

1st QUARTERLY REPORT

FOR THE PERIOD ENDED
SEPTEMBER 30, 2022

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Company Information

Board of Directors

Mr. Imran Azim

(Non-Executive Director/Chairman)

Syed Shahid Ali

(Chief Executive Officer)

Syed Sheharyar Ali

(Executive Director)

Dr. Haroon Latif Khan

(Independent Director)

Dr. Salman Faridi

(Independent Director)

Ms. Sidra Fatima Sheikh

(Independent Director)

Mr. Munir Karim Bana

(Non-Executive Director)

Officers

Chief Executive Officer

Syed Shahid 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

Chima & Ibrahim Advocates and Corporate Counsel

Shares Registrar

Corplink (Private) Limited

Wing Arcade, 1-K Commercial, Model Town, Lahore

Tel: 042-35916714

Fax: 042-35839182

Bankers

Habib Bank Limited

Al-Baraka Bank Pakistan Limited

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

The Bank of Punjab

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank Ltd.

Meezan Bank Limited

National Bank of Pakistan

Samba Bank Limited

Silk Bank Limited

The Soneri Bank Limited

The Sindh Bank Limited

United Bank Limited

Faysal Bank Limited

Dubai Islamic Bank Pakistan Limited

Pakistan Kuwait Investment Company (Private) Limited

Registered Office

72-B, Industrial Area, Kot Lakhpat, Lahore

Tel: 042-35830881, 35156567 & 35122296

Fax: 042-35114127 & 35215825

E-Mail: info@treetonline.com

Home Page: www.treetonline.com

Directors' Review

The Directors are pleased to present the un-audited consolidated Financial Statements of the Group for the three months' period ended on September 30, 2022.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in million)

	September 30, 2022		September 30, 2021		% Change	
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	2,515	5,878	1,925	4,032	30.65%	45.78%
Gross Profit/(Loss)	751	1,066	591	709	27.07%	50.35%
Operating Profit/(Loss)	404	518	342	291	18.13%	78.01%
Profit/(Loss) before Taxation	170	85	246	449	-30.89%	-81.07%
Net Profit/(Loss) after taxation	104	(34)	223	398	-53.36%	-108.54%
EPS (in Rupees)	0.59	(0.20)	1.28	2.25	-53.90%	-108.89%

BUSINESS REVIEW – GROUP RESULTS

It is our pleasure to report that the Group's operational performance has shown significant improvement even in a difficult business environment. For the three months' period, the Group's turnover was Rs. 5,878 million, registering a growth of 45.78% over the corresponding period of last year (Rs. 4,032 million). The increase reflects upside in sales of blade, battery, corrugation, soap and pharmaceutical products.

For the three months' period under consideration, Operating Profit is Rs. 518 million which has improved by 78.01% over last year corresponding period. However, due to exorbitant increase in the mark up rates the financing cost has increase by 86.25 % group has incurred loss after tax of Rs. 34 million in comparison to profit of Rs. 398 million last year same period (which includes gain on disposal of land of Rs 346 million). This level of Loss has delivered a negative EPS of Rs. 0.20 per share as compared to positive EPS of Rs. 2.25 per share last year same period.

Segment wise sales is as follows:

(Rupees in million)

	Sales			% Change
	Quarter Ended		September 30, 2021	
	September 30, 2022	September 30, 2021		
Blades	2,516	1,926	30.63%	
Battery	2,233	1,247	79.07%	
Corrugation	728	549	32.60%	
Soap	191	155	23.22%	
Bike	7	11	-36.36%	
Pharmaceutical	203	144	40.97%	
Total	5,878	4,032	45.78%	

Directors' Review

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

TREET CORPORATION LIMITED (TCL)

Treet Corporation Limited is a flagship project of the Group and is engaged in manufacturing and sales of blades and razors. For the three months' period, the turnover was Rs. 2,515 million, registering an increase of 30.65% over the same period of last year. Out of the total sales 33% represents export sales which has also increase by 27.04% over the same period last year. Gross profit at Rs. 751 million shows an increase of 27.07% to same period last year (2021-22: Rs. 591 million). Profit after tax is Rs. 104 million which has decreased by 53.36% compared to last year same period (2021-22: Rs. 223 million). The impact of financing cost and imposition of supper tax has adversely effected our bottom line.

