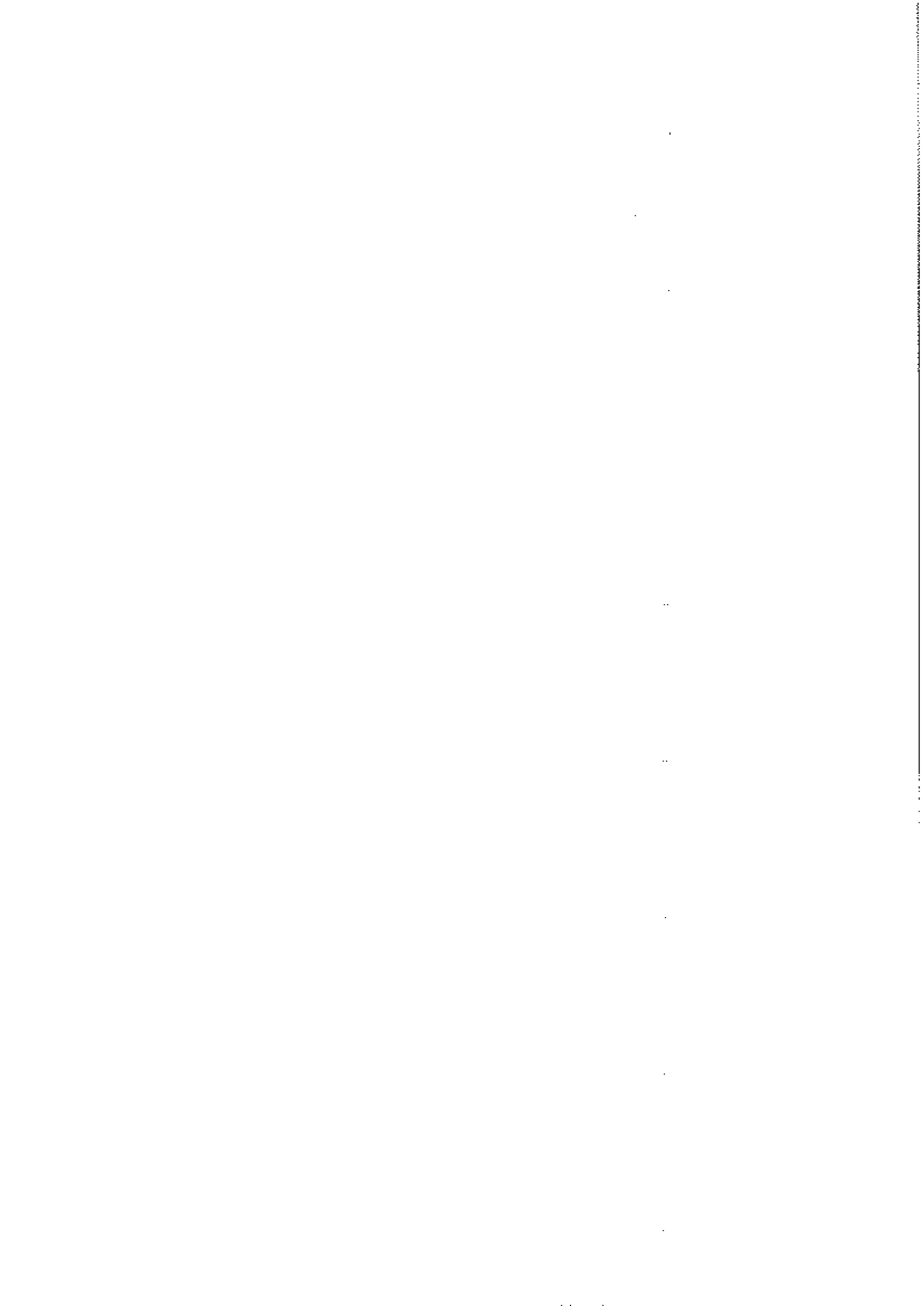


# Annual Report 2019



**CLOVER PAKISTAN LIMITED**



## Content

1	COMPANY INFORMATION	03
2	NOTICE OF ANNUAL GENERAL MEETING	04
3	NOTICE OF ANNUAL GENERAL MEETING-URDU	06
4	REVIEW REPORT BY THE CHAIRMAN	08
5	REVIEW REPORT BY THE CHAIRMAN-URDU	10
6	DIRECTORS' REPORT	12
7	DIRECTORS' REPORT-URDU	16
8	STATEMENT OF VALUE ADDED	21
9	YEARWISE FINANCIAL HIGHLIGHTS	22
10	SIX YEAR AT A GLANCE	23
12	STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)	24
13	INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT	26
14	INDEPENDENT AUDITOR'S REPORT	28
15	STATEMENT OF FINANCIAL POSITION	33
16	STATEMENT OF PROFIT OR LOSS	34
17	STATEMENT OF COMPREHENSIVE INCOME	35
18	STATEMENT OF CHANGES IN EQUITY	36
19	STATEMENT OF CASH FLOW	37
20	NOTES TO THE FINANCIAL STATEMENTS	38
21	PATTERN OF SHAREHOLDING	70
24	PROXY FORM	74

## Company Information

### Board of Directors

Mr. Muhammad Jamshed Azmet - Chairman  
Mr. Nadeem Ahmed Butt  
Mr. Khawar Jamil Butt  
Mr. Abdul Wahab Kodvavi  
Mr. Irfan Ali Hyder  
Mr. Abu Talib Haideri - Chief Executive Officer

### Audit Committee

Mr. Abdul Wahab Kodvavi - Chairman  
Mr. Muhammad Jamshed Azmet  
Mr. Nadeem Ahmed Butt

### Human Resource Committee

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

### Company Secretary

Mr. Zeeshan Ul Haq

### Chief Financial Officer

Mr. Muhammad Asim

### External Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

### Registered Office

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

Tel: (92 21) 38658896

Fax: (92 21) 35631960

### Website

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

### Share Registrar

FAMCO Associates (Pvt) Limited  
8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S,  
Shahrah-e-Faisal,  
Karachi -74000  
Pakistan.  
Tel: (92 21) 34380101-5  
Fax: (92 21) 34380106

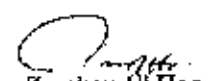
# Notice of Annual General Meeting

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of Clover Pakistan Limited (the "Company") will be held on Friday, 25<sup>th</sup> October 2019 at 9:30 a.m. at the Royal Rodale Auditorium, TC-V, 34th Street, Khayaban-e-Sehar, Phase-V Ext., D.H.A., Karachi, to transact the following business:

## Ordinary Business

1. To confirm the minutes of the 32<sup>nd</sup> Annual General Meeting and Extra Ordinary General Meeting of the Company, both held on 29<sup>th</sup> October 2018.
2. To receive, consider and adopt the audited accounts of the Company for the year ended 30<sup>th</sup> June 2019, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors and fix their remuneration for the financial year 2020.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

  
Zeeshan Ul Haq  
Company Secretary

4<sup>th</sup> October 2019  
Karachi

## NOTES:

### Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> October 2019 to 25<sup>th</sup> October 2019 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the Company's Share Registrar, Messrs FAMCO Associates (Pvt) Ltd, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shalra-e-Faisal, Karachi, by close of business on 18<sup>th</sup> October 2019 will be treated in time to attend and vote at the meeting.

### Participation in the Meeting

Only those persons, whose names appear in the register of members of the Company as on 18<sup>th</sup> October 2019, are entitled to attend, participate in, and vote at the forthcoming Annual General Meeting.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his/her behalf. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A form of proxy has been uploaded on the Company's website [www.clover.com.pk](http://www.clover.com.pk).

### Transmission of Annual Financial Statements through Email:

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(1)/2014 dated 8<sup>th</sup> September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website [www.clover.com.pk](http://www.clover.com.pk), to be sent along with copy of his / her / its CNIC / Passport to the Company's Share Registrar.

Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice.

#### **Mandatory requirement of submission of CNIC**

The Securities & Exchange Commission of Pakistan (SECP) vide S.R.O.19(1)/2014 dated 10th January 2014 read with S.R.O 831(1)/2012 dated 5th July 2012 requires that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, in case of non-receipt of the copy of a valid CNIC, the Company will be constrained to withhold transmission of dividends of such shareholders. The shareholders while sending a copy of their CNIC must quote their respective folio number and name of the Company.

#### **Change of Address**

Members are requested to immediately notify the Company's Share Registrar, Messrs FAMCO Associates (Pvt) Ltd of any change in their registered address.

#### **Guidelines for CDC Account Holders**

CDC account holders are required to comply with the following guidelines as laid down in Circular No.1 of 2000 dated 26th January 2000 issued by SECP:

##### **A. For Attending the Meeting**

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per CDC regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting; and
- (ii) In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

##### **B. For Appointing Proxies**

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per the above requirement;
- (ii) The proxy form shall be witnessed by two (2) persons whose names, addresses, and CNIC numbers shall be mentioned on the form;
- (iii) Attested copies of CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form;
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting; and
- (v) In case of corporate entities, the board of directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

## اطلاع برائے سالانہ اجلاس عام

بذریعہ اطلاع دی جاتی ہے کہ گورنر پاکستان ایگزیکٹو کال سالانہ اجلاس عام جمعہ 25 اکتوبر 2019 کو گھنٹہ 09:30 بجے روپوش روڈ، آڈیٹوریم، سی وی، 34 اسٹریٹ، ڈیپان سٹر، فیئر ویسٹیشن، ڈی ایچ اے، کراچی میں مندرجہ ذیل معاملات کی انجیا ہو جن کے لئے سند تیار ہوگا۔

### عمومی امور

- 1۔ 129 اکتوبر 2018 کو منعقد شدہ کینیڈا کے بچہ والے سالانہ اجلاس عام اور غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
- 2۔ 30 جون 2019 کو ختم ہونے والے سال کے لئے کینیڈا کے آؤٹ شدہ اکاؤنٹس کے ساتھ انٹرکسٹروڈیٹری ڈیپوٹس کو وصول کرنے کے ساتھ ساتھ انجیا پر غور کیا جائے گا اور اسے اپنایا جائے گا۔
- 3۔ ڈیپوٹ کو نصب کرنے اور مال سال 2020 کے لئے ایل کے معاہدے کو مقرر کیا جائے گا۔
- 4۔ پیئر مین کی اجازت سے اجلاس کے بروڈیشن ہونے والے کسی دیگر امور پر غور۔

4 اکتوبر 2019

کراچی

تکمیل پورا

ذیشان الحق

کمپنی منیجر پیری

### نوٹس:

#### خصوصی کی مستقبل کی کتابوں کا اختتام

کمپنی کی شیئر ڈائنٹر کس 19 اکتوبر 2019 سے 25 اکتوبر 2019 (شعبہ دونوں ایام) بند ہے۔ کسی تجارتی جملہ کی صورت میں ہوگی، سی ای ایس کی ٹیکس دہن کی آئی ڈی جے کی کمپنی کے شیئر رجسٹرار، میسرز لیکو ایسوی ڈیٹن (پرائیویٹ) لمیٹڈ، 8 ایف، ہوٹل تاراب سے آگے، نرسری، پلاک 9، پی ای سی ایچ ایس، شاہراہ ایل، کراچی پر 18 اکتوبر 2019 کو کاروبار کے اختتام تک وصول ہوں ان کو اجلاس میں شرکت کرنے اور ووٹ دینے کا اختیار حاصل ہوگا۔

### اجلاس میں شرکت

صرف وہ اشخاص جن کے نام 18 اکتوبر 2019 کو کمپنی کے راکٹین کے رجسٹر میں موجود ہوں، دو آنے والے سالانہ اجلاس عام میں حاضر ہونے، شرکت کرنے اور ووٹ دینے کے لئے ہوں۔ سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا ایش گینی کارکن اپنی جگہ دوسرے کسی شخص کو بطور اپنے پر کسی اجلاس میں شرکت کرنے اور ووٹ دینے کے لئے مقرر کر سکتا ہو سکتی ہے۔ ہر کسی کے سٹوڈ ہونے کے لئے، ہر کسی کی تصدیق کمپنی کے رجسٹرار دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل وصول ہونا ضروری ہے۔ ہر کسی کا رجسٹریشن کی ویب سائٹ [www.clover.com.pk](http://www.clover.com.pk) پر اپ لوڈ کر دیا گیا ہے۔

### ای میل کے ذریعہ سالانہ مالیاتی بیانات کی ترسیل:

پاکستان کی سکیم ریویژن ایکٹیو کمپن (ایس ای سی پی) نے مورخہ 8 ستمبر 2014 کو اپنی نوٹیفکیشن ایس آر۔ 787 (1) 2014 کے ذریعہ کمپنیوں کو بذریعہ ای میل مالی بیانات کے ساتھ ساتھ سالانہ اجلاس عام کا نوٹس اپنے ممبران میں تقسیم کرنے کی اجازت دی ہے۔ چنانچہ ممبران سے یہ درخواست کی جاتی ہے کہ وہ بذریعہ ای میل آؤٹ کر دو مالی بیانات اور نوٹس کی وصولی کے لئے اپنی رضامندی اور ای میل ایڈریس عینیت فرمائیں۔ اس سہولت کے حصول کے لئے کمپنی کی ویب سائٹ [www.clover.com.pk](http://www.clover.com.pk) پر ایک مالیاتی درخواست کا فارم دستیاب ہے جو کہ اگلی اسٹاکس شناختی کارڈ اور یا پھر پورٹ کی تفصیل کے ساتھ کمپنی کے شیئر رجسٹرار پر ارسال کیا جائے گا۔

