www.treetonline.com

2015

ANNUAL
REPORT

TREET GROUP OF COMPANIES

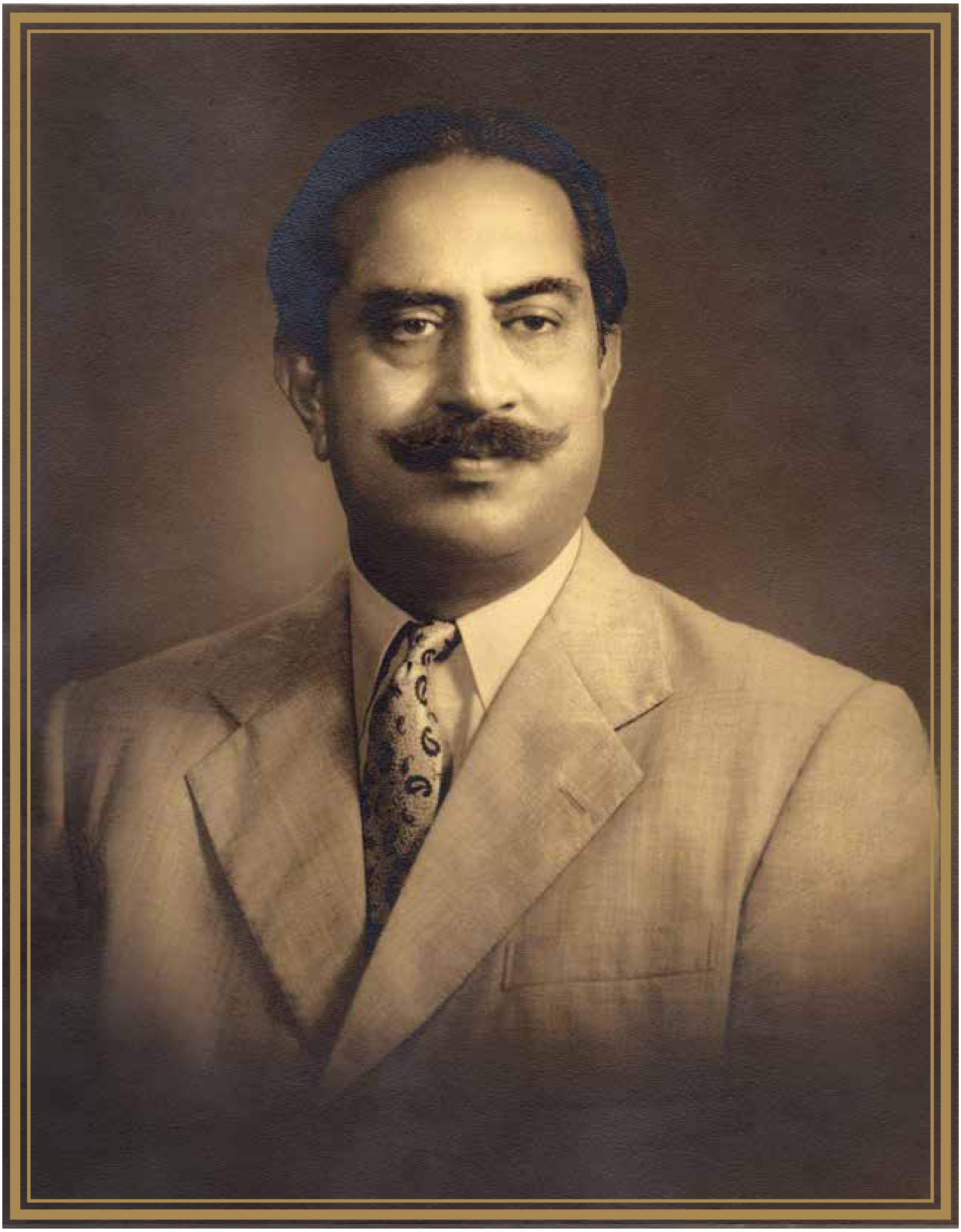
Always Ahead

Every decision makes a difference.

The five essential entrepreneurial skills for success: Concentration, Discrimination, Organization, Innovation and Communication.

(Harold S. Geneen)

TREET GROUP OF COMPANIES



Syed Wajid Ali (Late)

(20 December 1911 – 14 June 2008)

Born in 1911, Syed Wajid Ali was a leading citizen and a prominent businessman. he completed his education at government college in Lahore and Simla before serving the Army and eventually joining the family business.

He was a very ardent sport lover and Promoter of sports. As a sportsman, he became involved with shooting, riding and hockey besides serving as president of the Pakistan Olympic association. He was also a member of the international Olympic committee from 1959 to 1996

His contribution to the cause of public service is unparalleled including representations on hospital boards and involvement with the Red Cross and Red Crescent societies.

May God rest his soul in eternal peace, Ameen.

Insight to Investor Relations

Investor Relations (IR) is a strategic management responsibility that is capable of integrating finance, communication, marketing and securities laws (legal) compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation. [Adopted by the NIRI Board of Directors, March 2003]

1. Legal

Corporate Laws (e.g. Companies Ordinance, 1984, Listing Regulations of the Stock Exchanges (including Code of Corporate Governance), Securities Act, 2015 etc.) defines mainly the rights and privileges of the shareholders and/or investors [and also entails certain responsibilities on them].

Company believes that disclosures and financial reporting are primary methods of keeping investors informed about corporate performance and also we endeavor to set the efficient means of communicating Company's financial performance to the investors, shareholders and capital markets so that informed decisions can be made about investments. We not only meet our statutory obligations (e.g. timely dissemination of information, board of directors' meetings, shareholders meetings etc.) but also disclose all the relevant material information however, the greatest challenge, therefore, is striking a balance between the need to keep sensitive information from competitors and the need of the investor for greater disclosure.

2. Administrative

Company takes every step to inform its shareholders and investors about material information. We use following four ways communication to interact with our shareholders/investors;

- Shareholders' Meeting (i.e. annual general meetings, extraordinary general meetings etc.)
- Corporate Briefing Programs;
- Company's Website (i.e. www.treetonline.com)
- Company's Share Registrar for their grievances.

3. Financial

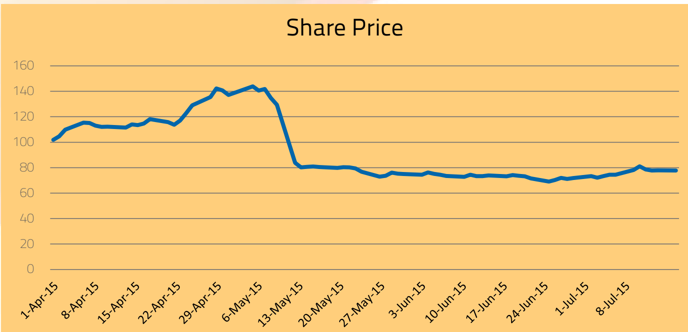
One of the major Financial Management's role of the Company towards its shareholders is to provide liquidity in its shares i.e. share should be enough tradable so that easy entry and exit can be possible. Company firmly believes that this goal is an outright part of investor relation. Company is working on two dimension in this regard;

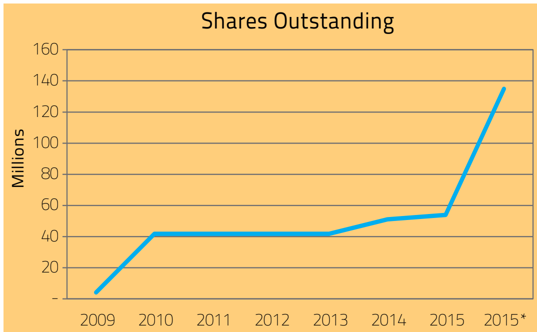
- Enhancement of Capital base - Company has increased its capital base (i.e. share capital outstanding) mainly folds in last few years;

	2015*	2015	2014	2013	2012	2011	2010	2009
Shares Outstanding	134,876,752	53,950,701	51,023,144	41,822,250	41,822,250	41,822,250	41,822,250	4,182,225
*as on September 30, 2015								

- Increase of Free Float – Your Company has increased free float of its shares to more than 40% (as on September 30, 2015);

The above two factors insures the true discovery of the price {since larger capital base couples with higher free float ensures that no one can manipulate the price} and also provide easy entry and exit mechanism to the shareholders/investors. Moreover, the above two factors also insures larger participation from the public and emanates more serious candid efforts towards investors relations.





4. Communication

Availability of information is a prerequisite of an efficient and transparent market reducing volatility. Complete and accurate data can suppress powers of manipulators and speculators.

Being a listed Company, we do our best endeavor to promptly disclose to the public any price sensitive information and which we believe to be material to an investor's investment decision. Information empowers investors take confident decisions on their own. This confidence ultimately attracts them towards the equity market increasing investor base.

Information System & Control

Management of the Company believes that they are responsible for providing accurate financial information, both externally and internally. The control environment is the foundation for the other components of internal control. It is the attitude set by management regarding the importance of establishing and maintaining control.

The Company wishes to improve the control of production, reduce inventories and improve customer service in order to achieve ultimate goal to create value for its stake-holders (i.e. consumers, share-holders, employees etc.).

The management of the company is committed to implementing, and maintaining a documented quality system. This commitment includes;

- ensuring that customer, regulatory and legal requirements are understood and appropriately addressed;
- the quality policy is understood and implemented at all levels of the organization, quality objectives and plans are established as necessary and that the responsibilities of all functions affecting quality are clearly defined;
- provision of the necessary resources and personnel to maintain the system, including a management representative, who will ensure that the requirements of quality assurance are met.
- management reviews of the system on annual basis to determine its effectiveness.

Administrative Procedures & Control

To ensure that the plans of organization and all methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies, that relate only indirectly to the financial records, are continuously updated and functional; and to ensure that Administrative Controls, which includes such controls as physical safeguarding of assets, time and motion studies, performance reports, employee training programs, and organizational controls etc. are operational.

Succession Policy & Planning for Management Staff

Since change is inevitable for any organization and can be a very challenging at times, it is mainstay policy of the company to be proactive for any change in managerial talent too – either planned or unplanned – to ensure the stability and accountability of the organization until such time as new permanent talent is identified. The company believes in the process of systematically identifying, assessing, and developing employee talent to meet the future staffing needs of the organization. The board of directors (through Human Resource & Remuneration Committee) shall be responsible for implementing this policy and its related procedures.

Pricing Policy & Guideline

The objective of the Pricing Policy is to facilitate a fair value exchange between the Company and its customers and to facilitate their buying decision. The pricing structure also addresses the realities of businesses today and helps to embark forecasted path to achieve ultimate mission

CONTENTS

TREET GROUP OF COMPANIES

" The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand."

(Vince Lombardi)

Business Review

TREET GROUP – An Introduction

Treet Group of Companies comprises the following businesses:

1. Treet Corporation Limited [TREET]

- Shaving Blade Manufacturing
- Disposable Razor Manufacturing
- Export & Export Marketing
- Local Sales & Marketing

2. Treet Holdings Limited [THL]

- Motor Cycle Assembly & Marketing
- Modaraba Company

3. First Treet Manufacturing Modaraba [FTMM]

- Manufacturing and selling of Corrugated Packaging
- Manufacturing and selling of Soaps
- Manufacturing and selling of Lead Acid Batteries (under process)

4. Treet HR Management (Private) Limited [THRM]

- Providing Workforce to Group Companies under Service Agreement and taking all responsibilities of work force and meeting allied legal requirements

5. Global Arts Limited [GAL]

- Objective is to promote, establish, run, manage and maintain, educational institutions, colleges of arts, research, sciences, information technology and business administration; higher level schools, academics, technical training centers and such other educational institutions as may be considered appropriate for the promotion and advancement of education in the country with national and international affiliations to acquire the services of professors, associate professors, lecturers, teachers, managements skills and other professional from within the country and abroad as would be needed to run and promote educational institutions set up by the Company subject however, to the permission of competent authority but not to operate itself as a university and not to act as a degree awarding institution;.

6. Treet Power Limited [TPL] - Dormant for the time being

Companies within group are strategic business units that are semi-autonomous units responsible for their own budgeting, new product / market decisions, and new venture exploration and pricing. They are treated as internal profit centers by the corporate headquarter i.e. Treet Corporation Limited, the parent company. Each SBU is responsible for developing its business strategies independently from the other businesses but these must be in tune with the broader corporate strategies. Corporate strategy (by the parent company) seeks to develop synergies by sharing and coordinating staff and other resources across business units, investing financial resources across business units, and using business units to complement other corporate business activities.

Therefore to summarize businesses of the Treet Group are as follows:

1. Manufacturing and selling blades/disposable razors ;
2. Manufacturing and selling of corrugated packaging;
3. Manufacturing of soaps and marketing thereof;
4. Assembling [and selling] of Motorcycles;
5. Trading and Merchandising – as a sole buyers, distributors, agents and / or otherwise;
6. Labor-Hire Services;
7. Floatation and control of Modarabas;
8. Manufacturing and selling of lead acid batteries (under process);
9. Establish, run, manage and maintain, educational projects (under process); etc.

Factories / Projects:

- Lahore Factory : 72-B Kot Lakhpat, Industrial Area, Lahore
- Hyderabad Factory : Hali Road, P.O.Box No. 308, Hyderabad
- Packaging Solutions : Kacha Tiba Rohi Nala, 22-KM, Ferozpur Road, Lahore
- Lead Acid Batteries : Faisalabad Industrial City (M 3 Industrial City), Faisalabad
- Soap Factory : Ghakkar [under Toll Manufacturing Arrangement]
- Educational Project : 10- KM, Raiwind Road, Lahore

Others / Future Expansion:

- Land [12 Kanals] at Multan Road, Lahore
- Land [18 Kanals] at Raiwind Road, Lahore

		Shares held by						
		Treet	THL	GAL	TPL	THRM	FTMM	Nominee Directors
Treet Holdings Limited	THL	77.77%		22.23%				0.00%
Global Arts Limited	GAL	86.33%	13.67%					0.00%
Treet Power Limited	TPL		100.00%					0.00%
Treet HR Management (Private) Limited	THRM		100.00%					0.00%
First Treet Manufacturing Modaraba	FTMM	89.84%	10.02%					0.11%

TREET GROUP OF COMPANIES

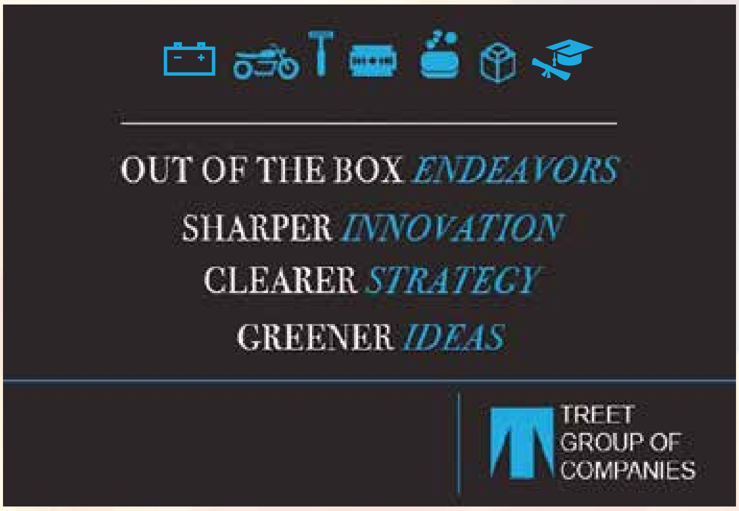
Our Mission

Mission Statement

Our MISSION is, to satisfy and meet the needs of our customers, providing our products and services with the quality, adjusted to their needs and preferences and to create value for our stakeholders through originality and strict adherence to our principles. We being a conscientious producer, and having stood the test of time, will continue our emphasis on responding to customer need with value added products and services. It is our belief that we can fulfill this mission through a unique combination of industry vision, effective supply chain management and innovative technology.

"Successful people have a social responsibility to make the world a better place and not just take from it."

(Carrie Underwood)



Our Vision

Vision Statement

To be innovative in our field to the benefit of society, we will fairly compete in quality, technology, sales and marketing expertise, while ensuring sound financial and sustainable growth of the Treet Group for the sake of its stakeholders and reputation.

Principle

We will base our human resources systems on our proven principles reflective of our core values and our commitment to attract, reward, develop and motivate sophisticated people. They will reflect the global scope of our business while demonstrating responsibility and flexibility with respect to cultural diversity, and statutory and regional business realities.

Emphasis

Our emphasis on continuous improvement in all aspects of our business will enable us to reward our shareholders and employees.

Social Responsibility

We will continually strive to be environmentally responsible and support the communities where we operate and the industries in which we participate.

Corporate Values

- Total Customer Services
- Long-Term Business Focus
- Technology Oriented
- Quality & Reliability
- Staff Development & Teamwork
- Effective Resources & Cost Management
- Corporate Responsibility

Company Information

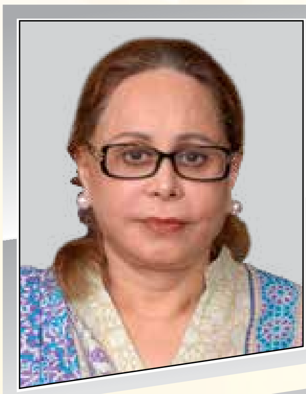
BOARD OF DIRECTORS	Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Syed Sheharyar Ali Mr. Imran Azim Mr. Munir K. Bana Mr. Saulat Said Mr. Muhammad Shafique Anjum Dr. Salman Faridi	Chairperson Chief Executive Officer (Nominee National Investment Trust) (Nominee Loads Limited)
BOARD AUDIT COMMITTEE	Mr. Imran Azim Syed Sheharyar Ali Mr. Munir K. Bana Dr. Salman Faridi	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Mr. Muhammad Shafique Anjum Dr. Salman Faridi Mr. Amir Zia Mr. Jahangir Bashir	Chairman Member Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Amir Zia	
COMPANY SECRETARY	Rana Shakeel Shaukat	
HEAD OF INTERNAL AUDIT	Mr. Muhammad Ali	
EXTERNAL AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants Lahore.	
INCOME TAX CONSULTANTS	Kreston Hyder Bhimji & Co. Chartered Accountants Lahore.	
LEGAL ADVISORS	Salim & Baig, Advocates - Lahore.	
CORPORATE ADVISORS	Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore.	
SHARIAH ADVISOR	Mufti Muhammad Iftikhar Baig (Only for First Treet Manufacturing Modaraba)	

BANKERS

AL-Barka Bank Limited
Askari Bank Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank
NIB Bank Limited
SILK Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
SAMBA Bank Limited
SINDH Bank Limited
Standard Chartered Bank
The Bank Of Punjab

REGISTERED OFFICE	72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 E-mail: info@treetonline.com Home Page: www.treetonline.com
SHARE REGISTRAR	Corplink (Private) Limited Wing Arcade, 1-K Commercial, Model Town, Lahore. Tel: 042-35916714 Fax: 042-35839182
TREET GROUP FACTORIES	72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 Hali Road: P.O. Box No. 308, Hyderabad. Tel : 0223-880846, 883058 & 883174 Fax: 0223-880172 First Treet Manufacturing Modaraba (Managed by Treet Holdings Limited) Packaging Solutions - Corrugation 22- K.M. Ferozepur Road, Kachha Tiba, Rohi Nala, Lahore. Tel: (042) 8555848 Soap Division 80-K.M. G.T. Road, Gujranwala.
GROUP COMPANIES / OFFICES	Treet Holdings Limited (formerly Global Econo Trade Limited) (A wholly owned subsidiary of Treet Corporation Limited) 72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 First Treet Manufacturing Modaraba (Managed by Treet Holdings Limited) Principal Place of Business: 72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 Treet HR Management (Private) Limited (formerly TCL-Labor Hire Company (Private) Limited) (A wholly owned subsidiary of Treet Holdings Limited) 72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 Treet Power Limited (A wholly owned subsidiary of Treet Holdings Limited) 72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825 Global Arts Limited (A wholly owned subsidiary of Treet Corporation Limited) 72-B, Industrial Area, Kot Lakhpat, Lahore. Tel: 042-35830881, 35156567 & 35122296 Fax: 042-35114127 & 35215825
KARACHI OFFICE	6-B (A-1) Saaed Hai Road, Muhammad Ali Co-operative Society, Karachi. Tel: 021-34372270-1 Fax: 021-34372272

Directors' Profile



Dr. Mrs. Niloufer Qasim Mahdi
Chairperson / Director

Dr. Mrs. Niloufer Qasim Mahdi belongs to one of the top industrialist families of Pakistan. She is the daughter of the late Syed Wajid Ali. She holds BA (Hons), MA, M.Litt, and D.Phil. degrees from Oxford University.

She owns and is the editor of an independent English-language weekly paper being published from Lahore, namely, "Cutting Edge".

Her portfolio includes:-

- Treet Corporation Limited
- Treet Holdings Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited
- Cutting Edge (Pvt.) Limited
- Convener, Gulab Devi Chest Hospital, Kasur
- Chairperson, All Pakistan Music Conference

Syed Shahid Ali
Chief Executive Officer

Holding a Masters degree in economics, a graduate diploma in development economics from Oxford University and a graduate diploma in management sciences from the University of Manchester, Syed Shahid Ali became Chief Executive Officer for the Treet Group in 1995. Apart from holding directorships in various companies, he is also actively involved in social and cultural activities and holds senior positions on several hospitals.

His portfolio includes:-

- Treet Corporation Limited
- Packages Limited
- IGI Insurance Limited
- Treet Power Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited
- Treet Holdings Limited
- Gulab Devi Chest Hospital
- Loads Limited
- Multiple Autoparts Industries (Pvt.) Limited
- Specialized Autoparts Industries (Pvt.) Limited

Syed Sheharyar Ali
Director

After returning from Saint Louis University, USA in 2001, Syed Sheharyar Ali became one of the youngest directors of Treet Corporation Limited. Currently at the age of 37 he manages a very diversified portfolio consisting of manufacturing, healthcare, information technology, automobiles, sports and music.

His portfolio includes:-
- Treet Corporation Limited
- Treet Power Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited
- Loads Limited
- Multiple Autoparts Industries (Pvt.) Limited
- Specialized Autoparts Industries (Pvt.) Limited
- Specialized Motorcycle (Pvt.) Limited
- Cutting Edge (Pvt.) Limited
- Online Hotel Agents (Pvt.) Limited
- Frag Games (Pvt.) Limited
- Punjab Netball Federation
- All Pakistan Music Conference
- Treet Holdings Limited
- Gulab Devi Chest Hospital, Kasur

Mr. Imran Azim
Director

Mr. Imran Azim brings more than a two-decade experience with him to the board of Treet. His experience includes work in one of the largest financial institutions, asset management and manufacturing companies.

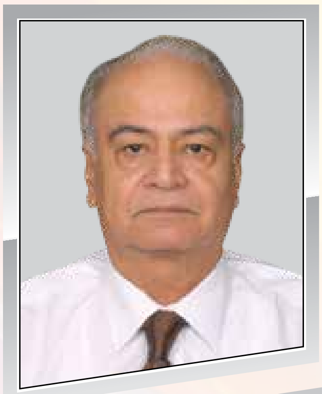
His portfolio includes:-
- Treet Corporation Limited
- Habib Asset Management Limited
- Fecto Sugar Mills Limited
- Haroon Oil Mills Limited
- Treet Holdings Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited

Directors' Profile

Mr. Munir K. Bana
Director

Mr. Munir K. Bana qualified as a Chartered Accountant in 1972 and is a fellow of the Institute of Chartered Accountants of Pakistan. He has been on the Board of Loads Limited and its group companies since 1996, initially serving as Director Finance and later elected as Chief Executive of the Group. Previously, he served on the Boards of multi-national companies, Parke-Davis & Boots, as Finance Director for 18 years. Nominated by the Prime Minister as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, a public private-partnership, he served the institution for over 10 years. He was elected Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers ("PAAPAM") in 2012-13. He has been Board member of Treet Corporation since 2008.

His portfolio includes:-
- Treet Corporation Limited
- Multiple Autoparts Industries (Pvt.) Limited
- Specialized Autoparts Industries (Pvt.) Limited
- Specialized Motorcycles (Pvt.) Limited
- Loads Limited
- Treet Holdings Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited



Mr. Saulat Said
Director

Mr. Saulat Said has been involved with some of the largest and oldest names in businesses in Pakistan with experience exceeding 35 years.

His portfolio includes:-
- Treet Corporation Limited
- Multiple Autoparts Industries (Pvt.) Limited
- Specialized Autoparts Industries (Pvt.) Limited
- Specialized Motorcycles (Pvt.) Limited
- Loads Limited
- Treet Holdings Limited
- First Treet Manufacturing Modaraba
- Global Arts Limited

Muhammad Shafique Anjum

Director

Mr. Anjum has been with the Treet Group for over 35 years. With a Mechanical Engineering degree, he has a vast experience in the razor blades and the allied product manufacturing field.

His portfolio includes:-

- Treet Corporation Limited
- Treet Power Limited
- Treet Assets (Pvt.) Limited
- First Treet Manufacturing Modaraba
- Treet HR Management (Pvt.) Limited
- Treet Holdings Limited
- Global Arts Limited

Dr. Salman Faridi

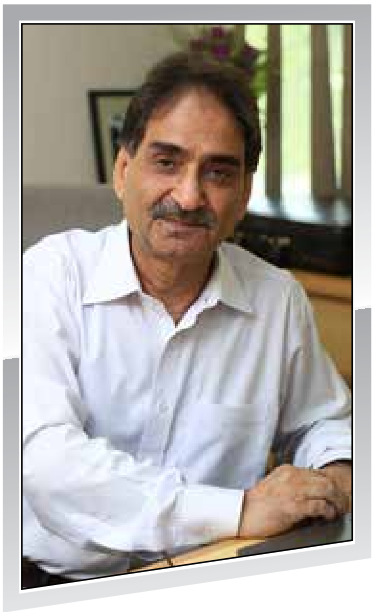
Director

He is graduate from Dow Medical College and trained in UK as a Surgeon. He obtained FRCS in 1983. He is also fellow of Royal Society of Medicine. He has vast medical experience of more than two decades in UK, Middle East & Pakistan. Currently , He is Medical Director at the Liaquat National Hospital, Karachi, a largest hospital in the private healthcare in Pakistan. His Portfolio includes:-

- Standing Member of Pakistan Standard and Quality Authority for healthcare issues
- Member Corporate Syndicate for MBA in Healthcare Management at the Institute of Business Management, Karachi
- Member Advisory Board for Formulation of National Guidelines on the Prophylaxis and Management of Venous Thromboembolism (VTE)

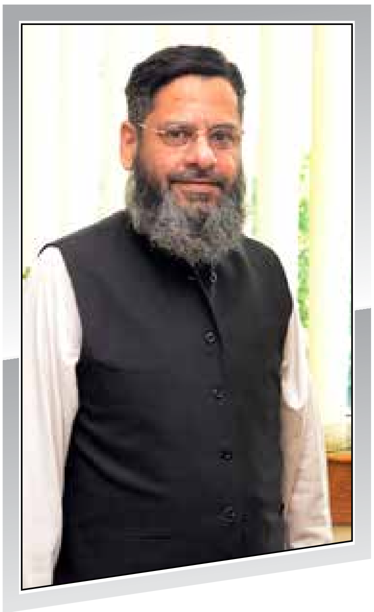
Mr. Shahid Zia

Chief Operating Officer
(Treet Holdings Limited)



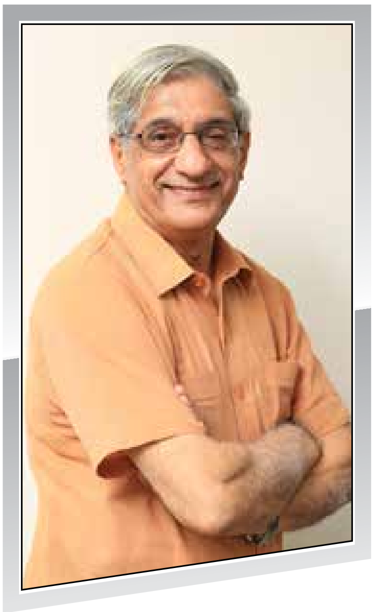
Mr. Muhammad Shafique Anjum

Chief Operating Officer
(Treet Corporation Limited)



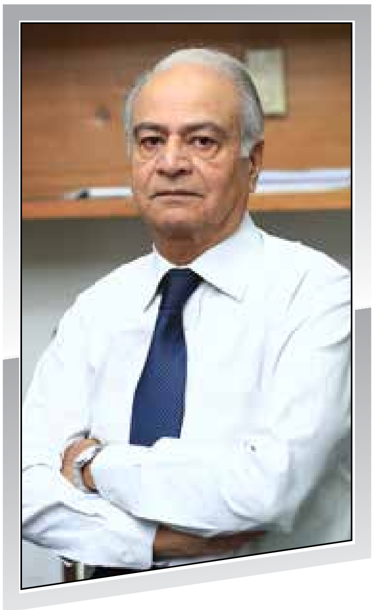
Mr. Imran Aziz

Chief Operating Officer
(Packaging Solutions)



Mr. Muhammad Saleem

GM Planing & Development
(Battery Division)

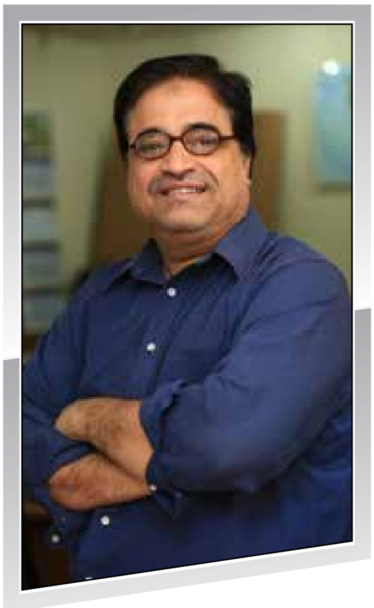


Mr. Saulat Said

Director New Projects
(Treet Group of Companies)

Mr. Amir Zia

Group Chief Financial Officer
(Treet Group of Companies)



Mr. Feroz Hassan Khan

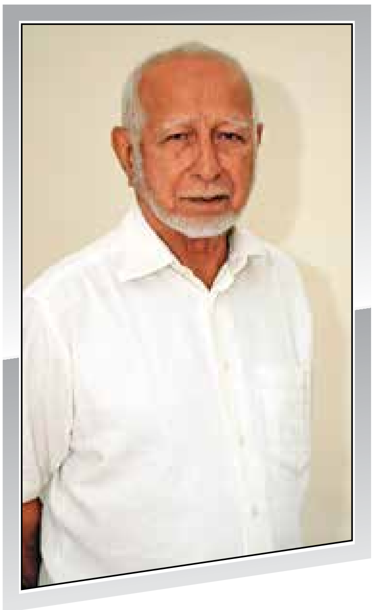
Export Marketing Manager
(Treet Corporation Limited)

Mr. Nasir Mehmood

National Sales Manager
(Treet Corporation Limited)

Mr. Kim Dong Hyun

Project Manager
(Battery Project)



Mr. Rashid Ali Rizvi

General Manager
(Treet Corporation Limited)

Mr. Muhammed Khawar Siddiqui

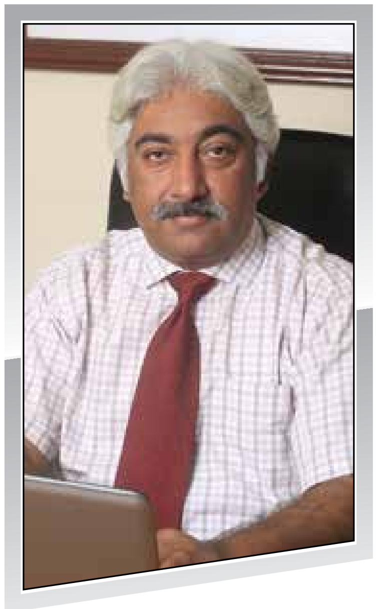
Works Manager
(Treet Corporation Limited)

Mr. Hussain Yousuf

Chief Information Officer
(Treet Group of Companies)

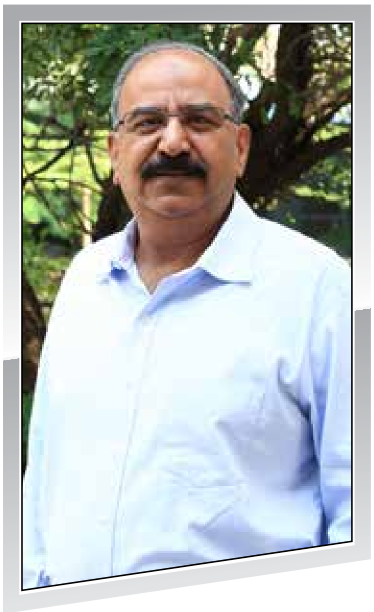
Mr. Hammad Malik

General Manager
(Bike Division)



Syed Ali Zulqarnain Bukhari

Head of Sales & Marketing
(Packaging Solutions)



Mr. Javaid Aslam

General Manager-D/R
(Treet Corporation Limited)

Mr. Tariq Aziz

General Manager-D/E
(Treet Corporation Limited)

Mr. Mobeen Akhtar

Deputy General Manager
(Packaging Solutions)

Rana Shakeel Shaukat

Company Secretary
(Treet Group of Companies)

Muhammad Ali

Head of Internal Audit
(Treet Group of Companies)

Mr. Moazzam Hussain

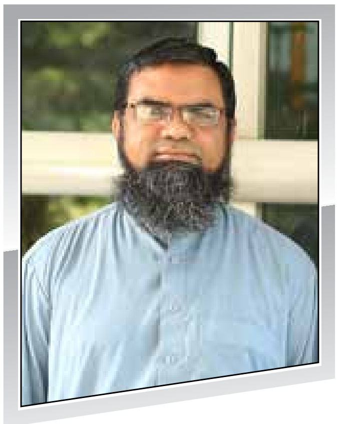
Chief Accountant
(Treet Corporation Limited)

Mr. Ihsan Gill

Sr.Manager Commercial
(Treet Corporation Limited)

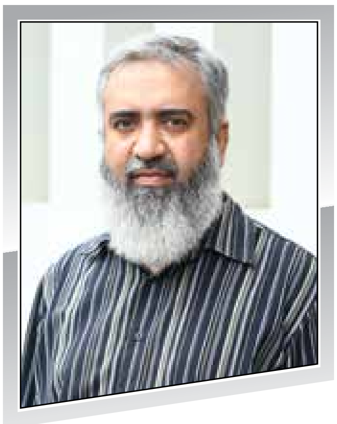
Mr. Sajjad Ahmed Fakhri

Regional Sales Manager
(Packaging Solutions)



Mr. Muhammed Azeem

Sr. Manager (PMP)
(Treet Corporation Limited)



Mr. Azam Tariq Ghauri

System & HR Manager
(Packaging Solutions)

Mr. Nadeem Afzal

Sales Analyst
(Treet Corporation Limited)

Mr. Waqar Ahmed Rana

Manager Legal Affairs
(Treet Group of Companies)

Mr. Sohail Habib

Chief Accountant
(Treet Holdings Limited)

Mr. Sajjad Haider Khan

Chief Accountant
(First Treet Manufacturing Modaraba)

Mr. Jawad Ahmed

Group Treasury Manager
(Treet Group of Companies)

Mr. Jamil Malik

Sr. Manager - MIS
(Treet Group of Companies)

Mr. Saadat Ali Khera

Business Development Manager
(Treet Corporation Limited)

Mr. Waqar Hijazi

Product Development Manager
(Treet Corporation Limited)

Mr. Mustafa Ali Khan

Sales Manager
(Battery Division)

Mr. Seo Dong Gyu

Technical Head
(Battery Division)

Mr. Chun-rak Choi

Consultant
(Battery Division)

Mr. Jahangir Bashir

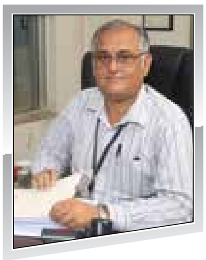
Assistant Manager HR
(Treet Group of Companies)

Mr. Muhammed Imran

Manager HR
(Treet Corporation Limited)

Mr. Masood ul Hassan

Manager Planning &
Implementation (ERP)
(Treet Group of Companies)



Mr. Khawaja Amir Rehman

Manager Personnel
(Packaging Solutions)

Mr. Abdul Waheed Ahmed

Deputy Manager Operations
(Treet Corporation Limited)

Mr. Ali Raza

Manager Operations-Bikes

Finance Division Head Office

Finance Division Head Office

Coming together is a beginning; keeping together is progress; working together is success.

Henry Ford

Production Blade & Disposable Razors Division

Production - Corrugation Division

Production - Soap Division

Karachi Office

Commercial Department

Export Marketing Department

Information Technology Department

Sales Maketing Blades & Razors

Admin & H.R Department

Our Team











A. F. Ferguson & Co. Team for Implementation of ORACLE E-BUSINESS SUITE

Guidelines To Business Conduct

Employees

- No one should ask any employee to break the law, or go against Treet Group policies and values. We treat all employees equally and fairly.
- We do not tolerate any form of harassment.
- Information and necessary facilities are provided to perform jobs in a safe manner.
- Employees must not use, bring, or transfer illegal drugs or weapons on Treet Group's property.
- Employees should report suspicious people and activities.

Business Partners

- Avoid conflict of interest and identify situations where they may occur.
- Do not accept or give gifts, favors, or entertainment if it will appear to obligate the person who receives it.
- Use and supply only safe, reliable products and services.
- Respect our competitors and do not use unfair business practices to hurt our competition.
- Do not have formal or informal discussions with our competitors on prices, markets or products, or production or inventory levels.
- Manufacture and produce products according to contract specifications.
- Market our products and services in an honest and fair manner.
- Do not compromise our values to make a profit.

Business Resources

- Do not use inside information about the Treet Group for personal profit. Do not give such information to others.
- Do not use Treet Group resources for personal gain or any non-business purpose.
- Protect confidential and proprietary information.
- Do not use Treet Group's resources to send, receive, access or save electronic information that is sexually explicit, promotes hate, violence, gambling, illegal drugs, or the illegal purchase or use of weapons.
- Do not make false or misleading entries into the companies' books or records (within Treet Group).

Communities

- Follow all laws, regulations and Treet Group policies that apply to your work.
- Do not entice or give money or anything of value to government officials to influence their decisions.
- We measure and assess our performance, and are open and clear in our environmental communications.
- When Treet Group's standards are higher than what is required by local law, we meet the higher standards.

Corporate Social Responsibility

" Loyalty is to the values of the company, not to the company. If there are no values, there is no loyalty."

Treet Group

believes that a responsible attitude toward society and the environment can make a business more competitive, more resilient to shocks, and more likely to attract and hold both consumers and the best employees.

Treet Group

feels that social attitude is a significant part of its risk management and reputation strategy. In a world where brand value and reputation are increasingly seen as a Treet Group's most valuable assets, responsible social attitude can build the loyalty and trust that ensure a bright sustainable future.

Customers

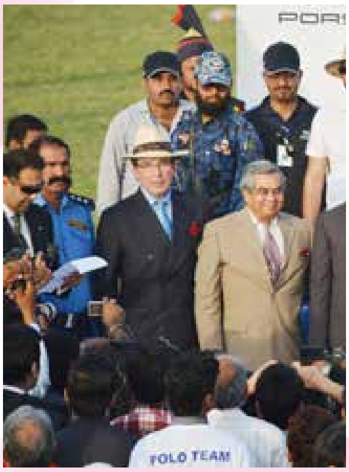
Our future existence relies on understanding and satisfying our customers' present and future needs. Our goal is to be recognized by our customers as a high quality, innovative and cost effective supplier, and the most desirable to do business with. We recognize that, as a result, the next person in the process is our customer.

Our People

We value our family of employees as essential to the success of our Treet Group. We aim to develop a long term trusting relationship with each employee, encouraging their contributions and assisting in their personal development and education. In all dealings we will be fair and consistent.

Products and Services

We are recognized at large by our end products and services. We will endeavor to produce technologically advanced products and services that offer superior quality and value. Continued innovation and improvement are critical to our survival and growth.



Corporate Social Responsibility




Suppliers

We view suppliers of goods and services as an extension of our Treet Group, with whom we wish to develop long term trusting relationships. We expect our suppliers to embrace our quality improvement philosophy in their dealing with us.

Shareholders

We aim to be an organization in whom our shareholders have trust and pride. We will keep our shareholders properly informed of our Treet Group's performance and prospects. We recognize the need to provide our shareholders with an excellent return on investment, consistent with long term growth.

Planning

All short term decisions will be consistent with long term objectives that balance the needs of our people, customers, suppliers and shareholders. Each year these objectives will be widely communicated within our Treet Group.

Quality Improvement

We believe in step by step continual improvement of everything that we are engaged in, including our administration, marketing, sales, design, service, distribution and manufacturing. We will encourage cross-functional communication and co-operation to aid this.

