

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM**  
**FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD ENDED**  
**31 MARCH 2019 (UN-AUDITED)**



**CLOVER PAKISTAN LIMITED**



# Contents

Company Information	1
Directors' Report to the members	2
Condensed Interim Statement of Financial Position	5
Condensed Interim Profit or Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to Condensed Interim Financial Statements	10



## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Muhammad Jamshed Azmet  
Mr. Abu Talib Haideri  
Mr. Nadeem Ahmed Butt  
Mr. Khawar Jamil Butt  
Mrs. Nazia Malik  
Mr. Asif Saeed Sindhu  
Mr. Abdul Wahab Kodvavi  
Mr. Irfan Ali Hyder

### **AUDIT COMMITTEE**

Mr. Abdul Wahab Kodvavi  
Mr. Asif Saeed Sindhu  
Mr. Muhammad Jamshed Azmet  
Mr. Nadeem Ahmed Butt

### **HUMAN RESOURCE COMMITTEE**

Mr. Irfan Ali Hyder  
Mr. Muhammad Jamshed Azmet  
Mr. Abu Talib Haideri  
Mr. Khawar Jamil Butt

### **COMPANY SECRETARY**

Mr. Zeeshan Ul Haq

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Asim

### **EXTERNAL AUDITORS**

Grant Thornton Anjum Rahman  
Chartered Accountants

### **REGISTERED OFFICE**

Banglow No. 23-B, Lalazar,  
Off M.T. Khan Road,  
Karachi, Pakistan.

### **SHARE REGISTRAR**

FAMCO Associates (Private) Limited  
8-F, Next to Hotel Faran, Nursery,  
Block-6, P.E.C.H.S, Sharah-e-Faisal,  
Karachi

### **WEBSITE**

[www.clover.com.pk](http://www.clover.com.pk)

## Directors Report to the Members

On behalf of the Board of Directors of Clover Pakistan Limited, I am pleased to present the report and condensed unaudited interim financial statements of Clover Pakistan Limited (CPL) for the nine months ended March 31, 2019.

### Financial Performance

The financial performance of the Company for the nine months ended March 31, 2019 is summarized below:

	<u>Nine Months Period Ended</u>	
	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	<i>(Rupees in '000)</i>	
Revenue - Net	1,131,177	-
Cost of Sales	(728,435)	-
<b>Gross Profit</b>	<b>402,742</b>	<b>-</b>
Admin and Selling Expenses	(88,148)	(2,192)
Other Charges/Income	(2,191)	5,228
<b>Profit before tax</b>	<b>312,403</b>	<b>3,036</b>
Taxation	(45,181)	516
<b>Profit after tax</b>	<b>267,222</b>	<b>3,552</b>
	<u><i>(Rupees)</i></u>	<u><i>(Rupees)</i></u>
Earnings per share - Basic & diluted	10.73	0.38

During 2018, it was decided by the Company to merge Hascombe Business Solutions (Private) Limited (HBSL), a related entity, into Clover Pakistan Limited (CPL). After necessary due diligence and regulatory approvals, the Honorable High Court, of Sindh sanctioned the scheme of amalgamation retroactively with effect from April 1, 2018. The Company has completed the process of issuing necessary additional shares to the shareholders of HBSL in accordance with the approved swap ratio. The above financial figures represent the results of the merged entity with effect from April 1, 2018.



## **Performance Overview**

In accordance with its strategic plan, the Company has revived its business and trading activities during the period under review. The net revenue of the Company increased to Rs. 1,131.1 million resulting in a Gross profit of Rs. 402.7 million and a Profit after tax of Rs. 267.2 million. EPS-basic and diluted was Rs. 10.73 and Rs. 3.03 for the nine months and quarter respectively.

The revenue stream of the Company continued to be driven by strong growth in the trading and services division of the Company. The company provided vital goods and services to the energy sector. Equipment supplied included rotary pumps and motors, fuel dispensers, flow meters and allied equipment. The Business Solutions division of the Company also contributed strongly to the bottom line, being leading distributors of renowned office technology brands.

Lubricants sale also took off during the quarter with sales averaging around 50,000 litres per month and growing. Lubricants procurement is currently managed through toll blending arrangements, initially geared towards the low-end market segment. The focus of the company remains the domestic market which is segmented into High-Street and Industrial Consumers (B2B & B2Ci). Lubricants remains a high margin product for the Company.

During the quarter, the Company also soft launched selected food products at third party marts. The response was very encouraging and a full scale launch is planned after finalizing supply chain and distribution arrangements.

Administration and selling expenses at Rs. 88.1 million were reflective of the growing organization and related increase in the workforce in the Company to cater for expanding business as compared to a mostly dormant last year. Major elements within this head included employee salaries and benefits, travelling, depreciation and office related costs.