برائے کرم توجہ دینی چاہئے کہ سالانہ مالی جائزات پوسٹ کے ذریعے موصول کرنے کے بجائے بھانات کی مہم سولی کے لئے اکی ٹیکس ایڈریس دینا انتہائی پرہیزگار ہے۔ اگر آپ اس سہولت کی فراہمی نہیں چاہتے تو براہ کرم اس فونکس کو نظر انداز کریں۔

### نوٹس ان ممبران کے لئے جنہوں نے اپنا سی این آئی سی فراہم نہیں کیا

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (اس ای سی پی) کی نوٹیفکیشن ایس آر 2014/19(1) مورخہ 10 جنوری 2014 کے ساتھ نوٹیفکیشن ایس آر 2012/831(1) مورخہ 5 جولائی 2012 کا تعلق ہے کہ رجسٹرڈ کارپوریشن یا مجاز شخص کے ڈیپوٹنٹ وارنٹس کے ساتھ سی این آئی سی نمبر کا ہونا ضروری ہے۔ اقلیت اور کارپوریٹ ممبران کے معاملات کے سوا۔ چھوٹے ایسے ارکان جنہوں نے ابھی تک کارپوریٹ کے معاملات کی عادیہ پر اپنے سی این آئی سی کی نقل جمع نہیں کروائی ہے ان سے گزارش کی جاتی ہے کہ وہ اپنی کے شیئر رجسٹر اور پرجن کرادریں۔ غیر تکمیل حکم کی صورت میں سکیورٹیز ڈیپوٹنٹ وارنٹ کے ارسال کو بلا ہلکی آگاہی کے تحت روک رکھا ہے۔ جنہیں ادارہ ان کو پچاسی این آئی سی ارسال کرتے وقت اپنا معاملہ نوٹس فراہم کرنا اور تکمیل کا کام درج کرنا ہوگا۔

### پتے کی تبدیلی

اذا کہیں سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں تبدیلی کی صورت میں فوری طور پر کمپنی کے شیئر رجسٹر اسٹورڈ فیکو ایس ایس (پرائیویٹ) لمیٹڈ کو ان کے رجسٹرڈ پتے پر مطلع کریں۔

### سی ڈی سی کھاتہ داروں کے لئے راہنما اصول

سی ڈی سی کھاتہ داروں کے لئے ضروری ہے کہ وہ 2000 کارڈ نمبر 1 ایس ای سی پی کا جاری کردہ مورخہ 26 جنوری 2000 کے جاری شدہ دستورچہ 11 راہنما اصولوں پر عمل کریں۔

### ایس۔ اجلاس میں شرکت کے لئے

(الف) انفرادی اشخاص کی صورت میں سی ڈی سی کے قواعد کے مطابق اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات اپ لوڈ کر دی گئی ہیں، وہ اپنی شناخت کی تصدیق اجلاس میں شرکت کے وقت اپنا اصل کیپیٹل کارڈ (سی ڈی سی ایس آئی سی) یا اصل پاسپورٹ ظاہر کر کے کریں گے اور

(ب) کارپوریٹ اداروں کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا بورڈ آف انٹرنیٹیشنل بائو فیکس کے نمونہ دستخط کے ساتھ اجلاس کے وقت فراہم کرنا ہوں گے۔

### پراکسیز مقرر کرنے کے لئے

(الف) انفرادی اشخاص کی صورت میں سی ڈی سی کے قواعد کے مطابق اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات اپ لوڈ کر دی ہیں، وہ ہم آئیں فارم پر مذکورہ بالا ضرورت کے مطابق جمع کرائیں گے؛

(ب) پراکسی فارم پر دو اشخاص کی گواہی ہوگی، جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج کئے جائیں گے؛

(ج) پراکسی فارم کے ساتھ جمع کنندہ اور پراکسی کی سی این آئی سی یا پاسپورٹ کی تصدیق لفظی جمع کرائی جائیں؛

(د) پراکسی اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ فراہم کرے گا؛ اور

(و) کارپوریٹ اداروں کی صورت میں کمپنی کے پاس پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا بورڈ آف انٹرنیٹل بائو فیکس کے ساتھ فراہم کردہ پراکسی فارم کے اجلاس کے وقت فراہم کرے گا؛ اور وہ پہلے سے جمع شدہ ہو۔



# Review Report by the Chairman

## For the Year ended June 30, 2019

On behalf of the Board of Directors of Clover Pakistan Limited, I am pleased to present the report and audited financial statements of the Company for the year ended June 30, 2019.

### Merger with Hascombe Business Solutions

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

### Performance Overview

In accordance with its strategic plan, the Company has revived its business and trading activities during the period under review. The net revenue of the Company increased to Rs. 1,243.9 million resulting in a Gross profit of Rs. 454.6 million and a Profit after tax of Rs. 252.4 million. EPS-basic and diluted was Rs. 10.13 for the year. A final dividend of Rs. Zero per share is proposed in addition to the interim dividend of Rs. 3 per share already paid.

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

Lubricants sale also took off during the year with sales averaging around 45,000 litres per month and growing. Lubricants procurement is currently managed through toll blending arrangements, initially geared towards the low-end market segment. The focus of the company remains the domestic market which is segmented into High-Street and Industrial Consumers (B2B & B2C). Lubricants remains a high margin product for the Company.

During the year, the Company also soft launched selected food products and bottled water at third party marts. The response was very encouraging and a full scale launch is planned after finalizing supply chain and distribution arrangements. The Company has procured the necessary licenses from provincial food authorities and entered into third party manufacturing agreements with reputed brands for its planned food line.

Administration and selling expenses at Rs. 138.1 million were reflective of the growing organization and related increase in the workforce in the Company to cater for expanding business as compared to a mostly dormant last year. Major elements within this head included employee salaries and benefits, travelling, depreciation and office related costs.

### Technology

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

### Governance

The Board of Directors of the Company meets frequently enough to discharge its responsibilities. The Independent and Non-executive directors are equally involved in important decisions. For the financial year ended June 30, 2019, the Board's overall performance and effectiveness has been assessed as satisfactory. This assessment is based on an evaluation of integral components which amongst others include the vision, mission and values; engagement in strategic planning; formulation of policies; monitoring of business activities and effective fiscal oversight.

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

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

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

During the year, Mr. Abu Talib Haideri was appointed as the new Chief Executive Officer of the Company. Mr. Haideri is a senior Chartered Accountant with over 25 years of extensive business experience in Pakistan and the Middle East. The Board is confident that under his able guidance, the Company will accelerate the pace of its growth.

#### **Future Outlook**

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, we remain optimistic of meeting the impending challenges in due course by repositioning ourselves.

Our future strategy is driven by innovation, expanding core segments and diversification in our product portfolio and customer base. Whilst continuing to focus on sustaining in the existing Petrotech, Business Solutions and Auto Care segments, the Company intends to further build upon its strengths and the Clover brand by expanding its other business sectors.

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

#### **Acknowledgements**

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

For and on behalf of the Board



**Muhammad Jamshed Azmet**  
Chairman

Karachi: 2<sup>nd</sup> October, 2019

## جون، 2019 کو ختم ہونے والے سال کے لئے چیئرمین کی جانب سے ممبران کے لئے رپورٹ

کلور پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے 30 جون 2019 کو ختم ہونے والے سال کے لئے رپورٹ اور کلور پاکستان لمیٹڈ کا آئینہ عکاسیاتی بیانات کو پیش کرنے پر خوش ہوں۔

پسکومب برٹس سولیوشنز کے ساتھ شرم ہونا

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

کارکردگی کا جائزہ:

کمپنی کی حکمت عملی کے منصوبے کے مطابق نو ماہ کے اس مدت کے دوران کمپنی نے اپنے کاروبار اور تجارتی سرگرمیوں کو بحال کیا ہے۔ کمپنی کی خالص آمدنی میں 1,243.9 ملین روپے کا اضافہ ہوا جو کہ چھٹا مجموعی منافع میں 454.8 ملین اور ٹیکس کے بعد کے منافع میں 252.4 ملین روپے کے اضافے کو ظاہر کرتا ہے۔ نو ماہ اور سہ ماہی میں ای پی ایس۔ سائز کی ٹیکس اور ڈائریکٹرز 10.13 رہی۔ پہلے سے ادا شدہ 3 روپے فی حصص کے اعتراف ڈیفنڈ کے ساتھ 0 روپے فی حصص کے جتنی ڈیفنڈ بھی تجویز کئے گئے۔

کمپنی کی آمدنی کمپنی کی ٹریڈنگ اور سروس ڈویژن میں منسوب اضافے کی بنیاد پر جاری ہے۔ کمپنی نے توانائی کے شعبے میں اہم سائمن اور خدمات فراہم کی ہیں۔ سامان کی فراہمی میں روٹیری میجر اور موٹر ڈیول و سپر سٹریٹو میجرز اور آلات کا سامان شامل ہے۔ کمپنی کی برٹس سولیوشنز ڈویژن نے بھی منصوبہ بندی کے ساتھ منافع کو بڑھانے میں تعاون کیا ہے اور معروف آفس جیکٹا اور جی براڈرز کا نمایاں تقسیم کار ہے۔

سائمن کے دوران 45,000 لیٹرز فی ماہ کی فروخت کے ساتھ ٹریڈنگ کی فروخت کو بند کر دیا گیا۔ فی الحال خالی مرکب کے اختلالات کے ذریعے ٹریڈنگ کے حصول کو سنبھالا جا رہا ہے جو کہ ابتدائی طور پر اوپن مارکیٹ بلیکٹ کی طرف اشارہ کرتا ہے۔ کمپنی کی توجہ گریو مارکیٹ ہے جو بائی انٹریٹ اور منصفی صارفین (B2B & B2C) کو تیز کر دیتا ہے۔ کمپنی کے لئے ٹریڈنگ ایک اعلیٰ منافع پرچہ کا کام کرتا ہے۔

سال کے دوران کمپنی نے پہلی بار تیسری پارٹی کے مائرس میں منتخب کردہ کھانے کی اشیاء اور بوتلیں پانی کو فروخت کرنے کا آغاز کیا جس کا رد عمل بہت حوصلہ بخش تھا اور سپلائی چین اور تقسیم کے اختلالات کو حتمی شکل دینے کے بعد مکمل پینے پر اس منصوبے کا آغاز کیا گیا۔ کمپنی نے موہائی نوڈ، تھار ٹیڑ سے ضروری انٹینس حاصل کئے ہیں اور اپنی نوڈ لائن کی بحالی کے لئے معروف براڈرز کے ساتھ تیسری پارٹی کی میٹو ٹیکسٹ کے معاہدے کئے ہیں۔

اختلاف اور فروخت کے اخراجات میں 138.1 ملین روپے کا اضافہ برحق ہوئی ہے۔ کمپنی کی کارکردگی میں متعلقہ اضافی گزشتہ برس کی مقابلے میں کاروبار کو بڑھانے کے لئے ڈیوڈ کیا گیا۔ اس زمرے کے اہم عناصر میں ملازموں کی تنخواہ، سفر، قیوتوں، اور دفتر سے متعلق اخراجات شامل تھے۔

جیکٹا لوجسٹکس:

جاری کردہ عملیاتی پہلوؤں میں برتری کے سبب کمپنی ایس اے پی ایس 4 ہائیڈرو آئی بی برٹس سولٹ کو نافذ کرنے کے عمل میں ہے۔ ایس اے پی سولیوشنز ہماری گروپ کمپنیوں کو ان کی پیداوار اور بصیرت، برحق ہوئی ٹپ کے ذریعے اخراجات کو کم کرنے، مالیاتی اختلالات کو بہتر بنانے اور صنعت کی ضروریات میں تبدیلی کو بہتر بنانے میں سہولت فراہم کرے گا۔ اس مقصد کے تحت ای دایے غور وائس کو عمل درآمد شدہ ادارے کے طور پر مقرر کیا گیا جو کہ کاروباری کمپنی کی حکمت عملی، ہڈی، پروسس، ری انجینئرنگ، فیڈبک اور پوسٹ عملدرآمد کے کنٹرول کے لئے ہر ممکن حمایت فراہم کر رہے ہیں۔

گورنرس:

کمپنی کے بورڈ آف ڈائریکٹرز اپنی ذمہ داریوں کو نبھانے کے لئے کثرت سے ملاقاتیں کرتے ہیں۔ آزاد بورڈز انڈیا کیٹرز اہم فیصلوں میں برابر کے شریک ہوتے ہیں۔ 30 جون 2019 کو ختم ہونے والے مالی سال کے لئے مجموعی کارکردگی اور تاخیرات میں کمی کی رپورٹ پیش کی۔ یہ شخص لازمی اجراء پر پیش ہے جس میں رسالت، ہم باہم ادارہ، سٹریٹجک منصوبہ بندی میں مشغولیت، پالیسیوں کی تشکیل، کاروباری سرگرمیوں اور موثر مالی نگرانی شامل ہیں۔

