
CLOVER PAKISTAN LIMITED

**Financial Statement
For the year ended June 30, 2023**



CLOVER PAKISTAN LIMITED

Review Report by the Chairman

For the year ended June 30, 2023

On behalf of the Board of Directors of Clover Pakistan Limited, I am pleased to present the report and audited Company's Financial Statements for the year ended June 30, 2023.

Impact of Economic Slow Down and Increase in Prices of World Commodities

This has been a challenging and volatile year for the country and the industry. The year saw an unprecedented depreciation of the Rupee, rising inflation and macroeconomic uncertainty. During the second half of the year, Pakistan was hit by the tragic and devastating monsoon floods affecting an estimated 33 million people. Despite these challenges, the Company focused on its strategic priorities of providing safe, efficient and reliable, and excellence operations in all aspects. The economy's slowdown adversely affected the commercial & industrial sectors; consequently, industrial chemicals, lubricants, and equipment sales fell significantly.

The result of a decline in revenue is significantly impacted by the chemical, Lubricants, and FMCG segments of the Company. Further, the Company's business segments are at an infancy stage, and the current economic scenario has further affected the revenue.

Performance Overview

In view of the abovesaid factors, the Company has to curtail its business and trading activities during the period under review. The net revenue of the Company decreased to Rs. 59.412 million from Rs. 93.272 million, due to this decline in sale, Company booked a gross loss of 8.190 million and net loss is 71.242 million, Due to the above scenario, no dividend has been proposed.

Governance

The Board was assisted by relevant sub-committees - the Board Audit Committee and the Human Resource, which operated as per the Code of Corporate Governance guidelines. The committees were instrumental in highlighting areas of improvement in both process and performance. The Company's Board of Directors meets frequently enough to discharge its responsibilities. The Independent and Non-executive directors are equally involved in important decisions. For the financial year that ended June 30, 2023, the Board's overall performance and effectiveness have been assessed as satisfactory. This assessment is in the process but based on an evaluation of integral components, including the vision, mission, and values; engagement in strategic planning; formulation of policies; monitoring of business activities and effective fiscal oversight.

Future Outlook



CLOVER PAKISTAN LIMITED

The recent slowdown in the country's economy, high inflation, rising interest rates, and Rupee devaluation are likely to pose a challenge to the overall business sector in Pakistan. However, the Company remains optimistic about meeting the impending challenges in due course by repositioning.

At Clover, we remain firm in our commitment to reinvigorate this Company and create value for all our stakeholders. This revival will be underpinned by achieving operational excellence, elevated customer satisfaction, and driving cost efficiencies across our divisions.

Acknowledgments

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 relentlessly committed to serving our customers better. I would also like to thank our creditors and the regulators for their continued support and direction.

For and on behalf of the Board

Shéhzaad Mohsin
Chairman

Karachi: Sep 22, 2023



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DIRECTORS' REPORT

The Directors present the Annual Report together with the Company's Financial Statements and the Auditor's Report for the year ended June 30, 2023.

Financial Results

Financial highlights for 2023

The loss of financial statement for the year ended June 30, 2023, after providing selling and distribution expenses, financial and other charges amount to be:

	2023	2022
	----- (Rupees'000) -----	----- (Rupees'000) -----
Loss before taxation	(69,972)	(104,640)
Taxation	<u>(1,270)</u>	<u>(5,073)</u>
Loss for the year	<u>(71,242)</u>	<u>(109,713)</u>
	----- (Rupees'000) -----	----- (Rupees'000) -----
Loss per share - basic and diluted	<u>(2.29)</u>	<u>(3.52)</u>

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity of the Annual Report.

In view of current economic kios, the Company has to curtail its business and trading activities during the period under review. The net revenue of the Company decreased to Rs. 59.412 million from Rs. 93.272 million, due to this decline in sale, Company booked a gross loss of 8.190 million and net loss is 71.242 million. This loss translated to Rs 2.29 per share compared to a loss of Rs 3.52 per share last year.

In this financial 2022-23 year, this has been a challenging and volatile year for the country and the industry. The year saw an unprecedented depreciation of the Rupee, rising inflation and macroeconomic uncertainty. During the year, Pakistan was hit by the tragic and devastating monsoon floods affecting an estimated 33 million people. Despite these challenges, the Company focused on its strategic priorities of providing safe, efficient and reliable, and excellence operations in all aspects. The economy's slowdown adversely affected the commercial & industrial sectors; consequently, industrial chemicals, lubricants, and equipment sales fell significantly.

The decline in revenue is due to multiple factors the Company faced. The Company's Chemical Business Division was significantly impacted as there was significant variation in its global/international price. Further, the devaluation of Rupees against the Dollar in the period also increased the market's uncertainty.



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RECOVERABILITY OF CUSTOM DUTY

In the year 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 recognized 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 Honorable 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 favor 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.

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 Honorable 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 said matter was last heard on May 27, 2022 which has been referred to the next date of hearing after the year end that is expected to be the final hearing for decision.

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 recognized refund claims of Rs. 20.998 million and is of the view that no provision for impairment loss is required to be made.

RISK MITIGATION

The Board of Directors, Board's Audit Committee and Human Resource Committee comprising the senior management team, are responsible for oversight of the Company's operations and evolving proactive strategy to mitigate any potential adverse impact of foreseen risks. The information about significant risks and their mitigants is provided below:

STRATEGIC RISK

Strategic risk relates to the Company's future business plans and strategies, including the risks associated with its macro-environment, like demand for its products, competitive threats, technology and product



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innovation, etc. The Company regularly keeps track of the changing market trends and seeks feedback from the Company's regular and prospective customers. The Company ensures that its products best suit its customers' current and future needs at competitive prices with the finest quality to counter the competition and retain and improve its market share.

OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally, 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 operation behaviour. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk to balance limiting financial losses and damage to its reputation while achieving its business objective and generating returns for investors. Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- 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;
- ethical and business standards;
- risk mitigation, including insurance where this is e-active

FINANCIAL RISK

Credit Risk

Credit risk relates to the risk that a Company may encounter due to the failure of the counterparties to satisfy their debts or obligation following the agreed terms of credit. All the Company's financial assets have credit risk other than "Cash in Hand". The Company has effectively managed the credit risk with a well-devised credit strategy in place.

Liquidity Risk

Liquidity risk arises when the Company has insufficient ready cash and encounters difficulty meeting its financial obligation. Liquidity risk is managed by ensuring the availability of sufficient funds to meet its financial obligations and commitments in any business condition.

Foreign Exchange Risk

The Company is not significantly exposed to foreign exchange risk on its import of raw material to be settled in the short term. For long-term contracts, Company makes arrangements to pass on, wherever possible, to counter foreign exchange risk.



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CUSTOMER FOCUSING

The Company believes that its valued customers are the foundation of its business success. Company policies are entirely customers' focused. Liaison with the market and customers has always enabled your Company to understand customers' needs best to offer the best suitable products and service level to make your Company the first choice.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Directors are pleased to state that all necessary steps have been taken to comply with the Code of Corporate Governance requirements required by the Securities and Exchange Commission of Pakistan (SECP). The Statement of Compliance with the Code of Corporate Governance is annexed with the report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Following are the statements on the Corporate and Financial Reporting framework:

The financial statements prepared by the Company's management represent its state of affairs fairly, the results of its operations, cash flows and changes in equity.

The Company has maintained proper books of accounts.

Appropriate accounting policies have been consistently applied in preparing financial statements and accounting estimates based on reasonable and prudent judgment.

In preparation for these financial statements, International Financial Reporting Standards, as applicable in Pakistan, have been followed, and any departures there have been adequately disclosed and explained.