## **Technology**

As part of its ongoing operational excellence initiative, the Company is in the process of implementing the SAP S/4 HANA ERP Business Suite. The SAP solution will greatly facilitate our Group companies in improving their productivity and insight, reduce costs through increased flexibility, improve financial management and support changing industry requirements. During the quarter, EY Ford Rhodes have been appointed as the Implementation partners and will provide the necessary end to end support for the enterprise strategy, design, process re-engineering, deployment and post implementation control.

## Governance

To further strengthen corporate credibility and governance standards, the following two independent directors were appointed to the Board in January 2019. They are reputed professionals in their respective fields and will add considerable value:

**Mr. Irfan Ali Hyder - Chairman, Board HR Committee**

**Mr. Abdul Wahab Kodvavi - Chairman, Board Audit Committee**

During the quarter, Mr. Abu Talib Haideri was appointed as the new Chief Executive Officer of the Company. Mr. Haideri is a senior Chartered Accountant with over 25 years of extensive business experience in Pakistan and the Middle East. The Board is confident that under his able guidance, the Company will accelerate the pace of its growth. The Board wishes to thank the outgoing CEO, Mr. Aqeel Ahmed Khan for his services to the Company.

## Future Outlook

Our future strategy is driven by innovation, expanding core segments and diversification. Whilst continuing to focus on strong growth in the existing Petrotech, Business Solutions and Auto Care segments, the Company intends to further build upon its strengths and the Clover brand by expanding its other business sectors including food and Lubricants.

At Clover, we remain firm in our commitment to reinvigorate this Company and create value for all our stakeholders. This growth will be underpinned by achieving operational excellence, elevated customer satisfaction whilst driving cost efficiencies across all our divisions. We remain well positioned to grow our balance sheet in a prudent manner while leveraging off our diverse product portfolio that supports core earnings in a growing consumer market.

## Acknowledgements

On behalf of the Board, I would like to express our appreciation to our shareholders and customers for their continued patronage. We also highly value the services and dedication of our employees who are relentless in their commitment to better serve our customers. I would also like to thank our creditors and the regulators for their continued support and direction.

## For and on behalf of the Board



**Chairman**

April 30, 2019



**Chief Executive**

## ممبران کے لئے ڈائریکٹرز کی رپورٹ

کلور پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ، 2019 کو ختم ہونے والے نو ماہ کے لئے رپورٹ اور کلور پاکستان لمیٹڈ کے غیر متوقع غیر معمولی مالیاتی بیانات کو پیش کرنے پر خوش ہوں۔

اور بورڈ کی طرف سے مقرر کردہ اہداف کو پورا کرنے میں ہمارے تمام ملازمین کی انتھک محنت کا بھی شکریہ ادا کرتا ہوں۔

### مالیاتی کارکردگی:

31 مارچ، 2019 کو ختم ہونے والے نو ماہ کے لئے کمپنی کی مالیاتی کارکردگی ذیل میں خلاصہ کی گئی ہے۔

نو ماہ کی مدت کا اختتام		
31 مارچ، 2018	31 مارچ، 2019	
(روپے '000 میں)		
—	1,131,177	خالص منافع
—	(728,435)	فروخت کی قیمت
—	402,742	مجموعی منافع
(2,192)	(88,148)	انتظامی اور فروخت کے اخراجات
5,228	(2,191)	دیگر اخراجات / آمدنی
3,036	312,403	منافع قبل از ٹیکس
516	(45,181)	ٹیکس
3,552	267,222	منافع بعد از ٹیکس
(روپے)	(روپے)	
0.38	10.73	منافع فی حصص - بیک اینڈ ڈائریکٹرز

2018 کے دوران کمپنی کی جانب سے اس بات کا فیصلہ کیا گیا تھا کہ، ایک متعلقہ ادارہ ہیسکومب برنس سویلوشنز پرائیویٹ لمیٹڈ کو کلور پاکستان لمیٹڈ میں ضم کیا جائے۔ لازمی انتظامات اور ریگولیٹری منظوری کے بعد سندھ ہائی کورٹ نے 1 اپریل، 2018 کو اس منصوبے کی منظوری دی تھی۔ کمپنی نے ایچ بی ایل (HBSL) کے حصص داروں کو منظور شدہ تناسب کے مطابق لازمی اضافی حصص جاری کرنے کی منظوری دی ہے۔ مندرجہ بالا مالیاتی اعداد و شمار 1 اپریل، 2018 سے منسلک ادارے کے نتائج کی نمائندگی کرتے ہیں۔

### کارکردگی کا جائزہ:

کمپنی کی حکمت عملی کے منصوبے کے مطابق نو ماہ کے اس مدت کے دوران کمپنی نے اپنے کاروبار اور تجارتی سرگرمیوں کو بحال کیا ہے۔ کمپنی کی خالص آمدنی میں 1,131.1 ملین روپے کا اضافہ ہوا جو کہ نچلتا مجموعی منافع میں 402.7 ملین اور ٹیکس کے بعد کے منافع میں 267.2 ملین روپے کے اضافے کو ظاہر کرتا ہے۔ نو ماہ اور سہ ماہی میں ای پی ایل - بیک اور ڈائریکٹرز 10.73 اور 3.03 روپے بالترتیب تھی۔



