

**SHAPING
INDUSTRIES,
EMPOWERING
LIVES**

20
23

1st Quarter Report
For the period ended
September 30, 2023
Treet Corporation Limited

CONTENTS

GOVERNANCE

Company information	02
Directors' review	03

CONSOLIDATED FINANCIAL STATEMENTS

Condensed interim consolidated statement of financial position	07
Condensed interim consolidated statement of profit or loss	08
Condensed interim consolidated statement of Comprehensive income	09
Condensed interim consolidated statement of cash flows	10
Condensed interim consolidated statement of changes in equity	12
Notes to the consolidated condensed interim financial statements	13

UNCONSOLIDATED FINANCIAL STATEMENTS

Condensed interim statement of financial position	17
Condensed interim statement of profit or loss	18
Condensed interim statement of comprehensive income	19
Condensed interim statement of Cash flows	20
Condensed interim statement of Changes in equity	22
Notes to the condensed interim Financial statements	23

Company Information

Board of Directors

Syed Shahid Ali

(Chairman/ Non-Executive Director)

Syed Sheharyar Ali

(Chief Executive Officer)

Mr. Imran Azim

(Non-Executive Director)

Dr. Salman Faridi

(Non-Executive Director)

Mr. Munir Karim Bana

(Non-Executive Director)

Dr. Haroon Latif Khan

(Independent Director)

Ms. Sidra Fatima Sheikh

(Female/Independent Director)

Mr. Ahmad Shahid Hussain

(Independent Director)

Audit Committee

Ms. Sidra Fatima Sheikh (Chairperson)

Mr. Imran Azim (Member)

Dr. Salman Faridi (Member)

Mr. Munir Karim Bana (Member)

Mr. Ahmad Shahid Hussain (Member)

Human Resource & Remuneration Committee

Syed Shahid Ali (Chairman)

Syed Sheharyar Ali (Member)

Mr. Imran Azim (Member)

Dr. Haroon Latif Khan (Member)

Chief Executive Officer

Syed Sheharyar Ali

Group Chief Financial Officer

Mr. Mohammad Mohtashim Aftab

Group Company Secretary

& Head of Legal

Ms. Zunaira Dar

Group Head of Internal Audit

Mr. Muhammad Ali

Auditors

M/s Yousuf Adil

Chartered Accountants Lahore

Legal Advisors

Asad & Asad Attorney At Law

Share Registrar

Corplink (Private) Limited

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

Tel: 042-35916714

Fax: 042-35839182

Bankers

Al-Baraka Bank Pakistan Limited

Allied Bank Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

Bank Islami Pakistan Limited

Bank of Punjab

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Pakistan Kuwait Investment Company (Private) Limited

Samba Bank Limited

Silk Bank Limited

Soneri Bank Limited

United Bank Limited

Registered Office

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

Tel: 042-35830881, 35156567 & 35122296

Fax: 042-35114127 & 35215825

E-Mail: info@treetonline.com

Home Page: www.treetcorp.com

Directors' Review

We are pleased to present the Directors' Report together with the unaudited Financial Statements for the quarter ended September 30, 2023.

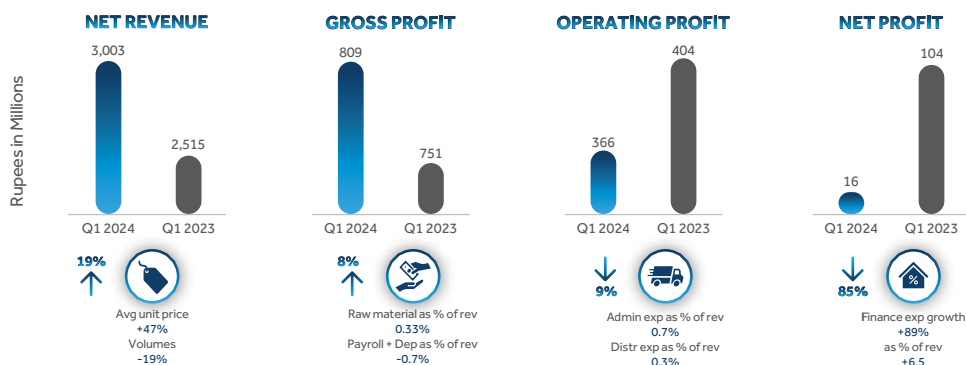
SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in million)

