

**SHAPING
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EMPOWERING
LIVES**

20
23

Half Yearly Report
Treet Corporation Limited

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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

Dr. Haroon Latif Khan (Chairman)

Syed Shahid Ali (Member)

Syed Sheharyar Ali (Member)

Mr. Imran Azim (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 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

Sindh 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' Report

It is our pleasure to present the half yearly financial statements (reviewed) for the period ended December 31st, 2023.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

(Rupees in million)

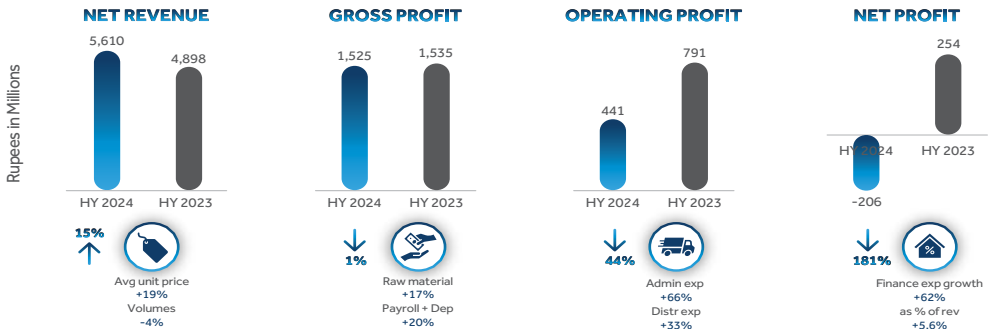
	Half Year Dec - 23		Half Year Dec - 22		% Change	
	Treet	Consolidated	Treet	Consolidated	Treet	Consolidated
Sales (net)	5,610	12,040	4,898	11,148	15%	8%
Gross Profit	1,525	2,690	1,535	2,145	(1)%	25%
Operating Profit/(Loss)	441	1,085	791	978	(44)%	11%
Profit/(Loss) before Taxation	(216)	(177)	313	101	(169)%	(275)%
Net Profit/(Loss) after taxation	(206)	(312)	254	15	(181)%	(2,206)%
EPS (in Rupees)	(0.95)	(1.43)	1.17	0.07	(152)%	(2,282)%

BUSINESS REVIEW – TREET CORPORATION LIMITED (TCL)

TCL has demonstrated remarkable resilience and growth, achieving a notable 15% increase in revenue despite the prevailing economic challenges. This achievement is a testament to TCL's effective implementation of strategic sales approaches, both domestically and in export markets. By leveraging these strategies, TCL has not only expanded its market presence but has also strengthened its competitive position. This surge in revenue to Rs. 5,610 million from Rs. 4,898 million in the corresponding period of the previous year highlights TCL's agility and adaptability in navigating through turbulent economic conditions. Moving forward, TCL's ability to sustain this positive trajectory amidst the economic downturn showcases its potential for continued success and resilience in the face of adversity.

Despite the overall growth in net sales, TCL encountered a slight reduction in gross profit, decreasing by 1% to Rs. 1,525 million compared to Rs. 1,535 million in the corresponding period of the prior year. This decline was influenced by several factors, including heightened production expenses and shifts in market dynamics. These changes compelled TCL to distribute lower-priced SKUs due to substantial inflation, directly affecting consumers' purchasing power. The impact of these factors was absorbed by the company without passing on the additional costs to consumers, recognizing the potential exacerbation of margin decline due to inflation. However, following the reporting period, TCL plans a significant price adjustment to address these challenges.

Moreover, despite TCL's efforts and achievements, the company faced challenges posed by the prevailing economic conditions, including high markup rates. In light of these challenges, TCL reported a net loss of Rs. 206 million during the period under review, contrasting with the profit of Rs. 254 million recorded in the corresponding period of the previous year. This reversal from profit to loss underscores the impact of the economic challenges faced by TCL, despite its strong sales performance.



Directors' Review

The operating profit of the company amounted to Rs. 441 million, indicating a significant decline of 44% compared to the corresponding period of the previous year, which stood at Rs. 791 million. Administration expenses experienced a notable increase of 66% over the same period last year. This rise in administration expenses is primarily due to the effects of inflation and salary increments, which have resulted in higher operational costs for the company. Similarly, selling and distribution expenses also saw a considerable uptick, rising by 33% compared to the previous year. Again, this increase is largely driven by inflationary pressures and salary adjustments, which have led to higher expenses related to sales and distribution activities.

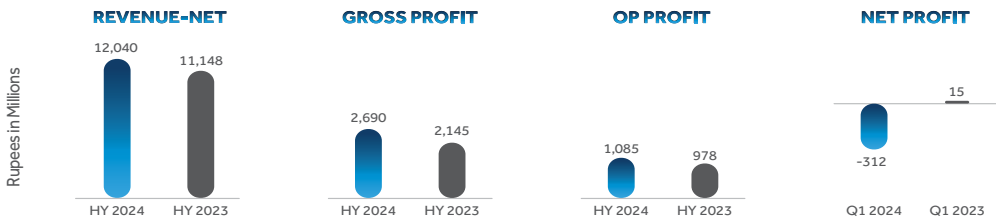
Moreover, the company faced adverse effects from financing costs during the period. The significant increase in borrowing rates resulted in a substantial rise in financing costs, which surged by 62% compared to the same period last year which amounted to Rs. 1,062 million compared to Rs. 654 million in the corresponding period of the previous year.

Overall, the decline in Net profit can be attributed to the combined impact of increased administration and selling & distribution expenses, as well as the substantial rise in financing costs driven by higher borrowing rates. These factors collectively contributed to the challenging financial environment faced by the company during the specified period, impacting its profitability and operational performance.

TCL has achieved a significant milestone by successfully generating Rs. 2.5 billion through a right issue of shares, with the proceeds becoming available in January 2024. This capital-raising endeavor represents a strategic move aimed at bolstering TCL's financial position and enhancing its overall financial flexibility.