کمپنی کی آمدنی کمپنی کی ٹریڈنگ اور سروس ڈویژن میں مضبوط اضافے کی بنیاد پر جاری ہے۔ کمپنی نے توانائی کے شعبے میں اہم سامان اور خدمات فراہم کی ہیں۔ سامان کی فراہمی میں روٹیری پمپز اور موٹرز، فیول ڈسپینسرز، فلو میٹرز اور الائنڈ گیس سامان شامل ہے۔ کمپنی کی بزنس سولیوشنز ڈویژن نے بھی مضبوطی کے ساتھ منافع کو بڑھانے میں تعاون کیا ہے اور معروف آفس ٹیکنالوجی برانڈز کا نمایاں تقسیم کار ہے۔

سہ ماہی کے دوران 50,000 لیٹر فی ماہ کی فروخت کے ساتھ لبریکینٹز کی فروخت کو بند کر دیا گیا۔ فی الحال خالی مرکب کے انتظامات کے ذریعے لبریکینٹز کے حصول کو سنبھالا جا رہا ہے جو کہ ابتدائی طور پر لوانڈ مارکیٹ سیگمنٹ کی طرف اشارہ کرتا ہے۔ کمپنی کی توجہ گھریلو مارکیٹ ہے جو ہائی اسٹریٹ اور صنعتی صارفین (B2B & B2C) کو تقسیم کیا جاتا ہے۔ کمپنی کے لئے لبریکینٹز ایک اعلیٰ نفع پہچانے کا کام کرتا ہے۔

سہ ماہی کے دوران کمپنی نے پہلی بار تیسری پارٹی کے مارٹس میں منتخب کردہ کھانے کی اشیاء کو فروخت کرنے کا آغاز کیا جس کا رد عمل بہت حوصلہ بخش تھا اور سپلائی چین اور تقسیم کے انتظامات کو حتمی شکل دینے کے بعد مکمل پیمانے پر اس منصوبے کا آغاز کیا گیا۔

انتظامیہ اور فروخت کے اخراجات میں 88.1 ملین روپے کا اضافہ بڑھتی ہوئی تنظیم کی عکاسی ہے اور کمپنی میں کاریگری میں متعلقہ اضافہ گزشتہ برس کی مقابلے میں کاروبار کو بڑھانے کے لئے زیادہ کیا گیا۔ اس زمرے کے اہم عناصر میں ملازموں کی تنخواہ اور فوائد، سفر، قیمتوں، اور دفتر سے متعلق اخراجات شامل تھے۔

## ٹیکنالوجی:

جاری کردہ عملیاتی پہلوؤں میں برتری کے سبب کمپنی ایس اے پی ایس/4 انا ای آر پی بزنس سوئٹ کو نافذ کرنے کے عمل میں ہے۔ ایس اے پی سولیوشنز ہماری گروپ کمپنیوں کو ان کی پیداوار اور بصیرت، بڑھتی ہوئی چلک کے ذریعے اخراجات کو کم کرنے، مالیاتی انتظامات کو بہتر بنانے اور صنعت کی ضروریات میں تبدیلی کو بہتر بنانے میں سہولت فراہم کرے گا۔ سہ ماہی کے دوران ای وائے فور ڈیٹا کو عمل درآمد شراکت دار کے طور پر مقرر کیا گیا جو کہ کاروباری ہم کی حکمت عملی، ڈیٹا، پروسس ری انجینئرنگ تعیناتی اور پوسٹ عملدرآمد کے کنٹرول کے لئے ہر ممکن حمایت فراہم کرے گا۔

## گورننس:

کارپوریٹ پر اعتماد اور گورننس کے معیار کو مزید مضبوط بنانے کے لئے جنوری 2019 میں بورڈ میں درج ذیل دو آزاد ڈائریکٹرز مقرر کئے گئے ہیں۔ وہ اپنے متعلقہ شعبوں میں معروف ہیں اور کمپنی کے وصف کو مزید بڑھانے میں کارآمد ثابت ہونگے۔

جناب عرفان علی حیدر۔ چیئر مین، بورڈ ایچ آر کمیٹی

جناب عبدالوہاب کڈواوی۔ چیئر مین، بورڈ آڈٹ کمیٹی

سہ ماہی کے دوران، جناب ابوطالب حیدری کو کمپنی کے نئے چیف ایگزیکٹو آفیسر کے طور پر مقرر کیا گیا تھا۔ جناب حیدری ایک سینئر چارٹرڈ اکاؤنٹنٹ ہیں جنہیں پاکستان اور مشرق وسطیٰ میں 25 سال سے ڈائمنڈ کاروباری تجربہ حاصل ہے۔ بورڈ پر اعتماد ہے کہ ان کی قابل رہنمائی کے تحت، کمپنی اپنی ترقی کی رفتار کو تیز کر سکے گی۔ بورڈ کمپنی کے سابقہ سی ای او جناب عقیل احمد خان کو ان کی خدمات کے لئے شکر یہ ادا کرتی ہے۔