FIRST TREET MANUFACTURING MODARABA (FTMM)

a) BATTERY

The battery segment has shown healthy increase in the volume which is approximately 21.54% higher compared to last year same period. Furthermore, the estimated market share of our battery has reached over 13% during the current period. This is mainly due to increase in level of customer satisfaction.

The net revenue for the period is Rs. 2,233 million, which is 79.07% higher compared to last period. The business has posted gross profit of Rs. 182 million which has improved drastically approx by 200 times more compared to last year same period. (2021-22: Rs. 7.5 million). During the first quarter under review, the battery segment has posted an operating profit of Rs. 28 million compared to last year same period a loss of Rs. 134 million. This has been the first time since the inception of battery business that it has posted an operating profit

b) CORRUGATION

The net revenue for the period is Rs. 747 million which has increased by 33.16% as compared to last comparable period. The business has posted a gross profit of Rs. 61 million compared to a gross profit of Rs. 52 million to last year same period.

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

c) SOAPS

The net revenue for the period is Rs. 191 million, which is 23.22% higher compared to last period. The business has posted gross profit of Rs. 34 million which has increased by 71% compared to last period.

ACKNOWLEDGEMENTS

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



Syed Shahid Ali
Chief Executive Officer

LAHORE
October 27, 2022


Condensed interim unconsolidated statement of financial position (Un-audited)

As At September 30, 2022

	Note	September 2022 Un-audited (Rupees in thousand)	June 2022 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		7,641,267	7,680,003
Long term investments		11,467,835	11,467,835
Long term loans and deposits		20,734	26,226
		19,129,836	19,174,064
Current assets			
Stores and spares		284,128	276,884
Stock-in-trade		2,238,555	1,993,906
Trade debts - unsecured considered good		346,894	161,604
Short term investments		80,794	98,894
Loans, advances, deposits, prepayments and other receivables		4,085,938	3,586,304
Cash and bank balances		353,392	266,399
		7,389,701	6,383,991
Current liabilities			
Current portion of long term liabilities		94,785	94,785
Short term borrowings		6,034,136	6,943,813
Trade and other payables		1,721,821	1,419,831
Provision for taxation		207,255	141,271
		8,057,997	8,599,700
Net current assets		(668,296)	(2,215,709)
Non-current liabilities			
Long term deposits		6,604	5,603
Long term loans		2,214,376	778,597
Liability against right of use asset		13,405	13,405
Deferred liabilities		1,093,385	1,130,901
		3,327,770	1,928,506
Contingencies and commitments	5	-	-
Net assets		15,133,770	15,029,849
FINANCED BY:			
Issued, subscribed and paid-up capital		1,787,211	1,787,211
Reserves		5,172,461	5,172,461
Unappropriated profit / (loss)		2,951,234	2,808,409
Surplus on revaluation of fixed assets		5,222,864	5,261,768
		15,133,770	15,029,849

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For the period ended September 30, 2022

	Note	3 months ended	
		July to September 2022	July to September 2021
(Rupees in thousand)			
Revenue -Net	6	2,515,208	1,925,398
Cost of revenue	7	(1,764,553)	(1,334,676)
Gross Profit / (Loss)		750,655	590,722
- Administrative expenses		(150,228)	(117,053)
- Distribution cost		(196,885)	(131,562)
		(347,113)	(248,615)
Operating profit / (loss)		403,542	342,107
Other income		54,931	27,044
		458,473	369,151
Financial expenses		(280,802)	(119,164)
		177,671	249,987
Workers' Profit Participation Fund		(5,399)	(4,074)
Workers' Welfare Fund		(2,367)	-
		(7,766)	(4,074)
Profit / (Loss) before taxation		169,905	245,913
Taxation		(65,984)	(22,447)
Profit / (Loss) from continuing operation		103,921	223,466
Earnings / (Loss) per share		0.59	1.28

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended September 30, 2022

	3 months ended	
	July to September 2022	July to September 2021
	(Rupees in thousand)	
Profit after taxation	103,921	223,466
Other comprehensive income		
Available for sale financial assets	-	-
Transfer to profit and loss account on disposal	-	-
Total comprehensive income for the period	103,921	223,466

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the period ended September 30, 2022