BUSINESS REVIEW – GROUP RESULTS

In the first half of 2023-2024, the Group achieved a turnover of Rs. 12,040 million, representing a significant increase of Rs. 892 million which is 8% compared to the corresponding period of the previous year. During the period under review, the cost of sales reached Rs. 9,350 million, which is 4% higher than the corresponding period of the previous year (HY 2022-2023: Rs. 9,003 million). This increase is directly proportional to the higher sales. However, despite the increase in costs, the gross profit showed a robust improvement of 25% over the corresponding period of the previous year, reaching Rs. 2,690 million (HY 2022-2023: Rs. 2,145 million). To sustain profit margins, the company proactively managed to pass on the impact of inflation to customers through regular price revisions throughout the reporting period. Additionally, rigorous cost control measures played a crucial role in generating an operating profit of Rs. 1,085 million, showing a 11% improvement over the corresponding period last year (HY 2022-2023: Rs. 978 million). The significant increase in borrowing rates resulted in a substantial rise in financing costs, which surged by 57% compared to the same period last year which amounted to Rs. 1,362 million compared to Rs. 869 million in the corresponding period of the previous year. The Group has made a net loss of Rs. 312 million, a substantial deterioration from the profit of Rs. 15 million in the same period last year. This loss has translated into loss per share of Rs. 1.43, compared to earnings per share of Rs. 0.07 compared to the corresponding period of the previous year.



Directors' Review

Segment wise sales is as follows:

(Rupees in million)

Segment	Sales			
	HY 2024	HY 2023	Increase / (Decrease)	% Change
Blades	5,606	4,897	709	14%
Soaps	731	452	279	62%
Packaging products	1,414	1,437	(23)	(2)%
Batteries	3,630	3,827	(197)	(5)%
Motor bike project	13	44	(32)	(71)%
Trading operation	4	1	3	189%
Pharmaceutical products	643	490	153	31%

TREET BATTERY LIMITED (TBL)

In the face of considerable challenges, the company has witnessed a remarkable triumph with a 92% surge in gross profit, climbing from Rs. 387 million to an inspiring Rs. 742 million. This substantial increase is a testament to the strategic and successful efforts aimed at enhancing profit margins, highlighting our resilience and adaptability during tough times. Although net losses saw a marginal rise from Rs. 279 million to Rs. 284 million, the robust focus on improving margins has softened the effects of a sales volume downturn, paving the way for a future that we approach with cautious optimism.

This period has indeed proven the company's adeptness at navigating through turbulent market conditions by making calculated strategic adjustments and maintaining a sharp focus on profitability. We celebrate a tremendous 356% increase in operating profit, which soared from Rs. 75 million to Rs. 343 million compared to the previous year, an unequivocal indicator of our operational efficiency and income generation capabilities.

Nevertheless, we are mindful of the increased finance costs, which have risen by 70% to Rs. 629 million, reflecting our highly leveraged position and high markup rates. This significant rise is a reminder of the importance of strategic financial planning and the need for continuous assessment of our financial strategies. As we move forward, we are committed to addressing these challenges head-on, optimizing our financial structure, and continuing on our path of growth and success.

FIRST TREET MANUFACTURING MODARABA (FTMM)

FTMM has demonstrated remarkable improvement in soap segments. In the first Half of FY 2023-2024, the company achieved a turnover of Rs. 2,213 million, representing a substantial increase of Rs. 279 million (14%) compared to corresponding period of the previous year. This growth attributed to increased sales in terms of both value and volume in soap segment. Furthermore, the gross profit of FTMM showed a significant increase of Rs. 33 million (21%) over the corresponding period of the previous year. This improvement is due 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. 145 million. This demonstrates the company's ability to effectively manage costs and generate consistent profits. In terms of net profit, FTMM achieved Rs. 156 million, which is an increase of Rs. 77 million compared to corresponding period of the previous 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.

Directors' Review

RENACON PHARMA LIMITED (RPL)

The net revenue for the first half is Rs. 643 million which has increased by 31% as compared to same period last year (HY 2022-2023: 490 million). Gross profit at Rs. 229 million shows significant improvement of 199% over corresponding period (HY 2022-2023: Rs. 77 million). The improvement is primarily due to price rationalization. Profit after tax is Rs. 105 million compared to profit after tax of Rs. 14 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
27th February, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TREET CORPORATION LIMITED REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED 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, 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, 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 condensed interim statement of comprehensive income for the three-month period ended December 31, 2023 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, 2023.

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 condensed interim unconsolidated 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.



YOUSUF ADIL
CHARTERED ACCOUNTANTS

Lahore

Date: 28th February, 2024
UDIN: RR202310180mI9ZdYcyp

CONSOLIDATED

FINANCIAL STATEMENTS

For the six-months ended December 31, 2023


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

As At December 31, 2023

	Note	December 2023 Un-audited (Rupees in thousand)	June 2023 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		17,194,430	17,041,598
Intangible assets		134,234	134,926
Long term investments		493,037	530,622
Long term loans and advances		125,886	16,763
Long term security deposits		101,641	111,746
		18,049,228	17,835,655
Current assets			
Stores and spares		447,034	426,550
Stock-in-trade		4,021,298	4,538,884
Trade debts - unsecured considered good		1,620,328	1,799,114
Short term investments		116,518	100,668
Loans, advances, deposits, prepayments and other receivables	5	3,228,037	2,047,772
Employee provident fund		-	5,997
Cash and bank balances		520,325	367,407
		9,953,540	9,286,392
Current liabilities			
Current portion of long term liabilities		283,704	140,340
Short term borrowings		9,182,511	8,493,325
Trade and other payables		3,912,800	3,510,117
Employee provident fund		13,865	-
Unclaimed dividend		14,985	15,602
Accrued markup		715,347	540,632
Provision for taxation		111,235	180,770
		14,234,447	12,880,786
Net current assets		(4,280,907)	(3,594,394)
Non-current liabilities			
Deferred liabilities		1,072,688	1,103,599
Long term loans		2,844,875	2,710,632
Government grant		46,304	46,304
Deferred Taxation		427,394	506,173
Liability against right of use asset		13,875	19,971
		4,405,136	4,386,679
Contingencies and commitments	6	-	-
Net assets		9,363,185	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)		(5,060,625)	(4,818,098)
Surplus on revaluation of fixed assets		6,349,723	6,419,059
Loan from director		6,000	230,000
SHARE HOLDERS' EQUITY		8,977,990	9,513,853
Minority Interest		385,195	340,729
		9,363,185	9,854,582

