



HALF YEARLY REPORT

FOR THE PERIOD ENDED
DECEMBER 31, 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

Legal Advisors

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@treecorp.com

Home Page: www.treecorp.com

Directors' Review

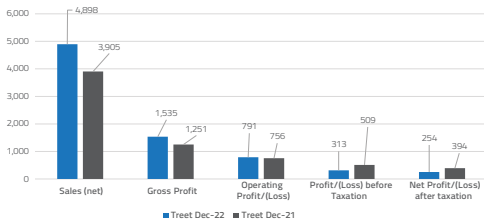
It is our pleasure to present the half yearly financial statements (reviewed) for the period ended December 31st, 2022.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

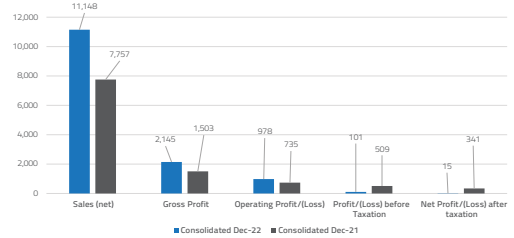
(Rupees in million)

	Half Year December 31, 2022		Half Year December 31, 2021		% Change	
	Treet	Consolidated	Treet	Consolidated		
Sales (net)	4,898	11,148	3,905	7,757	25.4%	43.7%
Gross Profit	1,535	2,145	1,251	1,503	22.7%	42.7%
Operating Profit	791	978	756	735	4.6%	33.1%
Profit before Taxation	313	101	509	509	(38.5%)	(80.2%)
Net Profit after taxation	254	15	394	341	(35.5%)	(95.6%)
EPS (in Rupees)	1.42	0.08	2.25	1.95	(36.9%)	(95.9%)

TREET FINANCIAL RESULTS (Rs in millions)



CONSOLIDATED FINANCIAL RESULTS (Rupees in millions)



BUSINESS REVIEW – GROUP RESULTS

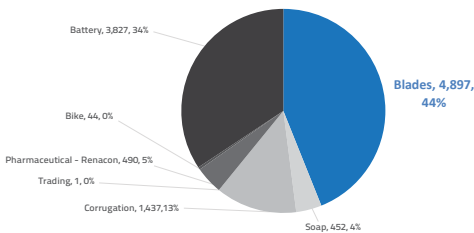
For the six-month period, the Group's turnover was Rs. 11,148 million, registering an increase of Rs. 3,391 million over the same period of previous year. The increase reflects upside in sales both in terms of value and volume in all segments.

Segment wise sales is as follows:

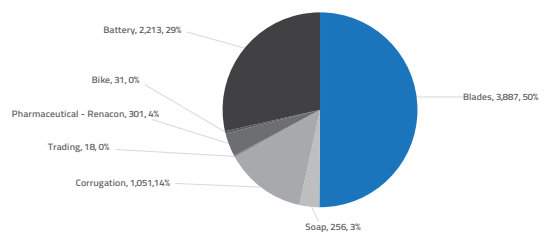
(Rupees in million)

Segment	Sales		
	Half Year December 31, 2022	Half Year December 31, 2021	+/- %
Blades	4,897	3,887	26%
Soap	452	256	76.6%
Corrugation	1,437	1,051	36.7%
Trading	1	18	(94.4%)
Pharmaceutical - Renacon	490	301	62.8%
Bike	44	31	41.9%
Battery	3,827	2,213	72.9%
Total	11,148	7,757	43.7%

SEGMENT SALES DEC 22 (Rupees in millions)



SEGMENT SALES DEC 21 (Rupees in millions)



Directors' Review

For the six months' period under review, cost of sale at Rs. 9,003 million is 44% higher compared to last year same period (December 2021: Rs. 6,254 million). Gross profit at Rs. 2,145 million shows significant improvement of 42.7% over corresponding last same period (December 2021: Rs. 1,503 million). The improvement is primarily due to increased sales volumes and price rationalization. Rationalization of costs through rigorous cost controlling measures have also played its part in generating an operating profit of Rs. 978 million which shows improvement by 33.1% over corresponding period last year (December 2021: Rs. 735 million). However, compared to last year same period, net profit declined by 95.6% - Net Profit Rs. 15 million, due to enormous increase in interest rate in monetary policies and capital gains recorded in last year. This level of profit has delivered an EPS of Rs. 0.08 per share compared to Rs. 1.95 per share last year same period.

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 six months' period, the turnover was Rs. 4,898 million, registering an increase of 25.4% over the same period of last year. Out of the total sales 37% represents export sales which has also increase by 35% over the same period last year. Gross profit at Rs. 1,535 million shows an increase of 22.7% to same period last year (December 2021: Rs. 1,251 million). Operating Profit at Rs. 791 million shows an improvement of 4.6% over corresponding last year same period. Profit after tax is Rs. 254 million which has been decreased by 35.5% compared to last year same period (December 2021: Rs. 394 million). This decline is primarily attributable to massive increase in financing cost due policy rate increase, and in last year capital gain on sale of immovable property was recorded.