	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, 2021 as previously reported	1,748,343	4,850,324	5,332,251	-	266,400	-	2,101,491	14,298,809
Total comprehensive income for the period	-	-	-	-	-	-	223,466	223,466
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(4,978)	-	-	-	4,978	-
Balance as on September 30, 2021	1,748,343	4,850,324	5,327,273	-	266,400	-	2,329,935	14,522,275
Balance as on June 30, 2022	1,787,211	4,906,061	5,261,768	-	266,400	-	2,808,409	15,029,849
Total comprehensive income for the period	-	-	-	-	-	-	103,921	103,921
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(38,904)	-	-	-	38,904	-
Balance as on September 30, 2022	1,787,211	4,906,061	5,222,864	-	266,400	-	2,951,234	15,133,770

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the period ended September 30, 2022

	July to September 2022	July to September 2021
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	169,905	245,913
Adjustments for non-cash items :		
Financial charges for the period	280,802	119,164
Depreciation on property, plant and equipment	93,025	80,354
Provision for gratuity	16,534	46,770
Provision for superannuation fund scheme	13,114	42,726
Profit on bank deposits	(2,490)	(2,035)
Profit on disposal of investment held for trading	18,110	(4,050)
Profit on disposal of available for sale investment	1	891
Dividend income	-	(1,331)
Provision for WPPF and WWF	7,766	4,074
(Gain)/Loss on sale of fixed assets	(128)	(8,397)
	426,734	278,166
Operating profit / (loss) before working capital changes	596,639	524,079
(Increase) / decrease in operating assets :		
Stores and spares	(7,244)	(27,451)
Stock-in-trade	(244,649)	4,048
Trade debts	(185,290)	(70,934)
Short term investments	18,090	268,481
Loans, advances, deposits, prepayments and other receivables	(353,680)	220,663
	(772,773)	394,807
Increase / (decrease) in operating liabilities		
Trade and other payables	166,503	(170,670)
Cash generated from /(used in) from operations	(9,631)	748,216
Financial charges paid	(211,048)	(172,736)
Taxes paid	(124,657)	(34,247)
Payment to gratuity fund	(36,734)	(95,614)
Payment to superannuation fund	(30,429)	(84,296)
	(402,868)	(386,893)
Net cash inflow/(outflow) from operating activities	(412,499)	361,323


CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the period ended September 30, 2022

	July to September 2022	July to September 2021
	(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(54,607)	(389,296)
Proceeds from sale of fixed assets	446	175,544
Long term investments	-	4,109
Long term deposits	5,492	2,134
Profit received on bank deposits	2,490	2,035
Dividend received	-	1,331
Net cash inflow/(outflow) from investing activities	(46,179)	(204,143)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loan	1,435,778	(35,749)
Long Term Deposits	1,000	100
Dividend paid	(46)	(7)
Net cash inflow/(outflow) from financing activities	1,436,732	(35,656)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	978,054	121,524
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(6,658,798)	(5,525,731)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(5,680,744)	(5,404,207)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	353,392	291,702
Finance under mark-up arrangements	(6,034,136)	(5,695,909)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(5,680,744)	(5,404,207)

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

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 30 September 2022 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 2022. 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 2022, 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 03 months period ended 30 September 2022.

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 2022 except for the adoption of new standards effective.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

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 2022.

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

5. CONTINGENCIES AND COMMITMENTS

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

	3 Months ended	
	July to September 2022	July to September 2021
	(Rupees in thousand)	
6. REVENUE - Net		
Blades - local	1,498,779	1,255,021
Blades - export	1,015,439	653,725
	2,514,218	1,908,746
Trading operation	990	16,652
	2,515,208	1,925,398
7. COST OF REVENUE		
Blades operation	(1,763,979)	(1,320,260)
Trading activity	(574)	(14,416)
	(1,764,553)	(1,334,676)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

	3 Months ended	
	July to September 2022	July to September 2021
	(Rupees in thousand)	
8. TRANSACTIONS WITH RELATED PARTIES		
Subsidiary		
- Purchases and services received	19,457	15,613
- Goods sold and services rendered	-	913
Associates		
- Purchases and services received	168,491	107,470
- Goods sold and services rendered	129,411	3,592


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.

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors on October 27, 2022.

10. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONSOLIDATED

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FINANCIAL STATEMENTS

For the period ended September 30, 2022


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

As at September 30, 2022

Note	September 2022 Un-audited (Rupees in thousand)	June 2022 Audited
NON-CURRENT ASSETS		
Property, plant and equipment	17,136,209	17,182,354
Long term investments	735,635	759,545
Long term loans and deposits	105,716	105,685
	17,977,560	18,047,584
Current assets		
Stores and spares	409,188	414,584
Stock-in-trade	3,653,510	3,222,335
Trade debts - unsecured considered good	1,349,476	1,092,944
Short term investments	84,268	102,368
Loans, advances, deposits, prepayments and other receivables	2,117,685	1,926,211
Cash and bank balances	645,184	516,794
	8,259,311	7,275,236
Current liabilities		
Current portion of long term liabilities	107,541	107,541
Short term borrowings	8,626,744	10,052,206
Trade and other payables	3,423,532	2,709,773
Provision for taxation	364,955	255,293
	12,522,772	13,124,813
Net current assets	(4,263,461)	(5,849,577)
Non-current liabilities		
Long term deposits	6,603	5,602
Long term loans	2,609,750	973,972
Liability against right of use asset	32,368	32,367
Deferred liabilities	1,407,735	1,516,708
	4,056,456	2,528,649
Contingencies and commitments	5	-
Net assets	9,657,643	9,669,358
FINANCED BY:		
Issued, subscribed and paid-up capital	1,787,211	1,787,211
Reserves	5,895,681	5,895,681
Unappropriated profit / (loss)	(4,769,691)	(4,820,401)
Surplus on revaluation of fixed assets	6,409,775	6,495,360
SHARE HOLDERS' EQUITY	9,322,976	9,357,851
Minority Interest	334,667	311,507
	9,657,643	9,669,358

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Un-audited)

For the period ended September 30, 2022

	Note	3 months ended	
		July to September 2022	July to September 2021
		(Rupees in thousand)	
Revenue -Net	6	5,877,760	4,032,101
Cost of revenue	7	(4,812,027)	(3,323,012)
Gross Profit / (Loss)		1,065,733	709,089
- Administrative expenses		(179,205)	(149,453)
- Distribution cost		(368,120)	(269,066)
		(547,325)	(418,519)
Operating profit / (loss)		518,408	290,570
Other income		(8,832)	371,110
		509,576	661,680
Financial expenses		(393,094)	(211,016)
Share of profit / (loss) of associate		(23,910)	2,731
		92,572	453,395
Workers' Profit Participation Fund		(5,489)	(4,074)
Workers' Welfare Fund		(2,502)	(134)
		(7,991)	(4,208)
Profit / (Loss) before taxation		84,581	449,187
Taxation			
- Group		(109,651)	(54,970)
- Associated company		(9,235)	3,654
Profit / (Loss) after taxation		(34,305)	397,871
(Profit) / Loss attributable to minority interest		(570)	(3,897)
Profit/(Loss) attributable to group		(34,875)	393,974
Earnings / (Loss) per share		(0.20)	2.25

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


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

For the period ended September 30, 2022

	3 months ended	
	July to September 2022	July to September 2021
	(Rupees in thousand)	
Profit / (loss) after taxation	(34,875)	393,974
Remeasurement of defined benefit obligation - net of tax	-	-
Other comprehensive income		
Available for sale financial assets		
Fair value adjustment	-	-
Total comprehensive income / (loss) for the period	(34,875)	393,974

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director


CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the period ended September 30, 2022

	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, 2021 as previously reported	1,748,343	4,849,419	212,184	511,941	6,775,227	-	266,400	(4,567,281)	9,796,233
Surplus on revaluation transferred due to disposal	-	-	-	-	(144,951)	-	-	144,951	-
Total comprehensive income for the period	-	-	-	-	-	-	-	393,974	393,974
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(25,642)	-	-	25,642	-
Balance as on September 30 2021	1,748,343	4,849,419	212,184	511,941	6,604,634	-	266,400	(4,002,714)	10,190,207
Balance as on June 30, 2022	1,787,211	4,905,156	212,184	511,941	6,495,360	-	266,400	(4,820,401)	9,357,851
Total comprehensive income for the period	-	-	-	-	-	-	-	(34,875)	(34,875)
Transferred from surplus on revaluation of property, plant and equipment due to sale	-	-	-	-	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(85,585)	-	-	85,585	-
Final dividend for the year ended June 30, 2022	-	-	-	-	-	-	-	-	-
Balance as on September 30, 2022	1,787,211	4,905,156	212,184	511,941	6,409,775	-	266,400	(4,769,691)	9,322,976