	September 30, 2023		September 30, 2022		% Change	
	Treet	Consolidated	Treet	Consolidated	Treet	Consolidated
Sales (net)	3,003	6,679	2,515	5,878	19%	14%
Gross Profit	809	1,542	751	1,066	8%	45%
Operating Profit/(Loss)	366	854	404	518	(9)%	65%
Profit/(Loss) before Taxation	62	226	170	85	(63)%	166%
Net Profit/(Loss) after taxation	16	117	104	(34)	(85)%	444%
EPS (in Rupees)	0.09	0.54	0.59	(0.20)	(85)%	370%

BUSINESS REVIEW – TREET CORPORATION LIMITED (TCL)

TCL's exceptional performance during the period is reflected in the remarkable 19% increase in net sales, reaching an impressive Rs. 3,003 million from Rs. 2,515 million in the same period last year. This growth is attributed to the company's successful local and export sales strategies, which have contributed to its strong market position. Furthermore, TCL's gross profit increased by 8% to Rs. 809 million, compared to Rs. 751 million same period last year. During these strenuous times with unprecedented economic challenges, TCL managed to maintain its profitability demonstrating the company's resilience and adaptability in the face of market challenges.



Operating Profit sits at Rs. 366 million, shows a decline of 9% over corresponding last year (Q1 2023: Rs. 404 million). Administration and selling & distribution expenses increased by 33% and 23% respectively in comparison to same period last year. This increase primarily reflects the effects of inflation and salary adjustments. Salary increments for the FY 2023-2024 were implemented at the beginning of the year, whereas in the previous, the increments were carried out in the second quarter. Financing cost has hit us adversely, due to the massive increase in the borrowing rates. Although, partial repayment was made to the banks but the reduction in the borrowing was offset by the impact of higher borrowing cost which has increased 89% in comparison to the same period last year, amounting to Rs. 531 million (Q1 2023: Rs 281 million).

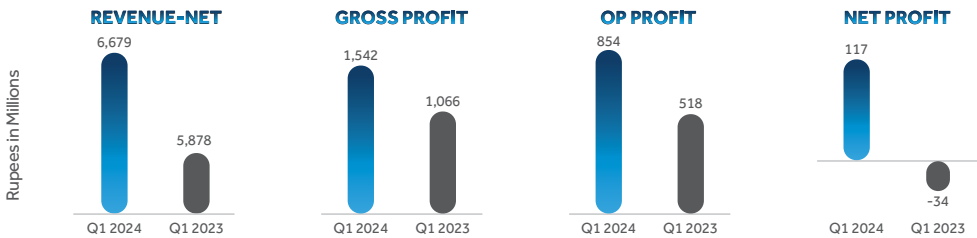
TCL has announced its plans to generate Rs. 2.5 billion through a right issue of shares. The primary goal of this capital raising initiative is to enhance the financial flexibility of TCL's Balance Sheet by eliminating its existing short-term debt.

Directors' Review

BUSINESS REVIEW – GROUP RESULTS

In the first quarter of FY 2023-2024, the Group achieved a turnover of Rs. 6,679 million, representing a significant increase of Rs. 801 million (14%) compared to the same period in the previous year. This growth can be attributed to increased sales values across all segments.