The attached notes 1 to 14 form an integral part of this condensed interim financial statements

LAHORE
27th February, 2024


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 December 31, 2023

	Note	Six months ended		Three months ended	
		July to December 2023	July to December 2022	October to December 2023	October to December 2022
		(Rupees in thousand)		(Rupees in thousand)	
Revenue - Net	7	12,040,019	11,147,885	5,361,485	5,270,125
Cost of revenue	8	(9,350,249)	(9,003,072)	(4,213,758)	(4,176,855)
Gross Profit / (Loss)		2,689,770	2,144,813	1,147,727	1,093,270
- Administrative expenses		(547,002)	(358,369)	(319,490)	(181,069)
- Distribution cost		(1,058,062)	(808,061)	(597,036)	(443,846)
		(1,605,064)	(1,166,430)	(916,526)	(624,915)
Operating Profit / (Loss)		1,084,706	978,383	231,201	468,355
Other income		149,200	22,253	69,558	31,561
		1,233,906	1,000,636	300,759	499,916
Financial expenses		(1,361,612)	(869,462)	(690,652)	(476,368)
Share of profit / (loss) of associate		(28,883)	(41,627)	17,413	(17,629)
		(156,589)	89,547	(372,480)	5,919
Workers' Profit Participation Fund		(9,867)	4,415	(5,904)	9,904
Workers' Welfare Fund		(10,227)	7,177	(4,688)	9,786
		(20,094)	11,592	(10,592)	19,690
Profit / (Loss) before taxation		(176,683)	101,139	(383,072)	25,609
Taxation					
- Group		(82,012)	(76,416)	25,137	33,235
- Associated company		(8,702)	(4,950)	975	3,931
Profit / (Loss) after taxation		(267,397)	19,773	(356,960)	62,775
(Profit) / Loss attributable to minority interest		(44,466)	(4,968)	(22,659)	(5,250)
Profit/(Loss) attributable to group		(311,863)	14,805	(379,619)	57,525
			Restated		Restated
Earnings / (Loss) per share	9	(1.43)	0.07	(1.74)	0.27

The attached notes 1 to 14 form an integral part of this condensed interim financial statements

LAHORE
27th February, 2024


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 December 31, 2023

	Six months ended		Three months ended	
	July to December 2023	July to December 2022	October to December 2023	October to December 2022
	(Rupees in thousand)		(Rupees in thousand)	
Profit / (loss) after taxation	(311,863)	14,805	(379,619)	57,525
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	(311,863)	14,805	(379,619)	57,525

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

The attached notes 1 to 14 form an integral part of this condensed interim financial statements

LAHORE
27th February, 2024


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 December 31, 2023

	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	-	-	-	-	-	-	-	14,805	14,805
Loan from Director	-	-	-	-	-	150,000	-	-	150,000
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(99,570)	-	-	99,570	-
Balance as on December 31, 2022	1,787,211	4,905,156	212,184	511,941	6,395,790	150,000	266,400	(4,706,026)	9,522,656
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	-	-	-	-	-	-	-	(311,863)	(311,863)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	(69,336)	-	-	69,336	-
Balance as on December 31, 2023	1,787,211	4,905,156	212,184	511,941	6,349,723	6,000	266,400	(5,060,625)	8,977,990

The attached notes 1 to 14 form an integral part of this condensed interim financial statements

LAHORE
27th February, 2024


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 December 31, 2023

	July to December 2023	July to December 2022
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(176,683)	101,139
Adjustments for non-cash items :		
Financial charges for the period	1,361,612	869,462
Depreciation on property, plant and equipment	367,529	351,034
Profit on bank deposits	(29,291)	(16,240)
Profit on disposal of investment held for trading	(14,389)	19,526
Share of profit from associated company	(28,883)	41,627
Dividend income	(953)	(895)
Provision for WPPF and WWF	20,095	(11,592)
(Gain)/Loss on sale of fixed assets	(21,831)	(3,541)
	1,653,889	1,249,381
Operating profit / (loss) before working capital changes	1,477,206	1,350,520
(Increase) / decrease in operating assets:		
Stores and spares	(20,484)	(26,473)
Stock-in-trade	517,586	(299,130)
Trade debts	178,786	(444,416)
Short term investments	(15,850)	(9)
Loans, advances, deposits, prepayments and other receivables	(584,923)	444,325
	75,115	(325,703)
Increase / (decrease) in operating liabilities		
Trade and other payables	263,455	589,583
Cash generated from /(used in) from operations	1,815,776	1,614,400
Financial charges paid	(1,086,897)	(737,426)
Taxes paid	(236,743)	(62,196)
Payment of deferred liabilities	(30,911)	(47,873)
	(1,354,551)	(847,495)
Net cash inflow/(outflow) from operating activities	461,225	766,905


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

For the period ended December 31, 2023

	July to December 2023	July to December 2022
(Rupees in thousand)		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(459,115)	(353,314)
Proceeds from sale of fixed assets	38,378	9,078
Long term deposits	10,105	(19,709)
Dividend income	953	895
Profit received on bank deposits	29,291	16,240
Net cash inflow/(outflow) from investing activities	(380,388)	(346,810)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Financing	271,511	1,793,499
Loan from director	(888,000)	150,000
Short term borrowing	(122,784)	(1,041,909)
Dividend paid	(617)	(46)
Net cash inflow/(outflow) from financing activities	(739,890)	901,544
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(659,053)	1,321,639
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(5,810,898)	(6,394,592)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(6,469,951)	(5,072,953)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	520,325	659,119
Finance under mark-up arrangements	(6,990,276)	(5,732,072)
	(6,469,951)	(5,072,953)

The attached notes 1 to 14 form an integral part of this condensed interim financial statements

LAHORE
27th February, 2024


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 December 31, 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 (Global Econo Trade (Private) Limited) was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Global Econo Trade (Private) 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 soaps.
- 1.4 Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

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

For the period ended December 31, 2023

- 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.
- 1.6 Renacon Pharma Limited (RPL) was incorporated on 07 July 2009 as a Private Limited Company under the Companies Ordinance, 1984. The company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The Company engaged in the business of manufacturing of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines. Treet Corporaiton Limited has acquired 58.16% equity stake in the company on 18 January 2017. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.
- 1.7 Treet Battery Limited was incorporated on 22 February 2019 in Pakistan under the Companies Act, 2017. The Company is engaged in the business of 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 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

- This includes loan amounting to Rs. 670 million given to director Mr. Syed Shahid Ali. The loan is unsecured, markup bearing and receivable within one year.

