Financial Statements 2016

TREET GROUP
OF COMPANIES

Treet Corporation Limited

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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 2016 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, Treet HR Management (Private) Limited, Global Arts 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.

The Group's share of income from investment in associate accounted for under equity method of Rs. 52.95 million included in the consolidated profit and loss account and note 8.2 to the consolidated financial statements is based on un-audited financial statements of the associate.

In our opinion, except for the matter in the preceding paragraph, the consolidated financial statements present fairly the consolidated financial position of Treet Corporation Limited and its subsidiary companies as at 30 June 2016 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 07, 2016

Consolidated Balance Sheet

As at 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	7,821,227	4,174,580
Investment property	7	19,384	28,100
Long term investments	8	297,410	260,765
Long term loans and advances	9	12,674	16,932
Long term deposits	10	34,268	29,413
Deferred taxation	11	24,269	18,649
		8,209,232	4,528,439
Current assets			
Stores and spares	12	273,836	221,793
Stock in trade	13	1,098,072	1,286,841
Trade debts	14	616,893	482,818
Short term investments	15	498,009	844,102
Loans, advances, deposits, prepayments and other receivables	16	1,197,815	836,690
Cash and bank balances	17	650,509	2,790,287
		4,335,134	6,462,531
Liabilities			
Current liabilities			
Current portion of long term liabilities	18	247,364	236,019
Short term borrowings	19	1,557,993	1,806,375
Trade and other payables	20	714,009	564,865
Accrued mark-up	21	297,720	302,408
Provision for taxation		49,652	61,006
		2,866,738	2,970,673
Net current assets		1,468,396	3,491,858
Non-current liabilities			
Long term deposits	22	1,037	750
Long term liability against purchase of land	23	112,670	169,093
Redeemable capital	24	537,000	716,417
Retention money	25	11,346	-
Deferred liabilities - Employee retirement benefits	26	216,881	153,635
		878,934	1,039,895
Contingencies and commitments	28		
		8,798,694	6,980,402
Represented by:			
Authorized capital			
150,000,000 (2015: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
10,000,000 (2015: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		1,600,000	1,600,000
Issued, subscribed and paid up capital	29	1,378,044	539,507
Reserves	30	4,811,771	1,314,473
Advance against issue of shares	31	-	2,421,612
Unappropriated profit		1,285,310	1,371,939
		7,475,125	5,647,531
Non-controlling interest	32	3,341	2,388
		7,478,466	5,649,919
Surplus on revaluation of land and buildings - net of tax	33	1,320,228	1,330,483
		8,798,694	6,980,402

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Profit and Loss Account

For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Continuing operations			
Sales - net	34	7,615,231	6,900,175
Cost of sales	35	5,810,849	5,462,785
Gross profit		1,804,382	1,437,390
Administrative expenses	36	343,121	226,048
Distribution cost	37	999,980	951,174
		1,343,101	1,177,222
Operating profit		461,281	260,168
Finance cost	38	349,904	397,035
Other operating expenses	39	70,823	33,032
		420,727	430,067
Other income	40	178,865	359,704
Share of profit of associate	8.2.1	52,952	60,825
		272,371	250,630
Workers' profit participation fund	16.3	4,092	4,393
Workers' welfare fund	20.3	483	(3,667)
		4,575	726
Profit before taxation		267,796	249,904
Taxation			
- Group	41	37,175	(49,860)
- Associate	8.2.1	16,307	21,779
		53,482	(28,081)
Profit after taxation from continuing operations		214,314	277,985
Discontinued operations			
Net loss for the year	42	-	(35,772)
Taxation		-	-
		-	(35,772)
Profit for the year		214,314	242,213
Attributable to:			
Equity holders of the Parent Company		213,984	242,015
Non-controlling interest		330	198
		214,314	242,213
			Restated
Earnings per share - continuing operations			
Earnings per share - basic and diluted (Rupees)	43	1.59	3.05

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	2016	2015
	(Rupees in thousand)	
Profit after taxation	214,314	242,213
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)
Unrealized gain on available for sale investments including Group's share in associate	-	522
Items that will never be reclassified to profit or loss account:		
Re-measurement of defined benefit obligation - net of tax	(58,699)	(7,498)
Total comprehensive income for the year	155,615	235,189
Attributable to:		
Equity holders of the Parent Company	155,285	234,991
Non-controlling interest	330	198
	155,615	235,189

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Cash Flow Statement
For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Cash generated from operations	49	885,405	132,865
Finance cost paid		(354,592)	(394,140)
Taxes paid		(90,343)	(47,582)
WPPF and WWF - net		4,698	(13,186)
Payment to gratuity fund and superannuation fund		(47,943)	(23,285)
Long term loans and deposits - net		(597)	4,477
		(488,777)	(473,716)
Net cash generated from / (used in) operating activities		396,628	(340,851)
Cash flows from investing activities			
Fixed capital expenditure		(3,940,961)	(1,238,656)
Proceeds from sale of property, plant and equipment		30,982	144,944
Proceeds from sale of non current assets held for sale		-	104,000
Proceeds from sale of investment property		18,500	-
Proceeds from sale of long term investments		-	93,528
Profit received on bank deposits		110,983	31,317
Dividend received		2,586	10,731
Net cash used in investing activities		(3,777,910)	(854,136)
Cash flows from financing activities			
Long term deposits		287	283
Proceeds from issue of right shares		1,623,786	2,421,612
Redemption of participation term certificates		(6,272)	(6,273)
Short term borrowings - net		(42,281)	397,948
Profit attributed paid		(127,915)	(102,118)
Net cash generated from financing activities		1,447,605	2,711,452
Net (decrease) / increase in cash and cash equivalents		(1,933,677)	1,516,465
Cash and cash equivalents at the beginning of year		2,046,692	530,227
Cash and cash equivalents at the end of year	50	113,015	2,046,692

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Share Capital	Advance against issue of share capital	Capital Reserves: Share premium	Capital Reserves: Capital Reserve	Capital Reserves: Fair Value Reserve	Capital Reserves: Statutory Reserve	Revenue Reserves: General Reserve	Revenue Reserves: Un-appropri-ated Profit	Total equity attributable to shareholders of parent company	Non - con-trolling Interest	Total share-holders equity
	-----------------------------------	-----------------------------------	-----------------------------------	-----------------------------------	-----------------------------------	-----------------------------------	(Rupees in thousand)	-----------------------------------	-----------------------------------	-----------------------------------	-----------------------------------
Balance as at 30 June 2014	510,231	-	591,323	629	(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 of the Company, Contributions and distributions											
Advance received during the year	-	2,421,612	-	-	-	-	-	-	2,421,612	-	2,421,612
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)
Transferred to statutory reserve	-	-	-	-	-	61,345	-	(61,345)	-	-	-
Profit attributed paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(72)	(72)
	29,276	2,421,612	143,869	-	-	61,345	-	(163,391)	2,492,711	(72)	2,492,639
Balance as at 30 June 2015	539,507	2,421,612	735,192	629	(1,184)	313,436	266,400	1,371,939	5,647,531	2,388	5,649,919
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	213,984	213,984	330	214,314
Other comprehensive loss	-	-	-	-	-	-	-	(58,699)	(58,699)	-	(58,699)
	-	-	-	-	-	-	-	155,285	155,285	330	155,615
Incremental depreciation relating to surplus on revaluation of property - net of tax	-	-	-	-	-	-	-	10,255	10,255	-	10,255
Transactions with owners of the Company, Contributions and distributions											
Issuance of right shares / share subscription received	809,261	(2,421,612)	3,236,137	-	-	-	-	-	1,623,786	740	1,624,526
Conversion of PTCs into ordinary shares @ 0.07 shares per PTC	29,276	-	143,869	-	-	-	-	-	173,145	-	173,145
Final Profit attributed @ 10 % for the year ended 30 June 2015	-	-	-	-	-	-	-	(134,877)	(134,877)	-	(134,877)
Transferred to statutory reserve	-	-	-	-	-	117,292	-	(117,292)	-	-	-
Profit attributed paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(117)	(117)
	838,537	(2,421,612)	3,380,006	-	-	117,292	-	(252,169)	1,662,054	623	1,662,677
Balance as at 30 June 2016	1,378,044	-	4,115,198	629	(1,184)	430,728	266,400	1,285,310	7,475,125	3,341	7,478,466

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

1 Status and nature of the business

The Group comprises of :

Holding Company

- Treet Corporation Limited

	2016	2015
	(Holding percentage)	
Subsidiary companies		
- Treet Holdings Limited	100%	100%
- First Treet Manufacturing Modaraba	99.87%	99.85%
- Treet HR Management (Private) Limited	100%	100%
- Global Arts 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 Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B, Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a private limited company under the Companies Ordinance, 1984 and 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. Its registered office is situated at 72 - B, Industrial Area Kot Lakhpat, Lahore.

First Treet Manufacturing Modaraba ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited). The Modaraba is engaged in the manufacture and sale of corrugated boxes and soaps and is in the process of establishing a battery manufacturing unit in Faisalabad. The commercial production is expected to commence in next financial year.

During the year ended 30 June 2015, the Modaraba Management Company sold Modaraba's Paper and Board Mill segment as referred to in note 42 of these financial statements and as a result the Modaraba's operations have been divided into continuing and discontinued operations, wherever required in accordance with the requirements of IFRS-5 - "Non-current assets held for sale and discontinued operations".

Treet HR Management (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 and technical services and providing related workforce to the host companies / customers under service agreements. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.

Global Arts Limited was incorporated in Pakistan on October 26, 2007 as a private company limited by shares under the Companies Ordinance, 1984. The company was converted into public limited company (unlisted), and the name and the objects of the company had also been changed. 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 is incorporated on November 20, 2007 in Pakistan. At present the company is planning to set up an Electric Power Generation Project for generating, distribution and selling of Electric Power, which is kept in abeyance in order to complete other projects of the Group Companies of Treet Corporation Limited. The registered office of the company is situated at 72-B, Industrial Area, Kot lakh pat, 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 2016.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. 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 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 of 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 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.

Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(b) Associates

Associates are all entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% to 50% of the voting rights. The Group's share of its associate's post-acquisition profit or loss is recognized in the profit and loss account, its share of 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.

The Group has also adopted IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangement' and IFRS 12 'Disclosure of Interests in Other Entities' that became applicable from 01 January 2015, as per the adoption status of IFRSs in Pakistan. The application of IFRS 10, IFRS 11 and IFRS 12 did not have an impact on the financial statements of the Group other than increased disclosures.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value as referred to in note 5.7, the measurement of certain items of property, plant and equipment as referred to in note 5.4 at revalued amounts and recognition of certain employee retirement benefits as referred to in note 5.2 at present value. 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	5.2
-	Provision for taxation	5.3
-	Residual values and useful lives of property, plant and equipment	5.4
-	Impairment	5.8
-	Provisions	5.15
-	Contingent liabilities	5.22

4 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 2016:

- 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.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – 'Consolidated Financial Statements' and IAS 28 – 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business.

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

- Agriculture: Bearer Plants [Amendment 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.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards.

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 on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. 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 are not likely to have any material impact on the consolidated financial statements of the Group.

5 Summary of significant accounting policies

The significant accounting policies adopted in preparation of consolidated financial statements are set out below. These policies have been consistently applied to all years presented, except as mentioned in note 5.1

5.1 Change in accounting policy

IFRS 13 'Fair value measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 'Financial Instruments : Disclosures'. As a result the Group has added additional disclosures in this regard in note 47.5 to these consolidated financial statements. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Group's financial assets and liabilities.

5.2 Employee benefits

Defined contribution plans

The Group has maintained four contributory schemes for the employees, as below:

(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 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 at 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 at 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' and latest actuarial valuation has been carried out at 30 June 2016. When calculation results in potential assets for the Group, the recognized asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actual gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to equity through other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the profit and loss account. The main features of defined benefit schemes are mentioned in note 26.

Employee Stock Option Scheme

The Group operates an equity settled stock option scheme to be called 'Treet Corporation Limited - Employees Stock Option Scheme, 2015'. The compensation committee ("committee") of the Board of directors ("Board") evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees. These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Upon vesting, employees are eligible to apply and secure allotment of Holding Company's shares at a pre-determined price on the date of grant of options.

The fair value of the grant of share options is measured at grant date and recognized as an employee compensation expense, with a corresponding increase in equity, on the straight line basis over the vesting period. The fair value of the options granted is measured at option discount i.e. excess of market price of the share at the date of grant of an option under the scheme over exercise price of option (including up-front payment, if any). The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

The fair value of the amount payable to employees in respect of share appreciation rights ("SARs"), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss.

5.3 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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. Deferred tax is charged in the profit and loss account, except in the case of items charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan.

5.4 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any, except for freehold land and buildings on freehold land. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings on freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings, and the net amount is restated to the revalued amount of the buildings.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

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

Depreciation is charged to profit and loss account, 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 to property, plant and equipment is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1. 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.

Residual value and the useful life of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

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.

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.

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.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the profit and loss account.

5.6 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that their carrying amount will be recovered principally through sale rather than through continuing use. They are stated at lower of carrying amount and fair value less costs to sell.

5.7 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are required and re-evaluates this classification on regular basis.

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 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 subsequent reporting dates, these investments are remeasured at fair value and changes therein are recognized in the profit and loss account for the year. Fair value is determined on the basis of year-end bid prices obtained from stock exchange quotations.

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 available for sale

Investments that are intended to be held for an indefinite period of time or may be sold in response to the need for liquidity are classified as available for sale.

Investments classified as investments available for sale are initially recognized at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair values, 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 recognized in other comprehensive income in the period in which these arise and accumulated in fair value reserve. At the time of disposal, the accumulated surplus or deficit in the fair value reserve is reclassified to profit and loss account.

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 on available for sale investments are recognized by reclassifying the losses accumulated in the fair value reserve to 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.

5.8 Impairment

Financial assets

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit and loss account. All impairment losses are recognized in profit and loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognized.

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 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.

5.10 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 of completion and the cost necessary to be incurred 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 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 Group.

5.13 Borrowings

Borrowings are recognized initially at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued markup to the extent of the amount remaining unpaid.

5.14 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 received whether or not billed to the Group.

5.15 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.

5.16 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees which is the Group's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account. All non-monetary assets and liabilities are translated in Pak Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

5.17 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 and there is no continuing management involvement with the goods.

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 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.

5.18 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.

5.19 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) Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

(v) Financial instruments carried on the balance sheet includes investments, long term loan, long term deposits, trade debts, cash and bank balances, borrowings, trade and other payables and accrued markup. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

(vi) 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.

(vii) 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.

5.20 Research and development costs

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

5.21 Dividends

Distribution of Group's dividend to the shareholders is recognized as a liability in the period in which the profit attribution is approved by Board of Directors.

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 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.

5.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group that make strategic decisions.

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.

6 Property, plant and equipment

	Note	2016	2015
		(Rupees in thousand)	
Operating fixed assets	6.1	3,836,248	3,647,632
Capital work in progress	6.2	3,984,979	526,948
		7,821,227	4,174,580

6.1 Property, plant and equipment

	Annual rate of depreciation	Cost/ revalued amount as at 01 July 2015	Additions/ (Deletions)	Cost/ revalued amount as at 30 June 2016	Accumulated depreciation as at 01 July 2015	Depreciation charge/ (deletions) for the year	Accumulated depreciation as at 30 June 2016	Book value as at 30 June 2016
	%	(Rupees in thousand)						
Owned								
Freehold land	-	2,219,832	258,324	2,478,156	-	-	-	2,478,156
Building on freehold land	5	538,017	17,372	555,389	35,832	38,324	74,156	481,233
Buildings on leasehold land	10	4,791	-	4,791	1,917	479	2,396	2,395
Plant and machinery	10	1,565,719	83,127	1,631,397	790,900	127,089	911,384	720,013
			(17,449)			(6,605)		
Furniture and equipment	10 - 25	69,364	21,892	89,941	40,977	7,777	47,983	41,958
			(1,315)			(771)		
Vehicles	20	214,855	45,792	236,043	95,320	43,308	123,550	112,493
			(24,604)			(15,078)		
2016		4,612,578	426,507	4,995,717	964,946	216,977	1,159,469	3,836,248
			(43,368)			(22,454)		

	Annual rate of depreciation	Cost/ revalued amount as at 01 July 2014	Additions/ (Deletions)	Cost/ revalued amount as at 30 June 2015	Accumulated depreciation as at 01 July 2014	Depreciation charge/ (deletions) for the year	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)					
Building on freehold land	5	622,887	-	538,017	-	38,766	35,832	502,185
			(84,870)			(2,934)		
Buildings on leasehold land	10	4,791	-	4,791	1,438	479	1,917	2,874
						-		
Plant and 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)	-	-

		Note	2016	2015
			(Rupees in thousand)	
6.1.1	Depreciation charge for the year has been allocated as follows:			
	Cost of goods sold - blades	35.1	138,849	124,823
	Cost of goods sold - soaps	35.2	2,977	2,809
	Cost of goods sold - corrugated boxes	35.3	28,642	27,203
	Cost of goods sold - bikes	35.4	2,044	2,044
	Cost of goods sold - paper and board mill	35.5	-	2,934
			172,512	159,813
	Administrative expenses	36	35,394	31,526
	Distribution cost	37	9,071	8,315
			216,977	199,654

6.1.2 Had the assets not been revalued, the net book value of specific classes of operating fixed assets would have amounted to:

	2016	2015
Land	1,328,711	1,063,327
Buildings	280,764	296,369
	1,609,475	1,359,696

6.1.3 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	(Loss) / Profit	Mode of disposal	Sold to employees
	(Rupees in thousand)						
Plant							
Generator Set	16,512	6,470	10,042	9,082	(960)	Insurance claim	Claim from IGI Insurance
Lab Homogenizer	937	36	901	937	36	Insurance claim	Claim from IGI Insurance
Furniture & Equipments							
I Mac 3 Ghz	259	150	109	109	-	Insurance claim	Claim from IGI Insurance
Vehicles							Employees
Toyota Corolla	1,608	1,297	311	772	461	Company scheme	Khawar Siddiqui
Toyota Corolla	1,232	849	383	1,232	849	Company scheme	Anees Mehmood
Toyota Corolla	1,125	155	970	945	(25)	Company scheme	Muhammad Arif
Toyota Corolla	1,125	19	1,106	1,061	(45)	Company scheme	S.Sibte Abbas
Suzuki Mehran	650	336	314	650	336	Company scheme	Nadeem Afzal
Suzuki Mehran	635	438	197	297	100	Company scheme	M.Danniyal
Suzuki Mehran	625	36	589	625	36	Company scheme	M.Salman
Daihatsu Mira	625	64	561	625	64	Company scheme	Abdul Waheed
Honda CG 125	103	12	91	103	12	Company scheme	Shahbaz Khan
Honda CG 125	103	13	90	92	2	Company scheme	M.Wassem Kaleem
Honda CG 125	103	24	79	103	24	Company scheme	Sharif Masseh
Honda CG 125	98	45	53	57	4	Company scheme	Muzaffar Iqbal
	8,032	3,288	4,744	6,562	1,818		
Other assets with book value less than Rs. 50,000	17,628	12,510	5,118	14,292	9,174		
2016	43,368	22,454	20,914	30,982	10,068		
2015	233,589	62,978	170,613	144,944	(25,669)		

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For the year ended 30 June 2016

		Note	2016	2015
			(Rupees in thousand)	
6.2	Capital work-in-progress			
	Civil works		618,713	133,201
	Plant and machinery		3,217,076	308,624
	Advances for capital expenditure		149,190	85,123
			3,984,979	526,948

		Note	2016	2015
7	Investment property			
	Cost as at 01 July		28,100	-
	Additions during the year		-	28,100
	Disposals	7.1	(8,716)	-
	Cost as at 30 June		19,384	28,100

These represent the following pieces of land:

- 14 kanals and 5 marlas located at 4 km Kacha Road Mouza Kacha Tehsil Model Town, Lahore, having fair value of Rs. 9.26 million.

- 11 kanals and 1 marla located at 34 km Ferozepur Road, Lahore, having a fair value of Rs. 12.35 million.

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). The most significant input into this valuation is market value. The valuation is considered to be Level 3 in the fair value hierarchy due to non-observable inputs used in valuation. The different levels have been mentioned in note 47.5.

7.1 During the year, land measuring 1 kanal and 18 marlas located at Mouza Chandrai Tehsil Model Town, Lahore, was disposed off for Rs. 18.5 million.

		Note	2016	2015
8	Long term investments			
	Available for sale - at cost	8.1	1,555	1,555
	Investment in associate - Loads Limited	8.2	295,855	259,210
			297,410	260,765
8.1	Available for sale - at cost			
	Techlogix International Limited - unquoted 748,879 (2015: 748,879) fully paid ordinary shares of par value of USD 0.00015. Equity Held: 0.73 % (2015: 0.74 %)		8,593	8,593
	Less: Provision for impairment		(7,038)	(7,038)
			1,555	1,555

8.1.1 The breakup value per share as per latest available audited financial statements for the year ended 31 December 2015 of Techlogix International Limited is Rs. 4.11 (2015: Rs. 3.02) per share. The shares have par value of USD 0.00015.