Environment

Reflecting our commitment to a cleaner world, we aim to develop products and manufacturing processes which are as friendly to the environment as practicable.

Society

We will conduct our business at all times in a fair, ethical, consistent and professional manner. We accept our responsibilities to be a responsible community neighbour, and will continue to support community affairs.


Corporate Social Responsibility

" CSR isn't a particular program, it's what we do every day, maximizing positive impact and minimizing negative impact."

Health, Safety and Environment Policy

Treet Group policy is to; Minimize its environmental impact, as is economically and practically possible.

Save raw material, water and energy and avoid wastage (and reprocess the waste to the maximum possible extent).

Ensure that all its present and future activities are conducted safely without endangering the health of its employees, its customers and the public.

Develop plans and procedures and provide resources to successfully implement the policy and for dealing effectively with any emergency.

Provide environmental, health and safety training to all employees and other relevant persons to enable them to carry out their duties safely without causing harm to themselves, others and to the environment.

Ensure that all its activities comply with national environmental, health and safety regulations.

Donations, charities, contributions and other payments of a similar nature;

Companies within Treet Group are, subject to Board's approval, encouraged to provide support to local communities through donations, charities etc. to fulfill its duty toward social cause. But companies in our Treet Group will not, in any case, contribute any amount;

(a) to any political party; or

(b) for any political purpose to any individual or body.

Moreover, Companies in Treet Group shall not distribute gifts in any form to its members in its meeting.

Investment / Funding and Dividend Policies

Investment Policy

The Executive Committee of the Directors is responsible for seeking/evaluating and recommending either;

- Portfolio Investments (i.e. in Shares/ Securities etc. (Fresh Issues or Market Purchase) or Financial claims); or
- Investment in New Projects (either equity based or loan based); or
- Joint Ventures; or
- Investment in Intangibles (Goodwill/ Trade Marks/ Patents etc.)

Moreover, Executive Committee ensures that Proposed Investments are set out in Treet Group's vision and Strategic domain.

Funding Policy

It is Treet Group's policy not only to utilize funds efficiently but also to seek funds from the cheapest source(s).

Treet Group advertently evaluates, from time to time, different funding options for;

- Working Capital Requirements (including import/export financing)
- Medium Term Rollovers/ Capital Requirements
- Long Term Project Based Requirements
- These funding options may include;
- Internally Generated Funds*
- Bank Borrowings (Short Term as well as Long Term)
- Trade & Sundry Credits
- Debt Instruments (Commercial Papers/ Bonds/ TFC etc.) issued to Institutions or Public in general
- Subordinate- Debts
- Leasing (Operating as well as Capital)
- Equity Financing etc.

** This includes Intra-Treet Group resource sharing. Corporate strategy (by the parent company i.e. Treet Corporation Limited) will seek to develop synergies by sharing and coordinating staff and other resources across business units, investing financial resources across business units, and using business units to complement other corporate business activities.*

Moreover, the above funding options may augment other ancillary financial products (i.e. derivatives like shares options etc.).

Dividend Policy

The Companies in Treet Group in general meeting may declare dividends; but no dividend shall exceed the amount recommended by the directors; and

No dividend shall be declared or paid by a company for any financial year out of the profits of the company made from the sale or disposal of any immovable property or assets of a capital nature comprised in the undertaking or any of the undertaking of the company; and

- No dividend shall be paid by a company otherwise than out of profits of the company; and
- The Board may approve and pay to the Members such interim dividends as appears to be justified by the profits of the Company; and
- The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as they think proper as a reserve(s), which shall, at the discretion of the Board, be applicable for meeting contingencies etc.; and
- Company's dividend decision will be auxiliary to Company's Financing Policy

Dividend Policy for First Treet Manufacturing Modaraba

Not less than 90% of the net income in respect of the Modaraba's business [non-trading] activities, determined after setting aside the mandatory reserves as per Prudential Regulations for Modaraba, is to be distributed at least once in every year to the certificate holders in proportion to the number of certificates held by them. Distribution will be in the form of cash dividend. No dividend shall be paid otherwise than out of the profits of the Modaraba for the year or any other distributed profits.

Quality Policy

Treet Corporation Limited

strives to meet the international standards. Top management of the Corporation is committed to a policy of sustained growth. The employees are quality conscious and work in highly motivated environment. The management is focused on customer satisfaction by continually upgrading human resource skills, technology and promoting a balanced trilateral customer – organization – supplier relationship.

SYED SHAHID ALI
Chief Executive Officer











Endeavors

Fiscal year 2014-15 registered some remarkable endeavors.

1. Lead Acid Battery Project

Your Company is bringing state of the art technology comparatively having more efficiency and bringing maintenance free sealed batteries (MFSB) in Pakistan with multinational brand name (i.e. Daewoo) for Batteries which is already a well established name in the Country. Moreover, Korean experts in the field will be handling this project.

Growth rate of this industry is very impressive in the last five ~ six years. Although much reliance of this industry is on UPS [which is dependent on non-availability of power] but no major Power Project is on the cards. Thus, situation of power outage is unlikely to be overcome in the near future;

MFSB is replacing Conventional Batteries. No formal plant (MFSB) exists in the Country. Only source of MFSB is import which is inconsistent and unreliable;

Last but not least your Company has efficient group and financial structure that gives not only well diversified product portfolios to mitigate business risk but overall also tax efficient mechanism while keeping financial risk at minimum.

Your Company has already started importing and trading of lead acid batteries (maintenance free and UPS specialized batteries) under the brand name of "Daewoo".

Your Company will be establishing its lead acid batteries, market before the launch of its batteries.

2. Educational Project

A contiguous piece of land measuring 15.29 acres (122.32 kanals), fronting on the main Raiwind Road has been acquired for the construction of the purpose-built University Campus. It is located at a distance of 7.5 km from Thokar Niaz Beg. Raiwind Road has become a major artery linking Lahore to its suburbs. A road widening project has begun and as a result it would become a 150' wide six-lane highway. It is well-serviced by public transport and because of the popularity of the area it is soon becoming a major residential area of the city. Logistically it is an ideal location providing easy access to students in an area of growing population. It will fulfill the higher education needs of the city and region.

The extent of the campus, 15.29 acres, meets with the requirement of 10 acres specified by the National and Provincial Higher Education Commissions and in fact far exceeds it. Universities are always expanding and the extra land would become very useful and needed. Society for

Cultural Education in accordance with its mandate of establishing a top-notch university has responded to the availability of a single parcel located at an ideal part of the city, which itself is a rarity in an expanding and rapidly crowded city. This clearly shows the commitment of the Treet Group to providing the best for the students and the teachers in terms of facilities to enable them to proceed in comfort with the arduous task of generating knowledge and learning.

3. Treet Corporation Limited - Employees Stock Option Scheme [ESOS] for its employees

Your Company considers its employees to be the most valuable asset and to get their commitment and efforts, your Company firmly believes in providing them conducive environment and making them feel a sense of security.

Core objective of the scheme is to provide incentives to its employees (including employees of its subsidiaries). This will not only slow down employee turnover but will also provide them a sense of ownership of the Company resulting in better performance towards growth of the Company.

The Compensation Committee shall determine and recommend to the Board of Directors about Eligible Employees who are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option and shall be subject to such other requirements and modalities, as the Company may from time to time prescribe.

Rules & Procedures

Appraisal Process :

On or prior to the Date of Entitlement (and at least once in every Financial Year), Management will recommend a list of employees to the Compensation Committee (CC), the CC shall determine and recommend to the Board as to which Eligible Employees are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option. The CC shall, in determining the aforementioned entitlement, take into account the Entitlement Criteria and undertake performance evaluation based on a system of ratings, competitive pay levels, level of responsibility, number of years of service and information provided by the heads of department.

Entitlement Criteria shall include the following factors:

1. Grade and Pay Scale;
2. Performance Evaluation;
3. Level of Responsibility;
4. No. of Years of Service;

Procedure :

1. Within 30 days of the Date of Entitlement, the Board, on recommendation of the CC, may in its discretion grant the recommended Options to the recommended Eligible Employee in respect of the immediately preceding Financial Year.
2. In evidence of the Option granted to an Eligible Employee, the Company shall deliver an Option Certificate to such Eligible Employee, stating therein the Entitlement of the Eligible Employee, the Date of Grant, the Exercise Period, the Minimum Vesting Period and the Option Price. Each Option shall be personal to the Eligible Employee to whom it is granted and, other than a transfer to the Eligible Employee's legal heirs on his death, shall not be transferable, assignable or chargeable in any manner whatsoever. Any other purported transfer, assignment, charge, disposal or dealing with the rights and interest of the Option Holder under this Scheme or under an Option shall render such Option null and void.
3. The aggregate number of the Shares for all Options to be granted under this Scheme to all Eligible Employees shall not, at any time, exceed the Entitlement Pool.

Financial Highlights



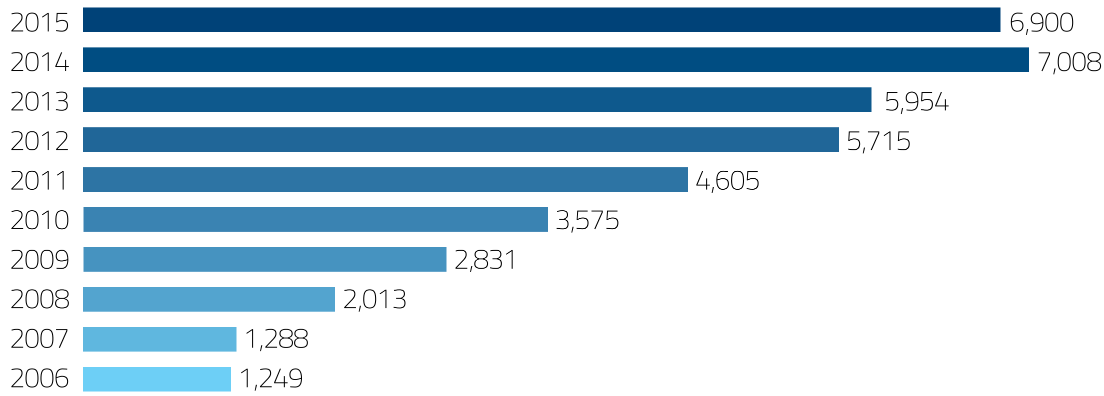
The results

Record financial performance

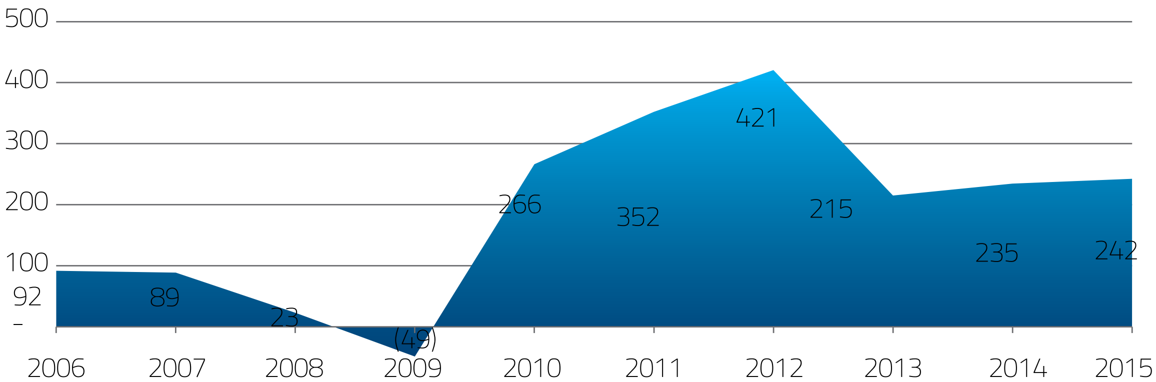
Strong balance sheet

Exciting visible growth

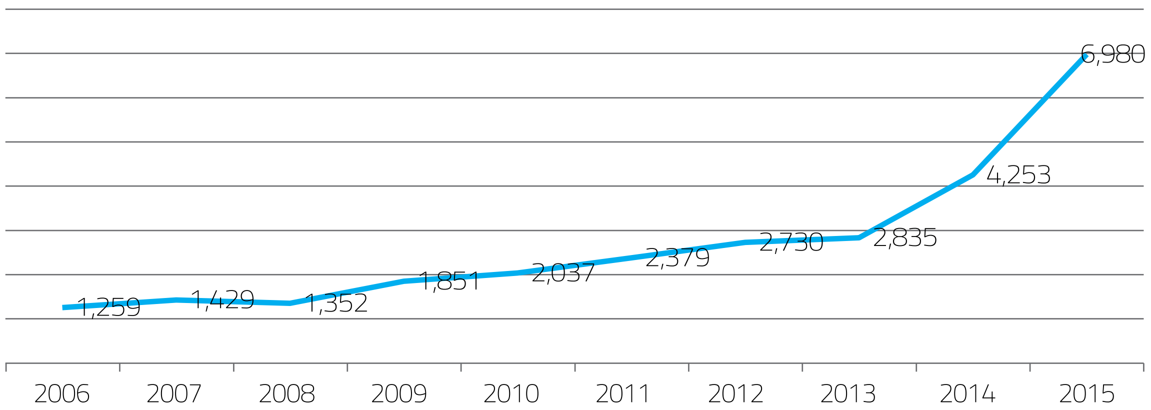
Sales Trend



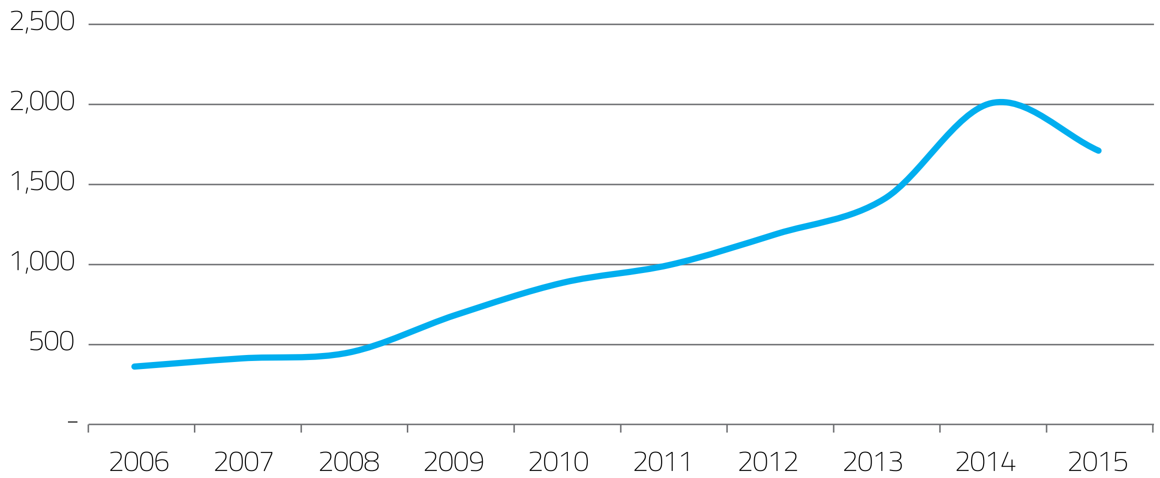
Net Profit After Tax



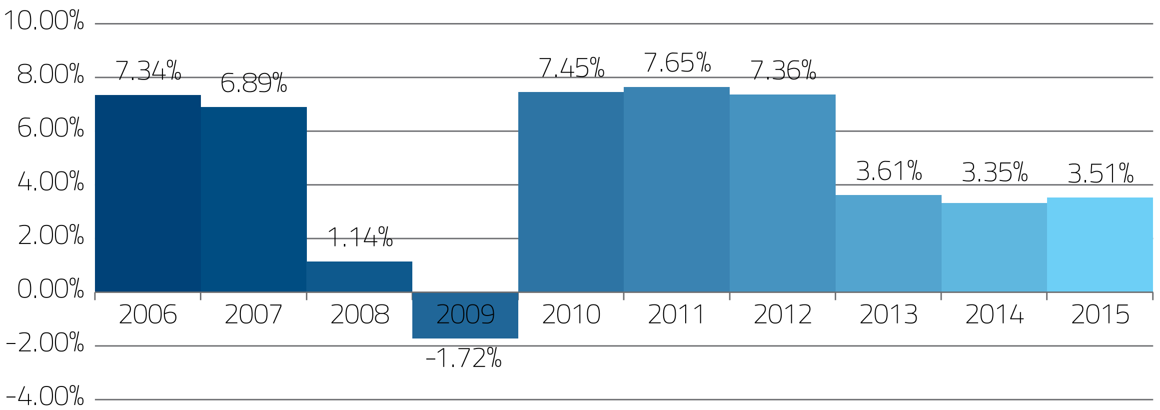
Shareholders' Equity + Revaluation Surplus



Export

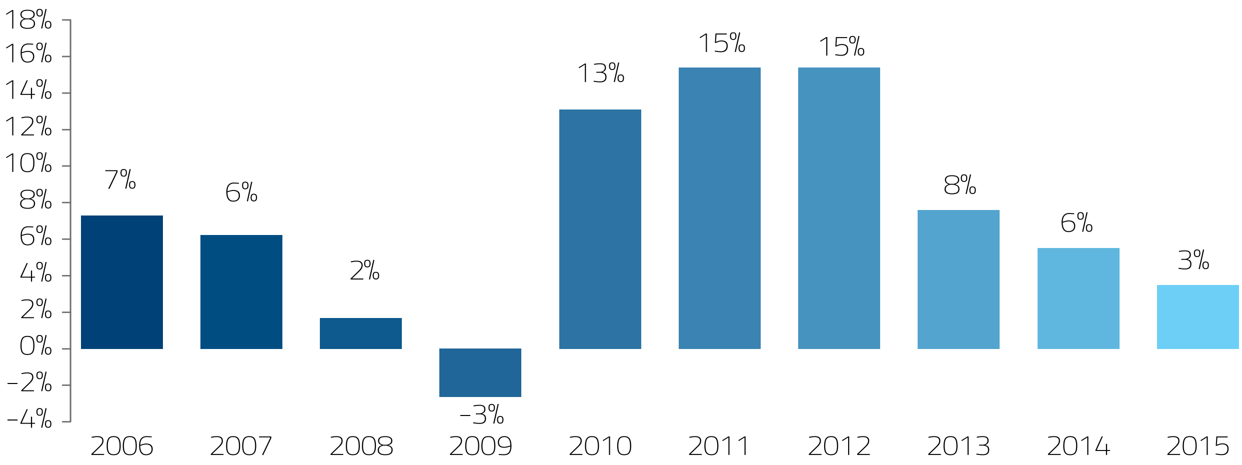


NPAT %

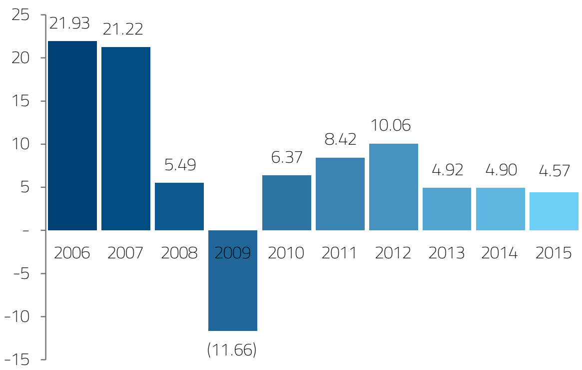


Financial Highlights

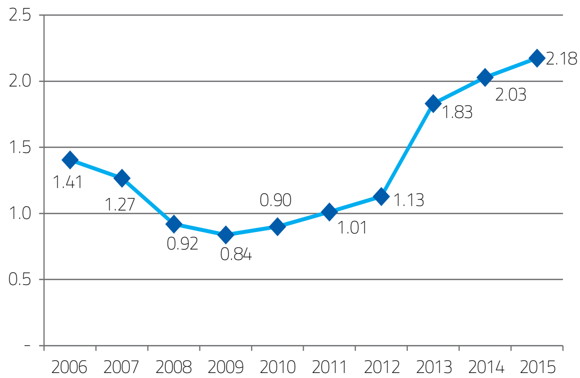
ROE



EPS

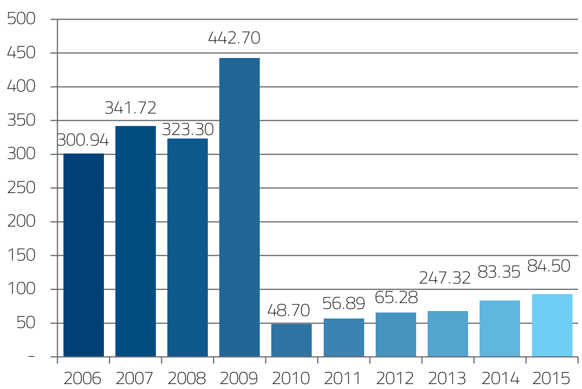


Current Ratio

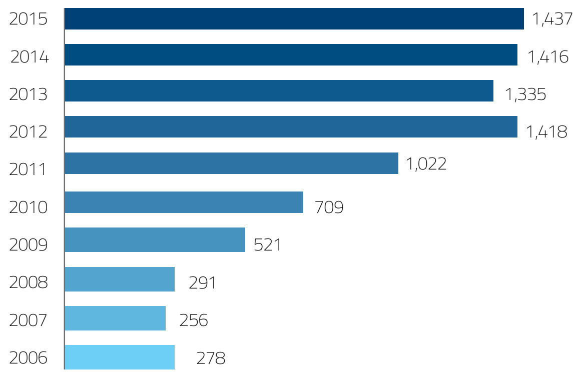


Book Value per Share

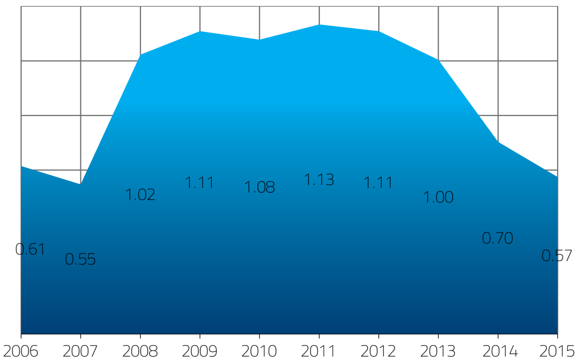
(Including Revaluation Surplus)



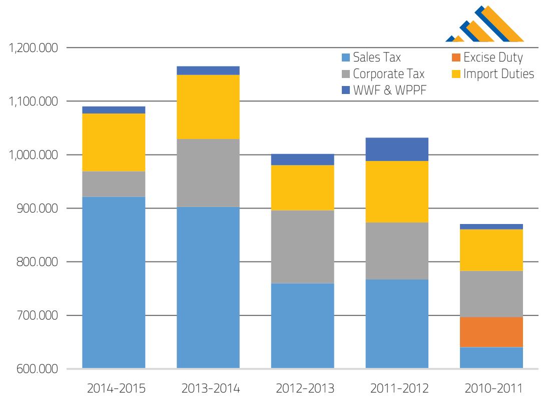
Gross Profit



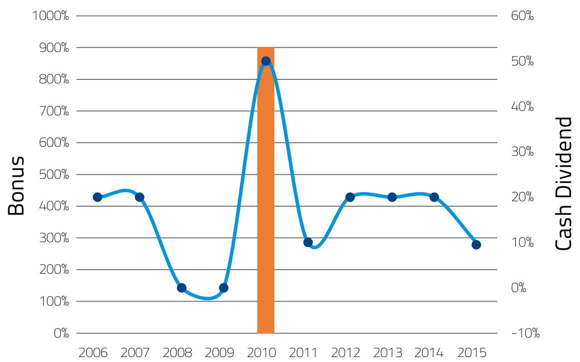
Total Liabilities to Equity



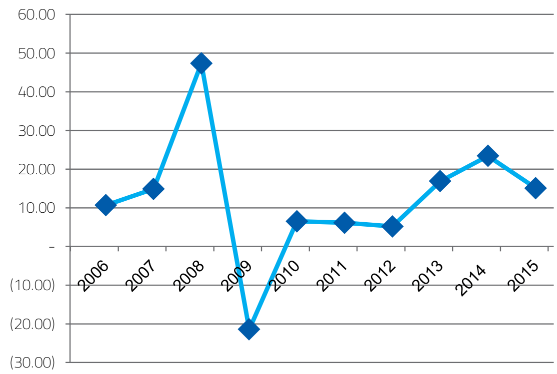
Contribution to Exchequer



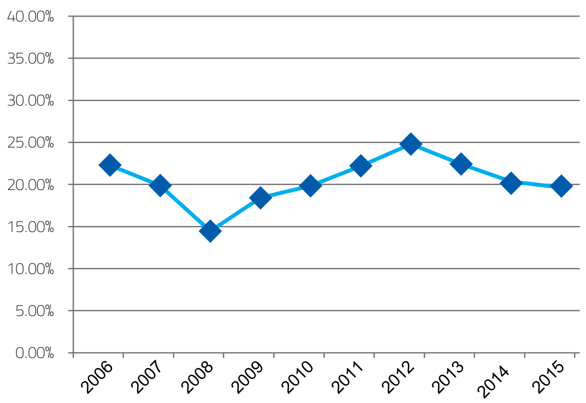
Bonus and Cash Dividend



P/E Ratio

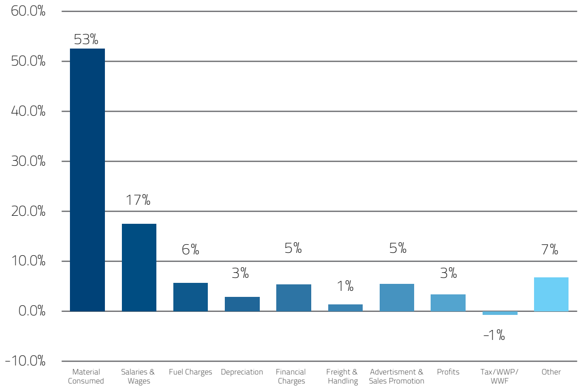


GP Margin %

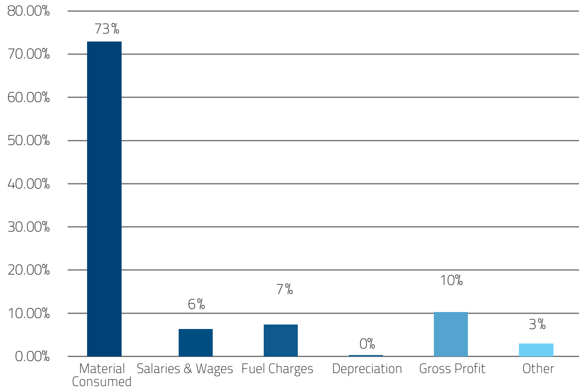


Financial Highlights

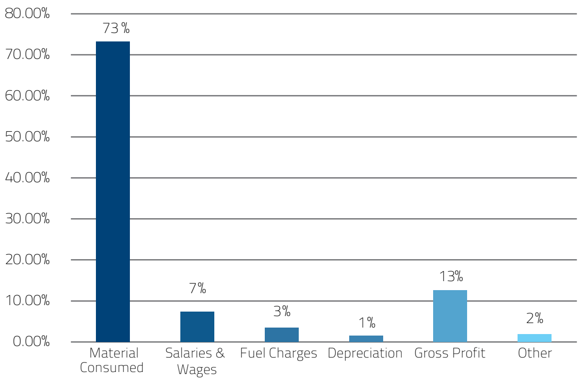
Revenue Distribution-Consolidated



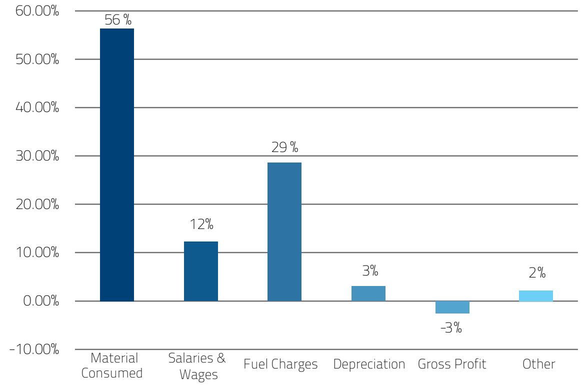
Soap



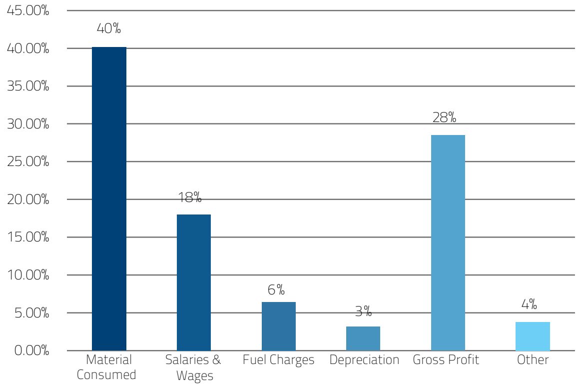
Corrugation



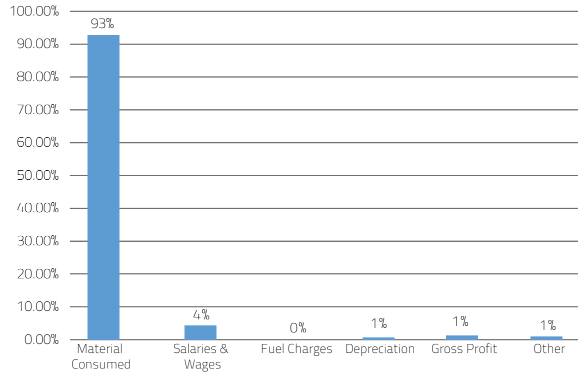
Paper & Board



D/E + Bonded



Motor Bike



Key Operating Financial Data

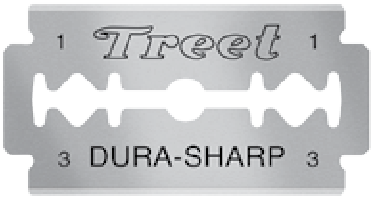
Rs. in 000	2015	2014	2013	2012	2011
Sales	6,900,175	7,008,496	5,953,868	5,715,274	4,605,309
Export Sales	1,710,675	2,007,813	1,409,699	1,191,549	997,593
Gross Profit	1,437,390	1,415,599	1,334,803	1,417,538	1,021,919
Operating Profit	260,168	294,515	290,542	643,069	568,588
Profit before Taxation	214,132	246,522	226,047	489,777	465,230
Profit after Taxation	242,213	234,561	215,040	420,535	352,166
Shareholders' Equity + Revaluation Surplus	6,980,402	4,252,574	2,835,222	2,730,197	2,379,063
Fixed Assets - Net	4,202,680	3,081,461	2,289,494	2,163,046	2,073,552
Total Assets	10,990,970	7,245,375	5,682,361	5,757,710	5,074,379
Total Liabilities	4,010,568	2,992,800	2,847,139	3,027,513	2,695,316
Current Assets	6,462,531	3,878,446	3,137,969	3,324,703	2,641,681
Current Liabilities	2,970,673	1,911,553	1,714,197	2,948,945	2,610,174
Cash Dividend	10%	20%	20%	20%	10%
Stock Dividend	0%	0%	0%	0%	0%
Shares Outstanding	53,950,701	51,023,144	41,822,250	41,822,250	41,822,250

Important Ratios	2015	2014	2013	2012	2011
Profitability					
Gross Profit	20.83%	20.20%	22.42%	24.80%	22.19%
Profit before Tax	3.10%	3.52%	3.80%	8.57%	10.10%
Profit after Tax	3.51%	3.35%	3.61%	7.36%	7.65%
Return to Equity					
Return on Equity before Tax	3.07%	5.80%	7.97%	17.94%	19.56%
Return on Equity after Tax	3.47%	5.52%	7.58%	15.40%	14.80%
Earning per Shares	4.79	4.90	4.92	10.06	8.42
Liquidity/Leverage					
Current Ratio	2.18	2.03	1.83	1.13	1.01
Break-up Value per Share	129.38	83.35	67.79	65.28	56.89
Total Liabilities to Equity	0.57	0.70	1.00	1.11	1.13

% Change	2015	2014	2013	2012	2011
Sales	-1.55%	17.71%	4.17%	24.10%	28.82%
Export Sales	-14.80%	42.43%	18.31%	19.44%	12.59%
Gross Profit	1.54%	6.05%	-5.84%	38.71%	44.13%
Profit before Taxation	-13.14%	9.06%	-53.85%	5.28%	65.25%
Profit after Taxation	3.26%	9.08%	-48.87%	19.41%	32.22%
Shareholders' Equity + Revaluation Surplus	64.15%	49.99%	3.85%	14.76%	16.82%
Fixed Assets - Net	36.39%	34.59%	5.85%	4.32%	-3.47%
Total Assets	51.70%	27.51%	-1.31%	13.47%	19.95%
Total Liabilities	34.01%	5.12%	-5.96%	12.32%	22.85%
Current Assets	66.63%	23.60%	-5.62%	25.86%	37.58%
Current Liabilities	55.41%	11.51%	-41.87%	12.98%	22.42%
Dividend	-50.00%	0.00%	0.00%	100.00%	-80.00%
Shares Outstanding	5.74%	22.00%	0.00%	0.00%	0.00%

Our Products

Conventional Double Edge Shaving Blades



Disposable Razors

Safety Razors

Our Products

Soaps

Corrugation

Bikes












Batteries

" Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The Governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources.
The aim is to align as nearly as possible the interests of individuals, corporations and society."

(Sir Adrian Cadbury, UK, Commission Report: Corporate Governance 1992)

Governance

SYED SHAHID ALI
Chief Executive Officer

Directors' Report to the Shareholders

The directors of your Company take pleasure in presenting the Annual Report together with your Company's Annual Audited Financial Statements for the year ended June 30, 2015.

Economic Outlook

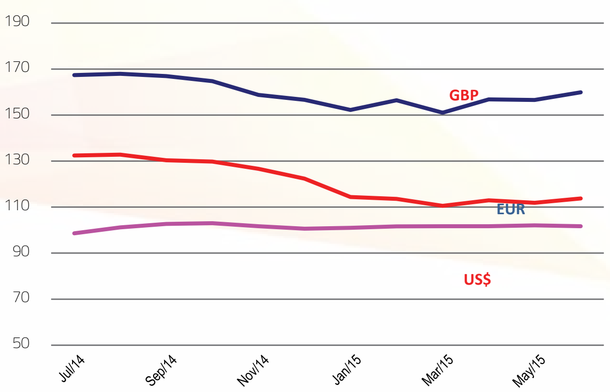
Improvements in macroeconomic indicators coupled with the most accommodative monetary policy stance (that resulted in policy rate cut by a cumulative 300bps during the year) resulted in a sharp decline in CPI inflation. GDP growth in FY15 at 4.2 percent was slightly higher than that of FY14 but it remained lower than the target. In particular, industrial sector missed the target due to lower growth in Large-scale Manufacturing (LSM) and electricity generation; however, the activities in construction and mining and quarrying remained buoyant.

On a global front, the growth outlook for emerging markets weakened because of subdued prospects for some large economies such as China, Russia, Mexico and Brazil.

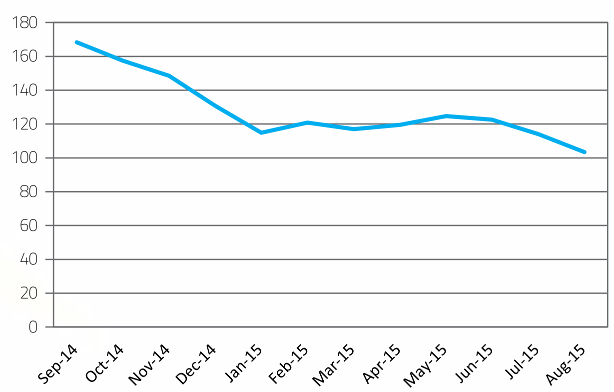
The market for commodities has generally remained oversupplied with the slowdown in global economic activity resulting in four consecutive years of price decline. Commodity prices have been further suppressed with the decline in oil prices over the past year and currency depreciation of commodity producers. Specifically, commodity prices in June 2015 stood 33.4 percent below last year's prices. Price decline has been seen in all categories including energy, agricultural produce, and metals.

Declining prices of commodities and metals offers opportunities (particularly, falling prices of crude oil, palm oil etc.) that needs to be capitalized and posed challenges (particularly, falling prices agriculture commodities) and to cope with those challenges the appropriate strategy needs to be chalked out and national as well as Company's level.

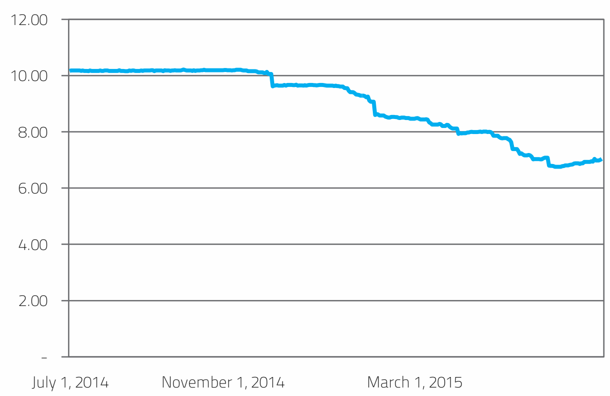
Exchange Rate



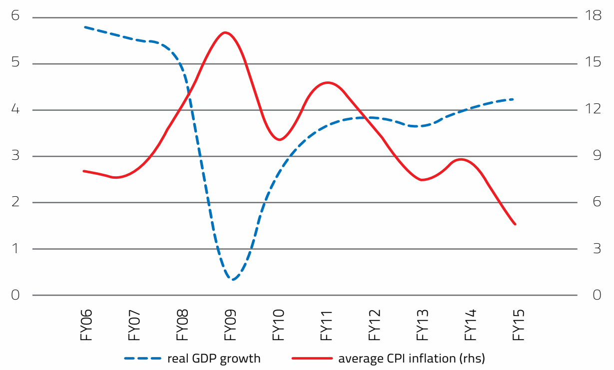
Commodity Price Index Monthly Price



Six Mont KIBOR (Offer)



GPD Growth and Headline Inflation (in percent)



Directors' Report to the Shareholders

Operating and Financial Results

The management of your Company is well aware of the posed challenges and is deploying a most feasible marketing mix at trade and retail levels and is taking all possible measures to meet these challenges. Moreover, your Company is continually reviewing its business strategy to cope with the threats and has been incessantly endeavoring not only to tap alternative competitive sources of raw material/inputs but also trying to optimize the throughput.

Fiscal year 2014-15 registered some remarkable endeavors.

1. Your Company is setting up battery (lead acid) project in its subsidiary First Treet Manufacturing Modaraba;

2. Your Company is setting up educational project in its subsidiary Global Arts Limited;

3. Securities and Exchange Commission of Pakistan (SECP) has accorded its approval for Treet Corporation Limited - Employees Stock Option Scheme [ESOS] for its employees;

4. Your Company started importing and trading of lead acid batteries (maintenance free and UPS specialized batteries) under the brand name of "Daewoo".

Following is the summary of comparative financial results*

*More fruitful comparison is between consolidated results of this year with corresponding period last year due to following reasons:

- Treet Holdings Limited (formerly, Global Econo Trade Limited) (THL) is wholly owned subsidiary of your Company.

- Your Company and THL virtually hold 100% certificates of FTMM.

- Intra- company sales within Treet Group are Inter- Stock Transfer from Treet Group's perspective.