- This also includes markup amounting to Rs. 22.7 million receivable on loan to director which carries profit at 3 Months KIBOR + 1.75%. The effective rate of markup charged during the period is 23.68% per annum.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

6.2 Commitments

Outstanding letters of credit as at 31 December 2023 amounted to Rs. 504.66 million (30 June 2023: Rs. 617.86 million).

Outstanding capital commitments as at 3 December 2023 amounted to Rs. 62.766 million (30 June 2023: Rs. 174.98 million).

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

For the period ended December 31, 2023

Guarantees given by banks on behalf of the Holding Company in favour of Sui Northern Gas Pipeline Limited and Sui Southern Gas Limited as at 31 December 2023, amounts to Rs. 5 million and Rs. 2.4 million respectively (30 June 2023: Rs. 7.4 million).

Guarantees given by banks on behalf of the Holding Company in favour of Collector of Customs as at 31 December 2023, amounts to Rs. 13.2 million (30 June 2023: Rs. 13.2 million).

Guarantees given by banks on behalf of the holding Company in favour of Yde Sa (Smc-private) Limited as at 31 December 2023, amounts to Rs. 1.85 million (30 June 2023: 1.85 million).

Bank guarantees given on behalf of Renacon Pharma Limited, First Treet Manufacturing Modaraba and Treet Battery Limited as at 31 December 2023 amounts to Rs. 5.17 million (30 June 2023: Rs. 5.17 million), Rs. 42.72 million (30 June 2023: Rs. 58.18 million) and Rs. 58.18 million (30 June 2023: Nil). The bank guarantees confirmed in the name of First Treet Manufacturing Modaraba will be transferred from First Treet Manufacturing Modaraba to Treet Battery Limited after the completion of due process.

Guarantees given by the Holding Company to various financial institutions on behalf of First Treet Manufacturing Modaraba and Renacon Pharma Limited as at 31 December 2023 amounts to Rs. 2,758 million (30 June 2023: Rs. 2,758 million) and Rs. 444 million (30 June 2023: Rs. 444 million) respectively. These guarantees carry commission at the rate of 0.02% (2023: 0.02%) per annum, payable annually in arrears.

Other guarantees given by group companies as at 31 December 2023 amounts to Rs. 29.25 million.

	Six months ended		Three months ended	
	July to	July to	Oct to	Oct to
	December	December	December	December
	2023	2022	2023	2022
	(Rupees in thousand)		(Rupees in thousand)	
7. REVENUE - Net				
Blades	5,606,023	4,897,039	2,604,574	2,382,821
Soaps	730,514	451,650	308,764	260,554
Packaging products	1,414,035	1,436,663	633,878	708,541
Batteries	3,629,670	3,826,771	1,463,887	1,594,001
Motor bike project	12,657	44,263	8,004	37,027
Trading operation	3,910	1,353	2,236	363
Pharmaceutical products	643,210	490,146	340,142	286,818
	12,040,019	11,147,885	5,361,485	5,270,125
8. COST OF REVENUE				
Blades	(4,045,957)	(3,332,388)	(1,870,897)	(1,585,597)
Soaps	(583,638)	(382,869)	(243,504)	(226,742)
Packaging products	(1,430,552)	(1,392,593)	(649,671)	(706,162)
Batteries	(2,878,539)	(3,442,927)	(1,228,092)	(1,387,222)
Motor bike project	(16,056)	(49,484)	(10,705)	(40,343)
Trading operation	(2,369)	(7,601)	(1,618)	(8,588)
Pharmaceutical products	(393,138)	(395,210)	(209,271)	(222,201)
	(9,350,249)	(9,003,072)	(4,213,758)	(4,176,855)

9. EARNING PER SHARE

Due to subsequent credit / issuance of right shares as stated in note 12 to these Financial statements, the basic and diluted earning per share of the current and prior presented periods has been adjusted for the said issue as per the requirements of IAS 33.

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

For the period ended December 31, 2023

10. TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in the normal course of business on an arm's length basis.

Transactions with related parties	Relationship	Nature of transactions	Six Months ended	
			July to December 2023	July to December 2022
			(Rupees in thousand)	
Related parties				
Packages Limited	Other related party	Purchase of goods	33,795	175,898
Packages Convertor Limited	Other related party	Purchase of goods	57,148	28,579
IGI Insurance Limited	Other related party	Purchase of services	72,225	66,135
		Advance for services	18,020	4,955
IGI Life Insurance Limited	Other related party	Purchase of services	-	35,699
Elite Brands Limited	Other related party	Sale of goods	271,566	156,364
		Freight charges	1,317	11,398
		Purchase of services	15,341	1,132
Loads Limited	Other related party	Sale of goods	327	74
Multiple Auto Parts	Other related party	Sale of goods	-	111
Specialized Auto Parts Industries	Other related party	Sale of goods	-	13
Specialized Autoparts Industries (Pvt) Limited	Other related party	Sale of goods	105	
Ghulab Devi Chest Hospital	Other related party	Sale of goods	8	2
Liaquat National Hospital	Other related party	Sale of goods	48	-
		Purchase of services	479	2,377
Post employment benefit plans				
Superannuation fund			-	37,001
Provident fund			76,153	48,756
Service fund			24,968	26,367
Gratuity fund			-	75,674
Key Management Personnel				
		Salaries and other employee benefits	100,615	134,515
		Loan received from director	-	150,000
		Loan repaid to director	(894,000)	-