		Note	2016	2015
			(Rupees in thousand)	
8.2	Investments in associated company			
	Cost		162,529	162,529
	Share of post acquisition profits	8.2.1	133,326	96,681
			295,855	259,210

		2016	2015
8.2.1	Share of post - acquisition profits:		
	Balance as at 01 July	96,681	57,113
	Share of total comprehensive income for the year	52,952	61,347
	Share of taxation	(16,307)	(21,779)
	Balance as at 30 June	133,326	96,681

The Group's share of the result of its associated company Loads Limited, which is unlisted (subsequent to the year end listed on Pakistan Stock Exchange) and incorporated in Pakistan, and its share of the assets, liabilities, revenue and profit based on un-audited financial statements is as follows:

	Percentage interest held	Assets	Liabilities	Revenue	Total comprehensive income
		-----------------------(Rupees in thousand)---------------------			
2016	20.82%	610,948	272,449	840,224	36,645
2015	20.82%	561,343	283,292	678,689	39,568

		Note	2016	2015
			(Rupees in thousand)	
9	Long term loans and advances			
	Loans to employees - secured, considered good	9.1	10,017	9,538
	Long term advance - unsecured, considered good	9.4	16,492	21,626
	Less : current portion			
	Loan to employees - secured, considered good	16	(8,212)	(8,159)
	Long term advance - unsecured, considered good	16	(5,623)	(6,073)
			(13,835)	(14,232)
			12,674	16,932

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. 8.04 million (2015: Rs. 7.97 million) receivable from the executives of the Group. No loan has been given to directors or chief executive of the Group.

		Note	2016	2015
			(Rupees in thousand)	
9.2	**Reconciliation of the carrying amount of loans to executives:**			
	Balance as at 01 July		7,965	5,486
	Disbursements		11,485	11,041
	Repayments		(11,413)	(8,562)
	Balance as at 30 June		8,037	7,965

9.3 The maximum amount due from the executives at the end of any month during the year was Rs. 8.04 million (2015: Rs. 7.97 million).

9.4 This represents outstanding advance receivable from Khatoon Industries (Private) Limited ("KIL") for rice husk boiler, laboratory, warehouse, weigh bridge and road construction amounting to Rs. 10.6 million, Rs. 1 million, Rs. 8.5 million, Rs. 1.6 million and Rs 0.32 million respectively. The remaining balances are adjustable against rent payable to KIL in lieu of use of soaps manufacturing facility in 48, 48, 10, 19 and 22 equal monthly instalments, respectively.

		Note	2016	2015
10	**Long term deposits**			
	Utility deposits		24,244	21,289
	Others		10,024	8,124
			34,268	29,413
11	**Deferred taxation**			
	Deferred tax asset	11.1	24,269	18,649
11.1	**Deferred taxation arising in respect of the following items:**			
	- Accelerated tax depreciation including surplus on revaluation of property, plant and equipment		(83,808)	(100,444)
	- Capital loss / (gain) on short term investments		6,690	(4,734)
	- Post acquisition profits of associates		(23,080)	(12,085)
			(100,198)	(117,263)
	Deferred tax asset arising in respect of the following items:			
	- Unused tax losses		97,556	104,045
	- Unutilized tax credits		-	16,212
	- Employee retirement benefits		26,692	15,219
	- Provision for doubtful debts		219	436
			124,467	135,912
			24,269	18,649

11.1.1 Deferred tax asset on tax losses available for carry forward and other items have been recognized to the extent that the realization of related tax benefits through future taxable profits is probable.

		Note	2016	2015
			(Rupees in thousand)	
11.1.2	Movement in deferred tax asset / (liability) is as follows:			
	Balance as at 01 July		18,649	(56,307)
	Recognized in profit and loss account:			
	Charged to profit and loss account		(5,813)	76,439
	Recognized in other comprehensive income:			
	Net off against re-measurement of employee retirement benefits recognized in other comprehensive income		11,433	(1,483)
	Balance as at 30 June		24,269	18,649

		Note	2016	2015
12	Stores and spares			
	Stores		58,455	46,446
	Spares	12.1	215,381	175,347
			273,836	221,793

12.1 It includes spares in transit amounting to Rs. 34.86 million (2015: Rs. 8.18 million).

		Note	2016	2015
13	Stock-in-trade			
	Blades:			
	Raw and packing material	13.1	418,284	480,946
	Work-in-process	35.1	53,071	49,925
	Finished goods	13.2	201,245	203,947
			672,600	734,818
	Slow moving raw material stock written off	35.1	-	(2,074)
			672,600	732,744
	Soaps:			
	Raw and packing materials	13.1	68,987	123,659
	Work-in-process	35.2	3,432	12,007
	Finished goods	13.2	37,611	23,461
			110,030	159,127
	Packaging solutions-corrugated boxes:			
	Raw and packing materials	13.1	184,191	286,475
	Work-in-process	35.3	36,865	4,676
	Finished goods	13.2	27,758	24,200
			248,814	315,351
	Bike:			
	Raw and packing materials		8,873	13,733
	Work-in-process	35.4	57,205	65,886
	Finished goods	13.2	550	-
			66,628	79,619
			1,098,072	1,286,841

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13.1 These include raw material in transit of blades amounting to Rs. 47.67 million (2015: Rs. 61.74 million), raw material in transit of soaps amounting to Rs. 6.89 million (2015: Rs. 21.83 million) and raw material in transit of corrugated boxes amounting to Rs. 0.32 million (2015: Rs. 1.97 million).

13.2 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounted to Rs. Nil (2015: Rs. 4 million).

		Note	2016	2015
			(Rupees in thousand)	
14	Trade debts			
	Foreign debtors			
	- secured, considered good		29,567	5,023
	- unsecured, considered good		110,517	49,034
			140,084	54,057
	Local debtors			
	- Considered good		476,809	428,761
	- Considered doubtful		50,173	38,536
			526,982	467,297
			667,066	521,354
	Provision for doubtful debts	14.1	(50,173)	(38,536)
			616,893	482,818
14.1	The movement in provision for doubtful debts for the year is as follows:			
	Balance as at 01 July		38,536	31,265
	Provision for the year - net of recoveries	37	11,741	13,436
	Written off against provision		(104)	-
	Reversal of provision for doubtful debts	40	-	(6,165)
	Balance as at 30 June		50,173	38,536
15	Short term investments			
	Investments at fair value through profit or loss:			
	Listed equity securities	15.1	492,399	638,770
	Mutual funds	15.2	5,610	5,332
	Loans and receivables:			
	Term deposit certificates	15.3	-	200,000
			498,009	844,102

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

	Share/Certificates		Market value	
	2016	2015	2016	2015
	Number	Number	(Rupees in thousand)	
Sector / Companies				
Banks				
Silk Bank Limited	202,206,314	21,744,500	343,751	41,750
Bank of Khyber	87,000	-	1,092	-
NIB Bank Limited	1,852,000	110,000	3,537	222
Cement industry				
Fauji Cement Limited	40,000	-	1,432	-
Flying Cement Limited	500	-	4	-
Textile				
Indus Dyeing and Manufacturing Company Limited	110	479,010	57	529,526
Sunrays Textiles Mills Limited	29,500	23,000	5,975	5,199
Shahtaj Textile Limited	852,500	736,500	102,411	52,291
Maqbool Textiles Mills Limited	379,500	376,500	6,452	7,304
Kohinoor Spinning Mills Limited	4,150,000	-	23,904	-
National Silk & Rayon Mills Limited	50,000	44,500	2,311	1,253
Miscellaneous				
Transmission Engineering Industries Limited	133,000	133,000	-	-
Siddique Sons Tin Plate Limited	-	71,500	-	630
Aisha Steel Mills Limited	102,000	14,000	1,377	147
Huffaz Seamless Pipe Industries Limited	5,500	-	96	-
Silver Star Insurance Company Limited	-	76,000	-	448
			492,399	638,770

15.2 Details of investment in mutual funds are stated below:

	Units		Market value	
	2016	2015	2016	2015
	Number	Number	(Rupees in thousand)	
AGHP Capital Conservative Fund	32,890	31,376	3,496	3,305
HBL Mustahkum Sarmaya Fund	20,916	20,202	2,114	2,027
			5,610	5,332

15.3 This represented term deposit receipt (TDR) with Dubai Islamic Bank, maintained under Shariah permissible arrangement, having maturity upto one year and carrying mark-up rate of 5% to 7% per annum (2015: 6% to 8% per annum).

		Note	2016	2015
			(Rupees in thousand)	
16	Loans, advances, deposits, prepayments and other receivables			
	Current portion of long term advances - unsecured, considered good		5,623	6,073
	Current portion of loan to employees - secured, considered good		8,212	8,159
		9	13,835	14,232
	Advances to employees - secured, considered good	16.1	77,027	16,049
	Advances to suppliers - unsecured, considered good		123,440	110,327
	Margin deposits - Letter of credits		1,967	1,958
	Prepayments		13,106	14,401
	Insurance claim receivable		-	627
	Advances to related parties			
	- Loads Limited		70	70
	- IGI Insurance Limited		16,350	375
	- Employees Benevolent Fund		836	2,714
	- Superannuation Fund		5,751	5,751
	- Gratuity Fund		18,461	8,629
	- Employees Housing Fund		12,755	10,942
		16.2	54,223	28,481
	Balance with statutory authorities			
	- Export rebate		62,654	64,505
	- Collector of customs		2,393	2,873
	- Advance income tax		467,201	421,202
	- Sales tax		304,150	109,235
			836,398	597,815
	Workers profit participation fund	16.3	7,444	17,030
	Receivable from broker against sale of investments		59,801	16,980
	Other receivables		10,574	18,790
			1,197,815	836,690

16.1 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. 7.13 million (2015: Rs. 7.17 million) receivable from executives of the Group. These also include an amount of Rs. 1.45 million (2015: Rs. 1.10 million) given to CEO for travelling for business purpose. Reconciliation of advance given to CEO is as under:

	2016	2015
Balance as at 01 July	1,100	3,563
Advances given during the year	3,074	2,914
Reimbursements during the year	(2,726)	(5,377)
Balance as at 30 June	1,448	1,100

16.2 These represent advances for purchase of goods or services under normal business trade as per the agreed terms and are interest free.

		Note	2016	2015
			(Rupees in thousand)	
16.3	Workers' profit participation fund			
	Balance as at 01 July		17,030	8,581
	Add: Interest on WPPF		(182)	(600)
	Add: Charge for the year		(3,910)	(3,793)
			(4,092)	(4,393)
	Less: Paid during the year		(5,494)	12,842
	Balance as at 30 June		7,444	17,030

17 Cash and bank balances

	Note	2016	2015
Cash in hand		21,468	69,033
Cash at bank - local currency			
Current accounts	17.1	160,017	2,594,545
Saving accounts	17.2	469,024	126,709
		629,041	2,721,254
		650,509	2,790,287

17.1 As referred to in note 31, this includes subscription money aggregating to Rs. Nil (2015: Rs. 2,422) received from shareholders against subscription of right shares offered to public, kept in separate bank accounts.

17.2 These carry mark-up at the rates ranging from 4% to 6.5% per annum (2015: 5% to 9% per annum). These deposits have been maintained under non-shariah based arrangement.

18 Current portion of long term liabilities

	Note	2016	2015
Current portion of redeemable capital	24	179,417	179,417
Retention money	25	11,345	-
Current maturity of liability against purchase of land	23	56,602	56,602
		247,364	236,019

19 Short term borrowings

	Note	2016	2015
Short term running finance - secured	19.2	537,494	743,595
Export refinance - secured		1,020,499	1,062,780
		1,557,993	1,806,375

19.1 Particulars of borrowings

	2016	2015
Interest / markup based financing	1,524,053	1,656,375
Islamic mode of financing	33,940	150,000
	1,557,993	1,806,375

19.2 The Group has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangement / shariah arrangements to the extent of Rs. 4,230 million (2015: Rs. 4,610 million). The running finance facilities carried mark-up at the rates ranging from 6.75% to 9.01% per annum (2015: 7.33% to 11.43% per annum). Running finance amounting to Rs. 2,600 million (2015: Rs. 3,050 million) can be interchangeably utilized as export running finance. These carried mark-up at the rate of 3.9% to 5.5% per annum (2015: 5.4% to 7% per annum).

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19.3 All short term borrowings of the Group are secured by way of joint first pari passu hypothecation charge of Rs. 6,069 million (2015: Rs. 5,833 million) on the entire present and future current assets of the Group.

19.4 The facilities for opening letters of credits and guarantees as at 30 June 2016 amounts to Rs. 1,307 million (2015: Rs. 850 million) of which unutilized amount as at this date was Rs. 827 million.

		Note	2016	2015
			(Rupees in thousand)	
20	Trade and other payables			
	Trade creditors			
	- Related parties	20.1	101	1,807
	- Others		174,496	96,802
			174,597	98,609
	Other creditors			
	- Related parties	20.2	39	13
	- Others		91,390	53,959
			91,429	53,972
	Accrued liabilities		311,855	252,286
	Advances from customers		18,066	62,046
	Advance against non-current assets held for sale		6,593	6,593
	Workers' welfare fund	20.3	-	313
	Employees deposits		47,712	44,988
	Unclaimed dividend		12,808	6,469
	Withholding sales tax payable		12,889	2,903
	Income tax deducted at source		12,050	3,295
	Retention money		7,327	3,806
	Other payables		11,840	12,084
	Payable to employee retirement benefit funds			
	- Payable to service fund		1,830	3,219
	- Payable to employees provident fund	20.4	5,013	14,282
			6,843	17,501
			714,009	564,865

		Note	2016	2015
			(Rupees in thousand)	
20.1	**Related parties**			
	Packages Limited		101	1,647
	Bulleh Shah Packaging (Private) Limited		-	160
			101	1,807
20.2	**Related parties**			
	IGI Insurance Limited		39	13
20.3	**Workers' welfare fund**			
	Balance as at 01 July		313	4,324
	Add: Charge for the year		483	313
			796	4,637
	Less: Paid/adjusted during the year		(796)	(4,324)
	Balance as at 30 June		-	313

20.4 The Group has set up provident fund for its permanent employees. The total charge against provident fund for the year was Rs. 21.28 million (2015: Rs. 21.15 million). The net assets based on audited financial statements of provident fund for the year ended 30 June 2016 amount to Rs. 384 million (2015: Rs. 364.98 million). The fair value of investments of provident fund was Rs. 290.02 million (2015: Rs. 289.75 million) and the cost of the investment was Rs. 238.40 million (2015: Rs. 284.75 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.

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

	2016	2015	2016	2015
	(Rupees in thousand)		%	%
National saving bonds / Special saving bonds	46,300	51,300	13%	15%
Pakistan investment bonds	25,000	45,000	7%	13%
National investment trust units	8,684	9,959	2%	3%
Mutual funds	5,076	-	1%	0%
Listed securities	83,424	31,768	24%	9%
Term finance certificates	50,000	-	14%	0%
Term deposit certificates	20,281	75,000	6%	22%
Participation term certificates	49,935	76,693	14%	23%
Account with broker for investment	1,324	28	1%	1%
	290,024	289,748		
Cash at bank	61,427	48,083	18%	14%
	351,451	337,831	100%	100%

This includes ordinary shares and participation term certificates of the Holding Company whose fair value as at 30 June 2016 is Rs. 26.56 million (2015: Rs. Nil) and Rs. 32.59 million (2015: Rs. 76.69 million) respectively.

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		Note	2016	2015
			(Rupees in thousand)	
21	Accrued mark-up			
	Participation term certificates		284,578	274,863
	Short term borrowings		13,142	27,545
			297,720	302,408

22 Long term deposits

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

		Note	2016	2015
23	Long term liability against purchase of land			
	Long term liability		225,695	265,524
	Less: Payment made during the year		(56,423)	(39,829)
			169,272	225,695
	Less: Current maturity of liability		(56,602)	(56,602)
			112,670	169,093

23.1 This represents long term liability for land purchased in Faisalabad from Faisalabad Industrial Estate Development and Management Company (FIEDMC). The Group has made a payment of Rs. 96.25 million and the remaining amount of Rs. 169.27 million is payable in 12 equal quarterly instalments ending on 4 June 2019.

		Note	2016	2015
24	Redeemable capital			
	Participation term certificates		716,417	895,834
	Less: Current portion shown under current liabilities	18	(179,417)	(179,417)
			537,000	716,417

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 Pakistan Stock Exchange. The term of PTCs shall be 07 years. The proceeds from the issue of PTC were to be utilized to repay existing bank borrowings at the date of issue. The Company has no option to prematurely call the PTCs for redemption and/ or conversion. The PTC holders have no option to ask the Holding Company to redeem and / or convert PTC's prematurely. PTC holders shall have no preemptive right in any further issue of capital of the Holding Company.

Terms of redemption

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. Shares issued through conversion will rank pari passu with existing shares. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory conversion) each year. The PTCs shall be redeemed through cash @ Rs. 4.14 per annum (pre-agreed price of Rs. 59.14) from year 2013 to year 2018 and Rs. 4.11 (pre-agreed price of Rs. 51.38) for the year 2019.

Profit payment

The PTC holder is entitled to a minimum profit (Category A profit) at Rs. 4.14 per annum for each PTC, along with a contingent profit (Category B profit) based on the consolidated profits before tax, Workers Welfare Fund (WWF), Workers Profit Participation Fund (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:

Year	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" payment in cash	Category "B" payment in cash
	(------ Rupees in thousand		--------)	Shares	(------ Rupees in thousand			--------)
2016	6,272	173,145	179,417	2,927,557	29,276	143,869	173,145	111,433
2015	6,272	173,145	181,432	2,927,557	29,276	143,869	173,145	101,718

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 Holding 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 is maintained. 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	2016	2015
			(Rupees in thousand)	
25	Retention Money Payable - Global Arts Limited			
	Balance as at 30 June	25.1	22,691	-
	Less: due within one year shown under current liabilities	18	(11,345)	-
	Long term portion shown under non-current liabilities		11,346	-

25.1 It is deducted from the contractor - City Builder's running bills. As per the terms of the contract 50% of the amount deducted will be repaid after the successful completion of the civil work contract and remaining amount will be repaid one year after the completion of the contract. It is expected that the proposed civil work will be completed within the next twelve months from the balance sheet date. Accordingly, an amount equivalent to 50% of the retention money payable in the sum of Rs. 11.35 million is shown under current liabilities.

	Note	2016	2015
		(Rupees in thousand)	
26 Deferred Liabilities - Employee retirement benefits			
Gratuity fund		115,417	81,463
Superannuation fund		101,464	72,172
	26.1	216,881	153,635

26.1 Net retirement benefit obligation

	Gratuity		Superannuation	
	2016	2015	2016	2015
	---------(Rupees in thousand)---------			
Amounts recognized in balance sheet are as follows:				
Present value of defined benefit obligation	262,883	221,828	251,409	209,784
Fair value of plan assets	(147,466)	(140,365)	(149,945)	(137,612)
Net retirement benefit obligation	115,417	81,463	101,464	72,172
26.2 Movement in net obligation				
Net liability as at 01 July	81,463	72,079	72,172	56,560
Charge to profit and loss account	22,179	23,558	18,879	18,708
Re-measurements chargeable in other comprehensive income	37,241	(785)	32,890	6,800
Contribution made by the Group	(25,466)	(13,389)	(22,477)	(9,896)
Net liability as at 30 June	115,417	81,463	101,464	72,172
26.3 Movement in the liability for funded defined benefit obligations				
Liability for defined benefit obligations as at 01 July	221,828	188,515	209,784	172,551
Benefits paid by the plan	(25,466)	(13,389)	(22,477)	(9,896)
Current service costs	15,478	14,895	12,938	11,870
Interest cost	20,387	24,091	19,358	22,207
Re-measurements on obligation:				
Actuarial losses on present value				
- Changes in demographic assumptions	-	-	-	-
- Changes in financial assumptions	-	-	-	-
- Experience adjustments	30,656	7,716	31,806	13,052
	30,656	7,716	31,806	13,052
Present value of defined benefit obligations as at 30 June	262,883	221,828	251,409	209,784

		Gratuity		Superannuation	
		2016	2015	2016	2015
		---------(Rupees in thousand)---------			
26.4	Movement in fair value of plan assets				
	Fair value of plan assets as at 01 July	140,365	116,436	137,612	115,991
	Contributions into the plan	25,466	13,389	22,477	9,896
	Benefits paid by the plan	(25,466)	(13,389)	(22,477)	(9,896)
	Interest income on plan assets	13,686	15,428	13,417	15,369
	Return on plan assets excluding interest income	(6,585)	8,501	(1,084)	6,252
	Fair value of plan assets as at 30 June	147,466	140,365	149,945	137,612
26.5	Plan assets				
	Plan assets comprise:				
	Term finance certificates	-	-	50,000	-
	Listed securities	57,477	39,673	48,623	27,436
	Deposits with banks	15,694	29,815	11,581	13,785
	Investment in mutual funds	31,319	1,027	-	-
	Government securities	60,500	75,500	39,500	100,250
	Others	(17,524)	(5,650)	241	(3,859)
		147,466	140,365	149,945	137,612

Plan assets of gratuity fund include ordinary shares and participation term certificates of the Company whose fair value as at 30 June 2016 is Rs. 55.90 million (2015: Rs. Nil) and Rs. 11.80 million (2015: Rs. 27.90 million) respectively.