- Like wise Intra- company services within Treet Group are set-off in consolidation

	2015		2014		% Change	
(Rupees in thousand)	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(1)	(2)		
Sales (net of sales tax)	3,954,275	6,900,175	4,153,281	7,008,496	-4.79%	-1.55%
Gross Profit	1,110,305	1,437,390	1,225,869	1,415,599	-9.43%	1.54%
Operating Profit	105,303	260,168	252,115	294,515	-58.23%	-11.66%
Profit/(Loss) before taxation	56,447	214,132	195,031	246,522	-71.06%	-13.14%
Provision for taxation	48,669	28,081	20,601	(11,961)	136.25%	-334.77%
Profit /(Loss) after taxation	105,116	242,213	215,632	234,561	-51.25%	3.26%
EPS (in Rupees)	1.98	4.57	4.51	4.90		

Sales performance showed mixed results. Export sales are effected due to Middle East situation and general slowdown in global economy. However, local market maintained its foothold:

% Change over Corresponding Period (Consolidated)

	Blade	Soap	Corrugation/ Paper	Bike	Total	Local : Export	
						2014-2015	2013-2014
Local Sales	2.38%	-0.22%	1.97%	-14.39%	-4.79%	64%	60%
Export Sales	-13.19%	0.00%	0.00%	0.00%	-13.19%	36%	40%
Total Sales	-5.00%	-0.22%	1.97%	-14.39%	-6.98%	for Blade & Soap Operations	

Factors having -ve Impact on Operating Profit:

- Increase depreciation charge due to expansion plans of the Company and its impact is Rs.56.00 million;
- Increased charges on account of salaries and wages due to general inflation, costs related to various insurance schemes and payroll costs associated with new projects and its impact is Rs.184.00 million;
- Legal and professional Charges on account of new projects and related funds raising etc. and its impact is Rs.22.00 million;

Factors having –ve impact Net Profit:

- One time loss from discontinued operations of Paper & Board Mill (PBM) that was disposed off in September 2014. Its incremental impact is Rs.41.00 million

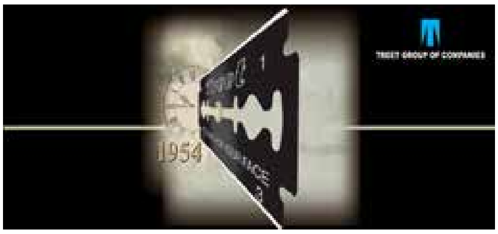
However, despite all above –ve factors your Company still managed to maintain its profitability mainly because of the following factors;

- Improved margins in Soap segment;
- Improved margins in Corrugation segment;
- Healthy Other Income on account of various heads;
- Better tax management;
- Efficient treasury management;

Your Company is making full efforts to improve sales and margins. Due to reduction in oil prices (and reduction in prices of metals and commodities globally) margins are expected to be improved in the coming months despite the reduction of export sales [that is being made up by local sales] and initial set up expenses of the new projects;

Segment-wise Results:

Blade/Disposable Razors			
Rs. in '000`	2014-2015	2013-2014	% Change
Sales Net	3,954,275	4,153,281	-4.79%
Inter-group Purchase	(19,024)	(5,069)	275.30%
Gross Profit	1,120,919	1,230,980	-8.94%



Blade/disposable business posted declined in export sales due to Middle East situation and global recession. However, local sales maintained its foothold.

Increase in salaries (as explained above) and depreciation on account of expansion plan of the Company were negative factors during the years that depressed gross profit margins.

Directors’ Report to the Shareholders

Soaps			
Rs. in ‘000`	2014-2015	2013-2014	% Change
Sales Net	809,526	811,374	-0.23%
Inter-group Purchase	(14,887)	(8,631)	72.48%
Gross Profit	71,762	27,924	156.99%

Soap sales volumes are recovered this year. New brand is being launched. Tallow and palm prices showed declined this year. It is further expected that due to reduction in material costs margins will further be improved in the coming months. Moreover, strategy is being chalked out to improve sales volumes and management of your Company is confident that sales volumes will be improved in the coming months as well.

Corrugation			
Rs. in '000`	2014-2015	2013-2014	% Change
Sales Net	1,822,018	1,675,209	8.76%
Inter-group Sales	32,834	68,095	-51.78%
Inter-group Purchase	-	(54,469)	-
Gross Profit	240,310	176,611	36.07%

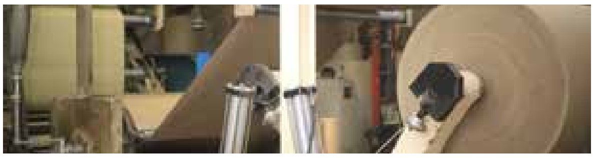
Sales volumes showed excellent growth despite of tough market situations and unavailability of power.

Pass through impact in the short run is limited but in the long run, your Company will able to increase the prices and will maintain its margins.

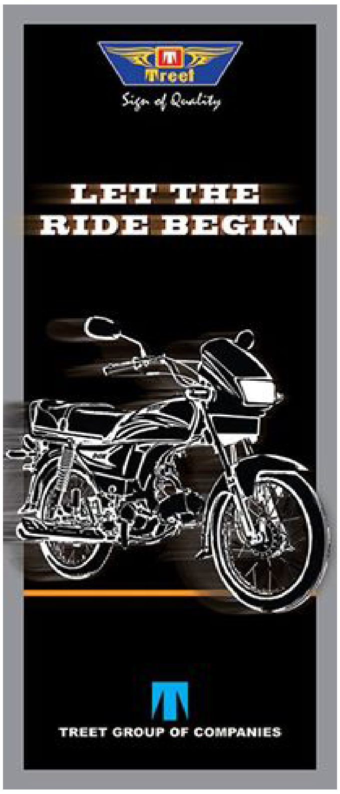
Directors' Report to the Shareholders

Paper & Board			
Rs. in '000`	2014-2015	2013-2014	% Change
Sales Net	85,422	533,929	-84.00%
Gross Profit	(463)	8,717	-105.31%

Since this industry is very power intensive (30%~35% of sales volumes) and neither gas nor electricity is available, your Company disposed-off this business segment in September 2014. Overall loss on disposal of this unit is Rs. 35.77 million,



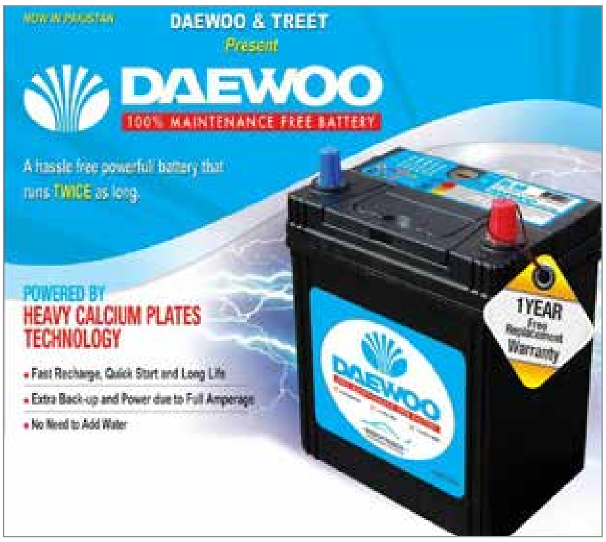
Motor Cycle Project			
Rs. in '000`	2014-2015	2013-2014	% Change
Sales Net	315,433	368,706	-14.45%
Gross Profit	4,399	(19,916)	



Sales from Motor Cycle segment although showed volume reduction but margins are improved; moreover, sales and marketing strategy is being revamped to avoid further losses and new models will be added in due course of time.

Batteries - Trading			
Rs. in '000`	2014-2015	2013-2014	% Change
Sales Net	7,461		
Gross Profit	1,828		

Your Company has started trading of "Lead Acid Batteries". Ultimate plan of the Company is to manufacture and sell the high quality "lead acid batteries" for vehicles / UPS. Construction of the plant and import of the plant and machinery is underway. Company has entered into arrangement with the Daewoo International to use the brand name of "Daewoo". Your Company is planning to establish its lead acid batteries, market before the launch of its batteries.



Accrual of Profit on Participation Term Certificates (TCLTC) based on the full year consolidated results:

The following accrual of profit is being made on TCLTC on the basis of yearly results:

Pay-OFF MATRIX :		Calculation of Category "B" Payment
Profit * from	Profit* to	Payoff % on Excess Amount of profit
-	179,500,000	NIL
179,500,001	250,000,000	72% of amount exceeding Rs. 179,500,000.00
250,000,001	350,000,000	Rs.50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00
350,000,001	450,000,000	Rs.75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00
450,000,001	550,000,000	Rs.95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00
550,000,001	650,000,000	Rs.110,760,000.00 and 10% amount exceeding Rs. 550,000,000.00
650,000,001	and above	Rs.120,760,000.00 and 5 % of amount exeedind Rs. 650,000,000.00

	Rs.in 000
Consolidate Profit*	489,721

*Profit means Consolidate Profit before Tax, WPPF/ WWF and financial Charges on account of any payment or accrual made for TCLTCs.

	Rs. in 000	Rs. per TCLTC
Category "B" Payment (Additional Profit in Cash)	101,718	2.43
Minimum Profit Payment in Cash	173,145	4.14
Financial Charges i.e. Total Profit in Cash	274,863	6.57

Pay-OFF MATRIX (PER TCLTC) :			Based on Profit for the full Year		
Principal Redemption in Cash	Minimum Profit Payment in Cash	Minimum Payment in Cash	Category "B" Payment (Additional Profit in Cash)	Total Profit in Cash	Total Payment in Cash
(1)	(2)	(3) = (1) + (2)	(4)	(5) = (2) + (4)	(6) = (1) + (5)
0.15	4.14	4.29	2.43	6.57	6.72

Payment will be made on following dates:

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the first year* will be as follows:

Year	Book Closure Dates (both days inclusive)		Entitlement Date	Minimum Payment in Cash Date	Allotment Date for Conversion	Category "B" Payment (in Cash) Date
	From	To		under Category "A" Payment		
2015	16-10-2015	23-10-2015	14-10-2015	02-11-2015	02-11-2015	02-11-2015

Apart from the "Total Payment in Cash", TCLTC holders [who are entitled on October 14, 2015] will also get Ordinary Shares of the Company on the following basis:

Principal Redemption Through Conversion

Principal Redemption through Conversion	No. of Shares through Conversion	Conversion Price per Share	The conversion price per share is for information/accounting/taxation purpose. No further amount will be paid by the TCLTC holders. This is the opportunity cost of the principal value of TCLTC forgone to get One additional Ordinary Share of the Company.
4.14	0.07	59.14	

Example: Thus holder of 1,000 TCLTCs will get 70 Ordinary Shares of the Company on or before November 02, 2015 vis-à-vis principal value of Rs. 4,140/- forgone.

TCLTCs were offered to existing shareholders of the Company. Company's financial strategy was not only to mitigate the financial risk by reducing its borrowings but also to ensure healthy returns to its shareholders (in the form of Dividend plus Category "A" and Category "B" Payments).

Directors' Report to the Shareholders

Financial Plans:

1. Right Issue

Your Company has announced 150% rights issue (i.e. 15 shares against 10 shares) at a premium of Rs. 40 per share i.e. right to be offered at Rs. 50.00 per share. Last date for acceptance and payment of shares in physical and CDC form was July 03, 2015 and subsequently funds were received. Objective of the right issue was to raise funds to build, construct, commission, procure, erect and run/manage "lead acid battery" plant of the state of the art technology through its subsidiary First Treet Manufacturing Modaraba. We are grateful to our valued shareholders/investors for the trust and confidence reposed in us.

2. Conversion against TCLTC

Your Company has issued 2,927,557 ordinary shares of the Company against principal redemption through conversion under Category "A" payment of TCLTC.

Thus, total no. of shares issued during the period is as follows:

	On Conversion
No of Shares Issued	2,927,557
Nominal Value of Shares (Rs. In 000)	29,276
Shares Premium (Rs. In 000)	143,869
	173,144

3. Prospective Issue of Treet Perpetual Sukuk

Issuance of Treet Perpetual Sukuk ("Sukuk") of Rs. 539.507 million @ Rs. 40.00 per Sukuk subject to the approval of Securities and Exchange Commission of Pakistan (SECP). Following are the main features* of the Issue;

a. Sukuk will be offered to the existing shareholders by way of right i.e. through renounceable offer letter (ROL) and ROL will be trade-able at all three stock exchanges;
b. Sukuk will be issued in perpetuity and will be listed on stock exchange;
c. Sukuk will be convertible into ordinary shares [at the maximum ratio of One Sukuk to One Ordinary Share of the Company] at the option of the Sukukholders;
d. Sukuk will be convertible into cash after every three years at the option of the Sukukholder;
e. Sukuk will carry voting right equal to one-tenth of ordinary share of the Company;
f. Profit Payment in Cash per Sukuk will be an amount being the higher of the following:
    - Cash dividend (interim plus final) paid by the Company per Ordinary share during the relevant financial year; or
    - 6% of the musharakah profit** of the relevant financial year (divided by no. of Sukuks outstanding);
g. The Company will have no call option to redeem the Sukuk in Cash or to convert the Sukuk into Ordinary Shares of the Company;

*Features can be changed till final approval from SECP.

Draft Prospectus is available at Company's website

www.treetonline.com

The overall objective is to :-

- increase the production capacities of Lahore/ Hyderabad Plants;
- tap the unmet (and increasing) demands of the market. Targeted customers includes both from local and export markets;
- diversify into new products and markets;
- meet working capital requirements;
- pay-off its borrowings including export refinance;

4. Disposal of Investments

Your Company has divested its investment in the Systems Limited (and Visionet Systems Inc.) during the year.

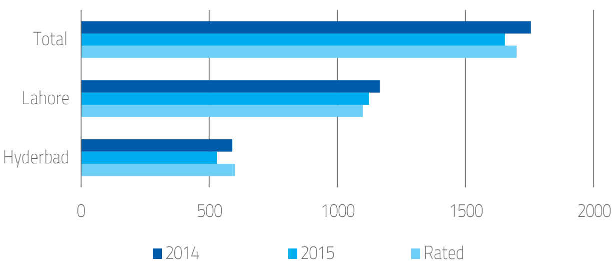
Rs. in 000'	2014-2015	2013-2014
Un-Appropriated Profit b/f	1,227,609	1,115,586
Realization of : Revaluation Surplus (NET)/ Gain on Disposal of Investment	12,114	5,154
Effect of retrospective application of change in accounting policy/ Re-measurement of employee retirement benefits - net of tax	(7,498)	(25,119)
Profit during the period	105,116	215,632
Dividend Distributed	(102,046)	(83,644)
Un-Appropriated Profit c/f	1,235,295	1,227,609
Dividend Declared (Final)	134,877	102,046

Production

This year illustrated decrease of 5.75% in the production of razor/blades over the last year as follows:

Plant Capacity & Production:

(in millions)	Rated	2015	2014
Hyderabad	600	530	590
Lahore	1100	1124	1165
	1700	1654	1755



Cash Dividend

The Directors of your company have recommended a cash dividend of Re. 1.00 per share i.e. @ 10.00%

Code of Corporate Governance

The requirements of the Code of Corporate Governance, as introduced by the Securities and Exchange Commission of Pakistan (and set out by the Karachi, Lahore and Islamabad Stock Exchanges in their Listing Rules), have been duly complied with. A statement to this effect is annexed with the report.

Compliance with Code of Corporate Governance

In compliance with the Code, the Board of Directors of your Company states that:

- The financial statements, prepared by the management of your company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by your company.
- Appropriate accounting policies are consistently applied by your Company in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed.
- The system of Internal Control, being implemented in your Company is sound and has been effectively persisted throughout the year.

Directors' Report to the Shareholders

- Keeping in view the financial position of your Company, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

Employee Benefit Funds

Values of investments (in Rs. Million) of employees' retirement funds as per their respective audited accounts for the year ended on June 30, 2015 are as follows:

Provident Fund	364.979
Gratuity Fund	221.828
Superannuation Fund	239.405
Service Fund	133.837
Housing Fund	19.008
Benevolent Fund	1.897

Audit Committee

The Board of Directors of the Company has established an Audit Committee comprising of four members, in compliance with the Revised Code of Corporate Governance 2013 (CCG). Whom three are Non-Executive Directors including Chairman of the Committee. During the year June 30, 2015, the Committee met four times. The Meetings of the Audit Committee were held at least once every quarter prior approval of the interim and final results of the Company as required by CCG. During the year four meetings were held and attendance of the members was as follows:-

Sr.	Name	Status	No. of Meetings
1.	Mr. Imran Azim	Chairman	3/4
2.	Mr. Khurram Raza Bakhtayari	Member	3/4
3.	Syed Sheharyar Ali	Member	4/4
4.	Mr. Munir K. Bana	Member	3/4

Chief Financial Officer, Secretary of Audit Committee and Head of Internal Audit also attended all the meetings during the year under review. The Committee also met the External Auditors separately in the absence of Chief Financial Officer and Head of Internal Audit to get their feedback on the overall control and Governance structure within the Company.

Terms of reference of Audit Committee

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and considers any question of resignation or removal of external auditors, audit fees and provision of any service to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

i. Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.

ii. Discussions with the external auditors of major observations arising from interim and final audits; review of management letter issued by the external auditors and management's response thereto.

iii. Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

iv. Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure.

v. Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.

vi. Institute special projects, value for money studies or other investigations on any matters specified by the Board of Directors.

vii. Review of management letter issued by the External Auditors and Management response thereto:

viii. Report of the Audit Committee

ix. The Committee performs its functions in accordance with the terms of reference as approved by the Board and reviewed the following key items during the current financial year.

Financial Reporting:

The Committee reviewed, discussed and recommended for Board approval, the draft Interim and Annual Results of the Company. The Committee discussed with the CFO, HIA and External Auditors of the Company on significant accounting policies, estimates and judgments applied in preparing the financial information.

- Review of Compliance with the Code of Corporate Governance (CCG):

The committee places great importance on ensuring compliance with the best practices of the Code of Corporate Governance. In this respect, the Committee annually reviews the Company's Compliance with the CCG.

- Appointment of External Auditors:

As per the requirements of the CCG and term of reference of the Audit Committee, the Committee recommended the appointment and remuneration of External Auditors to the Board for their approval.

- Review of Management Letter issued by the External Auditors:

The Committee also reviews the Management Letter issued by the External Auditors' wherein control weaknesses are highlighted. Compliance status of previously highlighted observations by the External Auditors' is reviewed and corrective measures are discussed to improve the overall control environment.

Internal Audit Function

In compliance with the Code, the Board of Directors of your Company has also established an Internal Audit Function to monitor and review the adequacy and implementation of Internal Control at each level of your Company.

Transfer Pricing Policy

It is the company's policy to ensure that all transactions entered with related parties must be at arm's length. In exceptional circumstances, however, company may enter into transactions, other than arm's length transaction, but company should, subject to approval of Board of Directors and Audit Committee, justify (and duly jot down & present in the financial statements) its rationale and financial impact of the departure from the arm's length transaction.

Directors' Report to the Shareholders

Risk Management Policy

The Board plays a key role in risk management principally through the Risk Management Committee. Programs have been established to consider and manage operational, strategic, technological, scientific, reputation, environmental health and safety and other risks to the Company's businesses. These are reviewed with the committees on a regular basis.

All operational units incorporate Risk Management into their planning process:

- To minimize risk within the Company.
- To ensure Risk Management is incorporated into the corporate governance systems and management structure of the Company.
- To ensure that significant Risks within the Company are identified and appropriate strategies are in place to manage them.
- To develop effective and efficient Risk Management procedures

Strategic Planning

It is company's mainstay policy to position itself strategically in order to achieve its vision of being recognized as a world-class manufacturer of top quality products and to deliver value to its consumer; and

1. To ensure that decisions about strategic positioning are made within the context of a comprehensive and shared understanding of the External/Internal environment.
2. To identify and consider opportunities for the Company to consolidate and strengthen its position.
3. To establish productive and mutually-beneficial partnerships to develop a sustainable competitive advantage.
4. To ensure that the Company has strong and effectively aligned planning and budget processes, incorporating review and continuous improvement mechanisms.

Human Resources

The company is committed to equal opportunity employment. It accepts the obligation as a member of the community-at-large and as an employer to exercise an active and positive program of non-discrimination in all areas of employment. Employment decisions are made by providing equal opportunity and access on the basis of qualification and merits.

Moreover, the company shall ensure that fair, consistent, effective and efficient recruitment and selection practices exist in hiring the most suitable candidates.

HR & Remuneration Committee

Your Company has recomposed the HR & Remuneration Committee (Compensation Committee) and during the year One meeting was held and attendance was as follows;

Sr.	Name	Status	No. of Meetings
1.	Mr. Imran Azim	Chairman	1/1
2.	Mr. Munir Karim Bana	Member	1/1
3.	Syed Sheharyar Ali	Member	1/1
4.	Mr. Muhammad Shafique Anjum	Member	1/1
5.	Mr. Khurram Raza Bakhtayari	Member	0/1
6.	Mr. Amir Zia	Member	1/1
7.	Mr. Jahangir Bashir	Member	1/1

We consider our employees to be our most valuable asset and to get their commitment and efforts, your Company firmly believes in providing them conducive environment and making them feel a sense of security.

Currently Company is providing various insurance plans/schemes for its employees to financially secure them and/or their family in the event of any mishap and also runs various retirement benefit funds.

We divide our total payroll costs into five segments:

1. Monthly Salary to cover day to day expenses;
2. Annual bonuses/and incentives that covers durables and to plan vacations [and these bonuses/incentives are variable part of salary that is linked with the Company's performance so if Company performs well so do the employees];
3. Hospitalization coverage for self, immediate family and dependant parents;
4. Retirement Funds so that reasonable accumulation of wealth [professionally managed by the Company itself] at the time of retirements and that includes;
   a. Defined Contribution Plans
      i. Provident Fund
      ii. Service Fund
      iii. Benevolent Fund
      iv. Superannuation Fund
      v. Housing Fund
   b. Defined Benefit Plans
      i. Gratuity Fund
      ii. Superannuation Fund
5. Insurance / Assurance Schemes that covers contingencies/mishaps and includes;
   a. Group Life Insurance
   b. Insurance Coverage that is linked to no. of Years Served x Last Salary drawn
   c. Insurance Coverage that is linked to no. of Years Remaining in the Service x Last Salary drawn
   d. Provident Fund Multiple Insurance
   e. Pay Continuation Plan that insures pay continuation for 15 years with Inflation Indexing
   f. Unit Plans Assurance Schemes linked to Benevolent Fund

Owning a home is a keystone of wealth - both financial affluence and emotional security. Company has also initiated scheme to provide shelters (house or land) under Housing Fund. Initially it is limited to management employees [who opt for it] and gradually it will be broadening to other cadres of employees as well.

Employees Stock Option Scheme (ESOS):

We consider our employees to be our most valuable asset and to get their commitment and efforts, we firmly believes in providing them conducive environment and making them feel a sense of security. Your Company got approval of Treet Corporation – Employees Stock Option Scheme (ESOS) from Securities and Exchange Commission of Pakistan. Core objective of the scheme is to provide incentives to Management & Junior Executive employees of the Company (including subsidiary companies). This will not only slow down employee turnover but will also provide them a sense of ownership of the Company resulting in better performance towards growth of the Company.

The Compensation Committee shall determine and recommend to the Board of Directors about Eligible

Employees who are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option and shall be subject to such other requirements and modalities, as the Company may from time to time prescribe. Your Company has granted following options to the employees of the Company (including employees of the subsidiary companies):

				Share Price (Option Price)		
Date of Grant	Financial Year	Date of Entitlement	Date of CC Committee Meeting	from	to	Weighted Average Price
14/7/2015	2014-2015	1/7/2015	28/6/2015	14/4/2015	13/7/2015	90.58

Minimum Period		Exercise Period					
from	to	from	to	Grant of Option	Share Outstanding (at Date of Grant)	No. of Options Granted	No. of Employees
15/7/2015	14/7/2016	15/7/2016	15/7/2017	2.97%	53,950,701	1,604,800	210.00

Terms of Reference of the Human Resource & Remuneration Committee:

The Committee shall be responsible for making recommendations to the Board for maintaining:

i. A sound plan of organization for the company.

ii. An effective employees' development programme.

iii. Sound compensation and benefits plans, policies and practices designed to attract and retain the caliber of personnel needed to manage the business effectively.

iv. Evaluate and recommend for approval of changes in the organization, functions and relationships affecting management positions equivalent in importance to those on the management position schedule.

v. Determine appropriate limits of authority and approval procedures for personnel matters requiring decisions at different levels of management.

vi. Review the employees' development system to ensure that it:

a. Foresees the company's senior management requirements.

b. Provides for early identification and development of key personnel.

c. Brings forward specific succession plans for senior management positions.

d. Training and development plans

vii. Compensation and Benefits:

i) recommending human resource management policies to the board;

ii) recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

iii) recommending to the Board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and senior management reporting to CEO.

Remuneration of Chief Executive Officer:

In accordance with the provisions of Section 218 of the Companies Ordinance, 1984, the Board has recommended the revised remuneration of CEO to the Shareholders for their approval. Thereafter it was approved by the shareholders in their Extraordinary General Meeting held on June 30, 2014.

Meetings of the Board of Directors

During the year, the Board of Directors of your company has met Seven times and the attendance at each of these meetings is as follows:-

	9/ Jul/14	11/ Sep/14	29/ Sep/14	28/ Apr/14	24/ Feb/15	13/ Mar/15	24/ Apr/15	2014-2015
DR. MRS. NILOUFER QASIM MAHDI	A	P	A	A	A	P	A	2/7
SYED SHAHID ALI	A	P	A	P	A	P	P	4/7
SYED SHEHARYAR ALI	P	P	P	P	P	P	P	7/7
MR. MUHAMMAD SHAFIQUE ANJUM	P	P	P	P	P	A	A	5/7
MR. MUNIR KARIM BANA	P	P	P	A	P	P	P	6/7
MR. IMRAN AZIM	P	P	P	A	P	P	P	6/7
MR. SAULAT SAID	P	P	P	P	P	P	P	7/7
MR. JALEES AHMED SIDDIQUI*	P	P	-	-	-	-	-	2/7
MR. KHURRAM RAZA BAKHTAYARI**	-	-	P	P	A	P	P	4/7
	6/8	8/8	6/8	5/8	5/8	7/8	6/8	

P=Present A=Leave of Absence

* Mr- Jalees Ahmed Siddiqui Resigned On 18th September, 2014

** Mr- Khurram Raza Bakhtayari Appointed On 18th September, 2014

Mr. Khurram Raza Bakhtayari resigned on August 24, 2015 and Board of Directors filled the casual vacancy and appointed Dr. Salman Faridi on the Board in place of Mr. Bakhtayari. Board pays tribute to the outgoing director for the valuable contributions he made and welcome the incoming director on the Board.

Pattern of Shareholding

The pattern of shareholding of your Company as on June 30, 2015 is annexed with this report. This statement is in accordance with the amendments made through the Code.

Share Trading

All trades in the shares of the Company, carried out by its directors, CEO, CFO, Company Secretary, their spouses and minor children is also disclosed in Form 34 annexed with this report.

For the purpose of this clause 5.19.11(xii) and clause 5.19.15 of the Code of Corporate Governance of KSE Regulations, the expression "executive" means the CEO, COO, CFO, Head of Internal Audit and Company Secretary and employees of the Company for whom the Board of Directors has determined [in their meeting held on July 14, 2015] the minimum threshold of gross salary (excluding retirement funds) of Rs. 6.00 million per annum for the financial year 2015-2016.

External Auditors

The Audit Committee of your company has recommended that, the present auditors, M/s KPMG Taseer Hadi & Company Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as auditors of your Company for another term.

Future Outlook

Projections of high oil production and weak global demand suggest that international oil price might not have bottomed out yet. Given the recent behavior of Pakistani CPI inflation amid falling international oil prices, this could result in keeping inflation on the lower side.

These global economic developments have a special relevance for Pakistan. Although, slowdown in Chinese economy can further decelerate Pakistan's exports, resolution of Greek crisis recently revitalizes hopes of pick up in exports to EU. A possible increase in interest rate by the US Federal Reserve may, however, reverse the trend in capital flows to

Directors' Report to the Shareholders

emerging economies like Pakistan.

[Source: Monetary Policy Statement, July 2015 of State Bank of Pakistan]

A comprehensive growth/ diversification strategy is being evolved, to increase productivity, efficiency, and competitiveness of the Company, and to explore new areas based on concentric as well as conglomerate diversification to ensure high growth rates that are both sustainable as well as more profitable.

Blades:

Due to economic slowdown globally and Arabs situation specifically, export sales are under pressure. However, local sales in the local market is not only maintaining its foothold despite smuggled blades from India and Egypt but will be further broadened due to continuous efforts. Exchange rate will pay an important role in determining intensity of competition. It is expected that Egyptian Pound and Indian Rupee are expected to appreciate vis-à-vis Pak Rupee. This will help us in the local market.

Continuous BMR is under way to enhance the production capacities and to add new products that will help to explore the new markets.

Soaps:

Prices of tallow and palm oil are calming down and your Company is hedging its position through futures [in palm oil] and accordingly it is expected that margins will be improved in this segment.

Moreover, efforts are being made to introduce vegetable soaps (palm oil based) to introduce not only new brand but also to take advantage of palm oil prices.

This will help to increase the operating margins of this segment.

Corrugated Packaging:

Economic growth remained broad based. The Commodities Producing Sector along with services sector performed better than last year amid gas shortages, power outages along with security related challenges and untoward environment. In particular, industrial sector missed the target due to lower growth in Large -scale Manufacturing (LSM) and electricity generation.

But despite all these factors this segment performed pretty well and due to sustained efforts through broadening of consumer base this trend is likely to continue in FY16. Moreover, if recent oil prices prevail, power rates, transportation charges etc. are unlikely to be increased. Thus, it is expected that margins will be improved in the coming year.

Motor Bike:

The entry of Chinese motorcycle assemblers' has undoubtedly created a stiff-price competition in the motorcycle industry of Pakistan. Most of the assemblers are making credit sales but ultimately running into huger bad debts. We are making cash sales so prices are lower than the credit sales. Pakistani market for motor bikes is humongous. Efforts are being made to introduce new models to create niche market.

Road Map Ahead:

Educational Project:

15.29 acres of land has been acquired by Global Arts Limited (GAL) for the construction of a purpose designed state of the art educational campus. This campus/ building once constructed and ready for operational use will first be leased to "Society for Cultural Education" (SCE). SCE is under process of establishing one of the Asia's best University in the field of Art, Culture and Architecture Once University

chartered is granted to the Society, leased will be transferred to the University.

The land is to accommodate all the facilities and requirements of a university campus of international standard. There is sufficient area available for future expansion. The campus facilities would include sports, parking, botanical garden of endangered indigenous plants and medicinal herbs along with the educational facilities.

GAL will be receiving revenues from the following sources;

- Lease rentals linked to revenue;
- Income from provision of amenities, utilities or any other service connected with renting of building;
- Short term courses and diplomas;
- Revenue from club/gym and allied services;
- In the medium term, from running, managing and maintaining colleges and schools;

Trading of Lead Acid Batteries:

Your Company has initiated importing and trading of "lead acid batteries" (maintenance free batteries and specialized UPS batteries). First consignment was marketed in May – June of the year. Our plan is to establish channel of distribution and market of the batteries well before our own production comes in the market. We have agreement with the Daewoo International Corporation to market their brand name under the name of "Daewoo" in Pakistan.

Manufacturing of Lead Acid Batteries:

Your Company is setting up battery (lead acid) project in its subsidiary First Treet Manufacturing Modaraba (FTMM). Batteries (for vehicles/UPS) growth in the Country remained impressive in the last five to six year. This trend is likely to continue.

FTMM will build, construct, commission, procure,

erect and run/manage "lead acid battery" plant of the state of the art technology being capable of producing 2.00 million batteries per annum of various sizes and amperes for motor vehicles/ UPS. 40 acres of land has been acquired by the FTMM for the purpose.

Future Expansion / Plans:

Your Company is also seeking the feasibilities of the following avenues to harness its plans of concentric and conglomerate diversification;

- Medical Complex that will provide comprehensive and advanced state of the art healthcare facilities that meet best international standards.
- Multi-purpose Commercial Complex

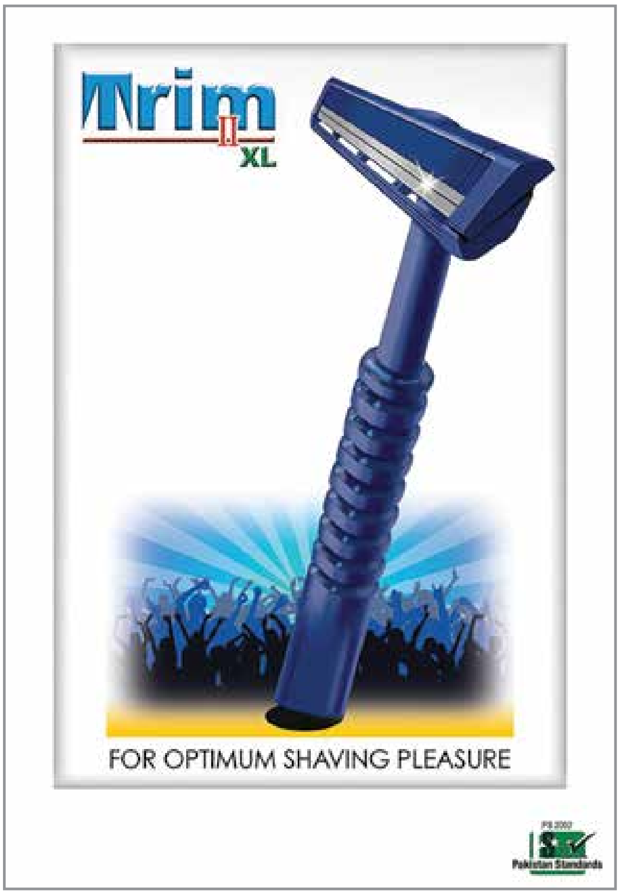
General:

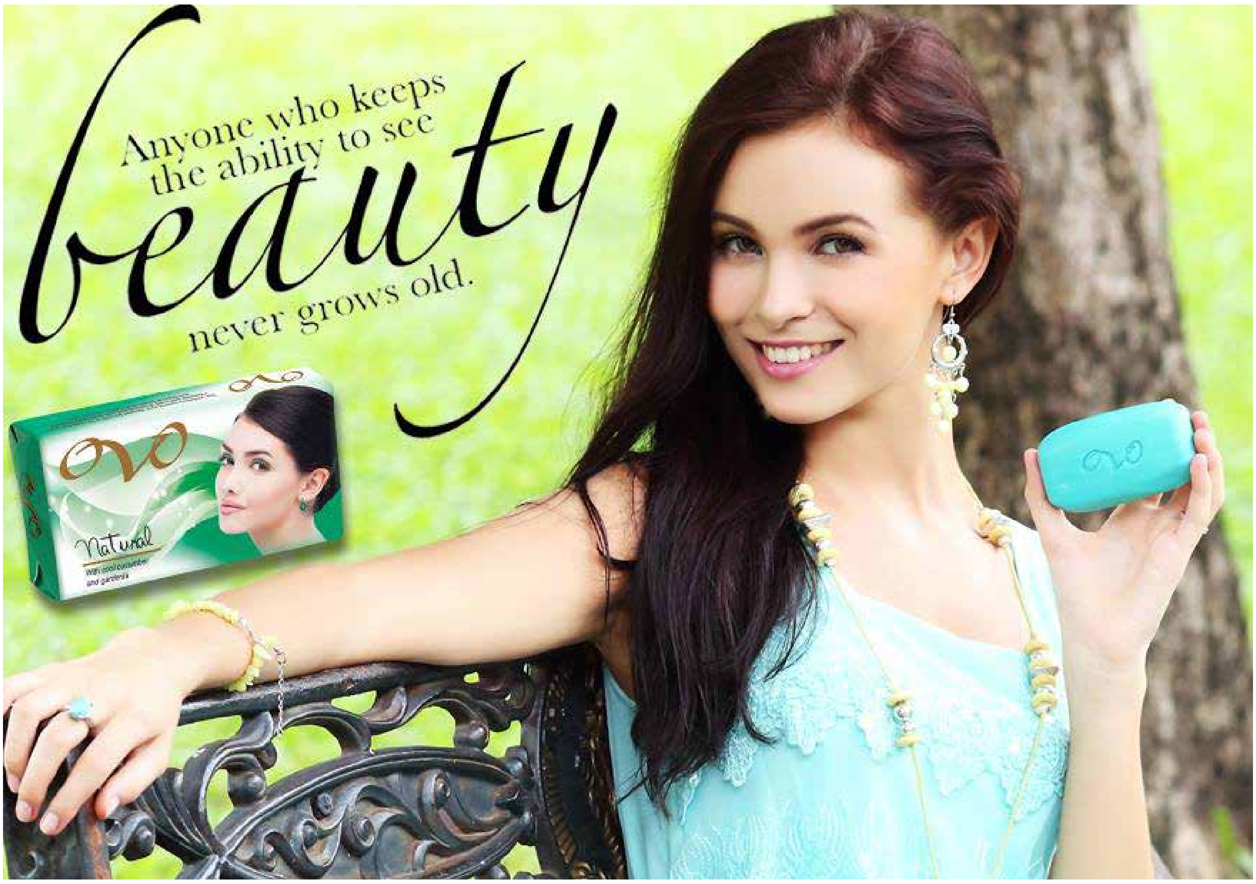
Prices of metals and commodities (agriculture) are falling due to either overproduction and/or recession at global arena. Moreover, middle- east political situation is also adding fuel to the global recession.

Although, it is affecting exports sales in the shorter term but also tendering opportunities particularly to the underdeveloped countries. How to capitalize the opportunities at the Company's level is point of concern. After June 30, 2015 your Company is taking position in crude oil through "future" buying and rolling it over from one month to another. It will cover/hedge the following areas;

- Diesel Generator (alternate power generation);
- Transportation;
- Petro Chemical Products (Plastic Material);
- Utilities [Electricity];

Moreover, your Company is also taking position in gold futures since gold generally doesn't sync with stocks or bonds over the long run. This is why gold is the best asset class during slowdowns





Acknowledgement

We wish to place on record gratitude to our valued customers for their confidence in our products and we pledge ourselves to provide them the best quality by continuously 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 the Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

SYED SHAHID ALI
Chief Executive Officer

Statement of Compliance with the Code of Corporate Governance 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name of Directors
Independent Director	i. Mr. Khurram Raza Bakhtayari
Non-Executive Directors	i. Dr. Mrs. Niloufer Qasim Mahdi ii. Mr. Imran Azim iii. Mr. Munir Karim Bana
Executive Director	i. Syed Shahid Ali Shah ii. Syed Sheharyar Ali iii. Mr. Muhammad Shafique Anjum iv. Mr. Saulat Said

*Executive Directors including Chief Executive Officer are more than 1/3rd of the elected Directors. The Company is taking appropriate steps to ensure that representation of Executive Directors on Board is not more than 1/3rd of the elected Directors.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One casual vacancy occurred on the Board during the year which was filled by the Board within stipulated time.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year under review no training program was arranged by the Company. Seven Directors out of eight meets the criteria of exemption under the clause (xi) of the Code and are accordingly exempted from the Directors' Training Program.

10. No new appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary was made during the year under review.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board Audit Committee comprises of four (4) members. Three out of four members are Non-Executive Director including Chairman of Audit Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The Terms of Reference of the Committee have been formed and advised to the committee for compliance.
17. The Board Human Resource Committee comprises of seven (7) members, of whom three (3) are Non-Executive Directors including the Chairman of the Committee.
18. An effective internal audit function exists which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. In compliance with the Code of Corporate Governance, the Board has established mechanism for an annual evaluation of its own performance.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

(SYED SHAHID ALI)
Chief Executive Officer
October 06, 2015

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Treet Corporation Limited ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulation no 35 of Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of the requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the following notes where these are stated in the Statement of Compliance

	Reference of statement of compliance	Description
i.	Note 1	As per requirements of clause i (d), executive directors i.e. paid executives of the Company from among senior management, shall not be more than one third of the elected directors, including the Chief Executive. This requirement has not been complied with as of 30 June 2015.
ii.	Note 9	As per the requirements of clause xi (b) of the Code, all listed companies shall make appropriate arrangements to carry out orientation courses for their directors to acquaint them with this code. Provided that, a minimum of one Director on the Board shall acquire the certification under the Director's Training Program offered by Institutions from 30 June 2012 to 30 June 2016. This requirement has not been complied for one director, as of 30 June 2015.

KPMG Taseer Hadi & Co

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Lahore
Date: October 06, 2015

Notice of Annual General Meeting

Notice is hereby given that Annual General Meeting of the shareholders of the Company will be held on Saturday, October 31, 2015 at 11.00 A.M. at 72-B, Industrial Area, Kot Lakhpat, Lahore the Registered Office of the Company to transact the following business:-

Ordinary Business:

1. To confirm the Minutes of Extraordinary General Meeting held on March 31, 2015.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the Year Ended June 30, 2015 together with the report to the shareholders and Auditors Report thereon.
3. To approve Final Cash Dividend of Re. 1/- per share i.e. 10% for the Year Ended June 30, 2015 as recommended by the Board of Directors.
4. To appoint External Auditors of the Company for the year ending June 30, 2016 and to fix their remuneration. The retiring Auditors M/S. KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.

Special Business:

5. To consider and approve the grant of "Stock Option" under Treet Corporation Limited – Employees Stock Option Scheme to the eligible employees of subsidiary companies.
6. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore: October 06, 2015

(Rana Shakeel Shaukat)
Company Secretary

Notes:

a. The share transfer Books of the Company will remain closed from October 24, 2015 to October 31, 2015 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at the Registered Office of the company by the close of business on October 23, 2015 will be considered in time for the purpose of entitlement.

b. Any member of the Company entitled to attend and vote may appoint his/her proxy to attend and vote instead of him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

c. The shareholders having shares deposited with the CDC are requested to bring their original CNIC or Passport and CDC account number for verification.

d. Members are requested to promptly notify the Company of any change in their addresses.

e. Tax Implications on dividends

Increased Tax Rates on Filers/ Non-Filers through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

a) For Filers of Income Tax return 12.5%

b) For Non-Filers of Income Tax return 17.5%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at http:// fbr.gov.pk.