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

For the period ended December 31, 2023

11. CORRESPONDING FIGURES

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

Reclassified from	Reclassified to	Rupees in "000"
Loans, advances, deposits, prepayments and other receivables (Advances to suppliers)	Long term loans and advances (Advances to suppliers)	14,011
Long term deposits (Deposits of short term nature)	Trade and other payables (Deposits of short term nature)	13,853

12. EVENTS AFTER REPORTING DATE

The Board of Directors in their meeting held on August 03, 2023 proposed to issue further 192,307,692 ordinary shares with a face value of PKR 10/- each, as right shares in proportion to the number of shares held by each shareholder in accordance with the provision of Section 83 of the Companies Act, 2017, and all applicable laws, at a price of Rs. 13 per share inclusive of premium of Rs. 3. The Company had duly issued offer letters regarding this matter, and the book closure period to determine the entitlements of the right shares was scheduled between November 14, 2023, and November 20, 2023. As of December 31, 2023, Sponsors subscription has been received. However, subsequent to the period, request has been submitted to PSX to issue NOC against release of subscription money and on January 16, 2024 right shares has been credited in the respective accounts in Central Depository Company of Pakistan Limited (CDC).

13. DATE OF AUTHORISATION


These unaudited condensed interim financial statements were authorized for issue by the board of directors on 27th February, 2024.

14. GENERAL

14.1 Amounts have been rounded off to thousand rupees.

14.2 All figures, except for 30 June 2023, appearing in these condensed interim consolidated financial statements are unaudited.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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FINANCIAL STATEMENTS

For the six-months period ended December 31, 2023


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

As At December 31, 2023

	Note	31 December 2023 Un-audited (Rupees in thousand)	30 June 2023 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,492,907	7,417,682
Intangible asset		621	1,313
Long term investments	6	11,377,175	11,377,175
Long term loans and advances		125,886	16,763
Long term security deposits		23,893	20,282
		19,020,482	18,833,215
Current assets			
Stores and spares		300,010	278,929
Stock in trade		2,475,651	2,858,633
Short term investments		83,337	97,726
Trade debts		334,819	290,342
Loans, advances, deposits, prepayments and other receivables		5,533,935	4,690,371
Employee provident fund		-	5,997
Advance tax - net		44,655	-
Cash and bank balances		233,148	189,318
		9,005,555	8,411,316
LIABILITIES			
Current liabilities			
Short term borrowings	7	6,587,548	5,828,618
Current portion of long term finances	8	238,009	91,601
Trade and other payables		2,317,506	2,062,375
Employee provident fund		13,865	-
Unclaimed dividend		14,951	15,568
Accrued mark-up		511,709	381,119
Current portion of lease liabilities		5,061	8,840
Provision for taxation		-	732
		9,688,649	8,388,853
Net current assets		(683,094)	22,463
Non-current liabilities			
Long term finances - secured	8	2,154,203	2,187,500
Deferred liabilities - employee retirement benefits		1,072,688	1,103,599
Deferred taxation		214,763	236,417
Lease liabilities		6,083	8,155
		3,447,737	3,535,671
Contingencies and commitments	9		
		14,889,651	15,320,007
Represented by:			
Authorized capital			
750,000,000 (30 June 2023: 750,000,000) ordinary shares of Rs. 10 each		7,500,000	7,500,000
150,000,000 (30 June 2023: 150,000,000) preference shares of Rs. 10 each		1,500,000	1,500,000
		9,000,000	9,000,000
Issued, subscribed and paid up capital	10	1,787,211	1,787,211
Reserves		5,172,461	5,172,461
Unappropriated profit		2,727,766	2,914,546
Surplus on revaluation of fixed assets - net of tax		5,196,213	5,215,789
Loan from a director	11	6,000	230,000
		14,889,651	15,320,007

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the six-months period ended December 31, 2023

	Note	Six months period ended		Three months period ended	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
		(Rupees in thousand)		(Rupees in thousand)	
Revenue from contract with customers	12	5,609,932	4,898,392	2,606,809	2,383,184
Cost of revenue		(4,085,251)	(3,363,611)	(1,891,418)	(1,599,058)
Gross profit		1,524,681	1,534,781	715,391	784,126
- Administrative expenses		(483,497)	(291,866)	(283,000)	(141,638)
- Distribution cost		(600,006)	(452,345)	(357,365)	(255,460)
		(1,083,503)	(744,211)	(640,365)	(397,098)
Operating Profit		441,178	790,570	75,026	387,028
Finance cost		(1,061,876)	(653,828)	(531,045)	(373,026)
Other operating expenses		(29,859)	(24,918)	(23,379)	(17,152)
		(1,091,735)	(678,746)	(554,424)	(390,178)
Other income		434,898	201,419	201,260	146,488
(Loss) / profit before taxation		(215,659)	313,243	(278,138)	143,338
Taxation		9,303	(58,997)	56,041	6,987
(Loss) / profit for the period		(206,356)	254,246	(222,097)	150,325


Earnings per share -

----- Rupees -----

		Restated		Restated	
Basic	13	(0.95)	1.17	(1.02)	0.69
Diluted		(0.95)	1.17	(1.02)	0.69

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


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

For the six-months period ended December 31, 2023

	Six months period ended		Three months period ended	
	31 December 2023 (Rupees in thousand)	31 December 2022 (Rupees in thousand)	31 December 2023 (Rupees in thousand)	31 December 2022 (Rupees in thousand)
(Loss) / profit for the period	(206,356)	254,246	(222,097)	150,325
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(206,356)	254,246	(222,097)	150,325