Plan assets of superannuation fund include ordinary shares and participation term certificates of the Company whose fair value as at 30 June 2016 is Rs. 5.91 million (2015: Rs. Nil) and Rs. 8.73 million (2015: Rs. 17.70 million) respectively.

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 2016	Gratuity 2015	Superannuation 2016	Superannuation 2015
26.6	Profit and loss account includes the following in respect of retirement benefits:				
	Interest cost	20,387	24,091	19,358	22,207
	Current service cost	15,478	14,895	12,938	11,870
	Interest income on plan assets	(13,686)	(15,428)	(13,417)	(15,369)
	Total, included in salaries and wages	22,179	23,558	18,879	18,708
26.7	Actual return on plan assets	7,101	23,929	12,333	21,621
26.8	Actuarial gains and (losses) recognized directly in other comprehensive income				
	Cumulative amount at 01 July	(57,528)	(58,313)	(49,755)	(42,955)
	(Losses)/gains recognized during the year	(37,241)	785	(32,890)	(6,800)
	Cumulative amount at 30 June	(94,769)	(57,528)	(82,645)	(49,755)

26.9 Historical Information for Gratuity fund

	2016	2015	2014	2013	2012
	-----------------(Rupees in thousand)-----------------				
Present value of defined benefit obligation	262,883	221,828	188,515	151,409	123,212
Fair value of the plan assets	(147,466)	(140,365)	(116,436)	(101,762)	(85,663)
Deficit	115,417	81,463	72,079	49,647	37,549
Experience adjustments arising on plan liabilities	30,656	7,716	24,439	14,346	531
Experience adjustments arising on plan assets	(6,585)	8,501	1,227	1,600	(100)

The Group expects to pay Rs. 27.26 million in contributions to gratuity fund in 2017.

26.10 Historical Information for Superannuation fund

Present value of defined benefit obligation	251,409	209,784	172,551	143,977	117,516
Fair value of plan assets	(149,945)	(137,612)	(115,991)	(96,189)	(86,264)
Deficit in the plan	101,464	72,172	56,560	47,788	31,252
Experience adjustments arising on plan liabilities	31,806	13,052	17,918	16,711	686
Experience adjustments arising on plan assets	(1,084)	6,252	8,177	(189)	523

The Group expects to pay Rs. 23.43 million in contributions to superannuation fund in 2017.

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

	2016		2015	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation fund per annum
Discount rate used for profit and loss charge	9.75%	9.75%	13.25%	13.25%
Discount rate used for year-end obligation	7.25%	7.25%	9.75%	9.75%
Expected rates of salary increase	6.25%	8.75%	8.75%	8.75%
Expected rates of return on plan assets	7.25%	7.25%	9.75%	9.75%

Mortality rate

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

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

26.13 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 2016 would have been as follows:

	Change	Impact on present value of defined benefit obligation as at 30 June 2016			
		Gratuity		Superannuation	
		Increase	Decrease	Increase	Decrease
		---------(Rupees in thousand)---------			
Discount rate	100 bps	(242,515)	286,513	(231,219)	274,885
Future salary increase	100 bps	286,513	(242,155)	274,885	(230,864)

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.

27 Employee Stock Option Scheme

After getting approval of the Employee Stock Option Scheme from the Securities and Exchange Commission of Pakistan, the board on the recommendation of the compensation committee granted 1.61 million stock options to its eligible employees on 14 July, 2015 at an exercise price of Rs. 90.58 per share. The market value at the date of grant of option was Rs. 77.09 per share. Options do not carry the right to vote or dividend. According to the scheme, entitlement pool shall comprise a maximum of 15% of the paid-up capital of the Holding Company. These options will have a vesting period of one year and an exercise period of one year from the date the options are vested. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of two years of grant date if not exercised.

28 Contingencies and commitments

28.1 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 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 which was subsequently reduced to Rs. 2.62 million vide order dated 30 June 2015. 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 based on accounting profit to-date comes to Rs. 5.92 million (2015: Rs. 4.86 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 and consequently provision for WWF will be based on taxable income for respective years.

- 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.

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 statement

Contingencies - First Treet Manufacturing 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 (CIR) Appeals who decided the matters in the favor of the Modaraba by deleting the tax demands. Tax department filed appeals against the decision of CIR Appeals with Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. 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. 17.40 million (2015: Rs. 12.50 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

- The Company is contingently liable to income tax demands in the sum of Rs. 104.51 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. 161.52 million for the tax period 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. 15.70 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.

- 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.

28.2 Commitments

- Outstanding letters of credit as at 30 June 2016 amounted to Rs. 1,065.46 million (2015: Rs. 624.69 million).

- Post dated cheques amounting to Rs. Nil (2015: Rs. 34.85 million) have been issued in the favor of Collector of Customs.

- Outstanding guarantees amounting to Rs. 14.70 million (2015: 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 ending on 30 June 2020, with an option to renew after that date.

	2016	2015
	(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	39,422	49,218
	49,218	59,014

29 Issued, subscribed and paid-up capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
89,793,463	8,867,412	Ordinary shares of Rs. 10 each fully paid-up in cash	897,935	88,674
9,877,671	6,950,114	Ordinary shares of Rs. 10 each issued on conversion of PTCs	98,778	69,502
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares	381,331	381,331
137,804,309	53,950,701		1,378,044	539,507

	2016	2015
	(Rupees in thousand)	
29.1 Reconciliation of number of shares		
At 01 July	539,507	510,231
Issued against right issue	809,261	-
Issued on conversion of PTCs	29,276	29,276
At 30 June	1,378,044	539,507

29.2 Loads Limited, an associated company, holds 7,492,475 (2015: 7,492,475) fully paid in cash ordinary shares of the Company of Rs. 10 each, respectively.

29.3 During the year, the Holding Company issued 80,926,051 ordinary shares as right shares in the ratio of 1.5 share for every 1 share held at a price of Rs. 50 per share (including premium of Rs. 40 per share).

29.4 Under the terms of conversion as referred in note 24, the Holding Company, during the year, issued 2,927,557 (2015: 2,927,557) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs at the rate of 0.07 shares per PTCs at a pre agreed price of Rs. 59.14 per share resulting in premium of Rs. 143.87 million (2015: Rs. 143.87 million).

		Note	2016	2015
			(Rupees in thousand)	
30	Reserves			
	Capital reserves	30.1	4,545,371	1,048,073
	General reserves		266,400	266,400
			4,811,771	1,314,473

		Note	2016	2015
30.1	Capital reserves			
	Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited		629	629
	Fair value reserves		(1,184)	(1,184)
	Share premium	30.1.1	4,115,198	735,192
	Statutory reserves	30.1.2	430,728	313,436
			4,545,371	1,048,073

30.1.1 This reserve can be utilized by the Group only for the purposes specified under section 83(2) of the Companies Ordinance, 1984. The increase in reserve represents share premium at the rate of Rs. 40 per share and Rs. 49.14 (2015: Rs. 49.14) per share in respect of transactions referred in note 29.3 and 29.4 respectively.

30.1.2 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.

31 Advance against issue of shares

In the year 2015, the Holding Company announced 150% right issue of ordinary shares of the Company at a price of Rs. 50 per share (including premium of Rs. 40 per share). The shares have been duly allotted during the year as referred to in note 29.

32 Non-controlling interest

As referred to in note 1 to these consolidated financial statements, the Group has immaterial non-controlling interest in its subsidiary First Treet Manufacturing Modaraba, accordingly, disclosures required by IFRS 12 "Disclosure of interest in other entities" have not been presented.

		Note	2016	2015
			(Rupees in thousand)	
33	**Surplus on revaluation of property, plant and equipment-net of tax**			
	Balance as at 01 July		1,362,321	1,390,087
	- Transferred to unappropriated profit as a result of incremental depreciation charged - net of tax		(10,255)	(25,476)
	- related deferred tax liability		(1,953)	(2,290)
			(12,208)	(27,766)
	Surplus on revaluation of operating fixed assets		1,350,113	1,362,321
	Less: Related deferred tax liability on revaluation surplus as at 01 July		(31,838)	(34,128)
	Deferred tax on incremental depreciation		1,953	2,290
			(29,885)	(31,838)
	Balance as at 30 June		1,320,228	1,330,483

33.1 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.

This revaluation surplus on land and buildings shall be utilized only in accordance with the provisions of section 235 of the Companies Ordinance, 1984.

		Note	2016	2015
34	**Sales - net**			
	Continuing operations			
	Blades	34.1	4,734,787	3,954,275
	Soaps	34.2	832,770	809,526
	Corrugated boxes	34.3	1,812,149	1,822,018
	Bike	34.4	235,525	314,356
			7,615,231	6,900,175
	Discontinued operation			
	Paper and board mill	42	-	85,422

		2016	2015
34.1	**Blades**		
	Export sales	1,875,341	1,710,675
	Local sales	3,285,826	2,717,939
	Less: Sales tax	(506,146)	(398,475)
	Trade discount	(69,396)	(83,326)
		2,710,284	2,236,138
	Trading income		
	Sale of batteries - gross	177,777	8,907
	Less: Sales tax	(28,615)	(1,445)
		149,162	7,462
		4,734,787	3,954,275

	Note	2016	2015
		(Rupees in thousand)	
34.2 Soaps			
Local Sales		1,008,296	972,088
Less: Sales tax		(175,526)	(162,562)
		832,770	809,526
34.3 Corrugated boxes			
Local Sales		2,086,960	2,116,955
Less: Sales tax		(274,690)	(292,673)
Trade discount		(121)	(2,264)
		(274,811)	(294,937)
		1,812,149	1,822,018
34.4 Bikes			
Local Sales		279,549	370,629
Less: Sales tax		(44,024)	(56,273)
		235,525	314,356
35 Cost of goods sold			
Continuing operations:			
Blades	35.1	3,312,124	2,814,332
Soaps	35.2	649,450	722,877
Corrugated boxes	35.3	1,601,988	1,614,542
Bikes	35.4	247,287	311,034
		5,810,849	5,462,785
Discontinued operations:			
Paper and board mill	35.5	-	85,885

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

		Note	2016	2015
			(Rupees in thousand)	
35.1	Cost of goods sold - blades			
	Raw and packing materials consumed		1,618,270	1,541,414
	Stores and spares consumed		148,401	145,531
	Salaries, wages and other benefits	35.1.1	817,805	716,045
	Fuel and power		228,285	253,062
	Repair and maintenance		33,841	37,639
	Rent, rates and taxes		3,788	2,677
	Insurance		50,152	46,058
	Travelling and conveyance		21,638	22,829
	Printing and stationery		3,368	3,046
	Postage and telephone		6,507	6,271
	Legal and professional charges		1,513	2,589
	Entertainment		2,906	1,783
	Staff training		679	255
	Subscriptions		608	1,964
	Depreciation on property, plant and equipment	6.1.1	138,849	124,823
	Expenses for computerization		11,223	6,932
	Provision for slow moving stock	13	-	2,074
	Others		15,700	16,534
			3,103,533	2,931,526
	Opening stock of work-in-process		49,925	51,711
	Closing stock of work-in-process	13	(53,071)	(49,925)
	Cost of goods manufactured		3,100,387	2,933,312
	Opening stock of finished goods		203,947	71,201
	Purchase of batteries for trading		209,035	13,766
	Closing stock of finished goods		(201,245)	(203,947)
			3,312,124	2,814,332

35.1.1 Salaries, wages and other benefits include Rs. 32.27 million (2015: Rs. 38.53 million) and Rs. 27.19 million (2015: Rs. 22.83 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2016	2015
			(Rupees in thousand)	
35.2	Cost of goods sold - soaps			
	Raw material and packing material consumed		563,381	542,205
	Stores and spares consumed		4,540	12,000
	Salaries, wages and other benefits		59,341	53,224
	Fuel and power		9,885	59,740
	Travelling and conveyance		767	933
	Repair and maintenance		519	516
	Plant rental		8,979	10,612
	Insurance		591	590
	Fee and subscriptions		19	6
	Depreciation on property, plant and equipment	6.1.1	2,977	2,809
	Rent, rates and taxes		96	103
	Manufacturing charges		3,909	4,319
	Legal and professional expenses		21	29
			655,025	687,086
	Opening stock of work-in-process		12,007	28,317
	Closing stock of work-in-process	13	(3,432)	(12,007)
	Cost of goods manufactured		663,600	703,396
	Opening stock of finished goods		23,461	42,942
	Closing stock of finished goods		(37,611)	(23,461)
			649,450	722,877
35.3	Cost of goods sold - Corrugated boxes			
	Raw and packing material consumed		1,311,609	1,309,482
	Stores and spares consumed		40,385	35,704
	Salaries, wages and other benefits		178,455	143,995
	Fuel and power		52,461	65,937
	Repair and maintenance		12,399	15,160
	Rent rates and taxes		336	4,364
	Insurance		2,469	2,256
	Traveling and conveyance		2,836	3,391
	Depreciation on property, plant and equipment	6.1.1	28,642	27,203
	Provision for slow moving stock		-	5,523
	Other expenses		8,143	9,338
			1,637,735	1,622,353
	Opening stock of work in process		4,676	4,790
	Closing stock of work in process	13	(36,865)	(4,676)
	Cost of goods manufactured		1,605,546	1,622,467
	Opening stock of finished goods		24,200	16,275
	Closing stock of finished goods		(27,758)	(24,200)
			1,601,988	1,614,542

		Note	2016	2015
			(Rupees in thousand)	
35.4	Cost of goods sold - bike			
	Raw and packing material consumed		218,416	317,758
	Stores and spares consumed		2,179	2,689
	Salaries, wages and other benefits		13,890	13,017
	Repair and maintenance		1,160	-
	Printing and stationery		86	216
	Travelling and conveyance		321	263
	Insurance		421	-
	Depreciation on property, plant and equipment	6.1.1	2,044	2,044
	Other expenses		639	1,667
			239,156	337,654
	Opening stock of work-in-process		65,886	39,266
	Closing stock of work-in-process	13	(57,205)	(65,886)
	Cost of goods manufactured		247,837	311,034
	Opening stock of finished goods		-	-
	Closing stock of finished goods		(550)	-
			247,287	311,034
35.5	Cost of goods sold - paper and board mill			
	Raw and packing material consumed		-	43,254
	Stores and spares consumed		-	3,882
	Salaries, wages and other benefits		-	11,745
	Fuel and power		-	15,519
	Repair and maintenance		-	1,456
	Travelling and conveyance		-	17
	Rent rates and taxes		-	31
	Insurance		-	122
	Depreciation	6.1.1	-	2,934
	Other manufacturing expenses		-	490
	Cost of goods manufactured		-	79,450
	Opening stock of work in process		-	277
	Closing stock of work in process		-	-
	Cost of goods manufactured		-	79,727
	Opening stock of finished goods		-	6,158
	Closing stock of finished goods		-	-
			-	85,885

		Note	2016	2015
			(Rupees in thousand)	
36	Administrative expenses			
	Salaries, wages and other benefits	36.1	119,776	118,466
	Electricity and gas		155	108
	Repairs and maintenance		2,829	880
	Rent, rates and taxes		6,034	626
	Traveling and conveyance		10,672	6,169
	Entertainment		1,079	887
	Postage and telephone		764	659
	Printing and stationery		3,792	3,598
	Legal and professional charges	36.2	55,709	54,657
	Donations	36.3	95,531	4,689
	Computer expenses		5,401	1,546
	Directors' fee		280	315
	Subscription		1,529	134
	Depreciation on property, plant and equipment	6.1.1	35,394	31,526
	Other expenses		4,176	1,788
			343,121	226,048

36.1 Salaries and other benefits include Rs. 2.43 million (2015: Rs. 2.81 million) and Rs. 9.25 million (2015: Rs. 8.07 million) in respect of defined benefit schemes and defined contribution schemes respectively.

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

		2016	2015
Audit fees of Holding company		1,601	1,480
Audit fees of subsidiary companies		2,080	2,080
Half yearly review		634	615
Out of pocket expenses		295	293
		4,610	4,468

36.3 Name of donee in which a director or his spouse has an interest:

	Note	2016	2015
Gulab Devi Chest Hospital (GDCH) Ferozepur Road, Lahore. (Syed Shahid Ali, CEO is also Chairman of GDCH)		1,484	3,209
Institute of Islamic Culture (IIC) 158- Shah Jamal, Lahore. (Syed Shahid Ali, CEO is also Chairman of IIC)		1,200	700
Society for Cultural Education	36.3.1	86,560	-
		89,244	3,909

36.3.1 Society for Cultural Education (SCE) is a Society registered under the Societies Registration Act, XXI of 1860. SCE although does not have any share capital, being a body corporate, is a subsidiary of the Holding Company in terms of provision of Companies Ordinance, 1984 as the Holding Company is entitled to nominate 70% of the members as well as governing body of SCE. The amount is given as donation to meet the working capital requirements of SCE for ongoing University project as is approved by the shareholders of the Holding Company in their Extra Ordinary General Meeting held on 27 February 2016.

		Note	2016	2015
			(Rupees in thousand)	
37	Distribution cost			
	Salaries, wages and other benefits	37.1	221,203	199,556
	Repair and maintenance		3,337	2,895
	Freight, octroi and handling		212,929	222,267
	Electricity and gas		174	428
	Export commission		12,990	27,982
	Advertising		431,387	393,411
	Provision for doubtful debt	14.1	11,741	13,436
	Rent, rates and taxes		30,991	19,348
	Product development		101	100
	Traveling and conveyance		38,853	42,678
	Entertainment		495	410
	Subscription		301	825
	Staff training		-	1,820
	Printing and stationery		1,205	1,979
	Postage and telephone		5,906	3,455
	Depreciation on property, plant and equipment	6.1.1	9,071	8,315
	Legal and professional charges		306	5,685
	Bad debts directly written off		-	1,118
	Other expenses		18,990	5,466
			999,980	951,174

37.1 Salaries and other benefits include Rs. 4.25 million (2015: Rs. 5.44 million) and Rs. 12.07 million (2015: Rs. 10.05 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		2016	2015
38	Finance cost		
	Mark-up on short term borrowings	48,380	105,892
	Bank charges	16,946	16,280
	Markup on participation term certificates	284,578	274,863
		349,904	397,035

		Note	2016	2015
			(Rupees in thousand)	
39	Other operating expenses			
	Realized exchange loss	39.1	2,326	1,139
	Loss on disposal of long term investments		9,716	-
	Unrealized loss on short term investments at fair value through profit or loss		41,887	-
	Realized loss on disposal of short term investments at fair value through profit or loss		16,894	31,893
			70,823	33,032

39.1 This represents loss incurred due to actual currency fluctuations.

		Note	2016	2015
40	Other income			
	Income from financial assets			
	Profit on bank deposits	40.1	93,430	31,317
	Profit on term deposits	40.2	17,553	-
	Profit on disposal of long term investments		-	58,822
	Un-realized exchange gain		-	420
	Unrealized gain on short term investments at fair value through profit or loss		-	147,158
	Dividend Income	40.3	2,586	10,731
			113,569	248,448
	Income from non-financial assets			
	Profit on disposal of property, plant and equipment		10,068	51,581
	Profit on disposal of investment property		9,784	-
	Rental income		113	113
	Scrap sale		16,602	20,452
	Export rebate		27,184	30,567
	Reversal of provision for doubtful debts	14.1	-	8,000
	Others		1,545	543
			65,296	111,256
			178,865	359,704

40.1 The income from savings bank accounts relates to deposits placed under non-shariah based arrangement.

40.2 This includes Rs. 7.51 million (2015: Rs. Nil) earned on deposits placed under non-shariah based arrangement.

		Note	2016	2015
			(Rupees in thousand)	
40.3	*Dividend income is received from the following:*			
	Shahtaj Textile Limited		**2,018**	1,820
	Packages Limited		**496**	-
	Standard Chartered Bank Limited		**-**	616
	Indus Dying and Manufacturing Limited		**-**	7,069
	Al-Noor Sugar Mills		**-**	800
	HBL Mustahekum Sarmaya Fund		**72**	426
			2,586	10,731
41	Taxation			
	Current			
	- For the year		**35,487**	46,328
	- For prior years		**(4,125)**	(19,749)
	Deferred			
	- For the year	11.1.2	**5,813**	(76,439)
		41.1	**37,175**	(49,860)
41.1	Tax charge reconciliation			
	Numerical reconciliation between tax expense and accounting profit			
	Profit before taxation		**267,796**	249,904
	Tax at 32% (2015: 33%)		**85,695**	82,468
	Tax effect of:			
	- Income under Final Tax Regime		**3,475**	(34,044)
	- Exempt income		**(73,307)**	(70,318)
	- Tax credits		**(7,115)**	-
	- Prior year tax		**(4,125)**	(19,749)
	- Tax rate adjustment		**-**	(5,180)
	- Permanent difference		**30,570**	1,407
	- Not adjustable for tax purposes		**1,982**	(4,444)
			37,175	(49,860)

41.2 The Group's current tax provision has been computed based on tax under the normal tax regime, final taxes paid under final tax regime, as adjusted by tax credits available under section 65-B of Income Tax Ordinance, 2001.