## مستقبل کا نقطہ نظر:

ہماری مستقبل کی حکمت عملی، جدت پسندی، بنیادی طبقات اور متنوع کوفروغ دینے کا کام کرتی ہے موجودہ پیٹروئیک، بزنس سولیوشنز اور آٹو کیئر سیکمنٹس میں مضبوط ترقی پر توجہ مرکوز کرنے کے بعد کمپنی دیگر کاروباری شعبوں بشمول فوڈ اور لبریکیشنز کو بڑھانے کے لئے اپنی قوت پر مزید تعمیرات کرنے کا ارادہ رکھتی ہے۔

ہم کمپنی کو دوبارہ مضبوط بنانے اور اپنے تمام حصص داروں کے لئے آسانیاں پیدا کرنے کے لئے اپنے عزائم پر ثابت قدم ہیں۔ آپریشنل ایکسیلنس کو حاصل کرنے، گاہکوں کا بڑھتا ہوا اعتماد اور ہمارے تمام ڈویژنس میں لاگت کی صلاحیتوں کو حاصل کرنے کے ذریعہ ترقی حاصل ہوگی۔ ہم اپنی بیلنس شیٹ کو بڑھانے کے لئے اچھے اقدامات کریں گے جبکہ ہمارے متنوع پروڈکٹ پورٹ فولیو کو فائدہ پہنچانے والی صارفین کی مارکیٹ بنیادی آمدنی کی حمایت کرتی ہے۔

## اعتراف:

بورڈ کی جانب سے میں اپنے حصص داروں اور گاہکوں کو ان کے مسلسل یقین کے لئے سراہنا چاہتا ہوں۔ ہم اپنے تمام ملازمین کی خدمات اور انحصار کو بھی سراہنا چاہتے ہیں جو ہمارے گاہکوں کی خدمت کے لئے اپنے عہد پر کاربند ہیں۔ میں اپنے قرض خواہ اور ریگولیٹرز کی مسلسل حمایت کے لئے ان کا بھی شکریہ ادا کرنا چاہتا ہوں۔

بورڈ کے لئے بورڈ کی جانب سے



سی ای او



چیرمین

30 اپریل، 2019

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2019**

		March 31, 2019 (Un-audited) (Rupees in '000')	June 30, 2018 (Audited)
	Note		
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	8	21,298	508
Intangible assets	9	549,201	-
Long-term security deposits		-	10
Deferred tax asset	10	27,960	-
<b>Total non - current assets</b>		<b>598,459</b>	<b>518</b>
<b>CURRENT ASSETS</b>			
Stock in trade	11	82,388	-
Trade debts - unsecured	12	143,785	103,836
Loan and advances - considered good	13	59,183	851
Trade deposits and short term prepayments	14	30,671	89,319
Short term investment	15	284,681	-
Other receivables	16	32,665	20,998
Sales tax receivable - net		-	4,017
Advance tax - net		23,145	9,733
Cash and bank balances	17	28,425	78,795
<b>Total current assets</b>		<b>684,943</b>	<b>307,549</b>
<b>TOTAL ASSETS</b>		<b>1,283,402</b>	<b>308,067</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 40,000,000 (June 30, 2018: 10,000,000) shares of Rs. 10 each		400,000	100,000
Issued, subscribed and paid-up share capital	18	249,145	94,349
Share Premium		450,455	-
Reserves		342,492	103,575
<b>Shareholders' equity</b>		<b>1,042,092</b>	<b>197,924</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	91,610	105,981
Short term loan	20	130,166	-
Payable to retirement fund		14,606	-
Dividend payable		4,928	4,162
<b>Total current liabilities</b>		<b>241,310</b>	<b>110,143</b>
<b>Contingencies and commitments</b>	21		
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,283,402</b>	<b>308,067</b>

The annexed notes from 1 to 29 form and integral part of this condensed interim financial statements.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director

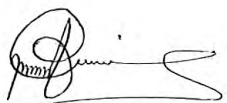
**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

		<u>Nine months period ended</u>		<u>Three months period ended</u>	
		<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	Note	<u>(Rupees in '000')</u>		<u>(Rupees in '000')</u>	
Revenue - net	22	1,131,177	-	240,146	-
Cost of sales	23	(728,435)	-	(132,209)	-
<b>Gross profit</b>		<b>402,742</b>	<b>-</b>	<b>107,937</b>	<b>-</b>
Administrative and selling expenses		(88,148)	(2,192)	(28,606)	(448)
<b>Operating profit / (Loss)</b>		<b>314,594</b>	<b>(2,192)</b>	<b>79,331</b>	<b>(448)</b>
Finance cost		(2,022)	(7)	(355)	(3)
Exchange loss		(3,024)	-	(786)	-
Other income		2,855	5,235	652	1,625
<b>Profit before taxation</b>		<b>312,403</b>	<b>3,036</b>	<b>78,842</b>	<b>1,174</b>
Taxation		(45,181)	516	(3,439)	(352)
<b>Profit for the period</b>		<b>267,222</b>	<b>3,552</b>	<b>75,403</b>	<b>822</b>
		----- <b>(Rupees)</b> -----		----- <b>(Rupees)</b> -----	
Earning per share	24	<b>10.73</b>	0.38	<b>3.03</b>	0.09