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director


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

For the six-months period ended December 31, 2023

	Capital Reserves					Revenue Reserves		
	Share Capital	Share premium	Capital Reserve	Loan from a director	Surplus on revaluation of fixed assets - net of tax	General reserve	Unappropriated Profit	Total
------(Rupees in thousand)-----								
Balance as at 01 July 2022	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 building - net of tax	-	-	-	-	(24,154)	-	24,154	-
Transactions with owners of the Company, contributions and distributions								
Issuance of shares under employee stock option scheme	-	-	-	-	-	-	-	-
Recognition of fair value charge of share based payments	-	-	-	-	-	-	-	-
Loan received from a director	-	-	-	150,000	-	-	-	150,000
Final Dividend	-	-	-	-	-	-	-	-
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
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	(120,793)	(120,793)
Other comprehensive income	-	-	-	-	-	-	(73,295)	(73,295)
	-	-	-	-	-	-	(194,088)	(194,088)
Incremental depreciation relating to surplus on revaluation of building - net of tax	-	-	-	-	(21,825)	-	21,825	-
Effect of change in tax rate on account of surplus on revaluation of buildings	-	-	-	-	-	-	-	-
Transactions with owners of the Company, contributions and distributions								
Loan received from a director	-	-	-	80,000	-	-	-	80,000
Final Dividend	-	-	-	-	-	-	-	-
	-	-	-	80,000	-	-	-	80,000
Balance as at 30 June 2023- audited	1,787,211	4,905,432	629	230,000	5,215,789	266,400	2,914,546	15,320,007
Profit for the period	-	-	-	-	-	-	(206,356)	(206,356)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(206,356)	(206,356)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	(19,576)	-	19,576	-
Transactions with owners of the Company, contributions and distributions								
Loan repaid to the director	-	-	-	(224,000)	-	-	-	(224,000)
Balance as on 31 December 2023 - unaudited	1,787,211	4,905,432	629	6,000	5,196,213	266,400	2,727,766	14,889,651

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the six-months period ended December 31, 2023

	Note	31 December 2023	31 December 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(215,659)	313,243
Adjustments for non-cash items :			
Finance cost		1,061,876	653,828
Amortization on intangible asset		692	7,384
Depreciation on property, plant and equipment	5.1	197,840	180,384
Provision for gratuity		69,024	37,400
Provision for superannuation fund		65,706	37,001
Profit on bank deposits		(13,227)	(4,689)
Unrealized exchange (gain) / loss		14,389	(2,201)
Unrealized loss on investments at 'fair value through profit or loss'		8,756	19,517
Provision for Workers' Profit Participation Fund (WPPF)		-	37,081
(Reversal) / Provision for Workers' Welfare Fund (WWF)		950	(7,631)
Interest on advances to the subsidiary company		(314,690)	(142,540)
Gain on sale of property, plant and equipment		(21,568)	(4,495)
		1,069,748	811,039
Operating profit / (loss) before working capital changes		854,089	1,124,282
(Increase) / decrease in operating assets :			
Stores and spares		(21,081)	(15,427)
Stock in trade		382,982	(404,112)
Trade debts		(53,233)	(136,847)
Loans, advances, deposits, prepayments and other receivables		(471,686)	(41,081)
		(163,018)	(597,467)
Increase in current liabilities			
Trade and other payables		142,689	516,751
		833,760	1,043,566
Income tax paid		(108,929)	(120,165)
Finance cost paid		(931,286)	(550,454)
Payment to gratuity fund		(10,064)	(37,712)
Payment to superannuation fund		(20,847)	(26,541)
Payment to WPPF		(384)	(19,449)
Payment to WWF		(8,989)	(8,343)
Long term loans - net		(109,123)	1,777
Long term security deposits - net		(3,611)	(1,670)
		(1,193,233)	(762,557)
Net cash (used in) / generated from operating activities		(359,473)	281,009


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

For the six-months period ended December 31, 2023

	Note	31 December 2023	31 December 2022
		(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(283,764)	(57,145)
Proceeds from disposal of property, plant and equipment		32,267	8,824
Profit received on bank deposits		13,227	4,689
Net cash used in investing activities		(238,270)	(43,632)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowing obtained		127,662	1,500,000
Long term borrowing repaid		(14,551)	(73,786)
Repayment of lease liabilities		(5,851)	(1,640)
Long term deposits obtained		-	3,496
Loan (repaid) / received from director		(224,000)	150,000
Dividend paid		(617)	(46)
Short term borrowings - net		(154,262)	(732,307)
Net cash (used in) / generated from financing activities		(271,619)	845,717
Net (decrease) / increase in cash and cash equivalents		(869,362)	1,083,094
Cash and cash equivalents at beginning of the period		(4,391,492)	(4,565,075)
Cash and cash equivalents at end of the period	14	(5,260,854)	(3,481,981)

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director

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

For the six-months period ended December 31, 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 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, 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, for the period ended on December 31, 2023.

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 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, 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 June 30, 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 three months and six months period ended December 31, 2022.

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

For the six-months period ended December 31, 2023

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3. 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, 2023.

3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.

3.2 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Company's financial reporting except the disclosure of material accounting policy information rather than significant accounting policies and therefore, have not been detailed in this condensed interim financial information.

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

For the six-months period ended December 31, 2023

	Note	(Un-audited) 31 December 2023 (Rupees in thousand)	(Audited) 30 June 2023
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	6,986,334	7,101,919
Right of use asset		9,219	14,103
Capital work-in-progress		497,354	301,660
		7,492,907	7,417,682
5.1 Operating fixed assets			
Opening net book value		7,101,919	7,357,769
Additions during the period / year	5.2	88,070	116,553
Disposals during the period / year - net book value	5.2	(10,699)	(49,948)
Depreciation charged during the period / year		(192,956)	(322,455)
Closing net book value		6,986,334	7,101,919
5.2 Additions / (disposals) during the period / year :			
Additions at cost			
Plant and machinery		-	9,962
Furniture and fixture		-	2,952
Computer and IT equipments		9,757	12,407
Vehicles		78,313	91,232
		88,070	116,553
Disposals at net book value			
Furniture and fixture		-	417
Computer and IT equipments		98	1,544
Vehicles		10,601	47,987
		10,699	49,948