42 Discontinued operation

The Board of Directors of the Group on 01 September 2014 approved the sale of assets of Paper and Board Mill segment of the subsidiary, First Treet Manufacturing Modaraba ("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 above were retained by the Modaraba and allocated to Corrugated boxes segment.

		Note	2016	2015
			(Rupees in thousand)	
42.1	Profit and Loss on discontinued operation			
	Local sales - net		-	7,047
	Sales to continuing operations		-	78,375
		34	-	85,422
	Cost of sales	35.5	-	(85,885)
	Gross (Loss)/profit		-	(463)
	Administration expenses		-	(78)
	Distribution expenses		-	(348)
			-	(426)
	Operating (Loss)/profit		-	(889)
	Finance cost		-	(2)
	Other income		-	164
			-	(727)
	Loss on sale of discontinued operation	42.3	-	(35,045)
	(Loss)/ profit for the year from discontinued operation		-	(35,772)
42.2	Cash flow generated from discontinued operation			
	Net cash generated from operating activities		-	2,207
	Net cash generated from/ (used in) investing activities		-	154,345
	Net cash generated from discontinued operation		-	156,552

		Net Book values at the date of sale	
		2016	2015
		(Rupees in thousand)	
42.3	**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)

			2016	2015 Restated
43	**Earnings per share - basic and diluted**			
	i-Profit attributable to ordinary share holders:			
	Profit for the year after taxation attributable to equity holders of the parent	Rupees in thousand	213,984	242,015
	ii-Weighted-average number of ordinary shares:			
	Weighted average number of shares	Number in thousand	134,732	79,307
	Earnings per share	Rupees	1.59	3.05

43.1 No figure for diluted earnings per share has been presented as the Group has not issued any instruments carrying options which would have an impact on earnings per share when exercised other than Participation Term Certificates. Conversion of participation term certificates into ordinary shares have anti-dilutive impact on the basic earnings per share.

44 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, executives directors, non-executive directors and executives of the Group is as follows:

	Chief Executive		Executive Directors		Non- Executive Directors		Executives	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)							
Managerial remuneration	27,273	27,273	25,345	23,742	-	-	158,803	146,567
Provident fund	-	-	848	720	-	-	7,859	6,288
Service fund	-	-	848	720	-	-	7,797	6,234
Housing fund	-	-	-	-	-	-	8,418	5,956
Superannuation fund	-	-	-	-	-	-	2,916	2,371
Benevolent fund	-	-	-	-	-	-	2,409	1,924
Bonus	-	-	5,225	6,681	-	-	49,506	53,394
Utilities	-	-	1,503	1,120	-	-	8,281	6,999
Medical	2,727	2,727	1,503	1,120	-	-	8,665	7,328
Fees	-	-	-	-	280	315	-	-
	30,000	30,000	35,272	34,103	280	315	254,654	237,061
Number of persons	1	1	3	3	4	4	69	60

44.1 The chief executive officer, directors and executives are provided with free use of Group maintained cars and telephone facility, according to their entitlement and are also granted options under the employees stock option scheme.

44.2 The Group has contributed Rs. 1.05 million and Rs. 0.97 million in gratuity and superannuation fund, respectively for key management personnel.

45 Number of employees

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

	2016	2015
	(Number of persons)	
- As at 30 June	1,963	2,125
- Average number of employees	2,044	2,135

46 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 loans, advances, deposits, prepayments and other receivables note 16 and trade and other payables note 20 and remuneration of directors and key management personnel are disclosed in note 44. Other significant transactions with related parties are as follows:

Relationship with the group		Nature of transactions	2016	2015
			(Rupees in thousand)	
I	Associated undertakings			
	Packages Limited	Purchase of goods	152,042	128,881
		Sale of goods	198	136
	IGI Insurance Limited	Purchase of services	26,931	39,890
	Bulleh Shah Packaging (Private)Limited	Purchase of goods	-	40,053
	Cutting Edge (Private) Limited	Purchase of services	2,360	2,789
	Wazir Ali Industries Limited	Rental income	-	113
	Liquat National Hospital	Sale of goods	18,013	7,703
II	Post employment benefit plans			
	Superannuation fund	Contribution	21,946	15,736
	Gratuity fund	Contribution	20,515	13,389
	Provident fund	Contribution	21,697	18,033
	Service fund	Contribution	11,465	9,894
	Housing fund	Contribution	9,926	7,448
	Benevolent fund	Contribution	2,578	2,184

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

47 Financial instruments

47.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

47.2 Credit risk

Credit risk represents the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables. Out of the total financial assets of Rs. 2,607 million (2015: Rs. 4,507 million), the financial assets which are subject to credit risk amounted to Rs. 2,289 million (2015: Rs. 4,431 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 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:

	2016	2015
	(Rupees in thousand)	
Long term investments	297,410	260,765
Long term loans	10,017	9,538
Long term deposits	34,268	29,413
Trade debts	616,893	482,818
Short term investments	498,009	844,102
Loans, advances, deposits, prepayments and other receivables	203,592	82,885
Bank balances	629,041	2,721,254
	2,289,230	4,430,775

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:

- Local parties	476,809	428,761
- Foreign parties	140,084	54,057
	616,893	482,818

The aging of trade debts at the reporting date is:

Not past due	263,115	314,127
Less than 30 days	192,207	85,500
Past due 1 - 3 months	89,183	75,691
Past due 3 - 6 months	12,508	2,081
Past due 6 - 12 months	2,800	4,151
Above one year	57,080	1,268
	616,893	482,818

Based on past experience the management believes that no impairment allowance is necessary in respect of unimpaired trade debts past due as some debts have been recovered subsequent to the year end and for other debts 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	Rating Short term	Rating Long term	Rating Agency	2016 (Rupees in thousand)	2015 (Rupees in thousand)
NIB Bank Limited	A-1+	AA-	PACRA	33,691	20,286
Faysal Bank Limited	A-1+	AA	JCR-VIS	135,777	605,258
United Bank Limited	A-1+	AAA	JCR-VIS	105,124	102,226
Habib Bank Limited	A-1+	AAA	JCR-VIS	21,359	95,351
Askari Bank Limited	A-1+	AA	PACRA	62,274	8,730
National Bank of Pakistan	A-1+	AAA	JCR-VIS	41,243	20,058
Bank of Punjab	A-1+	AA-	PACRA	36	3
MCB Bank Limited	A-1+	AAA	PACRA	11,171	1,016,442
Silk Bank Limited	A-2	A-	JCR-VIS	949	915
Burj Bank limited	A-2	BBB+	JCR-VIS	30,740	75
Samba Bank Limited	A-1	AA	JCR-VIS	5	5
Bank Alfalah Limited	A-1+	AA	PACRA	58,453	424,769
Bank Islami Pakistan Limited	A-1	A+	PACRA	407	204
Soneri Bank Limited	A-1+	AA-	PACRA	59,301	358,527
JS Bank Limited	A-1+	A+	PACRA	1,537	3,200
Sindh Bank Limited	A-1+	AA	JCR-VIS	284	6,973
Dubai Islamic Bank Limited	A-1	A+	JCR-VIS	62,928	42,216
Allied Bank Limited	A-1+	AA+	PACRA	2,171	15,152
Meezan Bank Limited	A-1+	AA	JCR-VIS	1,304	-
Standard Chartered Bank	A-1+	AAA	PACRA	-	574
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	287	290
				629,041	2,721,254

47.3 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:

	2016				
	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	664,411	664,411	664,411	-	-
Long term deposits	1,037	1,037	-	1,037	-
Short term borrowings	1,557,993	1,557,993	1,557,993	-	-
Redeemable capital	716,417	1,008,518	290,850	717,668	-
Accrued mark-up	297,720	297,720	297,720	-	-
	3,237,578	3,529,679	2,810,974	718,705	-

	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	489,715	489,715	489,715	-	-
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	-	-
	3,495,082	3,598,051	2,879,633	718,418	-

47.4 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.

47.4.1 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.

	2016	2015
	(Rupees in thousand)	
Outstanding letters of credit (US dollars)	496,340	605,030
Outstanding letters of credit (Euros)	32,241	-

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2016	2015	2016	2015
Rupees per USD	103.20	100.23	104.70	101.70
Rupees per Euro	115.05	124.26	116.31	113.79

At reporting date, if the Pakistani Rupees has fluctuated by 10% against the above mentioned currencies with all other variables held constant, pre-tax profit would have been higher/ lower by Rs. 49.63 million (2015: Rs. 60.51 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.

47.4.2 Interest rate risk

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

	2016	2015	2016	2015
	Effective rate (Percentage)		(Rupees in thousand)	
Financial assets				
Fixed rate instruments				
Bank balances - deposit accounts	4 - 6.5	5 - 9	469,024	126,709
Financial liabilities				
Floating rate instrument				
Short term borrowings	6.75 - 9.01	7.33 - 11.43	1,557,993	1,806,375

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. 6.14 million (2015: Rs 11.29 million), mainly as a result of higher/ lower interest expense on floating rate borrowings.

47.4.3 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 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 is as follows:

	2016	2015
	(Rupees in thousand)	
Effect on profit and loss	(49,801)	(63,877)
Effect on investments	(49,801)	(63,877)

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

47.5 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Fair value			
	Note	Available for sale	Fair value through profit and loss	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands									
30-Jun-16											
Financial assets - measured at fair value											
Long term investments	8	1,555	-	-	-	-	1,555	-	-	1,555	**1,555**
Short Term Investments	15	-	498,009	-	-	-	498,009	492,399	5,610	-	**498,009**
		1,555	498,009	-	-	-	499,564	492,399	5,610	1,555	**499,564**
Financial assets - not measured at fair value											
Long term security deposits	10	-	-	34,268	-	-	34,268	-	-	-	-
Trade debts	14	-	-	616,893	-	-	616,893	-	-	-	-
Advances, prepayments and other receivables	16	-	-	203,592	-	-	203,592	-	-	-	-
Cash and bank balances	17	-	-	-	650,509	-	650,509	-	-	-	-
		-	-	854,753	650,509	-	1,505,262	-	-	-	-
Financial liabilities - measured at fair value		-	-	-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value											
Short term borrowings	19	-	-	-	-	1,557,993	1,557,993	-	1,557,993	-	**1,557,993**
Trade and other payables	20	-	-	-	-	664,411	664,411	-	-	-	-
Accrued mark-up	21	-	-	-	-	297,720	297,720	-	-	-	-
		-	-	-	-	2,520,124	2,520,124	-	1,557,993	-	**1,557,993**

47.6 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 behavior. 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

47.7 Capital risk management

The Group`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 monitor the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board of Directors also monitor the level of profit attributed to ordinary shareholders.

The Group's objectives when managing capital are:

a) to safeguard the Group'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 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 were as follows:

	2016	2015
	(Rupees in thousand)	
Total debt	2,342,357	2,702,209
Total equity and debt	9,817,482	8,349,740
Debt to equity ratio	24%	32%

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.

48 Operating Segments

48.1 Geographical Information

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

Pakistan	5,867,006	5,204,386
Saudi Arabia	350,103	371,522
United Arab Emirates	327,533	383,801
China	239,644	193,017
Bangladesh	174,811	181,371
Jordan	118,633	82,308
Vietnam	88,565	49,178
Yemen	78,665	62,742
Egypt	43,922	53,804
Brazil	43,062	49,339
Taiwan	16,262	16,373
Morocco	12,786	16,777
Other countries	254,239	320,979
	7,615,231	6,985,597

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

48.2 Business segments

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns, that are different from those of other business segments. As at 30 June 2016 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 corrugated boxes;
(iv) Assembling and sale of motor bikes;
(v) Manufacture and sale of battery (capital work-in- progress)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

48.3

	Note	Blades 2016	Blades 2015	Soaps 2016	Soaps 2015	Corrugated boxes 2016	Corrugated boxes 2015	Bikes 2016	Bikes 2015	Total 2016	Total 2015	Discontinued operations Paper & board 2016	Discontinued operations Paper & board 2015
		Continuing operations											
		-----Rupees in thousand-----											
Sales													
- external customers		5,338,944	4,437,521	1,008,296	972,088	2,069,503	2,102,067	279,549	370,629	8,696,292	7,882,305	-	94,278
- inter segment		-	-	-	-	17,457	14,887	-	-	17,457	14,887	-	-
		5,338,944	4,437,521	1,008,296	972,088	2,086,960	2,116,954	279,549	370,629	8,713,749	7,897,192	-	94,278
Less : Sales tax		534,761	399,920	175,526	162,562	274,690	292,673	44,024	56,273	1,029,001	911,428	-	8,856
Trade discount		69,396	83,326	-	-	121	2,263	-	-	69,517	85,589	-	-
		604,157	483,246	175,526	162,562	274,811	294,936	44,024	56,273	1,098,518	997,017	-	8,856
		4,734,787	3,954,275	832,770	809,526	1,812,149	1,822,018	235,525	314,356	7,615,231	6,900,175	-	85,422
Net sales		4,734,787	3,954,275	832,770	809,526	1,812,149	1,822,018	235,525	314,356	7,615,231	6,900,175	-	85,422
Cost of sales		3,312,124	2,814,332	649,450	722,877	1,601,988	1,614,542	247,287	311,034	5,810,849	5,462,785	-	85,885
Gross profit / (loss)		1,422,663	1,139,943	183,320	86,649	210,161	207,476	(11,762)	3,322	1,804,382	1,437,390	-	(463)
Inter company / inter segment - net sales		-	-	-	-	36,368	32,834	144	1,077	36,512	33,911	-	7,285
Inter company / inter segment - purchases		(19,055)	(19,024)	(17,457)	(14,887)	-	-	-	-	(36,512)	(33,911)	-	(7,285)
Gross profit / (loss) - segment wise		1,403,608	1,120,919	165,863	71,762	246,529	240,310	(11,618)	4,399	1,804,382	1,437,390	-	(463)
Administrative expenses	36	300,184	186,644	15,836	19,190	12,804	17,735	14,297	2,479	343,121	226,048	-	78
Distribution cost	37	868,646	819,319	7,813	5,792	105,173	100,207	18,348	25,856	999,980	951,174	-	348
Segment results - Operating profit / (loss)		234,778	114,956	142,214	46,780	128,552	122,368	(44,263)	(23,936)	461,281	260,168	-	(889)
Finance cost	38									(349,904)	(397,035)	-	(2)
Other operating expenses	39									(70,823)	(1,139)	-	-
Other income	40									178,865	327,811	-	164
Loss on sale of discontinued operations	42									-	-	-	(35,045)
										219,419	189,805	-	(35,772)
Share of profit of associate										52,952	60,825		
Workers' profit participation fund										(4,092)	(4,393)		
Workers' welfare fund										(483)	3,667		
Profit before taxation										267,796	249,904		
Taxation										(53,482)	28,081		
Profit after taxation										214,314	277,985		
Net loss from discontinued operations										-	(35,772)		
Profit for the year										214,314	242,213		
48.3.1 Segment assets	48.3.2.1	1,045,596	972,979	305,824	418,966	1,703,568	1,368,282	170,154	129,442	3,181,330	-	6,406,472	2,889,669
Unallocated assets												6,137,894	8,101,301
Total Assets												12,544,366	10,990,970
48.3.2 Segment liabilities	48.3.2.2	2,325,263	2,758,802	59,324	36,668	393,408	97,972	14,684	20,609	277,173	-	3,069,852	2,914,051
Unallocated liabilities												675,820	1,096,517
												3,745,672	4,010,568

48.3.2.1 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, long term loans and advances and long term deposits. All non current assets of the Group as at the reporting date are located in Pakistan.

48.3.2.2 Unallocated liabilities include deferred liabilities, redeemable capital, unclaimed profit attributed and long term deposits.

		Note	2016	2015
			(Rupees in thousand)	
49	Cash generated from operations			
	Profit before taxation		267,796	277,985
	Adjustments for non cash items:			
	Finance cost		349,904	397,035
	Depreciation on property, plant and equipment	6.1	216,977	199,654
	Provision for gratuity		20,410	23,558
	Provision for superannuation		18,542	18,708
	Profit on bank deposits		(110,983)	(31,317)
	Provision for doubtful debt		11,741	13,436
	Slow moving raw material stock written off		-	2,074
	Profit on sale of property, plant and equipment		(10,068)	(73,596)
	Profit on disposal of investment property		(9,784)	
	Profit on disposal of long term investments		-	(58,822)
	Provision for WPPF and WWF		4,575	726
	Net loss on sale of discontinued operation		-	(35,772)
	Unrealized loss / (gain) on investment at fair value profit or loss		41,887	(147,158)
	Cash generated from operations		533,201	308,526
	Transfer to profit and loss account on sale of available for sale long term investments			
	Unrealized exchange gain		-	(420)
	Share of profit from associate		(52,952)	(60,825)
	Dividend income		(2,586)	(10,731)
			(55,538)	(71,976)
	Operating profit before working capital changes		745,459	514,535
	Increase / (decrease) in current assets:			
	Stores and spares		(52,043)	13,218
	Stock in trade		188,769	(320,012)
	Trade debtors		(145,816)	118,100
	Short term investment		304,206	(64,617)
	Loans, advances, deposits, prepayments and other receivables		(322,606)	(158,216)
			(27,490)	(411,527)
	Increase in current liabilities:			
	Trade and other payables		167,436	29,857
			885,405	132,865

		Note	2016	2015
50	Cash and cash equivalent			
	Cash and bank balances	17	650,509	2,790,287
	Short term running finance - secured	19	(537,494)	(743,595)
			113,015	2,046,692

	Production capacity		Actual production	
	2016	2015	**2016**	2015
51 Plant capacity and production				
Blades - units in millions	**1,880**	1,700	**1,749**	1,654
Corrugated boxes - in metric tones	**30,000**	30,000	**25,920**	26,225
Bikes - in units	**18,000**	18,000	**7,284**	9,865
Soap - in metric tones	**5,000**	5,000	**4,762**	4,147
Paper and board - in metric tones - Discontinued	**-**	-	**-**	1,274

52 Date of authorization for issue

These consolidated financial statements were authorized for issue on 07 October 2016 by the Board of Directors of the Holding Company.

53 Events after balance sheet date

(i) The Board of Directors in their meeting held on **07 October 2016** have proposed a final Cash Profit attributed for the year ended 30 June 2016 of Rs.1 (2015: Rs. 1) per share, amounting to Rs.137.804 million (2015: Rs. 134.877 million) for approval of the members at the Annual General Meeting to be held on 31 October 2016. These financial statements do not reflect this Profit attributed.

(ii) Subsequent to the year end, the Holding Company has granted 4.11 million stock options to its eligible employees at an exercise price of Rs. 51.79 per share under "Treet Corporation Limited - Employee Stock Option Scheme, 2015". These options will have a vesting period of one year from grant date and an exercise period of one year from the date the options are vested. These options shall be exercisable after completion of vesting period i.e. one year from date of grant.

54 General

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Financial Statements

For the year ended 30 June 2016

Auditors' Report to the Members

We have audited the annexed balance sheet of **Treet Corporation Limited** ("the Company") as at 30 June 2016 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 except for the change in accounting policy as referred to in note 5.1 with which we concur;

   ii) the expenditure incurred during the period 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 2016 and of the profit, its comprehensive loss, 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.