The system of internal control is sound in design. The system is continuously monitored by Internal Audit and other such monitoring procedures. Monitoring internal controls should continue as an ongoing process to further strengthen the controls and improve the system.

There are no significant doubts about the Company's ability to continue as a going concern.

There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

The summary of the Company's key operating and financial data of the last six years, including the current period, is annexed in this report.

Information about taxes and levies is given in the notes to the accounts.



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BOARD OF DIRECTORS

The composition of the Board is as follows:

Male:	5
Female:	2
Independent Directors:	Ms Koshak Irum Ms Shaista Khan
Other Non-executive Directors:	Mr Shehzad Mohsin Mr David C. Paul Mr Nausherwan
Executive Directors:	Mr Khawar Jamil Butt Mr Javaid Iqbal
Female Director	Ms Koshak Irum Ms Shaista Khan

Board Committees

- a) Audit Committee:
Ms Shaista Khan - Chairperson
Ms Koshak Irum
Mr Shehzad Mohsin
Mr Nausherwan
- b) Human Resource and Remuneration Committee:
Ms Koshak Irum- Chairman
Ms Shaista Khan
Mr Javaid Iqbal
Mr Nausherwan



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Meetings of Board of Directors

During the year, four (4) meetings of the Board of Directors were held. Attendance by each Director was as follows:

Name of Director	Meeting Attend
Mr. Shehzad Mohsin	4
Mr. Javaid Iqbal	4
Mr. Nausherwan	4
Mr. David C. Paul	4
Mr. Khawar Jamil Butt	4
Ms. Shaista Khan	4
Ms. Koshak Irum	4

Audit Committee Meetings

By the Code of Corporate Governance, the Board has set up an Audit Committee. The Board of Directors has determined the terms of reference of the Committee. The Audit Committee held four (4) meetings during the year. The attendance by each member was as follows:

Name of Director	Meeting Attend
Ms. Shaista Khan	4
Ms. Koshak Irum	4
Mr. Shehzad Mohsin	4
Mr. Nausherwan	4

Human Resource and Remuneration Committee Meetings

During the year, One (1) HR Committee meetings was held. Attendance by each member was as follows:

Name of Director	Meeting Attend
Ms. Koshak Irum	1
Mr. Javaid Iqbal	1
Mr. Nausherwan	1
Ms. Shaista Khan	1



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REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

REMUNERATION PACKAGE OF CHIEF EXECUTIVE AND DIRECTORS

The remuneration package of the Chief Executive and other directors is disclosed in note 32 to the financial statements.

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND ECONOMY

Your Company contributed to the national exchequer on general sales tax, income tax, and other government levies during the year.

EXTERNAL AUDITORS

The present auditors Messrs Reanda Haroon Zakaria & Company, Chartered Accountants, retire after the forthcoming Annual General Meeting and are eligible for re-appointment.

PATTERN OF SHAREHOLDING

A statement showing the Company's shareholding and additional information as of June 30, 2023, is annexed with this report.

There has been no transaction carried out by Directors / Chief Executive, CFO, Company Secretary and their spouses and minor children in the Company's shares during the year.

FUTURE PROSPECTS

The post-pandemic recovery of the global economy has been severely jolted by the ongoing Russia-Ukraine conflict. Consequently, oil prices in the international commodity markets have soared to an all-time high.

Political instability and uncertainty, trade deficit, and depletion of foreign exchange reserves all lead to significant pressure on the PKR against the US dollar.

Our future strategy is to keep strict cost control measures in place and keep the business segments afloat in their initial stages. Your Company is putting all efforts, particularly in the Lubricants. The same is expected to give positive results to the Company and set the overall Company on track.

RELATED PARTY TRANSACTIONS

By the relevant regulations, the Company has a Related Party Transactions Policy approved by the Board of Directors. All related party transactions carried out during the year are disclosed in the notes of the Financial Statements.

SUBSEQUENT EVENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.



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ACKNOWLEDGEMENT

We take this opportunity to thank all those who have provided us with their valuable support throughout the year.

On behalf of the Board of Directors

Javaid Iqbal
Chief Executive Officer

Shehzad Mohsin
Director

Karachi.
Dated: September 22, 2023



CLOVER PAKISTAN LIMITED

Clover Pakistan Limited

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Clover Pakistan Limited Year ending June 30, 2023

Clover Pakistan Limited Year ended June 30, 2023 (hereinafter referred to as 'The Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are (7) as per the following:
 - a) Male: 5
 - b) Female: 2
2. The composition of the Board is as follows:
 - i. Independent directors: Ms. Shaista Khan
Ms. Koshak Irum Fazali
 - ii. Non-Executive Directors: Ms. Shahzad Mohsin
Mr. Nousherwan
Mr. David Cyrill Paul
 - iii. Executive Directors: Mr. Javed Iqbal
Mr. Khawar Jamil Butt
 - iv. Female Directors: Ms. Shaista Khan
Ms. Koshak Irum Fazali
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;



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6. All the powers of the Board have been duly exercised, and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board
8. The Board have a formal policy and transparent procedures for remuneration of directors under the Act and these Regulations;
9. The Board has arranged a Director training program (DTP) in January 2023 for its below specified directors:

- Ms. Shaista Khan
- Ms. Koshak Irum Fazali
- Mr. David Cyrill Paul
- Mr. Nousherwan
- Mr. Javed Iqbal

10. The Board has approved the appointment of a Chief Financial Officer, Company Secretary and *Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

* During the year Mr. Bilal Kasbati resigned from the position of Company Secretary as on July 15, 2022. Due to raise of casual vacant position of Company Secretary of Clover Pakistan Limited, the Board temporarily appointed Mr. Kashif Naimatullah on July 15 2022. The Board is still searching for the Company Secretary as required by Law, and Board will hire the company Secretary accordingly.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Ms. Shaista Khan	Chairman
Ms. Koshak Irum Fazali	Member
Mr. Shahzad Mohsin	Member
Mr. Nousherwan	Member



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b) HR and Remuneration Committee:

Ms. Koshak Irum Fazali	Chairman
Ms. Shaista Khan	Member
Mr. Javaid Iqbal	Member
Mr. Nousherwan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half-yearly/yearly) of the committee was as per the following, -
 - a) Audit Committee Quarterly
 - b) HR and Remuneration Committee Yearly
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners comply with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except under the Act, these Regulations or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. The board has not ensured that of formal and effective mechanism is put in place for an annual evaluation on BOD own performance, member its board and of its comities; Reg.(10) Sub. Sec.(3)
19. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with unless wherever specified in the Statement of Compliance.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:



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Non-Compliance	Explanation	Subsequent to Reporting date
Evaluation of Board of Directors	We did not conduct evaluation of board as per provisions of COCG because of unavailability of board members.	We are in process of board evaluation which will be completed in due course of time.
Appointment of Company Secretary	During the year Mr. Bilal Kasbati resigned from the position of Company Secretary as on July 15, 2022. Due to raise of casual vacant position of Company Secretary of Clover Pakistan Limited, the Board temporarily appointed Mr. Kashif Naimatullah on July 15 2022	The Board is still searching for the Company Secretary as required by Law, and Board will hire the company Secretary accordingly.