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

جناب عرفان علی حیدر، چیئر مین، بورڈ آف ڈائریکٹرز

جناب عبدالوہاب کوڈواوی، ڈپٹی چیئر مین، بورڈ آف ڈائریکٹرز

سہ ماہی کے دوران، جناب ابوطالب حیدری کو کمپنی کے نئے چیف ایگزیکٹو آفیسر کے طور پر مقرر کیا گیا تھا۔ جناب حیدری ایک سینئر چارٹرڈ اکاؤنٹنٹ ہیں جنہیں پاکستان اور مشرق وسطیٰ میں 25 سال۔ ڈائمنڈ کاروباری تجربہ حاصل ہے۔ بورڈ پر اعتماد ہے کہ ان کی قابل رہنمائی کے تحت، کمپنی اپنی ترقی کی رفتار کو تیز کر سکے گی۔

مستقبل کا نقطہ نظر:

ملکی معیشت میں حالیہ کمی، اعلیٰ افراط زر، شرح سود میں اضافہ اور روپے کی قدر میں کمی پاکستان کے مجموعی کاروباری شعبے کے لئے ایک چیلنج کی طرح کھڑا ہے۔ تاہم ہم خود اپنے والے چیلنجوں کا مقابلہ کرنے کے لئے نئے امید ہیں۔

ہماری مستقبل کی حکمت عملی، جدت پسندی، بنیادی طبقات اور مشن کو فروغ دینے کا کام کرتی ہے۔ موجودہ پیئر ٹیک، برنس سویلینڈ اور آٹو کیئر ٹیکس میں مضبوط ترقی پر توجہ مرکوز کرنے کے بعد کمپنی دیگر کاروباری شعبوں میں مشغول ہوئے اور لیبر کیلکٹر کو بڑھانے کے لئے اپنی قوت پر مزید تعمیرات کرنے کا ارادہ رکھتی ہے۔

ہم کمپنی کو دوبارہ مضبوط بنانے اور اپنے تمام حصص داروں کے لئے آسانیاں پیدا کرنے کے لئے اپنے عزائم پر توجہ مرکوز ہیں۔ آپریشنل ایکٹو کلیس کو حاصل کرنے، لگاؤ کو بڑھانا، ہوا اعتماد اور ہمارے تمام ڈیپارٹمنٹس میں اگت کی صلاحیتوں کو حاصل کرنے کے ذریعہ ترقی حاصل ہوگی۔ ہم اپنی پلیٹس شیٹ کو بڑھانے کے لئے اچھے اقدامات کرینگے جبکہ ہمارے متنوع پروڈکٹ پورٹ فولیو کو کاندہ بچھا۔ مالی صارفین کی مارکیٹ بنیادی، مدنی کی حمایت کرتی ہے۔ کمپنی مستقبل میں کسی بھی ممکنہ خطرے سے نمٹنے کے لئے اپنے کسٹمرز کو متنوع بنانے کی کوشش کر رہی ہے۔

اعتراف:

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

بورڈ کے لئے بورڈ کی جانب سے



چیئر مین

کراچی

تاریخ: 2 اکتوبر 2019

# DIRECTORS' REPORT

The Directors present the Annual Report together with the Company's financial statements and the Auditors Report thereon for the year ended June 30, 2019.

## OPERATING RESULTS

The operating results of the Company were as follows:

	2019	2018
	----- (Rupees'000) -----	
Revenue - net	1,244,965	137,241
Cost of sales	(789,311)	(125,658)
Gross profit	454,654	31,583
Administrative and selling expenses	(139,068)	(4,152)
Operating profit / (Loss)	316,586	27,431
Finance cost	(2,269)	(1,115)
Exchange loss	(4,933)	-
Other income	2,506	7,007
Profit before taxation	311,890	33,323
Taxation	(59,537)	(9,668)
Profit for the period	252,353	23,655
	----- (Rupees) -----	
Earnings per share - Basic	10.13	2.51

During the year, Hascombe Business Solutions Pvt Limited was merged with Clover Pakistan Limited. The reported financial figures represent the results of the merged entity with effect from April 1, 2018.

As against last year, the current year saw full operations of the Company in some segments. The net revenue of the Company thus increased to Rs. 1,243.9 million resulting in a Gross profit of Rs. 454.6 million and a Profit after tax of Rs. 252.4 million. EPS-basic and diluted was Rs. 10.13 for the year.

The revenue stream of the Company continued to be driven by strong growth in the trading and services division of the Company.

Administration and selling expenses at Rs. 138.1 million were reflective of the growing organization and related increase in the workforce in the Company to cater for expanding business this year.

A final dividend of Rs. Zero per share is proposed in addition to the interim dividend of Rs. 3 per share already paid.

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

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Directors are pleased to state that all necessary steps have been taken to comply with the requirements of the Code of Corporate Governance as 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 Corporate and Financial Reporting framework:

- The financial statements prepared by the management of the Company, represent fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- In preparation of these financial statements International Financial Reporting Standards, as applicable in Pakistan, have been followed, and any departures there from have been adequately disclosed and explained.
- The system of internal control is sound in design. The system is being continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There are no significant doubts upon 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 key operating and financial data of the Company of last six years including current period is annexed in this report.
- Information about taxes and levies is given in the notes to the accounts.

#### **BOARD OF DIRECTORS**

The composition of the Board is as follows:

- |                                    |   |
|------------------------------------|---|
| (a) Independent Directors:         | Abdul Wahab Kodvavi<br>Irfan Ali Hyder  |
| (b) Other Non-executive Directors: | Nadeem Ahmed Butt<br>Muhammad Jamshed Azmet<br>Asif Saeed Sindhu<br>Nazia Malik (resigned wef 11th July 2019) |
| (c) Executive Directors:           | Khawar Jamil Butt   |

#### **Board Committees**

- |   |  |
|---|--|
| a) Audit Committee:                           | Mr. Abdul Wahab Kodvavi - Chairman<br>Mr. Nadeem Ahmed Butt<br>Mr. Muhammad Jamshed Azmet<br>Mr. Asif Saeed Sindhu   |
| b) Human Resource and Remuneration Committee: | Mr. Irfan Ali Hyder - Chairman<br>Mr. Khawar Jamil Butt<br>Mr. Muhammad Jamshed Azmet<br>Mr. Abu Talib Haideri - CFO |

### Meetings of Board of Directors

During the year six (6) meetings of the Board of Directors were held. Attendance by each Director was as follows:

	Meetings Attended
Muhammad Jamshed Azmet - Chairman	6
Abu Talib Haideri - Chief Executive Officer	3
Nadeem Ahmed Butt	6
Khawar Jamil Butt	5
Asif Saeed Sindhu**	3
Irfan Ali Hyder*	3
Abdul Wahab Kodvavi*	2
Nazia Malik	4
Irfah Butt**	2
Aqeel Ahmed Khan*	3
Zeeshan ul Haq*	3

\* Mr. Abdul Wahab Kodvavi and Irfan Ali Hyder were appointed as directors in place of Mr. Aqeel Ahmed Khan and Mr. Zeeshan Ul Haq, who resigned with effect from 10<sup>th</sup> January 2019.

\*\*Mr. Asif Saeed Sindhu was appointed as director in place of Ms. Irfah Butt, who resigned with effect from 29<sup>th</sup> October 2018.

### Audit Committee Meetings

The Board in accordance with the Code of Corporate Governance has set up an Audit Committee. Terms of reference of the Committee have been determined by the Board of Directors. The Audit Committee held four (4) meetings during the year. The attendance by each member was as follows:

	Meetings Attended
Abdul Wahab Kodvavi - Chairman***	2
Nadeem Ahmed Butt	4
Muhammad Jamshed Azmet	4
Asif Saeed Sindhu*	2
Zeeshan ul Haq**	2

\*Mr. Asif Saeed Sindhu was appointed as director with effect from 29<sup>th</sup> October 2018.

\*\*Mr. Zeeshan Ul Haq resigned as director with effect from 10<sup>th</sup> January 2019.

\*\*\*Mr. Abdul Wahab Kodvavi was appointed as director with effect from 10<sup>th</sup> January 2019.

### Human Resource and Remuneration Committee Meetings

During the year two (2) meetings of the Board HR Committee were held. Attendance by each member was as follows:

Name of HR Committee Member	No. of Meetings Attended
Irfan Ali Hyder - Chairman	2
Muhammad Jamshed Azmet	2
Khawar Jamil Butt	1
Abu Talib Haideri - CRO	2

### PERFORMANCE EVALUATION OF THE BOARD

The performance of the Board of your Company was evaluated during the year. The overall performance of the Board is good and the board members are aligned with the results of the evaluation.

## **CONTRIBUTION TO THE NATIONAL EXCHEQUER AND ECONOMY**

During the year your Company made a total contribution of Rs. 244.9 million to the national exchequer on account of import duties, general sales tax, income tax and other government levies.

## **EXTERNAL AUDITORS**

The present auditors Messrs. Grant Thornton Anjum Rahman, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board of Directors of the Company has endorsed the recommendation of the Audit Committee for the re-appointment of Grant Thornton Anjum Rahman, Chartered Accountants, till the conclusion of the next Annual General Meeting. Grant Thornton have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan.

## **PATTERN OF SHAREHOLDING**

A statement showing pattern of shareholding of the Company and additional information as at June 30, 2019 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 shares of the Company during the year.

## **FUTURE PROSPECTS**

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, we remain optimistic of meeting the impending challenges in due course by repositioning ourselves.

Our future strategy is driven by innovation, expanding core segments and diversification in our product portfolio and customer base. Whilst continuing to focus on sustaining in the existing Petrotech, Business Solutions and Auto Care segments, the Company intends to further build upon its strengths and the Clover brand by expanding its other business sectors.

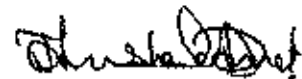
## **ACKNOWLEDGEMENT**

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



**ABU TALIB HAIDERI**  
Chief Executive



**MUHAMMAD JAMSHED AZMET**  
Chairman

Karachi.  
Dated: 2<sup>nd</sup> October, 2019



## ڈائریکٹرز رپورٹ

30 جون 2019 کو ختم ہونے والے سال کے لیے

ڈائریکٹرز 30 جون 2019 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات اور آڈیٹرز رپورٹ کے ساتھ ساتھ سالانہ رپورٹ پیش کرتے ہیں۔

## عملی نتائج:

کمپنی کے عملی نتائج مندرجہ ذیل ہیں	2019	2018
		000 روپوں میں
کل آمدنی	1,243,985	157,241
فروخت کی قیمت	(789,311)	(125,568)
کل منافع	454,654	31,583
انتظامی اور فروخت کے اخراجات	(138,068)	(4,152)
عملی منافع / نقصان	316,586	27,431
مالیاتی ٹائمٹ	(2,269)	(1,115)
آپریٹنگ کوسٹ	(4,933)	
دیگر آمدنی	2,506	7,007
منافع قبل از ٹیکس	311,890	33,323
ٹیکس	(59,537)	(9,668)
دست کا منافع	252,353	23,655
		روپے
آمدنی فی حصص	10.13	2.51

سال کے دوران پوسٹنومب برٹس سولہ سٹریٹس پرائیویٹ لمیٹڈ، کلونیڈا کلوور پک اسٹان لمیٹڈ کے ساتھ ضم ہوا، گاہر کر دہ مالیاتی اعداد و شمار 1 اپریل 2018 سے ضم ہونے والی کمپنی کے نتائج کی نمائندگی کرتے ہیں۔

پچھلے سال کے مقابلہ میں رواں سال کمپنی کے کچھ حصوں میں نمل کارروائیاں دیکھنے میں آئیں۔ کمپنی کا خاص منافع 1,243.9 ملین روپے ہوا جو کہ پچھلے سال کل منافع میں 454.6 ملین اور منافع بعد از ٹیکس میں 252.4 ملین روپے کے منافع کو ظاہر کرتا ہے۔ سال کی ہریک اور ڈیولپمنٹ 10.13 روپے کمپنی کی آمدنی کمپنی کی ٹریڈنگ اور سروس ڈویژن میں مضامین اضافے کی بنیاد پر جاری ہے۔ انٹلیمیا اور فروخت کے اخراجات میں 138.1 ملین روپے کا اضافہ پڑھتی ہوئی تنظیم کی عکاسی ہے اور کمپنی میں کارگری میں متعلقہ اضافہ کاروبار کو بڑھانے کے لئے دیا دیا گیا۔ پہلے سے ادا شدہ 3 روپے فی حصص کے ہنڈ ڈیویڈنڈ کے ساتھ 0 روپے فی حصص کے حتمی ڈیویڈنڈ بھی تجویز کئے گئے۔

سالانہ رپورٹ میں ایکویٹی میں تبدیلی کے بیان میں مختص اور اخراجات میں نقل و حرکت کا انکشاف کیا گیا ہے۔

## کارپوریٹ گورننس کے قوانین کے مطابق تعمیل:

ڈائریکٹرز یہ بیان کرتے ہوئے نہ سمجھتے ہیں کہ کوڈ آف گورننس کی ضرورت کے مطابق تمام ضروری اقدامات کیے گئے ہیں جیسا کہ سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) سے طلب کر ہے۔ کارپوریٹ گورننس کے قوانین کے مطابق تعمیل کا بیان رپورٹ سے منسلک ہے۔

**کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:**

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے پانچ مندرجہ ذیل ہیں:

- (الف) کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات، کمپنی کے معاملات، عمل کے نتائج، کیش فلو اور ایکٹوٹی کی خبریں کو مندرجہ ذیل طور پر پیش کرتی ہے۔
- (ب) کمپنی کے حساب و کتاب کے لئے باقاعدہ طور پر درجہ ذیل تیار کیے گئے ہیں۔
- (ج) مالی بیانات کی تیار کی میں اکاؤنٹنگ (حساب کتاب) کی مناسب پالیسیوں کا انکشاف، عمل میں لایا گیا ہے۔ اکاؤنٹنگ کا نتیجہ متغیر اور دانشمندانہ فیصلوں پر مبنی ہے۔
- (د) مالی گوشہ دہن کی تیار کی میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے جو کہ پاکستان میں بھی عمل میں ہیں، اور کسی بھی قسم کے تضاد کا انکشاف اور اس کی وضاحت کر دی گئی ہے۔
- (ه) کمپنی اندرونی کنٹرول کے دیگر طریقوں کے نفاذ اور عدم نفاذ کو برقرار رکھے ہوئے ہے جن کی باقاعدہ نگرانی اندرونی آڈٹ اور نگرانی کے دوسرے طریقوں سے کی جاتی ہے۔ اندرونی کنٹرول کی نگرانی کے عمل کے ساتھ اس کے متعدد کمزور مضبوط بنانے اور نظام میں بہتری لانے کے عمل کو مسلسل جاری رکھا جائے گا۔
- (و) کمپنی کی صلاحیت کو برقرار رکھنے میں کوئی شکوک و شبہات نہیں پائے جاتے۔
- (ز) جیسا کہ قواعد و ضوابط میں بیان ہوا ہے کہ کارپوریٹ گورننس کے کوڈ پر عمل پیرا ہونے میں کسی قسم کا تضاد نہیں پایا جاتا۔
- (ح) گزشتہ چھ سالوں کے کلیدی زیر قیام اور مالی بیانات بشمول حالیہ مالی رپورٹ سے غلط کر دیا گیا ہے۔
- (خ) ٹیکسوں اور نیو یز کے بارے میں معلومات لوٹس کے ذریعے اکاؤنٹس کو مہیا کر دی ہیں۔

**بورڈ آف ڈائریکٹرز**

بورڈ کی تشکیل مندرجہ ذیل ہے۔

(الف) آزاد ڈائریکٹرز	جناب عبدالوہاب کوڈواوی
(ب) ڈیگرون ایگزیکٹو ڈائریکٹرز	جناب ارکان علی حیدر جناب ندیم احمد رٹ جناب محمد رشید عظمت جناب آصف سعید سندھو
(ج) ایگزیکٹو ڈائریکٹرز	محترم سٹار پیبلک (11 جولائی 2019 کو دستور دی گئی) جناب خاور جمیل رٹ

**بورڈ کی کمیٹیاں**

(الف) آڈٹ کمیٹی

جناب عبدالوہاب کوڈواوی۔ چیئر مین  
جناب ندیم احمد رٹ  
جناب محمد رشید عظمت  
جناب آصف سعید سندھو

**(ب) انسانی وسائل اور معاوضہ کمیٹی**

جناب ارکان علی حیدر۔ چیئر مین  
جناب خاور جمیل رٹ  
جناب محمد رشید عظمت  
جناب ابو طالب حیدر۔ سی ای او

### بورڈ آف ڈائریکٹرز کی اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری مندرجہ ذیل دی گئی ہے۔

شمار نمبر	ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
۱	جناب جہیہ عظمیٰ - چیئر مین	۶
۲	جناب ابوطالب حیدری - چیف ایگزیکٹو آفیسر	۳
۳	جناب ندیم احمد بٹ	۶
۴	جناب طاہر جمشید بٹ	۵
۵	جناب آصف سعید سندو**	۳
۶	جناب عرفان علی حیدر*	۳
۷	جناب عبدال وہاب کوڈواوی*	۲
۸	محترمہ نازیہ ملک	۴
۹	محترمہ عفرہ بٹ**	۴
۱۰	جناب فاضل احمد خان*	۳
۱۱	جناب ذیشان الحق*	۳

\* جناب عبدال وہاب کوڈواوی اور جناب عرفان علی حیدر کو جناب فاضل احمد خان اور جناب ذیشان الحق کی جگہ ڈائریکٹر کے طور پر منتخب کیا گیا۔ جو 10 جنوری 2018 کو دستبردار ہوئے۔  
\* جناب آصف سعید سندو کو محترمہ عفرہ بٹ کی جگہ ڈائریکٹر کے طور پر منتخب کیا گیا۔ جو 29 اکتوبر 2018 کو دستبردار ہوئے۔

### آڈٹ کمیٹی میٹنگ:

بورڈ نے کوڈ آف کارپوریٹ گورننس کے مطابق آڈٹ کمیٹی کی تشکیل کی۔ کمیٹی کی شرائط اور حوالہ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کی گئی ہیں۔ آڈٹ کمیٹی کی سال کے دوران ۱۴ اجلاس کا انعقاد ہوا، ہر ممبر کی طرف سے اجلاس میں شرکت کی حاضری مندرجہ ذیل ہے۔

شمار نمبر	ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
۱	جناب عبدال وہاب کوڈواوی - چیئر مین*	۲
۲	جناب ندیم احمد بٹ	۴
۳	جناب محمد جہیہ عظمیٰ	۴
۴	جناب آصف سعید سندو*	۴
۵	جناب ذیشان الحق**	۲

\* جناب آصف سعید سندو 29 اکتوبر 2018 کو ڈائریکٹر کے طور پر منتخب ہوئے۔

\*\* جناب ذیشان الحق 10 جنوری 2019 کو ڈائریکٹر کی حیثیت سے دستبردار ہوئے۔

\*\*\* جناب عبدال وہاب کوڈواوی 10 جنوری 2019 کو ڈائریکٹر کے طور پر منتخب ہوئے۔

**انسانی وسائل اور معاوضہ کمیٹی:**

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کا دورہ (2) اجلاس منعقد ہوا جس میں مندرجہ ذیل ڈائریکٹرز نے شرکت کی۔

شمار نمبر	ایچ آر کے کئی ممبرز کا نام	اجلاس میں حاضری کی تعداد
۱	جناب عرفان علی مہر۔ چیئر مین	۲
۲	جناب محمد جمیل عظمیٰ	۲
۳	جناب خاور جمیل ہٹ	۱
۴	جناب ابو طالب مہر کی سی ای او	۲

**بورڈ کی کارکردگی کی تشخیص:**

سال کے دوران آپ کی کمیٹی کے بورڈ کی کارکردگی کی تشخیص کی گئی۔ بورڈ کی مجموعی کارکردگی اچھی رہی اور بورڈ کے اراکین تشخیص کے نتائج پر پورا اترے ہیں۔

**قومی خزانے اور معیشت میں شراکت:**

سال کے دوران آپ کی کمیٹی نے اپنے اراکین اور اہلکاروں، جنرل منجس، انٹرنیشنل ایئر لائنز سرکاری بینک کی مدد میں قومی خزانے میں 244.9 ملین روپے جمع کرائے۔

**بیرونی آڈیٹرز:**

17 دسمبر گرانٹ ٹورنمن انجم رحمان کے چارٹرڈ اکاؤنٹنٹس آف پاکستان سالانہ جنرل میٹنگ کے اختتام پر دست بردار ہو چائیں گے، اہل ہونے کی صورت میں وہ خود کو دوبارہ تین سال کے لئے پیش کر سکتے ہیں۔ بورڈ نے سالانہ جنرل میٹنگ کے اختتام پر کمیٹی کے آڈیٹر کے طور پر بیسز گرانٹ ٹورنمن انجم رحمان کے چارٹرڈ اکاؤنٹنٹس کی تفریق کی۔ تلاش کی ہے۔ گرانٹ ٹورنمن انجم رحمان کے چارٹرڈ اکاؤنٹنٹس نے پاکستان کے پاسٹی ٹیٹ آفٹھارڈ اکاؤنٹنٹس کے کوآپریٹو کنٹرول ریویو پروگرام کے تحت عملیاتی نتیجہ دیا۔

**حصص کی تقسیم کا طریقہ کار:**

30 جون 2019 تک حصص کی تقسیم کا طریقہ کار اور انسانی معلومات رپورٹ کے ساتھ منسلک ہے۔ سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانس آفیسر، کمیٹی ممبر بیری اور ان کے شریک حیات اور بھولے بچوں کے ذریعے کمیٹی کے حصص کی کوئی لین دین نہیں کی گئی۔

**ع مستقبل کا نقطہ نظر:**

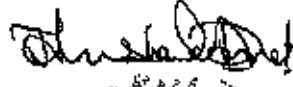
مکمل معیشت میں حالیہ کی، اعلیٰ افراد اور شرح سود میں اضافہ اور روپے کی قدر میں کمی پاکستان کے مجموعی کاروباری شعبے کے لئے ایک چیلنج کی طرح کھڑا ہے۔ تاہم ہم خود آنے والے چیلنجوں کا مقابلہ کرنے کے لئے پُر امید ہیں۔


ہماری مستقبل کی حکمت عملی، جدت پسندی، بنیادی طبقات اور متنوع کوفروغ دے گا کام کرتی ہے موجودہ چیلنج۔ برائے مایوسہ طور اور آڈیٹر کی کمیٹی میں مضبوط ماحولیاتی پرتوجہ مرکوز کرنے کے بعد ہمیں، مگر کاروباری شعبوں بشمول فوڈ اور ٹیکسٹائل کو بچانے کے لئے اپنی قوت پر مزید تعمیرات کرنے کا ارادہ رکھتی ہے۔

**اعتراف:**

ہم اس موقع پر ان تمام افراد کا شکریہ ادا کرتے ہیں جنہوں نے پورے سال کے دوران ہمیں اپنی قیمتی حمایت فراہم کی۔