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

Lahore
Date: October 07, 2016

Balance Sheet
As at 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Assets			
Non-current assets			
Property, plant and equipment	6	2,760,894	2,738,935
Investment property	7	19,384	28,100
Long term investments	8	5,692,872	2,323,499
Long term loans	9	1,805	1,379
Long term security deposits	10	16,323	14,261
Deferred taxation	11	48,013	30,734
		8,539,291	5,136,908
Current assets			
Stores and spares	12	206,946	172,250
Stock-in-trade	13	672,600	732,744
Trade debts	14	166,050	67,985
Short term investments	15	465,415	633,300
Loans, advances, deposits, prepayments and other receivables	16	1,149,885	803,051
Cash and bank balances	17	198,174	2,568,077
		2,859,070	4,977,407
Liabilities			
Current liabilities			
Current portion of redeemable capital		179,417	179,417
Short term borrowings	18	1,557,993	1,806,375
Trade and other payables	19	456,463	430,799
Accrued mark-up	20	297,720	302,408
Provision for taxation		26,769	37,068
		2,518,362	2,756,067
Net current assets		340,708	2,221,340
Non-current liabilities			
Long term deposits	21	1,037	600
Redeemable capital	22	537,000	716,417
Deferred Liabilities - Employee retirement benefits	23	216,881	153,635
		754,918	870,652
Contingencies and commitments	25		
		8,125,081	6,487,596
Represented by:			
Authorised capital			
150,000,000 (2015: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
10,000,000 (2015: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		1,600,000	1,600,000
Issued, subscribed and paid-up capital	26	1,378,044	539,507
Reserves	27	4,383,132	1,002,221
Advance against issue of shares	28	-	2,421,612
Unappropriated profit		1,083,270	1,235,295
		6,844,446	5,198,635
Surplus on revaluation of land and buildings- net of tax	29	1,280,635	1,288,961
		8,125,081	6,487,596

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Profit and Loss Account

For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Sales - net	30	4,734,787	3,954,275
Cost of sales	31	3,346,178	2,843,970
Gross profit		1,388,609	1,110,305
Administrative expenses	32	300,184	186,257
Distribution cost	33	868,646	818,745
		1,168,830	1,005,002
Operating profit		219,779	105,303
Finance cost	34	348,139	394,866
Other operating expenses	35	54,683	31,066
		402,822	425,932
Other income	36	233,192	377,076
Profit before taxation		50,149	56,447
Taxation	37	(16,925)	48,669
Profit after taxation		33,224	105,116
			Restated
Earnings per share - basic and diluted (Rupees)	38	0.25	1.33

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Statement of Comprehensive Income
For the year ended 30 June 2016

	2016	2015
	(Rupees in thousand)	
Profit after taxation	33,224	105,116
Other comprehensive income		
Items that are or may be reclassified to profit or loss account:		
Realized gain on disposal of investment classified as held for sale reclassified to profit and loss account	-	(48)
Items that will never be reclassified to profit or loss account:		
Re-measurement of employee retirement benefits - net of tax	(58,698)	(7,498)
Total comprehensive income for the year	(25,474)	97,570

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Cash Flow Statement
For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in thousand)	
Cash generated from operations	39	263,331	292,174
Finance cost paid		(352,827)	(391,971)
Taxes paid		(70,509)	(58,433)
WPPF refund / (paid)		6,947	(10,469)
Payment to gratuity fund		(25,466)	(13,389)
Payment to superannuation fund		(22,477)	(9,896)
Long term loans and deposits - net		(2,488)	(3,835)
		(466,820)	(487,993)
Net cash used in operating activities		(203,489)	(195,819)
Cash flows from investing activities			
Fixed capital expenditure		(225,863)	(318,392)
Proceeds from sale of property, plant and equipment		30,982	14,170
Proceeds from sale of investment property		18,500	-
Proceeds from sale of non current assets held for sale		-	104,000
Proceeds from sale of available for sale long term investments		-	72,223
Investment in equity instruments of subsidiaries		(3,369,373)	(937,916)
Profit received on bank deposits		62,257	7,003
Dividend received		75,147	50,722
Net cash used in investing activities		(3,408,350)	(1,008,190)
Cash flows from financing activities			
Long term deposits		437	282
Proceeds from issue of right shares		1,624,691	2,421,612
Short term borrowings - net		(42,281)	397,948
Redemption of participation term certificates		(6,272)	(6,272)
Dividend paid		(128,538)	(99,693)
Net cash generated from financing activities		1,448,037	2,713,877
Net (decrease) / increase in cash and cash equivalents		(2,163,802)	1,509,868
Cash and cash equivalents at the beginning of year		1,824,482	314,614
Cash and cash equivalents at the end of year	40	(339,320)	1,824,482

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Statement of Changes in Equity
For the year ended 30 June 2016

	Share Capital	Capital Reserves: 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 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 buildings - net of tax	-	-	-	-	-	-	12,114	12,114
Transactions with owners of the Company, Contributions and distributions								
Advance received during the year	-	2,421,612	-	-	-	-	-	2,421,612
Conversion of PTCs into ordinary shares ' @ 0.07 share per PTC	29,276	-	143,869	-	-	-	-	173,145
Final dividend @ 20% for the year ended 30 June 2014	-	-	-	-	-	-	(102,046)	(102,046)
	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**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	33,224	33,224
Other comprehensive income	-	-	-	-	-	-	(58,698)	(58,698)
	-	-	-	-	-	-	(25,474)	(25,474)
Incremental depreciation relating to surplus on revaluation of buildings - net of tax	-	-	-	-	-	-	8,326	8,326
Transactions with owners of the Company, Contributions and distributions								
Share subscription received / issuance of right shares	809,261	(2,421,612)	3,237,042	-	-	-	-	1,624,691
Conversion of PTCs into ordinary shares @ 0.07 share per PTC	29,276	-	143,869	-	-	-	-	173,145
Final cash dividend @ 10% for the year ended 30 June 2015	-	-	-	-	-	-	(134,877)	(134,877)
	838,537	(2,421,612)	3,380,911	-	-	-	(134,877)	1,662,959
Balance as at 30 June 2016	1,378,044	-	4,116,103	629	-	266,400	1,083,270	6,844,446

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

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 Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B, Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

2 Basis of preparation

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:

	2016	2015
Name of Company	(Direct holding percentage)	
Subsidiaries		
- Treet Holdings Limited	85.93	77.77
- First Treet Manufacturing Modaraba	89.85	89.84
- Global Arts Limited	93.28	86.33
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 revaluation of certain financial instruments at fair value as referred to in note 5.6, the measurement of certain items of property, plant and equipment as referred to in note 5.4 at revalued amounts and recognition of certain employee retirement benefits as referred to in note 5.2 at present value. 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, unless otherwise indicated.

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	5.2
-	Taxation	5.3
-	Residual values and useful lives of depreciable assets	5.4
-	Impairment	5.8
-	Provisions	5.15
-	Contingent liabilities	5.22

4 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 2016:

- 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 amortization 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.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – 'Consolidated Financial Statements' and IAS 28 – 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity.

  Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statement

- Agriculture: Bearer Plants [Amendment 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.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards.

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 on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. 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 are not likely to have any material impact on these financial statements.

5 Summary of significant accounting policies

The significant accounting policies adopted in preparation of financial statements are set out below. These policies have been consistently applied to all years presented, except as mentioned in note 5.1

5.1 Change in accounting policy

IFRS 13 'Fair value measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 'Financial Instruments : Disclosures'. As a result the Company has added additional disclosures in this regard in note 44.5 to these financial statements. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

5.2 Employee benefits

Defined contribution plans

The Company has maintained four contributory schemes for the employees, as below:

(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 at 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 at 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 at 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 at 20% of the basic pay.

Defined benefit plans

An approved funded gratuity scheme and a funded superannuation scheme 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' and latest actuarial valuation has been carried out at 30 June 2016. When calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actual gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to equity through other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the profit and loss account. The main features of defined benefit schemes are mentioned in note 23

Employee Stock Option Scheme

The Company operates an equity settled stock option scheme to be called 'Treet Corporation Limited - Employees Stock Option Scheme, 2015'. The compensation committee ("committee") of the Board of directors ("Board") evaluates the performance and other criteria of employees and recommends to the Board for grant of options. The Board on the recommendation of the committee, on its discretion, grants recommended options to employees. These options vest after a specified period subject to fulfillment of certain conditions as defined in the scheme. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a pre-determined price on the date of grant of options.

The fair value of the grant of share options is measured at grant date and recognized as an employee compensation expense, with a corresponding increase in equity, on the straight line basis over the vesting period. The fair value of the options granted is measured at option discount i.e. excess of market price of the share at the date of grant of an option under the scheme over exercise price of option (including up-front payment, if any). The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

The fair value of the amount payable to employees in respect of share appreciation rights ("SARs"), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss.

5.3 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized 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 and tax credits, 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. Deferred tax is charged in the profit and loss account, except in the case of items charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan.

5.4 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any, except for freehold land and buildings on freehold land. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings on freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings, and the net amount is restated to the revalued amount of the buildings.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Capitalization threshold

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

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

Depreciation is charged to profit and loss account, 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 to property, plant and equipment is charged from the day on which an asset is available for use till the day the asset is fully depreciated or disposed off. Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1. 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.

Residual value and the useful life of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

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 profit and loss account as and when incurred.

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.

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 property of the Company comprises of land and are valued using the cost method and are stated at cost less any identified impairment loss.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the profit and loss account.

5.6 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that their carrying amount will be recovered principally through sale rather than through continuing use. They are stated at lower of carrying amount and fair value less costs to sell.

5.7 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are required and re-evaluates this classification on regular basis.

Investment in subsidiaries and associates

Investments in subsidiaries and associates where the Company has significant influence are measured at cost less impairment, if any, in the Company's separate financial statements. At subsequent reporting dates, the recoverable amounts of investments 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 in the profit and loss account. Investments in subsidiaries and associates that have suffered an impairment are reviewed for possible reversal of impairment at each reporting date. 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. Impairment losses recognised in the profit and loss account on investments in subsidiaries and associates are reversed through the profit and loss account.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27, 'Separate Financial Statements'. Investments in associates, in the consolidated financial statements, are being accounted for using the equity 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 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 subsequent reporting dates, these investments are remeasured at fair value and changes therein are recognized in the profit and loss account for the year. Fair value is determined on the basis of year-end bid prices obtained from stock exchange quotations.

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 available for sale

Investments that are intended to be held for an indefinite period of time or may be sold in response to the need for liquidity are classified as available for sale.

Investments classified as investments available for sale are initially recognized at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair values, 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 recognized in other comprehensive income in the period in which these arise and accumulated in fair value reserve. At the time of disposal, the accumulated surplus or deficit in the fair value reserve is reclassified to profit and loss account.

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 on available for sale investments are recognized by reclassifying the losses accumulated in the fair value reserve to 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.

5.8 Impairment

Financial assets

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit and loss account. All impairment losses are recognized in profit and loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognized.

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 of completion and the cost necessary to be incurred 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 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.

5.13 Borrowings

Borrowings are recognized initially at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued markup to the extent of the amount remaining unpaid.

5.14 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 received whether or not billed to the Company.

5.15 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.

5.16 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees which is the Company's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account. All non-monetary assets and liabilities are translated in Pak Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

5.17 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 and there is no continuing management involvement with the goods

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.

5.18 Borrowing costs

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.

5.19 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-recognized when the Company 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) Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

(v) Financial instruments carried on the balance sheet includes investments, long term loan, long term deposits, trade debts, cash and bank balances, borrowings, trade and other payables and accrued markup. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

(vi) 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.

(vii) 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.

5.20 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.

5.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

	Note	2016	2015
		(Rupees in thousand)	
6 Property, plant and equipment			
Operating fixed assets	6.1	2,379,132	2,436,882
Capital work-in-progress	6.2	381,762	302,053
		2,760,894	2,738,935

6.1 Property, plant and equipment

	Annual rate of depreciation	Cost/ revalued amount as at 01 July 2015	Additions/ (Deletions)	Cost as at 30 June 2016	Accumulated depreciation as at 01 July 2015	Depreciation charge/ (deletions) for the year	Accumulated depreciation as at 30 June 2016	Book value as at 30 June 2016
	%	(Rupees in thousand)						
Owned								
Freehold land	-	1,227,805	-	1,227,805	-	-	-	1,227,805
Buildings on free hold land	5	452,561	17,372	469,933	30,755	31,251	62,006	407,927
Plant & machinery	10	1,319,526	71,146 (17,449)	1,373,223	677,221	101,596 (6,605)	772,212	601,011
Furniture and equipment	10 - 25	65,556	11,844 (1,315)	76,085	40,025	6,835 (771)	46,089	29,996
Vehicles	20	214,753	45,792 (24,604)	235,941	95,318	43,308 (15,078)	123,548	112,393
2016		3,280,201	146,154 (43,368)	3,382,987	843,319	182,990 (22,454)	1,003,855	2,379,132

	Annual rate of depreciation	Cost/ revalued amount as at 01 July 2014	Additions/ Adjustments/ (Deletions)	Cost as at 30 June 2015	Accumulated depreciation as at 01 July 2014	Depreciation charge/ (deletions) for the year	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 (19,005)	3,280,201	691,445	164,664 (12,790)	843,319	2,436,882

		Note	2016	2015
			(Rupees in thousand)	
6.1.1	Depreciation charge for the year has been allocated as follows:			
	Cost of sales	31	138,849	124,823
	Administrative expenses	32	35,070	31,526
	Distribution cost	33	9,071	8,315
			182,990	164,664

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

	2016	2015
Freehold land	111,933	111,933
Buildings on freehold land	218,579	222,473
	330,512	334,406

6.1.3 The following assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	(Loss) / Profit	Mode of disposal	Sold to
	-------------------------------	(Rupees in thousand)	----------------------------------				
Plant							
Generator Set	16,512	6,470	10,042	9,082	(960)	Insurance claim	Claim from IGI Insurance
Lab Homogenizer	937	36	901	937	36	Insurance claim	Claim from IGI Insurance
Computers							
I Mac 3 Ghz	259	150	109	109	-	Insurance claim	Claim from IGI Insurance
Vehicles							Employees
Toyota Corolla	1,608	1,297	311	772	461	Company scheme	Khawar Siddiqui
Toyota Corolla	1,232	849	383	1,232	849	Company scheme	Anees Mehmood
Toyota Corolla	1,125	155	970	945	(25)	Company scheme	Muhammad Arif
Toyota Corolla	1,125	19	1,106	1,061	(45)	Company scheme	S.Sibte Abbas
Suzuki Mehran	650	336	314	650	336	Company scheme	Nadeem Afzal
Suzuki Mehran	635	438	197	297	100	Company scheme	M.Danniyal
Suzuki Mehran	625	36	589	625	36	Company scheme	M.Salman
Daihatsu Mira	625	64	561	625	64	Company scheme	Abdul Waheed
Honda CG 125	103	12	91	103	12	Company scheme	Shahbaz Khan
Honda CG 125	103	13	90	92	2	Company scheme	M.Waseem Kaleem
Honda CG 125	103	24	79	103	24	Company scheme	Sharif Masseh
Honda CG 125	98	45	53	57	4	Company scheme	Muzaffar Iqbal
	8,032	3,288	4,744	6,562	1,818		
Other assets with book value less than Rs. 50,000	17,628	12,510	5,118	14,292	9,174		
2016	43,368	22,454	20,914	30,982	10,068		
2015	19,005	12,790	6,215	14,170	7,955		

		Note	2016	2015
			(Rupees in thousand)	
6.2	Capital work-in-progress			
	Civil works		29,587	17,370
	Plant and machinery		298,053	199,560
	Advances for capital expenditure		54,122	85,123
			381,762	302,053
7	Investment property			
	Cost as at 01 July		28,100	-
	Additions during the year		-	28,100
	Disposals	7.1	(8,716)	-
	Cost as at 30 June		19,384	28,100

These represent the following pieces of land:

- 14 kanals and 5 marlas located at 4 km Kacha Road Mouza Kacha Tehsil Model Town, Lahore, having fair value of Rs. 9.26 million.

- 11 kanals and 1 marla located at 34 km Ferozepur Road, Lahore, having a fair value of Rs. 12.35 million.

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). The most significant input into this valuation is market value. The valuation is considered to be Level 3 in the fair value hierarchy due to non-observable inputs used in valuation. The different levels have been mentioned in note 44.5

7.1 During the year, land measuring 1 kanal and 18 marlas located at Mouza Chandrai Tehsil Model Town, Lahore, was disposed off for Rs. 18.5 million.

		Note	2016	2015
8	Long term investments			
	In equity instruments of subsidiaries - at cost	8.1	5,528,788	2,159,415
	In equity instruments of associate - at cost	8.2	162,529	162,529
	Available for sale - at cost	8.3	1,555	1,555
			5,692,872	2,323,499

		Note	2016	2015
			(Rupees in thousand)	
8.1	In equity instruments of subsidiaries - at cost			
	Treet Holdings Limited - unquoted			
	61,101,712 (2015: 34,999,972) fully paid ordinary shares of Rs. 10 each	8.1.1	611,017	350,000
	Equity Held: 85.93 % (2015: 77.77 %)			
	First Treet Manufacturing Modaraba - quoted			
	175,745,700 (2015: 117,149,871) fully paid certificates of Rs. 10 each	8.1.2	3,515,332	1,171,499
	Equity Held: 89.85 % (2015: 89.84 %)			
	Global Arts Limited - unquoted			
	140,243,860 (2015: 63,791,582) fully paid ordinary shares of Rs. 10 each	8.1.3	1,402,439	637,916
	Equity Held: 93.28 % (2015: 86.33 %)			
			5,528,788	2,159,415

8.1.1 During the current year, Treet Holdings Limited (THL) made a right issue which was fully subscribed by the Company. The increase in investment represents subscription of 26.1 million ordinary shares of THL at face value of Rs. 10 per share

8.1.2 During the current year, First Treet Manufacturing Modaraba (FTMM) made a right issue which was fully subscribed by the Company. The increase in investment represents subscription of 58.6 million certificates of FTMM at a price of Rs. 40 per certificate (including premium of Rs. 30 per certificate) having face value of Rs. 10 each.

8.1.3 The Company directly owns 93.28% (2015: 86.33%) equity interest in Global Arts Limited (GAL) while the remaining 6.72% (2015: 13.67%) equity interest is indirectly owned through the Company's wholly owned subsidiary, Treet Holdings Limited. During the current year, GAL made right issue in the month of October, 2015 and April, 2016 which was fully subscribed by the Company. The increase in investment represents subscription of 76.5 million ordinary shares of GAL at face value of Rs. 10 each.

8.2	In equity instruments of associate - at cost			
	<u>Loads Limited - unquoted</u>			
	15,615,750 (2015: 15,615,750) fully paid ordinary shares of Rs. 10 each	8.2.1	162,529	162,529
	Equity Held: 20.82 % (2015: 20.82 %)			
			162,529	162,529

8.2.1 Loads Limited was an Un-quoted Public Limited Company having breakup value per share as per un-audited financial statements of 30 June 2016 amounting to Rs. 19.17 (2015: Rs. 19.19) per share. Subequent to the year end, the Company has been listed on Pakistan Stock Exchange.

		Note	2016	2015
			(Rupees in thousand)	
8.3	**Available for sale - at cost**			
	Techlogix International Limited - unquoted 748,879 (2015: 748,879) fully paid ordinary shares of par value of USD 0.00015.	8.3.1	8,593	8,593
	Equity Held: 0.73 % (2015: 0.74 %)			
	Less: Provision for impairment		(7,038)	(7,038)
			1,555	1,555

8.3.1 The breakup value per share as per latest available audited financial statements for the year ended 31 December 2015 of Techlogix International Limited is Rs. 4.11 (2015: Rs. 3.02) per share. The shares have par value of USD 0.00015.

		Note	2016	2015
9	**Long term loans**			
	Loans to employees - secured, considered good	9.1	10,017	9,538
	Less : current portion			
	Loan to employees - secured, considered good	16	(8,212)	(8,159)
			1,805	1,379

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. 8.04 million (2015: Rs. 7.97 million) receivable from the executives of the Company. No loan has been given to directors or chief executive of the Company.

		2016	2015
9.2	**Reconciliation of the carrying amount of loans to executives:**		
	Balance as at 01 July	7,965	5,486
	Disbursements during the year	11,485	11,041
	Repayments during the year	(11,413)	(8,562)
	Balance as at 30 June	8,037	7,965

9.3 The maximum amount due from the executives at the end of any month during the year was Rs. 8.04 million (2015: Rs. 7.97 million)

		Note	2016	2015
10	**Long term security deposits**			
	Long term security deposits	10.1	16,323	14,261
10.1	This represents deposits against utilities.			
11	**Deferred taxation**	11.1	48,013	30,734

	Note	2016	2015
		(Rupees in thousand)	
11.1 Deferred taxation arising in respect of the following items:			
- Accelerated tax depreciation including surplus on revaluation of property, plant and equipment		(83,144)	(100,444)
- Capital gains on short term investments		6,690	(4,734)
		(76,454)	(105,178)
Deferred tax asset arising in respect of the following items:			
- Unused tax losses		97,556	104,045
- Unutilized tax credits		-	16,212
- Employee retirement benefits		26,692	15,219
- Provision for doubtful debts		219	436
		124,467	135,912
		48,013	30,734

11.1.1 Deferred tax asset on tax losses available for carry forward and other items have been recognized to the extent that the realization of related tax benefits through future taxable profits is probable.