SHAHZAD MOHSIN
Chairman



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



TO THE MEMBERS OF CLOVER PAKISTAN LIMITED

Review Report on The Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Clover Pakistan Limited** (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlighted below instances of non-compliance with the requirements of the regulations as reflected in the note/paragraph reference where these are stated in Statement of Compliance:

<i>S. No</i>	<i>Reference</i>	<i>Description</i>
1.	<i>Chapter VII Section 24</i> “No person shall be appointed as the company secretary unless he holds the qualification as specified under the SECP rule book section 14B Regulations by the Commission: A person holding a master degree in business administration or commerce or being a law graduate from a university recognized by the Higher Education Commission”	The Qualification of Company secretary was not as per the required Regulation. Refer note 20 of the Statement of Compliance.
2.	<i>Chapter III Section 10(3)(v)</i> A formal and effective mechanism is put in place for evaluation of the Board’s own performance, members of the board and of its committees.	The company did not conduct evaluation of board and its committees as per required Regulation. Refer note 20 of the Statement of Compliance.

Reanda Haroon Zakaria & Co.
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: September 22, 2023
UDIN: CR202310147DK4nCo83H

Engagement Partner
Farhan Ahmed Memon

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLOVER PAKISTAN LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Clover Pakistan Limited** which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter(s)

- (i) We draw attention towards note 15.1 of the annexed financial statements relating to recoverability of custom duty refundable amounting to Rs. 20.998 million.

Our opinion is not qualified in respect of above matter.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

S. No. **Key audit matter(s)**

1) **Stock in trade**

Refer to note 11 of these financial statements, where the value of stock in trade amounting to Rs. 23.087 million (2022: Rs. 92.925 million) net of write off and provision for stock in trade. The value of stock in trade is based on purchase price using weighted average method. Therefore, it involves use of judgement by the management we consider it is Key Audit matter

How the matter was addressed in our audit

In response to this matter, our audit procedures include,

- Reviewed the management process for valuation of stock in trade and evaluating the NRV of stock in trade.
- Observed physical counts at major locations to ascertain the condition and existence of stock in trade along with identification of stock written off.
- Tested the valuation method used by management in valuation of stock in trade.
- Tested the NRV of the stock in trade held by performing a review of sales close to and subsequent to year end.
- Assessed the adequacy of disclosures on stock in trade in the financial statement.

2) **Related Party Transactions.**

The value of Related party transactions amounting to Rs. 5.576 million (net of payable and receivables) are significant due to associated risk of determination of arm's length value.

This includes rent expenses, sale of goods & services, Salaries of Staff, includes janitorial, security guard and other administration staff.

In response to this matter, our audit procedures include,

- Examined the Rent agreements.
- Examined the sale documentation and circulating confirmation to reduce the risk of non-arm length transaction.
- Assessed the adequacy of disclosures on Related Party Transactions in the financial statement.

Other Matter

The financial statements of the Company for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements dated October 14, 2022.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**

Reanda Haroon Zakaria, B.Com.
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: September 22, 2023
UDIN: AR202310147UnBGFbPZs

CLOVER PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	<i>Note</i>	<i>2023</i>	<i>2022</i>
		----- Rupees in '000' -----	
<u>ASSETS</u>			
Non-current assets			
Property and equipment	7	9,138	12,717
Intangible assets	8	-	174
Long term deposits	9	448	965
Long term investments		22	-
Deferred tax asset	10	-	-
Total non-current assets		9,608	13,856
Current assets			
Stock-in-trade	11	23,017	92,925
Trade debts - unsecured	12	15,943	19,928
Loans and advances	13	7,979	7,836
Trade deposits and short term prepayments	14	7,584	265
Other receivables	15	21,334	21,334
Tax refund due from Government	16	35,373	36,257
Cash and bank balances	17	1,643	3,953
Total current assets		112,873	182,498
Total assets		122,481	196,354
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Authorized share capital			
40,000,000 (2022: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid-up share capital	18	311,431	311,431
Reserves	19	(225,244)	(153,995)
Total shareholders' equity		86,187	157,436
Current liabilities			
Trade and other payables	20	20,508	28,888
Advance from customers - unsecured		2,135	1,559
Sales tax payable- net		9,715	4,535
Unclaimed dividend		3,936	3,936
Total current liabilities		36,294	38,918
Contingencies and commitments	21		
Total Equity and Liabilities		122,481	196,354

The annexed notes from 1 to 41 form an integral part of these financial statements.



 Chief Executive Officer



 Director




 Chief Financial Officer

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CLOVER PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	<i>Note</i>	<i>2023</i>	<i>2022</i>
		<i>----- Rupees in '000' -----</i>	
Revenue - net	22	59,412	93,272
Cost of sales	23	<u>(67,602)</u>	<u>(84,556)</u>
Gross (loss) / profit		(8,190)	8,716
Selling and distribution expenses	24	(25,812)	(34,658)
Administrative expenses	25	<u>(40,464)</u>	<u>(71,593)</u>
Operating loss		(74,466)	(97,535)
Other operating expenses	26	(1,760)	(3,437)
Other income	27	<u>6,263</u>	<u>2,080</u>
		(69,963)	(98,892)
Finance cost		(16)	(773)
Impairment of trade receivable			<u>(4,975)</u>
Loss before taxation		(69,979)	(104,640)
Taxation	28	(1,270)	(5,073)
Loss for the year		<u>(71,249)</u>	<u>(109,713)</u>
		<i>----- Rupees -----</i>	
Loss per share - basic and diluted	29	<u>(2.29)</u>	<u>(3.52)</u>


The annexed notes from 1 to 41 form an integral part of these financial statements.



 Chief Executive Officer



 Director



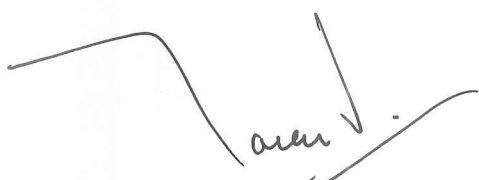
 Chief Financial Officer

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CLOVER PAKISTAN LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees in '000' -----	
Loss for the year	(71,249)	(109,713)
Other comprehensive income:		
Items that may be reclassified subsequently to the statement of profit or loss in subsequent periods	-	-
Items that will not be reclassified to the statement of profit or loss in subsequent periods	-	-
Total other comprehensive income	-	-
Total comprehensive loss for the year	(71,249)	(109,713)

The annexed notes from 1 to 41 form an integral part of these financial statements.



 Chief Executive Officer



 Director



 Chief Financial Officer

Dr.


CLOVER PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	<i>Reserves</i>					<i>Total shareholders' equity</i>
	<i>Issued, subscribed and paid-up share capital</i>	<i>Capital Reserve</i>	<i>Revenue reserve</i>		<i>Total reserves</i>	
		<i>Share premium</i>	<i>General Reserve</i>	<i>Accumulated losses</i>		
----- <i>Rupees in '000'</i> -----						
Balance as at July 01, 2021	311,431	388,169	64,600	(497,051)	(44,282)	267,149
Loss for the year	-	-	-	(109,713)	(109,713)	(109,713)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(109,713)	(109,713)	(109,713)
Balance as at June 30, 2022	311,431	388,169	64,600	(606,764)	(153,995)	157,436
Loss for the year	-	-	-	(71,249)	(71,249)	(71,249)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(71,249)	(71,249)	(71,249)
Balance as at June 30, 2023	311,431	388,169	64,600	(678,013)	(225,244)	86,187

The annexed notes from 1 to 41 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pr.