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

For the six-months period ended December 31, 2023

	Note	(Un-audited) 31 December 2023 (Rupees in thousand)	(Audited) 30 June 2023
6. LONG TERM INVESTMENTS			
In equity instruments of subsidiaries - at cost	6.1	11,081,553	11,081,553
In equity instruments of associate - at cost	6.2	287,455	287,455
Fair value through OCI	6.3	8,167	8,167
		11,377,175	11,377,175
6.1 In equity instruments of subsidiaries - at cost			
Treet Holdings Limited - unquoted			
71,104,712 (30 June 2023: 71,104,712) fully paid ordinary shares of Rs. 10 each		675,137	675,137
Equity held: 100% (2023: 100%)			
Chief Executive Officer - Syed Sheharyar Ali			
Less: Accumulated impairment allowance		(356,518)	(356,518)
		318,619	318,619
First Treet Manufacturing Modaraba (FTMM) - quoted			
858,010,993 (30 June 2023: 858,010,993) fully paid certificates of Rs. 10 each	6.1.1	2,275,839	2,275,839
Equity held: 97.11% (2023: 97.11%)			
Chief Executive Officer - Syed Sheharyar Ali			
Renacon Pharma Limited - unquoted			
34,833,790 (30 June 2023: 34,833,790) fully ordinary shares of Rs. 10 each		482,213	482,213
Equity held: 55.86% (2023: 55.86%)			
Chief Executive Officer - Dr. Salman Shakoh			
Treet Battery Limited - quoted			
856,638,175 (30 June 2023: 856,638,175) fully paid ordinary shares of Rs. 10 each		8,004,882	8,004,882
Equity held: 97.09% (2023: 97.09%)			
Chief Executive Officer - Syed Sheharyar Ali		11,081,553	11,081,553

6.1.1 Subsequent to the demerger of battery segment into Treet Battery Limited (TBL), Certificates of First Treet Manufacturing Mudaraba (FTMM), attributable to Battery Segment are set to be reduced. Following this reduction, the remaining 189,937,517 and 4,336,754 certificates shall be directly and indirectly owned by the Company.

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

For the six-months period ended December 31, 2023

	Note	(Un-audited) 31 December 2023 (Rupees in thousand)	(Audited) 30 June 2023
6.2 In equity instruments of Associate - at cost			
Loads Limited - quoted			
31,387,657 (30 June 2023: 31,387,657) fully paid ordinary shares of Rs. 10 each	6.2.1	287,455	287,455
Equity held: 12.49 % (30 June 2023: 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 2023: 711,435) fully paid ordinary shares of par value of USD 0.190761. Equity held: 0.67% (30 June 2023: 0.67%)		8,167	8,167
		8,167	8,167
7. SHORT TERM BORROWINGS			
This includes new facility availed from The Bank of Punjab aggregating Rs. 500 million to meet the working capital requirements of the company. This carry markup rate of 3 months KIBOR + 1.5% per annum payable quarterly in arrears			
8. LONG TERM FINANCES - SECURED			
Loan from financial institutions	8.1	2,392,212	2,279,101
Less: current portion shown under current liabilities		(238,009)	(91,601)
		2,154,203	2,187,500
8.1 Loan from financial institution includes:			
Meezan Bank Limited - Diminishing Musharika		14,551	29,101
Pakistan Kuwait Investment Company - Term Finance Loan		750,000	750,000
Bank of Punjab - Habib Bank Limited - Syndicated Term Finance Loan		1,500,000	1,500,000
Bank Islami Pakistan Limited - Diminishing Musharika (Auto)	8.2	127,661	-
		2,392,212	2,279,101

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

For the six-months period ended December 31, 2023

- 8.2** This represents diminishing Musharika (Auto) facility amounting to Rs. 250 million, obtained from Bank Islami Pakistan Limited (the bank) during the period. The tenor of the facility is upto 5 years. The facility is secured by way of registration of ownership of vehicles in favor of the bank and 10% minimum customer share for local vehicles and 30% for imported vehicles. The loan is repayable in sixty equal monthly principal installments and profit payments at 3 month kibar + 1.5% spread per annum.

9. CONTINGENCIES AND COMMITMENTS

9.1 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 2023.

9.2 Commitments

	(Un-audited) 31 December 2023	(Audited) 30 June 2023
	(Rupees in thousand)	
9.2.1 In respect of:		
- irrevocable letters of credit	441,934	573,813

- 9.2.2** Guarantees given by banks on behalf of the Company in favour of various suppliers and Collector of customs amounts to Rs 9.25 million and 13.2 million respectively. (30 June 2023: Rs. 9.25 million and Rs. 13.2 million).

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Un-audited) 31 December 2023	(Audited) 30 June 2023	(Un-audited) 31 December 2023	(Audited) 30 June 2023
	(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	220,062	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	145,013	145,014
	178,721,122	178,721,122	1,787,211	1,787,211

- 10.1** Loads Limited, an associated company, holds 4,837,958 (30 June 2023: 4,837,958) ordinary shares of Rs. 10 each, representing 2.71% (30 June 2023: 2.71%) of the paid up capital of the Company.
- 10.2** Syed Shahid Ali (Chairman) holds 56,141,899 (30 June 2023: 56,141,899) and Syed Sheharyar Ali (Chief Executive Officer) holds 18,913,152 (30 June 2023: 18,913,512) ordinary shares of Rs. 10 each, representing 31.41% (30 June 2023: 31.41%) and 10.58% (30 June 2023: 10.58%) of the paid up capital of the Company respectively.

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

For the six-months period ended December 31, 2023

	Note	(Un-audited) 31 December 2023 (Rupees in thousand)	(Audited) 30 June 2023
11	LOAN FROM A DIRECTOR		
	11.1	6,000	230,000

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

12 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

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.