		2016	2015
11.1.2 Movement in deferred tax asset / (liability) is as follows:			
Balance as at 01 July		30,734	(35,030)
Recognized in profit and loss account:			
Charged to profit and loss account		5,846	67,247
Recognized in other comprehensive income:			
Net off against re-measurement of employee retirement benefits recognized in other comprehensive income		11,433	(1,483)
		48,013	30,734

	Note	2016	2015
12 Stores and spares			
Stores		30,182	27,025
Spares	12.1	176,764	145,225
		206,946	172,250

12.1 It includes spares in transit amounting to Rs. 32.83 million (2015: Rs. 4.8 million).

	Note	2016	2015
13 Stock-in-trade			
Raw and packing material	13.1	418,284	480,946
Work-in-process		53,071	49,925
Finished goods	13.2	201,245	203,947
		672,600	734,818
Provision for slow moving	31	-	(2,074)
		672,600	732,744

13.1 It includes raw material in transit amounting to Rs. 47.67 million (2015: Rs. 61.74 million).

13.2 The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounts to Rs. Nil (2015: Rs. 4 million).

		Note	2016	2015
			(Rupees in thousand)	
14	**Trade debts**			
	Foreign debtors			
	- secured - considered good		29,567	5,023
	- unsecured - considered good		110,517	49,034
			140,084	54,057
	Local debtors			
	- unsecured - considered good		25,966	13,928
			166,050	67,985
	Considered doubtful	14.1	1,320	1,320
			167,370	69,305
	Less: Provision for doubtful debts		(1,320)	(1,320)
			166,050	67,985

14.1 The movement in provision for doubtful debts for the year is as follows:

	Note	2016	2015
Balance as at 01 July		1,320	-
Charge for the year	33	-	1,320
Balance as at 30 June		1,320	1,320

		Note	2016	2015
15	**Short term investments**			
	Investments at fair value through profit or loss			
	Listed equity securities	15.1	461,919	629,995
	Mutual funds	15.2	3,496	3,305
			465,415	633,300

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

		Share / certificates		Market value	
		2016	2015	2016	2015
		Number	Number	(Rupees in thousand)	
	Sector / Companies				
a)	Banks				
	Silk Bank Limited	186,814,807	19,915,500	317,585	38,238
	Bank of Khyber	87,000	-	1,092	-
	NIB Bank Limited	1,852,000	110,000	3,537	222
b)	Cement industry				
	Fauji Cement Limited	40,000	-	1,432	-
	Flying Cement Limited	500	-	4	-
c)	Textile				
	Indus Dyeing and Manufacturing Company Limited	110	479,010	57	529,526
	Sunrays Textiles Mills Limited	8,200	1,700	1,661	384
	Shahtaj Textile Limited	852,500	736,500	102,411	52,291
	Maqbool Textiles Mills Limited	379,500	376,500	6,452	7,304
	National Silk & Rayon Mills Limited	50,000	44,500	2,311	1,253
	Kohinoor Spinning Mills Limited	4,150,000	-	23,904	-
d)	Miscellaneous				
	Transmission Engineering Industries Limited	133,000	133,000	-	-
	Siddique Sons Tin Plate Limited	-	71,500	-	630
	Aisha Steel Mills Limited	102,000	14,000	1,377	147
	Huffaz Seamless Pipe Industries Limited	5,500	-	96	-
				461,919	629,995

15.2 Details of investment in mutual funds are stated below:

	Units		Market value	
	2016	2015	2016	2015
	Number	Number	(Rupees in thousand)	
AGHP Capital Conservative Fund	32,890	31,376	3,496	3,305
			3,496	3,305

15.3 Investments to the extent of Rs. 250 million are pledged in favour or under lien of the trustee as security against Participation Term Certificates as referred to in note 22

		Note	2016	2015
			(Rupees in thousand)	
16	**Loans, advances, deposits, prepayments and other receivables**			
	Current portion of loan to employees - secured, considered good	9	8,212	8,159
	Advances to employees - secured, considered good	16.1	76,161	13,985
	Advances to suppliers - unsecured, considered good		73,225	97,261
	Margin deposits against letters of credits		1,958	1,958
	Prepayments		8,914	10,770
	Insurance claim receivable from IGI Insurance Limited - an associated undertaking		-	627
	Advances to associated undertakings - unsecured, considered good:			
	Loads Limited		70	70
	IGI Insurance Limited		16,350	375
		16.2	16,420	445
	Workers' profit participation fund	16.3	7,444	17,030
	Balance with statutory authorities:			
	Export rebate		62,654	64,505
	Collector of customs - custom duty		2,393	2,873
	Advance income tax		328,602	291,163
	Sales tax receivable		46,573	79,690
			440,222	438,231
	Receivable from broker against sale of investments		59,630	15,055
	Other receivable - unsecured, considered good			
	- Related parties			
	Treet Holdings Limited		42,315	19,961
	First Treet Manufacturing Modaraba		305,331	22,491
	Global Arts Limited		48,020	127,884
	Treet Power Limited		22,855	-
	Employees Benevolent Fund		836	2,714
	Superannuation Fund		5,751	5,751
	Gratuity Fund		18,461	8,629
	Employees Housing Fund		12,755	10,942
		16.4	456,324	198,372
	- Others		1,375	1,158
			1,149,885	803,051

16.1 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. 7.13 million (2015: Rs. 7.17 million) receivable from executives of the Company. These also include an amount of Rs. 1.45 million (2015: Rs. 1.10 million) given to CEO for travelling for business purpose. Reconciliation of advance given to CEO is as under:

	Note	2016	2015
		(Rupees in thousand)	
Balance as at 01 July		1,100	3,563
Advances given during the year		3,074	2,914
Reimbursements during the year		(2,726)	(5,377)
Balance as at 30 June		1,448	1,100

16.2 These represent advances for purchase of goods or services under normal business trade as per the agreed terms and are interest free.

		2016	2015
16.3	**Workers profit participation fund**		
	Balance as at 01 July	17,030	9,531
	Charge for the year	(2,639)	(2,970)
		14,391	6,561
	Payments/adjustments during the year	(6,947)	10,469
	Balance as at 30 June	7,444	17,030

16.4 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 and are interest free.

16.4.1 Advance to Global Arts Limited, a wholly owned subsidiary, represents short term advances given for ongoing University project.

16.4.2 Advances to First Treet Manufacturing Modaraba, subsidiary company, are interest free and receivable on demand.

	Note	2016	2015
		(Rupees in thousand)	
17 Cash and bank balances			
Cash in hand		11,367	25,494
Cash at bank - local currency			
Current accounts	17.1	43,965	2,479,151
Saving accounts	17.2	142,842	63,432
		186,807	2,542,583
		198,174	2,568,077

17.1 As referred to in note 28, this includes subscription money aggregating to Rs. Nil (2015: Rs. 2,422) received from shareholders against subscription of right shares offered to public, kept in separate bank accounts

17.2 These carry mark-up at the rates ranging from 4% to 6.5% per annum (2015: 5% to 9% per annum). These deposits have been maintained under non-shariah based arrangement.

		Note	2016	2015
			(Rupees in thousand)	
18	Short term borrowings			
	Short term running finance - secured		537,494	743,595
	Export refinance - secured	18.2	1,020,499	1,062,780
		18.3	1,557,993	1,806,375
18.1	Particulars of borrowings			
	Interest / markup based financing		1,524,053	1,656,375
	Islamic mode of financing		33,940	150,000
			1,557,993	1,806,375

18.2 'The Company has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangement / shariah arrangements to the extent of Rs. 4,230 million (2015: Rs. 4,610 million). The running finance facilities carried mark-up at the rates ranging from 6.75% to 9.01% per annum (2015: 7.33% to 11.43% per annum). Running finance amounting to Rs. 2,600 million (2015: Rs. 3,050 million) can be interchangeably utilized as export running finance. These carried mark-up at the rate of 3.9% to 5.5% per annum (2015: 5.4% to 7% per annum).

18.3 All short term borrowings of the Company are secured by way of joint first pari passu hypothecation charge of Rs. 6,069 million (2015: Rs. 5,833 million) on the entire present and future current assets of the Company.

18.4 The facilities for opening letters of credits and guarantees as at 30 June 2016 amounts to Rs. 1,307 million (2015: Rs. 850 million) of which unutilized amount as at this date was Rs. 827 million.

		Note	2016	2015
			(Rupees in thousand)	
19	Trade and other payables			
	Trade creditors:			
	Related parties	19.1	913	3,515
	Others		10,788	23,364
			11,701	26,879
	Other creditors:			
	Related parties	19.2	39	13
	Others		90,315	52,654
			90,354	52,667
	Accrued liabilities		253,274	205,736
	Advances from customers		12,597	55,939
	Advance against sale of land		6,593	6,593
	Employees deposits		47,712	44,988
	Unclaimed dividend		12,800	6,461
	Withholding sales tax payable		3,956	2,543
	Other payables		10,633	11,492
	Payable to employee retirement benefit funds:			
	- Payable to service fund		1,830	3,219
	- Payable to employees provident fund	19.3	5,013	14,282
			6,843	17,501
			456,463	430,799

			2016	2015
19.1	Related parties			
	Associated Undertakings			
	Packages Limited		31	1,287
	Bulleh Shah Packaging (Private) Limited		-	160
	Subsidiary company			
	Treet HR Management (Private) Limited		882	2,068
			913	3,515

These are interest free in the normal course of business

			2016	2015
19.2	Related parties			
	Associated Undertakings			
	IGI Insurance Limited		39	13

These are interest free in the normal course of business

19.3 The Company has set up provident fund for its permanent employees. The total charge against provident fund for the year was Rs. 21.28 million (2015: Rs. 21.15 million). The net assets based on audited financial statements of provident fund for the year ended 30 June 2016 amount to Rs. 384 million (2015: Rs. 364.98 million). The fair value of investments of provident fund was Rs. 290.02 million (2015: Rs. 289.75 million) and the cost of the investment was Rs. 238.40 million (2015: Rs. 284.75 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.

		2016	2015	2016	2015
		(Rupees in thousand)		%	%
19.3.1	The break-up of fair value of investments is:				
	National saving bonds/ Special saving bonds	46,300	51,300	13%	15%
	Pakistan investment bonds	25,000	45,000	7%	13%
	National investment trust units	8,684	9,959	2%	3%
	Mutual funds	5,076	-	1%	0%
	Listed securities	83,424	31,768	24%	9%
	Term finance certificates	50,000	-	14%	0%
	Term deposit certificates	20,281	75,000	6%	22%
	Participation term certificates	49,935	76,693	14%	23%
	Account with broker for investment	1,324	28	1%	1%
		290,024	289,748		
	Cash at bank	61,427	48,083	18%	14%
		351,451	337,831	100%	100%

This includes ordinary shares and participation term certificates of the Company whose fair value as at 30 June 2016 is Rs. 26.56 million (2015: Rs. Nil) and Rs. 32.59 million (2015: Rs. 76.69 million) respectively.

		2016	2015
		(Rupees in thousand)	
20	**Accrued mark-up**		
	Accrued markup / return on:		
	Participation term certificates	284,578	274,863
	Short term borrowings	13,142	27,545
		297,720	302,408

21 Long term deposits

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

		2016	2015
		(Rupees in thousand)	
22	Redeemable capital		
	Participation term certificates	716,417	895,834
	Less: Current portion shown under current liabilities	(179,417)	(179,417)
		537,000	716,417

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 Pakistan Stock Exchange. The term of PTCs shall be 07 years. The proceeds from the issue of PTC were to be utilised to repay existing bank borrowings at the date of issue. The Company has no option to prematurely call the PTCs for redemption and/or conversion. The PTC holders have no option to ask the Company to redeem and/or convert PTC's prematurely. PTC holders shall have no preemptive right in any further issue of capital of the Company.

Terms of redemption

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. Shares issued through conversion will rank pari passu with existing shares. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory conversion) each year. The PTCs shall be redeemed through cash @ Rs. 4.14 per annum (pre-agreed price of Rs.59.14) from year 2013 to year 2018 and Rs. 4.11 (pre-agreed price of Rs.51.38) for the year 2019.

Profit payment

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, Workers Welfare Fund (WWF), Workers Profit Participation Fund (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:

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	111,433	2016
6,272	173,145	179,417	2,927,557	29,276	143,869	173,145	101,718	2015

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 is maintained. 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.

			2016	2015
			(Rupees in thousand)	
23	Deferred Liabilities - Employee retirement benefits			
	Gratuity fund		115,417	81,463
	Superannuation fund		101,464	72,172
		23.1	216,881	153,635

23.1 Net retirement benefit obligation

	Gratuity		Superannuation	
	2016	2015	2016	2015
	---------(Rupees in thousand)---------			
Amounts recognized in balance sheet are as follows:				
Present value of defined benefit obligation	262,883	221,828	251,409	209,784
Fair value of plan assets	(147,466)	(140,365)	(149,945)	(137,612)
Net retirement benefit obligation	115,417	81,463	101,464	72,172

		Gratuity		Superannuation	
		2016	2015	2016	2015
		---------(Rupees in thousand)---------			
23.2	Movement in net obligation				
	Net liability as at 01 July	81,463	72,079	72,172	56,560
	Charge to profit and loss account				
	Treet Corporation Limited	20,410	21,845	18,542	18,440
	Treet HR Management (Private) Limited -	1,769	1,713	337	268
		22,179	23,558	18,879	18,708
	Re-measurements chargeable in other comprehensive income				
	Treet Corporation Limited	35,379	(746)	31,246	6,460
	Treet HR Management (Private) Limited	1,862	(39)	1,644	340
		37,241	(785)	32,890	6,800
	Contribution made by the Company	(25,466)	(13,389)	(22,477)	(9,896)
	Net liability as at 30 June	115,417	81,463	101,464	72,172
23.3	Movement in the liability for funded defined benefit obligations				
	Liability for defined benefit obligations as at 01 July	221,828	188,515	209,784	172,551
	Benefits paid by the plan	(25,466)	(13,389)	(22,477)	(9,896)
	Current service costs	15,478	14,895	12,938	11,870
	Interest cost	20,387	24,091	19,358	22,207
	Re-measurements on obligation:				
	Actuarial losses on present value				
	- Changes in demographic assumptions	-	-	-	-
	- Changes in financial assumptions	-	-		
	- Experience adjustments	30,656	7,716	31,806	13,052
		30,656	7,716	31,806	13,052
	Present value of defined benefit obligations as at 30 June	262,883	221,828	251,409	209,784
23.4	Movement in fair value of plan assets				
	Fair value of plan assets as at 01 July	140,365	116,436	137,612	115,991
	Contributions into the plan	25,466	13,389	22,477	9,896
	Benefits paid by the plan	(25,466)	(13,389)	(22,477)	(9,896)
	Interest income on plan assets	13,686	15,428	13,417	15,369
	Return on plan assets excluding interest income	(6,585)	8,501	(1,084)	6,252
	Fair value of plan assets as at 30 June	147,466	140,365	149,945	137,612

		Gratuity		Superannuation	
		2016	2015	2016	2015
		---------(Rupees in thousand)---------			
23.5	Plan assets				
	Plan assets comprise:				
	Term finance certificates				
	Listed securities	-	-	50,000	-
	Deposits with banks	57,477	39,673	48,623	27,436
	Investment in mutual funds	15,694	29,815	11,581	13,785
	Government securities	31,319	1,027	-	-
	Others	60,500	75,500	39,500	100,250
		(17,524)	(5,650)	241	(3,859)
		147,466	140,365	149,945	137,612

Plan assets of gratuity fund include ordinary shares and participation term certificates of the Company whose fair value as at 30 June 2016 is Rs. 55.90 million (2015: Rs. Nil) and Rs. 11.80 million (2015: Rs. 27.90 million) respectively.

Plan assets of superannuation fund include ordinary shares and participation term certificates of the Company whose fair value as at 30 June 2016 is Rs. 5.91 million (2015: Rs. Nil) and Rs. 8.73 million (2015: Rs. 17.70 million) respectively.

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 2016	Gratuity 2015	Superannuation 2016	Superannuation 2015
23.6	Profit and loss account includes the following in respect of retirement benefits:				
	Interest cost	20,387	24,091	19,358	22,207
	Current service cost	15,478	14,895	12,938	11,870
	Interest income on plan assets	(13,686)	(15,428)	(13,417)	(15,369)
	Total, included in salaries and wages	22,179	23,558	18,879	18,708
23.7	Actual return on plan assets	7,101	23,929	12,333	21,621
23.8	Actuarial gains and (losses) recognized directly in other comprehensive income				
	Cumulative amount at 01 July	(57,528)	(58,313)	(49,755)	(42,955)
	(Losses)/gains recognized during the year	(37,241)	785	(32,890)	(6,800)
	Cumulative amount at 30 June	(94,769)	(57,528)	(82,645)	(49,755)

23.9 Historical Information for Gratuity fund

	2016	2015	2014	2013	2012
	-----------------------(Rupees in thousand)---------------------				
Present value of defined benefit obligation	262,883	221,828	188,515	151,409	123,212
Fair value of the plan assets	(147,466)	(140,365)	(116,436)	(101,762)	(85,663)
Deficit	115,417	81,463	72,079	49,647	37,549
Experience adjustments arising on plan liabilities	30,656	7,716	24,439	14,346	531
Experience adjustments arising on plan assets	(6,585)	8,501	1,227	1,600	(100)

The Company expects to pay Rs. 27.26 million in contributions to gratuity fund in 2017.

23.10 Historical Information for Superannuation fund

Present value of defined benefit obligation	251,409	209,784	172,551	143,977	117,516
Fair value of plan assets	(149,945)	(137,612)	(115,991)	(96,189)	(86,264)
Deficit	101,464	72,172	56,560	47,788	31,252

	2016	2015	2014	2013	2012
	-----------------------(Rupees in thousand)---------------------				
Experience adjustments arising on plan liabilities	31,806	13,052	17,918	16,711	686
Experience adjustments arising on plan assets	(1,084)	6,252	8,177	(189)	523

The Company expects to pay Rs. 23.43 million in contributions to superannuation fund in 2017.

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

	2016		2015	
	Gratuity fund per annum	Superannuation fund per annum	Gratuity fund per annum	Superannuation per annum
Discount rate used for profit and loss charge	9.75%	9.75%	13.25%	13.25%
Discount rate used for year-end obligation	7.25%	7.25%	9.75%	9.75%
Expected rates of salary increase	6.25%	8.75%	8.75%	8.75%
Expected rates of return on plan assets	7.25%	7.25%	9.75%	9.75%

Mortality rate

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

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

23.13 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 2016 would have been as follows:

	Change	Impact on present value of defined benefit obligation as at 30 June			
		Gratuity		Superannuation	
		Increase	Decrease	Increase	Decrease
		---------(Rupees in thousand)---------			
Discount rate	100 bps	(242,515)	286,513	(231,219)	274,885
Future salary increase	100 bps	286,513	(242,155)	274,885	(230,864)

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.

24 Employee Stock Option Scheme

After getting approval of the Employee Stock Option Scheme from the Securities and Exchange Commission of Pakistan, the board on the recommendation of the compensation committee granted 1.61 million stock options to its eligible employees on 14 July, 2015 at a exercise price of Rs. 90.58 per share. The market value at the date of grant of option was Rs. 77.09 per share. Options do not carry the right to vote or dividend. 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 exercise period of one year from the date the options are vested. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of two years of grant date if not exercised.

25 Contingencies and commitments

25.1 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 which was subsequently reduced to Rs. 2.62 million vide order dated 30 June 2015. 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 based on accounting profit to-date comes to Rs. 5.92 million (2015: Rs. 4.86 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 and consequently provision for WWF will be based on taxable income for respective years.

- 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.

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.

25.2 Commitments

- Outstanding letters of credit as at 30 June 2016 amounted to Rs. 423.88 million (2015: Rs. 395.26 million).
- Post dated cheques amounting to Rs. Nil (2015: Rs. 34.85 million) has been issued in the favor of Collector of Customs.

26 Issued, subscribed and paid-up capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
89,793,463	8,867,412	Ordinary shares of Rs. 10 each fully paid-up in cash	897,935	88,674
9,877,671	6,950,114	Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 26.4	98,778	69,502
38,133,175	38,133,175	Ordinary shares of Rs. 10 each fully issued as bonus shares	381,331	381,331
137,804,309	53,950,701		1,378,044	539,507

	Note	2016	2015
		(Rupees in thousand)	
26.1 Reconciliation of number of shares			
At 01 July		539,507	510,231
Issued against right issue	26.3	809,261	-
Issued on conversion of PTCs	26.4	29,276	29,276
At 30 June		1,378,044	539,507

26.2 Loads Limited, an associated company, holds 7,492,475 (2015: 7,492,475) fully paid in cash ordinary shares of the Company of Rs. 10 each, respectively.

26.3 During the year, the Company issued 80,926,051 ordinary shares as right shares in the ratio of 1.5 share for every 1 share held at a price of Rs. 50 per share (including premium of Rs. 40 per share).

26.4 Under the terms of conversion as referred in note 22, the Company, during the year, issued 2,927,557 (2015: 2,927,557) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs at the rate of 0.07 shares per PTCs at a pre agreed price of Rs. 59.14 per share resulting in premium of Rs. 143.87 million (2015: Rs. 143.87 million)

27 Reserves

	Note	2016	2015
Capital reserves	27.1	4,116,732	735,821
General reserves		266,400	266,400
		4,383,132	1,002,221

		Note	2016	2015
			(Rupees in thousand)	
27.1	Capital reserve			
	Excess of net worth over purchase consideration of assets of Wazir Ali Industries Limited		629	629
	Share premium	27.1.1	4,116,103	735,192
			4,116,732	735,821

27.1.1 This reserve can be utilized by the Company only for the purposes specified under section 83(2) of the Companies Ordinance, 1984. The increase in reserve represents share premium at the rate of Rs. 40 per share and Rs. 49.14 (2015: Rs. 49.14) per share in respect of transactions referred in note 26.3 and 26.4 respectively

28 Advance against issue of shares

In the year 2015, the Company announced 150% right issue of ordinary shares of the Company at a price of Rs. 50 per share (including premium of Rs. 40 per share). The shares have been duly allotted during the year as referred to in note 26.

29 Surplus on revaluation of land and buildings - net of tax

	2016	2015
Balance as at 01 July	1,315,205	1,329,315
- Transferred to unappropriated profit as a result of incremental		
depreciation charged - net of tax	(8,326)	(12,114)
- related deferred tax liability	(1,659)	(1,996)
	(9,985)	(14,110)
'Surplus on revaluation of operating fixed assets	1,305,220	1,315,205
Less: Related deferred tax liability on revaluation surplus as at 01 July	(26,244)	(28,240)
Deferred tax on incremental depreciation	1,659	1,996
	(24,585)	(26,244)
Balance as at 30 June	1,280,635	1,288,961

29.1 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.