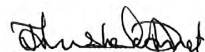
The annexed notes from 1 to 29 form and integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(Rupees in '000')</u>		<u>(Rupees in '000')</u>	
<b>Profit for the Period</b>	<b>267,222</b>	<b>3,552</b>	<b>75,403</b>	<b>822</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
Unrealised gain on revaluation of available for sale investments at fair value	-	524	-	68
Transferred to profit or loss account upon disposal of available for sale investment	-	(157)	-	(27)
<b>Other comprehensive income</b>	<b>-</b>	<b>367</b>	<b>-</b>	<b>41</b>
<b>Total comprehensive income</b>	<b>267,222</b>	<b>3,919</b>	<b>75,403</b>	<b>863</b>

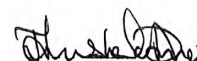
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Chief Executive



Chief Financial Officer




Director

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

		Nine months period ended	
	Note	March 31, 2019	March 31, 2018
		(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations after working capital changes	25	311,067	(1,453)
Finance cost paid		(2,206)	(7)
Taxes paid		(48,479)	(394)
Payment to outgoing employee - provident fund		(236)	-
Interest received		1,466	-
<b>Net cash flows generated from / (used in) operating activities</b>		<b>261,612</b>	<b>(1,854)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in Property and Equipment		(7,444)	-
Dividend received		119	-
Short-term investment made		(279,951)	(863,924)
Proceeds from disposals of held to maturity investments		-	315,820
Proceeds from disposals of available for sale investments		-	546,580
Proceeds from redemption of available for sale investments		-	1,800
<b>Net cash flows used in investing activities</b>		<b>(287,276)</b>	<b>276</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(27,493)	(6)
<b>Net cashflows used in financing activities</b>		<b>(27,493)</b>	<b>(6)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(53,157)</b>	<b>(1,584)</b>
Effects of exchange rate changes on cash and cash equivalents		(3,024)	-
<b>Cash and cash equivalents at the beginning of the period</b>		<b>78,795</b>	<b>4,142</b>
<b>Transfer from Hascombe Business Solutions (Private) Limited</b>		<b>5,811</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>28,425</b>	<b>2,558</b>

The annexed notes from 1 to 29 form and integral part of this condensed interim financial

  
 Chief Executive

  
 Chief Financial Officer

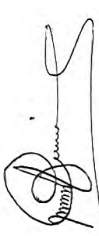
  
 Director

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Issued,Subscribed and Paid up Capital	Share Premium	Capital to be issued pursuant to amalgamation	Reserves			Total equity
				General reserves	Available for sale reserves	Unappropriated profit	
----- Rupees in '000 -----							
Balance as at July 1, 2017	94,349		-	64,600	182	15,319	80,101
Profit after taxation for the period ended March 31, 2018	-		-	-	-	3,552	3,552
Other comprehensive income for the period	-		-	-	367	-	367
Total comprehensive income for the period	-		-	-	367	3,552	3,919
Balance as at March 31, 2018	94,349		-	64,600	549	18,871	84,020
Balance as at July 1, 2018	94,349		-	64,600	-	38,975	103,575
Profit after taxation for the period ended March 31, 2019	-		-	-	-	267,222	267,222
Interim dividend for the period ended 30 September 2018 @ Rs. 3.00 per share	-		-	-	-	(28,305)	(28,305)
Capital to be issued pursuant to Amalgamation	-		605,251	-	-	-	-
Share issued against amalgamation Reserves	154,796	450,455	(605,251)	-	-	-	-
Total comprehensive income for the period	154,796	450,455	-	-	-	238,917	238,917
Balance as at March 31, 2019	249,145	450,455	-	64,600	-	277,892	342,492
							1,042,092

The annexed notes from 1 to 29 form and integral part of this condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director





**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

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**1 LEGAL STATUS AND OPERATIONS**

- 1.1 The Company was incorporated in Pakistan on September 30, 1986 as a public limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Fossil Energy (Private) Limited (the 'Holding Company') which holds 83% shares of the Company. The registered office and geographical location of the Company is situated at Banglow No.23-B, Lalazar, Off M.T. Khan Road, Karachi.
- 1.2 The principal business of the Company is to import and sale food products, consumer durables, and also import & trade of gantry equipment's air/oil filter and other car care products. However, after amalgamation with Hascombe Business Solutions (Private) Limited, the company is involved in marketing & distribution and after sales support of office automation products, fuel dispensers, vending machines and digital screens.
- 1.3 On September 18, 2018, the Board of Directors of the Company had passed a resolution to approve the merger between Hascombe Business Solutions (Private) limited (HBSPL) with and into the Company. The scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board of Directors and shareholders of the Company and HBSPL.