During the period under review, the cost of sales reached Rs. 5,136 million, which is 7% higher than the same period last year (Q1 2023: Rs. 4,812 million). This increase is directly proportional to the higher sales volume. However, despite the increase in costs, the gross profit showed a remarkable improvement of 45% over the same period last year, reaching Rs. 1,542 million (Q1 2023: Rs. 1,066 million). This improvement can be attributed to both increased sales volumes and price rationalization. To sustain profit margins, the company proactively managed to pass on the impact of inflation to customers through regular price revisions throughout the year. Additionally, rigorous cost control measures played a crucial role in generating an operating profit of Rs. 854 million, showing a 65% improvement over the corresponding period last year (Q1 2023: Rs. 518 million). Despite facing challenges such as the significant increase in interest rates due to monetary policies, the Group managed to achieve a significant improvement in net profit of 444% compared to the same period last year. The Group earned a net profit of Rs. 117 million, a substantial improvement from the loss of Rs. 34 million in the same period last year. This level of profit translated into an earnings per share (EPS) of Rs. 0.54, compared to a loss per share of Rs. 0.20 in the same period last year.



“Despite challenging year, TCL managed to report consolidated net profit of PKR 117m due to price increases and cost controls allowing margins to expand”

Segment wise sales is as follows:

(Rupees in million)

	Sales			
	September 30, 2023	September 30, 2022	Increase / (Decrease)	% Change
Blades	3,001	2,515	486	19%
Soaps	422	191	231	121%
Packaging products	780	728	52	7%
Batteries	2,166	2,233	(67)	(3)%
Motor bike project	5	7	(2)	(29)%
Trading operation	2	1	1	100%
Pharmaceutical products	303	203	100	49%

Directors' Review

TREET BATTERY LIMITED (TBL)

In the first quarter of FY 2023/24, the company achieved a net profit of Rs. 0.53 million, a significant turnaround from the net loss of Rs. 177 million in the same period last year. Despite a 3% decrease in sales value and a 35% reduction in volume, the gross margin exhibited a robust increase of 189% compared to the corresponding period last year.

The decline in volume is attributed to a persistently challenging economic environment, reduced load shedding, and a weakened purchasing power parity among consumers. However, the adverse impact of these challenges has been partially mitigated by our price rationalization initiative, effective cost control measures, and enhanced plant operations. The company realized a noteworthy enhancement in its operating profit, reaching Rs. 319 million in comparison to Rs 25 million in corresponding period last year. Nevertheless, it's crucial to note a considerable spike in finance costs, totaling Rs. 294 million, marking a 67% increase from the same period last year. This heightened financing cost is predominantly attributed to our highly leveraged financial structure, posing a challenge to our margins.

FIRST TREET MANUFACTURING MODARABA (FTMM)

FTMM has demonstrated remarkable improvement in both of its segments. In the first quarter of FY 2023/2024, the company achieved a turnover of Rs. 1,228 million, representing a substantial increase of Rs. 291 million (31%) compared to the same period last year. This growth can be attributed to increased sales in terms of both value and volume. Furthermore, the gross profit of FTMM showed a significant increase of Rs. 10 million (10%) over the same period last year. This improvement can be attributed to price rationalization and rigorous cost control measures implemented during the period. Through these measures, FTMM was able to achieve an operating profit of Rs. 87 million. This demonstrates the company's ability to effectively manage costs and generate consistent profits. In terms of net profit, FTMM achieved Rs. 73 million, which is an increase of Rs. 9 million compared to the same period last year. This improvement showcases the company's overall financial performance and its ability to generate higher profits. Overall, FTMM has shown significant growth and improvement in both its turnover and profitability, highlighting its strong performance in the market.

RENACON PHARMA LIMITED (RPL)

The net revenue for the first quarter is Rs. 303 million which has increased by 48% as compared to same period last year (Q1 2023: 33 million). Gross profit at Rs. 111 million shows significant improvement of 319% over corresponding period (Q1 2023: Rs. 27 million). The improvement is primarily due to price rationalization. Profit after tax is Rs. 48 million compared to profit after tax of Rs. 3 million same period last year. The work on new production facility is being carried out and it is expected that plant will start its commercial operations somewhere in the third quarter of this financial year.