CLOVER PAKISTAN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees in '000' -----	2022
Cash generated from operations	30	(7,226)	2,248
Finance cost paid		(16)	(773)
Taxation paid	16	(386)	(392)
		(402)	(1,165)
Net cash (used in) / generated from operating activities		<u>(7,628)</u>	<u>1,083</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(1,824)	(5,287)
Sale proceeds of property and equipment		7,164	3,100
Long term investments		(22)	-
Net cash generated from / (used in) investing activities		<u>5,318</u>	<u>(2,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Ijarah payments		-	(1,989)
Net cash used in financing activities		<u>-</u>	<u>(1,989)</u>
Net (decrease) in cash and cash equivalents		(2,310)	(3,093)
Cash and cash equivalents at beginning of the year		3,953	7,046
Cash and cash equivalents as at end of the year		<u>1,643</u>	<u>3,953</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pr.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

Clower Pakistan Limited (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 51.06% (2022: 51.06%) shares of the Company. The registered office and geographical location of business units of the Company are as follows:

- 1 Banglow No.23-B, Lalazar, Off M.T. Khan Road, Karachi. (Head Office).
- 2 5th Floor, LSE Building 19-Khayaban-e-Aiwan-e-Iqbal, Lahore (Administrative office).
- 3 Ground floor - Qamar plaza, IJP road. Rawalpindi (Administrative office).
- 4 New Church Building, Tilak Incline, Jacob Road, Hyderabad Sindh, 71000 (Administrative Office).
- 5 Plot No B-10 zeeshan housing scheme qasimabad, Hyderabad (Warehouse).
- 6 Plot no. 25/A-1 Nadirabad phaatak main industrial state road Multan (Warehouse).
- 7 House no. AK-487, Sector 6-B B-186 Mehran town korangi Karachi (Warehouse).

The principal business of the Company includes sale of food products, consumer durables, chemicals and lubricants and also import & trade of gantry equipment's air/ oil filter and other car care products. The Company is also involved in marketing & distribution and after sales support of office automation products, fuel dispensers, vending machines and digital screens.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

There is no significant transactions occurred during the period.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

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

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Wherever, the requirements of the Companies Act 2017 or directives issued by SECP differ with the requirements of IFRS, the requirements of Companies Act 2017 or directives issued by SECP then Companies Act 2017 or directives issued by SECP shall prevail.

3.2 Functional and Presentation Currency

These financial statements is presented in Pakistani Rupees which is also Company's functional currency. The figures have been rounded off to the nearest thousand.

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

4.1.1 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

<i>Standard or Interpretation</i>	<i>Effective Date (Annual periods beginning on or after)</i>
Amendments to IFRS 9 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements	January 1, 2024
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IAS 12 'Income Taxes': Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates	January 1, 2023
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of debt with covenants	January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of these financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions 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 the revision and future periods if the revision affects both current and future periods.

6 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

6.1 Property and equipment

6.1.1 Owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Impairment losses if any are recorded on the basis as defined in note 6.12.

Depreciation is charged on straight line basis at the rates specified in note no. 7 of these financial statements. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month immediately preceding the month of disposal.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Major renewals and improvements for assets are capitalized and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to statement of profit or loss, as and when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset are charged to statement of profit or loss.

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses if any are recorded on the basis as defined in note 6.12.

6.1.2 Assets held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS-2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Generally, costs associated with developing and maintaining the computer software programs are recognized as expense when incurred. However, costs that are directly associated with identifiable software and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight line basis at the rate specified in note 8 of these financial statements. Amortization on additions is charged from the month in which the asset is available for use and on disposals up to the month the respective asset was in use. Impairment losses if any are recorded on the basis as defined in note 6.12.

Goodwill represent the difference between the cost of acquisition paid and carrying value of the net assets acquired. Impairment losses if any are recorded on the basis as defined in note 6.12.

6.3 Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

6.4 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on weighted average basis or net realizable value, except items in transit, which are stated at cost comprising invoice value and plus other charges incurred thereon.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines. Inventory write off is made when inventory is discarded without consideration and in case of loss of inventory.

6.5 Financial Instruments - Initial Recognition and subsequent measurement

6.5.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

6.5.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

6.5.3 Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); or
- at amortized cost

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Company has opted to measure them at FVTPL.

6.5.4 Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

6.5.5 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and

- deposits;
- loans;
- short-term investments;
- other receivables; and
- bank balances;

Loss allowance for trade debts are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

6.5.6 Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognized in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit or loss.

6.5.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in the statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.6 Investments

Investment in equity instruments are classified at fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value determined using the closing market value at each reporting date. Net gains and losses are recognized in the statement of profit or loss.

6.7 Trade debts and other receivables

These are measured at original invoice amount less an estimate made for allowance for expected credit loss based on the probability of default at reporting period. Bad debts are written off when identified. Impairment losses if any are recorded on the basis as defined in note 6.5.5.

6.8 Trade and other payables

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

6.9 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

6.10 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs obligation under the contract.

6.11 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements (if any).

6.12 Impairment of non-financial assets

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value 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 CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

6.13 Employees' benefits

Provident fund

The Company operates a defined contribution plan in the form of recognized provident fund scheme for the permanent employees. Contributions to fund are made monthly by the Company and employee at the of 10% of the basic salary. The Company's contributions are recognized as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

Compensated absences

The Company accounts for these benefits in the period in which the absences are earned.

Gratuity

The Company operates an unfunded defined benefit gratuity scheme. The scheme provides for a graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary for each completed year of service and best estimates of the management.

6.14 Taxation

6.14.1 Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or Minimum Tax on Turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis.

6.14.2 Deferred

Deferred tax is provided in full using the statement of financial position method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

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 substantially enacted at the reporting date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited to the statement of profit or loss.

Deferred tax relating to items recognized directly in the other comprehensive income is recognized in the other comprehensive income and not in statement of profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

6.15 Provisions

Provision is recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

6.16 Warranties

Warranty claims for replacement are accounted for in the year in which claims are settled. The Company issues warranty on behalf of the manufacturers and re-route the claims to the respective manufacturer when the claim is received.

6.17 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupee at the foreign exchange rates approximating those prevailing at the statement of financial position date. Exchange differences are taken to the statement of profit or loss on net basis within other income or other expense.

6.18 Revenue from contract with customers

The Company is in the business of sale of goods and provision of services. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer and thereby the performance obligations are satisfied, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount, sales return and sales related direct expenses and indirect taxes.

The Company has concluded that based on the contractual arrangement for the revenue from sale of goods, performance obligations are satisfied at a point in time i.e. when the goods are dispatched to the customers and control is transferred.

Service revenue is recognized over the contractual period or as and when services are rendered to customers.

The Company provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Company and the customer.

Other income

- a) Gain or loss on sale of investments is taken to income in the period in which it arises.
- b) Profit / Interest on bank deposits income is recognized on an accrual basis using the effective interest method.
- c) Dividend income is recognized on receipt / acknowledged basis.
- d) Scrap sales is taken to income in the period in which it sold out.

6.19 Dividends and appropriation to reserve

Dividend and appropriation to reserves are recognized in the financial statement in the period in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

6.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6.21 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board, it is in the interest of the Company to do so.

6.22 Share capital

Ordinarily shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.23 Contingent liabilities

Contingent liability is disclosed when:

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

6.24 Selling and distribution, administrative and operating expenses

These expenses are recognized in statement of profit or loss upon utilization of the services or as incurred except for specifically stated in the financial statements.

6.25 Segment reporting

Segments are reported in a manner consistent with the internal reporting provided to the Company's chief executive decision maker in order to assess each segment's performance and to allocate resources to them. The basis of segmentation and reportable segments presented in these financial statements are the same which are presented to the Board of Directors of the Company. Assets and liabilities are not segment wise reported to the Board of Directors. Refer note 34 for brief description of reportable segment.