The High Court of Sindh through its order dated February 01, 2019 has sanctioned the scheme. Pursuant to this sanction, the entire business of HBSPL including Properties, Assets, Liabilities, and the Rights and Obligations of HBSPL have been amalgamated into and vest in the Company with effect from the effective date as mentioned in the scheme i.e., on April 01, 2018. The Company is required to be issued 15,479,567 shares to the shareholders of Hascombe and allot approximately 6.06 shares to them for every one share of Hascombe held by each of the shareholders. The merger is effective from April 01, 2018 due to which the figures of condense interim profit or loss for the nine months period ended March 31, 2019 also includes business activity of HBSPL from April 01, 2018 to December 31, 2018.

**2 SIGNIFICANT EVENTS AND TRANSACTIONS**

As referred to in note 1.3 to the accompanying financial statements, during the period, the Company has revived its business activities and commenced trading activities in line with its strategic business plan.

**3 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**4 BASIS OF PREPARATION**

These condensed interim financial statements of the company does not include all of the information and disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements of the company as at and for the year ended June 30, 2018. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements.

The figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the relevant notes to the condensed interim financial statements for the nine months period ended March 31, 2019 and March 31, 2018 are not audited. Further, the figures for the three-months period ended March 31, 2019 and 2018 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have also not been reviewed by auditors.

**5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

- 5.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management are as follows:



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

**5.1.1 IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from sale of goods is recognized when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration).

However, the application of above standard do not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim financial statements.

**6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT**

Judgements and estimates made by the management in the preparation of this condensed interim financial information are same as those applied in the Company's annual financial statements for the year ended June 30,

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

**7 FUNCTIONAL AND PRESENTATION CURRENCY**

This condensed interim financial statements is presented in Pakistani Rupees which is also Company's functional currency.

		(Un-audited)	(Audited)
	Note	March 31, 2019	June 30, 2018
		(Rupees in '000')	
<b>8 PROPERTY AND EQUIPMENT</b>			
Operating Fixed Assets	8.1	21,298	508
		<u>21,298</u>	<u>508</u>

**8.1** Details of additions and disposals to property and equipment during the nine months period ended are as follows:

	(Un-audited)			
	Additions - (including		Disposals	
	---At Cost/Net Book Value--		-----At Net Book Value-----	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000')			
<b>Owned assets</b>				
Leasehold improvements	5,108	-	-	-
Furniture and fittings	3,297	-	-	-
Motor vehicles	11,686	-	-	-
Computer & IT equipment	11,879	-	-	-
				-
- held by the Company -	10,632	-	-	-
held by third parties	133	-	(36)	-
	<u>42,735</u>	<u>-</u>	<u>(36)</u>	<u>-</u>



**CLOVER PAKISTAN LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

		(Un-audited) March 31, 2019 (Rupees in '000')	(Un-audited) March 31, 2018
8.2	Depreciation charge for the period	6,659	-
	Note	(Un-audited) March 31, 2019 (Rupees in '000')	(Audited) June 30, 2018
<b>9</b>	<b>INTANGIBLE ASSETS</b>		
	Goodwill (acquisition through amalgamation)	548,863	-
	Softwares	338	-
		549,201	-
9.1	Goodwill has been recognized on the amalgamation of Hascombe Business Solutions (Private) Limited by the Company. These intangible assets have been treated as having an indefinite useful life, consequently, the said intangibles will not be amortized. However these intangible assets will be tested for impairment annually.		
		(Un-audited) March 31, 2019 (Rupees in '000')	(Audited) June 30, 2018
<b>10</b>	<b>DEFERRED TAX ASSET - NET</b>	27,960	-
	Deferred tax asset has been recognized based on the projections prepared by the management indicating reasonable probabilities that taxable profits will be available in the foreseeable future against which deferred tax asset will be utilized. The deferred tax asset amount has been restricted to Rs. 27.96 million (June 30, 2018: Nil) on basis of projections provided by management.		
	Note	(Un-audited) March 31, 2019 (Rupees in '000')	(Audited) June 30, 2018
<b>11</b>	<b>STOCK IN TRADE</b>		
	Finished goods	82,388	-
<b>12</b>	<b>TRADE DEBTS - UNSECURED</b>		
	Considered good	143,785	103,836
12.1	This include Rs. 118.05 million (June 30, 2018: Rs. 103.84 million) receivable from related parties.		
		(Un-audited) March 31, 2019 (Rupees in '000')	(Audited) June 30, 2018
<b>13</b>	<b>LOANS AND ADVANCES</b>		
	Considered good	106	-
	- Loan to employees	59,077	851
	- Advance to suppliers	59,183	851