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)

For the period ended September 30, 2022

	July to September 2022	July to September 2021
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	84,581	449,187
Adjustments for non-cash items :		
Financial charges for the period	393,094	211,016
Depreciation on property, plant and equipment	167,304	158,432
Provision for gratuity	16,534	53,980
Provision for superannuation fund scheme	13,114	43,924
Profit on bank deposits	(10,635)	(5,702)
Profit on disposal of investment held for trading	18,109	(4,052)
Share of profit from associated company	23,910	(2,731)
Realisation of revaluation surplus	-	(144,951)
Dividend income	-	(1,332)
Provision for WPPF and WWF	7,991	4,208
(Gain)/Loss on sale of fixed assets	(129)	(355,624)
	629,292	(42,832)
Operating profit / (loss) before working capital changes	713,873	406,355
(Increase) / decrease in operating assets :		
Stores and spares	5,396	(35,028)
Stock-in-trade	(431,175)	198,598
Trade debts	(256,532)	(5,792)
Short term investments	(9)	265,276
Loans, advances, deposits, prepayments and other receivables	(596,783)	(212,813)
	(1,279,103)	210,241
Increase / (decrease) in operating liabilities		
Trade and other payables	642,664	(210,300)
Cash generated from / (used in) from operations	77,434	406,296
Financial charges paid	(369,841)	(252,565)
Taxes paid	371,455	(85,797)
WPPF and WWF	-	3,359
Payment to gratuity fund	(36,815)	(102,824)
Payment to superannuation fund	(30,346)	(85,494)
	(65,547)	(523,321)
Net cash inflow/(outflow) from operating activities	11,887	(117,025)


CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)


For the period ended September 30, 2022

	July to September 2022	July to September 2021
	(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(125,006)	(443,565)
Proceeds from sale of fixed assets	3,975	928,073
Long term investments	-	34,015
Long term deposits	(31)	(656)
Profit received on bank deposits	10,635	5,702
Dividend received	-	1,332
Net cash inflow/(outflow) from investing activities	(110,427)	524,901
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligation	-	1,112
Share capital	-	-
Share premium	-	-
Long Term Loan	1,635,779	(33,391)
Long Term Deposits	1,001	99
Dividend paid	15,612	(6)
Net cash inflow/(outflow) from financing activities	1,652,392	(32,186)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,553,852	375,690
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(9,535,412)	(9,475,134)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(7,981,560)	(9,099,444)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	645,184	846,799
Finance under mark-up arrangements	(8,626,744)	(9,946,242)
	(7,981,560)	(9,099,443)

The annexed notes 1 to 10 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

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)

Treet Power Limited (TPL)

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.
- 1.5 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.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

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

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2022.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements for the year ended 30 June 2022.

4. ESTIMATES

The preparation of condensed Interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2022.

5. CONTINGENCIES AND COMMITMENTS

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the period ended September 30, 2022

	3 Months ended	
	July to September 2022	July to September 2021
	(Rupees in thousand)	
6. REVENUE - Net		
Blades	2,514,218	1,908,746
Soaps	191,096	155,051
Packaging products	728,122	548,876
Batteries	2,232,770	1,247,331
Motor bike project	7,236	11,397
Trading operation	990	16,652
Pharmaceutical products	203,328	144,048
	5,877,760	4,032,101
7. COST OF REVENUE		
Blades	(1,746,866)	(1,301,083)
Soaps	(156,127)	(131,729)
Packaging products	(686,431)	(507,014)
Batteries	(2,051,121)	(1,239,802)
Motor bike project	(9,141)	(14,463)
Trading operation	987	(12,852)
Pharmaceutical products	(163,328)	(116,069)
	(4,812,027)	(3,323,012)

8. TRANSACTIONS WITH RELATED PARTIES

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

Purchases and services received	202,839	152,637
Goods sold and services rendered	143,011	3,761

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors on October 27, 2022.

10. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2022


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Imran Azim
Director



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