پورے ڈائریکٹرز کی طرف سے

  
جناب محمد حمید رحمت  
میکرین

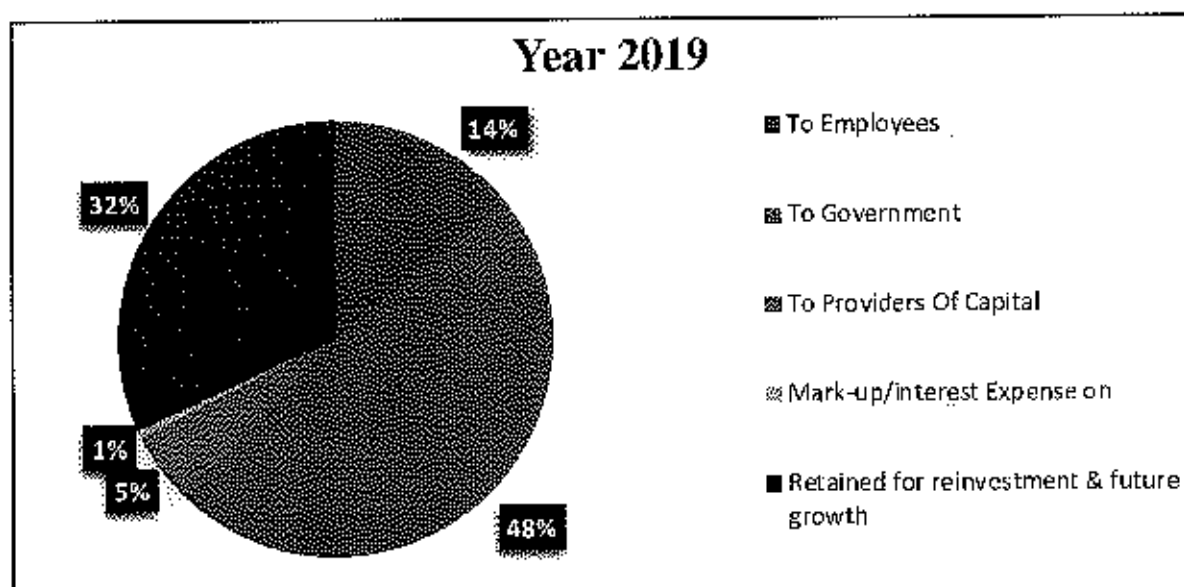
  
جناب ابو طالب دیداری  
چیف ایگزیکٹو

کراچی۔

تاریخ: 12 اکتوبر 2019

## Statement Of Value Added

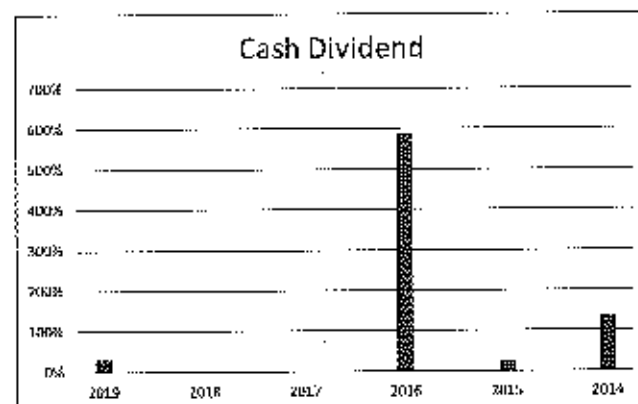
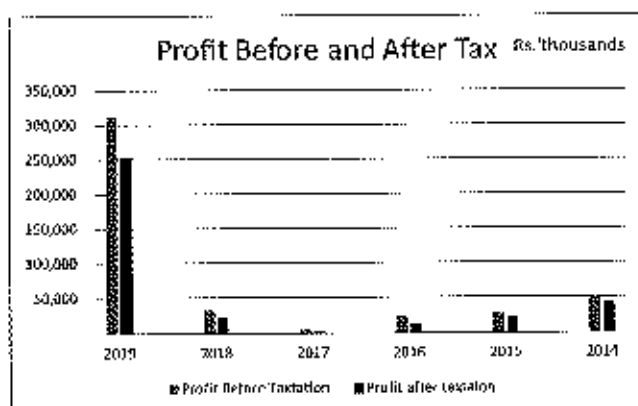
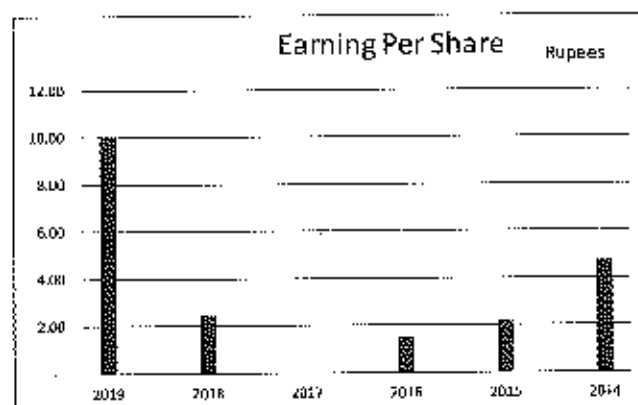
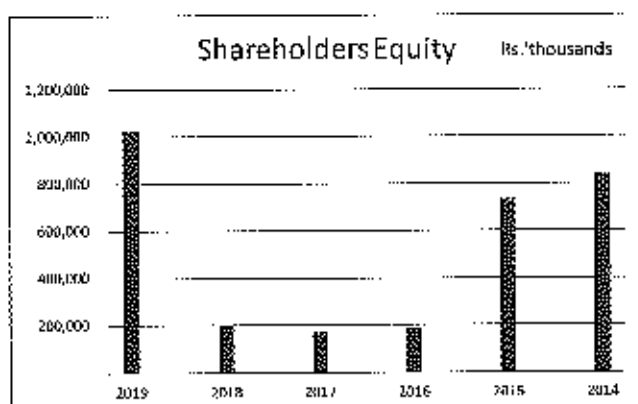
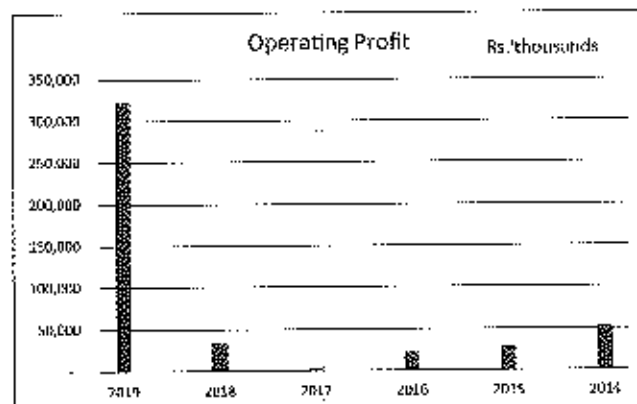
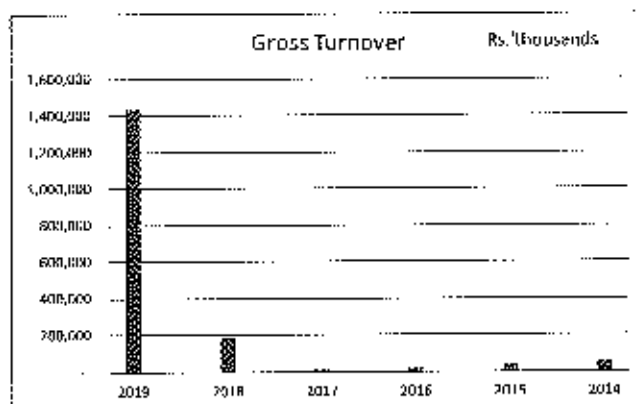
	June 30, 2019 Rupees		June 30, 2018 Rupees	
<b>Wealth Generated</b>				
Total Revenue	1,440,518,000		190,979,000	
Bought-in-Material & Services	(930,826,000)		(130,325,000)	
	<u>509,692,000</u>		<u>60,654,000</u>	100.00%
<b>Wealth distributed</b>				
To Employees	72,154,000	14.16%	600,000	0.99%
To Government Duties & Taxes	244,956,900	48.06%	36,399,000	60.01%
To Providers Of Capital Dividend To Shareholders	27,814,000	5.46%	-	0.00%
Mark-up/Interest Expense on Interest Expense on borrowed funds	2,453,000	0.48%	-	0.00%
Retained for reinvestment & future growth Depreciation & retained profit for future growth	162,314,100	31.85%	23,655,000	39.00%
	<u>509,692,000</u>	100.00%	<u>60,654,000</u>	100.00%



## Yearwise Financial Highlights

	2019	2018	2017	2016	2015	2014
(Rupees in Thousands)						
<b>BALANCE SHEET</b>						
Fixed & Intangibles Assets - Property, Plant & Equipments	592,132	508	-	31	112	528
Long Security Deposits		10	10	20	34	40
Current Assets	548,594	307,549	179,109	189,497	740,013	849,046
Current Liabilities	(100,612)	(110,143)	(4,670)	(5,595)	(5,342)	(7,418)
	447,982	197,406	174,439	183,902	734,671	841,628
	1,040,114	197,924	174,449	183,953	734,817	842,196
Equity	1,027,223	197,924	174,449	183,953	734,817	842,196
Liabilities against assets subject to finance lease	12,891	-	-	-	-	-
Deferred liabilities	-	-	-	-	-	-
	1,040,114	197,924	174,449	183,953	734,817	842,196
<b>PROFIT AND LOSS ACCOUNTS</b>						
Gross Turnover	1,438,012	183,972	716	13,126	36,538	49,760
Less: Sales Tax	(194,047)	(26,731)	(117)	(1,932)	(5,098)	(7,107)
Trade Discounts	-	-	-	(190)	(1,088)	(1,114)
	(194,047)	(26,731)	(117)	(2,122)	(6,186)	(8,221)
Net Turnover	1,243,965	157,241	600	11,013	30,352	41,539
Cost Of Sales	(789,311)	(125,658)	(487)	(11,692)	(22,721)	(28,172)
Gross Profit	454,654	31,583	113	(679)	7,631	13,367
Distributions & Marketing Expenses	(26,465)	(164)	-	(1,835)	(10,630)	(16,299)
Administrative Expenses	(104,502)	(3,988)	(4,707)	(7,690)	(11,992)	(11,598)
Other Operating Expenses	(7,101)	-	-	(371)	(11,290)	(1,245)
Other Operating Income	2,506	7,007	8,109	33,333	54,758	67,602
Financial Charges	(7,202)	(1,115)	(86)	(386)	(35)	(170)
Profit Before Taxation	311,890	33,323	3,429	22,372	28,442	51,657
Taxation	(59,537)	(9,668)	(3,097)	(7,949)	(7,375)	(6,937)
Profit after taxation	252,353	23,655	332	14,423	21,067	44,720
Earning Per Share - basic and diluted (Rupees)	10.13	2.51	0.04	1.52	2.23	4.74
Cash Dividend	30%	0%	0%	585%	25%	135%
Operating Profit	323,687	34,438	3,514	22,758	28,477	51,827
Issued & paid up capital of Rs. 10 each	249,145	94,349	94,349	94,349	94,349	94,349

## Six Year at a Glance





# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 Clover Pakistan Limited

Year ending June 30, 2019

Clover Pakistan Limited (hereinafter referred to as 'the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") in the following manner:

1. The total number of Directors are seven (7) as per the following:
 

(a)	Male:	6
(b)	Female:	1
2. The composition of Board is as follows:
 

(a) Independent Directors:	Mr. Irfan Ali Hyder Mr. Abdul Wahab Kordavi
(b) Non-executive Directors:	Mr. Muhammad Janshed Azmet Mr. Asif Saeed Sindhu Mr. Nadeem Ahmed Butt Mrs. Nazia Malik
(c) Executive Directors:	Mr. Khawar Jamil Butt
3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following Director has obtained the prescribed certification under the Directors' Training Program by the Pakistan Institute of Corporate Governance (PICG):
  - Mr. Irfan Ali Hyder.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

- a) Audit Committee: Chairman  
Mr. Abdul Wahab Kodvavi  
Mr. Muhammad Jamshed Azmet  
Mr. Nadeem Ahmed Butt  
Mr. Asif Saeed Sindhu

- b) Human Resource and Remuneration Committee Chairman  
Mr. Irfan Ali Hyder  
Mr. Muhammad Jamshed Azmet  
Mr. Abu Talib Haideri  
Mr. Khawar Jamil Butt

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 committees were as per following:
- |                                  |           |
|----------------------------------|-----------|
| a) Audit Committee               | Quarterly |
| b) HR and Remuneration Committee | Yearly    |
15. The Board has set up an effective internal audit who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Head of Internal Audit has resigned on 28<sup>th</sup> June 2019 and consequently the position of head of internal audit is vacant as at June 30, 2019.
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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.



Muhammad Jamshed Azmet  
Chairman

Karachi: 2<sup>nd</sup> October 2019

# INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of Clover Pakistan Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Clover Pakistan Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirements of the Regulations was observed which is not stated in the Statement of Compliance:

- i- We observed that only one director has obtained the prescribed certification under the director training program as against the requirement of the Regulations.

Based on our review, except for the above instance of non-compliance, 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 Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instance of non-compliance with the requirements of the Regulation as reflected in the paragraph 15 where it is stated in the Statement of Compliance:

S.no.	Reference	Description
i	15	The head of internal audit has resigned on June 28, 2019 and consequently the position of head of internal audit is vacant as at June 30, 2019.

*Grand Thornton Anjum Rehman,*

**Grand Thornton Anjum Rehman**

Chartered Accountants

Karachi

Date: October 04, 2019

# INDEPENDENT AUDITOR'S REPORT

## To the members of Clover Pakistan Limited Report on the Audit of Financial Statements

### Opinion

We have audited the annexed financial statements of Clover Pakistan Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of 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, the statement of profit or loss, the statement of 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, 2019 and of the profit and 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 Matters:

We draw attention to the following:

- Note 14.2 to the financial statements in respect of recoverability of custom duty refundable amounting to Rs. 20,998 million.
- Note 1.1 to the financial statements which describe effects of the merger of Hasvanbe Business Solution (Private) Limited (HBSPL) with and into the Company in current year. The merger is effective from April 01, 2018, the current year profit or loss includes results of operations of HBSPL from April 02, 2018 to June 30, 2019. The comparative figures of HBSPL are not merged in these financial statement as mentioned in the same note.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

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 matters:

Key audit matters	How our audit addressed the key audit matter
<b>I. New revenue stream</b>	
<b>1 Valuation of stock in trade</b>	As part of our audit, we have performed the following audit procedures:
As at June 30, 2019, the Company held stock in trade amounting to Rs. 77.8 million as disclosed in note 9 to the financial statements. The value of stock is based on purchase price using weighted average method, except items in transit, which are stated at cost comprising	<ul style="list-style-type: none"> <li>• Reviewing the management procedures for evaluating the NRV of stock in trade, observing physical counts at major locations to ascertain the condition and existence of stock in trade, and performing a test on a sample of items to assess the NRV of the stock in trade held.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>invoice value plus other charges incurred thereon. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices.</p> <p>The Company has measured its stock in trade at the lower of cost or net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying stock in trade.</p>	<ul style="list-style-type: none"> <li>Further, our audit procedures included, amongst others, reviewing stock in trade turnover ratios, understanding and evaluating the appropriateness of the basis of identification of the obsolete stock in trade, testing the accuracy of the aging analysis of stock in trade, on a sample basis, testing cost of goods with underlying invoices and expenses incurred in accordance with stock in trade valuation method and reviewing the minutes of the relevant meetings at the management and board level to identify any indicators of obsolescence.</li> <li>We further tested the NRV of the stock in trade held by performing a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products.</li> <li>Reviewed the adequacy of the disclosures on stock in trade in the financial statements.</li> </ul>
<p><b>2 First time adoption of IFRS 9 – Financial Instruments</b></p>	
<p>As referred in note 5(i) to the financial statements, the Company has adopted IFRS 9 with effect from July 01, 2018. The new standard requires the Company to make provision for financial assets using expected credit loss (ECL) approach as against Incurred Loss Model previously applied by the Company.</p> <p>Determination of ECL provision for trade debts requires significant judgement and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.</p> <p>We have considered the first time application of IFRS 9 requirements as a key audit matter due to significance of the change in accounting methodology and involvement of estimates and judgement in this regard.</p>	<p>As part of our audit, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>Reviewed the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</li> <li>Assessed the integrity and quality of data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources as used for this purpose.</li> <li>Checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</li> <li>Checked the classification of financial assets and financial liabilities to ensure compliance of IFRS 9 classification requirement.</li> <li>In addition to above, we assessed the adequacy of disclosures in the financial statements of the Company.</li> </ul>
<p><b>3 Merger of Clover Pakistan Limited with and into Hascombe Business Solutions (Private) Limited</b></p>	
<p>As disclosed in note 1.1 to the financial statements, during the year, the Honorable High Court of Sindh through its order dated February 01, 2019 has sanctioned the Scheme of amalgamation between Hascombe Business Solutions (Private) Limited ("HBSPL") and Clover Pakistan Limited ("CPL").</p>	<p>As part of our audit, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>Inspected the minutes of the board and extra ordinary general meeting for the approval of the merger transaction and inspected the order by the Honorable</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>Pursuant to this sanction the entire business of HBSPIL has been amalgamated into and vest in CPI, with effect from the effective date i.e. April 01, 2018 resulting in goodwill amounting to Rs. 548.9 million.</p> <p>The merger was significant to our audit due to the complexity of the transaction and in particular determining the correct accounting treatment of the transaction.</p> <p>Such merger transactions are classified as Business Combination Under Common Control ("BCUCC") and high level of judgment is involved in the accounting, presentation and disclosure of such transaction.</p> <p>The Company has accounted for the merger transaction and accordingly, all the assets and liabilities of HBSPIL has been transferred to the Company at their respective book values on the date of merger.</p>	<p>High Court of Sindh. Based on this and other supporting documentation we have assessed the appropriateness of the date of control that was determined by the management.</p> <ul style="list-style-type: none"> <li>• Read the scheme of amalgamation to understand the key terms and conditions, and confirmed our understanding of the transaction with the management.</li> <li>• Checked the accounting methods used by the management that included identification of assets and liabilities in accordance with scheme of amalgamation.</li> <li>• Checked the carrying values of the Company and HBSPIL at the date of scheme of amalgamation as determined by the management through audited financial statements.</li> <li>• Assessed the impact of merger adjustment on issuance of shares, the resultant goodwill and the increase in the share capital of the Company.</li> <li>• Tested the calculation of goodwill arising from the acquisition, being the difference between the total net consideration paid and the values of the net assets acquired.</li> <li>• Assessed the valuation methodology and reasonableness of key assumptions used by the management for assessing impairment of goodwill.</li> <li>• In addition to above, we assessed the adequacy of disclosures in the financial statements of the Company.</li> </ul>

#### 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 annual report, but 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.

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

### Other Matter Paragraph

The annual financial statements of the Company for the preceding year ended June 30, 2018 were audited by F.Y. Ford Rhodes, whose audit report dated September 25, 2018 expressed an unmodified opinion with an emphasis of matter paragraph on recoverability of customs duty refundable of Rs. 20,998 million.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.

*Grant Thornton Anjum Rahman*

Grant Thornton Anjum Rahman  
Chartered Accountants

Place: Karachi

Date: 4<sup>th</sup> October, 2019

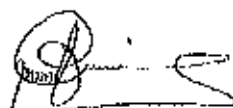
**CLOVER PAKISTAN LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Note	2019 ----- (Rupees'000) -----	2018 -----
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	26,912	508
Intangible assets	7	549,186	-
Long-term deposits		-	10
Deferred tax asset	8	16,834	-
<b>Total non-current assets</b>		<b>592,132</b>	<b>518</b>
<b>Current assets</b>			
Stock-in-trade	9	77,824	-
Trade debts	10	199,247	103,836
Loans and advances	11	42,390	851
Trade deposits and short term prepayments	12	26,065	89,319
Short-term investments	13	12,619	-
Other receivables	14	123,737	20,998
Sales tax receivable- net		-	4,017
Taxation-net	15	23,397	9,733
Cash and bank balances	16	43,315	78,795
<b>Total current assets</b>		<b>548,594</b>	<b>307,549</b>
<b>Total assets</b>		<b>1,140,726</b>	<b>308,067</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Authorized capital 40,000,000 (2018: 10,000,000) ordinary shares of Rs. 10 each		400,000	100,000
Issued, subscribed and paid-up share capital	17	249,145	94,349
Reserves		778,078	103,575
<b>Total shareholders' equity</b>		<b>1,027,223</b>	<b>197,924</b>
<b>Non-current liabilities</b>			
Liabilities against assets subject to finance lease	18	3,682	-
Deferred liabilities	19	9,209	-
<b>Total non-current liabilities</b>		<b>12,891</b>	<b>-</b>
<b>Current liabilities</b>			
Trade and other payables	20	92,237	58,659
Advance from customers		818	47,322
Sales tax payable- net		1,777	-
Current portion of liabilities against assets subject to finance lease	18	1,127	-
Unclaimed dividend		4,653	4,162
<b>Total current liabilities</b>		<b>100,612</b>	<b>110,143</b>
<b>Total equity and liabilities</b>		<b>1,140,726</b>	<b>308,067</b>
Contingencies and commitments	21		

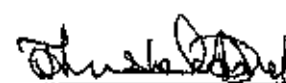
The annexed notes 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

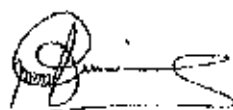
**CLOVER PAKISTAN LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		2019	2018
	Note	(Rupees'000)	
Revenue - net	22	1,243,965	157,241
Cost of sales	23	(789,311)	(125,658)
<b>Gross profit</b>		<b>454,654</b>	<b>31,583</b>
Selling and distribution expenses	24	(26,465)	(164)
Administrative expenses	25	(104,502)	(3,531)
<b>Operating profit</b>		<b>323,687</b>	<b>27,888</b>
Other operating expenses	26	(7,101)	(457)
Other income	27	2,506	7,007
		<b>319,092</b>	<b>34,438</b>
Exchange loss		(4,933)	-
Finance cost	28	(2,269)	(1,115)
<b>Profit before taxation</b>		<b>311,890</b>	<b>33,323</b>
Taxation	29	(59,537)	(9,668)
<b>Profit for the year</b>		<b>252,353</b>	<b>23,655</b>
Earnings per share - basic and diluted	30	<b>10.13</b>	<b>2.51</b>

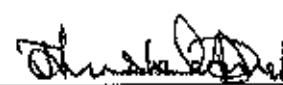
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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

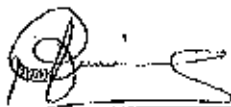
**CLOVER PAKISTAN LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT JUNE 30, 2019**

	2019	2018
	(Rupees'000)	(Rupees'000)
Profit for the year	252,353	23,655
Other comprehensive income:		
Items that may be reclassified subsequently to the statement of profit or loss	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Unrealized appreciation during the year on re-measurement of investment	-	-
Realized appreciation during the year on disposal of investment	-	(181)
Other comprehensive income / (loss) - net of tax	-	(181)
Total comprehensive income for the year	252,353	23,474

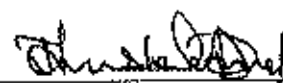
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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

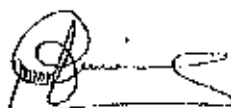
**CLOVER PAKISTAN LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT JUNE 30, 2019**

Share capital	Capital to be issued pursuant to amalgamation	Reserves				Total reserves	Total shareholders' equity
		Capital Reserve	Revenue reserve				
		Share premium	General Reserve	Re-measurement of investment classified as FVTOCI	Unappropriated profit		
(Rupees'000)							
94,349	-	-	64,600	181	15,320	80,101	174,450
-	-	-	-	-	23,655	23,655	23,655
-	-	-	-	(181)	-	(181)	(181)
-	-	-	-	(181)	23,655	23,474	23,474
94,349	-	-	64,600	-	38,975	103,575	197,924
-	-	-	-	-	252,353	252,353	252,353
-	-	-	-	-	-	-	-
-	-	-	-	-	252,353	252,353	252,353
-	605,251	-	-	-	-	-	605,251
154,796	(605,251)	450,455	-	-	-	450,455	-
-	-	-	-	-	(28,305)	(28,305)	(28,305)
249,145	-	450,455	64,600	-	263,023	778,078	1,027,223

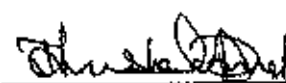
The annexed notes 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

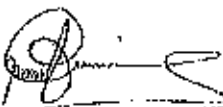
**CLOVER PAKISTAN LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		2019	2018
Note		(Rupees'000)	
	31	63,424	(51,067)
Cash generated from/ (used in) operations			
Finance cost paid		(2,453)	(1,115)
Taxation paid		(50,719)	(839)
		(53,172)	(1,954)
Net cash generated from / (used in) operating activities		10,252	(53,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(9,863)	(508)
Loans to employees		1,423	-
Investment made		(17,127)	(538,625)
Sales proceed from investment		2,531	-
Dividend income from short term investment	27	204	-
Sale proceed on disposal of investment		-	546,902
Sale proceed from redemption of investment		-	19,896
Interest received on PIB		-	15
Net cash (used in) / generated from investing activities		(22,832)	27,680
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash and bank balances from merger		5,811	-
Dividend paid		(27,814)	(6)
Finance lease liabilities		(897)	-
Net cash used in financing activities		(22,900)	(6)
Net decrease in cash and cash equivalents		(35,480)	(25,347)
Cash and cash equivalents at beginning of the year		78,795	104,142
Cash and cash equivalents as at end of the year		43,315	78,795

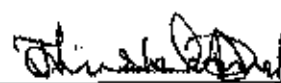
The annexed notes 1 to 39 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# CLOVER PAKISTAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2019

#### 1 LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on September 30, 1986 as a public limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Fossil Energy (Private) Limited (the 'Holding Company') which holds 83% shares of the Company. The registered office and geographical location of the Company is situated at Banglow No.23-B, Lalazar, Off M.T. Khan Road, Karachi.

The principal business of the Company includes sale of food products, consumer durables, and also import & trade of gantry equipment's air/oil filter and other car care products. However, after amalgamation with Hascombe Business Solutions (Private) Limited, the Company is also involved in marketing & distribution and after sales support of office automation products, fuel dispensers, vending machines and digital screens.

#### 1.1 AMALGAMATION OF HASCOMBE BUSINESS SOLUTIONS (PRIVATE) LIMITED WITH AND INTO CLOVER PAKISTAN LIMITED

The Board of Directors (the Board) of the Company had passed a resolution to approve the merger between Hascombe Business Solutions (Private) Limited (HBSPIL) with and into the Company. The scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board and shareholders of the Company and HBSPIL.

The High Court of Sindh through its order dated February 01, 2019 has sanctioned the scheme. Pursuant to this sanction, the entire business of HBSPIL including properties, assets, liabilities, and the rights and obligations of HBSPIL have been amalgamated into and vest in the Company with effect from the effective date as mentioned in the scheme i.e. on April 01, 2018. The Company issued 15,479,567 shares to the shareholders of HBSPIL and allotted approximately 6.06 shares for every one share of HBSPIL. Since, the merger is effective from April 01, 2018 due to which the amount stated in statement of profit or loss for the year ended June 30, 2019 also includes fifteen months business activity of HBSPIL i.e. from April 01, 2018 to June 30, 2019. The profit of HBSPIL for the three month period ended (April 01, 2018 to June 30, 2018) is Rs. 18.85 million, had this profit not included in the results of the Company, the EPS of the Company would be decreased by Rs. 0.76.

Both of the entities are under the common control of Fossil Energy (Private) Limited and consequently, this merger transaction has been classified as Business Combination under Common Control (BCUCC) and high level of judgement is used in the accounting, presentation and disclosure of such transaction.

Accordingly, as it was a BCUCC, it was scoped out of IFRS-3 'Business Combination'. As a result high level of judgement is used to account for the merger transaction.

The net assets of HBSPIL and the Company have been incorporated at their net carrying amount in the books as April 1, 2018 and the difference between the consideration paid and net assets acquired of HBSPIL has been recorded as goodwill (refer note 7).

Further, the acquired entity's operational result and statement of financial position are incorporated prospectively from the date on which business combination occurred.

Consequently, these financial statements do not reflect the result of the acquired entity (HBSPIL) for the period before the transaction occurred and the corresponding amount for the previous year presented are not restated.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

a) As referred to in note 1.1 to the accompanying financial statements, during the period, the Company has revived its business activities and commenced trading activities in line with its strategic business plan. Furthermore, amalgamation takes place between HBPSL and Company in which HBPSL merged in to the Company.

b) For a detailed discussion about the Company's performance, please refer to the Directors' report.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies' note and statement of cash flows.

**3.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupee which is the Company's functional currency and presentation currency.

**3.4 Standards, Amendments and Interpretations to Approved Accounting Standards**

**3.4.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year**

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year:

Standards, Interpretations and Amendments	Effective date (accounting periods beginning on or after)
IFRS 15 - Revenue from contracts with customers	July 01, 2018
IFRS 9 'Financial Instruments'	July 01, 2018



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Adoption of the above standard have no significant effect on the amounts for the year ended June 30, 2019.