**CLOVER PAKISTAN LIMITED**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Note	(Un-audited) March 31, 2019 (Rupees in '000')	(Audited) June 30, 2018
<b>14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits		9,190	2,100
Margin deposits		17,064	86,179
Short-term prepayments		4,417	1,040
		<u>30,671</u>	<u>89,319</u>
<b>15 SHORT-TERM INVESTMENT</b>			
<b>Held to maturity - at amortized cost</b>			
Term Deposits Receipt (TDR)	15.1	265,000	-
<b>Investment through profit or loss</b>			
Quoted Share at fair Value		19,681	-
		<u>284,681</u>	<u>-</u>
<b>15.1</b>	Represents term deposit receipt with a commercial bank under conventional banking relationship having interest rate of 9.25% (June 30, 2017: 6.8%) per annum with a maturity date of 3 April 2019.		
		(Un-audited) March 31, 2019	(Audited) June 30, 2018
<b>16 OTHER RECEIVABLES</b>		(Rupees in '000')	
<b>Considered good</b>			
Receivable from associated companies		11,667	-
Duty refundable due from Government	16.1	20,998	20,998
		<u>32,665</u>	<u>20,998</u>
<b>16.1</b>	During the year ended June 30, 2009, the Federal Government issued SRO 787(1)/2008 dated July 26, 2008 under Section 19 of Customs Act, 1969 (the Act) whereby, the Customs duty on import of crystalline sugar was brought down to zero, as against 25% given in First Schedule to the Act. The Company had imported crystalline sugar from July 26, 2008 to October 15, 2008 and paid custom duty of Rs.17.012 million and Rs.3.986 million without availing the benefit of subject SRO. Thereafter, the refund claims were filed by the Company with the custom Authorities and recognised the same in books of account during the year ended June 30, 2009 The refund claims were rejected by the Additional Collectorate on the ground that the incidence of duty and taxes has been passed on to the end consumers by incorporating it in the cost of the product.		

Being aggrieved with decision of Additional Collectorate, the Company had filed appeals before the Collector of Customs as well as before the Appellate Tribunal in the year ended June 30, 2010 and 2011 respectively, which were also rejected on the same grounds. The Company later filed references in the Honourable High Court of Sindh (SHC) against the judgments of the Appellate Tribunal. Regarding the reference of Rs.17.012 million, the SHC vide its order dated May 28, 2015 had allowed the reference application and remanded the case to the Customs Appellate Tribunal for decision afresh on the basis of the evidence produced before the Tribunal to establish that the burden of tax under Section 19-A of the Act has not been passed on to the end consumer. The Customs Appellate Tribunal vide its order dated June 17, 2016 has decided the case in favour of the Company and has directed the tax department to refund the claim to the Company. The custom authorities have subsequently filed an appeal in the SHC which is pending.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

On the other hand, the Divisional Bench of the SHC dismissed the reference for Rs.3.986 million in 2012. The Company filed appeal against the decision of the SHC before the Honourable Supreme Court of Pakistan (SCP) on the grounds that none of the forums above, including the SHC, had examined the evidence produced to establish that the burden of duty and taxes has not been passed on to the end consumer. The SCP in order to examine this question granted leave in the petition.

The management based on the view of its legal counsel is confident that the issue raised by the Customs Authorities is without any basis and the ultimate decision of refund will be in favor of the Company. Accordingly, the Company has maintained the already recognised refund claims of Rs. 20.998 million and is of the view that no provision for impairment loss is required to be made in this condensed interim financial statements.

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	(Rupees in '000')	
<b>17 CASH AND BANK BALANCES</b>		
Cash in hand	1,615	10
Cash at banks		
In current accounts	9,434	78,563
In saving accounts	17,376	222
	26,810	78,785
	<u>28,425</u>	<u>78,795</u>

**18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

	(Un-audited) March 31, 2019	(Audited) June 30, 2018	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Number of shares		(Rupees in '000')	
Ordinary shares of Rs. 10 each:				
- fully paid in cash	3,900,000	3,900,000	39,000	39,000
- issued as bonus shares	5,534,880	5,534,880	55,349	55,349
- issued in lieu of amalgamation	15,479,567	-	154,796	-
	<u>24,914,447</u>	<u>9,434,880</u>	<u>249,145</u>	<u>94,349</u>

	(Un-audited) March 31, 2018	(Audited) June 30, 2018
	(Rupees in '000')	
<b>19 TRADE AND OTHER PAYABLES</b>		
Creditors	54,666	57,868
Accrued liabilities	423	791
Advance from customers	33,493	47,322
Sales tax payable	2,319	-
Withholding tax payable	709	-
	<u>91,610</u>	<u>105,981</u>

**20 SHORT TERM LOAN - unsecured**

	(Un-audited) March 31, 2018	(Audited) June 30, 2018
	(Rupees in '000')	
Creditors	54,666	57,868
Accrued liabilities	423	791
Advance from customers	33,493	47,322
Sales tax payable	2,319	-
Withholding tax payable	709	-
	<u>91,610</u>	<u>105,981</u>