FIRST TREET MANUFACTURING MODARABA (FTMM)

FTMM has shown a very substantial improvement in all its entities. For the six-month period, the turnover was Rs. 5,761 million, registering an increase of Rs. 2,211 million (62%) over the same period of previous year. The increase in turnover is mainly attributable to increase in sales both in terms of value and volume in all its entities. The gross profit has shown a significant increase of Rs. 337 m (164%) over the last year same period. During the period through price rationalization rigorous cost controlling measures, modaraba has registered a operating profit of Rs. 177m compared to a loss of Rs. 44m in the same period last year.

However, due to increase in interest rate in monetary policies resulted in a Net Loss of Rs. 199 million (December 2021: Net Loss is Rs. 65). The increase in loss is due to increase in financial charges during the period and decrease in other income. During the corresponding period last year there was a gain on disposal of immovable property to Rs. 201 million. This level of loss has delivered a Loss per Certificate of Rs. 0.23 compared to Rs. 0.08 per Certificate last year same period.

RENACON PHARMA LIMITED (RPL)

The net revenue for the period is Rs. 490 million which has increased by 63% as compared last year same period (December 2021: 301 million). Gross profit at Rs. 77 million shows significant improvement of 81% over corresponding last same period (December 2021: Rs. 42 million). The improvement is primarily due to increased sales volumes and price rationalization. Profit after tax is Rs. 15 million compared to profit after tax of Rs. 12 million last year same period.

DEMERGER OF BATTERY SEGMENT

As already communicated, the Modaraba is in the process of demerging, transferring and vesting of the battery segment and business into Treet Battery Limited (TBL). Subsequent to the period end the Honorable Lahore High Court (LHC) has approved the scheme of arrangement for demerger of battery segment and consequent transfer of all assets and liabilities of the battery segment from the Modaraba to TBL. However, the certified copy of the order of the LHC is still awaited. The sanctioning, in this regard from the Securities and Exchange Commission of Pakistan (SECP) is also pending upon receiving of certified copy of the court order.

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.

LAHORE
February 14, 2023



Syed Shahid Ali
Chief Executive Officer

Independent Auditors' Review Report To the Members of Treet Corporation Limited Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Treet Corporation Limited (the Company) as at December 31, 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, condensed interim unconsolidated statement of cashflows and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim unconsolidated statement of profit or loss and condenses interim statement of comprehensive income for the three-month period ended December 31, 2022 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2022.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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


CHARTERED ACCOUNTANTS

Lahore:

February 16, 2023

UDIN: RR2022101801w5ADdYgW

Condensed interim unconsolidated statement of financial position (Unaudited)

As At December 31, 2022

	Note	31 December 2022 Unaudited (Rupees in thousand)	30 June 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,538,388	7,664,616
Intangible asset		8,005	15,389
Long term investments	6	11,467,835	11,467,835
Long term loans		4,533	6,310
Long term security deposits		21,584	19,914
		19,040,345	19,174,064
Current assets			
Stores and spares		310,696	295,269
Stock in trade		2,379,633	1,975,521
Short term investments		79,377	98,894
Trade debts		300,651	161,603
Loans, advances, deposits, prepayments and other receivables		3,795,175	3,586,305
Cash and bank balances		299,384	266,399
		7,164,916	6,383,991
LIABILITIES			
Current liabilities			
Short term borrowings		5,161,397	6,943,813
Current portion of long term finances	7	29,101	86,047
Current portion of government grant		-	504
Trade and other payables		1,784,018	1,187,660
Employee provident fund		-	2,210
Unclaimed dividend		15,578	15,624
Accrued mark-up		317,711	214,337
Current portion of lease liabilities		8,871	8,234
Provision for taxation		94,117	141,271
		7,410,793	8,599,700
Net current liabilities		(245,877)	(2,215,709)
Non-current liabilities			
Long term deposits		9,099	5,603
Long term finances - secured	7	2,262,261	778,597
Deferred liabilities - employee retirement benefits		822,687	886,938
Deferred taxation		255,198	243,963
Lease liabilities		11,128	13,405
		3,360,373	1,928,506
Contingencies and commitments	8	-	-
		15,434,095	15,029,849
Represented by:			
Authorized capital			
250,000,000 (30 June 2022: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
150,000,000 (30 June 2022: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		4,000,000	4,000,000
Issued, subscribed and paid up capital	9	1,787,211	1,787,211
Reserves		5,172,461	5,172,461
Unappropriated profit		3,086,809	2,808,409
Surplus on revaluation of fixed assets - net of tax		5,237,614	5,261,768
Loan from a director	10	150,000	-
		15,434,095	15,029,849

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.