This revaluation surplus on land and buildings shall be utilized only in accordance with the provisions of section 235 of the Companies Ordinance, 1984.

Notes to the Financial Statements
For the year ended 30 June 2016

		Note	2016	2015
			(Rupees in thousand)	
30	Sales - net			
	Blades and Razors			
	Export sales		1,875,341	1,710,675
	Local sales - gross		3,285,826	2,717,939
	Less: Sales tax		(506,146)	(398,475)
	Less: Trade discount		(69,396)	(83,326)
			2,710,284	2,236,138
	Trading income			
	Sale of batteries - gross		177,777	8,907
	Less: Sales tax		(28,615)	(1,445)
			149,162	7,462
			4,734,787	3,954,275
31	Cost of goods sold			
	Raw and packing materials consumed		1,637,326	1,560,438
	Stores and spares consumed		148,401	145,531
	Salaries, wages and other benefits	31.1	832,805	726,659
	Fuel and power		228,285	253,062
	Repairs and maintenance		33,841	37,639
	Rent, rates and taxes		3,788	2,677
	Insurance		50,152	46,058
	Travelling and conveyance		21,638	22,829
	Printing and stationery		3,368	3,046
	Postage and telephone		6,507	6,271
	Legal and professional charges		1,513	2,589
	Entertainment		2,906	1,783
	Staff training		679	255
	Subscriptions		608	1,964
	Depreciation on property, plant and equipment	6.1.1	138,849	124,823
	Expenses for computerization		11,223	6,932
	Provision for slow moving stock	13	-	2,074
	Other expenses		15,698	16,534
			3,137,587	2,961,164
	Opening stock of work in process		49,925	51,711
	Closing stock of work in process	13	(53,071)	(49,925)
	Cost of goods manufactured		3,134,441	2,962,950
	Opening stock of finished goods		203,947	71,201
	Purchase of batteries for trading		209,035	13,766
	Closing stock of finished goods	13	(201,245)	(203,947)
			3,346,178	2,843,970

31.1 Salaries, wages and other benefits include Rs. 32.27 million (2015: Rs. 38.53 million) and Rs. 27.19 million (2015: Rs. 22.83 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2016	2015
			(Rupees in thousand)	
32	Administrative expenses			
	Salaries and other benefits	32.1	102,790	102,721
	Repairs and maintenance		858	765
	Rent, rates and taxes		1,275	575
	Travelling and conveyance		9,585	5,739
	Entertainment		1,061	887
	Postage and telephone		686	568
	Printing and stationery		3,543	3,388
	Legal and professional charges	32.2	43,277	33,131
	Donations	32.3	95,531	4,689
	Computer expenses		5,107	1,433
	Directors' fee	41	280	315
	Subscription		63	134
	Depreciation on property, plant and equipment	6.1.1	35,070	31,526
	Others		1,058	386
			300,184	186,257

32.1 Salaries and other benefits include Rs. 2.43 million (2015: Rs. 2.81 million) and Rs. 9.25 million (2015: Rs. 8.07 million) in respect of defined benefit schemes and defined contribution schemes respectively.

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

		2016	2015
	Statutory audit	1,601	1,480
	Half yearly review	399	380
	Out of pocket expenses	150	150
		2,150	2,010

32.3 Name of donee in which a director or his spouse has an interest:

	Note	2016	2015
Gulab Devi Chest Hospital (GDCH) Ferozepur Road, Lahore. (Syed Shahid Ali, CEO is also Chairman of GDCH)		1,484	3,209
Institute of Islamic Culture (IIC) 158- Shah Jamal, Lahore. (Syed Shahid Ali, CEO is also Chairman of IIC)		1,200	700
Society for Cultural Education	32.3.1	86,560	-
		89,244	3,909

32.3.1 Society for Cultural Education (SCE) is a Society registered under the Societies Registration Act, XXI of 1860. SCE although does not have any share capital, being a body corporate, is a subsidiary of the Company in terms of provision of Companies Ordinance, 1984 as the Company is entitled to nominate 70% of the members as well as governing body of SCE. The amount is given as donation to meet the working capital requirements of SCE for ongoing University project as is approved by the shareholders of the Company in their Extra Ordinary General Meeting held on 27 February 2016.

		Note	2016	2015
			(Rupees in thousand)	
33	Distribution cost			
	Salaries, wages and other benefits	33.1	194,900	180,426
	Repairs and maintenance		3,337	2,895
	Advertising		429,923	392,182
	Freight, octroi and handling		154,384	154,975
	Export commission		12,990	27,982
	Rent, rates and taxes		8,986	3,585
	Travelling and conveyance		34,598	38,597
	Entertainment		324	232
	Product development		101	100
	Postage and telephone		4,469	4,134
	Depreciation on property, plant and equipment	6.1.1	9,071	8,315
	Printing and stationery		810	1,202
	Legal and professional charges		306	215
	Provision for doubtful debts	14.1	-	1,320
	Others expenses		14,447	2,585
			868,646	818,745

33.1 Salaries and other benefits include Rs. 4.25 million (2015: Rs. 5.44 million) and Rs. 12.07 million (2015: Rs. 10.05 million) in respect of defined benefit schemes and defined contribution schemes respectively.

		Note	2016	2015
34	Finance cost			
	Mark-up on short term borrowings		48,380	105,892
	Bank charges		15,181	14,111
	Markup on participation term certificates		284,578	274,863
			348,139	394,866
35	Other operating expenses			
	Exchange loss	35.1	2,061	674
	Unrealized exchange loss/(gain)		-	(420)
	Loss on disposal of available for sale long term investments		9,716	-
	Unrealized loss on short term investments at fair value through profit or loss		40,267	-
	Realized loss on disposal of short term investments at fair value through profit or loss		-	31,822
	Workers' profit participation fund	16.3	2,639	2,970
	Workers' welfare fund			
	- Prior year		-	(3,980)
			54,683	31,066

35.1 This represents loss incurred due to actual currency fluctuations.

		Note	2016	2015
			(Rupees in thousand)	
36	Other income			
	Income from financial assets			
	Profit on bank deposits	36.1	54,388	7,003
	Profit on term deposits	36.2	7,869	-
	Gain on disposal of available for sale long term investments		-	58,822
	Realized gain on short term investments at fair value through profit or loss		2,831	-
	Unrealized gain on short term investments at fair value through profit or loss		-	148,549
	Dividend income	36.3	2,514	10,305
			67,602	224,679
	Income from non financial assets			
	Profit on disposal of property, plant and equipment		10,068	51,581
	Profit on disposal of investment property		9,784	-
	Rental income		113	113
	Scrap sale		10,285	17,607
	Export rebate		27,184	30,567
	Others		523	112
			57,957	99,980
	Income from related parties (First Treet Manufacturing Modaraba)			
	Dividend income		72,633	40,417
	Rental income		35,000	12,000
			233,192	377,076

36.1 The income from savings bank accounts relates to deposits placed under non-shariah based arrangement.

36.2 This includes Rs. 7.51 million (2015: Rs. Nil) earned on deposits placed under non-shariah based arrangement.

36.3 Dividend is received from the following:

	2016	2015
Shahtaj Textile Limited	2,018	1,820
Packages Limited	496	-
Standard Chartered Bank Limited	-	616
Indus Dying and Manufacturing Limited	-	7,069
Al-Noor Sugar Mills	-	800
	2,514	10,305

		Note	2016	2015
37	Taxation			
	Current			
	- For the year		26,769	37,068
	- For prior years		(3,998)	(18,490)
	Deferred			
	- For the year	11.1.2	(5,846)	(67,247)
		37.1	16,925	(48,669)

		Note	2016	2015
			(Rupees in thousand)	
37.1	Tax charge reconciliation			
	Numerical reconciliation between tax expense and accounting profit			
	Profit before taxation		50,149	56,447
	Tax at 32% (2015: 33%)		16,048	18,628
	Tax effect of:			
	- Income under FTR		3,475	(45,487)
	- Exempt income		(23,243)	(13,527)
	- Tax credits		(7,115)	(8,779)
	- Prior year tax		(3,998)	(18,490)
	- Tax rate adjustment		-	(5,004)
	- Permanent difference		30,570	1,407
	- Not adjustable for tax purposes		1,188	22,583
			16,925	(48,669)

37.2 The Company's current tax provision has been computed based on final taxes paid under final tax regime, as adjusted by tax credits available under section 65-B of Income Tax Ordinance, 2001. For the purpose of current tax, tax losses available for carry forward amounts to Rs. 325.19 million (2015: Rs. 371.95 million)

			2016	2015 Restated
38	Earnings per share - basic and diluted			
	i-Profit attributable to ordinary share holders:			
	Profit for the year after taxation	Rupees in thousand	33,224	105,116
	ii-Weighted-average number of ordinary shares:			
	Weighted average number of shares	Number in thousand	134,732	79,307
	Earnings per share	Rupees	0.25	1.33

38.1 No figure for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised other than Participation Term Certificates. Conversion of participation term certificates into ordinary shares have anti-dilutive impact on the basic earnings per share.

		Note	2016	2015
			(Rupees in thousand)	
39	Cash generated from operations			
	Profit before taxation		50,149	56,447
	Adjustments for non cash items:			
	Depreciation on property, plant and equipment	6.1	182,990	164,664
	Provision for gratuity		20,410	21,845
	Provision for superannuation		18,542	18,440
	Profit on bank deposits		(62,257)	(7,003)
	Provision for slow moving		-	2,074
	Profit on sale of property, plant and equipment		(10,068)	(51,581)
	Profit on disposal of investment property		(9,784)	
	Provision for WPPF		2,639	2,970
	Prior year adjustment of WWF		-	(3,980)
	Unrealized loss / (gain) on investment at fair value through profit or loss		40,267	(148,549)
	Gain on sale of available for sale long term investments		-	(58,822)
	Unrealized exchange gain		-	(420)
	Finance cost		348,139	394,866
	Dividend income		(75,147)	(50,722)
			455,731	283,782
	Operating profit before working capital changes		505,880	340,229
	Effect on cashflow due to working capital changes			
	Decrease / (increase) in current assets:			
	Stores and spares		(34,696)	(26,384)
	Stock-in-trade		60,144	(267,807)
	Trade debtors		(98,065)	360,020
	Short term investments		127,618	145,888
	Loans, advances, deposits, prepayments and other receivables		(316,875)	(212,444)
			(261,874)	(727)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		19,325	(47,328)
			263,331	292,174
40	Cash and cash equivalents			
	Cash and bank balances	17	198,174	2,568,077
	Short term running finance - secured	18	(537,494)	(743,595)
			(339,320)	1,824,482

41 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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)							
Managerial remuneration	27,273	27,273	25,345	23,742	-	-	158,803	146,567
Provident fund	-	-	848	720	-	-	7,859	6,288
Service fund	-	-	848	720	-	-	7,797	6,234
Housing fund	-	-	-	-	-	-	8,418	5,956
Superannuation II	-	-	-	-	-	-	2,916	2,371
Benevolent fund	-	-	-	-	-	-	2,409	1,924
Bonus	-	-	5,225	6,681	-	-	49,506	53,394
Utilities	-	-	1,503	1,120	-	-	8,281	6,999
Medical	2,727	2,727	1,503	1,120	-	-	8,665	7,328
Fees	-	-	-	-	280	315	-	-
	30,000	30,000	35,272	34,103	280	315	254,654	237,061
Number of persons	1	1	3	3	4	4	69	60

41.1 The chief executive officer, directors and executives are provided with free use of Company maintained cars and telephone facility, according to their entitlement and are also granted options the employees stock option scheme.

41.2 The Company has contributed Rs. 1.05 million and Rs. 0.97 million in gratuity and superannuation fund, respectively for key management personnel.

42 Number of employees

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

	2016	2015
	(Number of persons)	
- As at 30 June	1,044	984
- Average number of employees	1,014	980

43 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 16 and trade and other payables note 19 and remuneration of directors and key management personnel are disclosed in note 41. Other significant transactions with related parties are as follow

	Relationship with the Company	Nature of transactions	2016	2015
			(Rupees in thousand)	
I	Subsidiaries			
	Treet HR Management (Private)Limited	Purchase of services	15,000	10,614
		Reimbursement of expenses	-	3,072
	Treet Holdings Limited	Reimbursement of expenses	433,483	390,709
		Purchase of Bikes	5,212	8,851
	First Treet Manufacturing Modaraba	Purchase of goods	18,912	17,947
		Dividend income	72,633	40,417
		Rental income	35,000	12,000
	Global Arts Limited	Short term advance	48,020	127,884
	Society for Cultural Education	Donation	86,560	-
II	Associated undertakings			
	Packages Limited	Purchase of goods	74,347	61,066
		Sale of goods	198	136
	IGI Insurance Limited	Purchase of services	26,510	39,469
	Bulleh Shah Packaging (Private) Limited	Purchase of goods	-	8,403
	Cutting Edge (Private) Limited	Purchase of services	2,360	2,789
	Wazir Ali Industries Limited	Rental income	-	113
		Purchase of goods	-	-
	Loads Limited	Reimbursement of expenses	-	72
III	Post employment benefit plans			
	Superannuation fund	Contribution	21,946	15,736
	Gratuity fund	Contribution	20,410	13,389
	Provident fund	Contribution	21,285	17,655
	Service fund	Contribution	11,311	9,742
	Housing Fund	Contribution	9,926	7,448
	Benevolent Fund	Contribution	2,578	2,184

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

44 Financial risk management

44.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company's Board of Directors ("the board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

44.2 Credit risk

Credit risk represents the risk of financial loss if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables. Out of the total financial assets of Rs. 1,391 million (2015: Rs. 3,510 million), the financial assets which are subject to credit risk amounted to Rs. 1,380 million (2015: Rs. 3,485 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 counter-parties 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 major 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:

	2016	2015
	(Rupees in thousand)	
Long term available for sale investments	1,555	1,555
Long term loans	10,017	9,538
Long term security deposits	16,323	14,261
Trade debts	166,050	67,985
Short term investments	465,415	633,300
Loans, advances, deposits, prepayments and other receivables	533,749	215,657
Bank balances	186,807	2,542,583
	1,379,916	3,484,879

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:

- Local parties	25,966	13,928
- Foreign parties	140,084	54,057
	166,050	67,985

The aging of trade debts at the reporting date is:

Less than 30 days	126,783	16,909
Past due 1 - 3 months	38,912	50,552
Above one year	1,675	1,844
Trade debts - gross	167,370	69,305
Less: Impairment	(1,320)	(1,320)
Trade debts - net	166,050	67,985

Based on past experience the management believes that no impairment allowance is necessary in respect of unimpaired trade receivables that are 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	Rating Short term	Rating Long term	Rating Agency	30 June 2016 Rupees	30 June 2015 Rupees
NIB Bank Limited	A-1+	AA-	PACRA	8,910	19,365
Faysal Bank Limited	A-1+	AA	JCR-VIS	1,161	578,698
United Bank Limited	A-1+	AAA	JCR-VIS	9,416	8,066
Habib Bank Limited	A-1+	AAA	JCR-VIS	21,036	95,000
Askari Bank Limited	A-1+	AA	PACRA	15,843	340
National Bank of Pakistan	A-1+	AAA	JCR-VIS	18,808	14,066
Bank of Punjab	A-1+	AA-	PACRA	36	3
MCB Bank Limited	A-1+	AAA	PACRA	11,031	1,015,182
Silk Bank Limited	A-2	A-	JCR-VIS	949	915
Burj Bank limited	A-2	BBB+	JCR-VIS	30,740	75
Samba Bank Limited	A-1	AA	JCR-VIS	5	5
Bank Alfalah Limited	A-1+	AA	PACRA	56,981	416,021
Bank Islami Pakistan Limited	A-1	A+	PACRA	196	202
Soneri Bank Limited	A-1+	AA-	PACRA	-	357,422
JS Bank Limited	A-1+	A+	PACRA	303	-
Sindh Bank Limited	A-1+	AA	JCR-VIS	284	6,973
Dubai Islamic Bank Limited	A-1	A+	JCR-VIS	7,710	14,234
Allied Bank Limited	A-1+	AA+	PACRA	2,171	15,152
Meezan Bank Limited	A-1+	AA	JCR-VIS	940	-
Standard Chartered Bank	A-1+	AAA	PACRA	-	574
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	287	290
				186,807	2,542,583

44.3 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:

	2016				
	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	119,531	119,531	119,531	-	-
Long term deposits	1,037	1,037	-	1,037	-
Short term borrowings	1,557,993	1,557,993	1,557,993	-	-
Redeemable capital	716,417	1,008,518	290,850	538,251	179,417
Accrued mark-up	297,720	297,720	297,720	-	-
	2,692,698	2,984,799	2,266,094	539,288	179,417

	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

44.4 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.

44.4.1 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 currency risk is as follows:

	2016	2015
	(Rupees in thousand)	
Outstanding letters of credit (US dollars)	391,640	396,036
Outstanding letters of credit (Euros)	32,241	-

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2016	2015	2016	2015
Rupees per USD	103.20	100.23	104.70	101.70
Rupees per Euro	115.05	124.26	116.31	113.79

At reporting date, if the Pakistani Rupees has fluctuated by 10% against the US Dollar and Euro with all other variables held constant, pre-tax profit would have been higher/ lower by Rs. 13.70 million (2015: Rs. 0.632 million) and Rs. 0.18 million (2015: Rs. Nil) respectively, 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.

44.4.2. Interest rate risk

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

	2016	2015	2016	2015
	Effective rate (Percentage)		(Rupees in thousand)	
Financial assets				
Fixed rate instruments:				
Bank balances - deposit accounts	4 - 6.5	5 - 9	142,842	63,432
Financial liabilities				
Floating rate instruments:				
Short term borrowings	6.75 -9.01	7.33 -11.43	1,557,993	1,806,375

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 6.14 million (2015: Rs 11.29 million), mainly as a result of higher/ lower interest expense on floating rate borrowings.

44.4.3 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:

	2016	2015
	(Rupees in thousand)	
Effect on profit and loss	(46,542)	(63,330)
Effect on investments	(46,542)	(63,330)

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

44.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount						Fair value			
		Available for sale	Fair value through profit loss	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands									
30-Jun-16											
Financial assets - measured at fair value											
Long term investments	8	1,555	-	-	-	-	1,555	-	-	1,555	**1,555**
Short Term Investments	15	-	465,415	-	-	-	465,415	461,919	3,496	-	**465,415**
		1,555	465,415	-	-	-	466,970	461,919	3,496	1,555	**466,970**
Financial assets - not measured at fair value											
Long term security deposits	10	-	-	16,323	-	-	16,323	-	-	-	-
Trade debts	14	-	-	166,050	-	-	166,050	-	-	-	-
Advances, prepayments and other receivables	16	-	-	533,749	-	-	533,749	-	-	-	-
Cash and bank balances	17	-	-	-	198,174	-	198,174	-	-	-	-
		-	-	716,122	198,174	-	914,296	-	-	-	-
Financial liabilities - measured at fair value		-	-	-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value											
Short term borrowings	18	-	-	-	-	1,557,993	1,557,993	-	1,557,993	-	**1,557,993**
Trade and other payables	19	-	-	-	-	119,531	119,531	-	-	-	-
Accrued mark-up	20	-	-	-	-	297,720	297,720	-	-	-	-
		-	-	-	-	1,975,244	1,975,244	-	1,557,993	-	**1,557,993**

44.6 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

44.7 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 calculated as total debt to debt plus equity.

The debt to equity ratios were as follows:

	2016	2015
	(Rupees in thousand)	
Total debt	2,274,410	2,702,209
Total equity and debt	9,118,855	7,900,844
Debt-to-equity ratio	25%	34%

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.

	Production capacity		Actual production	
	2016	2015	2016	2015
	(Units in million)		(Units in million)	
45 Plant capacity and production				
Hyderabad plant	680	600	616	530
Lahore plant	1,200	1,100	1,133	1,124
	1,880	1,700	1,749	1,654

The variance of actual production from capacity is primarily on account of the product mix.

46 Date of authorization for issue

These financial statements were authorized for issue on **07 October 2016** by the Board of Directors of the Company.

47 Events after balance sheet date

(i) The Board of Directors in their meeting held on **07 October 2016** have proposed a final cash dividend for the year ended 30 June 2016 of Rs.1 (2015: Rs. 1) per share, amounting to Rs. 137.804 million (2015: Rs. 134.877 million) for approval of the members at the Annual General Meeting to be held on **31 October 2016**. These financial statements do not reflect this dividend.

(ii) Subsequent to the year end, the Company has granted 4.11 million stock options to its eligible employees at an exercise price of Rs. 51.79 per share under "Treet Corporation Limited - Employee Stock Option Scheme, 2015". These options will have a vesting period of one year from grant date and an exercise period of one year from the date the options are vested. These options shall be exercisable after completion of vesting period i.e one year from date of grant.

