,854)	(8,205,864)
	(8,598,245)	(8,193,956)

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director


Condensed interim statement of changes in shareholders equity (un-audited)


For the period ended March 31, 2020

	Share Capital	Capital Reserve	Surplus on revaluation of fixed assets	Employee stock option compensation reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----								
Balance as on June 30, 2019 as previously reported	1,600,846	4,493,828	1,266,047	-	266,400	(7,038)	702,303	8,322,386
Shares issued against Treet PTC by way of conversion	29,275	143,869	-	-	-	-	-	173,144
Issuance of shares under employee share option scheme (ESOS)	24,387	24,387	-	-	-	-	-	48,774
Recognition of fair value charge of shares under employee share option scheme (ESOS)	-	-	-	23,593	-	-	-	23,593
Transfer to share premium on issuance of shares under employee share option scheme (ESOS)	-	13,071	-	(13,071)	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	120,792	120,792
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(7,033)	-	-	-	7,033	-
Balance as on March 31, 2019	1,654,508	4,675,155	1,259,014	10,522	266,400	(7,038)	830,128	8,688,689
Balance as on June 30, 2019	1,654,508	4,675,155	3,850,130	10,522	266,400	(7,038)	904,360	11,354,037
Shares issued against Treet PTC by way of conversion	33,458	138,432	-	-	-	-	-	171,890
Issuance of shares under employee share option scheme (ESOS)	10,346	5,908	-	-	-	-	-	16,254
Reversal of Expenses under ESOS	-	-	-	(9,787)	-	-	-	(9,787)
Reversal of impairment	-	-	-	-	-	7,038	-	7,038
Total comprehensive income for the period	-	-	-	-	-	-	613,670	613,670
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(12,908)	-	-	-	12,908	-
Balance as on March 31, 2020	1,698,312	4,819,495	3,837,222	735	266,400	-	1,530,938	12,153,102

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

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Notes to the consolidated condensed interim financial information (un-audited)

For the period ended March 31, 2020

1. STATUS AND NATURE OF THE BUSINESS

Treet Corporation Limited ("the Company") was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Company's Act 1913 (now Companies Ordinance 1984). Its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

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

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

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

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

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

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2019, whereas comparative unconsolidated profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the 3 months and 9 months period ended 31 March 2020.

3. ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2019 except for the adoption of new standards effective.

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

For the period ended March 31, 2020

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2019.

The provision for taxation for the period has been made on an estimated basis.

5. PROPERTY, PLANT AND EQUIPMENT

The following acquisitions and disposals have been made during 9 months ended 31 March 2020:

	Acquisitions (Cost)	Disposals (Book value)
	(Rupees in thousand)	
Freehold land	-	-
Building on freehold land	51,436	-
Plant and machinery	217,537	-
Furniture and equipment	12,852	428
Vehicles	38,808	38,595
	320,633	39,023

6. CONTINGENCIES AND COMMITMENTS

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

	9 Months ended		Quarter ended	
	July to March 2020	July to March 2019	January to March 2020	January to March 2019
	(Rupees in thousand)		(Rupees in thousand)	
7. SALES - Net				
Blades - local	3,040,879	3,151,049	820,657	1,023,918
Blades - export	1,707,977	1,740,352	530,992	624,398
	4,748,856	4,891,401	1,351,649	1,648,316
Trading operation	90,651	79,625	32,432	35,152
	4,839,507	4,971,026	1,384,081	1,683,468

8. COST OF GOODS SOLD

Blades operation	(3,150,845)	(3,165,577)	(853,646)	(1,110,074)
Trading activity	(66,875)	(63,842)	(25,066)	(28,838)
	(3,217,720)	(3,229,419)	(878,712)	(1,138,912)

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

For the period ended March 31, 2020

	9 Months ended	
	July to March 2020	July to March 2019
(Rupees in thousand)		
9. TRANSACTIONS WITH RELATED PARTIES		
Subsidiary		
- Purchases and services received	34,510	40,200
Associates		
- Purchases and services received	140,535	113,291
- Goods sold and services rendered	451,488	-


The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

10. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on April 27, 2020.

11. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
April 27, 2020


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Muhammad Shafique Anjum
Director

Head Office

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