LAHORE
February 14, 2023

Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Syed Shehryar Ali
Director

Condensed interim unconsolidated statement of profit or loss account (Unaudited)

For the six-months period ended 31 December 2022

	Note	Six months period ended		Three months period ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
(Rupees in thousand)					
Revenue from contract with customers	11	4,898,392	3,905,016	2,383,184	1,979,618
Cost of revenue		(3,363,611)	(2,653,869)	(1,599,058)	(1,319,193)
Gross profit		1,534,781	1,251,147	784,126	660,425
Administrative expenses		(291,866)	(237,996)	(141,638)	(120,943)
Distribution cost		(452,345)	(257,187)	(255,460)	(125,625)
		(744,211)	(495,183)	(397,098)	(246,568)
Operating profit		790,570	755,964	387,028	413,857
Finance cost		(653,828)	(264,892)	(373,026)	(145,728)
Other operating expenses		(24,918)	(39,074)	(17,152)	(35,000)
		(678,746)	(303,966)	(390,178)	(180,728)
Other income		201,419	57,089	146,488	30,045
Profit before taxation		313,243	509,087	143,338	263,174
Taxation		(58,997)	(115,508)	6,987	(93,061)
Profit for the period		254,246	393,579	150,325	170,113

-----Rupees-----

Earnings per share					
Basic		1.42	2.25	0.84	0.97
Diluted		1.42	2.22	0.84	0.96

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 14, 2023

Syed Shahid Ali
 Chief Executive Officer


Mohtashim Aftab
 Group Chief Financial Officer


Syed Shehryar Ali
 Director

Condensed interim unconsolidated statement of comprehensive income (Unaudited)

For the six-months period ended 31 December 2022

	Six months period ended		Three months period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)			
Profit for the period	254,246	393,579	150,325	170,113
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	254,246	393,579	150,325	170,113

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 14, 2023



Syed Shahid Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Syed Sheharyar Ali
Director

Condensed Interim unconsolidated Statement of Changes in Equity (Unaudited)

For the six-months period ended 31 December 2022

	Capital reserves					Revenue reserves			Total
	Share Capital	Share premium	Capital reserve	Advance against issue of shares against ESOS	Loan from a director	Surplus on revaluation of fixed assets - net of tax	General reserve	Unappropriated Profit	
------(Rupees in thousand)-----									
Balance as at 01 July 2021	1,748,343	4,849,695	629	-	-	5,332,251	266,400	2,101,491	14,298,809
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	393,579	393,579
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	393,579	393,579
Incremental depreciation relating to surplus on revaluation of building - net of tax	-	-	-	-	-	(8,685)	-	8,685	-
Transactions with owners of the Company, contributions and distributions									
Issuance of shares under employee stock option scheme	-	-	-	67,286	-	-	-	-	67,286
Recognition of fair value charge of share based payments	-	-	-	-	-	-	-	-	-
Transfer to share premium on issuance of share under employee stock option scheme	-	-	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-	(174,833)	(174,833)
Balance as on 31 December 2021 - unaudited	1,748,343	4,849,695	629	67,286	-	5,323,566	266,400	2,328,923	14,584,842
Balance as at 30 June 2022- audited	1,787,211	4,905,432	629	-	-	5,261,768	266,400	2,808,409	15,029,849
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	254,246	254,246
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	254,246	254,246
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	(24,154)	-	24,154	-
Transactions with owners of the Company, contributions and distributions									
Loan received from a director	-	-	-	-	150,000	-	-	-	150,000
Balance as on 31 December 2022 unaudited	1,787,211	4,905,432	629	-	150,000	5,237,614	266,400	3,086,809	15,434,095

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 14, 2023

Syed Shahid Ali
 Chief Executive Officer


Mohtashim Aftab
 Group Chief Financial Officer


Syed Shehryar Ali
 Director

Condensed interim unconsolidated statement of cash flows (Unaudited)

For the six-months period ended 31 December 2022

	Note	31 December 2022	31 December 2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		313,243	509,087
Adjustments for non-cash items :			
Finance cost		653,828	264,892
Amortization on intangible asset		7,384	7,443
Depreciation on property, plant and equipment	5.1	180,384	184,192
Provision for gratuity		37,400	33,068
Provision for superannuation fund		37,001	26,227
Profit on bank deposits		(4,689)	(3,902)
Unrealized exchange (gain) / loss		(2,201)	1,972
Unrealized loss on investments at 'fair value through profit or loss'		19,517	1,336
Provision for Workers' Profit Participation Fund (WPPF)		37,081	27,355
(Reversal) / Provision for Workers' Welfare Fund (WWF)		(7,631)	10,383
Interest on advances to the subsidiary company		(142,540)	(7,408)
(Gain) / loss on disposal of long term investment		-	(1,305)
Gain on sale of property, plant and equipment		(4,495)	(14,663)
		811,039	529,590
Operating profit before working capital changes		1,124,282	1,038,677
(Increase) / decrease in current assets:			
Stores and spares		(15,427)	(24,744)
Stock in trade		(404,112)	53,276
Trade debts		(136,847)	(235,119)
Loans, advances, deposits, prepayments and other receivables		(41,081)	(847,045)
		(597,467)	(1,053,632)
Increase in current liabilities:			
Trade and other payables		516,751	(499,049)
		1,043,566	(514,004)
Income tax paid		(120,165)	(114,193)
Finance cost paid		(550,454)	(295,443)
Payment to gratuity fund		(37,712)	(113,809)
Payment to superannuation fund		(26,541)	(114,901)
Payment to WPPF		(19,449)	(10,247)
Payment to WWF		(8,343)	(28,641)
Long term loans - net		1,777	(600)
Long term security deposits - net		(1,670)	(500)
		(762,557)	(678,334)
Net cash generated from / (used in) operating activities		281,009	(1,192,338)