The Company will check each shareholder's status on the latest ATL available at the first day of Book Closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer', withholding tax rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars, mentioning their Folio No. and the name of the Company.

f. Taxation for Joint Shareholders

The FBR has clarified that where the shares are held in joint accounts/ names, each account/ joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company M/s Corplink (Private) Limited in the following format:

Folio/ CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/joint Shareholder

Notice of Annual General Meeting

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

g. Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax

As per FBR Circulars No. 1(29)WHT/2006 dated 30 June 2010 and C.No.1(43)DG(WHT)/2008-Vol. II-66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrars before book closure otherwise tax will be deducted on dividend as per applicable rates.

h. Submission of copies of CNICs:

In accordance with the notification of the Securities and Exchange Commission of Pakistan, SRO 831(I) 2012 dated 5 July, 2012, dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Members who have not yet submitted copy of their valid CNIC / NTN (in case of corporate entities) are requested to submit the same to the Company, with Members' folio no. mentioned thereon, before book closure date. It may kindly be noted that in case of non-receipt of the copy of valid CNIC, the Company would be constrained to withhold dispatch of dividend warrants

STATEMENTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

The material facts concerning the special business to be transacted at the Annual General Meeting are given below:

Grant of Option:

			Share Price (Option Price)			Minimum Period		Exercise Period					
Date of Grant	Financial Year	Date of Entitlement	from	to	Weighted Average Price	from	to	from	to	Grant of Option	Share Outstanding (at Date of Grant)	No. of Options Granted	No. of Employees
14/7/2015	2014-2015	1/7/2015	14/4/2015	13/7/2015	90.58	15/7/2015	14/7/2016	15/7/2016	15/7/2017	2.97%	53,950,701	1,604,800	210.00

List of Employees of Subsidiary Company i.e Treet HR Management (Private) Limited

Sr. No.	Date of Grant	Financial Year	Expiry Period	Name of Entitled Employees	Option Granted (Nos.)
1	14/Jul/15	2014-2015	14/Jul/17	REHAN RASHEED	3,500
2	14/Jul/15	2014-2015	14/Jul/17	QASSAR ABBAS	2,400
3	14/Jul/15	2014-2015	14/Jul/17	MOHAMMAD MANSHA	3,000
4	14/Jul/15	2014-2015	14/Jul/17	HAFIZ SHAHID MAHMOOD	2,600
5	14/Jul/15	2014-2015	14/Jul/17	AMER SAEED	1,600
6	14/Jul/15	2014-2015	14/Jul/17	ADNAN RASHID KHAN	1,300
7	14/Jul/15	2014-2015	14/Jul/17	KAMRAN KALIM	1,100
8	14/Jul/15	2014-2015	14/Jul/17	ZAHEER AHMED MALIK	1,500
9	14/Jul/15	2014-2015	14/Jul/17	SALEEM FAZAL	700
10	14/Jul/15	2014-2015	14/Jul/17	TARIQ HAMEED KHAN	1,600
11	14/Jul/15	2014-2015	14/Jul/17	WAQAR SAHI	3,000
12	14/Jul/15	2014-2015	14/Jul/17	SAJJAD HAIDER KHAN	9,700
13	14/Jul/15	2014-2015	14/Jul/17	ISRAR-UL-HAQ	8,800
14	14/Jul/15	2014-2015	14/Jul/17	ABU ASFAR-ULLAH ALAM	6,300
15	14/Jul/15	2014-2015	14/Jul/17	IMRAN MUNAWAR	4,400
16	14/Jul/15	2014-2015	14/Jul/17	SHAKEEL AHMED	7,300
17	14/Jul/15	2014-2015	14/Jul/17	IMRAN AZIZ	27,800
18	14/Jul/15	2014-2015	14/Jul/17	S.ALI ZULQARNAIN BUKHARI	13,100
19	14/Jul/15	2014-2015	14/Jul/17	IMRAN AHMED TOOR	2,500
20	14/Jul/15	2014-2015	14/Jul/17	NISAR UL HAQ	1,800
21	14/Jul/15	2014-2015	14/Jul/17	ZUBAIR HASSAN	2,500
22	14/Jul/15	2014-2015	14/Jul/17	DANISH CHRISTOPHER	1,900
23	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD ADEEL AMJAD	2,200
24	14/Jul/15	2014-2015	14/Jul/17	UMAR FAROOQ	2,500
25	14/Jul/15	2014-2015	14/Jul/17	SAJJAD AHMED FAKHRI	2,800
26	14/Jul/15	2014-2015	14/Jul/17	GHAZANFAR ALI	1,500
27	14/Jul/15	2014-2015	14/Jul/17	TARIQ RASHEED	4,500

List of Employees of Subsidiary Company i.e Treet HR Management (Private) Limited

Sr. No.	Date of Grant	Financial Year	Expiry Period	Name of Entitled Employees	Option Granted (Nos.)
28	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD SHAMROSE KHAN	2,500
29	14/Jul/15	2014-2015	14/Jul/17	REHAN TARIQ GHORY	5,100
30	14/Jul/15	2014-2015	14/Jul/17	NASAR HAYAT	2,500
31	14/Jul/15	2014-2015	14/Jul/17	ASLAM TUFAIL	1,000
32	14/Jul/15	2014-2015	14/Jul/17	PERVEZ TERLOKA	700
33	14/Jul/15	2014-2015	14/Jul/17	UZMA SHEIKH	2,200
34	14/Jul/15	2014-2015	14/Jul/17	AHMED JAMAL SIDDIQUI	2,300
35	14/Jul/15	2014-2015	14/Jul/17	HAMMAD AHMED	3,000
36	14/Jul/15	2014-2015	14/Jul/17	ZAFAR IQBAL	900
37	14/Jul/15	2014-2015	14/Jul/17	KAMRAN AHMED	1,000
38	14/Jul/15	2014-2015	14/Jul/17	SALMAN ASIF	2,200
39	14/Jul/15	2014-2015	14/Jul/17	AHMAD ALI	700
40	14/Jul/15	2014-2015	14/Jul/17	MOBEEN AKHTAR	5,000
41	14/Jul/15	2014-2015	14/Jul/17	CH. MUHAMMAD AMIN	800
42	14/Jul/15	2014-2015	14/Jul/17	AZAM TARIQ GHORI	9,500
43	14/Jul/15	2014-2015	14/Jul/17	KHAWAJA AMER RAHMAN	3,300
44	14/Jul/15	2014-2015	14/Jul/17	WAQAS ALI	1,200
45	14/Jul/15	2014-2015	14/Jul/17	WAQAR AHMED RANA	4,300
46	14/Jul/15	2014-2015	14/Jul/17	ADNAN KHAN JALWANA	3,300
47	14/Jul/15	2014-2015	14/Jul/17	SYED BASHARAT AHMED	6,600
48	14/Jul/15	2014-2015	14/Jul/17	MAHMOOD ASLAM	1,800
49	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD ALI RAZA	1,600
50	14/Jul/15	2014-2015	14/Jul/17	WAQAR AFTAB SHERWANI	4,600
51	14/Jul/15	2014-2015	14/Jul/17	AZHAR IQBAL	1,000
52	14/Jul/15	2014-2015	14/Jul/17	TARIQ MAHMOOD	1,100
53	14/Jul/15	2014-2015	14/Jul/17	ANEES QAMAR	1,000
54	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD HUSSAIN	1,000

List of Employees of Subsidiary Company i.e Treet HR Management (Private) Limited

Sr. No.	Date of Grant	Financial Year	Expiry Period	Name of Entitled Employees	Option Granted (Nos.)
55	14/Jul/15	2014-2015	14/Jul/17	SOHAIL KHALID	1,200
56	14/Jul/15	2014-2015	14/Jul/17	KASHIF SALEEM	700
57	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD SOHAIB USMAN	1,200
58	14/Jul/15	2014-2015	14/Jul/17	HAJRA NOREEN	4,300
59	14/Jul/15	2014-2015	14/Jul/17	WAJAHAT RAZA	600
60	14/Jul/15	2014-2015	14/Jul/17	WAQAS KHALID KHAN	2,300
61	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD KASHIF ZIA	1,200
62	14/Jul/15	2014-2015	14/Jul/17	MUZAFFAR IQBAL HASSAN	1,400
63	14/Jul/15	2014-2015	14/Jul/17	SEHRISH ATHAR	900
64	14/Jul/15	2014-2015	14/Jul/17	ZAHEER AHMAD	1,000
65	14/Jul/15	2014-2015	14/Jul/17	AIJAZ UDDIN	1,400
66	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD AMMAR QADEER	1,300
67	14/Jul/15	2014-2015	14/Jul/17	KHALID MEHMOOD	3,400
68	14/Jul/15	2014-2015	14/Jul/17	MUSTAFA ALI KHAN	2,300
69	14/Jul/15	2014-2015	14/Jul/17	UMAR ALI JAVED	1,500
70	14/Jul/15	2014-2015	14/Jul/17	ABDUL QUDOOS	1,200
71	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD DANIYAL MASROOR	1,300
72	14/Jul/15	2014-2015	14/Jul/17	ASIF ALI ZAHID	500
73	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD SHOAIB ISHAQUE	6,200
74	14/Jul/15	2014-2015	14/Jul/17	AAMER HASEEB QAZI	1,900
75	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD SHARIF	1,900
76	14/Jul/15	2014-2015	14/Jul/17	AMER ASHRAF	2,000
77	14/Jul/15	2014-2015	14/Jul/17	SAUD AHMAD SIDDIQUI	1,400
78	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD ARIF	2,500
79	14/Jul/15	2014-2015	14/Jul/17	ASGHAR MUSHTAQ	1,900
80	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD UMAR EJAZ	3,900
81	14/Jul/15	2014-2015	14/Jul/17	CH.KAMRAN HAFEEZ	2,000

List of Employees of Subsidiary Company i.e Treet HR Management (Private) Limited

Sr. No.	Date of Grant	Financial Year	Expiry Period	Name of Entitled Employees	Option Granted (Nos.)
82	14/Jul/15	2014-2015	14/Jul/17	ABID HASSAN	600
83	14/Jul/15	2014-2015	14/Jul/17	ROHAIL ILYAS	1,500
84	14/Jul/15	2014-2015	14/Jul/17	ALI RAZA	2,600
85	14/Jul/15	2014-2015	14/Jul/17	SYED WASEEM TAHIR	800
86	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD AZAM TOOR	500
87	14/Jul/15	2014-2015	14/Jul/17	SYED MUHAMMAD SALMAN	1,500
88	14/Jul/15	2014-2015	14/Jul/17	FARHAAN ABID RAO	3,600
89	14/Jul/15	2014-2015	14/Jul/17	HAFIZ M. TAYYAB YOUNAS	400
90	14/Jul/15	2014-2015	14/Jul/17	NAUMAN AKBAR	400
91	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD IRFAN AKRAM	1,200
92	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD ISHAQ	1,000
93	14/Jul/15	2014-2015	14/Jul/17	M. ALI IMRAN PIRZADA	400
94	14/Jul/15	2014-2015	14/Jul/17	NAVEED AHMAD KHAN	500
95	14/Jul/15	2014-2015	14/Jul/17	ATTA UR REHMAN	700
96	14/Jul/15	2014-2015	14/Jul/17	SHEIKH TAMOOR SAEED	800
97	14/Jul/15	2014-2015	14/Jul/17	HAMAD MEHMOOD	5,800
98	14/Jul/15	2014-2015	14/Jul/17	QANBAR ABBAS	900
99	14/Jul/15	2014-2015	14/Jul/17	SYED WAJAHAT ALI	2,800
100	14/Jul/15	2014-2015	14/Jul/17	ASAD NAWAZ	1,000
101	14/Jul/15	2014-2015	14/Jul/17	RAFIA AZHAR	500
102	14/Jul/15	2014-2015	14/Jul/17	MASOOD UL HASSAN	6,200
103	14/Jul/15	2014-2015	14/Jul/17	SOHAIB IJAZ	700
104	14/Jul/15	2014-2015	14/Jul/17	MUHAMMAD AHMAD	2,000
105	14/Jul/15	2014-2015	14/Jul/17	JAMAL ARSHAD	2,100
					282,000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DAEWOO
100% MAINTENANCE FREE BATTERY
A hassle free powerfull battery that runs TWICE as long.
POWERED BY
HEAVY CALCIUM PLATES TECHNOLOGY
Fast Recharge, Quick Start and Long Life
Extra Back-up and Power due to Full Amperage
No Need to Add Water
1YEAR
Free
Replacement
Warranty
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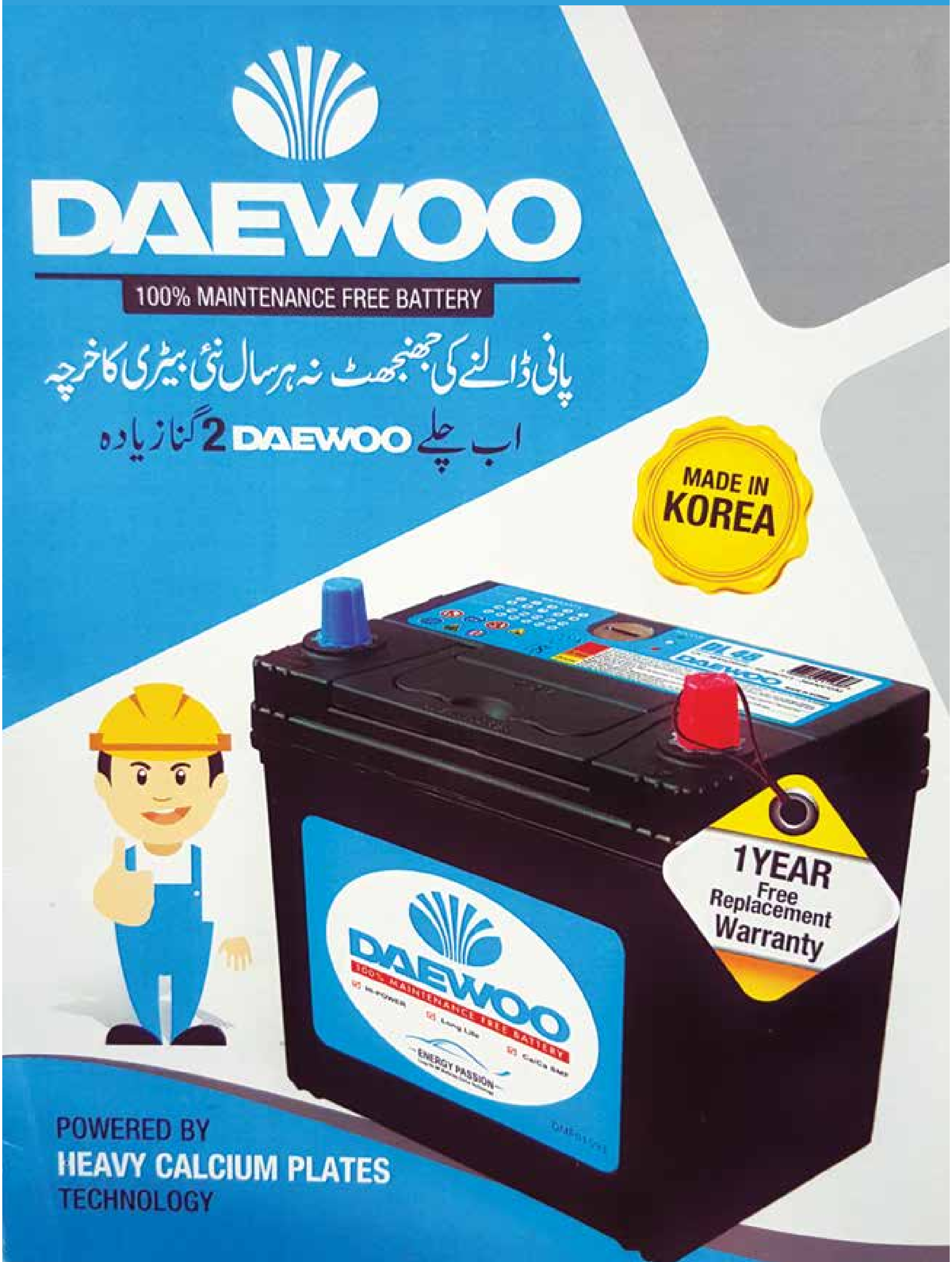

DAEWOO
100% MAINTENANCE FREE BATTERY
پانی ڈالنے کی جھنجھٹ نہ ہر سال نئی بیٹری کا خرچہ
اب چلے DAEWOO 2 گنا زیادہ
MADE IN KOREA
1YEAR
Free Replacement Warranty
DAEWOO
POWERED BY
HEAVY CALCIUM PLATES
TECHNOLOGY

Consolidated Financial Statements

For the year ended 30 June 2015

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Treet Corporation Limited** ("the Holding Company") and its subsidiary companies as at 30 June 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Treet Corporation Limited and its subsidiary company, First Treet Manufacturing Modaraba. The financial statements of other subsidiary companies, Treet Holdings Limited (formerly Global Econo Trade Limited), Treet HR Management (Private) Limited (formerly TCL Labor-Hire Company (Private) Limited), Global Arts Limited (formerly Treet Services Limited) and Treet Power Limited, were audited by another firm of auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such companies, is based solely on the reports of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the consolidated financial position of Treet Corporation Limited and its subsidiary companies as at 30 June 2015 and the consolidated results of their operations for the year then ended.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Lahore
Date: October 06, 2015

Consolidated Balance Sheet

As at 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	4,174,580	3,081,461
Investment property	7	28,100	-
Long term investments	8	260,765	234,646
Long term loans	9	16,932	17,066
Long term deposits	10	29,413	33,756
Deferred tax assets	23	18,649	-
		4,528,439	3,366,929
Current assets			
Stores and spares	11	221,793	235,011
Stock-in-trade	12	1,286,841	968,903
Trade debts	13	482,818	613,934
Short term investments	14	844,102	632,327
Loans, advances, deposits, prepayments and other receivables	15	836,690	677,046
Cash and bank balances	16	2,790,287	662,752
		6,462,531	3,789,973
Non-current assets held for sale		-	88,473
		6,462,531	3,878,446
Liabilities			
Current liabilities			
Current portion of non-current liabilities	22	179,417	179,417
Short term borrowings	17	1,806,375	797,357
Trade and other payables	18	621,467	591,610
Accrued mark-up	19	302,408	299,513
Provision for taxation		61,006	43,656
		2,970,673	1,911,553
Net current assets		3,491,858	1,966,892
Non-current liabilities			
Long term deposits	20	750	467
Long term liability against purchase of land	21	169,093	-
Redeemable capital	22	716,417	895,834
Deferred liabilities	23	153,635	184,946
		1,039,895	1,081,247
Contingencies and commitments	24		
		6,980,402	4,252,574
Represented by:			
Authorized capital			
150,000,000 (2014: 70,000,000) ordinary shares of Rs. 10 each		1,500,000	700,000
10,000,000 (2014: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		1,600,000	800,000
Issued, subscribed and paid-up capital	25	539,507	510,231
Reserves	26	1,314,473	1,108,785
Advance against issue of shares	27	2,421,612	-
Unappropriated profit		1,371,939	1,275,337
Owner's equity		5,647,531	2,894,353
Non-controlling interest		2,388	2,262
		5,649,919	2,896,615
Surplus on revaluation of property, plant and equipment	28	1,330,483	1,355,959
		6,980,402	4,252,574

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Profit and Loss Account

For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Continuing operations			
Sales - net	29	6,900,175	7,008,496
Cost of sales	30	5,462,785	5,592,897
Gross profit		1,437,390	1,415,599
Administrative expenses	31	226,048	161,485
Distribution cost	32	951,174	959,599
		1,177,222	1,121,084
Operating profit		260,168	294,515
Finance cost	33	397,035	363,863
Other operating expenses	34	1,139	7,794
		398,174	371,657
Other income	35	327,811	288,610
Share of profit of associate		60,825	44,485
		250,630	255,953
Workers' profit participation fund		4,393	11,424
Workers' welfare fund	18.3	(3,667)	4,324
		726	15,748
Profit before taxation		249,904	240,205
Taxation			
- Group	36	(49,860)	1,353
- Associate	8.2.1	21,779	10,608
		(28,081)	11,961
Profit after taxation from continuing operations		277,985	228,244
Discontinued operations			
Net (loss)/ profit for the year from discontinued operations	37	(35,772)	6,317
Taxation		-	-
		(35,772)	6,317
Profit		242,213	234,561
Attributable to:			
Equity holders of the parent		242,015	234,436
Non-controlling interest		198	125
		242,213	234,561
Earnings per share - basic (Rupees)	44	4.57	4.90
			(Restated)
Earnings per share - diluted (Rupees)		3.05	3.16
Earnings per share - continuing operations			
Earnings per share - basic (Rupees)		5.25	4.90
Earnings per share - diluted (Rupees)	44	3.51	3.16

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

LAHORE October 06, 2015	Syed Shahid Ali Chief Executive Officer	Muhammad Shafique Anjum Director

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Profit after taxation		242,213	234,561
Other comprehensive income			
Items that are or may be subsequently reclassified to profit or loss:			
Realized gain on disposal of investment classified as held for sale reclassified to profit and loss account		(48)	(1,638)
Unrealized loss on available for sale investments		-	(1)
Unrealized gain/(loss) on available for sale investments including Group's share in associate		522	(1,706)
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement of defined benefit obligation - net of tax		(7,498)	(26,766)
Surplus on revaluation of land and building	i	-	-
Total comprehensive income for the year		235,189	204,450
Attributable to:			
Equity holders of the parent		234,991	204,325
Non-controlling interest		198	125
		235,189	204,450

i) Surplus on revaluation of property, plant and equipment is presented under separate head below equity as "Surplus on revaluation of land and buildings" in accordance with the requirements of section 235 of Companies Ordinance, 1984.

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Cash Flow Statement

For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Cash generated from operations	42	132,864	458,177
Finance cost paid		(394,140)	(357,906)
Taxes paid		(47,582)	(126,909)
WPPF and WWF paid		(13,186)	(16,308)
Payment to gratuity fund and superannuation fund		(23,285)	(25,357)
		(478,193)	(526,480)
Net cash (used in) / generated from operating activities		(345,328)	(68,303)
Cash flows from investing activities			
Fixed capital expenditure		(1,238,656)	(304,110)
Proceeds from sale of property, plant and equipment		144,944	36,179
Proceeds from sale of non current assets held for sale		104,000	-
Long term investments		93,528	10,757
Long term loans and deposits		4,477	(10,844)
Interest received		31,317	17,007
Profit attributed received		10,731	12,031
Net cash used in investing activities		(849,659)	(238,980)
Cash flows from financing activities			
Long term deposits		283	(2,064)
Proceeds from participation term certificates		(6,273)	(6,273)
Proceeds from issue of shares		2,421,612	501,867
Short term borrowings		397,948	127,247
Profit attributed paid		(102,118)	(82,697)
Net cash generated from financing activities		2,711,452	538,080
Net increase in cash and cash equivalents		1,516,465	230,797
Cash and cash equivalents at the beginning of year		530,227	299,430
Cash and cash equivalents at the end of year	43	2,046,692	530,227

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

			Capital Reserves			Revenue Reserves				
	Share Capital	Advance against issue of share capital	Capital Reserve	Fair Value Reserve	Statutory Reserve	General Reserve	Un-appropriated Profit	Total equity attributable to shareholders of parent company	Non - controlling Interest	Total shareholders equity
	---(Rupees in thousand)---									
Balance as at 30 June 2013	418,222	-	8,949	1,687	212,091	266,400	1,186,157	2,093,506	2,207	2,095,713
Total comprehensive income for the year										
Profit for the year	-	-	-	(1)	-	-	234,436	234,435	125	234,560
Other comprehensive income	-	-	-	(3,344)	-	-	(26,766)	(30,110)	-	(30,110)
	-	-	-	(3,345)	-	-	207,670	204,325	125	204,450
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	-	5,154	5,154	-	5,154
Transactions with owners										
Final Profit attributed @ 20 % for the year ended 30 June 2013	-	-	-	-	-	-	(83,644)	(83,644)	-	(83,644)
Conversion of PTCs into ordinary shares @ 0.07 shares per PTC	29,276	-	143,869	-	-	-	-	173,145	-	173,145
Right issue of ordinary shares @ 15%	62,733	-	439,134	-	-	-	-	501,867	-	501,867
Transferred to statutory reserve	-	-	-	-	40,000	-	(40,000)	-	-	-
Profit attributed paid to non-controlling interest	-	-	-	-	-	-	-	-	(70)	(70)
	92,009	-	583,003	-	40,000	-	(123,644)	591,368	(70)	591,298
Balance as at 30 June 2014	510,231	-	591,952	(1,658)	252,091	266,400	1,275,337	2,894,353	2,262	2,896,615
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	242,015	242,015	198	242,213
Other comprehensive income	-	-	-	474	-	-	(7,498)	(7,024)	-	(7,024)
	-	-	-	474	-	-	234,517	234,991	198	235,189
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	-	25,476	25,476	-	25,476
Transactions with owners										
Conversion of PTCs into ordinary shares @ 0.07 shares per PTC	29,276	-	143,869	-	-	-	-	173,145	-	173,145
Final Profit attributed @ 20 % for the year ended 30 June 2014	-		-	-	-	-	(102,046)	(102,046)	-	(102,046)
Advance received during the year (note 27)		2,421,612						2,421,612	-	2,421,612
Transferred to statutory reserve	-	-	-	-	61,345	-	(61,345)	-	-	-
Profit attributed paid to non-controlling interest	-	-	-	-	-	-	-	-	(72)	-
	29,276	2,421,612	143,869	-	61,345	-	(163,391)	2,492,711	(72)	2,492,711
Balance as at 30 June 2015	**539,507**	**2,421,612**	**735,821**	**(1,184)**	**313,436**	**266,400**	**1,371,939**	**5,647,531**	**2,388**	**5,649,991**

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

1 Status and nature of the business

The Group comprises of :

Holding Company

- Treet Corporation Limited

	2015	2014
	(Holding percentage)	
Subsidiary companies		
- Treet Holdings Limited (formerly Global Econo Trade Limited)	100%	100%
- First Treet Manufacturing Modaraba	99.8%	99.8%
- Treet HR Management (Private) Limited (formerly TCL Labor-Hire Company (Private) Limited)	100%	100%
- Global Arts Limited (formerly Treet Services Limited)	100%	100%
- Treet Power Limited	100%	100%
Associate		
Loads Limited	20.82%	20.82%

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 Karachi, Lahore and Islamabad Stock Exchanges. 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.

Treet Holdings Limited (formerly Global Econo Trade Limited) was incorporated in Pakistan on 21 October 2004 as a private limited company under the Companies Ordinance, 1984. Treet Holdings Limited (formerly 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 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.

First Treet Manufacturing Modaraba is a multipurpose, perpetual and multidimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 on 27 July 2005 and rules framed there under and is managed by Treet Holdings Limited (formerly Global Econo Trade Limited), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with registrar of Modaraba Companies. Its registered office is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. First Treet Manufacturing Modaraba is listed on Lahore Stock Exchange and is engaged in the manufacture and sale of corrugated boxes and soaps.

During the year, the Modaraba Management Company sold Modaraba's Paper and Board Mill segment as referred to in note 37 to these consolidated financial statements, separate disclosure of discontinued operations has been disclosed and the figures of prior period have been restated, wherever required in accordance with the requirements of IFRS-5 - "Non-current assets held for sale and discontinued operations".

Treet HR Management (Private) Limited (formerly TCL Labor-Hire Company (Private) Limited) was incorporated in Pakistan on September 18, 2006 as a private company limited by shares 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 (Formerly Global Econo Trade Limited), which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Global Arts Limited (formerly Treet Services Limited) was incorporated in Pakistan on October 26, 2007 as a private company limited by shares under the Companies Ordinance, 1984. The Company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services (Private) Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited - an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

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.

Basis of Consolidation

These consolidated financial statements comprise the financial statements of the holding company, its subsidiary companies and its associate as at 30 June 2015.

(a) Subsidiaries

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Holding Company have been eliminated against the shareholders' equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the holding company, using consistent accounting policies.

All intracompany balances, transactions, income and expenses and profits and losses resulting from intracompany transactions that are recognized in assets, are eliminated in full.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the holding company obtains control, and continue to be consolidated until the date that such control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as Goodwill.

Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the holding company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Non-controlling interest is recorded at fair value at the time of acquisition.

(b) Associates

Associates are all entities over which the Group has significant influence but not control. The Group's share of its associate's post-acquisition profit or loss is recognized in the profit and loss account, its share of post-acquisition other comprehensive income is recognized in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognized in balance sheet. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for investments classified as investments at fair value through profit or loss and available for sale which are stated at fair value and obligations in respect of superannuation and gratuity schemes which are measured at present value, while freehold land and buildings are stated at revalued amounts. In these consolidated financial statements, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

2.3 Functional and presentational currency

These consolidated financial statements are presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees.

3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

		Note
-	Employee retirement benefits	5.1
-	Provision for taxation	5.2
-	Residual values and useful lives of property, plant and equipment	5.3
-	Impairment	5.9
-	Provisions	5.20
-	Contingent liabilities	5.25

4 New and revised approved accounting standards, interpretations and amendments thereto

Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 01 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 01 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped off the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 01 January 2016.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 01 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 01 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a Group can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The adoption of above standards or amendments are not likely to have an impact on these consolidated financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments do not have an impact on the consolidated financial statements of the Group.

5 Summary of significant accounting policies

5.1 Employee retirement benefits

Defined contribution plans

The Group has maintained four contributory schemes for the employees, namely provident fund, service fund, housing fund and benevolent fund.

i) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Provident Fund" is in operation covering all permanent employees. Equal monthly contributions are made both by the Group and employees in accordance with the rules of the scheme @ 10% of the basic salary.

ii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employee Service Fund" is in operation which covers all permanent management employees. In accordance with the rules of the scheme, equal monthly contributions are made both by the Group and employees @ 10% of basic salary from the date the employee gets permanent status. Additional contributions may be made by the Group for those employees who have at most 15 years of service remaining before reaching retirement age, however, employees can start their additional contribution above the threshold limit of 10% of the basic salary at any time.

iii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Benevolent Fund" in operation for the benefit of employees if the employee opts for the scheme. The contributions to the fund are made @ 10% of employees basic salary on monthly basis by both employee and the employer. Periodic bonuses by the Group to all the employees in any year, not exceeding one month's basic salary of an employee, is credited to his personal account in the Fund at the sole discretion of the Group.

iv) An unrecognized contributory fund scheme namely, "Treet Corporation Limited - Group Employees Housing Fund Scheme" is in operation covering permanent management employees with minimum five years of service with the Group. Equal contributions are made monthly both by the Group and employees in accordance with the rules of the Scheme at 20% of the basic pay.

Defined benefit plans

An approved funded gratuity scheme and a funded superannuation scheme is in operation for all employees with qualifying service periods of six months and ten years respectively. These are operated through "Treet Corporation Limited - Group Employees Gratuity Fund" and "Treet Corporation Limited - Group Employee Superannuation Fund", respectively. The Group's net obligation in respect of defined benefit plans is calculated separately for plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculating results in potential assets for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

Re-measurement of net defined benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Group determines net interest expense/(income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

5.2 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account available tax credits and tax rebates. The charge for current tax includes adjustments to charge for prior years, if any.

Tax has not been provided for with respect to the income of First Treet Manufacturing Modaraba, as the Modaraba intends to avail income tax exemption by distributing 90% of its profits to the certificate holders.

Deferred

Deferred tax is recognized for using the balance sheet liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and/or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.3 Property, plant and equipment

These are carried at cost except for freehold land and buildings, which are stated at revalued amount. However, freehold land and buildings which were purchased subsequent to last revaluation date are carried at cost.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

Capitalization threshold

Following are the minimum threshold limits for capitalization of individual items:

Particulars	Rupees
Building on free hold land	50,000
Plant and machinery	10,000
Office equipments	8,000
Furniture and fixture	10,000
Others	10,000

On disposal or scrapping, the cost of the assets and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the profit and loss account.

Depreciation is charged to income, unless it is included in the carrying amount of another asset, on straight-line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 6.1.

Depreciation on additions is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Incremental depreciation charged for the period on revalued assets is transferred from surplus on revaluation of fixed assets to retained earnings during the year.

Residual value and the useful life of assets are reviewed at least at each financial year-end. The useful life of buildings on freehold land were revised in the current year as stated in note 6.1.2.

Assets which have been fully depreciated, are retained in the books at a nominal value of Rupee 1.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to expense as and when incurred.

5.4 Capital work-in-progress

Capital work-in-progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use. Capital work in progress is stated at cost, less any identified impairment loss.

5.5 Investment property

Property not held for own use or for the sale in the ordinary course of business is classified as investment property. The investment properties of the Group comprised of land and buildings and are valued using the cost method and are stated at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property other than freehold land is charged to profit and loss account on straight line method so as to write off the depreciable amount of building over its estimated useful life at the rate of 5 per cent per annum. Depreciation on additions is charged from the day the property becomes available for use till the day the property is fully depreciated or disposed off.

The property's residual values, depreciation method and useful life are reviewed at each balance sheet date and adjusted if the impact on depreciation is significant.

On disposal, the cost of the property and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the profit and loss account.

5.6 Non-current assets held for sale

Non-current asset are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

5.7 Investments

Investments available for sale

Investments classified as investments available for sale are initially recognized at cost, being the fair value of consideration given. At subsequent dates, these investments are re-measured at fair values (quoted market price), unless fair value cannot be measured reliably. The investment for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Unrealized gains and losses arising from changes in fair values are directly recognized in equity in the period in which these arise.

All purchases and sales of investments are recognized on the trade date which is the date that the Group commits to purchase or sell the investment. Cost of purchase includes transaction cost.

At each balance sheet date, the Group reviews the carrying amounts of the investment to assess whether there is any indication that any investment has suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity that the Group has the intent and ability to hold to maturity are classified as held-to-maturity investments. These are initially recognized on trade date at cost and derecognized by the Group on the date it commits to sell them off. At each balance sheet date held-to-maturity investments are stated at amortized cost using the effective interest rate method.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of generating profits from short term fluctuations in price or dealer margin are classified as "Investments at fair value through profit or loss account". These are initially recognized on trade date at cost and derecognized by the Group on the date it commits to sell them off. At each balance sheet date, fair value is determined on the basis of year-end bid prices obtained from stock exchange quotations. Any resultant increase/ (decrease) in fair value is recognized in the profit and loss account for the year.

Investments are treated as current assets where the intention is to hold these for less than twelve months from the balance sheet date, otherwise investments are treated as long-term assets.

5.8 Loans and receivables - trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

5.9 Impairment of assets

The group assesses at each balance sheet date, whether there is any indication that asset may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in income currently. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. A reversal of the impairment loss is recognized in income.

5.10 Stores and spares

These are valued at the moving average cost except for items in transit, which are valued at invoice price and related expenses incurred upto the balance sheet date. Adequate provision is made for slow moving items. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

5.11 Stock-in-trade

Stock of raw materials, packing materials, work-in-process and finished goods is valued at lower of moving average cost except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work-in-process and finished goods includes prime cost and appropriate proportion of production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

5.12 Trade debts

Trade debts are carried at original invoice amount which is the fair value of consideration receivable less an allowance for doubtful debts based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off as and when identified.

5.13 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pakistani Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the foreign exchange rates at the balance sheet date. Foreign exchange gains and losses are taken to the profit and loss account.

5.14 Revenue recognition

(i) Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods are transferred to the buyer i.e. on the dispatch of goods to the customers.

(ii) Interest / mark-up is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

(iii) Dividend is recognized as income when the right to receive payment is established.

(iv) Return on bank deposits, investments and interest on loans is accounted for on a time proportionate basis using the applicable rate of return/ interest.

(v) Other revenues are recorded on accrual basis.

5.15 Borrowing cost

Borrowing costs are interest or other costs incurred by the group in connection with the borrowing of funds. Borrowing cost that is directly attributable to qualifying assets is capitalized as part of cost of that asset.

5.16 Financial instruments

(i) Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

(ii) Financial assets are de-recognized when the Group loses control of the contractual rights that comprise the financial asset.

(iii) Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired.

(iv) The particular measurement methods adopted are disclosed in the individual policy statement associated with each item.

(v) Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

(vi) Derivative financial instruments are initially recognized at fair value; any directly attributable transaction costs are recognized in profit and loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, any changes therein are generally recognized in profit and loss account.

5.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, current and deposit account balances with banks and outstanding balance of running finance facilities availed by the Group.

5.18 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

5.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.20 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.21 Research and development costs

Research and development costs are charged to profit and loss account as and when incurred.

5.22 Dividends

Distribution to the shareholders of dividend is recognized as a liability in the period in which the Profit attributed are approved.

5.23 Segment reporting

Operating segments are reported in manner consistent with internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding the resource allocation and performance assessment.

Segment results, asset and liabilities include items directly attributable to segment as well as those that can be allocated on reasonable basis. Segment assets consists primarily of stores and spares, Stock-in-trade and trade debts. Segment liabilities consist of operating liabilities and exclude items such as taxation and corporate.

5.24 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes virtually certain.

5.25 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6 Property, plant and equipment

	Note	2015	2014
		(Rupees in thousand)	
Operating fixed assets	6.1	3,647,632	2,945,120
Capital work-in-progress	6.2	526,948	136,341
		4,174,580	3,081,461

6.1 Property, plant and equipment

	Annual rate of depreci-ation	Cost/ revalued amount as at 01 July 2014	Additions/ (Deletions)	Revaluation surplus during the year	Effect of revaluation	Cost/ revalued amount as at 30 June 2015	Accumulated depreciation as at 01 July 2014	Depreciation charge/ (deletions) for the year	Elimination of accumulated depreciation against cost on revaluation	Accumulated depreciation as at 30 June 2015	Book value as at 30 June 2015
	%	--------------------	--------------------	--------------------	--------------------	(Rupees in thousand)	--------------------	--------------------	--------------------		
Owned											
Freehold land	-	1,351,103	893,789	-	-	2,219,832	-	-	-	-	2,219,832
			(25,060)								
Buildings on free hold land	5	622,887	-	-	-	538,017	-	38,766	-	35,832	502,185
			(84,870)					(2,934)			
Buildings and civil works on leasehold land	10	4,791	-	-	-	4,791	1,438	479	-	1,917	2,874
Plant & machinery	10	1,557,062	113,038	-	-	1,565,719	718,340	119,396	-	790,900	774,819
			(104,381)					(46,836)			
Furniture and equipment	10 - 25	53,318	17,580	-	-	69,364	37,228	4,808	-	40,977	28,387
			(1,534)					(1,059)			
Vehicles	20	184,228	48,372	-	-	214,855	71,263	36,205	-	95,320	119,535
			(17,745)					(12,148)			
2015		3,773,389	1,072,779	-	-	4,612,578	828,269	199,654	-	964,946	3,647,632
		-	(233,590)	-	-	-	-	(62,977)	-	-	-

	Annual rate of depreci-ation	Cost/ revalued amount as at 01 July 2013	Additions/ (Deletions)	Revaluation surplus during the year	Effect of revaluation	Cost/ revalued amount as at 30 June 2014	Accumulated depreciation as at 01 July 2013	Depreciation charge/ (deletions) for the year	Elimination of accumulated depreciation against cost on revaluation	Accumulated depreciation as at 30 June 2014	Book value as at 30 June 2014
	%	--------------------	--------------------	--------------------	--------------------	(Rupees in thousand)	--------------------	--------------------	--------------------		
Owned											
Freehold land	-	891,093	-	460,010	-	1,351,103	-	-	-	-	1,351,103
Buildings on free hold land	5	604,286	23,694	196,711	(201,804)	622,887	168,863	32,941	(201,804)	-	622,887
Buildings and civil works on leasehold land	10	4,791	-	-	-	4,791	959	479	-	1,438	3,353
Plant & machinery	10	1,144,722	415,316	-	-	1,557,062	635,995	85,321	-	718,340	838,722
			(2,976)					(2,976)			
Furniture and equipment	10 - 25	47,920	6,232	-	-	53,318	33,923	3,794	-	37,228	16,090
			(834)					(489)			
Vehicles	20	177,009	51,680	-	-	184,228	69,740	33,074	-	71,263	112,965
			(44,461)					(31,551)			
2014		2,869,821	496,922	656,721	(201,804)	3,773,389	909,480	155,609	(201,804)	828,269	2,945,120
		-	(48,271)	-		-	-	(35,016)		-	-

		Note	2015	2014
			(Rupees in thousand)	
6.1.1	**Depreciation charge for the year has been allocated as follows:**			
	Cost of goods sold - blades	30.1	124,823	78,426
	Cost of goods sold - soap	30.2	2,809	2,758
	Cost of goods sold - packaging solutions- corrugated boxes	30.3	27,203	23,823
	Cost of goods sold - bike	30.4	2,044	1,218
	Cost of goods sold - paper and board mill	30.5	2,934	15,087
			159,813	121,312
	Administrative expenses	31	31,526	26,838
	Distribution cost	32	8,315	7,459
			199,654	155,609

6.1.2 Building on freehold land was revalued as of 30 June 2014 and a review of useful life of assets has resulted in changes in the expected usage of buildings on freehold land. The remaining useful lives of the buildings has been reassessed to 20 years from the revaluation date. The change in estimate of useful life has been applied prospectively as required under IAS 8 Accounting policies, changes in accounting estimates and errors.