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 Sheharyar Ali
Chief Executive Officer

LAHORE
October 27, 2023

CONSOLIDATED

—

FINANCIAL STATEMENTS

For the period ended September 30, 2023


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

As At September 30, 2023

	Note	September 2023 Un-audited (Rupees in thousand)	June 2023 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		17,042,100	17,041,598
Intangible assets		133,613	134,926
Long term investments		508,991	530,622
Long term loans and deposits		139,888	114,498
		17,824,592	17,821,644
Current assets			
Stores and spares		428,610	426,550
Stock-in-trade		3,903,391	4,538,884
Trade debts - unsecured considered good		2,287,871	1,799,114
Short term investments		97,972	100,668
Loans, advances, deposits, prepayments and other receivables		2,496,140	1,600,547
Advance income tax		923,901	697,889
Cash and bank balances		510,241	367,407
		10,648,126	9,531,059
Asset held for sale		-	-
Current liabilities			
Current portion of long term liabilities		140,340	140,340
Short term borrowings		8,400,245	8,493,325
Trade and other payables		4,445,114	3,496,264
Unclaimed dividend		14,985	15,602
Accrued markup		688,643	540,632
Provision for taxation		518,544	411,426
		14,207,871	13,097,589
Net current assets		(3,559,745)	(3,566,530)
Non-current liabilities			
Long term deposits		13,853	13,853
Long term loans		2,862,062	2,710,632
Government grant		46,304	46,304
Liability against right of use asset		37,120	19,971
Deferred liabilities		1,557,485	1,609,772
		4,516,824	4,400,532
Contingencies and commitments	5	-	-
Net assets		9,748,023	9,854,582
FINANCED BY:			
Issued, subscribed and paid-up capital		1,787,211	1,787,211
Reserves		5,895,681	5,895,681
Unappropriated profit / (loss)		(4,622,894)	(4,818,098)
Surplus on revaluation of fixed assets		6,319,489	6,419,059
Loan from director		6,000	230,000
SHARE HOLDERS' EQUITY		9,385,487	9,513,853
Minority Interest		362,536	340,729
		9,748,023	9,854,582

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


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

For the period ended September 30, 2023

	Note	3 Months ended	
		July to September 2023	July to September 2022
		(Rupees in thousand)	
Revenue -Net	6	6,678,534	5,877,760
Cost of revenue	7	(5,136,491)	(4,812,027)
Gross Profit / (Loss)		1,542,043	1,065,733
- Administrative expenses		(227,512)	(179,205)
- Distribution cost		(461,026)	(368,120)
		(688,538)	(547,325)
Operating profit / (loss)		853,505	518,408
Other income		79,642	(8,832)
		933,147	509,576
Financial expenses		(680,667)	(393,094)
Share of profit / (loss) of associate		(17,413)	(23,910)
		235,067	92,572
Workers' Profit Participation Fund		(3,963)	(5,489)
Workers' Welfare Fund		(5,539)	(2,502)
		(9,502)	(7,991)
Profit / (Loss) before taxation		225,565	84,581
Taxation			
- Group		(107,149)	(109,651)
- Associated company		(975)	(9,235)
Profit / (Loss) after taxation		117,441	(34,305)
(Profit) / Loss attributable to minority interest		(21,807)	(570)
Profit/(Loss) attributable to group		95,634	(34,875)
Earnings / (Loss) per share		0.54	(0.20)

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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


For the period ended September 30, 2023

	3 Months ended	
	July to September 2023	July to September 2022
	(Rupees in thousand)	
Profit / (loss) after taxation	95,634	(34,875)
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	95,634	(34,875)

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
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the period ended September 30, 2023