Condensed interim unconsolidated cash flow statement (Unaudited)

For the six-months period ended 31 December 2022

	Note	31 December 2022 (Rupees in thousand)	31 December 2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(57,145)	(65,676)
Proceeds from disposal of property, plant and equipment		8,824	24,212
Proceeds from disposal of long term investments		-	4,110
Short term investments - net		-	(1,523)
Profit received on bank deposits		4,689	3,902
Net cash used in investing activities		(43,632)	(34,975)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital under ESOS		-	67,286
Long term borrowing obtained		1,500,000	750,000
Long term borrowing repaid		(73,786)	(71,497)
Repayment of lease liabilities		(1,640)	(4,446)
Long term deposits obtained		3,496	2,140
Loan obtained from a director		150,000	-
Dividend paid		(46)	(174,840)
Short term borrowings - net		(732,307)	(127,534)
Net cash generated from financing activities		845,717	441,109
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,083,094	(786,204)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(4,565,075)	(3,392,900)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12	(3,481,981)	(4,179,104)

The annexed notes 1 to 16 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shehryar Ali
Director

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 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 repealed Companies Act, 1913 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 requirements of IAS 34 and IFAS, 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 December 31, 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, for the period ended on December 31, 2022.

These condensed interim unconsolidated financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and are Unaudited but subject to limited scope review by external auditors as required by Code of Corporate Governance, 2019.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited unconsolidated financial statements as at and for the year ended June 30, 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 June 30, 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 three months and six months period ended December 31, 2021.

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

3. ESTIMATES

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the company's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the company's operations and are, therefore, not detailed in these condensed interim financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) 31 December 2022 (Rupees in thousand)	(Audited) 30 June 2022
Operating fixed assets	5.1	7,230,200	7,357,768
Right of use asset		17,895	17,756
Capital work-in-progress		290,293	289,092
		7,538,388	7,664,616
5.1 Operating fixed assets			
Opening net book value		7,357,768	7,214,214
Additions during the period / year	5.2	57,145	503,525
Disposals during the period / year - net book value	5.2	(4,329)	(14,395)
Depreciation charged during the period / year		(180,384)	(345,576)
Closing net book value		7,230,200	7,357,768

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

5.2 The following additions and disposals have been made during the six months period ended 31 December 2022:

	Additions at cost	Disposals at net book value
	(Rupees in thousand)	
Plant and machinery	175	-
Furniture and equipment	7,899	44
Vehicles	49,071	4,285
	57,145	4,329

	Note	(Unaudited) 31 December 2022 (Rupees in thousand)	(Audited) 30 June 2022
6. LONG TERM INVESTMENTS			
In equity instruments of subsidiaries - at cost	6.1	11,172,213	11,172,213
In equity instruments of associate - at cost	6.2	287,455	287,455
Fair value through OCI	6.3	8,167	8,167
		11,467,835	11,467,835
6.1 In equity instruments of subsidiaries - at cost			
Treet Holdings Limited - unquoted			
71,104,712 (30 June 2022: 71,104,712) fully paid ordinary shares of Rs. 10 each		675,137	675,137
Chief Executive Officer - Syed Shahid Ali		(265,858)	(265,858)
Less: Accumulated impairment allowance		409,279	409,279
First Treet Manufacturing Modaraba - quoted			
858,010,993 (30 June 2022: 858,010,993) fully paid certificates of Rs. 10 each	6.1.1	10,280,721	10,280,721
Chief Executive Officer - Syed Shahid Ali			
Renacon Pharma Limited - unquoted			
34,833,790 (30 June 2022: 34,833,790) fully paid ordinary shares of Rs. 10 each	6.1.2	482,213	482,213
Equity held: 55.86% (2022: 55.86%)			
Chief Executive Officer - Dr. Salman Shakoh			
		11,172,213	11,172,213

6.1.1 The Company directly owns 858,010,993 certificates (30 June 2022: 858,010,993) constituting 97.11% (30 June 2022: 97.11%) equity interest in First Treet Manufacturing Modaraba (FTMM) and 2.2% (30 June 2022: 2.2%) through its subsidiary, Treet Holdings Limited. Directors own 0.22% of certificates while 0.68% certificates are held by general public. The market value of FTMM certificate as at December 31, 2022 is Rs. 8.33 per certificate.

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

FTMM is in the process of demerging, transferring and vesting of the battery segment and business into Treet Battery Limited (TBL). Subsequent to the period end the Honorable Lahore High Court (LHC) has approved the scheme of arrangement for demerger of battery segment and consequent transfer of all assets and liabilities of the battery segment from the FTMM to TBL. However the detailed order of the LHC is still awaited. The sanctioning, in this regard from the Securities and Exchange Commission of Pakistan (SECP) is also pending upon receiving of the detailed court order.

For the purpose of clarity, the sanction date as per the scheme of arrangement approved by the LHC, shall be the date on which a certified copy of the order is filed with the SECP.