7 PROPERTY PLANT AND EQUIPMENT

	Note	2023	2022
		--- Rupees in '000' ---	
Operating assets	7.1	9,138	12,717
		<u>9,138</u>	<u>12,717</u>

7.1 Operating assets

Description	COST				Accumulated Depreciation				Written down value	Rate %
	Opening	Addition	Disposal	Closing	Opening	Adjustments	Charge for the year	Closing		
----- Rupees in '000' -----										
Leasehold improvements	12,800	-	-	12,800	4,167	529	1,229	5,925	6,875	10%
Machinery	2,870	-	-	2,870	2,407	(1,057)	574	1,924	946	20%
Furniture & fixtures	4,774	-	-	4,774	2,910	-	620	3,530	1,244	10%-25%
Computers & equipments	14,276	-	-	14,276	13,317	-	959	14,276	-	25%
Vehicles	10,611	1,824	(2,054)	10,381	10,442	(177)	43	10,308	73	25%-33%
Office equipments	11,980	-	-	11,980	11,351	-	629	11,980	-	25%
Rupees 2023	57,311	1,824	(2,054)	57,081	44,594	(705)	4,054	47,943	9,138	
Rupees 2022	55,629	5,287	(3,605)	57,311	38,746	(2,472)	8,320	44,594	12,717	

7.2 Depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		-- Rupees in '000' --	
Cost of Sales	23	1,419	2,912
Selling And Distribution Expenses	24	1,540	3,162
Administrative expenses	25	1,095	2,246
		<u>4,054</u>	<u>8,320</u>

8 INTANGIBLE ASSETS

	Note	2023 ----- Rupees in '000' -----	2022	
Software	8.1	-	174	
8.1 Details of intangible assets are as follows:				
2023		Goodwill	Software	Total
<i>As at June 30, 2022</i>				
Cost		548,862	500	549,362
Accumulated amortization		-	-	-
Impairment		(548,862)	(326)	(549,188)
Net book value		-	174	174
<i>June 30, 2023</i>				
Opening net book value		-	174	174
Additions		-	-	-
Impairment		-	(174)	(174)
Amortization charge		-	-	-
Closing net book value		-	-	-
<i>As at June 30, 2023</i>				
Cost		548,862	500	549,362
Accumulated amortization		-	(326)	(326)
Accumulated impairment		(548,862)	(174)	(548,862)
Net book value		-	-	-
Amortization rate (%)		-	10%	-
2022		Goodwill	Software	Total
<i>As at June 30, 2021</i>				
Cost		548,862	500	549,362
Accumulated amortization		-	-	-
Impairment		(548,862)	(276)	(549,138)
Net book value		-	224	224
<i>June 30, 2022</i>				
Opening net book value		-	224	224
Additions		-	-	-
Impairment		-	-	-
Amortization charge		-	(50)	(50)
Closing net book value		-	174	174
<i>As at June 30, 2022</i>				
Cost		548,862	500	549,362
Accumulated amortization		-	(326)	(326)
Accumulated impairment		(548,862)	-	(548,862)
Net book value		-	174	174
Amortization rate (%)		-	10%	-

8.1.1 The goodwill is considered to have an indefinite useful life which is fully impaired, whereas software has finite useful life.

	2023	2022
	----- Rupees in '000' -----	
9 LONG TERM DEPOSITS		
Rent deposits	124	124
Ijarah deposits	324	841
	<u>448</u>	<u>965</u>

10 DEFERRED TAX ASSET

The details of deferred tax on temporary differences are as follows:

Property and equipment	-	-
Carry forward tax losses	-	-
Provisions	-	-
	<u>-</u>	<u>-</u>

10.1 As at reporting date, the Company has deferred tax asset amounting to Rs.132.010million (2022: Rs.111.95 million) which is restricted to Rs. Nil (2022: Rs. Nil) on prudent basis.

		2023	2022
	Note	----- Rupees in '000' -----	
11 STOCK-IN-TRADE			
Stock-in-trade		38,181	93,006
Stock written-off	11.1	(13,403)	-
Provision for stock-in-trade	11.2	(1,761)	(81)
Stock-in-trade - net		<u>23,017</u>	<u>92,925</u>

11.1 The stock in trade written off during the year amounting to Rs. 13.403 million (2022: Rs. Nil).

		2023	2022
	Note	----- Rupees in '000' -----	
11.2 Movement of provision for stock-in-trade			
Opening		81	-
Provision for the year	25	1,761	81
Closing		<u>1,842</u>	<u>81</u>

12 TRADE DEBTS - UNSECURED

Considered good

- Trade debt - related party	5,576	4,004
- Trade debt - other	21,759	25,890
Trade debts - gross	<u>27,335</u>	<u>29,894</u>
Allowance for expected credit loss - opening balance	(9,966)	(4,991)
Charge for the year	(1,426)	(4,975)
Allowance for expected credit loss - closing balance	(11,392)	(9,966)
Trade debts - net	<u>15,943</u>	<u>19,928</u>

2022 2021
 ----- Rupees in '000' -----

12.1 Age analysis

Not more than 3 months	164	5,231
More than 3 months but not more than 6 months	199	271
More than 6 months but not more than 1 year	19,460	19,267
More than 1 year	7,512	5,125
	27,335	29,894

12.2 Due from related parties which are not impaired includes the following:

Fossil Energy (Private) Limited

Not more than 3 months	-	20
More than 3 months but not more than 6 months	-	-
More than 6 months but not more than 1 year	-	3,984
More than 1 year	5,576	-
	5,576	4,004

12.3 The maximum amount outstanding from Fossil Energy (Private) Limited at any time during the year calculated with reference to month end balances is Rs. 32.057 million (2022: Rs. 17.19 million).

13 LOANS AND ADVANCES

2023 2022
 ----- Rupees in '000' -----

Advances - unsecured

- employees and directors	13.1	2,164	2,349
- suppliers	13.2	5,815	5,487
		7,979	7,836

13.1 These are non-interest bearing advances given to employees and directors to meet business expenses and are settled as and when expenses are incurred.

13.1.1 Movement in advances to directors

2023 2022
 ----- Rupees in '000' -----

Balance at the beginning of the year	-	50
Disbursements	-	-
Adjusted	-	(50)
Balance at the end of the year	-	-

13.2 These represents advances to suppliers that are adjustable and are non-refundable in accordance with the contract with suppliers.

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

2023 2022
 ----- Rupees in '000' -----

Trade deposits-unsecured	192	1,567
Provision of container deposits	-	(1,308)
Trade deposits - net	192	259
Short term prepayments	7,392	6
	7,584	265

15 OTHER RECEIVABLES

	Note	2023 ----- Rupees in '000' -----	2022
Duty refundable due from government	15.1	20,998	20,998
Others		336	336
		<u>21,334</u>	<u>21,334</u>

15.1 In the year 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 recognized 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 Honorable 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 favor 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.

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 Honorable 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 said matter was last heard on May 27, 2022 which has been referred to the next date of hearing after the year end that is expected to be the final hearing for decision.

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 recognized refund claims of Rs. 20.998 million and is of the view that no provision for impairment loss is required to be made.