6.1.3 Land and buildings were last revalued on 30 June 2014 by M/s Zafar Iqbal & Co (PBA approved valuators, inspectors and engineers) resulting in surplus of Rs. 656.72 million. Land was revalued on the basis of current market value and buildings have been revalued on the basis of replacement value.

6.1.4 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

	2015	2014
	(Rupees in thousand)	
Land	1,063,327	231,236
Buildings	296,369	352,667
	1,359,696	583,903

6.1.5 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Profit	Sale proceeds	Mode of disposal	Sold to employees
	------- (Rupees in thousand) -------						
Plant							
UPS 20 KVA	530	255	275	31	306	Insurance claim	Claim from IGI Insurance
Furniture & Equipments							
Networking Tower Bridge	132	72	60	-	60	Negotiation	Mian Munawar Latif
Vehicles							
Suzuki Bolan	559	487	72	492	564	Stolen	Claim from IGI Insurance
							Employees
Toyota Corolla	520	293	227	293	520	Company scheme	- Mr. Kashif Ali
Suzuki Cultus	520	217	303	217	520	Company scheme	- Mr. Jawad Ahmad
Suzuki Mehran	650	271	379	271	650	Company scheme	- Mr. Safdar Khan
Toyota Prius	1,600	321	1,279	321	1,600	Company scheme	- Mr. Muhammad Shahid Zubair
Honda CG 125	97	42	55	42	97	Company scheme	- Mr. Imran Toor
Honda 100 CC	83	29	54	29	83	Company scheme	- Mr. Zafar Iqbal
Honda CG 125	103	3	99	3	103	Company scheme	- Mr. Waqas Khalid Khan
Honda Pridor Bike	85	21	63	21	85	Company scheme	- Mr. Muhammad Ali
	4,216	1,685	2,530	1,690	4,223		
Paper and board mill	214,585	50,187	164,398	(33,627)	130,771	For details refer note - 37	
Other assets with book value less than Rs. 50,000	14,126	10,779	3,350	6,237	9,584		
2015	**233,589**	**62,978**	**170,613**	**(25,669)**	**144,944**		
2014	48,271	35,016	13,255	22,925	36,180		

	Note	2015	2014
		(Rupees in thousand)	
6.2 Capital work-in-progress			
Civil works		133,201	3,490
Plant and machinery		308,624	94,895
Advances for capital expenditure		85,123	37,956
		526,948	136,341

7 Investment property

These represent three pieces of land measuring 1 kanal and 18 marlas, 14 kanals and 5 marlas and 11 kanals and 1 marla situated at Mouza Chandrai Tehsil Model Town, Lahore, 4 km Kacha Road Mouza Kacha Tehsil Model Town, Lahore and 34 km Ferozepur Road, Lahore having fair value of Rs. 12.35 million, Rs. 9.26 million and Rs. 6.488 million respectively.

The value of investment property was determined by approved external, independent property valuer i.e. M/S Zafar Iqbal and company (Pakistan Banks Association approved valuer).

		Note	2015	2014
			(Rupees in thousand)	
8	Long term investments			
	Available for sale investments	8.1	1,555	15,004
	Investment in associate - Loads Limited	8.2	259,210	219,642
			260,765	234,646

		Note	2015	2014
8.1	Available for sale investments			
	Quoted investments	8.1.1	-	52
	Un-quoted investments	8.1.2	1,555	14,952
			1,555	15,004

		Number of ordinary shares of Rs 10 each				Percentage of holding	
		2015	2014	2015	2014	2015	2014
		Number	Number	(Rupees in thousand)		%	%
8.1.1	Quoted investments						
	Associated companies						
	ZIL Limited- Cost	-	500	-	3	0	0.009
	Add: Unrealized gain			-	49		
	Market value			-	52		
				-	52		

		Note	Latest available audited financial statements for the year ended	Number of ordinary shares of Rs 10 each		Cost		Percentage of holding	
				2015	2014	2015	2014	2015	2014
				Number	Number	(Rupees in thousand)		%	%
8.1.2	Un-quoted investments								
	Techlogix International Limited	8.1.2.1	31 December 2013	748,879	748,879	8,593	8,593	0.74	0.74
	Less: Provision for impairment					(7,038)	(7,038)		
						1,555	1,555		
	Systems Limited	8.1.2.1		-	1,912,344	-	10,150	0	2.26
	Visionet Systems Incorporation	8.1.2.1		-	36,891	-	3,247	0	2.27
						1,555	14,952		

8.1.2.1 The breakup value per share as per latest available audited financial statements for Techlogix International Limited is Rs. 3.02 (2014: Rs. 3.37) per share. The shares have par value of USD 0.00015.

8.1.2.2 During the current year, the Company disposed off its entire shareholding in Systems Limited (prior to listing of Systems Limited) and Visionet Systems Incorporation.

		Note	2015	2014
			(Rupees in thousand)	
8.2	Investments in associated company - Loads Limited			
	Cost		162,529	162,529
	Share of post - acquisition profits	8.2.1	96,681	57,113
			259,210	219,642
8.2.1	Share of post - acquisition profits:			
	Balance as at 01 July		57,113	24,942
	Share of total comprehensive income for the year		61,347	42,779
	Share of taxation		(21,779)	(10,608)
	Balance as at 30 June		96,681	57,113

The Group's share of the result of its associated company, which is unlisted and incorporated in Pakistan, and its share of the assets, liabilities, revenue and profit based on audited accounts is as follows:

	Percentage interest held	Assets	Liabilities	Revenue	Total comprehensive income
		-----------------------(Rupees in thousand)---------------------			
2015	20.82%	561,343	283,292	678,689	39,568
2014	20.82%	378,397	131,283	482,139	32,171

		Note	2015	2014
			(Rupees in thousand)	
9	**Long term loans and advances**			
	Loans to employees - secured, considered good	9.1	9,538	8,492
	Long term advances	9.4	21,626	19,805
	Less : current portion			
	Loans to employees - secured, considered good	15	(8,159)	(7,250)
	Long term advances	15	(6,073)	(3,981)
			(14,232)	(11,231)
			16,932	17,066

9.1 These are interest free loans to the Group's employees for construction of house and purchase of cycles which are repayable in monthly installments over a period of 12 to 24 months and are secured against employee retirement benefits. These include an amount of Rs. 7.97 million (2014: Rs. 5.49 million) receivable from the executives of the Group. There is no amount that is receivable from directors and chief executive of the Holding Company.

9.2 Reconciliation of the carrying amount of loans to executives:

	2015	2014
Balance as at 01 July	5,486	6,209
Disbursements	11,041	9,097
Repayments	(8,562)	(9,820)
Balance as at 30 June	7,965	5,486

9.3 The maximum amount due from the executives at the end of any month during the year was Rs. 7.97 million (2014: Rs. 5.49 million).

9.4 This represents outstanding advance receivable from Khatoon Industries (Private) Limited ("KIL") for rice husk boiler, laboratory, warehouse and weigh bridge construction amounting to Rs. 10.6 million, Rs. 1 million, Rs. 8.5 million and Rs. 1.6 million respectively. These remaining balances are adjustable against rent payable to KIL in lieu of use of soaps manufacturing facility in 59, 59, 21 and 30 equal monthly installments, respectively.

		2015	2014
10	**Long term deposits**		
	Utility deposits	29,413	21,654
	Others	-	12,102
		29,413	33,756

		Note	2015	2014
			(Rupees in thousand)	
11	Stores and spares			
	Stores		46,446	85,607
	Spares	11.1	175,347	149,404
			221,793	235,011

11.1 It includes spares in transit amounting to Rs. 8.18 million (2014: Rs. 6.99 million).

		Note	2015	2014
12	Stock-in-trade			
	Blades:			
	Raw materials and packing material	12.1	480,946	345,641
	Work-in-process	30.1	49,925	51,711
	Finished goods	12.2	203,947	71,201
			734,818	468,553
	Slow moving raw material stock written off	30.1	(2,074)	(1,542)
			732,744	467,011
	Soaps:			
	Raw and packing materials	12.1	123,659	102,700
	Work-in-process	30.2	12,007	28,317
	Finished goods	12.2	23,461	42,942
			159,127	173,959
	Packaging solutions-corrugated boxes:			
	Raw and packing materials	12.1	286,475	202,099
	Work-in-process	30.3	4,676	4,790
	Finished goods	30.3	24,200	16,275
			315,351	223,164
	Motor Bike:			
	Raw and packing materials		13,733	44,318
	Work-in-process	30.4	65,886	39,266
			79,619	83,584
	Paper and board mill:			
	Raw and packing materials		-	14,750
	Work-in-process	30.5	-	277
	Finished goods	12.2	-	6,158
			-	21,185
			1,286,841	968,903

12.1 These include raw material in transit of blades amounting to Rs. 61.74 million (2014: Rs. 54.55 million), raw material in transit of soaps amounting to Rs. 21.83 million (2014: Rs. 18.40 million) and raw material in transit of packaging solution amounting to Rs. 1.97 million (2014: Rs. 2.83 million).

12.2 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounted to Rs. 4 million (2014: Rs. 12.19 million).

		Note	2015	2014
			(Rupees in thousand)	
13	**Trade debts**			
	Foreign debtors			
	- secured, considered good		5,023	57,339
	- unsecured, considered good		49,034	84,604
			54,057	141,943
	Local debtors			
	- Considered good		428,761	471,991
	- Considered doubtful		38,536	31,265
			467,297	503,256
			521,354	645,199
	Provision for doubtful debts	13.1	(38,536)	(31,265)
			482,818	613,934
13.1	The movement in provision for doubtful debts for the year is as follows:			
	Balance as at 01 July		31,265	22,499
	Provision for the year - net of recoveries	32	13,436	9,231
	Bad debts written off against provision		-	(465)
	Reversal of provision for doubtful debts	35	(6,165)	-
	Balance as at 30 June		38,536	31,265
14	**Short term investments**			
	Investments at fair value through profit or loss:			
	Listed equity securities	14.1	638,770	632,327
	Mutual funds	14.2	5,332	-
	Loans and receivables:			
	Term deposit certificates	14.3	200,000	-
			844,102	632,327

14.1 Details of investment in listed equity securities are stated below:

	Share / Certificates		Market value	
	2015	2014	2015	2014
	Number	Number	(Rupees in thousand)	
Sector / Companies				
Banks				
Silk Bank Limited	21,744,500	15,492,000	41,750	31,914
Standard Chartered Bank Pakistan Limited	-	226,500	-	5,493
United Bank Limited	-	10,000	-	1,686
NIB Bank Limited	110,000	-	222	-
Sugar and allied industry				
Al-Noor Sugar Mills Limited	-	866,500	-	31,766
The Thal Industries Corporation Limited	-	315	-	15
Textile				
Indus Dyeing and Manufacturing Company Limited	479,010	468,310	529,526	337,642
Bannu Woolen Mills Limited	-	1,658,625	-	124,563
Sunrays Textiles Mills Limited	23,000	20,800	5,199	5,070
Shahtaj Textile Limited	736,500	694,800	52,291	75,344
Maqbool Textiles Mills Limited	376,500	355,000	7,304	7,721
Premium Textile Mills Limited	-	1,800	-	219
Hira Textiles Mills Limited	-	327,000	-	3,263
National Silk & Rayon Mills Limited	44,500	40,000	1,253	2,347
Miscellaneous				
Transmission Engineering Industries Limited	-	133,000	-	193
Baluchistan Wheels Limited	-	113,000	-	4,803
Siddique Sons Tin Plate Limited	71,500	-	630	
Aisha Steel Mills Limited	14,000	-	147	-
Leiner Pak Gelatine Limited	-	19,000	-	288
Silver Star Insurance Company Limited	76,000	-	448	-
			638,770	632,327

14.2 Details of investment in mutual funds are stated below:

	Units		Market value	
	2015	2014	2015	2014
	Number	Number	(Rupees in thousand)	
AGHP Capital Conservative Fund	31,376	-	3,305	-
HBL Mustahkum Sarmaya Fund	20,202	-	2,027	-
			5,332	-

14.3 This represents term deposit receipt (TDR) with Dubai Islamic Bank having maturity upto one year and carrying mark-up rate of 6% to 8% per annum (2014: nil).

	Note	2015	2014
		(Rupees in thousand)	
15 Loans, advances, deposits, prepayments and other receivables			
Current portion of long term prepayments		6,073	3,981
Current portion of loan to employees - secured		8,159	7,250
	9	14,232	11,231
Advances to employees - secured, considered good	15.1	16,049	8,071
Advances to suppliers - unsecured			
- Considered good		110,327	89,643
Margin deposits - Letter of credits		1,958	16,989
Prepayments		14,401	12,555
Insurance claim receivable		627	745
Advances to related parties			
- Wazir Ali Industries Limited		-	13
- Loads Limited		70	142
- IGI Insurance Limited		375	15,000
	15.2	445	15,155
Balance with statutory authorities			
- Export rebate		64,505	46,010
- Collector of customs		2,873	2,226
- Advance income tax		421,202	381,365
- Sales tax		109,235	52,073
		597,815	481,674
Workers' profit participation fund	15.3	17,030	8,581
Receivable from broker against sale of investments		16,980	2,708
Other receivables		46,826	29,694
		836,690	677,046

15.1 These are interest free advances to employees in respect of salary, medical and Travelling expenses and are secured against employees retirement benefits. These include an aggregate amount of Rs. 7.17 million (2014: Rs. 1.76 million) receivable from executives of the Company. These also include an amount of Rs. 1.10 million (2014: Rs. 3.56 million) given to CEO for Travelling for business purpose. Reconciliation of advance given to CEO is as under:

	Note	2015	2014
		(Rupees in thousand)	
Balance as at 01 July		3,563	3,682
Advances given during the year		2,914	4,707
Reimbursements during the year		(5,377)	(4,826)
Balance as at 30 June		1,100	3,563

15.2 Advances given to these companies for purchase of goods or services under normal business trade as per the agreed terms.

15.3 Workers' profit participation fund	Note	2015	2014
Balance as at 01 July		8,581	8,583
Add: Interest on WPPF		(600)	(221)
Add: Charge for the year		(3,793)	(11,424)
		4,188	(3,062)
Less: Paid during the year		12,842	11,643
Balance as at 30 June		17,030	8,581

16 Cash and bank balances

	Note	2015	2014
Cash in hand		69,033	44,046
Cash at bank - local currency			
-Current accounts	16.1	2,594,545	98,166
-Saving accounts	16.2	126,709	520,540
		2,721,254	618,706
		2,790,287	662,752

16.1 As referred to in note 27, this includes subscription money aggregating to Rs. 2,422 million (2014: Nil) received from shareholders against subscription of right shares offered to public, kept in separate bank accounts.

16.2 These carry mark-up at the rates ranging from 5% to 9% per annum (2014: 7% to 8.75% per annum).

	Note	2015	2014
		(Rupees in thousand)	
17 Short term borrowings			
Short term running finance - secured	17.1	743,595	132,525
Export refinance - secured	17.2	1,062,780	664,832
		1,806,375	797,357

17.1 The Group has arranged facilities for short-term running finance from various banks under mark-up arrangement to the extent of Rs. 4,610 million (2014: Rs. 3,550 million). These carry mark-up at the rates ranging from 7.33% to 11.43% per annum (2014: 9.39% to 11.21% per annum). Running finance amounting to Rs. 3,050 million (2014: Rs. 2,225 million) can be interchangeably utilized as export running finance. These carry mark-up at the rate of 5.4% to 7% per annum (2014: 8.7% to 9% per annum). These facilities are availed to meet working capital requirements of the Group and will expire latest by 31 May 2016.

17.2 All short term borrowings of the Group are secured by way of joint first pari passu hypothecation charge of Rs. 5,833 million (2014: Rs. 4,736 million) on the entire present and future current assets of the Company.

	Note	2015	2014
18 Trade and other payables			
Trade creditors			
- Related parties	18.1	1,807	6,540
- Others		96,802	94,463
		98,609	101,003
Other creditors			
- Related parties	18.2	38	1,502
- Others		53,934	49,031
		53,972	50,533
Current maturity of liability against purchase of land	21	56,602	–
Accrued liabilities		252,286	236,256
Advances from customers		62,046	29,968
Advance against non-current assets held for sale		6,593	110,594
Workers' welfare fund	18.3	313	4,324
Employees deposits		44,988	33,923
Unclaimed dividend		6,469	4,119
Payable to employees		-	1,191
Withholding sales tax payable		2,903	4,989
Income tax deducted at source		3,295	3,097
Retention money		3,806	490
Other payables		12,084	6,140

	Note	2015	2014
		(Rupees in thousand)	
Payable to employee retirement benefit funds			
- Payable to service fund		3,219	2,725
- Payable to employees provident fund	18.4	14,282	2,258
		17,501	4,983
		621,467	591,610

18.1 Related parties

	2015	2014
Packages Limited	1,647	6,178
Bulleh Shah Packaging (Private) Limited	160	362
	1,807	6,540

18.2 Related parties

	2015	2014
ZIL Limited	25	26
IGI Insurance Limited	13	13
IGI Investment Bank	-	1,463
	38	1,502

18.3 Workers' welfare fund

	2015	2014
Balance as at 01 July	4,324	4,886
Add: Charge for the year	313	4,324
	4,637	9,210
Less: Paid/adjusted during the year	(4,324)	(4,886)
Balance as at 30 June	313	4,324

18.4 The Group has set up provident fund for its permanent employees. The total charge against provident fund for the year was Rs. 25.56 million (2014: Rs. 24.65 million). The net assets based on audited financial statements of provident fund for the year ended 30 June 2015 amount to Rs. 364.98 million (2014: Rs. 324.21 million). The fair value of investments of provident fund was Rs. 289.75 million (2014: Rs. 259.19 million) and the cost of the investment was Rs. 284.75 million (2014: Rs. 237.27 million). The above investments out of provident fund have been made in accordance with the requirement of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

18.4.1 The break-up of fair value of investments is:

	2015	2014	2015	2014
	(Rupees in thousand)		%	%
Treasury bills	-	31,100	0%	10%
National saving bonds/ Special saving bonds	51,300	34,300	15%	11%
Pakistan investment bonds	45,000	68,500	13%	22%
National investment trust units	9,959	6,041	3%	2%
Mutual funds	-	5,140	0%	2%
Listed securities	31,768	39,693	9%	13%
Term finance certificates	-	3,375	0%	1%
Term deposit certificates	75,000	-	22%	0%
Participation term certificates	76,693	70,795	23%	23%
Account with broker for investment	28	249	1%	1%
Cash at bank	48,083	47,432	14%	15%
	337,831	306,625	100%	100%

	2015	2014
	(Rupees in thousand)	
19 Accrued mark-up		
Participation term certificates	274,863	283,230
Short term borrowings	27,545	16,283
	302,408	299,513

20 Long term deposits

These represent interest free deposits received from freight forwarding agencies and other contractors repayable after performance of contracts.

21 Long term liability against purchase of land

	2015	2014
Long term liability	265,524	-
Less: Payment made during the year	(39,829)	-
	225,695	-
Less: Current maturity of liability	(56,602)	-
	169,093	-

21.1 This represents long term liability for land purchased in Faisalabad from Faisalabad Industrial Estate Development and Management Company (FIEMC). The Group has made a payment of Rs. 39.83 million and the remaining amount of Rs. 225.7 million is payable in 16 equal quarterly installments ending on 4 June 2019.

		2015	2014
		(Rupees in thousand)	
22	Redeemable capital		
	Participation term certificates	895,834	1,075,251
	Less: Current portion shown under current liabilities	(179,417)	(179,417)
		716,417	895,834

In 2013, the Holding Company issued 41,822,250 Participation Term Certificates (PTCs) of Rs. 30 each to existing shareholders in the ratio of 1 PTC for every 1 ordinary share held. The PTCs are listed on all the stock exchanges of Pakistan.

The PTCs are mandatorily convertible into ordinary shares through share conversion @ 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 share per PTC in the year 2019. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory conversion). The PTCs shall be redeemed through cash @ Rs. 4.14 per annum from year 2013 to year 2018 and Rs. 4.4 for the year 2019.

The PTC holder is entitled to a minimum profit (Category A profit) at Rs. 4.14 per annum for each PTC, alongwith a contingent profit (Category B profit) based on the consolidated profits before tax, WWF, WPPF and finance cost relating to PTCs based on pay-off matrix. The pay-off matrix sets out various ranges for contingent profit pay out percentages.

The following table shows the redemption of PTC for the year 2015.

Principal redemption in cash	Principal redemption in shares	Principal value redemption	Increase in ordinary share capital	Increase in ordinary share capital	Share premium of conversion	Category "A" profit payment in cash	Category "B" profit payment in cash	Year
(------ Rupees in thousand	--------	-------)	Shares	(------ Rupees in thousand	--------	--------	-------)	
6,272	173,145	179,417	2,927,557	29,276	143,869	179,417	101,718	2015
6,272	173,145	179,417	2,927,557	29,276	143,869	179,417	110,086	2014

The Holding Company will issue 2,927,557 ordinary shares of face value of Rs. 10 per share against Rs. 173.145 million.

Securities

The PTCs are secured by the following:

First exclusive equitable mortgage of Rs. 1,254.67 million over the mortgaged property, i.e. land measuring 11.62 acres situated in Kot Lakhpat Industrial Area Scheme, Lahore (Quaid-e-Azam Industrial Estate) bearing plot no. 72-B together with all buildings, structures, fittings and fixtures permanently fastened to land and erections built or erected or to be built or erected thereon pursuant to Memorandum of Deposit of Title Deeds dated May 16, 2011.

First Exclusive Floating charge of Rs. 1,254.67 million over the present and future movable fixed assets of the Group pursuant to deed of floating charge dated May 16, 2011.

Pledge of Rs. 250 million over the liquid assets (i.e. listed securities having value of at least Rs. 250 million pledged in favor, or under lien, of the Security Trustee, which may include shares of Packages Limited, IGI Insurance Limited, ZIL Limited, Indus Dyeing Manufacturing Company Limited and/or any other liquid securities) pursuant to the letter of lien and pledge dated May 16, 2011.

The above investment in shares/securities will be kept in CDC Account which shall be under pledge of security trustee. However movement in/from the said pledged account will not be restricted by the security trustee provided that aggregate value of Rs. 250 million. The security trustee shall ensure that the closing balance of shares in the pledged account at anytime shall not fall below the equivalent Rupee value of Rs. 250 million.

			2015	2014
		Note	(Rupees in thousand)	
23	Deferred liabilities			
	Deferred tax (assets) / liabilities	23.1	(18,649)	56,307
	Staff retirement benefits	23.2	153,635	128,639
			134,986	184,946
23.1	Deferred tax liability arising in respect of the following items:			
	- Accelerated tax depreciation		100,444	138,081
	- Capital gains on short term investments		4,734	13,378
	- Post acquisition profits of associates		12,085	21,277
			117,263	172,736
	Deferred tax asset arising in respect of the following items:			
	- Unabsorbed tax depreciation / business losses		(104,045)	(77,844)
	- Unutilized tax credits		(16,212)	(21,344)
	- Employee retirement benefits		(15,219)	(16,702)
	- Provision for doubtful debts		(436)	(539)
			(135,912)	(116,429)
			(18,649)	56,307

23.1.1 Deferred tax asset on above items has been recognized on the expectation that future taxable profits will be available to the Group in the foreseeable future for realization of such assets.

Minimum tax paid amounting to Rs. 16.2 (2014: Rs. 2.55) million under section 113 of the Income Tax Ordinance, 2001 will expire from 30 June 2018 to 30 June 2020 and unabsorbed business losses amounting to Rs. 25.77 (2014: Rs.16.51) million will expire from 30 June 2020 to 30 June 2021 if not utilized against future tax liability.

	Notes	2015	2014
		(Rupees in thousand)	
23.1.2 Movement in deferred tax liability is as follows:			
Balance as at 01 July		56,307	55,160
Net off against the surplus on revaluation of property, plant and equipment		-	35,117
Net off against re-measurement of employee retirement benefits recognized in other comprehensive income		1,483	(6,188)
Charged to profit and loss account	36	(76,439)	(27,782)
Balance as at 30 June		(18,649)	56,307

23.2 Staff retirement benefits

Movement in the liability recognized in the balance sheet in respect of following funded schemes is given below:

	Notes	2015	2014
Gratuity fund		81,463	72,079
Superannuation fund		72,172	56,560
	23.2.1	153,635	128,639

23.2.1 Present value of funded obligations

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
Amounts recognized in balance sheet are as follows:				
Present value of defined benefit obligation	221,828	188,515	209,784	172,551
Fair value of plan assets	(140,365)	(116,436)	(137,612)	(115,991)
Net retirement benefit obligation	81,463	72,079	72,172	56,560
23.2.2 Movement in net obligation				
Net liability as at 01 July	72,079	49,647	56,560	47,788
Charge to profit and loss account	23,558	16,014	18,708	13,781
Re-measurements chargeable in other comprehensive income	(785)	23,212	6,800	9,741
Contribution made by the Group	(13,389)	(16,794)	(9,896)	(14,750)
Net liability as at 30 June	81,463	72,079	72,172	56,560

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
23.2.3 Movement in the liability for funded defined benefit obligations				
Liability for defined benefit obligations as at 01 July	188,515	151,409	172,551	143,977
Benefits paid by the plan	(13,389)	(14,170)	(9,896)	(13,301)
Current service costs	14,895	11,683	11,870	9,538
Interest cost	24,091	15,154	22,207	14,419
Re-measurements on obligation:				
Actuarial losses on present value				
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumptions	-	-	-	-
- Experience adjustments	7,716	24,439	13,052	17,918
	7,716	24,439	13,052	17,918
Liability for defined benefit obligations as at 30 June	221,828	188,515	209,784	172,551
23.2.4 Movement in fair value of plan assets				
Fair value of plan assets as at 01 July	116,436	101,762	115,991	96,189
Contributions paid into the plan	13,389	16,794	9,896	14,750
Benefits paid by the plan	(13,389)	(14,170)	(9,896)	(13,301)
Interest income on plan assets	15,428	10,823	15,369	10,176
Return on plan assets excluding interest income	8,501	1,227	6,252	8,177
Fair value of plan assets as at 30 June	140,365	116,436	137,612	115,991
23.2.5 Plan assets				
Plan assets comprise:				
Term finance certificates	-	249	-	180
Listed securities	39,673	35,142	27,436	20,998
Deposits with banks	29,815	38	13,785	1,402
Investment in mutual funds	1,027	5,866	-	-
Government securities	75,500	75,700	100,250	91,900
Advance/ payable to other fund	226	(2,398)	-	-
Others	(5,876)	1,839	(3,859)	1,511
	140,365	116,436	137,612	115,991

Before making any investment decision, an Asset-Liability matching study is performed by the Board of Trustees of the funds to evaluate the merits of strategic investments. Risk analysis of each category is done to analyze the impacts of the interest rate risk, currency risk and longevity risk.

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			

23.2.6 Profit and loss account includes the following in respect of retirement benefits:

	Gratuity 2015	Gratuity 2014	Superannuation 2015	Superannuation 2014
Interest cost	**24,091**	15,154	**22,207**	14,419
Current service cost	**14,895**	11,683	**11,870**	9,538
Interest income on plan assets	**(15,428)**	(10,823)	**(15,369)**	(10,176)
	23,558	16,014	**18,708**	13,781
23.2.7 Actual return on plan assets	**23,929**	12,050	**21,621**	18,353

23.2.8 Actuarial gains and (losses) recognized directly in other comprehensive income

	Gratuity 2015	Gratuity 2014	Superannuation 2015	Superannuation 2014
Cumulative amount at 01 July	**(58,313)**	(35,101)	**(42,955)**	(33,214)
Losses recognized during the year	**785**	(23,212)	**(6,800)**	(9,741)
Cumulative amount at 30 June	**(57,528)**	(58,313)	**(49,755)**	(42,955)

23.2.9 Historical Information for Gratuity fund

	2015	2014	2013	2012	2011
	------------(Rupees in thousand)------------				
Present value of defined benefit obligation	**221,828**	188,515	151,409	123,212	107,825
Fair value of the plan assets	**(140,365)**	(116,436)	(101,762)	(85,663)	(73,910)
Deficit in the plan	**81,463**	72,079	49,647	37,549	33,915
Experience adjustments arising on plan liabilities	**7,716**	24,439	14,346	531	7,368
Experience adjustments arising on plan assets	**8,501**	1,227	1,600	(100)	(283)

The Group expects to pay Rs. 30.28 million in contributions to gratuity fund in 2016.

23.2.10 Historical Information for Superannuation fund

	2015	2014	2013	2012	2011
Present value of defined benefit obligation	**209,784**	172,551	143,977	117,516	103,779
Fair value of plan assets	**(137,612)**	(115,991)	(96,189)	(86,264)	(74,632)
Deficit in the plan	**72,172**	56,560	47,788	31,252	29,147

	2015	2014	2013	2012	2011
	------------------------(Rupees in thousand)----------------------				
Experience adjustments arising on plan liabilities	13,052	17,918	16,711	686	3,172
Experience adjustments arising on plan assets	6,252	8,177	(189)	523	(342)

The Group expects to pay Rs. 27.57 million in contributions to superannuation fund in 2016.

23.2.11 Significant actuarial assumptions used for valuation of these plans are as follows:

	2015		2014	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation per annum
Discount rate used for profit and loss charge	13.25%	13.25%	10.50%	10.50%
Discount rate used for year-end obligation	9.75%	9.75%	13.25%	13.25%
Expected rates of salary increase	8.75%	8.75%	12.25%	12.25%
Expected rates of return on plan assets	9.75%	9.75%	10.50%	10.50%

Mortality rate

The rates assumed were based on the SLIC 2001 - 2005 with 1 year setback.

23.2.12 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 June 2015 would have been as follows:

		Gratuity		Superannuation	
		Impact on present value of defined benefit obligation as at 30 June			
	Change	Increase	Decrease	Increase	Decrease
		---------(Rupees in thousand)---------			
Discount rate	100 bps	(205,846)	240,265	(194,224)	227,770
Future salary increase	100 bps	240,265	(205,569)	227,770	(193,955)

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

23.2.13 Weighted average duration of the defined benefit obligation is 8 years and 9 years for gratuity and pension plans, respectively.

24 Contingencies and commitments

24.1 Contingencies

Contingencies - The Holding Company

- A tax demand amounting to Rs. 14.8 million had been created by Additional Commissioner Inland Revenue under section 12(9A) of the repealed Income Tax Ordinance, 1979 for assessment year 2000-2001. The tax demand has been adjusted against income tax refunds of the Company for the tax year 2006. The Company has filed an appeal before Appellate Tribunal.

- A tax demand amounting to Rs. 16.05 million had been raised by the tax department against the Holding Company on the issue of proration of profits between local and export sales for the tax year 2003 and 2006. In 2010, Appellate Tribunal dismissed the Holding Company's appeal, however, the Holding Company has filed an application under section 21 of General Clauses Act, 1997 to rescind or amend the order. Further, without conceding the legitimate position of this issue as stated above, a rectification application on account of incorrect computation has also been filed resulting in rectification amounting to Rs. 10.29 million. The Holding Company is expecting a favorable outcome as this issue was decided in the favor of Holding Company in past.

- For the assessment year 1999 to 2000, the taxation officer charged additional tax amounting to Rs. 3.27 million on the grounds that the Holding Company has been failed to deposit the due tax on the basis of Holding Company's return. The Holding Company, on the grounds that the amount due has already been deposited, filed a rectification application on the basis that the mistake is apparent from the record.

- In tax year 2004, the Additional Commissioner Inland Revenue passed an order under section 122(5A) of the Income Tax Ordinance, 2001 on the issue of proration of profits between local and export sales and created a tax demand of Rs. 6.56 million. The Holding Company filed an appeal before Commissioner Appeals who decided the matter against the Holding Company. The Holding Company has filed an appeal before Appellate Tribunal which is pending adjudication.

- For the tax year 2009, the Additional Commissioner Inland Revenue had passed an order under section 122(5A) on various issues i-e: allocation of expenses between export and local sales, unexplained debtors, rental income and finance cost of export refinance and created a tax demand of Rs 15.716 million. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals) and the matter is pending for adjudication.

- Honorable Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF Ordinance, 1971 through Finance Act 2006 and Finance Act 2008 constitutional. The amendments made through aforementioned Finance Acts required that WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the effect of brought forward losses. In light of the above order, the provision for the period based on accounting profit comes to Rs. 4.86 million (2014: Rs. 3.98 million) . However, these financial statements does not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Sindh High Court and that the Lahore High Court had already declared the above amendments unconstitutional via the case reported as 2011 PLD 2643. Based on the decision of Lahore High court the Company has charged WWF provision based on taxable income in the current year.

- A sales tax demand amounting to Rs. 1.56 million has been created by Deputy Commissioner Inland Revenue for alleged default of compliance of section 8(1)(CA) of the Sales Tax Act, 1990. The Holding Company filed an appeal with Commissioner Appeals against this order and obtained relief of Rs. 0.42 million. The Holding Company has also filed an appeal before Appellate Tribunal and expects a favorable outcome on the grounds that Honorable Lahore High Court has declared the provision of section 8(1)(CA) ultra-vires.

- The Deputy Commissioner Inland Revenue has issued an order to recover Rs. 31.755 million as inadmissible input of sales tax which was adjusted in the electronic sales tax return. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals) and the matter is pending adjudication.

Based on the opinion of the Group's legal counsel, Management is expecting a favorable outcome of the above cases, therefore no provision has been recognized in these financial statements.

Contingencies - First Treet Manufacturing Modaraba (Modaraba)

- For the tax years 2011 and 2012, the Deputy Commissioner Inland Revenue (DCIR) passed orders under sections 161 and 205 of the Income Tax Ordinance 2001 creating tax demands of Rs. 1.52 million and Rs. 41.36 million respectively. The Modaraba filed appeals against the orders passed by DCIR with Commissioner Inland Revenue (Appeals) [CIR-A] who decided the matters in the favor of the Modaraba by deleting the tax demands. Tax department filed appeals against the decision of CIR-A with Appellate Tribunal Inland Revenue (ATIR). The matters are pending adjudication before ATIR. The management is of the view that favorable outcome is expected as the Modaraba is fully compliant of withholding tax provisions.
- Government of Pakistan made certain amendments in the WWF Ordinance, 1971 (WWF) through Finance Acts 2006 and 2008 against which appeals were filed with Honorable Lahore and Sindh High Courts for declaration of such amendments in WWF through Finance Acts unconstitutional. The Honorable Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF through Finance Acts 2006 and 2008 constitutional, whereas, the Honorable Lahore High Court declared the amendments unconstitutional. One of the amendments made in WWF through Finance Act 2006 require the computation of WWF on the basis of higher of taxable income or accounting profits of the industrial establishment. In light of the above order of Honorable Sindh High Court, the cumulative provision for WWF on the basis of accounting profit comes out to Rs. 12.5 million. The management of the Modaraba is of the view that it does not come under the purview of the Honorable Sindh High Court and since the taxable income of the Modaraba is exempt from tax, hence no provision for WWF has been made in these financial statements. Government of Pakistan has taken the matter to Honorable Supreme Court where the matter is pending adjudication.

Contingencies - Treet Holdings Limited (formerly Global Econo Trade Limited)

- The company is contingently liable to income tax demands in the sum of Rs. 104.508 million for the tax years 2009 and 2011 under various provisions of the Income Tax Ordinance, 2001. These tax demands had either been deleted in first appeal, while the decision of the second appeals filed by the department as well as by the company before Appellate Tribunal Inland Revenue (ATIR) are pending adjudication at the terminal date. The management of the company and its tax advisor are of the firm opinion that these appeals will also be decided in favour of the company; and therefore no provision against these fictitious tax demands has been incorporated in these financial statements.
- The company is also contingently liable to sales tax demand in the sum of Rs. 161.524 million for the tax periods from July 2010 to June 2011 for the alleged contraventions of sales tax laws as noted by the department during audit of the above said period u/s 72B of the Sales Tax Act, 1990. This demand has, however, been deleted in first appeal, where-against the department has filed an appeal before ATIR, pending adjudication at the terminal date. A favourable outcome of this appeal is expected by the management and the tax advisor of the company.
- The department has also disallowed the adjustment of input sales tax for the months of November 2011 to January 2012 in the sum of Rs. 15.696 million, against which a substantial relief has already been allowed to the company in first appeal, whereas second appeal, pending adjudication, has been filed for the remaining disallowed amount of input sales tax. A favourable outcome is expected in this case as well. Accordingly, no provision against these levies has been incorporated in these financial statements.
- The income tax department has passed an order to recover a sum of Rs. 12.51 million from the company by declining the input sales tax adjustment to it on total frivolous grounds, against which the company has filed an appeal before CIR (Appeals) - I, Lahore, pending adjudication at the terminal date. The management and the tax advisor of the company believe that the appeal will be decided in its favour; and accordingly no provision of this amount has been made in these financial statements.

24.2 Commitments

- Outstanding letters of credit as at 30 June 2015 amounted to Rs. 624.69 million (2014: Rs. 727.60 million).

- Post dated cheques amounting to Rs. 34.85 million (2014: Rs. 33.01 million) have been issued in the favor of Collector of Customs.
- Outstanding guarantees amounting to Rs. 7.25 million (2014: 7.25 million) have been issued.

Operating leases

The Group has availed its soaps manufacturing facility on operating lease. This lease runs for the maximum period of 10 years, with an option to renew after that date.

	2015	2014
	(Rupees in thousand)	
Future lease payments under the lease agreements are:		
Not later than one year	9,796	9,796
Later than one year but not later than five years	49,218	47,671
Later than five years	-	14,393
	59,014	71,860

25 Issued, subscribed and paid-up capital

2015	2014		2015	2014
(Number of shares)			(Rupees in thousand)	
8,867,412	8,867,412	Ordinary shares of Rs. 10 each fully paid-up in cash	88,674	88,674
6,950,114	4,022,557	Ordinary shares of Rs. 10 each issued for consideration other than cash	69,502	40,226
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares	381,331	381,331
53,950,701	51,023,144		539,507	510,231

25.1 IGI Insurance Limited and Loads Limited (associated companies), hold 1,691,760 and 7,492,475 (2014: 5,442,060 and 3,268,820) fully paid in cash ordinary shares of the Holding Company of Rs. 10 each, respectively.

25.2 The Holding Company also issued 2,927,557 shares , against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.87 million.

	Note	2015	2014
		(Rupees in thousand)	
26 Reserves			
Capital reserves		266,400	266,400
General reserves	26.1	1,048,073	842,385
		1,314,473	1,108,785

26.1 Capital reserves

Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited	629	629

	Note	2015	2014
		(Rupees in thousand)	
Fair value reserves		(1,184)	(1,658)
Share premium	26.1.1	735,192	591,323
Statutory reserves	26.1.2	313,436	252,091
		1,048,073	842,385

26.1.1 This reserve can be utilized by the Group only for the purposes specified under section 83(2) of the Companies Ordinance, 1984.

26.1.2 This represents profit set aside in compliance with the requirements of Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan and is not available for distribution.

27 Advance against issue of shares

During the year the Holding Company announced 150% right issue of shares of the company at a price of Rs. 50 per share (including premium of Rs. 40 per share). The last date for acceptance and subscription of right shares was 03 July 2015. As at 30 June 2015 the company partly received advances against the right issue amounting to Rs. 2,422 million. The shares have been duly allotted subsequent to the year end .