The battery segment and business shall transfer and vest in TBL in the following manner:

The battery segment and its business immediately preceding the sanction date shall, without further act or deed, matter or thing, process or procedure, be separated from the FTMM and shall be transferred to and vested in TBL on the sanction date. The transfer and vesting of the battery segment and its business shall be free from all mortgages, charges or other encumbrances.

According to the scheme of arrangement, as approved by the LHC, TBL shall allot ordinary shares in TBL to the certificate holders of the FTMM as consideration for transfer to and vesting of the battery segment and its business into TBL.

- 6.1.2 Renacon Pharma (Private) Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 55.86% (30 June 2022: 55.86%) equity interest in RPL.

	Note	(Unaudited) 31 December 2022 (Rupees in thousand)	(Audited) 30 June 2022
6.2 In equity instruments of Associate - at cost			
<u>Loads Limited - quoted</u>			
31,387,657 (30 June 2022: 31,387,657) fully paid ordinary shares of Rs. 10 each	6.2.1	287,455	287,455
Equity held: 12.49 % (30 June 2022: 12.49 %) Chief Executive Officer - Munir K. Bana			
		287,455	287,455
6.2.1 The Company's investment in Load Limited is less than 20% but it is considered to be an associate as per the requirements of IAS - 28 "Investments in Associates" because the Company has significant influence over its financial and operating policies through representation on the Board.			
6.3 Fair value through OCI			
Techlogix International Limited 711,435 (30 June 2022: 711,435) fully paid ordinary shares of par value of USD 0.190761. Equity held: 0.67% (30 June 2022: 0.67%)		8,167	8,167
		8,167	8,167

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

	Note	(Unaudited) 31 December 2022 (Rupees in thousand)	(Audited) 30 June 2022
7. LONG TERM FINANCES - SECURED			
Loan from financial institutions	7.1	2,291,362	864,644
Less: current portion shown under current liabilities		(29,101)	(86,047)
		2,262,261	778,597
7.1 Loan from financial institution includes:			
Meezan Bank Limited - Diminishing Musharika		41,362	58,202
Pakistan Kuwait Investment Company - Term Finance Loan		750,000	750,000
Bank of Punjab - Habib Bank Limited - Syndicated Term Finance Loan	7.2	1,500,000	-
Habib Bank Limited - Term Finance Loan		-	56,442
		2,291,362	864,644

7.2 This represents syndicated term finance loan obtained from Habib Bank Limited and The Bank of Punjab. 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 present and future fixed assets of the Company located at 72-B, Industrial Area, Kot Lakhpat, Lahore with 25% margin and debt payment and disbursement account. The loan is repayable in 24 equal consecutive, quarterly instalments where the first instalment shall fall due at the end of 27 months from the date of disbursement. This facility carries markup at 3 month KIBOR + 1.1% spread per anum.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no material changes in contingencies from the preceding annual published unconsolidated financial statements of the Company for the year ended 30 June 2022.

	(Unaudited) 31 December 2022 (Rupees in thousand)	(Audited) 30 June 2022
8.2 Commitments		
8.2.1 In respect of:		
- irrevocable letters of credit	623,798	1,385,054
8.2.2 Guarantees given by banks on behalf of the Company in favour of Sui Northern Gas Pipeline Limited and Sui Southern Gas Limited as at 31 December 2022, amounts to Rs. 5 million and Rs. 2.4 million respectively (30 June 2022: Rs. 7.4 million).		
8.2.3 Guarantees given by banks on behalf of the Company in favour of Collector of Customs as at 31 December 2022, amounts to Rs. 13.2 million (30 June 2022: Rs. 13.2 million).		

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	31 December 2022	30 June 2022	(Unaudited) 31 December 2022	(Audited) 30 June 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
Issuance of shares against employee share options scheme	14,501,351	14,501,351	145,014	145,014
	178,721,122	178,721,122	1,787,211	1,787,211

9.1 Loads Limited, an associated company, holds 8,887,958 (30 June 2022: 8,887,958) ordinary shares of Rs. 10 each, representing 5.08% (30 June 2022: 5.23%) of the paid up capital of the Company.

9.2 Syed Shahid Ali (Chief Executive Officer) holds 56,141,899 (30 June 2022: 56,141,899) and Syed Sheharyar Ali (Executive Director) holds 12,665,543 (30 June 2022: 12,258,643) ordinary shares of Rs. 10 each, representing 32.11% (30 June 2022: 33.06%) and 7.24% (30 June 2022: 7.22%) of the paid up capital of the Company respectively.

	Note	(Unaudited) 31 December 2022	(Audited) 30 June 2022
		(Rupees in thousand)	
10 LOAN FROM A DIRECTOR	10.1	150,000	-

10.1 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.