16 TAXATION - NET

	2023 ----- Rupees in '000' -----	2022
Opening balance	36,257	36,589
Tax paid / deducted at source	386	392
Provision for taxation	(1,270)	(724)
	<u>35,373</u>	<u>36,257</u>

17 CASH AND BANK BALANCES	Note	2023	2022
		----- Rupees in '000' -----	
Cash in hand		50	11
Cash at banks:			
- Current accounts - conventional		1,363	3,227
- " " - islamic			37
- Saving accounts - conventional	17.1	230	678
		<u>1,643</u>	<u>3,953</u>

17.1 This carries mark-up ranging from 12.25% to 19.75% (2022: 3.41% to 12.25%) per annum.

18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of Shares

2023	2022		2023	2022
--- Number in '000' ---			----- Rupees in '000' -----	
		Ordinary shares of Rs.10 each:		
3,900	3,900	- fully paid for consideration paid in cash	39,000	39,000
11,763	11,763	- issued as bonus shares	117,635	117,635
		- issued as fully paid for consideration other than cash against share under scheme of amalgamation		
<u>15,480</u>	<u>15,480</u>		<u>154,796</u>	<u>154,796</u>
<u>31,143</u>	<u>31,143</u>		<u>311,431</u>	<u>311,431</u>

18.1 Fossil Energy (Private) Limited (related party) holds 15,901,121 (2022: 15,901,121) shares of the Company.

19 RESERVES	Note	2023	2022
		----- Rupees in '000' -----	
Capital Reserve			
- Share premium		388,169	388,169
Revenue Reserve			
- General Reserve		64,600	64,600
- Accumulated losses		(678,013)	(606,764)
		<u>(225,244)</u>	<u>(153,995)</u>

20 TRADE AND OTHER PAYABLES

Trade creditors		10,799	12,501
Accrued liabilities		4,119	4,371
Payable to provident fund	20.2	2,536	2,988
Withholding tax payable		160	10
Other liabilities		2,894	9,018
		<u>20,508</u>	<u>28,888</u>

20.1 Trade and other payable include balances amounting to Rs. Nil (2022: Rs.8.85 million) payable to Fossil Energy (Private) Limited.

20.2 All investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 The Trust Investment Bank Limited (TIBL) instituted a suit on August 12, 2015 for recovery of Rs. 40.243 million against Hascombe Business Solution (Private) Limited (HBSPL) whose rights and obligations had been merged with and into the Company, which is pending adjudicating before the Banking Court No. I, Lahore.

In response to the summons issued by the Banking Court, the Company moved an application for leave to appear and defend the suit under section 10 of the Financial Institutions (Recovery of Finances) Ordinance XLVI of 2001 as required by the law which has been allowed by the Honorable Banking Court unconditionally and granted leave to defend the suit on the basis of question of facts and law raised by the Company in its leave to defend application.

The Honorable Banking Court after considering the contents of the plaint and written statements framed issues whether the suit is barred by limitation; whether the plaint is liable to be rejected under Order VII Rule 11 CPC; whether the suit is not maintainable and plaint does not disclose any cause of action; whether the defendant is entitled to a decree in the sum of Rs. 0.690 million on account of set off in its favor against the plaintiff bank as prayed for; whether the plaintiff is entitled for recovery of Rs. 40.243 million along with costs of suit and cost of funds as prayed for.

The current year proceedings of the suit are as follows:

Suit for recovery of Rs. 40.243 million instituted by Trust Investment Bank limited (the Bank) stood dismissed.

A set off claim to the tune of Rs. 3.543 million claimed by the Company as being excess amount recovered by the Bank stood decreed in favor of the Company and against the Bank and the Bank has been ordered to pay the said set off amount passing decree in favor of the Company.

That thereafter the Bank has assailed the said judgement dated November 30, 2021 before the Honourable Lahore High Court by preferring the regular first appeal preferring wherein the division bench of Honourable Lahore High Court have ordered to the bank for furnishing the bank guarantee equal to the setoff decretal amount before the Registrar Judicial of Honourable Lahore High Court for suspension of the judgement passed by the Honorable Banking Court no I, Lahore.

That now the said regular first appeal preferred by the bank is pending adjudication before the Honourable Lahore High Court, Lahore and administrative office of Honourable Lahore High Court, Lahore have been directed to fix the case for hearing.

		2023	2022
	<i>Note</i>	----- Rupees in '000' -----	
21.2 Commitments			
Ijarah financing	21.2.1	<u>132</u>	<u>3,057</u>
21.2.1 The total of future Ijarah payments under Ijarah financing are as follows:			
Not later than one year		132	1,930
Later than one year but not later than five years		-	1,127
	21.2.2	<u>132</u>	<u>3,057</u>

21.2.2 The Company has obtained Car Ijarah Facility from Meezan Bank Limited of amounting to Rs. 20 million (2022: Rs. 20 million) out of which Rs.0.132 million (2022: Rs. 5.05 million) were un-utilized as at reporting date. The ownership of the cars are with Meezan Bank Limited during the tenure of the facility of each vehicle. As per requirement of IFAS-2, Ijarah Financing has been treated as an operating lease.

	Note	2023	2022
		----- Rupees in '000' -----	
22 REVENUE - NET			
<i>Revenue from</i>			
- Sale of goods		70,600	115,532
- Services		532	1,709
Revenue - gross		71,132	117,241
<i>Less:</i>			
- Sales tax		(9,017)	(12,798)
- Cartage		(499)	(2,083)
- Sales return		(2,204)	(7,547)
- Sales discount		-	(1,541)
		(11,720)	(23,969)
		59,412	93,272
23 COST OF SALES			
Cost of sales	23.1	62,945	79,203
Cost of services	23.2	4,657	5,353
		67,602	84,556
23.1 Cost of sales			
Opening stock	23.1.1	77,761	142,021
Add: Purchases		8,201	30,188
Less: Closing stock		(23,017)	(93,006)
		62,945	79,203
23.1.1 Opening stock before written off		92,925	93,006
Stock written off		(15,164)	(81)
Opening stock after written off		77,761	92,925
23.2 Cost of services			
Salaries, wages, allowances and other benefits	25.1	3,231	1,899
Consumption of repair material		7	542
Depreciation	7.2	1,419	2,912
		4,657	5,353
24 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages, allowances and other benefits	25.1	2,710	13,451
Depreciation	7.2	1,541	3,162
Travelling		428	4,859
Advertisement		253	1,109
Rent, rates and taxes	25.2	16,108	8,428
Miscellaneous		4,772	3,649
		25,812	34,658

		2023	2022
	Note	---- Rupees in '000' ----	
25 ADMINISTRATIVE EXPENSES			
Salaries, wages, allowances and other benefits	25.1	4,482	36,384
Travelling		1,714	1,215
Directors' remuneration		2,500	600
Office expenses		3,268	4,801
Bad debt expense		1,426	4,975
Communication		2,184	3,109
Utilities		2,096	4,763
Rent, rates and taxes	25.2	1,212	634
Legal and professional charges		3,619	9,859
Insurance		24	1,839
Repairs and maintenance		1,499	2,476
Depreciation	7.2	1,095	2,246
Amortization	8.1	-	50
Impairment of Intangible		174	-
Stock written off		13,403	-
Advance written off		-	1,736
Provision for stock-in-trade		1,761	81
Miscellaneous		7	1,800
		<u>40,464</u>	<u>76,568</u>

25.1 The total amount recognized during the year in respect of provident fund expense amounting to Rs. Nil (2022: Rs. 1.04 million)

25.2 It pertains to operating lease rentals for rented properties amounting to Rs. 3.26 million (2022: 3.26 million) and Ijarah lease rentals amounting to Rs. 1.131 million (2022: 2 million).

25.2.1 The Company had entered into an Ijarah agreement with Meezan Bank Limited for acquisition of a vehicle. Under the agreement, the term of Ijarah is 4 years. It includes Ijarah rentals amounting to Rs. 1.131 million (2022: Rs. 2 million).

		2023	2022
	Note	---- Rupees in '000' ----	
26 OTHER OPERATING EXPENSES			
Auditor's remuneration	26.1	1,710	1,652
Miscellaneous expenses		50	1,785
		<u>1,760</u>	<u>3,437</u>

26.1 Auditor's remuneration

Audit fee	1,048	990
Fee for half yearly review	462	462
Out-of-pocket expense	200	200
	<u>1,710</u>	<u>1,652</u>

		2023	2022
	<i>Note</i>	----- Rupees in '000' -----	
27 OTHER INCOME			
<i>Income from financial assets</i>			
Profit on bank deposit / TDRs	27.1	461	56
<i>Income from non-financial assets</i>			
Recovery from sale of scrap		39	57
Reversal of Accumulated Depreciation		529	-
Gain on sale of fixed assets		5,287	1,967
		<u>6,316</u>	<u>2,080</u>

27.1 This represents profit earned on conventional bank deposits and bank balances ranging from 12% to 19.75% (2022:3.41% to 12.25%) per annum.