28 Surplus on revaluation of property, plant and equipment - net of tax

	2015	2014
Balance as at 01 July	1,355,959	739,510
- Surplus arising during the year	-	656,719
- related deferred tax liability	-	(35,116)
	-	621,603
- Transferred to Unappropriated profit as a result of incremental depreciation charged and disposal - net of tax	(25,476)	(5,154)
- related deferred tax liability	(2,290)	(988)
	(27,766)	(6,142)
Surplus on revaluation of operating fixed assets	1,362,321	1,390,087
Less: related deferred tax liability	(31,838)	(34,128)
Balance as at 30 June	1,330,483	1,355,959

29 Sales - net

	Note	2015	2014
Continuing operations			
Blades	29.1	3,954,275	4,153,281
Soaps	29.2	809,526	811,300
Packing material	29.3	1,822,018	1,675,209
Bike	29.4	314,356	368,706
		6,900,175	7,008,496
Discontinued operation			
Paper and board mill	37	85,422	533,929

		2015	2014
		(Rupees in thousand)	
29.1	Blades		
	Export sales	1,710,675	2,007,813
	Local sales	2,717,939	2,579,181
	Less: Sales tax	(398,475)	(382,309)
	Less: Trade discount	(83,326)	(51,404)
		2,236,138	2,145,468
	Trading income		
	Sale of batteries - gross	8,907	-
	Less: Sales tax	(1,445)	-
		7,462	
		3,954,275	4,153,281
29.2	Soaps		
	Local Sales	972,088	976,008
	Less: Sales tax	(162,562)	(164,708)
		809,526	811,300
29.3	Packaging solutions- Corrugated boxes		
	Local Sales	2,116,955	1,947,783
	Less: Sales tax	(292,673)	(272,087)
	Trade discount	(2,264)	(487)
		(294,937)	(272,574)
		1,822,018	1,675,209
29.4	Bikes		
	Local Sales	370,629	436,854
	Less: Sales tax	(56,273)	(66,240)
	Trade discount	-	(1,908)
		(56,273)	(68,148)
		314,356	368,706

		Note	2015	2014
			(Rupees in thousand)	
30	Cost of goods sold			
	Continuing operations:			
	Blades	30.1	2,814,332	2,917,232
	Soaps	30.2	722,877	774,819
	Packaging solutions- Corrugated boxes	30.3	1,614,542	1,512,224
	Bikes	30.4	311,034	388,622
			5,462,785	5,592,897
	Discontinued operations:			
	Paper and board mill	30.5	85,885	525,212
30.1	Cost of goods sold - blades			
	Raw and packing materials consumed		1,541,414	1,636,645
	Stores and spares consumed		145,531	150,287
	Salaries, wages and other benefits	30.1.1	716,045	620,300
	Fuel and power		253,062	291,983
	Repair and maintenance		37,639	27,949
	Rent, rates and taxes		2,677	2,331
	Insurance		46,058	37,796
	Travelling and conveyance		22,829	24,403
	Printing and stationery		3,046	2,943
	Postage and telephone		6,271	5,595
	Legal and professional charges		2,589	1,867
	Entertainment		1,783	793
	Staff training		255	655
	Subscriptions		1,964	627
	Depreciation	6.1.1	124,823	78,426
	Expenses for computerization		6,932	6,323
	Provision for slow moving stock	12	2,074	1,542
	Others		16,534	14,927
			2,931,526	2,905,392
	Purchase of batteries for trading		13,766	-
			2,945,292	2,905,392

	Note	2015	2014
		(Rupees in thousand)	
Opening stock of work-in-process		51,711	47,273
Closing stock of work-in-process	12	(49,925)	(51,711)
Cost of goods manufactured		2,947,078	2,900,954
Opening stock of finished goods		71,201	87,479
Closing stock of finished goods	12	(203,947)	(71,201)
		2,814,332	2,917,232

30.1.1 Salaries, wages and other benefits include Rs. 38.53 million (2014: Rs. 23.64 million) and Rs. 22.83 million (2014: Rs. 22.38 million) in respect of defined benefit schemes and defined contribution schemes respectively.

30.2 Cost of goods sold - soaps

	Note	2015	2014
Raw and packing materials consumed		542,205	629,037
Stores and spares consumed		12,000	13,546
Salaries, wages and other benefits		53,224	37,949
Fuel and power		59,740	61,529
Travelling and conveyance		933	516
Repair and maintenance		516	1,475
Plant rental		10,612	9,070
Insurance		590	546
Fee and subscriptions		6	15
Depreciation on property, plant and equipment	6.1.1	2,809	2,758
Rent, rates and taxes		103	86
Manufacturing charges		4,319	4,834
Legal and professional expenses		29	26
		687,086	761,387
Opening stock of work-in-process		28,317	32,102
Closing stock of work-in-process	12	(12,007)	(28,317)
Cost of goods manufactured		703,396	765,172
Opening stock of finished goods		42,942	52,589
Closing stock of finished goods		(23,461)	(42,942)
		722,877	774,819

	Note	2015	2014
		(Rupees in thousand)	
30.3 Cost of goods sold - packaging solution corrugated boxes			
Raw and packing material consumed		1,309,482	813,488
Stores and spares consumed		35,704	28,159
Salaries, wages and other benefits		143,995	133,068
Fuel and power		65,937	62,554
Repair and maintenance		15,160	13,928
Rent, rates and taxes		4,364	314
Insurance		2,256	1,815
Travelling and conveyance		3,391	3,485
Depreciation	6.1.1	27,203	23,823
Provision for slow moving stock		5,523	-
Other expenses		9,338	2,780
		1,622,353	1,083,414
Intersegment purchases - discontinued		-	425,823
Opening stock of work-in-process		4,790	5,198
Closing stock of work-in-process	12	(4,676)	(4,790)
Cost of goods manufactured		1,622,467	1,509,645
Opening stock of finished goods		16,275	18,854
Closing stock of finished goods		(24,200)	(16,275)
		1,614,542	1,512,224
30.4 Cost of goods sold - bike			
Raw and packing material consumed		317,758	372,048
Stores and spares consumed		2,689	1,010
Salaries, wages and other benefits		13,017	14,496
Fuel and power		-	124
Repair and maintenance		-	1,813
Printing and stationery		216	325
Travelling and conveyance		263	234
Depreciation	6.1.1	2,044	1,218
Other expenses		1,667	1,665
		337,654	392,933
Opening stock of work-in-process		39,266	34,955
Closing stock of work-in-process	12	(65,886)	(39,266)
Cost of goods manufactured		311,034	388,622
Opening stock of finished goods		-	-
Closing stock of finished goods		-	-
		311,034	388,622

	Note	2015	2014
		(Rupees in thousand)	
30.5 Cost of goods sold - paper and board mill			
Raw and packing material consumed		43,254	288,067
Stores and spares consumed		3,882	14,455
Salaries, wages and other benefits		11,745	45,892
Fuel and power		15,519	157,501
Repair and maintenance		1,456	5,917
Travelling and conveyance		17	362
Rent rates and taxes		31	413
Insurance		122	1,094
Depreciation	6.1.1	2,934	15,087
Legal and professional expenses		-	75
Other manufacturing expenses		490	466
Cost of goods manufactured		79,450	529,329
Opening stock of work in process		277	223
Closing stock of work in process	12	-	(277)
Cost of goods manufactured		79,727	529,275
Opening stock of finished goods		6,158	2,095
Closing stock of finished goods		-	(6,158)
		85,885	525,212

		Note	2015	2014
			(Rupees in thousand)	
31	Administrative expenses			
	Salaries and other benefits	31.1	118,466	80,452
	Electricity and gas		108	482
	Repairs and maintenance		880	798
	Rent, rates and taxes		626	351
	Travelling and conveyance		6,169	3,357
	Entertainment		887	950
	Staff training		-	120
	Postage and telephone		659	703
	Printing and stationery		3,598	2,278
	Legal and professional charges	31.2	54,657	33,526
	Donations	31.3	4,689	8,160
	Computer expenses		1,546	1,973
	Directors' fee		315	320
	Subscription		134	10
	Depreciation on property, plant and equipment	6.1.1	31,526	26,838
	Other expenses		1,788	1,167
			226,048	161,485

31.1 Salaries and other benefits include Rs. 2.81 million (2014: Rs. 1.47 million) and Rs. 8.07 million (2014: Rs. 7.95 million) in respect of defined benefit schemes and defined contribution schemes respectively.

31.2 Legal and professional charges include the following in respect of auditors' remuneration:

	2015	2014
Audit fees of holding company	1,480	1,455
Audit fees of subsidiary companies	2,080	2,158
Half yearly review	615	585
Out of pocket expenses	293	338
	4,468	4,536

		Note	2015	2014
			(Rupees in thousand)	
31.3	Name of donee in which a director or his spouse has an interest:			
	Gulab Devi Chest Hospital (GDCH) Ferozepur Road, Lahore. (Syed Shahid Ali, CEO is also Chairman of GDCH)		3,209	5,055
	Liaqat National Hospital (LNH) National Stadium Road, Karachi. (Syed Shahid Ali, CEO is also President of LNH and Syed Shehriyar Ali, Director is also Member of Governing body)		-	100
	Institute of Islamic Culture (IIC) 158- Shah Jamal, Lahore. (Syed Shahid Ali, CEO is also Chairman of IIC)		700	500
	Punjab Olympic Association (POA) Temple Road, Lahore. (Syed Shahid Ali, CEO is also President of POA)		-	160
			3,909	5,815

32 Distribution cost

	Note	2015	2014
Salaries and other benefits	32.1	199,556	165,611
Repair and maintenance		2,895	7,058
Freight, octroi and handling		222,267	230,090
Electricity and gas		428	316
Export commission		27,982	28,744
Advertising		393,411	438,182
Provision for doubtful debt	13.1	13,436	9,231
Rent, rates and taxes		19,348	13,659
Product development		100	2,082
Travelling and conveyance		42,678	37,344
Entertainment		410	568
Meeting and conferences		-	74
Subscription		825	-
Staff training		1,820	-
Printing and stationery		1,979	1,200
Postage and telephone		3,455	6,901
Depreciation	6.1.1	8,315	7,459
Legal and professional charges		5,685	1,989
Bad debts directly written off		1,118	-
Other expenses		5,466	9,091
		951,174	959,599

32.1 Salaries and other benefits include Rs. 5.44 million (2014: Rs. 3.29 million) and Rs. 10.05 million (2014: Rs. 9.72 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2015	2014
			(Rupees in thousand)	
33	Finance cost			
	Mark-up on short term borrowings		105,892	65,994
	Markup on participation term certificates		274,863	283,230
	Bank charges		16,280	14,639
			397,035	363,863
34	Other operating expenses			
	Realized exchange loss		1,139	7,794
35	Other income			
	Income from financial assets			
	Profit on bank deposits		31,317	16,632
	Profit on term deposits		-	375
	Profit/(loss) on disposal of long term investments		58,822	(49)
	Un-realized exchange gain		420	1,187
	Unrealized gain on short term investments at fair value through profit or loss		147,158	106,942
	Realized gain on disposal of short term investments at fair value through profit or loss		(31,893)	53,663
	Dividend from short term investments		10,731	9,880
	Dividend from long term investments		-	2,151
			216,555	190,781
	Income from non-financial assets			
	Profit on disposal of property, plant and equipment		51,581	22,924
	Rental income from associated undertaking		-	150
	Profit on disposal of investment property		113	313
	Scrap sale		20,452	37,911
	Export rebate		30,567	36,240
	Reversal of provision for doubtful debts	13.1	8,000	-
	Others		543	291
			111,256	97,829
			327,811	288,610
36	Taxation			
	Current			
	- For the year		46,328	28,978
	- For prior years		(19,749)	157
	Deferred			
	- For the year	23.1.2	(76,439)	(27,782)
			(49,860)	1,353

	Note	2015	2014
		(Rupees in thousand)	
36.1 Tax charge reconciliation			
Numerical reconciliation between tax expense and accounting profit			
Profit before taxation		249,904	240,205
Tax at 33% (2014: 34%)		82,468	81,670
Tax effect of:			
- Income under Final Tax Regime		(53,793)	(50,438)
- exempt income		(70,318)	(26,731)
- tax rate adjustment		(5,004)	-
- proration rate adjustment		(176)	252
- permanent difference		1,407	-
- others		(4,444)	(3,400)
		(49,860)	1,353

37 Discontinued operation

During the year, the Board of Directors of Modaraba Management Company on 01 September 2014 approved the sale of assets of Paper and Board Mill segment of the Modaraba. In line with the decision taken by the Board, the Modaraba entered into a sale agreement dated 03 September 2014 to sell off assets of Paper and Board Mill segment including land, building, plant and machinery, computer and equipment, security deposit for electricity supply and related store and spares against the gross consideration including sales tax amounting to Rs. 162 million. Assets and liabilities other than mentioned below have been retained by the Modaraba and allocated to Packaging solution segment. The Paper and Board mill segment was not previously classified as held for sale or as discontinued operation. The comparative statement of profit and loss and other comprehensive income has been represented to show the discontinued operation separately from continuing operations.

		Note	2015	2014
			(Rupees in thousand)	
				Represented
37.1	**Profit and Loss on discontinued operation**			
	Local sales - net		7,047	108,106
	Sales to continuing operations		78,375	425,823
		29	85,422	533,929
	Cost of sales	30.5	(85,885)	(525,212)
	Gross (Loss)/profit		(463)	8,717
	Administration expenses		(78)	(1,427)
	Distribution expenses		(348)	(1,492)
			(426)	(2,919)
	Operating (Loss)/profit		(889)	5,798
	Finance cost		(2)	(42)
	Other income		164	561
			(727)	6,317
	Loss on sale of discontinued operation	37.3	(35,045)	-
	(Loss)/ profit for the year from discontinued operation		(35,772)	6,317
37.2	**Cash flow generated from discontinued operation**			
	Net cash generated from operating activities		2,207	20,035
	Net cash generated from/ (used in) investing activities		154,345	(42)
	Net cash generated from discontinued operation		156,552	19,993

		Net Book values at the date of sale	
		2015	2014
		(Rupees in thousand)	
37.3	**Effect of disposal on the financial position**		
	Property, plant and equipment	164,398	-
	Long term deposits	4,590	-
	Stores and spares	19,427	-
	Stock-in-trade	975	-
	Net assets sold	189,390	-
	Consideration received net of sales tax	154,345	-
	Net loss on disposal	(35,045)	-

38 Remuneration of chief executive, directors and executives

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to the chief executive, executive directors, non-executive directors and executives of the group is as follows:

	Chief Executive		Executive Directors		Non- Executive Directors		Executives	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in thousand)							
Managerial remuneration	27,273	16,364	14,593	8,821	-	-	87,631	93,053
Provident fund	-	-	1,060	655	-	-	6,129	5,638
Service fund	-	-	1,060	655	-	-	6,075	7,250
Housing fund	-	-	1,018	-	-	-	4,938	3,758
Benevolent fund	-	-	339	-	-	-	1,585	-
Bonus	-	-	20,920	-	-	-	52,107	36,913
Entertainment	-	-	-	-	-	-	716	2,396
Utilities	-	1,636	1,459	655	-	-	6,909	5,837
Medical	2,727	-	1,459	655	-	-	8,834	6,457
Fees	–	-	–	–	315	320	–	–
	30,000	18,000	41,908	11,441	315	320	174,924	161,302
Number of persons	1	1	3	2	4	5	65	50

38.1 The chief executive officer, directors and executives are provided with free use of group maintained cars and telephone facility, according to their entitlement.

38.2 The Group has contributed Rs. 1.41 million and Rs. 1.39 million in gratuity and superannuation fund, respectively for key management personnel.

38.3 The Group has employed following number of persons including permanent and contractual staff:

	2015	2014
	(Number of persons)	
- As at 30 June	2,125	2,190
- Average number of employees	2,135	2,161

39 Transactions with related parties

The related parties comprise subsidiaries, associated undertakings, other related group companies, directors of the group, key management personnel and post employment benefit plans. The group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under respective notes and remuneration of directors and key management personnel are disclosed in note 38. Other significant transactions with related parties are as follows:

Relationship with the group		Nature of transactions	2015	2014
			(Rupees in thousand)	
I	**Associated undertakings**			
	Packages Limited	Purchase of goods	128,881	128,351
		Sale of goods	136	597
	ZIL Limited	Purchase of goods	-	54
	IGI Insurance Limited	Purchase of services	39,890	12,860
	Bulleh Shah Packaging (Private)Limited	Purchase of goods	40,053	75,976
	Cutting Edge (Private) Limited	Purchase of services	2,789	2,574
	Wazir Ali Industries Limited	Rental income	113	150
		Purchase of goods	-	131
II	**Post employment benefit plans**			
	Superannuation fund	Contribution	12,911	14,580
	Gratuity fund	Contribution	13,389	18,239
	Provident fund	Contribution	18,033	19,989
	Service fund	Contribution	9,894	11,296
	Housing fund	Contribution	7,448	5,193
	Benevolent fund	Contribution	2,184	2,356

40 Financial instruments

The Group has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment of group's risk management framework. The Board is also responsible for developing and monitoring the group's risk management policies.

40.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Exports sales are either secured through letter of credit or a foreign bank guarantee is obtained.

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Group's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The management believes that it is not exposed to major concentration of credit risk.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2015	2014
	(Rupees in thousand)	
Long term investments	260,765	234,646
Long term loans	16,932	17,066
Long term deposits	29,413	33,756
Trade debts - net	482,818	613,934
Short term investments	844,102	632,327
Loans, advances, deposits and other receivables	(355,438)	(331,974)
Bank balance	2,721,254	618,706
	3,999,846	1,818,461

All the trade debtors at the balance sheet date represent domestic and foreign parties.

The maximum exposure to credit risk before any enhancements for trade debts at the reporting date by type of customer was:

	2015	2014
	(Rupees in thousand)	
- Local parties	428,761	471,991
- Foreign parties	54,057	141,943
	482,818	613,934

The aging of trade debts at the reporting date is:

	2015	2014
Not past due	314,127	-
Less than 30 days	85,500	358,887
Past due 1 - 3 months	75,691	184,327
Past due 3 - 6 months	2,081	11,005
Past due 6 - 9 months	4,151	7,383
Above one year	1,268	52,332
	482,818	613,934

Based on past experience the management believes that no impairment allowance is necessary in respect of unimpaired trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	2015 Rating Short term	2015 Rating Long term	Rating Agency	2014 Rating Short term	2014 Rating Long term
NIB Bank Limited	A1+	AA-	PACRA	A1+	AA-
Faysal Bank Limited	A1+	AA	PACRA	A1+	AA
United Bank Limited	A-1+	AA+	JCR-VIS	A-1+	AA+
Habib Bank Limited	A-1+	AAA	JCR-VIS	A-1+	AAA
Askari Commercial Bank Limited	A-1+	AA	PACRA	A1+	AA
Citibank N.A.	P-1	A2	Moody's	P-1	A2
National Bank of Pakistan	A1+	AAA	JCR-VIS	A-1+	AAA
Bank of Punjab	A1+	AA-	PACRA	A1+	AA-
HSBC Bank Middle East Limited	P-2	A3	Moody's	P-1	A2
MCB Bank Limited	A1+	AAA	PACRA	A1+	AAA
Silk Bank Limited	A-2	A-	JCR-VIS	A-2	A-
Burj Bank limited	A-2	A-	JCR-VIS	A-1	A
Samba Bank Limited	A-1	AA	JCR-VIS	A-1	AA-
Bank Alfalah Limited	A1+	AA	PACRA	A1+	AA
Bank Islami Pakistan Limited	A1	A+	PACRA	A1	A
Standard Chartered Bank	A1+	AAA	PACRA	A1+	AAA
Alfalah GHP mutual fund	-	AA	PACRA	AAA	-
Soneri Bank Limited	A1+	AA-	PACRA	A1+	AA-
Al-Baraka Bank (Pakistan Limited)	A1	A	PACRA	A1	A

40.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Group is not materially exposed to liquidity risk as substantially all obligations / commitments of the Group are short term in nature and are restricted to the extent of available liquidity. In addition, the Group has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2015				
	Carrying Amount	Contrac-tual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	621,467	621,467	621,467	-	-
Long term deposits	750	750	-	750	-
Short term borrowings	1,806,375	1,806,375	1,806,375	-	-
Redeemable capital	895,834	998,803	281,135	717,668	
Accrued mark-up	302,408	302,408	302,408	-	-
	3,626,834	3,729,803	3,011,385	718,418	-

	2014				
	Carrying Amount	Contrac-tual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	720,250	719,761	719,761	-	-
Long term deposits	467	466	-	466	-
Short term borrowings	797,357	797,357	797,357	-	-
Redeemable capital	1,075,251	1,186,588	289,503	897,085	-
Accrued mark-up	299,513	293,514	293,514	-	-
	2,892,838	2,997,686	2,100,135	897,551	-

40.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

40.4 Currency risk

The Group is exposed to currency risk on import of raw materials and stores and spares and export of goods mainly denominated in US Dollars, GBP Pounds and Euros and on foreign currency bank accounts. The Group's exposure to foreign currency risk for US Dollars, GBP Pounds and Euros is as follows:

	2015	2014
	(Rupees in thousand)	
Outstanding letters of credit (US dollars)	395,257	589,206
Outstanding letters of credit (Euros)	-	18,511
Outstanding letters of credit (GBP)	-	18,179

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2015	2014	2015	2014
Rupees per USD	100.03	98.58	101.50	98.55
Rupees per Euro	124.02	131.86	113.57	134.46
Rupees per GBP	163.69	159.62	159.59	167.79

At reporting date, if the Pakistani Rupees has fluctuated by 10% against the US Dollar with all other variables held constant, pre-tax profit would have been higher/ lower by Rs. 0.632 million (2014: Rs. 14.202 million), mainly as a result of net foreign exchange gain/ loss on translation of foreign exchange denominated financial instruments.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Group.

40.5 Interest rate risk

At the reporting date the interest rate profile of the Group's significant interest bearing financial instruments were as follows:

	2015	2014	2015	2014
	Effective rate (Percentage)		(Rupees in thousand)	
Financial assets				
Fixed rate instruments				
Bank balances - deposit accounts	7- 8.75	7- 8.75	126,709	325,160
Financial liabilities				
Floating rate instrument				
Short term borrowings	8.70 -11.21	8.70 -11.21	1,806,375	797,357

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on short term borrowings, at the year end rate, fluctuate by 1% higher/ lower with all the other variables held constant, pre-tax profit for the year would have been higher/ lower by Rs 18.063 million (2014: Rs 7.974 million), mainly as a result of higher/ lower interest expense on floating rate borrowings.

40.6 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Group's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Group diversifies its portfolio and continuously monitors developments in equity markets. In addition the Group actively monitors the key factors that affect stock price movement.

A 10% increase in redemption and share prices at the year end would have increased the Group's profit in case of held for trading investments and increase / decrease surplus on re-measurement of investments in case of 'available for sale' investment as follows:

	2015	2014
	(Rupees in thousand)	
Effect on profit and loss	(63,877)	(63,064)
Effect on equity	-	(5)
Effect on investments	(63,877)	(63,069)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss/ equity and assets of the Group.

40.6.1 Fair value of financial instruments

The carrying value of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments carried at fair value are categorized as follows:

- Level 1: Quoted market prices
- Level 2: Valuation techniques (market observable)
- Level 3: Valuation techniques (non-market observable)

	2015			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Short term investments at fair value through profit or loss	638,770	5,332	-	644,102
Long term investments available for sale	-	-	1,555	1,555
	638,770	5,332	1,555	645,657

	2014			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Short term investments at fair value through profit or loss	630,639	-	-	630,639
Long term investments available for sale	52	-	14,952	15,004
	630,691	-	14,952	645,643

40.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Group. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

40.8 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of our business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of Profit attributed to ordinary shareholders.

The Group's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of Profit attributed paid to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors capital on the basis of the debt-to-equity ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2015 and at 30 June 2014 were as follows:

	2015	2014
	(Rupees in thousand)	
Total debt	2,702,209	1,872,608
Total equity and debt	8,349,740	4,766,961
Debt-to-equity ratio	32%	39%

There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

41 Operating Segments

41.1 Geographical Information

Significant sales are made by the group in the following countries:

	Note	2015	2014
		(Rupees in thousand)	
Pakistan		5,204,386	5,054,320
United Arab Emirates		383,801	439,966
Saudi Arabia		371,522	366,456
Bangladesh		181,371	300,223
China		193,017	248,100
Jordan		82,308	144,251
Yemen		62,742	70,827
Brazil		49,339	65,252
Egypt		53,804	47,001
Morocco		16,777	38,110
Angola		-	32,739
Taiwan		16,373	15,410
Vietnam		49,178	2,188
Other countries		320,979	237,289
		6,985,597	7,062,132

Sales are attributed to countries on the basis of the customers' location.

41.2 Business segments

As at 30 June 2015 the Group is engaged into following main business segments:

(i) Manufacture and sale of blades;
(ii) Manufacture and sale of soaps;
(iii) Manufacture and sale of packing material;
(iv) Assembling and sale of motor bikes.

41.3

	Note	Continuing operations										Discontinued operations	
		Blades		Soaps		Packaging solutions		Bike		Total		Paper & board	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		---Rupees in thousand---											
Sales		4,437,521	4,586,994	972,088	976,008	2,116,954	1,947,784	370,629	436,854	7,897,192	7,947,640	94,278	551,039
Less : Sales tax		399,920	382,309	162,562	164,708	292,673	272,087	56,273	66,240	911,428	885,344	8,856	17,110
Trade discount		83,326	51,404	-	-	2,263	488	-	1,908	85,589	53,800	-	-
		483,246	433,713	162,562	164,708	294,936	272,575	56,273	68,148	997,017	939,144	8,856	17,110
		3,954,275	4,153,281	809,526	811,300	1,822,018	1,675,209	314,356	368,706	6,900,175	7,008,496	85,422	533,929
Net sales		3,954,275	4,153,281	809,526	811,300	1,822,018	1,675,209	314,356	368,706	6,900,175	7,008,496	85,422	533,929
Cost of sales		2,814,332	2,917,232	722,877	774,819	1,614,542	1,512,224	311,034	388,622	5,462,785	5,592,897	85,885	525,212
Gross profit		1,139,943	1,236,049	86,649	36,481	207,476	162,985	3,322	(19,916)	1,437,390	1,415,599	(463)	8,717
Inter company / inter segment - net sales		-	-	-	74	32,834	68,095	1,077	-	33,911	68,169	7,285	54,469
Inter company / inter segment - purchases		(19,024)	(5,069)	(14,887)	(8,631)	-	(54,469)	-	-	(33,911)	(68,169)	(7,285)	(54,469)
Gross profit - segment wise		1,120,919	1,230,980	71,762	27,924	240,310	176,611	4,399	(19,916)	1,437,390	1,415,599	(463)	8,717
Administrative expenses	31	186,644	136,632	19,190	2,151	17,735	12,950	2,479	9,752	226,048	161,485	78	1,427
Distribution cost	32	819,319	837,031	5,792	3,012	100,207	95,139	25,856	24,417	951,174	959,599	348	1,492
Operating profit/segment results		114,956	257,317	46,780	22,761	122,368	68,522	(23,936)	(54,085)	260,168	294,515	(889)	5,798
Finance cost	33									(397,035)	(363,863)	(2)	(42)
Other operating expenses	34									(1,139)	(7,794)	-	-
Other income	35									327,811	288,610	164	561
Loss on sale of discontinued operations	37									-	-	(35,045)	-
										189,805	211,468	(35,772)	6,317
Share of profit of associate										60,825	44,485		
Workers' profit participation fund										(4,393)	(11,424)		
Workers' welfare fund										3,667	(4,324)		
Profit before taxation										249,904	240,205		
Taxation										28,081	(11,961)		
Profit after taxation										277,985	228,244		
Net (Loss)/ Profit for the year from discontinued operations										(35,772)	6,317		
Net Profit										242,213	234,561		
41.3.1 Segment assets	41.3.1.1	972,979	768,208	418,966	345,109	1,368,282	1,131,197	129,442	154,907	-	253,017	2,889,669	2,652,438
Unallocated assets												8,101,301	4,592,937
Total Assets												10,990,970	7,245,376
41.3.2 Segment liabilities	41.3.2.1	2,758,802	2,776,406	36,668	17,261	97,972	85,545	20,609	61,165	-	25,414	2,914,051	2,965,791
Unallocated liabilities												1,096,517	27,010
												4,010,568	2,992,801

41.3.1.1 Unallocated assets includes property, plant and equipment, investment property, long term investment, loans, advances, deposits, prepayments and other receivables, deferred taxation, short term investments, cash and bank and long term security deposits.

41.3.2.1 Unallocated liabilities include deferred liabilites, redeemable capital, unclaimed profit attribiuted and long term deposits.

		Note	2015	2014
			(Rupees in thousand)	
42	**Cash generated from operations**			
	Profit before taxation		277,985	246,522
	Adjustments for non cash and other items:			
	Finance cost		397,035	363,905
	Depreciation on property, plant and equipment	6.1.1	199,654	155,609
	Provision for gratuity		23,558	16,014
	Provision for superannuation		18,708	13,781
	Profit on bank deposits		(31,317)	(17,007)
	Provision for doubtful debt		13,436	9,231
	Slow moving raw material stock written off		2,074	1,542
	Profit on sale of property, plant and equipment		(73,596)	(22,924)
	(Profit)/ Loss on disposal of long term investments		(58,822)	49
	Provision for WPPF and WWF		726	15,748
	Share of profit of discontinued operation		(35,772)	-
	Unrealized gain on investment at fair value through profit or loss		(147,158)	(106,942)
	Cash generated from operations		308,526	429,006
	Transfer to profit and loss account on sale of available for sale long term investments			
	Unrealized exchange gain		(420)	(1,187)
	Share of profit from associate		(60,825)	(44,485)
	Profit attributed income		(10,731)	(12,031)
			(71,976)	(57,703)
	Operating profit before working capital changes		514,534	617,825
	increase in current assets:			
	Stores and spares		13,218	(48,647)
	Stock-in-trade		(320,012)	(43,170)
	Trade debtors		118,100	(150,455)
	Short term investment		(64,617)	14,996
	Loans, advances, deposits, prepayments and other receivables		(158,216)	17,911
			(411,527)	(209,365)
	Increase in current liabilities:			
	Trade and other payables		29,857	49,717
			132,864	458,177
43	**Cash and cash equivalent**			
	Cash and bank balances	16	2,790,287	662,752
	Short term running finance - secured	17	(743,595)	(132,525)
			2,046,692	530,227

			2015	2014
44	**Earnings per share - basic and diluted**			
44.1	**Basic earnings per share**			
	i-Profit attributable to ordinary share holders (basic):			
	Profit for the year after taxation attributable to equity holders of the parent	*Rupees in thousand*	242,015	234,436
	ii-Weighted-average number of ordinary shares (basic):			
	Weighted average number of shares	*Number in thousand*	52,975	47,813
44.2	**Diluted earnings per share**			
	i-Profit attributable to ordinary share holders (diluted):			
	Profit for the year after taxation attributable to equity holders of the parent	*Rupees in thousand*	242,015	234,436
	ii-Weighted-average number of ordinary shares (diluted):			
	Weighted average number of shares (basic)		52,975	47,813
	Effect of letter of right issue		26,332	26,332
		Number in thousand	79,307	74,145
	Continuing operations:			
44.3	**Basic earnings per share**			
	i-Profit attributable to ordinary share holders (basic):			
	Profit for the year after taxation attributable to equity holders of the parent	*Rupees in thousand*	277,985	234,436
	ii-Weighted-average number of ordinary shares (basic):			
	Weighted average number of shares	*Number in thousand*	52,975	47,813
44.4	**Diluted earnings per share**			
	i-Profit attributable to ordinary share holders (diluted):			
	Profit for the year after taxation attributable to equity holders of the parent	*Rupees in thousand*	277,985	234,436
	ii-Weighted-average number of ordinary shares (diluted):			
	Weighted average number of shares (basic)		52,975	47,813
	Effect of letter of right issue		26,332	26,332
		Number in thousand	79,307	74,145

Conversion of participation term certificates into ordinary shares have anti-dilutive impact on basis earnings per share.

		Note	Production capacity 2015	2014	Actual production 2015	2014
45	Plant capacity and production					
	Blades - units in millions		1,700	1,600	1,654	1,755
	Packaging solutions - in metric tones		35,000	30,000	26,225	24,869
	Bike - in units		12,000	12,000	9,865	11,506
	Soap - in metric tones		5,000	5,000	4,147	4,030
	Paper and board - in metric tones - Discontinued		-	15,000	1,274	9,255

46 Date of authorization for issue

These consolidated financial statements were authorized for issue on October 06, 2015 by the Board of Directors of the Holding Company.

47 Events after balance sheet date

(i) The Board of Directors in their meeting held on October 06, 2015 have proposed a final cash Profit attributed for the year ended 30 June 2015 of Re.1/- (2014: Rs. 2/-) per share, amounting to Rs. 134.877 million (2014: Rs. 102.046 million) for approval of the members at the Annual General Meeting to be held on October 31, 2015. These financial statements do not reflect this Profit attributed.

(ii) Subsequent to the year end, the Group introduced an Employee Stock Option Scheme in conformity with Employee Stock Option Scheme Rules, 2001 and duly approved by SECP which shall be applicable from 1st July 2015 onward. According to the scheme, entitlement pool shall comprise a maximum of 15% of the paid-up capital of the Group. These options will have a vesting period of one year and an exercisable period of one year from the date the options are vested. Options granted under the scheme shall be exercisable after completion of vesting period from the date of grant.

48 General

Corresponding figures have been re- arranged and reclassified wherever necessary, for the purposes of comparison.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Financial Statements

For the year ended 30 June 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of Treet Corporation Limited ("the Company") as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

  i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Lahore
Date: October 06, 2015

Balance Sheet
As at 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	2,738,935	2,591,422
Investment property	7	28,100	-
Long term investments	8	2,323,499	1,399,032
Long term loans	9	1,379	1,242
Long term security deposits	10	14,261	10,564
Deferred tax asset	22	30,734	-
		5,136,908	4,002,260
Current assets			
Stores and spares	11	172,250	145,866
Stock-in-trade	12	732,744	467,011
Trade debts	13	67,985	427,585
Short term investments	14	633,300	630,639
Loans, advances, deposits, prepayments and other receivables	15	803,051	525,491
Cash and bank balances	16	2,568,077	447,139
		4,977,407	2,643,731
Non-current assets held for sale		-	88,473
		4,977,407	2,732,204
Liabilities			
Current liabilities			
Current portion of non-current liabilities	21	179,417	179,417
Short term borrowings	17	1,806,375	797,357
Trade and other payables	18	430,799	479,754
Accrued mark-up	19	302,408	299,513
Provision for taxation		37,068	21,287
		2,756,067	1,777,328
Net current assets		2,221,340	954,876
Non-current liabilities			
Long term deposits	20	600	318
Redeemable capital	21	716,417	895,834
Deferred liabilities	22	153,635	163,669
		870,652	1,059,821
Contingencies and commitments	23		
		6,487,596	3,897,315
Represented by:			
Authorised capital			
150,000,000 (2014: 70,000,000) ordinary shares of Rs. 10 each		1,500,000	700,000
10,000,000 (2014: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		1,600,000	800,000
Issued, subscribed and paid-up capital	24	539,507	510,231
Reserves	25	1,002,221	858,400
Advance against issue of shares	26	2,421,612	-
Unappropriated profit		1,235,295	1,227,609
Shareholders' equity		5,198,635	2,596,240
Surplus on revaluation of land and buildings	27	1,288,961	1,301,075
		6,487,596	3,897,315

The annexed notes 1 to 45 form an integral part of these financial statements.

LAHORE	Syed Shahid Ali	Muhammad Shafique Anjum
October 06, 2015	Chief Executive Officer	Director

Profit and Loss Account
For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Sales - net	28	3,954,275	4,153,281
Cost of sales	29	2,843,970	2,927,412
Gross profit		1,110,305	1,225,869
Administrative expenses	30	186,257	138,112
Distribution cost	31	818,745	835,642
		1,005,002	973,754
Operating profit		105,303	252,115
Finance cost	32	394,866	363,282
Other operating (income)/expenses	33	(756)	18,617
		394,110	381,899
Other income	34	345,254	324,815
Profit before taxation		56,447	195,031
Taxation	35	48,669	20,601
Profit after taxation		105,116	215,632
Earnings per share - basic (Rupees)	41	1.98	4.51
			Restated
Earnings per share - diluted (Rupees)	41	1.33	2.91

The annexed notes 1 to 45 form an integral part of these financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Profit after taxation		105,116	215,632
Other comprehensive income			
Items that are or may be subsequently reclassified to profit or loss account:			
Realized gain on disposal of investment classified as held for sale reclassified to profit and loss account		(48)	(1,638)
Unrealized loss on available for sale investments		-	(1)
Items that will not be reclassified to profit or loss account:			
Re-measurement of employee retirement benefits - net of tax		(7,498)	(25,118)
Surplus on revaluation of land and building	i	-	-
Total comprehensive income for the year		97,570	188,875

i) Surplus on revaluation of property, plant and equipment is presented under separate head below equity as "Surplus on revaluation of land and buildings" in accordance with the requirements of section 235 of Companies Ordinance, 1984.

The annexed notes 1 to 45 form an integral part of these financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Cash Flow Statement

For the year ended 30 June 2015

	Note	2015	2014
		(Rupees in thousand)	
Cash generated from operations	39	292,174	418,602
Finance cost paid		(391,971)	(357,283)
Taxes paid		(58,433)	(86,930)
WPPF paid		(10,469)	(15,608)
Payment to gratuity fund		(13,389)	(16,794)
Payment to superannuation fund		(9,896)	(14,750)
		(484,158)	(491,365)
Net cash used in operating activities		(191,984)	(72,763)
Cash flows from investing activities			
Fixed capital expenditure		(318,392)	(290,482)
Proceeds from sale of property, plant and equipment		14,170	36,179
Proceeds from sale of non-current assets held for sale		104,000	-
Proceeds from sale of available for sale long term investments		72,223	10,757
Investment in subsidiaries		(937,916)	-
Long term loans and deposits		(3,835)	384
Interest received		7,003	9,635
Dividend received		50,722	55,376
Net cash used in investing activities		(1,012,025)	(178,151)
Cash flows from financing activities			
Long term deposits		282	(2,063)
Proceeds from issue of right shares		2,421,612	501,867
Short term borrowings		397,948	127,247
Redemption of participation term certificates		(6,272)	(6,273)
Dividend paid		(99,693)	(82,638)
Net cash generated from financing activities		2,713,877	538,140
Net increase in cash and cash equivalents		1,509,868	287,226
Cash and cash equivalents at the beginning of year		314,614	27,388
Cash and cash equivalents at the end of year	40	1,824,482	314,614

The annexed notes 1 to 45 form an integral part of these financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Statement of Changes in Equity
For the year ended 30 June 2015

	Share Capital	Advance against issue of share capital	Capital Reserves: Share Premium	Capital Reserves: Capital Reserve	Capital Reserves: Fair Value Reserve	Revenue Reserves: General Reserve	Revenue Reserves: Un-appropriated Profit	Total
	(Rupees in thousand)							
Balance as at 30 June 2013	418,222	-	8,320	629	1,687	266,400	1,115,586	1,810,844
Total comprehensive income for the year								
Profit for the year	-	-	-	-	(1)	-	215,632	215,631
Other comprehensive income	-	-	-	-	(1,638)	-	(25,119)	(26,757)
	-	-	-	-	(1,639)	-	190,513	188,874
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	-	5,154	5,154
Transactions with owners								
Final dividend @ 20 % for the year ended 30 June 2013	-	-	-	-	-	-	(83,644)	(83,644)
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,276	-	143,869	-	-	-	-	173,145
Right issue of ordinary shares @ 15%	62,733	-	439,134	-	-	-	-	501,867
	92,009	-	583,003	-	-	-	(83,644)	591,368
Balance as at 30 June 2014	**510,231**	**-**	**591,323**	**629**	**48**	**266,400**	**1,227,609**	**2,596,240**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	105,116	105,116
Other comprehensive income	-	-	-	-	(48)	-	(7,498)	(7,546)
	-	-	-	-	(48)	-	97,618	97,570
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	-	12,114	12,114
Transactions with owners								
Final dividend @ 20 % for the year ended 30 June 2014	-	-	-	-	-	-	(102,046)	(102,046)
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,276	-	143,869	-	-	-	-	173,145
Advance received during the year (note 26)	-	2,421,612	-	-	-	-	-	2,421,612
	29,276	2,421,612	143,869	-	-	-	(102,046)	2,492,711
Balance as at 30 June 2015	**539,507**	**2,421,612**	**735,192**	**629**	**-**	**266,400**	**1,235,295**	**5,198,635**

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Notes to the Financial Statements
For the year ended 30 June 2015

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. Its shares are listed on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is manufacturing and sale of razors and razor blades alongwith other trading activities. The registered office of the Company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2 Basis of preparation

2.1 Seperate financial statements

These financial statements are the separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following long term investments:

	2015	2014
	(Direct holding percentage)	
Name of Company		
Subsidiaries		
- Treet Holdings Limited (formerly Global Econo Trade Limited)	100	100
- First Treet Manufacturing Modaraba	89.8	89.8
- Global Arts Limited (formerly Treet Services Limited)	86.3	-
Associate		
- Loads Limited	20.82	20.82

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments classified as investments at fair value through profit or loss and available for sale which are stated at fair value, investment properties stated at fair value and obligations in respect of superannuation and gratuity schemes which are measured at present value, while land and buildings are stated at revalued amounts. In these financial statements, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

2.4 Functional and presentation currency

These 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.