	(Un-audited) Six months period ended		(Un-audited) Three months period ended		
	31 December 2023 (Rupees in thousand)	31 December 2022	31 December 2023 (Rupees in thousand)	31 December 2022	
12.1	Major Product / Service Line				
	Manufacturing Income				
	Export sales	1,870,165	1,814,006	628,561	807,814
	Local sales - gross	4,470,221	3,656,430	2,365,517	1,865,419
	Less: Sales tax	(722,490)	(571,490)	(383,523)	(289,438)
	Less: Trade discount	(11,874)	(1,907)	(5,982)	(974)
		3,735,857	3,083,033	1,976,012	1,575,007
	Trading income				
	Sales - gross	4,985	1,583	3,009	425
	Less: Sales tax	(760)	(230)	(459)	(62)
	Less: Trade discount	(315)	-	(314)	-
		3,910	1,353	2,236	363
		5,609,932	4,898,392	2,606,809	2,383,184
12.2	Primary Geographical Markets				
	Asia	5,431,111	4,809,919	2,578,810	2,316,195
	Africa	-	25,912	-	25,912
	Australia	89,847	-	-	-
	Europe	28,615	6,296	14,201	364
	South America	59,014	52,405	12,452	38,449
	North America	1,345	3,860	1,346	2,264
		5,609,932	4,898,392	2,606,809	2,383,184
12.3	Timing of revenue recognition				
	Products transferred at point in time	5,609,932	4,898,392	2,606,809	2,383,184

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

For the six-months period ended December 31, 2023

13. EARNINGS PER SHARE

Due to subsequent credit / issuance of right shares as stated in note 19 to these Financial statements, the basic and diluted earning per share of the current and prior presented periods has been adjusted for the said issue as per the requirements of IAS 33.

	(Un-audited) 31 December 2023	(Un-audited) 31 December 2022
	(Rupees in thousand)	
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	233,148	299,384
Short term running finance - secured	(4,558,138)	(2,820,056)
Musharika running finance	(935,864)	(961,309)
	(5,260,854)	(3,481,981)

15 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:

Financial assets at fair value	December 31, 2023			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in thousand) -----			
Long term equity investment - at fair value through OCI	-	-	8,167	8,167
Short term equity investment - at fair value through P&L	83,337	-	-	83,337
At December 31, 2023	83,337	-	8,167	91,504
Financial assets at fair value	June 30, 2023			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in thousand) -----			
Long term equity investment - at fair value through OCI	-	-	8,167	8,167
Short term equity investment - at fair value through P&L	97,726	-	-	97,726
At June 30, 2023	97,726	-	8,167	105,893

At December 31, 2023 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 unconsolidated condensed interim financial statements (un-audited)

For the six-months period ended December 31, 2023

16. 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 2023	31 December 2022
			(Rupees in thousand)	
I. Subsidiaries				
Treet Holdings Limited	Subsidiary Co. (100% Direct equity interest)	Purchase of bikes Funds transferred - net Rental Income Interest on advances from the subsidiary company	8,498 (5,991) 287 (134)	2,742 (839) 2,547 287
Treet Battery Limited	Subsidiary Co. (97.09% Direct equity interest)	Funds transferred - net Rental Income Interest on advances to the subsidiary company	291,469 629 290,000	- - -
First Treet Manufacturing Modaraba	Subsidiary Co (97.11% Direct equity interest)	Funds transferred - net Purchase of goods Interest on advances (from) / to the subsidiary company Rental income	(133,872) 42,853 (9,169) 1,986	103,743 29,742 123,547 2,260
Renacon Pharma Limited	Subsidiary Co (55.86% Direct equity interest)	Funds received - net Interest on advances to the subsidiary company Rental Income	(62,851) 33,997 78	76,906 18,928 78
Treet HR Management (Private) Limited	Other related party (0% direct holding) (100% indirect holding)	Purchase of services Expenses paid on our behalf	8,511 -	8,511 2,500
Treet Power Limited	Other related party (0% direct holding) (100% indirect holding)	Funds transferred - net	-	5,408

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

For the six-months period ended December 31, 2023

Transactions with related parties	Relationship	Nature of transactions	Six Months period ended	
			31 December 2023	31 December 2022
			(Rupees in thousand)	
II Related parties				
Packages Limited	Other related party	Purchase of goods	33,795	175,898
IGI Insurance Limited	Other related party	Purchase of services Advance for services	43,324 1,413	37,148 4,955
IGI Life Insurance Limited	Other related party	Purchase of services	-	35,699
Elite Brands Limited	Other related party	Sale of goods Freight charges Purchase of services	228,169 1,317 15,341	129,411 11,398 -
Liaquat National Hospital	Other related party	Sale of goods Purchase of services	48 479	- 716
III Post employment benefit plans				
Superannuation fund		Contribution	-	37,001
Provident fund		Contribution	61,661	48,756
Service fund		Contribution	19,397	26,367
Gratuity fund		Contribution	-	75,674
IV Key Management Personnel				
		Salaries and other employee benefits	100,615	134,515
		Loan received from director	-	150,000
		Loan repaid to director	(224,000)	-

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

17. DATE OF AUTHORIZATION

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 27th February, 2024.

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

For the six-months period ended December 31, 2023

18. CORRESPONDING FIGURES

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

Reclassified from	Reclassified to	Rupees in "000"
Loans, advances, deposits, prepayments and other receivables (Advances to suppliers)	Long term loans and advances (Advances to suppliers)	14,011
Long term deposits (Deposits of short term nature)	Trade and other payables (Deposits of short term nature)	13,853

19. EVENTS AFTER REPORTING DATE

The Board of Directors in their meeting held on August 03, 2023 proposed to issue further 192,307,692 ordinary shares with a face value of PKR 10/- each, as right shares in proportion to the number of shares held by each shareholder in accordance with the provision of Section 83 of the Companies Act, 2017, and all applicable laws, at a price of Rs. 13 per share inclusive of premium of Rs. 3. The Company had duly issued offer letters regarding this matter, and the book closure period to determine the entitlements of the right shares was scheduled between November 14, 2023, and November 20, 2023. As of December 31, 2023, Sponsors subscription has been received. However, subsequent to the period, request has been submitted to PSX to issue NOC against release of subscription money and on January 16, 2024 right shares has been credited in the respective accounts in Central Depository Company of Pakistan Limited (CDC).


These condensed interim unconsolidated financial statements do not reflect these issuance of right shares.

20. GENERAL

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

20.2 All figures, except for 30 June 2023, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
27th February, 2024


Syed Sheharyar Ali
Chief Executive Officer


Mohtashim Aftab
Group Chief Financial Officer


Syed Shahid Ali
Director



Shaping Industries,
Empowering Lives



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