



## CLOVER PAKISTAN LIMITED

20<sup>th</sup> June 2019

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

### Re: Material Information

We wish to inform you that VIS Credit Rating Company Limited (VIS) has assigned initial entity ratings of 'A-/A-2' (A Minus / A Two) to Clover Pakistan Limited. The long term rating of 'A-' signifies good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy. The short term rating of 'A-2' signifies good certainty of timely payment. Liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small. Outlook on the assigned ratings is 'Stable'.

A press release in this regard is enclosed herewith and has been also posted on VIS website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

Muhammad Jamshed Azmet  
Chairman

Enclose as above.

Copy to:

The Securities and Exchange Commission of Pakistan, Islamabad.

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# Press Release

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## VIS Assigns Initial Ratings to Clover Pakistan Limited

Karachi, June 19, 2019: VIS Credit Rating Company Limited (VIS) has assigned initial entity ratings of 'A-/A-2' (A Minus / A Two) to Clover Pakistan Limited (Clover). The long term rating of 'A-' signifies good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy. The short term rating of 'A-2' signifies good certainty of timely payment. Liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small. Outlook on the assigned ratings is 'Stable'.

Clover belongs to a business conglomerate having presence in various businesses encompassing oil terminals, oil storage & handling equipment, oil marketing, food, technology & financial services with well renowned local and foreign associated companies. During the year, an associated company, Hascombe Business Solutions (Pvt) Limited (HBSL-owner of the brand name 'Gestetner') was merged into Clover after sanction of the High Court. Clover currently operates in three business segments which are (i) Business Solutions/Petrotech (Energy industry/office equipment sales & and services along with e-commerce development) (ii) lubricants and Auto care accessories marketing & distribution, and (iii) packaged foods distribution.


Assigned ratings incorporate strong sponsor profile, track record of professional Board & management and diversification in high margin businesses. Nonetheless, ratings are constrained by business risk factors which are evident of growth stage of the entity. Clover has recently initiated its food, lubricant marketing & car care accessories business while Business Solutions/Petrotech business has been operational for a considerable time.

During 9M2019, net sales posted a significant growth in margins after the merger with HBSL; this resulted in a positive bottom line for the company in the period ending March 2019. Current profitability of the business supports its cash flow management. Clover maintains an adequate liquidity profile through its working capital management and currently has no debt on its books keeping its leverage indicators at a sound level. Ratings will be contingent on maintenance of its business risk profile, sustainable performance metrics and current leverage indicators.

For further information on this rating announcement, please contact the undersigned (Ext: 201) or Ms. Muniba Khan (Ext: 214) at 021-35311861-71 or fax to 021-35311872-3.

Javed Callea  
Advisor

Applicable Rating Criteria: Corporates (May 2016)  
<https://www.vis.com.pk/kc-meth.aspx>

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