11 REVENUE FROM CONTRACT WITH CUSTOMERS

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

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

	(Unaudited) Six Months ended		(Unaudited) Three Months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees in thousand)		(Rupees in thousand)	
11.1 Major Product / Service Line				
Manufacturing Income				
Export sales	1,814,006	1,343,031	807,814	689,306
Local sales - gross	3,656,430	3,033,294	1,865,419	2,081,809
Less: Sales tax	(571,490)	(477,231)	(289,438)	(327,601)
Less: Trade discount	(1,907)	(11,933)	(974)	(465,099)
	3,083,033	2,544,130	1,575,007	1,289,109
Trading income				
Sales - gross	1,583	17,864	425	1,272
Less: Sales tax	(230)	-	(62)	(60)
Less: Trade discount	-	(9)	-	(9)
	1,353	17,855	363	1,203
	4,898,392	3,905,016	2,383,184	1,979,618
11.2 Primary Geographical Markets				
Asia	4,809,919	3,789,981	2,316,195	1,922,375
Africa	25,912	54,817	25,912	18,857
Australia	-	51	-	-
Europe	6,296	13,773	364	2,992
South America	52,405	-	38,449	-
North America	3,860	46,394	2,264	35,043
	4,898,392	3,905,016	2,383,184	1,979,267
11.3 Timing of revenue recognition				
Products transferred at point in time	4,898,392	3,905,016	2,383,184	1,979,618
			(Unaudited) 31 December 2022	(Audited) 30 June 2022
			(Rupees in thousand)	
12. CASH AND CASH EQUIVALENTS				
Cash and bank balances			299,384	266,399
Short term running finance - secured			(2,820,056)	(3,951,237)
Musharika running finance			(961,309)	(880,237)
			(3,481,981)	(4,565,075)

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

13. FAIR VALUE OF FINANCIAL ASSETS

Financial instruments are carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices):

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial assets which are carried at fair value:

	December 31, 2022			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
Financial assets at fair value				
Long term equity investment - at fair value through OCI	-	-	8,167	8,167
Short term equity investment - at fair value through P&L	79,377	-	-	79,377
At December 31, 2022	79,377	-	8,167	87,544
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets at fair value				
Long term equity investment - at fair value through OCI	-	-	8,167	8,167
Short term equity investment - at fair value through P&L	98,894	-	-	98,894
At June 30, 2022	98,894	-	8,167	107,061

At December 31, 2022 the Company holds short term equity investments where the Company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Transactions with related parties are as follows:

Transactions with related parties	Relationship	Nature of transactions	Six Months period ended	
			31 December 2022	31 December 2021
			(Rupees in thousand)	
Subsidiaries				
Treet Holdings Limited	Subsidiary Co. (100% Direct equity interest)	Purchase of bikes Funds transferred - net Rental Income Interest on advances to the subsidiary company	2,742 (839) 2,547 287	2,806 (8,327) 285 2,169
First Treet Manufacturing Modaraba	Subsidiary Co (97.11% Direct equity interest)	Funds transferred - net Purchase of goods Interest on advances to the subsidiary company Rental income	103,743 29,742 123,547 2,260	508,523 21,018 - 1,198
Renacon Pharma Limited	Subsidiary Co. (55.86% Direct equity interest)	Funds received - net Purchase of Goods Interest on advances to the subsidiary company Rental Income	76,906 - 18,928 78	(23,033) 58 536 78
Treet HR Management (Private) Limited	Other related party (0% direct holding) (100% indirect holding)	Purchase of services Expenses paid on our behalf Rental Income	8,511 2,500 -	8,511 - 1,077
Treet Power Limited	Other related party (0% direct holding) (100% indirect holding)	Funds transferred - net Interest on advances to the subsidiary company	5,408 -	- 206
Global Arts (pvt) Limited	Former Subsidiary Sold on 30-6-2021	Funds transferred - net	-	(1,300)
II Related parties				
Packages Limited	Other Related Party	Purchase of goods	175,898	104,117
IGI Insurance Limited	Other Related Party	Purchase of services Advance for Services	37,148 4,955	36,421 6,794
IGI Life Insurance Limited	Other Related Party	Purchase of services	35,699	21,343
Elite Brands Limited	Other Related Party	Sale of goods Freight charges Purchase of services	129,411 11,398 -	373,010 7,136 -
Liaquat National Hospital	Other Related Party	Sale of goods Purchase of Services	- 716	33 260

Notes to the condensed interim unconsolidated financial statements (Unaudited)

For the six-months period ended 31 December 2022

Transactions with related parties	Relationship	Nature of transactions	Six Months period ended	
			31 December 2022	31 December 2021
			(Rupees in thousand)	
III Post employment benefit plans				
Superannuation fund		Contribution	37,001	88,755
Provident fund		Contribution	48,756	41,645
Service fund		Contribution	26,367	17,047
Housing fund		Contribution	-	3,200
Gratuity fund		Contribution	75,674	80,661
Benevolent Fund		Contribution	-	427
IV Key Management Personnel				
		Salaries and other employee benefits	134,515	186,498
		Loan from a director	150,000	-

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

15. DATE OF AUTHORIZATION

These Unaudited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on February 14, 2023.