3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

		Note
-	Employee retirement benefits	5.1
-	Taxation	5.2
-	Residual values and useful lives of depreciable assets	5.3
-	Impairment	5.8
-	Provisions	5.19
-	Contingent liabilities	5.22

4 New and revised approved accounting standards, interpretations and amendments thereto

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped off the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016.

- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The adoption of above standards or amendments are not likely to have an impact on these financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal off an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendment does not have an impact on the financial statements of the Company.

5 Summary of significant accounting policies

5.1 Employee retirement benefits

Defined contribution plans

The Company has maintained four contributory schemes for the employees, namely provident fund, service fund, housing fund and benevolent fund.

i) A recognized contributory provident fund scheme namely "Treet Corporation Limited - Group Employees Provident Fund" is in operation covering all permanent employees. Equal monthly contributions are made both by the Company and employees in accordance with the rules of the scheme @ 10% of the basic salary.

ii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employee Service Fund" is in operation which covers all permanent management employees. In accordance with the rules of the scheme, equal monthly contributions are made both by the Company and employees @ 10% of basic salary from the date the employee gets permanent status. Additional contributions may be made by the Company for those employees who have at most 15 years of service remaining before reaching retirement age, however, employee can start their additional contribution above the threshold limit of 10% of the basic salary at any time.

iii) A recognized contributory fund scheme namely "Treet Corporation Limited - Group Employees Benevolent Fund" in operation for the benefit of employees if the employee opts for the scheme. The contributions to the fund are made @ 10% of employees basic salary on monthly basis by both employee and the employer. Periodic bonuses by the Company to all the employees in any year, not exceeding one month's basic salary of an employee, is credited to his personal account in the Fund at the sole discretion of the Company.

iv) An unrecognized contributory fund scheme namely, "Treet Corporation Limited - Group Employees Housing Fund Scheme" is in operation covering permanent management employees with minimum five years of service with the Company. Equal contributions are made monthly both by the Company and employees in accordance with the rules of the Scheme @ 20% of the basic pay.

Defined benefit plans

An approved funded gratuity scheme and a funded superannuation schemes are in operation for all employees with qualifying service periods of six months and ten years respectively. These are operated through "Treet Corporation Limited - Group Employees Gratuity Fund" and "Treet Corporation Limited - Group Employee Superannuation Fund" respectively. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculation results in a potential assets for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

Re-measurement of net defined benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Company determines net interest expense/(income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

5.2 Taxation

Income tax on the profit and loss for the year comprises current and deferred tax.

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account available tax credits and tax rebates. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized for using the balance sheet liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and/or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.3 Property, plant and equipment

These are carried at cost less accumulated depreciation and impairment, if any except for freehold land and buildings, which are stated at revalued amount less accumulated depreciation and impairment, if any. However, freehold land and buildings which were purchased subsequent to last revaluation date are carried at cost.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. To the extent of the incremental depreciation charged on the revalued assets the related surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

Capitalization threshold

Following are the minimum threshold limits for capitalization of individual items:

Particulars	Rupees
Building on free hold land	50,000
Plant and machinery	10,000
Office equipments	8,000
Furniture and fixture	10,000
Others	10,000

On disposal or scrapping, the cost of the assets and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the profit and loss account.

Depreciation is charged to income, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful lives given in note 6.1.

Depreciation on additions is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Incremental depreciation charged for the period on revalued assets is transferred from surplus on revaluation of fixed assets to retained earnings during the year.

Residual value and the useful life of assets are reviewed at least at each financial year-end. The useful life of buildings on freehold land were revised in the current year as stated in note 6.1.2.

Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to expense as and when incurred.

5.4 Capital work-in-progress

Capital work-in-progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use. Capital work in progress is stated at cost, less any identified impairment loss.

5.5 Investment property

Property not held for own use or for the sale in the ordinary course of business is classified as investment property. The investment properties of the Company comprised of land and buildings and are valued using the cost method and are stated at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property other than freehold land is charged to profit and loss account on straight line method so as to write off the depreciable amount of building over its estimated useful life at the rate of 5 per cent per annum. Depreciation on additions is charged from the day the property becomes available for use till the day the property is fully depreciated or disposed off.

The property's residual values, depreciation method and useful life are reviewed at each balance sheet date and adjusted if the impact on depreciation is significant.

On disposal, the cost of the property and the corresponding depreciation is adjusted and the resultant gain or loss is dealt with through the profit and loss account.

5.6 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and sale is considered highly probable. They are stated at lower of carrying amount and fair value less costs to sell.

5.7 Investments

Investment in subsidiaries and associates

Investments in subsidiaries and associates are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit and loss account.

Investments available-for-sale

Investments classified as investments available for sale are initially recognized at cost, being the fair value of consideration given. At subsequent dates, these investments are re-measured at fair values (quoted market price), unless fair value cannot be measured reliably. The investment for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Unrealized gains and losses arising from changes in fair values are directly recognized in equity in the period in which these arise.

All purchases and sales of investments are recognized on the trade date which is the date that the Company commits to purchase or sell the investment. Cost of purchase includes transaction cost.

At each balance sheet date, the Company reviews the carrying amounts of the investment to assess whether there is any indication that any investment has suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. These are initially recognized on trade date at cost and derecognized by the Company on the date it commits to sell them off. At each balance sheet date held-to-maturity investments are stated at amortized cost using the effective interest rate method.

Investments at fair value through profit and loss

Investments which are acquired principally for the purpose of generating profits from short term fluctuations in price or dealer margin are classified as "Investments at fair value through profit or loss account". These are initially recognized on trade date at cost and derecognized by the Company on the date it commits to sell them off. At each balance sheet date, fair value is determined on the basis of year-end bid prices obtained from stock exchange quotations. Any resultant increase/ (decrease) in fair value is recognized in the profit and loss account for the year.

Investments are treated as current assets where the intention is to hold these for less than twelve months from the balance sheet date, otherwise investments are treated as long-term assets.

5.8 Impairment

The Company assesses at each balance sheet date, whether there is any indication that asset may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in income currently. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. A reversal of the impairment loss is recognized in income.

5.9 Stores and spares

These are valued at the moving average cost except for items in transit, which are valued at invoice price and related expenses incurred upto the balance sheet date. The company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

5.10 Stock-in-trade

Stock of raw materials, packing materials, work-in-process and finished goods is valued at lower of moving average cost and net realizable value, except for stock in transit which is valued at invoice price and related expenses. Cost in relation to work-in-process and finished goods includes prime cost and appropriate proportion of production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

5.11 Trade debts

Trade debts are carried at original invoice amount which is the fair value of consideration receivable less an allowance for doubtful debts based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off as and when identified.

5.12 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pakistani Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the foreign exchange rates at the balance sheet date. Foreign exchange gains and losses are taken to the profit and loss account.

5.13 Revenue recognition

(i) Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods are transferred to the buyer.

(ii) Interest / mark-up is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

(iii) Dividend income is recognized when the right to receive payment is established.

(iv) Return on bank deposits, investments and interest on loans is accounted for on a time proportionate basis using the applicable rate of return/ interest.

(v) Other revenues are recorded on accrual basis.

5.14 Borrowing cost

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs that are directly attributable to qualifying assets are capitalized as part of cost of that asset.

5.15 Financial instruments

(i) Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

(ii) Financial assets are de-recognised when the Company loses control of the contractual rights that comprise the financial asset.

(iii) Financial liabilities are de-recognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired.

(iv) The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

(v) Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

(vi) Derivative financial instruments are initially recognized at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, any changes therein are generally recognized in profit or loss account.

5.16 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, current and deposit account balances with banks and outstanding balance of running finance facilities availed by the Company.

5.17 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

5.18 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.20 Research and development costs

Research and development costs are charged to profit and loss account as and when incurred.

5.21 Dividends

Dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved.

5.22 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

	Note	2015	2014
		(Rupees in thousand)	
6 Property, plant and equipment			
Operating fixed assets	6.1	2,436,882	2,455,710
Capital work-in-progress	6.2	302,053	135,712
		2,738,935	2,591,422

6.1 Property, plant and equipment

	Annual rate of depreci-ation	Cost/ revalued amount as at 01 July 2014	Additions/ Adjustments/ (Deletions)	Revaluation surplus arising during the year	Effect of revaluation	Cost as at 30 June 2015	Accumulated depreciation as at 01 July 2014	Depreciation charge/ (deletions) for the year	Elimination of accumulated depreciation against cost on revaluation	Accumulated depreciation as at 30 June 2015	Book value as at 30 June 2015
	%	-----------------	-----------------	-----------------	-----(Rupees in thousand)-----	-----------------	-----------------	-----------------			
Owned											
Freehold land	-	1,227,805	-	-	-	1,227,805	-	-	-	-	1,227,805
Buildings on free hold land	5	452,561	-	-	-	452,561	-	30,755	-	30,755	421,806
Plant & machinery	10	1,232,267	87,789 (530)	-	-	1,319,526	584,152	93,324 (255)	-	677,221	642,305
Furniture and equipment	10 - 25	50,396	15,890 (730)	-	-	65,556	36,032	4,380 (387)	-	40,025	25,531
Vehicles	20	184,126	48,372 (17,745)	-	-	214,753	71,261	36,205 (12,148)	-	95,318	119,435
2015		3,147,155	152,051	-	-	3,280,201	691,445	164,664	-	843,319	2,436,882
		-	(19,005)	-	-	-	-	(12,790)	-	-	-

	Annual rate of depreci-ation	Cost/ revalued amount as at 01 July 2013	Additions/ Adjustments/ (Deletions)	Revaluation surplus arising during the year	Effect of revaluation	Cost as at 30 June 2014	Accumulated depreciation as at 01 July 2013	Depreciation charge/ (deletions) for the year	Elimination of accumulated depreciation against cost on revaluation	Accumulated depreciation as at 30 June 2014	Book value as at 30 June 2014
	%	-----------------	-----------------	-----------------	-----(Rupees in thousand)-----	-----------------	-----------------	-----------------			
Owned											
Freehold land	-	779,715	-	448,090	-	1,227,805	-	-	-	-	1,227,805
Buildings on free hold land	5	444,190	23,694	147,857	(163,180)	452,561	140,558	22,622	(163,180)	-	452,561
Plant & machinery	10	832,802	402,441 (2,976)	-	-	1,232,267	533,533	53,595 (2,976)	-	584,152	648,115
Furniture and equipment	10 - 25	45,677	5,553 (834)	-	-	50,396	33,089	3,432 (489)	-	36,032	14,364
Vehicles	20	177,009	51,578 (44,461)	-	-	184,126	69,738	33,074 (31,551)	-	71,261	112,865
2014		2,279,393	483,266	595,947	(163,180)	3,147,155	776,918	112,723	(163,180)	691,445	2,455,710
		-	(48,271)	-	-	-	-	(35,016)	-	-	-

		Note	2015	2014
			(Rupees in thousand)	
6.1.1	**Depreciation charge for the year has been allocated as follows:**			
	Cost of sales	29	124,823	78,426
	Administrative expenses	30	31,526	26,838
	Distribution cost	31	8,315	7,459
			164,664	112,723

6.1.2 Building on freehold land was revalued as of 30 June 2014 and a review of useful life of assets has resulted in changes in the expected usage of buildings on freehold land. The remaining useful lives of the buildings has been reassessed to 20 years from the revaluation date. The change in estimate of useful life has been applied prospectively as required under IAS 8 Accounting policies, changes in accounting estimates and errors.

6.1.3 Land and buildings were last revalued on 30 June 2014 by M/s Zafar Iqbal & Co (PBA approved valuators, inspectors and engineers) resulting in surplus of Rs. 595.95 million. Land was revalued on the basis of current market value and buildings have been revalued on the basis of replacement value.

6.1.4 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

	2015	2014
	(Rupees in thousand)	
Land	111,933	111,933
Buildings	222,473	239,118
	334,406	351,051

6.1.5 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Profit	Mode of disposal	Sold to
	------------------------------- (Rupees in thousand)-----------------------------------						
Plant							
UPS 20 KVA	530	255	275	306	31	Insurance claim	Claim from IGI Insurance
Furniture & Equipments							
Networking Tower Bridge	132	72	60	60	-	Negotiation	Mian Munawar Latif
Vehicles							
Suzuki Bolan	559	487	72	564	492	Stolen	Claim from IGI Insurance
							Employees
Toyota Corolla	520	293	227	520	293	Company scheme	- Mr. Kashif Ali
Suzuki Cultus	520	217	303	520	217	Company scheme	- Mr. Jawad Ahmad
Suzuki Mehran	650	271	379	650	271	Company scheme	- Mr. Safdar Khan
Toyota Prius	1,600	321	1,279	1,600	321	Company scheme	- Mr. Muhammad Shahid Zubair
Honda CG 125	97	42	55	97	42	Company scheme	- Mr. Imran Toor
Honda 100 CC	83	29	54	83	29	Company scheme	- Mr. Zafar Iqbal
Honda CG 125	103	3	99	103	3	Company scheme	- Mr. Waqas Khalid Khan
Honda Pridor Bike	85	21	63	85	21	Company scheme	- Mr. Muhammad Ali
	4,217	1,684	2,531	4,222	1,689		
Other assets with book value less than Rs. 50,000	14,126	10,779	3,349	9,582	6,235		
2015	**19,005**	**12,790**	**6,215**	**14,170**	**7,955**		
2014	48,271	35,016	13,255	36,179	22,924		

	Note	2015	2014
		(Rupees in thousand)	
6.2 Capital work-in-progress			
Civil works		17,370	3,490
Plant and machinery		199,560	94,265
Advances for capital expenditure		85,123	37,957
		302,053	135,712

7 Investment property

These represents three pieces of land measuring 1 kanal and 18 marlas, 14 kanals and 5 marlas and 11 kanals and 1 marla situated at Mouza Chandrai Tehsil Model Town, Lahore, 4 km Kacha Road Mouza Kacha Tehsil Model Town, Lahore and 34 km Ferozepur Road, Lahore having fair value of Rs. 12.35 million, Rs. 9.26 million and Rs. 6.488 million respectively.

The value of investment property was determined by approved external, independent property valuer i.e. M/S Zafar Iqbal and company (Pakistan Banks Association approved valuer).

		Note	2015	2014
			(Rupees in thousand)	
8	**Long term investments**			
	At cost:			
	-Subsidiary companies	8.1	**2,159,415**	1,221,499
	-Associate	8.2	**162,529**	162,529
	Investment classified as 'available for sale'	8.3	**1,555**	15,004
			2,323,499	1,399,032

		Note	2015	2014
8.1	**Subsidiary companies - at cost**			
	Treet Holdings Limited - unquoted			
	(formerly Global Econo Trade Limited)	8.1.1	**350,000**	50,000
	First Treet Manufacturing Modaraba - quoted	8.1.2	**1,171,499**	1,171,499
	Global Arts Limited - unquoted			
	(formerly Treet Services Limited)	8.1.3	**637,916**	-
			2,159,415	1,221,499

8.1.1 This represents 34,999,972 (2014: 4,999,996) ordinary shares of Rs. 10 each in Treet Holdings Limited (formerly Global Econo Trade Limited) . The Company holds 99.99% (2014: 99.99%) equity shares in Treet Holdings Limited. During the current year, the Company has further invested Rs. 300 million in the subsidiary by subscribing right shares at par value of Rs. 10 each.

8.1.2 This represents 117,149,871 (2014: 117,149,871) ordinary certificates of Rs. 10 each in First Treet Manufacturing Modaraba (FTMM). The Company holds 89.8% (2014: 89.8%) issued certificates in FTMM.

8.1.3 This represents 63,791,582 (2014: Nil) ordinary shares of Rs. 10 each in Global Arts Limited (formerly Treet Services Limited) subscribed by the Company during the current year. The Company directly owns 86.33% equity interest in Global Arts Limited while remaining 13.67% equity interest is indirectly owned through the Company's wholly owned subsidiary, Treet Holdings Limited (formerly Global Econo Trade Limited).

8.2 This represents investment in Loads Limited, an associated company. The Company holds 15,615,750 (2014: 1,249,260) ordinary shares of Rs. 10 each representing 20.82% (2014: 20.82%) interest in equity shares of Loads Limited. These ordinary shares have a cost of Rs. 162.53 million (2014: Rs. 162.53 million). The increase in shareholding represents bonus shares allotted during the current year in the proportion of 1,150 new shares for every 100 shares held.

8.2.1 Loads Limited is an un-quoted Public Limited Company having breakup value per share as per audited financial statements of 30 June 2015 amounting to Rs. 19.19 (2014: Rs. 179.07) per share.

8.3 Available for sale investments

	Note	2015	2014
Quoted investments	8.3.1	**-**	52
Unquoted investments	8.3.3	**1,555**	14,952
		1,555	15,004

		Number of ordinary shares of Rs 10 each		Cost		Market value		Percentage of holding	
		2015	2014	2015	2014	2015	2014	2015	2014
		Number	Number	(Rupees in thousand)		(Rupees in thousand)		%	%
8.3.1	Quoted investments - at fair value								
	Associated undertakings								
	ZIL Limited	-	500	-	3	-	52	0	0.009
	Add: Unrealized gain			-	49				
				-	52				
				-	52	-	52		

8.3.2 During the current year, the Company disposed off its entire shareholding in ZIL Limited.

		Note	Latest available audited financial statements for the year ended	Number of ordinary shares		Cost		Percentage of holding	
				2015	2014	2015	2014	2015	2014
				Number	Number	(Rupees in thousand)		%	%
8.3.3	Un-quoted investments at cost								
	Techlogix International Limited	8.3.3.1	31 December 2013	748,879	748,879	8,593	8,593	0.74	0.74
	Less: Provision for impairment					(7,038)	(7,038)		
						1,555	1,555		
	Systems Limited	8.3.3.2		-	1,912,344	-	10,150	0	2.26
	Visionet Systems Incorporation	8.3.3.2		-	36,891	-	3,247	0	2.27
						1,555	14,952		

8.3.3.1 The breakup value per share as per latest available audited financial statements for Techlogix International Limited is Rs. 3.02 (2014: Rs. 3.37) per share. The shares have par value of USD 0.00015.

8.3.3.2 During the current year, the Company disposed off its entire shareholding in Systems Limited (prior to listing of Systems Limited) and Visionet Systems Incorporation.

		Note	2015	2014
			(Rupees in thousand)	
9	Long term loans			
	Loans to employees - secured, considered good	9.1	9,538	8,492
	Less : current portion			
	Loan to employees - secured, considered good	15	(8,159)	(7,250)
			(8,159)	(7,250)
			1,379	1,242

9.1 These are interest free loans to the Company's employees for construction of house and purchase of cycles, which are repayable in monthly installments over a period of 12 to 24 months and are secured against employee retirement benefits. These include an amount of Rs. 7.97 million (2014: Rs. 5.49 million) receivable from the executives of the Company. No loan has been given to directors or chief executive of the Company.

		Note	2015	2014
			(Rupees in thousand)	
9.2	Reconciliation of the carrying amount of loans to executives:			
	Balance as at 01 July		5,486	6,209
	Disbursements during the year		11,041	9,097
	Repayments during the year		(8,562)	(9,820)
	Balance as at 30 June		7,965	5,486

9.3 The maximum amount due from the executives at the end of any month during the year was Rs. 7.97 million (2014: Rs. 5.49 million).

10 Long term security deposits

	Note	2015	2014
Long term security deposits	10.1	14,261	10,564

10.1 This represents deposits against utilities.

11 Stores and spares

	Note	2015	2014
Stores		27,025	26,011
Spares	11.1	145,225	119,855
		172,250	145,866

11.1 It includes spares in transit amounting to Rs. 4.8 million (2014: Rs. 2.18 million).

12 Stock-in-trade

	Note	2015	2014
Raw and packing material	12.1	480,946	345,641
Work-in-process		49,925	51,711
Finished goods	12.2	203,947	71,201
		734,818	468,553
Raw material stock not useable written off	29	(2,074)	(1,542)
		732,744	467,011

12.1 It includes raw material in transit amounting to Rs. 61.74 million (2014: Rs. 54.55 million).

12.2 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounts to Rs. 4 million (2014: Rs. 11.20 million).

	Note	2015	2014
		(Rupees in thousand)	
13 Trade debts			
Foreign debtors			
- Foreign- secured, considered good		5,023	57,339
- Foreign-unsecured, considered good		49,034	84,604
		54,057	141,943
Local debtors - unsecured			
- Considered good			
Treet Holdings Limited (formerly Global Econo Trade Limited) - subsidiary company	13.1	-	272,254
Others		13,928	13,388
		13,928	285,642
Considered doubtful	13.2	1,320	-
		69,305	427,585
Less: Provision for doubtful debts		(1,320)	-
		67,985	427,585

13.1 The maximum aggregate amount due from subsidiary company at the end of any month during the year was Rs. 260.016 million (2014: Rs. 272.25 million).

13.2 The movement in provision for doubtful debts for the year is as follows:

	Note	2015	2014
Balance as at 01 July		-	465
Charge for the year	31	1,320	-
Written off during the year		-	(465)
Balance as at 30 June		1,320	-

	Note	2015	2014
14 Short term investments			
Investment at fair value through profit or loss			
Listed equity securities	14.1	629,995	630,639
Mutual funds	14.2	3,305	-
		633,300	630,639

14.1 Details of investment in listed equity securities are stated below:

		Share / certificates		Market value	
		2015	2014	2015	2014
		Number	Number	(Rupees in thousand)	
	Sector / Companies				
a)	Banks				
	Silk Bank Limited	19,915,500	15,492,000	38,238	31,915
	Standard Chartered Bank Pakistan Limited	-	226,500	-	5,492
	NIB Bank Limited	110,000	-	222	-
b)	Sugar and allied industry				
	Al-Noor Sugar Mills Limited	-	866,500	-	31,766
	The Thal Industries Corporation Limited	-	315	-	15
c)	Textile				
	Indus Dyeing and Manufacturing Company Limited	479,010	468,310	529,526	337,642
	Bannu Woolen Mills Limited	-	1,658,625	-	124,563
	Sunrays Textiles Mills Limited	1,700	20,800	384	5,070
	Shahtaj Textile Limited	736,500	694,800	52,291	75,344
	Maqbool Textiles Mills Limited	376,500	355,000	7,304	7,721
	Premium Textile Mills Limited	-	1,800	-	219
	Hira Textiles Mills Limited	-	327,000	-	3,263
	National Silk & Rayon Mills Limited	44,500	40,000	1,253	2,347
d)	Miscellaneous				
	Transmission Engineering Industries Limited	-	133,000	-	193
	Baluchistan Wheels Limited	-	113,000	-	4,803
	Siddique Sons Tin Plate Limited	71,500	-	630	-
	Aisha Steel Mills Limited	14,000	-	147	-
	Leiner Pak Gelatine Limited	-	19,000	-	286
				629,995	630,639

14.2 Details of investment in mutual funds are stated below:

	Units		Market value	
	2015	2014	2015	2014
	Number	Number	(Rupees in thousand)	
AGHP Capital Conservative Fund	31,376	-	3,305	-
			3,305	-

	Note	2015	2014
		(Rupees in thousand)	
15 Loans, advances, deposits, prepayments and other receivables			
Current portion of loan to employees - secured, considered good	9	8,159	7,250
Advances to employees - secured, considered good	15.1	13,985	7,141
Advances - unsecured, considered good suppliers		97,261	45,001
Margin deposits against letters of credits		1,958	16,989
Prepayments		10,770	5,309
Insurance claim receivable from IGI Insurance Limited - an associated undertaking		627	745
Advances to associated undertakings - unsecured, considered good:			
Wazir Ali Industries Limited		-	13
Loads Limited		70	142
IGI Insurance Limited		375	15,000
	15.2	445	15,155
Workers' profit participation fund	15.3	17,030	9,531
Balance with statutory authorities:			
Export rebate		64,505	46,010
Collector of customs		2,873	2,226
Income tax		291,163	235,527
Sales tax		79,690	40,798
		438,231	324,561
Receivable from broker against sale of investments		15,055	2,704

	Note	2015	2014
		(Rupees in thousand)	
Other receivable - unsecured, considered good			
- Related parties			
Treet Holdings Limited (formerly Global Econo Trade Limited)		19,961	46,539
First Treet Manufacturing Modaraba		22,491	12,000
Global Arts Limited (formerly Treet Services Limited)		127,884	-
Employees Benevolent Fund		2,714	1,295
Superannuation Fund		5,751	1,511
Gratuity Fund		8,629	-
Treet HR Management (Private) Limited (formerly TCL Labor-Hire Company (Private) Limited)		-	15,115
Employees Housing Fund		10,942	7,636
	15.4	198,372	84,096
- Others		1,158	7,009
		803,051	525,491

15.1 These are interest free advances to employees in respect of salary, medical and Travelling expenses and are secured against employees retirement benefits. These include an aggregate amount of Rs. 7.17 million (2014: Rs. 1.76 million) receivable from executives of the Company. These also include an amount of Rs. 1.10 million (2014: Rs. 3.56 million) given to CEO for Travelling for business purpose. Reconciliation of advance given to CEO is as under;

	2015	2014
Balance as at 01 July	3,563	3,682
Advances given during the year	2,914	4,707
Reimbursements during the year	(5,377)	(4,826)
Balance as at 30 June	1,100	3,563

15.2 Advances given to these companies for purchase of goods or services under normal business trade as per the agreed terms.

15.3 **Workers profit participation fund**

	2015	2014
Balance as at 01 July	9,531	8,796
Add: Charge for the year	(2,970)	(10,474)
	6,561	(1,678)
Less: Payments/adjustments during the year	10,469	11,209
Balance as at 30 June	17,030	9,531

15.4 These represent amounts receivable from related parties for reimbursement of expenses and sharing of common expenses under normal business trade as per the agreed terms.

15.4.1 Advance to Global Arts Limited (formerly Treet Services Limited), a wholly owned subsidiary represents short term advances given for ongoing University project.

		Note	2015	2014
			(Rupees in thousand)	
16	**Cash and bank balances**			
	Cash in hand		25,494	25,683
	Cash at bank - local currency			
	Current accounts	16.1	2,479,151	96,296
	Saving accounts	16.2	63,432	325,160
			2,542,583	421,456
			2,568,077	447,139

16.1 As referred to in note 26, this includes subscription money aggregating to Rs. 2,422 million (2014: Nil) received from shareholders against subscription of right shares offered to public, kept in separate bank accounts.

16.2 These carry mark-up at the rates ranging from 5% to 9% per annum (2014: 7% to 8.75% per annum).

		Note	2015	2014
17	**Short term borrowings**			
	Short term running finance - secured	17.1	743,595	132,525
	Export refinance - secured	17.2	1,062,780	664,832
			1,806,375	797,357

17.1 'The Company has arranged facilities for short-term running finance from various banks under mark-up arrangement to the extent of Rs. 4,610 million (2014: Rs. 3,550 million). These carry mark-up at the rates ranging from 7.33% to 11.43% per annum (2014: 9.39% to 11.21% per annum). Running finance amounting to Rs. 3,050 million (2014: Rs. 2,225 million) can be interchangeably utilized as export running finance. These carry mark-up at the rate of 5.4% to 7% per annum (2014: 8.7% to 9% per annum). These facilities are availed to meet working capital requirements of the Company and will expire latest by 31 May 2016.

17.2 All short term borrowings of the Company are secured by way of joint first pari passu hypothecation charge of Rs. 5,833 million (2014: Rs. 4,736 million) on the entire present and future current assets of the Company.

	Note	2015	2014
		(Rupees in thousand)	
18 Trade and other payables			
Trade creditors:			
Related parties	18.1	3,515	16,792
Others		23,364	19,282
		26,879	36,074
Other creditors:			
Related parties	18.2	38	1,501
Others		52,629	47,735
		52,667	49,236
Accrued liabilities		205,736	202,814
Advances from customers		55,939	25,667
Advance against sale of land		6,593	110,593
Workers' welfare fund	18.3	-	3,980
Employees deposits		44,988	33,923
Unclaimed dividend		6,461	4,108
Withholding sales tax payable		2,543	2,233
Other payables		11,492	6,143
Payable to employee retirement benefit funds:			
- Payable to service fund		3,219	2,725
- Payable to employees provident fund	18.4	14,282	2,258
		17,501	4,983
		430,799	479,754

18.1 Related parties

		2015	2014
Associated Undertakings			
Packages Limited		1,287	3,455
Bulleh Shah Packaging (Private) Limited		160	362
Subsidiary company			
Treet HR Management (Private) Limited			
(formerly TCL Labor-Hire Company (Private) Limited)		2,068	12,975
		3,515	16,792

	Note	2015	2014
		(Rupees in thousand)	
			(Restated)
18.2 Related parties			
Associated Undertakings			
ZIL Limited		25	25
IGI Insurance Limited		13	13
IGI Investment Bank Limited		-	1,463
		38	1,501
18.3 Workers' welfare fund			
Balance as at 01 July		3,980	4,399
Add: Charge for the year		-	3,980
		3,980	8,379
Less: Prior year adjustments		(3,980)	(4,399)
Balance as at 30 June		-	3,980

18.4 The Company has set up provident fund for its permanent employees. The total charge against provident fund for the year was Rs. 21.15 million (2014: Rs. 16.43 million). The net assets based on audited financial statements of provident fund for the year ended 30 June 2015 amount to Rs. 364.98 million (2014: Rs. 324.21 million). The fair value of investments of provident fund was Rs. 289.75 million (2014: Rs. 259.19 million) and the cost of the investment was Rs. 284.75 million (2014: Rs. 237.27 million). The above investments out of provident fund have been made in accordance with the requirement of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2015	2014	2015	2014
	(Rupees in thousand)		%	%
18.4.1 The break-up of fair value of investments is:				
Treasury bills	-	31,100	0%	10%
National saving bonds/ Special saving bonds	51,300	34,300	15%	11%
Pakistan investment bonds	45,000	68,500	13%	22%
National investment trust units	9,959	6,041	3%	2%
Mutual funds	-	5,140	0%	2%
Listed securities	31,768	39,693	9%	13%
Term finance certificates	-	3,375	0%	1%
Term deposit certificates	75,000	-	22%	0%
Participation term certificates	76,693	70,795	23%	23%
Account with broker for investment	28	249	1%	1%
Cash at bank	48,083	47,432	14%	15%
	337,831	306,625	100%	100%

		2015	2014
		(Rupees in thousand)	
19	**Accrued mark-up**		
	Participation term certificates	274,863	283,230
	Short term borrowings	27,545	16,283
		302,408	299,513

20 Long term deposits

These represent interest free deposits received from freight forwarding agencies and other contractors repayable after performance of contracts.

21 Redeemable capital

	2015	2014
Participation term certificates	895,834	1,075,251
Less: Current portion shown under current liabilities	(179,417)	(179,417)
	716,417	895,834

In 2013, the Company issued 41,822,250 participation term certificates (PTCs) of Rs. 30 each to existing shareholders in the ratio of 1 PTC for every 1 ordinary share held. The PTCs are listed on all the stock exchanges of Pakistan.

The PTCs are mandatorily convertible into ordinary shares through share conversion @ 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 share per PTC in the year 2019. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory conversion). The PTCs shall be redeemed through cash @ Rs. 4.14 per annum from year 2013 to year 2018 and Rs. 4.4 for the year 2019.

The PTC holder is entitled to a minimum profit (Category A profit) at Rs. 4.14 per annum for each PTC, alongwith a contingent profit (Category B profit) based on the consolidated profits before tax WWF, WPPF and finance cost relating to PTCs based on pay-off matrix. The pay-off matrix sets out various ranges for contingent profit pay out percentages.

The following table shows the redemption of PTC for the year 2015.

Principal redemption in cash	Principal redemption in shares	Principal value redemption	Increase in ordinary share capital	Increase in ordinary share capital	Share premium of conversion	Category "A" profit payment in cash	Category "B" profit payment in cash	Year
(------ Rupees in thousand	--------	)	Shares	(------ Rupees in thousand	--------	--------	)	
6,272	173,145	179,417	2,927,557	29,276	143,869	173,145	101,718	2015
6,272	173,145	179,417	2,927,557	29,276	143,869	173,145	110,085	2014

The Company will issue 2,927,557 ordinary shares of face value of Rs. 10 per share against Rs. 173.145 million.

Securities

The PTCs are secured by the following:

First exclusive equitable mortgage of Rs. 1,254.67 million over the mortgaged property, i.e. land measuring 11.62 acres situated in Kot Lakhpat Industrial Area Scheme, Lahore (Quaid-e-Azam Industrial Estate) bearing plot no. 72-B together with all buildings, structures, fittings and fixtures permanently fastened to land and erections built or erected or to be built or erected thereon pursuant to Memorandum of Deposit of Title Deeds dated May 16, 2011.

First Exclusive Floating charge of Rs. 1,254.67 million over the present and future movable fixed assets of the Company pursuant to deed of floating charge dated May 16, 2011.

Pledge of Rs. 250 million over the liquid assets (i.e. listed securities having value of at least Rs. 250 million pledged in favor, or under lien, of the Security Trustee, which may include shares of Packages Limited, IGI Insurance Limited, ZIL Limited, Indus Dyeing Manufacturing Company Limited and/or any other liquid securities) pursuant to the letter of lien and pledge dated May 16, 2011.

The above investment in shares/securities will be kept in CDC Account which shall be under pledge of security trustee. However movement in/from the said pledged account will not be restricted by the security trustee provided that aggregate value of Rs. 250 million. The security trustee shall ensure that the closing balance of shares in the pledged account at anytime shall not fall below the equivalent Rupee value of Rs. 250 million.

		Note	2015	2014
			(Rupees in thousand)	
22	Deferred liabilities			
	Deferred tax (assets) / liabilities	22.1	(30,734)	35,030
	Staff retirement benefits	22.2	153,635	128,639
			122,901	163,669

		2015	2014
22.1	*Deferred tax liability arising in respect of the following items:*		
	- Accelerated tax depreciation including surplus on revaluation of property, plant and equipment	100,444	124,255
	- Capital gains on short term investments	4,734	13,378
		105,178	137,633
	Deferred tax asset arising in respect of the following items:		
	- Unabsorbed tax depreciation	(104,045)	(64,557)
	- Unutilized tax credits	(16,212)	(21,344)
	- Staff retirement benefits	(15,219)	(16,702)
	- Provision for doubtful debts	(436)	-
		(135,912)	(102,603)
		(30,734)	35,030

22.1.2 Deferred tax asset on above items has been recognized on the expectation that future taxable profits will be available to the Company in the foreseeable future for realization of such assets.

Minimum tax paid amounting to Rs. 16.2 (2014: Rs. 2.55) million under section 113 of the Income Tax Ordinance, 2001 will expire from 30 June 2018 to 30 June 2020 and unabsorbed business losses amounting to Rs. 25.77 (2014: Rs.16.51) million will expire from 30 June 2020 to 30 June 2021 if not utilized against future tax liability.

	Note	2015	2014
		(Rupees in thousand)	
22.1.3 Movement in deferred tax (asset) / liability is as follows:			
Balance as at 01 July		35,030	53,879
Recognized in profit and loss account: Charged to profit and loss account		(67,247)	(41,888)
Recognized in surplus on revaluation of fixed assets: Net off against the surplus on revaluation of property, plant and equipment		-	29,227
Recognized in other comprehensive income: Net off against re-measurement of employee retirement benefits recognized in other comprehensive income		1,483	(6,188)
Balance as at 30 June		(30,734)	35,030

22.2 Staff retirement benefits

Movement in the liability recognized in the balance sheet in respect of following funded schemes is given below:

	Note	2015	2014
Gratuity fund		81,463	72,079
Superannuation fund		72,172	56,560
	22.2.1	153,635	128,639

22.2.1 Present value of funded obligations

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
Amounts recognized in balance sheet are as follows:				
Present value of defined benefit obligation	221,828	188,515	209,784	172,551
Fair value of plan assets	(140,365)	(116,436)	(137,612)	(115,991)
Net retirement benefit obligation	81,463	72,079	72,172	56,560

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
22.2.2 Movement in net obligation				
Net liability as at 01 July	72,079	49,647	56,560	47,788
Charge to profit and loss account				
Treet Corporation Limited	21,845	14,822	18,440	13,580
Treet HR Management (Private) Limited - formerly TCL Labor-Hire Company (Private) Limited)	1,713	1,192	268	201
	23,558	16,014	18,708	13,781
Re-measurements chargeable in other comprehensive income				
Treet Corporation Limited	(746)	22,051	6,460	9,254
Treet HR Management (Private) Limited - (formerly TCL Labor-Hire Company (Private) Limited)	(39)	1,161	340	487
	(785)	23,212	6,800	9,741
Contribution made by the Company	(13,389)	(16,794)	(9,896)	(14,750)
Net liability as at 30 June	81,463	72,079	72,172	56,560
22.2.3 Movement in the liability for funded defined benefit obligations				
Liability for defined benefit obligations as at 01 July	188,515	151,409	172,551	143,977
Benefits paid by the plan	(13,389)	(14,170)	(9,896)	(13,301)
Current service costs	14,895	11,683	11,870	9,538
Interest cost	24,091	15,154	22,207	14,419
Re-measurements on obligation:				
Actuarial losses on present value				
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumptions	-	-	-	-
- Experience adjustments	7,716	24,439	13,052	17,918
	7,716	24,439	13,052	17,918
Liability for defined benefit obligations as at 30 June	221,828	188,515	209,784	172,551

	Note	Gratuity		Superannuation	
		2015	2014	2015	2014
		---------(Rupees in thousand)---------			
22.2.4 Movement in fair value of plan assets					
Fair value of plan assets as at 01 July		116,436	101,762	115,991	96,189
Contributions paid into the plan		13,389	16,794	9,896	14,750
Benefits paid by the plan		(13,389)	(14,170)	(9,896)	(13,301)
Interest income on plan assets		15,428	10,823	15,369	10,176
Return on plan assets excluding interest income		8,501	1,227	6,252	8,177
Fair value of plan assets as at 30 June		140,365	116,436	137,612	115,991
22.2.5 Plan assets					
Plan assets comprise:					
Term finance certificates		-	249	-	180
Listed securities		39,673	35,142	27,436	20,998
Deposits with banks		29,815	38	13,785	1,402
Investment in mutual funds		1,027	5,866	-	-
Government securities		75,500	75,700	100,250	91,900
Advance/ payable to other fund		226	(2,398)	-	-
Others		(5,876)	1,839	(3,859)	1,511
		140,365	116,436	137,612	115,991

Before making any investment decision, an Asset-Liability matching study is performed by the Board of Trustees of the funds to evaluate the merits of strategic investments. Risk analysis of each category is done to analyze the impacts of the interest rate risk, currency risk and longevity risk.

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
22.2.6 Profit and loss account includes the following in respect of retirement benefits:				
Interest cost	24,091	15,154	22,207	14,419
Current service cost	14,895	11,683	11,870	9,538
Interest income on plan assets	(15,428)	(10,823)	(15,369)	(10,176)
	23,558	16,014	18,708	13,781
22.2.7 Actual return on plan assets	23,929	12,050	21,621	18,353

	Gratuity		Superannuation	
	2015	2014	2015	2014
	---------(Rupees in thousand)---------			
22.2.8 Actuarial gains and (losses) recognized directly in other comprehensive income				
Cumulative amount at 01 July	(58,313)	(35,101)	(42,955)	(33,214)
Gain/(losses) recognized during the year	785	(23,212)	(6,800)	(9,741)
Cumulative amount at 30 June	(57,528)	(58,313)	(49,755)	(42,955)

22.2.9 Historical Information for Gratuity fund

	2015	2014	2013	2012	2011
	------------------------(Rupees in thousand)----------------------				
Present value of defined benefit obligation	221,828	188,515	151,409	123,212	107,825
Fair value of the plan assets	(140,365)	(116,436)	(101,762)	(85,663)	(73,910)
Deficit in the plan	81,463	72,079	49,647	37,549	33,915
Experience adjustments arising on plan liabilities	7,716	24,439	14,346	531	7,368
Experience adjustments arising on plan assets	8,501	1,227	1,600	(100)	(283)

The Company expects to pay Rs. 30.28 million in contributions to gratuity fund in 2016.

22.2.10 Historical Information for Superannuation fund

Present value of defined benefit obligation	209,784	172,551	143,977	117,516	103,779
Fair value of plan assets	(137,612)	(115,991)	(96,189)	(86,264)	(74,632)
Deficit in the plan	72,172	56,560	47,788	31,252	29,147

	2015	2014	2013	2012	2011
	------------------------(Rupees in thousand)----------------------				
Experience adjustments arising on plan liabilities	13,052	17,918	16,711	686	3,172
Experience adjustments arising on plan assets	6,252	8,177	(189)	523	(342)

The Company expects to pay Rs. 27.57 million in contributions to superannuation fund in 2016.