	July to September 2023	July to September 2022
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	225,565	84,581
Adjustments for non-cash items :		
Financial charges for the period	680,667	393,094
Depreciation on property, plant and equipment	178,302	167,304
Profit on bank deposits	(14,823)	(10,635)
Profit on disposal of investment held for trading	2,748	18,109
Share of profit from associated company	(814)	23,910
Provision for WPPF and WWF	9,502	7,991
(Gain)/Loss on sale of fixed assets	(9,400)	(129)
	846,182	599,644
Operating profit / (loss) before working capital changes	1,071,747	684,225
(Increase) / decrease in operating assets :		
Stores and spares	(2,060)	5,396
Stock-in-trade	635,493	(431,175)
Trade debts	(488,757)	(256,532)
Short term investments	(2,696)	(9)
Loans, advances, deposits, prepayments and other receivables	(866,977)	(596,783)
	(724,997)	(1,279,103)
Increase / (decrease) in operating liabilities		
Trade and other payables	948,850	642,664
Cash generated from / (used in) from operations	1,295,600	47,786
Financial charges paid	(532,656)	(369,841)
Taxes paid	(226,012)	371,455
Payment of deferred liabilities	(49,044)	(37,513)
	(807,712)	(35,899)
Net cash inflow/(outflow) from operating activities	487,888	11,887


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

For the period ended September 30, 2023

	July to September 2023	July to September 2022
	(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(181,791)	(125,006)
Proceeds from sale of fixed assets	254	3,975
Long term deposits	(3,832)	(31)
Profit received on bank deposits	14,823	10,635
Net cash inflow/(outflow) from investing activities	(170,546)	(110,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loan	(55,421)	1,635,779
Long Term Deposits	(25,390)	1,001
Dividend paid	(617)	15,612
Net cash inflow/(outflow) from financing activities	(81,428)	1,652,392
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	235,914	1,553,852
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(8,125,918)	(9,535,412)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(7,890,004)	(7,981,560)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	510,241	645,184
Finance under mark-up arrangements	(8,400,245)	(8,626,744)
	(7,890,004)	(7,981,560)

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


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

For the period ended September 30, 2023

	Share Capital	Advance against issue of share capital	Capital Reserve	Fair Value 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, 2022 as previously reported	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)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(85,585)	-	-	85,585	-
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
Balance as on June 30, 2023	1,787,211	-	4,905,156	212,184	511,941	6,419,059	230,000	266,400	(4,818,098)	9,513,853
Repayment of loan	-	-	-	-	-	-	(224,000)	-	-	(224,000)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	95,634	95,634
Advance income tax	-	-	-	-	-	-	-	-	95,634	95,634
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	(99,570)	-	-	99,570	-
Balance as on September 30, 2023	1,787,211	-	4,905,156	212,184	511,941	6,319,489	6,000	266,400	(4,622,894)	9,385,487

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the period ended September 30, 2023

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 and soap.
- 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, 2023

- 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 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 2023.

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 2023.

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 2023.

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, 2023

	3 Months ended	
	July to September 2023	July to September 2022
	(Rupees in thousand)	
6. REVENUE - Net		
Blades	3,001,449	2,514,218
Soaps	421,750	191,096
Packaging products	780,157	728,122
Batteries	2,165,783	2,232,770
Motor bike project	4,653	7,236
Trading operation	1,674	990
Pharmaceutical products	303,068	203,328
	6,678,534	5,877,760
7. COST OF REVENUE		
Blades	(2,175,060)	(1,746,866)
Soaps	(340,134)	(156,127)
Packaging products	(780,881)	(686,431)
Batteries	(1,650,447)	(2,051,121)
Motor bike project	(5,351)	(9,141)
Trading operation	(751)	987
Pharmaceutical products	(183,867)	(163,328)
	(5,136,491)	(4,812,027)

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	165,603	202,839
Goods sold and services rendered	8	143,011

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors on October 27, 2023.