16. GENERAL

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

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

16.3 All figures, except for 30 June 2022, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Sheharyar Ali
Director

CONSOLIDATED

—

FINANCIAL STATEMENTS

For the six-months period ended 31 December 2022

Condensed interim consolidated statement of financial position (Unaudited)

As at 31 December 2022

	Note	December 2022 Unaudited (Rupees in thousand)	June 2022 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		17,179,194	17,182,354
Long term investments		713,962	759,545
Long term loans and deposits		128,895	105,685
		18,022,051	18,047,584
Current assets			
Stores and spares		441,469	414,584
Stock-in-trade		3,521,055	3,222,335
Trade debts - unsecured considered good		1,525,621	1,092,944
Short term investments		82,851	102,368
Loans, advances, deposits, prepayments and other receivables		1,575,274	1,926,211
Cash and bank balances		659,119	516,794
		7,805,389	7,275,236
Current liabilities			
Current portion of long term liabilities		42,535	107,541
Short term borrowings		7,898,941	10,052,206
Trade and other payables		3,557,272	2,709,773
Provision for taxation		175,326	255,293
		11,674,074	13,124,813
Net current assets		(3,868,685)	(5,849,577)
Non-current liabilities			
Long term deposits		9,103	5,602
Long term loans		2,872,889	973,972
Liability against right of use asset		41,957	32,367
Deferred liabilities		1,400,512	1,516,708
		4,324,461	2,528,649
Contingencies and commitments	5	-	-
Net assets		9,828,905	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)		(4,706,026)	(4,820,401)
Surplus on revaluation of fixed assets		6,395,790	6,495,360
Loan from Director		150,000	-
SHARE HOLDERS' EQUITY		9,522,656	9,357,851
Minority Interest		306,249	311,507
		9,828,905	9,669,358

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

LAHORE
February 14, 2023

Syed Shahid Ali
 Chief Executive Officer


Mottashim Aftab
 Group Chief Financial Officer


Syed Shehryar Ali
 Director

Condensed interim consolidated statement of profit or loss (Unaudited)

For the period ended December 31, 2022

	Note	6 Months ended		Quarter ended	
		July to December 2022	July to December 2021	July to December 2022	July to December 2021
		(Rupees in thousand)		(Rupees in thousand)	
Revenue -Net	6	11,147,885	7,757,238	5,270,125	3,725,137
Cost of revenue	7	(9,003,072)	(6,253,718)	(4,176,855)	(2,930,706)
Gross profit		2,144,813	1,503,520	1,093,270	794,431
Administrative expenses		(358,369)	(289,988)	(181,069)	(140,535)
Distribution cost		(808,061)	(478,626)	(443,846)	(209,560)
		(1,166,430)	(768,614)	(624,915)	(350,095)
Operating Profit		978,383	734,906	468,355	444,336
Other income		22,253	250,684	31,561	(120,426)
		1,000,636	985,590	499,916	323,910
Financial expenses		(869,462)	(457,681)	(476,368)	(246,665)
Share of profit / (loss) of associate		(41,627)	19,129	(17,629)	16,398
		89,547	547,038	5,919	93,643
Workers' Profit Participation Fund		4,415	(27,355)	9,904	(23,281)
Workers' Welfare Fund		7,177	(10,383)	9,786	(10,249)
		11,592	(37,738)	19,690	(33,530)
Profit / (Loss) before taxation		101,139	509,300	25,609	60,113
Taxation					
- Group		(76,416)	(156,490)	33,235	(101,520)
- Associated company		(4,950)	(11,651)	3,931	(15,305)
Profit / (Loss) after taxation		19,773	341,159	62,775	(56,712)
(Profit) / Loss attributable to minority interest		(4,968)	(170)	(5,250)	3,727
Profit/(Loss) attributable to group		14,805	340,989	57,525	(52,985)
Earnings / (Loss) per share		0.08	1.95	0.33	(0.30)

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

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shehryar Ali
Director

Condensed interim consolidated statement of comprehensive income (Unaudited)

For the period ended December 31, 2022

	6 Months ended		Quarter year ended	
	July to December 2022 (Rupees in thousand)	July to December 2021	October to December 2022 (Rupees in thousand)	October to December 2021
Profit / (loss) after taxation	14,805	340,989	57,525	(52,985)
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	14,805	340,989	57,525	(52,985)

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

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

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Sheharyar Ali
Director

Condensed interim consolidated statement of changes in shareholders equity (Unaudited)

For the period ended December 31, 2022

	Share Capital	Advance against issue of share capital	Capital Reserve	Statutory Reserve	Surplus on revaluation of land buildings - net of tax	Loan from Director	General Reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----									
Balance as on June 30, 2021 as previously reported	1,748,343	-	5,061,603	511,941	6,775,227	-	266,400	(4,567,281)	9,796,233
Proceed for issuance of shares under employee share option scheme (ESOS)	-	67,285	-	-	-	-	-	-	67,285
Total comprehensive income for the period	-	-	-	-	-	-	-	340,989	340,989
Transferred from surplus on revaluation of property, plant and equipment due to sale	-	-	-	-	(144,951)	-	-	144,951	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(31,295)	-	-	31,295	-
Final dividend for the year ended June 30, 2021	-	-	-	-	-	-	-	(174,833)	(174,833)
Balance as on December 31, 2021	1,748,343	67,285	5,061,603	511,941	6,598,981	-	266,400	(4,224,879)	10,029,674
Balance as on June 30, 2022	1,787,211	-	5,117,340	511,941	6,495,360	-	266,400	(4,820,401)	9,357,851
Issuance of of shares under employee share option scheme (ESOS)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	14,805	14,805
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	-	-	-	-	(99,570)	-	-	99,570	-
Loan from Director	-	-	-	-	-	150,000	-	-	150,000
Balance as on December 31, 2022	1,787,211	-	5,117,340	511,941	6,395,790	150,000	266,400	(4,706,026)	9,522,656