48 General

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

LAHORE
October 07, 2016

Syed Shahid Ali
Chief Executive Officer

Muhammad Shafique Anjum
Director

Annexure-B

Society for Cultural Education

Financial Statements

For the year ended 30 June 2016

Balance Sheet
As at 30 June 2016

	Note	2016 (Rupees)
ASSETS		
CURRENT ASSETS		
Advances and prepayments	3	2,143,303
Tax Refunds due from Government	4	73,036
Cash and bank balances	5	53,315,359
		55,531,698
FUNDS AND LIABILITIES		
ACCUMULATED FUNDS		
Endowment fund	6	50,000,000
General fund - members' contribution	6	36,560,000
Accumulated deficit		(31,391,541)
		55,168,459
CURRENT LIABILITIES		
Trade and other payables	7	363,239
CONTINGENCIES AND COMMITMENTS	8	-
		55,531,698

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

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Income and Expenditure Account

For the year ended 30 June 2016

	2016 (Rupees)
INCOME	
Fee income	390,500
Profit on bank deposits	388,827
	779,327
EXPENDITURE	
Salaries, allowances and benefits	25,490,471
Rent, rates and taxes	2,195,035
Repairs and maintenance	1,487,544
Printing and stationery	1,036,780
Traveling Conveyance expense	415,084
Legal and professional charges	400,000
Utilities charges	343,813
Electricity and gas	257,550
Entertainment	189,762
Advertisement	119,880
Computer expenses	102,642
Audit fee	55,000
Other expenses	72,311
Bank charges	4,996
Total Expenses	32,170,868
EXCESS OF EXPENDITURE OVER INCOME - Deficit for the year	31,391,541
Other comprehensive income for the year	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR	31,391,541

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

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Statement Of Comprehensive Income

For the year ended 30 June 2016

	2016 (Rupees)
Deficit for the year	31,391,541
Other comprehensive income for the year	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR	31,391,541

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

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Cash Flow Statement

For the year ended 30 June 2016

	Note	2016 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the year		(31,391,541)
Adjustment for non-cash and other items:		
Finance cost		4,996
Operating loss before working capital changes		(31,386,545)
Net changes in operating assets and liabilities:		
Advances, prepayments and other receivables		(2,143,303)
Tax refunds due from Government		(73,036)
Trade and other payables		363,239
		(1,853,100)
Cash outflow from operating activities		(33,239,645)
Finance cost paid		(4,996)
Net cash outflow from operating activities		(33,244,641)
CASH FLOW FROM INVESTING ACTIVITIES		-
CASH FLOW FROM FINANCING ACTIVITIES		
Endowment fund received		50,000,000
General fund received		36,560,000
Net cash inflow from financing activities		86,560,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		53,315,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	53,315,359

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

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Statement of Changes In Accumulated Fund

For the year ended 30 June 2016

	Endowment Fund (Rupees)	General Fund (Rupees)	Accumulated Deficit (Rupees)	Total (Rupees)
Balance as at 30 June 2015	-	-	-	-
Funds provided during the year	50,000,000	36,560,000	-	86,560,000
Total comprehensive deficit for the year	-	-	(31,391,541)	(31,391,541)
Balance as at June 30, 2016	50,000,000	36,560,000	(31,391,541)	55,168,459

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

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Notes to the Financial Statements

For the year ended 30 June 2016

1 SOCIETY AND ITS OPERATIONS

The Society for Cultural Education was registered in Pakistan on April 06, 2015 as a society, under the Societies Registration Act, 1860. The Society was established to construct, run, maintain and manage schools, professional schools and colleges, universities, coaching classes, offices, libraries, information centers and other institutions for imparting moral, academic and technical education to children and adults and to promote and encourage the study of all arts, sciences, culture, history and general knowledge. The Society is principally engaged in providing culture and art education. The registered office of the Society is located at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards (IFRS) for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention.

2.3 Taxation

The income and donations as well as contributions by members to the society is exempt from taxation under section 2(36) of the Income Tax Ordinance, 2001 being a charitable and non-profitable educational institution. The society is registered with the Federal Board of Revenue.

2.4 Cash and cash equivalents

Cash equivalents are carried in the balance sheet at cost for the purposes of cash flow statement. Cash equivalents comprise of cash in hand and bank balances in current accounts.

2.5 Accrued and other liabilities

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.

2.6 Commitments and contingencies

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the books of account.

2.7 Revenue recognition

Revenue from fee and profit from bank deposits are recognised on receipt basis, whereas expenses are accounted for on accrual basis.

Notes to the Financial Statements
For the year ended 30 June 2016

		Note	2016 (Rupees)
3	ADVANCES AND PREPAYMENTS		
	Advances to suppliers		1,043,303
	Advances to staff for expenses		50,000
	Security deposit against rented premises		1,050,000
			2,143,303
4	TAX REFUNDS DUE FROM GOVERNMENT		
	Income tax refundable		73,036
5	CASH AND BANK BALANCES		
	Cash in hand		150,526
	Cash at bank		
	- saving accounts		2,891,794
	- endowment fund	5.1	50,273,039
			53,164,833
			53,315,359

5.1 This represents the amount of Endowment Fund deposited in the bank account alongwith profit thereon in the sum of Rs. 273,039.

6 The amounts of Endowment Fund and Members' Contribution have been provided by Treet Corporation Limited.

7	TRADE AND OTHER PAYABLES	
	Accrued liabilities	91,870
	Withholding tax payable	271,369
		363,239

8 CONTINGENCIES AND COMMITMENTS

8.1 There was no contingent liability of the society at the terminal date.

8.2 There was no capital commitment of the society at the terminal date.

9 DATE OF AUTHORIZATION

The Board of Governors has authorized the financial statements for issuance on October 07, 2016.

10 GENERAL

10.1 Figures of the corresponding period are not applicable in this case as the society has commenced its operations after July 01, 2015.

10.2 Figures in these financial statements have been rounded off to the nearest rupee.

LAHORE
October 07, 2016

Chairman/Member

Member/Secretary

Pattern of Shareholding

As at 30 June 2016

Form 34

Sr. No.	Shareholdings' Slab		No. of Shareholders		Total	No. of Shares held
	From	To	CDC	Physical		
1	1	100	460	790	1,250	49,597
2	101	500	1,224	404	1,628	622,575
3	501	1,000	1,031	138	1,169	1,080,621
4	1,001	5,000	1,926	159	2,085	5,648,865
5	5,001	10,000	447	37	484	3,786,646
6	10,001	15,000	178	6	184	2,380,516
7	15,001	20,000	91	4	95	1,735,528
8	20,001	25,000	65	3	68	1,584,799
9	25,001	30,000	34	4	38	1,071,321
10	30,001	35,000	26	2	28	926,465
11	35,001	40,000	21	-	21	794,150
12	40,001	45,000	22	2	24	1,030,840
13	45,001	50,000	25	-	25	1,232,985
14	50,001	55,000	15	-	15	795,230
15	55,001	60,000	9	-	9	530,050
16	60,001	65,000	5	-	5	315,487
17	65,001	70,000	6	-	6	413,200
18	70,001	75,000	8	-	8	583,550
19	75,001	80,000	8	1	9	708,737
20	80,001	85,000	4	-	4	339,000
21	85,001	90,000	5	-	5	434,550
22	90,001	95,000	3	-	3	276,117
23	95,001	100,000	16	-	16	1,590,123
24	100,001	105,000	4	-	4	411,125
25	105,001	110,000	1	-	1	109,062
26	110,001	115,000	1	-	1	114,250
27	115,001	120,000	1	-	1	120,000
28	120,001	125,000	3	-	3	364,510
29	125,001	130,000	1	-	1	128,500
30	130,001	135,000	2	-	2	268,342
31	135,001	140,000	1	-	1	140,000
32	145,001	150,000	1	-	1	150,000
33	155,001	160,000	3	-	3	472,750
34	165,001	170,000	1	-	1	170,000
35	170,001	175,000	2	-	2	346,000
36	175,001	180,000	1	-	1	180,000
37	180,001	185,000	1	-	1	183,312
38	185,001	190,000	1	-	1	189,500
39	190,001	195,000	1	-	1	190,990
40	195,001	200,000	4	-	4	800,000

Pattern of Shareholding

As at 30 June 2016

Form 34

Sr. No.	Shareholdings' Slab From	To	No. of Shareholders CDC	Physical	Total	No. of Shares held
41	200,001	205,000	1	-	1	202,000
42	205,001	210,000	1	-	1	210,000
43	215,001	220,000	1	-	1	215,140
44	240,001	245,000	1	-	1	241,997
45	245,001	250,000	2	-	2	500,000
46	255,001	260,000	1	-	1	257,500
47	265,001	270,000	2	-	2	539,237
48	275,001	280,000	1	-	1	280,000
49	285,001	290,000	1	-	1	290,000
50	290,001	295,000	1	-	1	295,000
51	295,001	300,000	3	-	3	900,000
52	315,001	320,000	1	-	1	319,177
53	320,001	325,000	1	-	1	324,615
54	325,001	330,000	2	-	2	660,000
55	355,001	360,000	1	-	1	360,000
56	395,001	400,000	1	-	1	400,000
57	420,001	425,000	1	-	1	422,937
58	465,001	470,000	1	-	1	470,000
59	515,001	520,000	1	-	1	520,000
60	600,001	605,000	-	2	2	1,203,460
61	605,001	610,000	1	-	1	608,600
62	715,001	720,000	1	-	1	718,000
63	845,001	850,000	1	-	1	850,000
64	995,001	1,000,000	1	-	1	1,000,000
65	1,085,001	1,090,000	1	-	1	1,086,000
66	1,480,001	1,485,000	1	-	1	1,484,500
67	1,555,001	1,560,000	1	-	1	1,555,350
68	1,600,001	1,605,000	1	-	1	1,603,660
69	1,625,001	1,630,000	1	-	1	1,627,000
70	2,645,001	2,650,000	-	1	1	2,645,350
71	2,920,001	2,925,000	1	-	1	2,923,500
72	4,070,001	4,075,000	1	-	1	4,071,085
73	4,080,001	4,085,000	1	-	1	4,083,585
74	5,910,001	5,915,000	-	1	1	5,912,500
75	7,205,001	7,210,000	-	1	1	7,206,720
76	7,620,001	7,625,000	1	-	1	7,620,680
77	10,135,001	10,140,000	1	-	1	10,135,187
78	10,265,001	10,270,000	1	-	1	10,266,854
79	31,525,001	31,530,000	1	-	1	31,525,382
			5,698	1,555	7,253	137,804,309

Pattern of Shareholding

As at 30 June 2016

Form 34

NAME & CATEGORY WISE DETAILS IN ACCORDANCE WITH THE CCG 2012

Name of Shareholders	Status	CDC Shareholders	No. of Shares in CDC	Physical Shareholders	No. of Shares in Physical	Total Share-holders	Total No. of Shares Held	%
Dr. Mrs. Niloufer Qasim Mahdi	Director	2	4,352,822	1	603,170	3	4,955,992	3.60%
Syed Shahid Ali	Director	2	35,596,467	1	2,645,350	3	38,241,817	27.75%
Syed Sheharyar Ali	Director	2	10,743,787	-	-	2	10,743,787	7.80%
Mr. Saulat Said	Director	1	4,200	-	-	1	4,200	0.00%
Mr. Imran Azim	Director - Nominee NIT	-	-	-	-	-	-	0.00%
Mr. Munir Karim Bana	Director - Nominee Loads Limited	1	120,410	-	-	1	120,410	0.09%
Dr. Salman Faridi	Director	1	100	-	-	1	100	0.00%
Mr. Muhammad Shafique Anjum	Director	1	20,000	1	25,050	2	45,050	0.03%
Loads Limited	Associated Company	1	7,620,680	-	-	1	7,620,680	5.53%
NIT	Government Institution	5	12,208,511	-	-	5	12,208,511	8.86%
Foreign Company		-	-	1	5,912,500	1	5,912,500	4.29%
Bank, DFI, Insurance		11	5,962,477	2	180	13	5,962,657	4.33%
Joint Stock Companies		49	3,928,039	-	-	49	3,928,039	2.85%
Investment Companies		4	196,530	5	9,809	9	206,339	0.15%
Public Sector		-	-	-	-	-	-	0.00%
Modaraba		4	150,750	-	-	4	150,750	0.10%
Executive		1	200,000	-	-	1	200,000	0.15%
Company Secretary		-	-	-	-	-	-	0.00%
Others		29	3,758,424	-	-	29	3,758,424	2.73%
Individual		5,584	34,577,830	1,544	9,167,223	7,128	43,745,053	31.74%
		5,698	119,441,027	1,555	18,363,282	7,253	137,804,309	100.00%

SHAREHOLDERS HOLDING 5% SHARES & ABOVE

Sr. No.	Name of Shareholder	Shares held
1	Syed Shahid Ali	38,241,817
2	National Bank of Pakistan	12,208,511
3	Syed Sheharyar Ali	10,743,787
4	Loads Limited	7,620,680

Intimation under Clause (I) of sub-regulation (XVI) of Regulation 35 of Chapter (XI) of Listing Regulations of Pakistan Stock Exchange Limited during the year.

	Through TCLTC* Conversion		Through TCLTC* Conversion		Market Trade : Buy/(Sell)	
	No. of Shares	Right Price	No. of Shares	Conversion Price*	No. of Shares	Market Price
Syed Shahid Ali	22,293,706	50.00	1,110,690	59.14		
Syed Sheharyar Ali	6,558,926	50.00	26,887	59.14	93,000	52.81
Dr. Mrs. Niloufer Qasim Mahdi	4,240,822	50.00	7,175	59.14		
Mr. Saulat Said	2,100	50.00	700	59.14		
Mr. Munir Karim Bana	50,490	50.00	36,260	59.14		
Mr. Muhammad Shafique Anjum	20,000	50.00				
Dr. Salman Faridi					100	62.99
Mr. Amir Zia	200,000	50.00				
Rana Shakeel Shaukat	30,000	50.00			30,000	48.80

*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

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 2016-2016 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, 2016, 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	18,363,282	119,441,027	137,804,309
Shares held by Directors	3,273,570	50,837,786	54,111,356
Shares held by Associates	-	7,620,680	7,620,680
Shares held by Government Institution	-	12,208,511	12,208,511
Shares held by Foreign Companies	5,912,500	-	5,912,500
Others	9,177,212	48,774,050	57,951,262
	18,363,282	119,441,027	137,804,309
Free Float of Shares as on June 30, 2016		48,774,050	48,774,050
% of Free Float		40.84%	35.39%

Information for Shareholders

Dear Shareholder(s),

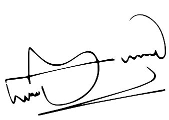
INFORMATION UNDER SECTION 218
OF THE COMPANIES ORDINANCE, 1984.

We wish to inform you that in accordance with the approval of the Board of Directors, in their meeting held on October 07, 2016, the remuneration of Executive Directors (including Chief Executive Officer) of the Company have been determined as follows:

Name of Director	Designation	Per Month Salary	Effective from
Syed Shahid Ali	Chief Executive Officer	Rs. 3,200,000/-	July 01, 2016
Mr. Saulat Said	Director	Rs. 1,000,000/-	July 01, 2016
Mr. Muhammad Shafique Anjum	Director	Rs. 750,000/-	January 01, 2016

The above remuneration shall be subject to such adjustments, bonuses, retirement funds, incentives and other entitlements as may be granted at any time and from time to time by the Board of Directors of the Company and/or in accordance with the policies and the service rules of the Company for the time being in force.

Yours sincerely,
For Treet Corporation Limited



(Rana Shakeel Shaukat)
Company Secretary

Notes

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 representative 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 WARRANT]

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 warrant?

Please tick " " any of the following box.

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	
Landline Number, 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 Shareholder

Second Fold

Affix Revenue
Stamp

The Company Secretary

TREET CORPORATION LIMITED
72-B, Industrial Area, Kot Lakhpat,
Lahore - Pakistan

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منافع منقسمہ مینڈیٹ فارم

کمپنی سیکرٹری
ٹریٹ کارپوریشن لمیٹڈ
۷۲۔بی انڈسٹریل ایریا، کوٹ لکھپت، لاہور

تاریخ: ____ \ ____ \ ____

میں/ہم/مسٹر/مس/مسز/میسرز ____________________
سی این آئی سی نمبر/ پاسپورٹ نمبر/ این ٹی این ____________________ بطور ٹریٹ کارپوریشن لمیٹڈ کا شیئر ہولڈر ہونے کی حیثیت سے کمپنی کو یہ اختیار دیتا/دیتی ہوں کہ اگر کمپنی کی جانب سے مستقبل میں کوئی نقد منافع منقسمہ دیا جائے تو ڈیویڈنڈ وارنٹ جاری کرنے کے بجائے اسے براہ راست میرے بینک اکاؤنٹ میں کریڈٹ کروادیا جائے۔ مذکورہ بالا درخواست پر عمل درآمد کے لیے میری تفصیلات درج ذیل ہیں:

شیئر ہولڈر کی معلومات اور بینک کی تفصیلات	
شیئر ہولڈر کا نام	
فولیو نمبر	
CNIC نمبر/ این ٹی این/ پاسپورٹ نمبر (براہ مہربانی تصدیق شدہ کاپی منسلک کریں)	
بینک اکاؤنٹ کا نام (ٹائٹل)	
بینک اکاؤنٹ نمبر (مکمل)	
بینک کا نام	
بینک کی برانچ کا نام	
برانچ کوڈ	
بینک کی برانچ کا پتہ	
ٹیلی فون نمبر (لینڈ لائن)	
ٹیلی فون نمبر (موبائل)	

میں یہ اقرار کرتا/کرتی ہوں کہ مندرجہ بالا فراہم کردہ معلومات درست ہیں اور مذکورہ بالا تفصیلات میں کسی بھی قسم کی تبدیلی کی صورت میں، جیسے ہی وہ واقع ہوں، میں کمپنی اور اس کے شیئر رجسٹرار کو فوری طور پر تحریری صورت میں مطلع کروں گا/کروں گی۔

ممبر کا دستخط: ____________________

نام: ____________________

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Stamp

کمپنی سیکرٹری

ٹریٹ کارپوریشن لمیٹڈ

72-بی انڈسٹریل ایریا، کوٹ لکھپت، لاہور

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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 _________________ or failing him/her Miss/Mrs/ Mr. _______________________________________

of ________________ another person on 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 Monday, October 31, 2016, 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 2016

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

Third Fold and Tuck In

First Fold

پراکسی فارم

میں مسٹر/مسز/مس .... ساکن .... بحیثیت ممبر ٹریٹ کارپوریشن لمیٹڈ ہولڈنگ .... شیئر زفولیو نمبر .... کے تحت مسٹر/مسز/مس .... ساکن .... یا فرد مذکورہ کی عدم دستیابی کی صورت میں مسٹر/مسز/مس .... ساکن .... کو اپنا نمائندہ مقرر کرتا/کرتی ہوں کہ ۳۱ اکتوبر 2016 بروز پیر کو صبح گیارہ بجے (11:00) پر منعقد ہونے والے کمپنی کے سالانہ اجلاس اور اس کے بعد کسی بھی اور کہیں بھی منعقد ہونے والے دوسرے اجلاس کے لیے اپنا نمائندہ مقرر کر سکتا/سکتی ہوں

دستخط شیئر ہولڈر ....
(دستخط کمپنی کے پاس دستخط کے نمونہ کے مطابق ہوں)

قومی شناختی کارڈ نمبر/پاسپورٹ نمبر ....

-/5روپے کا محصول ٹکٹ

مورخہ اکتوبر2016

دستخط مقرر کردہ نمائندہ ....

گواہان:

1۔دستخط	....	2۔دستخط	....
نام	....	نام	....
پتہ	....	پتہ	....
قومی شناختی کارڈ نمبر	....	قومی شناختی کارڈ نمبر	....

نوٹ:

1۔ پراکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرا دیا جائے۔

2۔ اگر کوئی ممبر ایک سے زیادہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر میں جمع کروا دے گا تو پراکسی فارم قابل قبول نہیں ہوگا۔

3۔ مقرر کردہ نمائندے کے لیے کمپنی کا ممبر ہونا لازمی نہیں۔

سی ڈی سی اکاؤنٹ ہولڈر/کارپوریٹ انیٹٹی ہونے کی صورت میں درج ذیل شرائط پر عمل کرنا ہوگا۔

(i) ممبر اور پراکسی کی قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ منسلک کرنی ہونگی۔

(ii) پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(iii) کارپوریٹ اینٹٹی کی صورت میں ڈائریکٹرز کی پاس کردہ قرارداد/پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ پراکسی فارم کے ہمراہ اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرانا ہوگی۔

Second Fold

Affix Revenue
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کمپنی سیکرٹری

ٹریٹ کارپوریشن لمیٹڈ

72-بی انڈسٹریل ایریا، کوٹ لکھپت، لاہور

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Subscription to Alerts (event notifications, corporate and regulatory actions)
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@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP
*Mobile apps are also available for download for android and ios devices

Notes

Our eyes are in front because it's more important to look ahead than to look back. Don't dwell on things in the past. Learn from them and keep moving forward...