		2023	2022
	<i>Note</i>	----- Rupees in '000' -----	
28 TAXATION			
Current		1,249	1,286
Prior		21	(562)
Deferred	10	-	4,349
		<u>1,270</u>	<u>5,073</u>

28.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as the current year's income of the Company falls under minimum tax regime as per Income Tax Ordinance, 2001.

		2023	2022
		----- Rupees in '000' -----	
29 LOSS PER SHARE - Basic and Diluted			
<i>Basic loss per share</i>			
Loss for the year		<u>(71,249)</u>	<u>(109,713)</u>
<i>Number of shares</i>			
Weighted average number of shares outstanding as at year end		<u>31,143</u>	<u>31,143</u>
		----- Rupees -----	
<i>Basic loss per share</i>		<u>(2.29)</u>	<u>(3.52)</u>

29.1 There is no dilutive effect on the basic loss per share of the Company as at June 30, 2023 and June 30, 2022.

30 CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
	---- Rupees in '000' ----	
Loss before taxation	(69,972)	(99,665)
Adjustment for non-cash and other items:		
Depreciation	4,054	8,320
Amortization	-	50
Finance cost	16	773
Allowance for expected credit loss	1,426	4,975
Impairment of Intangibles	174	-
Write off stock in trade	13,403	-
Write off other assets	-	1,736
Reversal of accumulated depreciation	(529)	
Gain on sale of property and equipment	(5,287)	(1,967)
	<u>13,257</u>	<u>13,887</u>
Operating loss before working capital changes	(56,715)	(85,778)
Working capital changes		
(Increase)/ decrease to current assets		
Long-term deposits	517	2,234
Stock-in-trade	56,505	49,096
Trade debts	2,560	18,369
Loans and advances	(143)	19,151
Trade deposits and short term prepayments	(7,319)	3,455
Other receivable	-	4,969
Increase / (decrease) in current liabilities		
Advance from customers - unsecured	576	1,327
Sales tax payable	5,180	
Trade and other payables	(8,381)	(5,600)
Cash generated from operations	(7,220)	7,223

31 NUMBER OF EMPLOYEES

Number of employees as at the year end

Average number of employees during the year

	2023	2022
	--- Numbers ---	
Number of employees as at the year end	<u>4</u>	<u>42</u>
Average number of employees during the year	<u>23</u>	<u>62</u>

32 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Balance as at July 01

Payment of unclaimed dividend

Balance as at June 30

	2023	2022
	---- Rupees in '000' ----	
Balance as at July 01	3,936	3,936
Payment of unclaimed dividend	-	-
Balance as at June 30	<u>3,936</u>	<u>3,936</u>

33 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Director	Executives
	----- Rupees in '000' -----					
Managerial remuneration	2,660	-	-	5,530	-	17,495
Provident fund	-	-	-	150	-	302
Directors' fee	-	2,500	-	-	600	-
	<u>2,660</u>	<u>2,500</u>	<u>-</u>	<u>5,680</u>	<u>600</u>	<u>17,797</u>
Number of Persons	<u>1</u>	<u>5</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>8</u>

33.1 In addition to the above, Company maintained cars are provided to the chief executive officer, directors and executives.

34 OPERATING SEGMENTS

The management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. The Company has following reportable segment:

Equipment and related service: This segment includes selling of office equipment, energy equipments (petrotech) and provision of related services such as installation, repair and maintenance and cleaning service.

Business automation and Related Services: this segment includes selling of office equipment (such as printer, photocopier machine and other related items and provision of related services such as Installation, repair and maintenance and cleaning services.

Auto care: This segment includes selling of car maintenance products.

Lubricant: This segment includes selling lubricant items.

Others: This segment includes selling of Fast Moving Consumer Goods (FMCG) through marts and distributors & selling of imported chemicals such as mixed Xylene, Vinyle acetate monomer (VAM) and Hexane.

Description	For the year ended June 30, 2023						For the year ended June 30, 2022					
	Business automatio n and related services	Petrotech and related services	Autocare	Lubricants	Others	Total	Business automatio n and related services	Petrotech and related services	Autocare	Lubricants	Others	Total
	----- Rupees in '000' -----						----- Rupees in '000' -----					
Revenue - Gross	12,804	7,825	8,536	41,968	711	71,132	20,043	21,716	-	69,524	5,957	117,240
- Sales tax	(1,665)	(1,017)	(1,110)	(5,456)	(92)	(9,017)	(1,963)	(693)	-	(9,277)	(865)	(12,798)
- Cartage	(512)	(750)	-	(721)	(100)	(499)	(512)	(750)	-	(721)	(100)	(2,083)
- Sales return	-	-	-	(2,204)	-	(2,204)	-	-	-	(7,547)	-	(7,547)
- Sales discount	-	-	-	-	-	-	-	-	-	(1,540)	-	(1,540)
Revenue - net (Disaggregated)	10,627	6,058	7,426	33,587	519	59,412	17,568	20,273	-	50,439	4,992	93,272
Cost of sales	(14,172)	(15,662)	-	(50,145)	(4,577)	(67,602)	(19,934)	(22,030)	-	(70,532)	(6,438)	(84,556)
Gross profit / (loss)	(3,545)	(9,604)	7,426	(16,558)	(4,058)	(8,190)	(2,366)	(1,757)	-	(20,093)	(1,446)	8,716
Selling and distribution expenses	(4,646)	(2,839)	(3,097)	(15,229)	(258)	(25,812)	(4,990)	(5,407)	-	(17,310)	(3,378)	(34,657)
Administrative expenses	(7,284)	(4,451)	(4,856)	(23,874)	(404)	(40,464)	(8,416)	(9,118)	-	(29,192)	(6,655)	(71,593)
Operating loss	(15,475)	(16,894)	(527)	(55,661)	(4,720)	(74,466)	(15,772)	(16,282)	-	(66,595)	(11,479)	(97,534)
Other operating expenses	-	-	-	-	(1,760)	(1,760)	-	-	-	-	-	(3,437)
Other income	-	-	-	-	6,263	6,263	-	-	-	-	-	2,080
	(15,475)	(16,894)	(527)	(55,661)	(217)	(69,963)	(15,772)	(16,282)	-	(66,595)	(11,479)	(98,891)
Finance cost	-	-	-	-	-	(16)	-	-	-	-	-	(773)
Impairment of trade receivable	-	-	-	-	-	-	-	-	-	-	-	(4,975)
Loss before taxation	(15,475)	(16,894)	(527)	(55,661)	(217)	(69,979)	(15,772)	(16,282)	-	(66,595)	(11,479)	(104,639)
Taxation	-	-	-	-	(1,270)	(1,270)	-	-	-	-	-	(5,073)
Loss for the year	(15,475)	(16,894)	(527)	(55,661)	(1,487)	(71,249)	(15,772)	(16,282)	-	(66,595)	(11,479)	(109,712)

34.1 There were no intersegment sales during the year (2022: Nil).

34.2 No sales and purchase related to Chemicals has been made during the year. Furthermore, all the Company's sales have been primarily made within Pakistan.

34.3 Following are the major customers of the Company which constituted 10 percent or more of the Company's revenue.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company manages its exposure to financial risk in following manner:

35.1 Market risk

Market risk refers to fluctuation in value of financial instruments as a result of changes in market prices. The Company manages market risk as follows:

35.1.1 Foreign currency risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where payables exist due to transactions entered into foreign currencies.