10. GENERAL

10.1 Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

UNCONSOLIDATED

—

FINANCIAL STATEMENTS

For the period ended September 30, 2023


Condensed interim statement of financial position (un-audited)

As At September 30, 2023

	September 2023 Un-audited (Rupees in thousand)	June 2023 Audited
NON-CURRENT ASSETS		
Property, plant and equipment	7,372,236	7,418,991
Long term investments	11,377,176	11,377,176
Long term loans and deposits	22,356	23,037
	18,771,768	18,819,204
Current assets		
Stores and spares	283,255	278,929
Stock-in-trade	2,409,649	2,858,633
Trade debts - unsecured considered good	560,423	290,342
Short term investments	95,030	97,726
Loans, advances, deposits, prepayments and other receivables	4,802,982	4,652,163
Advance income tax	332,037	285,763
Cash and bank balances	299,717	189,318
	8,783,093	8,652,874
Current liabilities		
Current portion of long term liabilities	100,441	100,441
Short term borrowings	5,948,027	5,828,618
Trade and other payables	2,087,501	2,048,522
Accrued markup	465,394	381,119
Unclaimed dividend	14,951	15,568
Provision for taxation	275,018	228,279
	8,891,332	8,602,547
Net current assets	(108,239)	50,327
Non-current liabilities		
Long term deposits	13,854	13,853
Long term loans	2,180,049	2,187,500
Liability against right of use asset	29,100	8,155
Deferred liabilities	1,328,778	1,340,016
	3,551,781	3,549,524
Contingencies and commitments	5	-
Net assets	15,111,748	15,320,007
FINANCED BY:		
Issued, subscribed and paid-up capital	1,787,211	1,787,211
Reserves	5,172,461	5,172,461
Unappropriated profit / (loss)	2,969,085	2,914,546
Surplus on revaluation of fixed assets	5,176,991	5,215,789
Loan from Directors	6,000	230,000
	15,111,748	15,320,007

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


Condensed interim statement of profit and loss (un-audited)

For the period ended September 30, 2023

	Note	3 Months ended	
		July to September 2023	July to September 2022
		(Rupees in thousand)	
Revenue -Net	6	3,003,123	2,515,208
Cost of revenue	7	(2,193,833)	(1,764,553)
Gross Profit / (Loss)		809,290	750,655
- Administrative expenses		(200,497)	(150,228)
- Distribution cost		(242,641)	(196,885)
		(443,138)	(347,113)
Operating Profit / (Loss)		366,152	403,542
Other income		233,638	54,931
		599,790	458,473
Financial expenses		(530,831)	(280,802)
		68,959	177,671
Workers' Profit Participation Fund		(3,839)	(5,399)
Workers' Welfare Fund		(2,641)	(2,367)
		(6,480)	(7,766)
Profit / (Loss) before taxation		62,479	169,905
Taxation		(46,738)	(65,984)
Profit / (Loss) from continuing operation		15,741	103,921
Earnings / (Loss) per share		0.09	0.59

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

Condensed interim statement of comprehensive income (un-audited)


For the period ended September 30, 2023

	3 Months ended	
	July to September 2023	July to September 2022
	(Rupees in thousand)	
Profit after taxation	15,741	103,921
Other comprehensive income		
Available for sale financial assets		
Transfer to profit and loss account on disposal	-	-
	-	-
Total comprehensive income for the period	15,741	103,921

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
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

Condensed interim statement of cash flows (un-audited)

For the period ended September 30, 2023

	July to September 2023	July to September 2022
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	62,479	169,905
Adjustments for non-cash items :		
Financial charges for the period	530,831	280,802
Depreciation on property, plant and equipment	92,198	93,025
Profit on bank deposits	(5,455)	(2,490)
Profit on disposal of investment held for trading	2,749	18,110
Provision for WPPF and WWF	6,480	7,766
(Gain)/Loss on sale of fixed assets	(9,472)	(128)
	617,331	397,085
Operating profit / (loss) before working capital changes	679,810	566,990
(Increase) / decrease in operating assets :		
Stores and spares	(4,327)	(7,244)
Stock-in-trade	448,984	(244,649)
Trade debts	(270,081)	(185,290)
Short term investments	(53)	18,090
Loans, advances, deposits, prepayments and other receivables	(136,878)	(353,680)
	37,645	(772,773)
Increase / (decrease) in operating liabilities		
Trade and other payables	38,979	166,503
Cash generated from /(used in) from operations	756,434	(39,280)
Financial charges paid	(445,957)	(211,048)
Taxes paid	(46,274)	(124,657)
WPPF and WWF	(71)	-
Post employment benefits	(11,235)	(37,515)
	(503,537)	(373,220)
Net cash inflow/(outflow) from operating activities	252,897	(412,500)