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

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shehryar Ali
Director

Condensed interim consolidated statement of cash flows (Unaudited)

For the period ended December 31, 2022

	July to December 2022	July to December 2021
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	101,139	509,300
Adjustments for non-cash items :		
Financial charges for the period	869,462	457,681
Depreciation on property, plant and equipment	351,034	347,554
Provision for gratuity	-	33,068
Provision for superannuation fund scheme	-	26,227
Profit on bank deposits	(16,240)	(9,792)
Loss on disposal of investment held for trading	19,526	1,336
Profit on disposal of investment available for sale	-	1,853
Share of profit from associated company	41,627	(19,129)
Employees share option scheme (ESOS)	-	-
Dividend income	(895)	(1,566)
Provision for WPPF and WWF	(11,592)	37,738
(Gain)/Loss on sale of fixed assets	(3,541)	(217,658)
	1,249,381	657,312
Operating profit / (loss) before working capital changes	1,350,520	1,166,612
(Increase) / decrease in current assets :		
Stores and spares	(26,473)	(55,053)
Stock-in-trade	(299,130)	36,577
Trade debts	(444,416)	(449,789)
Short term investments	(9)	326,813
Loans, advances, deposits, prepayments and other receivables	444,325	(776,356)
	(325,703)	(917,808)
Increase / (decrease) in current liabilities:		
Trade and other payables	589,583	(554,975)
Cash generated from / (used in) from operations	1,614,400	(306,171)
Financial charges paid	(737,426)	(455,014)
Taxes paid	(62,196)	315,513
WPPF and WWF	12,421	(19,608)
Payment to gratuity fund	(15,808)	(113,811)
Payment to superannuation fund	(44,486)	(114,898)
	(847,495)	(387,818)
Net cash inflow/(outflow) from operating activities	766,905	(693,989)

Condensed interim consolidated statement of cash flows (Unaudited)

For the period ended December 31, 2022

	July to December 2022	July to December 2021
	(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(353,314)	(154,055)
Proceeds from sale of fixed assets	9,078	621,530
Long term investments	-	61,999
Long term deposits	(23,209)	(2,708)
Profit received on bank deposits	16,240	9,792
Dividend received	895	1,566
Net cash inflow/(outflow) from investing activities	(350,310)	538,124
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligation	9,589	(41,328)
Share deposit Money	-	67,285
Long Term Loan	1,783,910	681,805
Loan from director	150,000	-
Long Term Deposits	3,500	2,138
Dividend paid	(46)	(174,839)
Net cash inflow/(outflow) from financing activities	1,946,953	535,061
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,363,548	379,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(6,394,592)	(9,475,134)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(4,031,044)	(9,095,938)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	659,119	664,169
Finance under mark-up arrangements	(4,690,163)	(9,760,107)
	(4,031,044)	(9,095,938)

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

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shehryar Ali
Director

Notes to the consolidated condensed interim financial statements (Unaudited)

For the period ended December 31, 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 (Unaudited)

For the period ended December 31, 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 Corporaition 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 Unaudited 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 (Unaudited)

For the period ended December 31, 2022

	6 Months ended		Quarter year ended	
	July to December 2022	July to December 2021	October to December 2022	October to December 2021
------(Rupees in thousand)-----				
6. REVENUE - Net				
Blades	4,897,039	3,887,160	2,382,821	1,978,414
Soaps	451,650	255,621	260,554	100,570
Packaging products	1,436,663	1,051,564	708,541	502,688
Batteries	3,826,771	2,212,872	1,594,001	965,541
Motor bike project	44,263	31,599	37,027	20,202
Trading operation	1,353	17,855	363	1,203
Pharmaceutical products	490,146	300,567	286,818	156,519
	11,147,885	7,757,238	5,270,125	3,725,137
7. COST OF REVENUE				
Blades	(3,332,388)	(2,612,495)	(1,585,597)	(1,311,412)
Soaps	(382,869)	(231,503)	(226,742)	(99,774)
Packaging products	(1,392,593)	(1,004,188)	(706,162)	(497,174)
Batteries	(3,442,927)	(2,108,685)	(1,387,222)	(868,883)
Motor bike project	(49,484)	(37,860)	(40,343)	(23,397)
Trading operation	(7,601)	(12,495)	(8,588)	357
Pharmaceutical products	(395,210)	(246,492)	(222,201)	(130,423)
	(9,003,072)	(6,253,718)	(4,176,855)	(2,930,706)

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.

	6 Months ended	
	July to December 2022	July to December 2021
Rupees in '000		
Purchases and services received	309,822	468,367
Goods sold and services rendered	156,562	30,334

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors on February 14, 2023.

10. GENERAL

Amounts have been rounded off to thousand rupees.

LAHORE
February 14, 2023


Syed Shahid Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Sheharyar Ali
Director



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