22.2.11 Significant actuarial assumptions used for valuation of these plans are as follows:

	2015		2014	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation per annum
Discount rate used for profit and loss charge	13.25%	13.25%	10.5%	10.5%
Discount rate used for year-end obligation	9.75%	9.75%	13.25%	13.25%
Expected rates of salary increase	8.75%	8.75%	12.25%	12.25%
Expected rates of return on plan assets	9.75%	9.75%	10.5%	10.5%

Mortality rate

The rates assumed were based on the SLIC 2001 - 2005 with 1 year setback.

22.2.12 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 June 2015 would have been as follows:

		Gratuity		Superannuation	
		Impact on present value of defined benefit obligation as at 30 June			
	Change	Increase	Decrease	Increase	Decrease
		---------(Rupees in thousand)---------			
Discount rate	100 bps	(205,846)	240,265	(194,224)	227,770
Future salary increase	100 bps	240,265	(205,569)	227,770	(193,955)

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

22.2.13 Weighted average duration of the defined benefit obligation is 8 years and 9 years for gratuity and pension plans, respectively.

23 Contingencies and commitments

23.1 Contingencies

- A tax demand amounting to Rs. 14.8 million had been created by Additional Commissioner Inland Revenue under section 12(9A) of the repealed Income Tax Ordinance, 1979 for assessment year 2000-2001. The tax demand has been adjusted against income tax refunds of the Company for the tax year 2006. The Company has filed an appeal before Appellate Tribunal.
- A tax demand amounting to Rs. 16.05 million had been raised by the tax department against the Company on the issue of proration of profits between local and export sales for the tax year 2003 and 2006. In 2010, Appellate Tribunal dismissed the Company's appeal, however, the Company has filed an application under section 21 of General Clauses Act, 1997 to rescind or amend the order. Further, without conceding the legitimate position of this issue as stated above, a rectification application on account of incorrect computation has also been filed resulting in rectification amounting to Rs. 10.29 million. The Company is expecting a favorable outcome as this issue was decided in the favor of the Company in past.

- For the assessment year 1999 to 2000, the taxation officer charged additional tax amounting to Rs. 3.27 million on the grounds that the Company has been failed to deposit the due tax, on the basis of Company's return. The Company, on the grounds that the amount due has already been deposited, filed a rectification application on the basis that the mistake is apparent from the record.

- In tax year 2004, the Additional Commissioner Inland Revenue passed an order under section 122(5A) of the Income Tax Ordinance, 2001 on the issue of proration of profits between local and export sales and created a tax demand of Rs. 6.56 million. The Company filed an appeal before Commissioner Appeals who decided the matter against the Company. The Company has filed an appeal before Appellate Tribunal which is pending adjudication.

- For the tax year 2009, the Additional Commissioner Inland Revenue had passed an order under section 122(5A) on various issues i-e: allocation of expenses between export and local sales, unexplained debtors, rental income and finance cost of export refinance and created a tax demand of Rs 15.716 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) and the matter is pending for adjudication

- Honourable Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF Ordinance, 1971 through Finance Act 2006 and Finance Act 2008 constitutional. The amendments made through aforementioned Finance Acts required that WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the effect of brought forward losses. In light of the above order, the provision for the period based on accounting profit comes to Rs. 4.86 million (2014: Rs. 3.98 million) . However, these financial statements does not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Sindh High Court and that the Lahore High Court had already declared the above amendments unconstitutional via the case reported as 2011 PLD 2643. Based on the decision of Lahore High court the Company has charged WWF provision based on taxable income in the current year.

- A sales tax demand amounting to Rs. 1.56 million has been created by Deputy Commissioner Inland Revenue for alleged default of compliance of section 8(1)(CA) of the Sales Tax Act, 1990. The Company filed an appeal with Commissioner Appeals against this order and obtained relief of Rs. 0.42 million. The Company has also filed an appeal before Appellate Tribunal and expects a favorable outcome on the grounds that Honorable Lahore High Court has declared the provision of section 8(1)(CA) ultra-vires.

- The Deputy Commissioner Inland Revenue has issued an order to recover Rs. 31.755 million as inadmissible input of sales tax which was adjusted in the electronic sales tax return. The Company has filed an appeal before Commissioner Inland Revenue and the matter is pending for adjudication.

Based on the opinion of the Company's legal counsel, Management is expecting a favorable outcome of the above cases, therefore no provision has been recognized in these financial statements.

23.2 Commitments

- Outstanding letters of credit as at 30 June 2015 amounted to Rs. 395.257 million (2014: Rs. 625.895 million).

- Post dated cheques amounting to Rs. 34.85 million (2014: Rs. 33.01 million) has been issued in the favor of Collector of Customs.

24 Issued, subscribed and paid-up capital

2015	2014		Note	2015	2014
(Number of shares)				(Rupees in thousand)	
8,867,412	8,867,412	Ordinary shares of Rs. 10 each fully paid-up in cash		88,674	88,674
6,950,114	4,022,557	Ordinary shares of Rs. 10 each issued for consideration other than cash		69,502	40,226
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares		381,331	381,331
53,950,701	51,023,144			539,507	510,231

24.1 IGI Insurance Limited and Loads Limited (associated companies), hold 1,691,760 and 7,492,475 (2014: 5,442,060 and 3,268,820) fully paid in cash ordinary shares of the Company of Rs. 10 each, respectively.

24.2 The Company also issued 2,927,557 shares , against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.87 million.

25 Reserves

	Note	2015	2014
Capital reserves	25.1	735,821	592,000
General reserves		266,400	266,400
		1,002,221	858,400

25.1 Capital reserves

	Note	2015	2014
Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited		629	629
Share premium	25.1.1	735,192	591,323
Fair value reserves		-	48
		735,821	592,000

25.1.1 This reserve can be utilized by the Company only for the purposes specified under section 83(2) of the Companies Ordinance, 1984.

26 Advance against issue of shares

During the year the Company announced 150% right issue of shares of the Company at a price of Rs. 50 per share (including premium of Rs. 40 per share). The last date for acceptance and subscription of right shares was 03 July 2015. As at 30 June 2015 the Company partly received advances against the right issue amounting to Rs. 2,422 million. The shares have been duly allotted subsequent to the year end .

	Note	2015	2014
		(Rupees in thousand)	
27 Surplus on revaluation of property, plant and equipment - net of tax			
Balance as at 01 July		1,329,315	739,510
- Surplus arising during the year		-	595,947
- related deferred tax liability		-	(29,228)
		-	566,719
- Transferred to unappropriated profit as a result of incremental depreciation charged - net of tax		(12,114)	(5,154)
- related deferred tax liability		(1,996)	(988)
		(14,110)	(6,142)
Surplus on revaluation of operating fixed assets		1,315,205	1,329,315
Less: related deferred tax liability		(26,244)	(28,240)
Balance as at 30 June		1,288,961	1,301,075
28 Sales - net			
Blades and Razors			
Export sales		1,710,675	2,007,813
Local sales - gross		2,717,939	2,579,181
Less: Sales tax		(398,475)	(382,309)
Less: Trade discount		(83,326)	(51,404)
		2,236,138	2,145,468
Trading income			
Sale of batteries - gross		8,907	-
Less: Sales tax		(1,445)	-
		7,462	-
		3,954,275	4,153,281
29 Cost of goods sold			
Raw and packing materials consumed		1,560,438	1,641,788
Stores and spares consumed		145,531	150,287
Salaries, wages and other benefits	29.1	726,659	625,337
Fuel and power		253,062	291,983
Repairs and maintenance		37,639	27,949
Rent, rates and taxes		2,677	2,331
Insurance		46,058	37,796
Travelling and conveyance		22,829	24,403
Printing and stationery		3,046	2,943
Postage and telephone		6,271	5,595
Legal and professional charges		2,589	1,867
Entertainment		1,783	793

	Note	2015	2014
		(Rupees in thousand)	
Staff training		255	655
Subscriptions		1,964	627
Depreciation	6.1.1	124,823	78,426
Expenses for computerization		6,932	6,323
Provision for slow moving stock		2,074	1,542
Other expenses		16,534	14,927
		2,961,164	2,915,572
Purchase of batteries for trading		13,766	-
		2,974,930	2,915,572
Opening stock of work-in-process		51,711	47,273
Closing stock of work-in-process	12	(49,925)	(51,711)
Cost of goods manufactured		2,976,716	2,911,134
Opening stock of finished goods		71,201	87,479
Closing stock of finished goods	12	(203,947)	(71,201)
		2,843,970	2,927,412

29.1 Salaries, wages and other benefits include Rs. 38.53 million (2014: Rs. 23.64 million) and Rs. 22.83 million (2014: Rs. 22.38 million) in respect of defined benefit schemes and defined contribution schemes respectively.

30 Administrative expenses

	Note	2015	2014
Salaries and other benefits	30.1	102,721	65,707
Repairs and maintenance		765	667
Rent, rates and taxes		575	290
Travelling and conveyance		5,739	2,713
Entertainment		887	947
Postage and telephone		568	637
Printing and stationery		3,388	2,126
Legal and professional charges	30.2	33,131	27,378
Donations	30.3	4,689	8,160
Computer expenses		1,433	1,969
Directors' fee	36	315	320
Subscription		134	10
Depreciation on property, plant and equipment	6.1.1	31,526	26,838
Others		386	350
		186,257	138,112

30.1 Salaries and other benefits include Rs. 2.81 million (2014: Rs. 1.47 million) and Rs. 8.07 million (2014: Rs. 7.95 million) in respect of defined benefit schemes and defined contribution schemes respectively.

30.2 Legal and professional charges include the following in respect of auditors' remuneration:

		Note	2015	2014
			(Rupees in thousand)	
	Statutory audit		1,480	1,455
	Half yearly review		380	350
	Out of pocket expenses		150	195
			2,010	2,000
30.3	Name of donee in which a director or his spouse has an interest:			
	Gulab Devi Chest Hospital (GDCH) Ferozepur Road, Lahore. (Syed Shahid Ali, CEO is also Chairman of GDCH)		3,209	5,000
	Liaqat National Hospital (LNH) National Stadium Road, Karachi. (Syed Shahid Ali, CEO is also President of LNH and Syed Shehriyar Ali, Director is also Member of Governing body)		-	100
	Institute of Islamic Culture (IIC) 158- Shah Jamal, Lahore. (Syed Shahid Ali, CEO is also Chairman of IIC)		700	500
	Punjab Olympic Association (POA) Temple Road, Lahore. (Syed Shahid Ali, CEO is also President of POA)		-	160
			3,909	5,760

31 Distribution cost

	Note	2015	2014
Salaries, wages and other benefits	31.1	180,426	160,839
Repairs and maintenance		2,895	3,031
Advertising		392,182	434,724
Freight, octroi and handling		154,975	155,512
Export commission		27,982	28,744
Rent, rates and taxes		3,585	3,461
Travelling and conveyance		38,597	31,390
Entertainment		232	239
Product development		100	1,889
Postage and telephone		4,134	4,433
Depreciation on property, plant and equipment	6.1.1	8,315	7,459
Printing and stationery		1,202	997
Legal and professional charges		215	237
Provision for doubtful debts	13.2	1,320	-
Other expenses		2,585	2,687
		818,745	835,642

31.1 Salaries and other benefits include Rs. 5.44 million (2014: Rs. 3.29 million) and Rs. 10.05 million (2014: Rs. 9.72 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2015	2014
			(Rupees in thousand)	
32	**Finance cost**			
	Mark-up on short term borrowings		105,892	65,994
	Bank charges		14,111	14,058
	Markup on participation term certificates		274,863	283,230
			394,866	363,282
33	**Other operating (income)/expenses**			
	Realized exchange loss		674	5,350
	Unrealized exchange gain		(420)	(1,187)
	Workers' profit participation fund	15.3	2,970	10,474
	Workers' welfare fund			
	- Current year	18.3	-	3,980
	- Prior year		(3,980)	-
			(756)	18,617
34	**Other income**			
	Income from financial assets			
	Profit on bank deposits		7,003	9,260
	Profit on term deposits		-	375
	Gain/ (loss) on disposal of available for sale long term investments		58,822	(49)
	Unrealized gain on short term investments at fair value through profit or loss		148,549	106,976
	Realized (loss) / gain on disposal of short term investments at fair value through profit or loss		(31,822)	51,619
	Dividend income from short term investments		10,305	9,880
	Dividend income from long term investments		-	2,151
			192,857	180,212
	Income from non financial assets			
	Profit on disposal of property, plant and equipment		51,581	22,924
	Rental income		113	313
	Scrap sale		17,607	29,540
	Export rebate		30,567	36,240
	Others		112	91
			99,980	89,108
	Income from related parties			
	Dividend income from long term investments		40,417	43,345
	Rental income		12,000	12,150
			345,254	324,815

	Note	2015	2014
		(Rupees in thousand)	
35 Taxation			
Current			
- For the year	35.1	37,068	21,287
- For prior years		(18,490)	-
Deferred			
- For the year		(67,247)	(41,888)
		(48,669)	(20,601)
35.1 Tax charge reconciliation			
Numerical reconciliation between tax expense and accounting profit			
Profit before taxation		56,447	195,031
Tax at 33% (2014: 34%)		18,628	66,311
Tax effect of:			
- Income under Final Tax Regime		(45,487)	(68,285)
- exempt income		(13,527)	-
- tax rate adjustment		(5,004)	-
- proration rate adjustment		(176)	252
- permanent difference		1,407	-
- others		(4,510)	(18,879)
		(48,669)	(20,601)

35.2 The Company's current tax provision has been computed based on minimum tax and final taxes paid under final tax regime, as adjusted by tax credits available under section 65-B of Income Tax Ordinance, 2001.

35.3 The Finance Act, 2015 introduced a new tax under section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that drives profit for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid-up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid-up capital, whichever is less within six months of the end of the tax year.

35.4 As explained in note 44 to the financial statements, the Board of Directors in their meeting held on October 06, 2015 has recommended a final dividend of Re. 1/- per ordinary share for the year ended 30 June 2015 which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been made in these financial statements.

36 Remuneration of chief executive, directors and executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, executive directors, non-executive directors and executives of the Company is as follows:

	Chief Executive		Executive Directors		Non- Executive Directors		Executives	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in thousand)							
Managerial remuneration	27,273	16,364	14,593	8,821	-	-	87,631	89,189
Provident fund	-	-	1,060	655	-	-	6,129	5,461
Service fund	-	-	1,060	655	-	-	6,075	6,928
Housing fund	-	-	1,018	-	-	-	4,938	3,758
Benevolent fund	-	-	339	-	-	-	1,585	1,837
Bonus	-	-	20,920	-	-	-	52,107	35,062
Entertainment	-	-	-	-	-	-	716	2,396
Utilities	-	-	1,459	655	-	-	6,909	5,641
Medical	2,727	1,636	1,459	655	-	-	8,834	5,831
Fees	-	-	-	-	315	320	-	-
	30,000	18,000	41,908	11,441	315	320	174,924	156,103
Number of persons	1	1	3	2	4	5	65	50

36.1 The chief executive officer, directors and executives are provided with free use of company maintained cars and telephone facility, according to their entitlement

36.2 The Company has contributed Rs. 1.41 million and Rs. 1.39 million in gratuity and superannuation fund, respectively for key management personnel.

36.3 The Company has employed following number of persons including permanent and contractual staff:

	2015	2014
	(Number of persons)	
- As at 30 June	984	966
- Average number of employees	980	950

37 Transactions with related parties

The related parties comprise subsidiaries, associated undertakings, 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. Amounts due from and to related parties are shown under loans, advances, deposits, prepayments and other receivables note 15 and trade and other payables note 18 and remuneration of directors and key management personnel are disclosed in note 36. Other significant transactions with related parties are as follows:

Relationship with the Company		Nature of transactions	2015	2014
			(Rupees in thousand)	
I	Subsidiaries			
	Treet HR Management (Private) Limited (formerly TCL Labor-Hire Company (Private) Limited)	Purchase of services	10,614	188,231
		Reimbursement of expenses	3,072	15,115
	Treet Holdings Limited (formerly Global Econo Trade Limited)	Reimbursement of expenses	390,709	46,389
		Purchase of Bikes	8,851	-
	First Treet Manufacturing Modaraba	Purchase of goods	17,947	5,143
		Dividend income	40,417	43,345
		Rental income	12,000	12,000
	Global Arts Limited (formerly Treet Services Limited)	Short term advance	127,884	-
II	Associated undertakings			
	Packages Limited	Purchase of goods	61,066	65,388
		Sale of goods	136	315
	ZIL Limited	Purchase of goods	-	54
	IGI Insurance Limited	Purchase of services	39,469	12,860
	Bulleh Shah Packaging (Private) Limited	Purchase of goods	8,403	21,913
	Cutting Edge (Private) Limited	Purchase of services	2,789	2,574
	Wazir Ali Industries Limited	Rental income	113	150
		Purchase of goods	-	131
	Loads Limited	Reimbursement of expenses	72	-
III	Post employment benefit plans			
	Superannuation fund	Contribution	12,816	14,352
	Gratuity fund	Contribution	13,389	14,960
	Provident fund	Contribution	17,655	14,173
	Service fund	Contribution	9,742	7,819
	Housing Fund	Contribution	7,448	4,296
	Benevolent Fund	Contribution	2,184	2,088

38 Financial instruments

The company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

38.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables. Out of the total financial assets of Rs. 3,510 million (2014: Rs. 1,628 million), the financial assets which are subject to credit risk amounted to Rs. 3,485 million (2014: Rs. 1,602 million).

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Exports sales are either secured through letter of credit or a foreign bank guarantee is obtained. Majority of the local sales are made through distributors.

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. As the Company is the sole manufacturer of blades, it believes that it is not exposed to major concentration of credit risk.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2015	2014
	(Rupees in thousand)	
Long term available for sale investments	1,555	15,004
Long term loans	9,538	8,492
Long term security deposits	14,261	10,564
Trade debts - net	67,985	427,585
Short term investments	633,300	630,639
Loans, advances, deposits, prepayments and other receivables	215,657	88,713
Bank balances	2,542,583	421,456
	3,484,879	1,602,453

Trade debts at the balance sheet date represent domestic and foreign parties.

The maximum exposure to credit risk before any enhancements for trade debts at the reporting date by type of customer was:

	2015	2014
	(Rupees in thousand)	
- Local parties	13,928	285,642
- Foreign parties	54,057	141,943
	67,985	427,585

The aging of trade debts at the reporting date is:

	2015	2014
Less than 30 days	16,909	13,388
Past due 1 - 3 months	50,552	141,943
Above one year	1,844	272,254
Trade debts - gross	69,305	427,585
Less: Impairment	(1,320)	-
Trade debts - net	67,985	427,585

Based on past experience the management believes that no impairment allowance is necessary in respect of unimpaired trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	2015 Rating Short term	2015 Rating Long term	Rating Agency	2014 Rating Short term	2014 Rating Long term
NIB Bank Limited	A1+	AA-	PACRA	A1+	AA-
Faysal Bank Limited	A1+	AA	PACRA	A1+	AA
United Bank Limited	A-1+	AA+	JCR-VIS	A-1+	AA+
Habib Bank Limited	A-1+	AAA	JCR-VIS	A-1+	AAA
Askari Commercial Bank Limited	A-1+	AA	PACRA	A1+	AA
Citibank N.A.	P-1	A2	Moody's	P-1	A2
National Bank of Pakistan	A1+	AAA	JCR-VIS	A-1+	AAA
Bank of Punjab	A1+	AA-	PACRA	A1+	AA-
HSBC Bank Middle East Limited	P-2	A3	Moody's	P-1	A2
MCB Bank Limited	A1+	AAA	PACRA	A1+	AAA
Silk Bank Limited	A-2	A-	JCR-VIS	A-2	A-
Burj Bank limited	A-2	A-	JCR-VIS	A-1	A
Samba Bank Limited	A-1	AA	JCR-VIS	A-1	AA-
Bank Alfalah Limited	A1+	AA	PACRA	A1+	AA
BankIslami Pakistan Limited	A1	A+	PACRA	A1	A
Standard Chartered Bank	A1+	AAA	PACRA	A1+	AAA
Alfalah GHP mutual fund	-	AA	PACRA	AAA	-
Soneri Bank Limited	A1+	AA-	PACRA	A1+	AA-
Al-Baraka Bank (Pakistan Limited)	A1	A	PACRA	A1	A

38.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2015				
	Carrying Amount	Contrac- tual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	108,539	108,539	108,539	-	-
Long term deposits	600	600	-	600	-
Short term borrowings	1,806,375	1,806,375	1,806,375	-	-
Redeemable capital	895,834	998,803	281,135	538,251	179,417
Accrued mark-up	302,408	302,408	302,408	-	-
	3,113,756	3,216,725	2,498,457	538,851	179,417

	2014				
	Carrying Amount	Contrac- tual cash flows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Financial liabilities					
Trade and other payables	586,120	586,120	586,120	-	-
Long term deposits	318	318	-	318	-
Short term borrowings	797,357	797,357	797,357	-	-
Redeemable capital	1,075,251	1,186,588	289,503	717,668	179,417
Accrued mark-up	299,513	299,513	299,513	-	-
	2,758,559	2,869,896	1,972,493	717,986	179,417

38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

38.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials and stores and spares and export of goods mainly denominated in US Dollars, GBP Pounds and Euros and on foreign currency bank accounts. The Company's exposure to foreign currency risk for US Dollars, GBP Pounds and Euros is as follows:

	2015	2014
	(Rupees in thousand)	
Outstanding letters of credit (US dollars)	395,257	589,206
Outstanding letters of credit (GB pounds)	-	18,511
Outstanding letters of credit (Euros)	-	18,179

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2015	2014	2015	2014
Rupees per USD	100.03	98.58	101.50	98.55
Rupees per Euro	124.02	131.86	113.57	134.46
Rupees per GBP	163.69	159.62	159.59	167.79

At reporting date, if the Pakistani Rupees has fluctuated by 10% against the US Dollar with all other variables held constant, pre-tax profit would have been higher/ lower by Rs. 0.632 million (2014: Rs. 14.202 million), mainly as a result of net foreign exchange gain/ loss on translation of foreign exchange denominated financial instruments.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

38.3.2 Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments were as follows:

	2015	2014	2015	2014
	Effective rate (Percentage)		(Rupees in thousand)	
Financial assets				
Fixed rate instruments:				
Bank balances - deposit accounts	5- 9	7- 8.75	63,432	325,160
Financial liabilities				
Floating rate instruments:				
Short term borrowings	7.33 -11.43	8.70 -11.21	1,806,375	797,357

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on short term borrowings, at the year end rate, fluctuate by 1% higher/ lower with all the other variables held constant, pre-tax profit for the year would have been higher/ lower by Rs 18.063 million (2014: Rs 7.974 million), mainly as a result of higher/ lower interest expense on floating rate borrowings.

38.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Company's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

A 10% increase in redemption and share prices at the year end would have increased the Company's profit in case of held for trading investments and increase / decrease surplus on re-measurement of investments in case of 'available for sale' investment as follows:

	2015	2014
	(Rupees in thousand)	
Effect on profit and loss	(63,330)	(63,064)
Effect on equity	-	(5)
Effect on investments	(63,330)	(63,069)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss/ equity and assets of the Company.

38.3.3.1 Fair value of financial instruments

The carrying value of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments carried at fair value are categorized as follows:

- Level 1: Quoted market prices
- Level 2: Valuation techniques (market observable)
- Level 3: Valuation techniques (non-market observable)

	2015			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Short term investments at fair value through profit or loss	629,995	3,305	-	633,300
Long term available for sale investments	-	-	1,555	1,555
	629,995	3,305	1,555	634,855

	2014			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Short term investments at fair value through profit or loss	630,639	-	-	630,639
Long term available for sale investments	52	-	14,952	15,004
	630,691	-	14,952	645,643

38.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

38.5 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of our business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2015 and at 30 June 2014 were as follows:

	2015	2014
	(Rupees in thousand)	
Total debt	2,702,209	1,872,608
Total equity and debt	7,900,844	4,468,848
Debt-to-equity ratio	34%	42%

There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

	Note	2015	2014
		(Rupees in thousand)	
39 Cash generated from operations			
Profit before taxation		56,447	195,030
Adjustments for non cash and other items:			
Finance cost		394,866	363,282
Depreciation on property, plant and equipment	6.1	164,664	112,723
Provision for gratuity		21,845	14,822
Provision for superannuation		18,440	13,580
Profit on bank deposits		(7,003)	(9,635)
Raw material stock not useable written off		2,074	1,542
Profit on sale of property, plant and equipment		(51,581)	(22,924)
Provision for WPPF		2,970	14,455
Prior year adjustment of WWF		(3,980)	-
Unrealized gain on investment at fair value through profit or loss		(148,549)	(106,976)
(Gain)/loss on sale of available for sale long term investments		(58,822)	49
Unrealized exchange gain		(420)	(1,187)
Dividend income		(50,722)	(55,376)
		283,782	324,355
Operating profit before working capital changes		340,229	519,385
Decrease / (increase) in current assets:			
Stores and spares		(26,384)	(24,390)
Stock-in-trade		(267,807)	28,586
Trade debtors		360,020	(78,874)
Short term investments		145,888	(17,010)
Loans, advances, deposits, prepayments and other receivables		(212,444)	(73,279)
		(727)	(164,967)
(Decrease) / increase in current liabilities:			
Trade and other payables		(47,328)	64,184
		292,174	418,602

		Note	2015	2014
			(Rupees in thousand)	
40	Cash and cash equivalents			
	Cash and bank balances	16	2,568,077	447,139
	Short term running finance - secured	17.1	(743,595)	(132,525)
			1,824,482	314,614

			2015	2014
41	Earnings per share - basic and diluted			
	i-Profit attributable to ordinary share holders:			
	Profit for the year after taxation	*Rupees in thousand*	105,116	215,632
	ii-Weighted-average number of ordinary shares:			
	Weighted average number of shares	*Number in thousand*	52,975	47,813
41.1	Diluted earnings per share			
	i-Profit attributable to ordinary share holders (diluted):			
	Profit for the year after taxation (diluted)	*Rupees in thousand*	105,314	215,632
	ii-Weighted-average number of ordinary shares (diluted):			Restated
	Weighted average number of shares (basic)		52,975	47,813
	Effect of letter of right issue		26,332	26,332
		Number in thousand	79,307	74,145

41.2 Conversion of participation term certificates into ordinary shares have anti-dilutive impact on the basic earnings per share.

		Production capacity		Actual production	
		2015	2014	2015	2014
		(Units in million)		(Units in million)	
42	Plant capacity and production				
	Hyderabad plant	600	600	530	590
	Lahore plant	1,100	1,000	1,124	1,165
				1,654	1,755

43 Date of authorization for issue

These financial statements were authorized for issue on October 06, 2015 by the Board of Directors of the Company.

44 Events after balance sheet date

(i) The Board of Directors in their meeting held on October 06, 2015 have proposed a final cash dividend for the year ended 30 June 2015 of Re.1/- (2014: Rs. 2/-) per share, amounting to Rs.134.877 million (2014: Rs. 102.046 million) for approval of the members at the Annual General Meeting to be held on October 31, 2015. These financial statements do not reflect this dividend.

(ii) Subsequent to the year end, the Company introduced an Employee Stock Option Scheme in conformity with Employee Stock Option Scheme Rules, 2001 and duly approved by SECP which shall be applicable from 1st July 2015 onward. According to the scheme, entitlement pool shall comprise a maximum of 15% of the paid-up capital of the Company. These options will have a vesting period of one year and an exercisable period of one year from the date the options are vested. Options granted under the scheme shall be exercisable after completion of vesting period from the date of grant.

45 General

Corresponding figures have been re-arranged or reclassified wherever necessary, for the purposes of comparison.

LAHORE
October 06, 2015

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Pattern of Shareholding

As at 30 June 2015

	No. of Shares		Share Holding		No. of Shareholders	No. of Shares
Sr. No.	From	To	CDC	Physical		
1	1	100	659.00	821.00	1,480	70,883
2	101	500	1,307.00	394.00	1,701	573,331
3	501	1,000	999.00	123.00	1,122	1,002,846
4	1,001	5,000	1,305.00	162.00	1,467	3,712,474
5	5,001	10,000	224.00	31.00	255	1,956,825
6	10,001	15,000	70.00	5.00	75	943,441
7	15,001	20,000	43.00	5.00	48	881,062
8	20,001	25,000	22.00	2.00	24	561,700
9	25,001	30,000	23.00	2.00	25	710,309
10	30,001	35,000	12.00	2.00	14	466,683
11	35,001	40,000	6.00	-	6	231,926
12	40,001	45,000	3.00	2.00	5	210,400
13	45,001	50,000	6.00	-	6	300,000
14	50,001	55,000	4.00	-	4	209,504
15	55,001	60,000	1.00	-	1	59,700
16	60,001	65,000	2.00	-	2	124,500
17	65,001	70,000	3.00	-	3	205,660
18	70,001	75,000	4.00	-	4	293,600
19	80,001	85,000	1.00	-	1	85,000
20	85,001	90,000	1.00	-	1	85,050
21	95,001	100,000	6.00	-	6	600,000
22	100,001	105,000	1.00	-	1	104,825
23	105,001	110,000	1.00	-	1	110,000
24	110,001	115,000	1.00	-	1	115,000
25	125,001	130,000	1.00	-	1	129,700
26	130,001	135,000	1.00	-	1	135,000
27	135,001	140,000	1.00	-	1	140,000
28	155,001	160,000	1.00	-	1	156,400
29	165,001	170,000	1.00	-	1	170,000
30	190,001	195,000	1.00	-	1	190,990
31	250,001	255,000	1.00	-	1	255,000
32	260,001	265,000	1.00	-	1	265,000
33	320,001	325,000	1.00	-	1	324,615
34	405,001	410,000	1.00	-	1	410,000
35	600,001	605,000	-	2.00	2	1,203,460
36	605,001	610,000	-	1.00	1	606,720
37	620,001	625,000	1.00	-	1	622,140
38	720,001	725,000	1.00	-	1	722,000
39	1,690,001	1,695,000	1.00	-	1	1,691,760
40	2,395,001	2,400,000	1.00	-	1	2,396,990
41	2,645,001	2,650,000	-	1.00	1	2,645,350
42	2,790,001	2,795,000	1.00	-	1	2,794,478
43	3,330,001	3,335,000	1.00	-	1	3,332,524
44	4,035,001	4,040,000	1.00	-	1	4,039,284
45	5,910,001	5,915,000	-	1.00	1	5,912,500
46	12,190,001	12,195,000	1.00	-	1	12,192,071
			4,722	1,554	6,276	53,950,701

Pattern of Shareholding

As at 30 June 2015

NAME & CATEGORY WISE DETAILS IN ACCORDANCE WITH THE CCG 2012								
		CDC	CDC	Physical	Physical	TOTAL	TOTAL	%
Dr. Mrs. Niloufer Qasim Mahdi	Chair Person / Director	1	104,825	1	603,170	2	707,995	1.31%
Syed Shahid Ali	Chief Executive Officer / Director	1	12,192,071	1	2,645,350	2	14,837,421	27.50%
Syed Sheharyar Ali	Director	3	4,064,974	-	-	3	4,064,974	7.53%
Mr. Saulat Said	Director	1	1,400	-	-	1	1,400	0.00%
Mr. Imran Azim	Director - Nominee NIT	-	-	-	-	-	-	0.00%
Mr. Munir Karim Bana	Director - Nominee Loads Limited	1	33,660	-	-	1	33,660	0.06%
Mr. Khurram Raza Bakhatayari	Director - Nominee - IGI Insurance Limited	-	-	-	-	-	-	0.00%
Mr. Muhammad Shafique Anjum	Director	-	-	1	25,050	1	25,050	0.05%
Loads Limited	Associated Company	2	2,806,990	-	-	2	2,806,990	5.20%
IGI Inurance Limited	Associated Company	1	1,691,760	-	-	1	1,691,760	3.14%
NIT	Government Institution	5	6,464,999	-	-	5	6,464,999	11.98%
Foreign Company		-	-	1	5,912,500	1	5,912,500	10.96%
Bank, DFI, Insurance		7	1,032,755	2	180	9	1,032,935	1.91%
Joint Stock Companies		19	501,096	4	4,328	23	505,424	0.94%
Investment Companies		19	844,032	-	-	19	844,032	1.56%
Public Sector		-	-	-	-	-	-	0.00%
Modaraba		-	-	-	-	-	-	0.00%
Executive		-	-	-	-	-	-	0.00%
Company Secretary		-	-	-	-	-	-	0.00%
Others		6	144,028	-	-	6	144,028	0.27%
Individual		4,656	12,509,629	1,544	2,367,904	6,200	14,877,533	27.58%
		4,722	42,392,219	1,554	11,558,482	6,276	53,950,701	100.00%

SHAREHOLDERS HOLDING 5% SHARES

Sr. No.	Name of Shareholder	Shares
1	SYED SHAHID ALI	14,837,421
2	SYED SHEHARYAR ALI	4,064,974
3	ESCANABA LIMITED	5,912,500
4	LOADS LIMITED	2,806,990
5	NATIONAL BANK OF PAKISTAN	6,464,999

Intimation under Clause (I) of sub-regulation (XVI) of Regulation 35 of Chapter (XI) of Listing Regulations of Karachi Stock Exchange Limited during the year.

	Through TCLTC* Conversion		Market Trade : Buy/(Sell)	
	No. of Shares	Conversion Price*	No. of Shares	Market Price
Syed Shahid Ali	1,045,205	59.14		
Syed Sheharyar Ali	26,887	59.14	15,600	104.09
Dr. Mrs. Niloufer Qasim Mahdi	7,175	59.14		
Mr. Saulat Said	700	59.14		
Mr. Munir Karim Bana	33,460	59.14		

*Participation Term Certificate : - Conversion Price is Rs. 59.14 per share. This is the opportunity cost of the principal value of TCLTC forgone to get One additional Ordinary Share of the Company.

Information for Shareholders

Company's Registered Office/Works

Treet Corporation Limited
72-B, Industrial Area, Kot Lakhpat, Lahore
Tel: 042-35830881, 35156567
Fax: 042-35114127, 35117650

Share Registrar:

Corplink (Private) Limited
Wings Arcade 1-K, Commercial Model Town, Lahore
Tel: 042-35916714, 35916719
Fax: 042-35869037
Email: corplink786@gmail.com
shares@corplink.com

Listing on Stock Exchanges

Treet Corporation Limited is listed on:
Karachi Stock Exchange Limited
Lahore Stock Exchange Limited
Islamabad Stock Exchange Limited

Stock Symbol

The stock symbol for dealing in equity shares of Treet Corporation Limited is 'Treet'

Annual Listing Fees

The Annual listing fee for the Financial Year 2015-2016 has been paid within the prescribed time limit.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing requirements.

Share Transfer System

Share transfers received by the Company's Share Registrar are registered within the prescribed period.

Proxies

Pursuant to Section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote on his/her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the registered office of the Company not less then forty eight hours before the meeting.

Dividend Mandate (Optional)

Transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed". The revised form of transfer deed will enable the transferees to received cash dividend directly in their bank accounts, if such transferee provides particulars of his/her/its bank account which he/she/it desires to be used for credit of cash dividend. The existing shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" if they so desire. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant/CDC Investor Account Service.

Annual General Meetings

Pursuant to Section 158 of the Companies Ordinance, 1984, The Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore & Islamabad.

Financial Information

The Company has published the Annual and Quarterly Accounts on the Company's website.

Company's Website

Updated information regarding the Company can be accessed at www.treetonline.com. The website contains the latest financial results of the Company together with Company's profile and product range.

Tax Implications on dividends:

Increased Tax Rates on Filers/ Non-Filers through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

a) For Filers of Income Tax return 12.5%

b) For Non-Filers of Income Tax return 17.5%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at http:// fbr.gov.pk.

The Company will check each shareholder's status on the latest ATL available at the first day of Book Closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer', withholding tax rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars, mentioning their Folio No. and the name of the Company.

Taxation for Joint Shareholders;

The FBR has clarified that where the shares are held in joint accounts/ names, each account/ joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company M/s Corplink (Private) Limited.

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

Free Float of Shares

	Physical	CDC	Total
No. of Shares Outstanding	11,558,482.00	42,392,219	53,950,701
Shares held by Directors	3,273,570	16,396,930	19,670,500
Shares held by Associates	-	4,498,750	4,498,750
Shares held by Government Institution	-	6,464,999	6,464,999
Shares held by foreign companies	5,912,500	-	5,912,500
Others	2,372,412	15,031,540	17,403,952
	11,558,482	42,392,219	53,950,701
Free Float of Shares as on June 30, 2015		15,031,540	15,031,540
% of Free Float		35.46%	27.86%

Information for Shareholders

To: All Shareholders of the Company

COPY OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) DULY ATTESTED

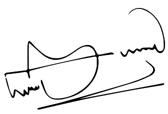
As per direction to all listed companies by the Securities and Exchange Commission of Pakistan vide SRO. 779(1)/2011 dated August 18, 2011, the "DIVIDEND WARRANT(S)" should bear the Computerized National Identity Card number of the registered member(s), except in the case of minor(s) and corporate members, and dividend warrant cannot be issued without inserting the CNIC number of the member(s) or its authorized person(s).

For this purpose, please provide us an attested copy of your CNIC (if not provided earlier) ON MOST URGENT BASIS for compliance with the directions of SECP, failing which your future dividend warrant(s), if any, will be withheld till the compliance of the above referred notification.

You must mention your Folio Number and Name of Company on the face of your CNIC copy for identification.

Copy of your CNIC may please be sent to our share registrar i.e Corplink (Pvt.) Limited.

Yours faithfully,
For TREET CORPORATION LIMITED



Rana Shakeel Shaukat
Company Secretary

Notification issued by SECP dated August 18, 2011.

S.R.O. 779 (1)/2011.In exercise of the powers conferred by Section 506B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct all the listed companies to issue dividend warrant(s) only crossed as "A/C payee only" in the name of registered member or in the name of authorized person where a registered member authorizes the company to pay dividend on his behalf to any person. The dividend warrant(s) should also bear the Computerized National Identity Card Number of the registered member or the authorized person, except in the case of minor(s) and corporate members.

To: All Shareholders of the Company

DIVIDEND MANDATE FORM

Please be informed that under Section 250 of the Companies Ordinance, 1984 a Shareholder may, if so desired, direct the Company to pay dividend through his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18, of 2013 dated June 05, 2013 we request all the registered shareholders of M/s Treet Corporation Limited to authorize the Company, if so desired, to directly credit in their bank account cash dividend, if any, declared by the Company in the future.

[PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY. IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT, THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS]

Do you wish the cash dividend declared by the company, if any, to be directly credited in your bank account, instead receiving the same via dividend warrants?

Please tick " " any of the following boxes.

No Yes

If "YES", please provide the following information:

Transferee Detail	
Name of Shareholder	
Folio No./CDC ID	
Title of Bank Account	
Bank Account No.	
Bank's Name	
Branch Name and Address	
Cell Phone Number of Transferee	
Landline Number of Transferee, if any	

It is stated that the above mentioned information is correct, and that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

____
Signature of the Member/Shareholder

Second Fold

Affix Revenue
Stamp

The Company Secretary
TREET CORPORATION LIMITED
72-B Industrial Area, Kot Lakhpat,
Lahore - Pakistan

First Fold

Third Fold and Tuck In

Form of Proxy

I/We ____

of______________________ being a Member of Treet Corporation Limited and holder(s) of

________________________Ordinary Shares as per Share Register Folio No. ________________________

For beneficial owners as per CDC List	
CDC Participant I.D. No. ________________	Sub Account No. ________________
CNIC No.	Passport No. ____________________

hereby appoint Mr./Mrs./Miss.______________________________________of________________an other member of the Company or failing him/her Miss/Mrs/ Mr. ______________________________________ of ________________ another member of the Company as my / our proxy to attend and vote for me / us and my /our behalf at Annual General Meeting of the Company to be held on Saturday, October 31, 2015, at 11:00 A.M. and at every adjournment thereof, if any.

Please affix Rupees Five Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

Signed this _________ day of October 2015

Signature of Shareholder____________________

Signature of Proxy____________________

1. WITNESS	2. WITNESS
Signature: ______________________________	Signature: ______________________________
Name: ______________________________	Name: ______________________________
Address: ______________________________	Address: ______________________________
______________________________________	______________________________________
CNIC No.	CNIC No.
or Passport No.______________________	or Passport No.______________________

1. This Proxy Form. duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.

2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. For CDC Account Holders / Corporate Entities In addition to the above the following requirements have to be met

i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.

ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.

iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

Second Fold

Affix Revenue
Stamp

The Company Secretary

TREET CORPORATION LIMITED
72-B Industrial Area, Kot Lakhpat,
Lahore - Pakistan

First Fold

Third Fold and Tuck In

Notes

Informational massage on Jamapunji

Treet Corporation Limited

Head Office:
72-B, Industrial Area, Kot Lakhpat, Lahore - 54770
Phone: +92-42 35830881 - 35156567 - 35122296
Fax: +92-42 35114127 - 35836770