Condensed interim statement of cash flows (un-audited)

For the period ended September 30, 2023

	July to September 2023	July to September 2022
	(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(35,971)	(54,607)
Proceeds from sale of fixed assets	-	446
Long term deposits	678	5,492
Profit received on bank deposits	5,455	2,490
Dividend received	-	-
Net cash inflow/(outflow) from investing activities	(29,838)	(46,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loan	(7,451)	1,435,778
Director loan	(224,000)	-
Long Term Deposits	-	1,000
Dividend paid	(617)	(46)
Net cash inflow/(outflow) from financing activities	(232,068)	1,436,732
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(9,009)	978,053
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(5,639,301)	(6,658,798)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(5,648,310)	(5,680,745)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	299,717	353,392
Finance under mark-up arrangements	(5,948,027)	(6,034,136)
	(5,648,310)	(5,680,744)

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


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

For the period ended September 30, 2023

	Share Capital	Capital Reserve	Surplus on revaluation of fixed assets	Employee stock option compensation reserve	General Reserve	Loan From Director	Unappropriated Profit	Total
------(Rupees in thousand)-----								
Balance as on June 30, 2022 as previously reported	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
Balance as on June 30, 2023	1,787,211	4,906,061	5,215,789	-	266,400	230,000	2,914,546	15,320,007
Loan Repayment	-	-	-	-	-	(224,000)	-	(224,000)
Total comprehensive income for the period	-	-	-	-	-	-	15,741	15,741
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	(38,798)	-	-	-	38,798	-
Balance as on September 30, 2023	1,787,211	4,906,061	5,176,991	-	266,400	6,000	2,969,085	15,111,748

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

LAHORE
October 27, 2023


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the period ended September 30, 2023

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 2023 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 2023. 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 2023, whereas comparative unconsolidated profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the 3 months period ended 30 September 2023.

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 2023.

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

For the period ended September 30, 2023

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 2023. 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 2023	July to September 2022
(Rupees in thousand)		
6. REVENUE - Net		
Blades - local	1,747,769	1,498,779
Blades - export	1,253,680	1,015,439
	3,001,449	2,514,218
Trading operation	1,674	990
	3,003,123	2,515,208
7. COST OF REVENUE		
Blades operation	(2,193,082)	(1,763,979)
Trading activity	(751)	(574)
	(2,193,833)	(1,764,553)
8. TRANSACTIONS WITH RELATED PARTIES		
Subsidiary		
- Purchases and services received	26,789	19,457
- Goods sold and services rendered	1,500	-
Associates		
- Purchases and services received	89,896	168,491
- Goods sold and services rendered	-	129,411

The Company enters into transactions with related parties on an arm's length basis.

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

For the period ended September 30, 2023

9. These unaudited condensed interim financial statements were authorized for issue by the board of directors on October 27, 2023.

10. GENERAL

10.1 Amounts have been rounded off to thousand rupees.

LAHORE
October 27, 2023



Syed Sheharyar Ali
Chief Executive Officer



Mohtashim Aftab
Group Chief Financial Officer



Syed Shahid Ali
Director



Shaping Industries,
Empowering Lives



Treet Corporation Limited

72B, Peco Road, Kot Lakhpat Industrial Area, Lahore 54770, Pakistan

+92-42-1111-Treet (87338) \ WhatsApp: +92 328 8733888

www.treetcorp.com

Info@treetgroup.com

@treetcorp

Design & printed by: annualreports.pk