Exposure to Foreign currency risk

The Company is not exposed to foreign exchange risk arising from currency value fluctuations as at reporting date.

35.1.2 Price risk

Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At June 30, 2023, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. Nil (2022: Rs. Nil) higher / lower.

35.1.3 Interest / Mark-up rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has no long term or short term finance.

		2023				
		Mark-up / profit bearing			Non mark-up	Total
Note		Less than one year	One year to Five years	Over five years	/ profit bearing	
----- Rupees in '000' -----						
Financial assets						
<i>At amortized cost</i>						
	9	-	-	-	448	448
	12	-	-	-	15,943	15,943
	14	-	-	-	7,584	7,584
	15	-	-	-	21,334	21,334
	17	230	-	-	1,643	1,873
		230	-	-	46,952	47,182
Financial liabilities						
<i>At amortized cost</i>						
	20	-	-	-	20,507	20,507
		-	-	-	3,936	3,936
		-	-	-	24,443	24,443
		230	-	-	22,509	22,739
On statement of financial position gap						
<i>Off statement of financial position gap</i>						
	21.2	-	-	-	132	132

		2022				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
Note		Less than one year	One year to Five years	Over five years		
		----- Rupees in '000' -----				
<i>Financial assets</i>						
<i>At amortized cost</i>						
	9	-	-	-	965	965
	12	-	-	-	29,894	29,894
	14	-	-	-	1,567	1,567
	15	-	-	-	336	336
	17	678	-	-	3,275	3,953
			-	-	36,037	36,715
<i>Financial liabilities</i>						
<i>At amortized cost</i>						
	20	-	-	-	25,890	25,890
		-	-	-	3,936	3,936
		-	-	-	29,826	29,826
<i>On statement of financial position gap</i>						
		-	-	-	6,211	6,889
<i>Off statement of financial position gap</i>						
	21.2	-	-	-	3,057	3,057

(a) On statement of financial position gap represents the net amounts of statement of financial position items.

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 rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 0.004 million (2022: Rs. 0.004 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

35.1.4 Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

35.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	Note	2023 ----- Rupees in '000' -----	2022
Financial assets			
Long-term deposits	9	448	965
Trade debts	12	15,943	29,894
Trade deposits	14	7,584	1,567
Other receivables	15	21,334	21,334
Bank balances	17	1,593	3,942
		<u>46,902</u>	<u>57,702</u>

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss. The ageing is disclosed in note 12.1.

In respect of trade debts, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:	Short-term Ratings	2023 ----- Rupees in '000' -----	2022
Allied Bank Limited	A1+	2	2
Bank Al Habib Limited	A1+	-	1
Bank Al Falah Limited	A1+	4	4
Bank Islamic Pakistan Limited - Islamic	A1	79	-
Habib Bank Limited	A1+	2	510
Habib Metropolitan Bank Limited	A1+	267	2
MCB Bank Limited	A1+	5	245
Meezan Bank Limited	A1+	874	2,935
National Bank of Pakistan	A1+	14	6
Summit Bank Limited	SUSPENDED	345	14
Askari Bank Limited	A1+	1	223
		<u>1,593</u>	<u>3,942</u>

35.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's gross maximum exposure to liquidity risk at reporting date is as follows:

	2023	2022
	----- Rupees in '000' -----	
<i>Financial liabilities</i>		
Trade and other payables	20,507	28,888
Unclaimed dividend	3,936	3,936
	<u>24,443</u>	<u>32,824</u>

35.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g., significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing

The Company has no financial assets fall under the fair value hierarchy measured at fair value at June 30, 2022.

	<i>Note</i>	<i>2023</i> ----- <i>Rupees in '000'</i> -----	<i>2022</i>
35.5 Financial instruments by category			
<i>Financial assets</i>			
<i>At amortized cost</i>			
Long term deposits	11	448	965
Trade debts - unsecured	12	15,943	29,894
Trade deposits	14	7,584	1,567
Other receivables	15	21,334	21,334
Cash and bank balances	17	1,643	3,953
<i>Total financial assets</i>		<u>46,952</u>	<u>57,713</u>
<i>Financial liabilities</i>			
<i>At amortized cost</i>			
Trade and other	20	20,507	28,888
Unclaimed dividend		3,936	3,936
<i>Total financial liabilities</i>		<u>24,443</u>	<u>32,824</u>

36 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue shares or sell assets to reduce debt.

The Company's capital includes share capital and reserves. As at reporting date the capital of the Company is as follows:

	<i>Note</i>	<i>2023</i> ----- <i>Rupees in '000'</i> -----	<i>2022</i>
Share capital	18	311,431	311,431
Reserves	19	(225,237)	(153,995)
		<u>86,194</u>	<u>157,436</u>

The Company manages its capital risk by monitoring its debt level and liquid assets and keeping in view future investment requirements and expectations of the shareholders. The gearing ratio as at June 30, 2023 is Nil (2022: Nil).

37 **DISCLOSURES FOR ALL SHARES ISLAMIC INDEX**

Following information has been disclosed as required under paragraph 10 of Part 1 of the Fourth to Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

<i>Description</i>	<i>Explanation</i>
<i>As at June 30, 2023</i>	
1) Bank balances - Independent parties	On bank deposits-disclosed in note 36.2.
2) Deposits	Non-interest bearing-disclosed in note 9.

For the year ended June 30, 2023

3) Income on bank deposits	On bank deposits-disclosed in note 28.
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Disclosures other than above are not applicable to the Company

38 **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties comprise associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Key management personnel (KMP)

<i>Name</i>	<i>Direct shareholding %</i>
Mr. Khawar Jamil Butt	Nil
Mr. Shahzad Mohsin	Nil
Mr. David Cyril Paul	Nil
Mr. Nausherwan Butt	Nil
Ms. Koshak Irum Fazali	Nil
Mr. Javaid Iqbal	Nil
Ms. Shaista Khan	Nil
Mr. Bilal Kasbati - Resigned	Nil
Mr. Owais Ali Khan	Nil
Mr. Muhammad Kashif Naimatullah	Nil

<i>Transactions for the year:</i>	<i>Percentage of holding</i>	<i>2023</i>	<i>2022</i>
		<i>----- Rupees in '000' -----</i>	
<i>Holding Company - Fossil Energy (Private) Limited</i>	51.06%		
- Sale of goods		<u>26,319</u>	<u>17,191</u>
- Shared expenses - Paid by Holding Company on behalf of CPL		<u>(6,172)</u>	<u>(8,461)</u>
<i>Balances:</i>			
<i>Holding Company - Fossil Energy (Private) Limited</i>	51.06%		
- Trade debts		<u>5,576</u>	<u>4,004</u>
- Payable to fossil		<u>6,172</u>	<u>8,576</u>

39 CORRESPONDING FIGURES

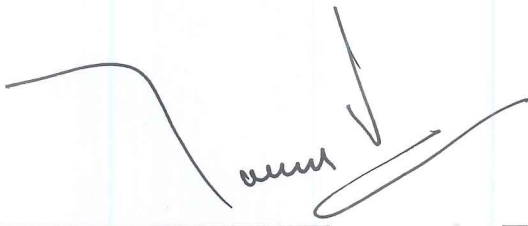
Previous year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. However, there is no significant reclassification has been made.

40 DATE OF AUTHORIZATION

These financial statements were authorised for issue on 22 SEP 2023 by the Board of Directors of the Company.

41 GENERAL


Figures in these financial statements have been rounded off to the nearest thousands of rupees.



Chief Executive Officer



Director



Chief Financial Officer

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