**3.4.2 Standards, amendments to published standards and interpretations that are effective but not relevant**

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

**3.4.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standards, Interpretations and Amendments</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 16 'Leases'	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	January 01, 2019
IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28)	January 01, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 01, 2019
IAS 19 'Plan Amendment, Curtail or Settlement' (Amendments to IAS 19)	January 01, 2019
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 01, 2020
IAS 1/LAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 01, 2020
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

**3.4.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards, Interpretations and Amendments</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 17 'Insurance Contracts'	January 01, 2022
IFRS 14 Regulatory Deferral accounts	January 01, 2016
IFRS 1	July 01, 2009

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**3.5 Use of critical accounting estimates and judgments**

The preparation of 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.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements:

a)	useful lives of property and equipment	4.1
b)	employees' benefit	4.7
c)	taxation	4.8
d)	provisions	4.9
e)	contingent liabilities	4.17
f)	impairment	4.20 & 4.22
g)	trade and other payables	4.23

**4 SUMMARY OF SIGNIFICANT ACCOUNTING 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.

**4.1 Property and equipment**

**4.1.1 Owned**

Property and equipment except for freehold and leasehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost.

Depreciation is charged on straight line basis. 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 deletion.

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.

**4.1.2 Leased**

Leased assets in terms of which the Company assumes substantially all the risks and rewards incidental to ownership are capitalized at the inception of the lease at the fair value of leased assets or, if lower, at the present value of the minimum lease payments.

## **CLOVER PAKISTAN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED JUNE 30, 2019**

The outstanding obligations under the lease excluding finance charges allocated to future periods are shown as liability. Financial charges are allocated to the accounting periods in a manner so as to provide a constant rate of charge on the outstanding obligation.

Depreciation on leased assets is calculated so as to write-off the assets over their expected economic lives under the straight line at rates given in note 6 to the financial statements. Depreciation on additions is charged from the month in which they are available for use and on disposals immediately preceding the month of deletion.

#### **4.2 Intangible assets**

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of such assets can also be measured reliably.

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 over the useful lives of the assets, not exceeding three years. 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.

Goodwill represent the difference between the cost of acquisition paid and carrying value of the net assets acquired.

#### **4.3 Stores and spare parts**

Stores, spares and loose tools are stated at cost which is determined by the weighted moving average cost method except for those in transit which are valued at actual cost. Provision is made for slow moving and obsolete items.

#### **4.4 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.

#### **4.5 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.

#### **4.6 Offsetting of financial assets and financial liabilities**

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

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.7 Employees' benefits**

**Provident fund**

The Company operates a recognized provident fund scheme (defined contribution plan) for all its employees who are eligible for the scheme in accordance with the Company's policy. Contributions in respect thereto are made in accordance with the terms of the scheme.

**Gratuity**

The Company operates an unfunded gratuity scheme covering all its specific employees with one or more years of service with the Company. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period.

**4.8 Taxation**

**4.8.1 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. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

**4.8.2 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 or equity is recognized in the other comprehensive income or equity and not in statement of profit or loss.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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.

**4.9 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**4.10 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.

**4.11 Foreign currency transactions**

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.

**4.12 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. The figures have been rounded off to the nearest Rupee.

**4.13 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.

**4.14 Earning 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.

**4.15 Related parties 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.

**4.16 Share capital**

Ordinary 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.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.17 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.

**4.18 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.

**4.19 Investment**

Investments are carried at fair value through profit or loss. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each reporting date.

**4.20 IFRS 9 - Financial Instruments - initial recognition and subsequent measurement**

**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 or amortized cost as the case may be.

**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 financial 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 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.

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

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

- 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.

**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.

**Subsequent measurement**

**i) Financial assets at FVTOCI**

Selected 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 account 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.

**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 at the reporting date:

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

- cash and bank balances;
- other receivables;
- trade deposits; and
- loan and advances.

Loss allowance for trade receivables 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.

**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. The Company's financial liabilities include long term finances, trade and other payables, accrued markup and short term borrowing.

**Financial assets - policy up to June 30, 2018**

Trade debts and other receivables were recognized initially at fair value plus directly attributable cost, if any and subsequently, at amortized cost less impairment, if any. Provision for impairment of trade and other receivable was established when there is an objective evidence that the will not be able to collect all amounts due according to terms of receivables. Trade receivable considered irrecoverable were written off.



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.21 Cash and cash equivalents**

For the purpose of statement cash flows, cash and cash equivalents consist of cash in hand and balances with banks, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**4.22 Impairment of non-financial assets**

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are 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. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset. In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss account.

**4.23 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.

**5 CHANGE IN ACCOUNTING POLICIES**

**i) IFRS 9 - Financial Instrument**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instrument, impairment of financial assets and hedge accounting. The adoption of IFRS 9 from July 01, 2018 resulted in changes in accounting policies and adjustments to the amount recognized in the financial statements. Corresponding figures have not been restated.

**Classifications and remeasurement**

On July 01, 2018 (the date of initial application of IFRS 9), the Company's management has assessed business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from these reclassifications and adjustments are as follows:

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Financial assets July 01, 2018	Note	Loans and receivable	Amortised cost
		-----Rupees in '000-----	
Closing balance June 30, 2018 - IAS 39			
Trade debts	a & b	(103,836)	103,836
Cash and bank balances		(78,795)	78,795
Trade deposits		(88,279)	88,279
		<u>(270,910)</u>	<u>270,910</u>
Opening balance July 01, 2018 - IFRS		<u>(270,910)</u>	<u>270,910</u>

a) IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'Expected Credit Loss' (ECL) model. The Company has determined that the application of IFRS 9 impairment requirement at July 01, 2018 that results in additional allowance for trade debts. (Note 10)

b) The Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements which require impairment of financial assets to be presented in a separate line item in the statement of financial position. However, during the year ended June 30, 2018 there was no provision for doubtful debts that could be reclassified to 'impairment loss on trade receivables' in the statement of profit or loss.

ii) IFRS 15 - Revenue from contracts with customers

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue.

The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

Revenue is recognized when control of the goods is transferred to the customer and thereby, the performance obligation is satisfied, at the amount that reflects the consideration to which the Company expect to be entitled in exchange of goods.

The following are the specific recognition criteria that must be met before revenue is recognized:

- Revenue is recognized when control is transferred to the customer and performance obligation are satisfied.
- Income from bank is recorded using effective interest rate and all other revenue are recorded on accrual basis.
- Dividend income is recognized when the right to receive the dividend is established.

# CLOVER PAKISTAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2019

- Rental income under the service plan is recognized over the period during which the service is performed.
- Revenue from maintenance service contracts is apportioned over the life of the contract.

The adoption of IFRS 15, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at July 01, 2018, did not have an effect on the financial statements of the Company that may require retrospective change and restatement of comparatives for the year ended June 30, 2018.

As a result of the application of IFRS 15, cartage charges that were classified in administrative expenses, have now been netted against Revenue.

#### 6 PROPERTY AND EQUIPMENT

Note ----- (Rupees'000) -----

Operating assets

2019 2018

26,912 508

26,912 508

2019

Owned assets						Leased assets	Grand total
Leasehold Improvements	Furniture and fittings	Office Equipment	Computers	Vehicles	Sub-total	Vehicles	
Rupees in '000							
-	-	508	-	-	508	-	508
-	-	-	-	-	-	-	-
-	-	508	-	-	508	-	508
-	-	508	-	-	508	-	508
-	508	(508)	-	-	-	-	-
5,198 (1,664)	2,904 (761)	7,506 (5,648)	9,026 (6,998)	10,266 (214)	34,810 (15,285)	-	34,810 (15,285)
3,444	2,143	1,858	2,028	10,052	19,525	-	19,525
-	393	4,458	3,597	1,428	9,863	5,706	15,569
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(641)	(511)	(2,108)	(1,866)	(3,415)	(8,441)	(249)	(8,690)
2,803	2,633	4,208	3,754	8,057	21,355	5,457	26,912
5,198 (2,395)	3,805 (1,172)	11,964 (7,756)	12,648 (8,864)	11,686 (3,629)	45,181 (23,726)	5,706 (249)	56,887 (23,975)
2,803	2,633	4,208	3,754	8,057	21,455	5,457	26,912
60%	10%	25%	25%-33%	25%	10%-33%	25%	10%-33%

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

2018	Owned assets						Leased assets	Grand total
	Household improvements	Furniture and fixtures	Office Equipment	Computers	Vehicles	Sub-total	Vehicles	
	Rupees in '000							
As at June 30, 2017								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-	-	-
June 30, 2017								
Opening net book amount	-	-	-	-	-	-	-	-
Additions								
Cost	-	-	508	-	-	508	-	508
Accumulated depreciation	-	-	508	-	-	508	-	508
Disposal								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge for the year								
Closing net book amount	-	-	508	-	-	508	-	508
As at June 30, 2018								
Cost	-	-	508	-	-	508	-	508
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book amount	-	-	508	-	-	508	-	508
Depreciation rate (%)			33%			33%		33%

6.1 The depreciation expense has been allocated as follows:

	2019	2018
	(Rupees'000)	
Cost of sales	323	-
Selling and distribution expenses	-	-
Administrative expenses	8,368	-
	<u>8,691</u>	<u>-</u>

6.2 Office equipment includes printers installed at customers premises of International Schools, City bank and A.F. Ferguson & Co. having net book value of Rs.47,634. Such equipment is part of copier business plan where the Company provide copier services to its customers.

	2019	2018
	(Rupees'000)	
7 INTANGIBLE ASSETS		
Goodwill	7.1 548,862	-
Software	324	-
	<u>549,186</u>	<u>-</u>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2019****As at June 30, 2018**

Cost

Accumulated Amortization

**Net book amount****June 30, 2018**

Opening net book amount

Additions due to merger

Cost

Accumulated amortization

Additions

Amortization charge

**Closing net book amount****As at June 30, 2019**

Cost

Accumulated depreciation

**Net book amount****Amortization rate (%)**

Owned		
Goodwill	Software	Grand total
-	-	-
-	-	-
-	-	-
548,862	500	549,362
-	(113)	(113)
548,862	387	549,249
-	-	-
-	(63)	(63)
548,862	324	549,186
548,862	500	549,362
-	(176)	(176)
548,862	324	549,186
10%		

- 7.1 Details of the fair values of the net assets acquired, purchase consideration and goodwill on merger are as follows:

	Rupees in '000
Purchase consideration	605,251
Net assets acquired	56,389
Goodwill	548,862

The goodwill represents the difference between cost of acquisition and carrying value of net assets acquired at the time of merger.

The Company assessed the recoverable amount at June 30, 2019 and determined as of this date, there is no indication of impairment of goodwill. The recoverable amount was calculated on the basis of financial business plan which assumes cash inflows from operating, investing and financing activities.

**8 DEFERRED TAX ASSET****2019****2018**

This comprise the following:

(Rupees'000)

Deductible temporary difference arising in respect of:

Property and equipment

Carry forward tax losses

Provision for gratuity

2,478	-
10,882	-
2,674	-
<b>16,034</b>	<b>-</b>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Deferred tax asset has been recognized based on the projections prepared by the management indicating reasonable probabilities that taxable profits will be available in the foreseeable future against which deferred tax asset will be utilized on the basis of projections provided by the management.

9 STOCK-IN-TRADE	2019	2018
	----- (Rupees'000) -----	
Finished goods	<u>77,824</u>	<u>-</u>
<b>10 TRADE DEBTS</b>		
Considered good		
-Trade debt local- unsecured	<u>200,222</u>	<u>103,836</u>
Trade debts - gross	<u>200,222</u>	<u>103,836</u>
Allowance for expected credit loss - opening balance	<u>-</u>	<u>-</u>
Charge for the year	<u>(975)</u>	<u>-</u>
Allowance for expected credit loss - closing balance	<u>(975)</u>	<u>-</u>
Trade debts - net	<u>199,247</u>	<u>103,836</u>

Certain trade debts were found to be doubtful and provision has been recorded accordingly. The doubtful trade debts are mostly due from customers in the business-to-business market.