<b>20.1</b>	This represents adhoc basis interest free short term loan from its Holding Company (Fossil Energy (Private) Limited) to Hascombe Business Solutions (Private) Limited merged into Clover Pakistan Limited.	20.1	<u>130,166</u>	-
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**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

**21 CONTINGENCIES AND COMMITMENTS**

**21.1 Contingencies**

21.1.1 There is no contingency other than disclosed in note 15.1.

**21.2 Commitments**

21.2.1 Outstanding letter of credit amount to Rs. 13,261 (June 30, 2018: Rs. 155,690).

**22 REVENUE - NET**

From sale of goods  
From services  
Less: Sales tax

Nine months period ended		Three months period ended	
March 31,	March 31,	March 31,	March 31,
2019	2018	2019	2018
(Rupees in '000')		(Rupees in '000')	
1,161,217	-	221,510	-
173,951	-	57,119	-
(203,991)	-	(38,483)	-
1,131,177	-	240,146	-

**23 COST OF SALES**

Opening stock  
Add:  
-Addition under scheme of merger  
-Purchases  
-Customer service plan  
-Depreciation

Less: Closing stock

Nine months period ended		Three months period ended	
March 31,	March 31,	March 31,	March 31,
2019	2018	2019	2018
(Rupees in '000')		(Rupees in '000')	
-	-	63,675	-
79,349	-	-	-
697,852	-	143,994	-
30,885	-	6,185	-
2,737	-	743	-
810,823	-	214,597	-
(82,388)	-	(82,388)	-
728,435	-	132,209	-

**24 EARNINGS PER SHARE**

Profit for the period

Weighted average number of ordinary shares

Earning per share - Basic & Diluted

Nine months period ended		Three months period ended	
March 31,	March 31,	March 31,	March 31,
2019	2018	2019	2018
(Rupees in '000')		(Rupees in '000')	
267,222	3,552	75,403	822
(Number in '000')		(Number in '000')	
24,914	9,435	24,914	9,435
----- (Rupees) -----		----- (Rupees) -----	
10.73	0.38	3.03	0.09

		<b>Nine months period ended</b>	
		<b>(Un-audited)</b>	<b>(Un-audited)</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2019</b>	<b>2018</b>
		<b>(Rupees in '000')</b>	
<b>25</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Profit before taxation	312,403	3,036
	<i>Adjustments for:</i>		
	Depreciation	6,686	-
	Amortization	(50)	-
	Profit on TDR	-	(310)
	Gain on sale of PIB	-	(244)
	Gain on redemption of mutual fund units	-	(47)
	Gain on sale of T-Bills	-	(3,427)
	Dividend income	(119)	
	Finance cost	2,022	7
	Profit on bank deposit	(1,466)	-
	Net unrealised & realised gain/ (loss) on revaluation & sale of investments	(1,060)	-
	Exchange loss	3,024	-
	<b>Operating profit before working capital changes</b>	<b>321,440</b>	<b>(985)</b>
	<b>(Increase) / decrease in current assets</b>		
	Stock in trade	(3,039)	-
	Trade debts - unsecured	(18,508)	-
	Loan and advances - considered good	(54,800)	(50)
	Trade deposits and short term prepayments	85,594	(128)
	Other receivables	(3,548)	14
	Sales tax receivable - net	7,756	(45)
	<b>Increase / (decrease) in current liabilities</b>		
	Trade and other payables	(23,828)	(258)
	<b>Net cash generated from / (used in) operations</b>	<b>311,067</b>	<b>(1,453)</b>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

**26 TRANSACTIONS WITH RELATED PARTIES**

The related parties include group companies, staff retirement funds, companies with common directorship and key management personnel. Details of transactions with related parties during the period other than disclosed elsewhere in the condensed interim financial information, are as follows:

		Nine months period ended	
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2019	2018
		(Rupees in '000')	
Name of Related Party	Nature of transactions		
Transactions			
Fossil Energy (Private) Limited	Sale of goods and services	69,100	-
Hascol Petroleum Limited	Sale of goods and services	666,285	-
VOS Petroleum Limited	Sale of goods and services	322,379	-
Companies of Lakson Group	Purchases of goods and services	-	426
	Investment in mutual fund units	-	1
	Redemption of mutual fund units	-	800
	Management fee on investment	-	356
Key management personnel	Director's fee	75	100
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2019	2018
		(Rupees in '000')	
Balances			
Fossil Energy (Private) Limited	Loan from Holding Company	130,166	-
	Intercompany receivable	11,667	-
Hascol Petroleum Limited	Receivable against goods and services	118,048	-
	Advance against goods & services	33,493	-
VOS Petroleum Limited	Receivable against goods	92,201	-

**27 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**Financial risk factors**

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently this condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

**Fair value of financial assets and liabilities**

The carrying value of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values.



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**


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**28 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial statements was authorised for issue on 30 April 2019 by the Board of Directors of the Company.

**29 GENERAL**

Amounts have been rounded off to the nearest thousand rupees, unless otherwise stated.

  
\_\_\_\_\_  
Chief Executive  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Director