**10.1 Age analysis**

Not more than 3 months	<u>114,271</u>	<u>103,836</u>
More than 3 months but not more than 6 months	<u>55,493</u>	<u>-</u>
More than 6 months but not more than 1 year	<u>29,379</u>	<u>-</u>
More than 1 year	<u>1,079</u>	<u>-</u>
	<u>200,222</u>	<u>103,836</u>

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

<b>Hascol Petroleum Limited</b>		
Not more than 3 months	<u>50,636</u>	<u>-</u>
More than 3 months but not more than 6 months	<u>51,610</u>	<u>-</u>
More than 6 months but not more than 1 year	<u>29,485</u>	<u>-</u>
More than 1 year	<u>834</u>	<u>-</u>
	<u>132,565</u>	<u>-</u>
<b>VOS Petroleum Limited</b>		
Not more than 3 months	<u>37,788</u>	<u>-</u>
More than 3 months but not more than 6 months	<u>92</u>	<u>-</u>
More than 6 months but not more than 1 year	<u>-</u>	<u>-</u>
More than 1 year	<u>-</u>	<u>-</u>
	<u>37,880</u>	<u>-</u>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
	----- (Rupees'000) -----	
Market 786 (Private) Limited		
Not more than 3 months	6	-
More than 3 months but not more than 6 months	-	-
More than 6 months but not more than 1 year	-	-
More than 1 year	-	-
	<u>6</u>	<u>-</u>

- 10.3 The maximum amount outstanding at any time during the year calculated with reference to month end balances are as follows:

	2019	2018
Note	----- (Rupees'000) -----	
Hascol Petroleum Limited	212,367	-
VOS Petroleum Limited	111,170	-
Market 786 (Private) Limited	56	-
Fossil Energy (Private) Limited	34,680	-

**11 LOANS AND ADVANCES**

Loans - secured			
- employees	11.1 & 11.2	67	-
Advances - unsecured			
- employees	11.3	1,561	-
- suppliers	11.4	40,762	851
		<u>42,390</u>	<u>851</u>

- 11.1 This represent interest free loan to various staff in accordance with the Company's policy.
- 11.2 The maximum aggregate amount due from the executive at the end of any month during the year was Rs. Nil (2018: Rs. Nil).
- 11.3 It represents amount given advance to the employees of the Company for the purpose of its business.
- 11.4 It represents amount provided to suppliers which are adjustable against future purchases.

**12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**

	2019	2018
Note	----- (Rupees'000) -----	
Trade deposits	8,890	2,100
Margin deposits	12.1 16,119	86,179
Short term prepayments	12.2 1,056	1,040
	<u>26,065</u>	<u>89,319</u>

- 12.1 It represents amount deposit against import letter of credit.
- 12.2 It includes prepayment expenses relating to insurance and rentals.

	2019	2018	2019		2018	
	Number of shares / units		Average cost	Market value	Average cost	Market value
				Rupees '000'		
Akzo Nobel Pakistan Limited	17,000	-	2,535	1,701	-	-
Deerwah Cement Limited	1,000,000	-	9,814	7,810	-	-
Ghuribwal Cement Limited	300,000	-	4,940	3,108	-	-
	1,317,000	-	17,289	12,619	-	-
Unrealized loss on investments classified as 'FVTPL'	-	-	(4,670)	-	-	-
<b>Investments - net</b>	<b>1,317,000</b>	<b>-</b>	<b>12,619</b>	<b>12,619</b>	<b>-</b>	<b>-</b>

	2019	2018
Note	(Rupees'000)	
14.1	102,499	-
14.2	20,998	20,998
	240	-
	<u>123,737</u>	<u>20,998</u>

The whole amount is not yet due.

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.



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

On the other hand, the Divisional Bench of the SHC dismissed the reference for Rs.3.986 million in 2012. The Company filed appeal against the decision of the SHC before the 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 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.

	2019	2018
	(Rupees'000)	
<b>15 TAXATION - net</b>		
Advance income tax	51,948	19,401
Provision for taxation	(28,551)	(9,668)
	<u>23,397</u>	<u>9,733</u>
<b>16 CASH AND BANK BALANCES</b>		
Cash in hand	390	10
Cash with banks in:		
- current accounts - conventional	42,696	78,563
- deposit accounts - conventional	229	222
	<u>43,315</u>	<u>78,795</u>
<b>17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>		
Ordinary shares of Rs.10 each		
-fully paid in cash	39,000	39,000
-issued as bonus shares	55,349	55,349
-issued in lieu of amalgamation	154,796	-
	<u>249,145</u>	<u>94,349</u>
	2019	2018
	Number of shares	
Ordinary shares of Rs.10 each		
-fully paid in cash	3,900,000	3,900,000
-issued as bonus shares	5,534,880	5,534,880
-issued in lieu of amalgamation	15,479,567	-
	<u>24,914,447</u>	<u>9,434,880</u>

Fossil Energy (Private) Limited (related party) hold 20,668,897 shares which are more than five percent of total shares of the Company.

**18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

Under the agreement, lease rentals are payable in 48 equal monthly installments. The financing from Islamic bank carry markup at rates ranging from 13.35% to 15.51% per annum approximately which have been used as a discounting factor.

The minimum lease payments for which the Company has committed to pay in future under the lease agreements are due as follows:

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019			2018		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
-----Rupees in '000-----						
<i>Islamic</i>						
Up to one year	1,805	678	1,127	-	-	-
Later than one year but not later than five years	4,485	803	3,682	-	-	-
Later than five years	-	-	-	-	-	-
	<u>6,290</u>	<u>1,481</u>	<u>4,809</u>	<u>-</u>	<u>-</u>	<u>-</u>

		2019	2018
	Note	(Rupees'000)	
<b>19 DEFERRED LIABILITIES</b>			
Provision for staff gratuity scheme - unfunded		<u>9,209</u>	<u>-</u>
<b>20 TRADE AND OTHER PAYABLES</b>			
Trade creditors		90,842	57,868
Accrued liabilities		1,290	791
Withholding tax payable		845	-
Other liabilities		60	-
		<u>92,237</u>	<u>58,659</u>

**21 CONTINGENCIES AND COMMITMENTS**

**21.1 Contingencies**

The Trust Investment Bank Limited (TIBL) instituted the suit for recovery of Rs. 40,243,097 against HBSPL whose rights and obligations have been merged with and into the Company, which is pending adjudicating before the Judge Banking Court No. 1, 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 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 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. 690,704 on account of set off in its favor against the plaintiff bank as prayed for; whether the plaintiff is entitled for recovery of Rs. 40,243,097 along with costs of suit and cost of funds as prayed for.

In view of above said issue, the Company has moved an application for deciding the first three legal issues first, the reply of which has been sought by the Judge from the plaintiff bank and if the meantime, the presiding officer stood transferred upon completion of his three year tenure in the banking court on April 17, 2018 and still no presiding officer has been appointed by the Federal Ministry of Law and the case is being adjourned due to non-availability of presiding officer.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

The management of the Company on the basis of Counsel's opinion is confident that the Company is not likely to suffer any losses on account of said case.

		2019	2018
	Note	(Rupees'000)	
<b>21.2 Commitments</b>			
Outstanding letters of credit for stock in trade		13,261	155,690
<b>22 REVENUE - net</b>			
Revenue from			
- Sale of goods		1,213,872	183,972
- Services		224,140	-
Revenue - gross		1,438,012	183,972
Less:			
- Sales tax		(192,942)	(26,731)
- Cartage		(1,105)	-
		(194,047)	(26,731)
		1,243,965	157,241
<b>23 COST OF SALES</b>			
Cost of sales		754,969	125,658
Cost of services		34,342	-
		789,311	125,658
<b>23.1 Cost of sales</b>			
Opening stock		-	-
Add:			
Purchases		753,444	125,658
Addition under scheme of merger		79,349	-
Less: Closing stock		(77,824)	-
		754,969	125,658
<b>23.2 Cost of services</b>			
Customer service plan		11,408	-
Consumption of repair material		7,061	-
Delivery and installation cost		15,550	-
Depreciation	6.1	323	-
		34,342	-
<b>24 SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages, allowances and other benefits		7,743	-
Travelling		6,373	-
Advertisement		3,149	164
Rent, rates and taxes		6,240	-
Miscellaneous		2,960	-
		26,465	164

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		2019	2018
	Note	(Rupees'000)	
<b>25 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages, allowances and other benefits		64,411	600
Travelling		11,323	-
Management fee on investment		-	698
Expected credit loss		975	-
Director remuneration		100	100
Provident fund expense		768	438
Office expenses		5,456	920
Postage, telephone and telegrams		2,878	25
Utilities		1,549	-
Rent, rates and taxes		1,107	-
Legal and professional charges		685	100
Insurance		3,248	-
Repairs and maintenance		3,442	-
Depreciation	6.1	8,368	-
Amortization	7	63	549
Miscellaneous		138	101
		<u>104,502</u>	<u>3,531</u>
<b>26 OTHER OPERATING EXPENSES</b>			
Auditor's remuneration	26.1	1,401	457
Unrealized loss on revaluation		4,670	-
Realized loss on disposal		1,030	-
		<u>7,101</u>	<u>457</u>
<b>26.1 Auditor's remuneration</b>			
Audit fee		700	200
Fee for half yearly review		326	50
Fee for other certification		50	-
Special audit		200	150
Out-of-pocket expense		125	57
		<u>1,401</u>	<u>457</u>
<b>27 OTHER INCOME</b>			
<i>Income from financial assets</i>			
Profit on bank deposit/TDR		1,914	2,370
<i>Income from non-financial assets</i>			
Recovery from sale of scrap		388	-
Profit on sale of shares		-	4,637
Dividend income		204	-
		<u>2,506</u>	<u>7,007</u>
<b>28 FINANCE COST</b>			
Finance charge on finance leases		218	-
Bank charges		2,051	1,115
		<u>2,269</u>	<u>1,115</u>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 ----- (Rupees'000) -----	2018 ----- (Rupees'000) -----
<b>29 TAXATION</b>			
Current		42,952	11,351
Prior year		-	(1,683)
Deferred		16,585	-
		<u>59,537</u>	<u>9,668</u>

- 29.1** Current year taxation has been charged on the basis of provisions in Income Tax Ordinance, 2001 and accounted for after taking effect of admissible expenses in normal taxation with proportion of Normal tax regime and on final tax regime applicable to the Company based on tax withheld at import stage proceeds u/s 148 which is deemed as full and final discharge of the tax liability.

The Company computes tax based on the generally accepted interpretations of the tax laws to ensures that the sufficient provision for the purposes of taxation is available which can be analyzed as follows:

	2018 ----- (Rupees'000) -----	2017 ----- (Rupees'000) -----	2016 ----- (Rupees'000) -----
- Provisions	9,668	2,319	6,226
- Assessment	<u>6,974</u>	<u>636</u>	<u>464</u>

	2019 ----- (Rupees'000) -----	2018 ----- (Rupees'000) -----
<b>29.2 Reconciliation of tax expense</b>		
Profit before income tax	311,890	33,323
Enacted tax rate	29%	30%
Tax on accounting profit at applicable tax rate	90,448	9,997
Tax effect of:		
- temporary differences	(101)	-
- applicability of fixed tax rate on certain income	(73,762)	1,354
- income subject to FTR	42,952	-
- prior year	-	(1,683)
Tax expense charged on income	<u>59,537</u>	<u>9,668</u>

**30 EARNING PER SHARES - basic and diluted**

<b>Basic earnings per share</b>		
Profit for the year	252,353	23,655
<b>Number of shares</b>		
Weighted average number of shares outstanding at year end in thousand	24,914	9,435
	----- (Rupees) -----	
Basic earnings per share	<u>10.13</u>	<u>2.51</u>

There is no dilutive effect on the basic-earnings per share of the Company

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
	(Rupees'000)	
<b>31 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	311,890	33,323
<b>Adjustment for</b>		
Depreciation	8,698	-
Amortization	63	-
Exchange loss	4,933	-
Finance cost	2,269	1,115
Unrealized loss on revaluation	4,670	-
Realized loss on disposal	1,030	-
Dividend income	(204)	-
Provision for gratuity	3,027	-
Profit on Pakistan investment bond	-	(15)
Gain on redemption of mutual funds	-	(981)
Gain on sale of Pakistan investment bond	-	(229)
Gain on sale of T-bills	-	(3,427)
	<b>24,478</b>	<b>(3,537)</b>
<b>Operating profit before working capital changes</b>	<b>336,368</b>	<b>29,786</b>
<b>Working capital changes</b>		
<b>(Increase)/ decrease to current assets</b>		
Long-term deposits	10	-
Stock-in-trade	1,525	-
Trade debts	(73,970)	(103,836)
Advance to suppliers	(39,430)	(841)
Trade deposits and short term prepayments	90,200	(89,318)
Other receivables	(224,836)	14
Sales tax payable- net	9,533	7,654
<b>Increase in current liabilities</b>		
Payable to retirement fund	(8,660)	-
Advance from customers	(46,504)	-
Trade and other payables	19,188	105,474
<b>Cash generated from / (used in) operations</b>	<b>63,424</b>	<b>(51,067)</b>
<b>32 NUMBER OF EMPLOYEES</b>	<b>2019</b>	<b>2018</b>
Number of employees as at the year end	<b>132</b>	<b>2</b>
Average number of employees during the year	<b>74</b>	<b>2</b>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**33 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

	2019			2018		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees in '000					
Managerial remuneration	2,758	-	13,698	-	-	-
Gratuity	-	-	336	-	-	-
Director's fee	-	100	-	-	100	-
	<u>2,758</u>	<u>100</u>	<u>14,034</u>	<u>-</u>	<u>100</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>1</u>	<u>1</u>

	2019			2018		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees in '000					
Cost of sales	-	-	-	-	-	-
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	2,758	100	14,034	-	100	-
	<u>2,758</u>	<u>100</u>	<u>14,034</u>	<u>-</u>	<u>100</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>1</u>	<u>1</u>

**34 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:

**34.1 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:

**34.1.1 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.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Exposure to Foreign currency risk**

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2019	2018
	----- Amount in Euro '000 -----	
Trade creditors	265	-
<b>Off statement of financial position exposures</b>		
Letter of credit	73	-
<b>Net exposure</b>	<b>338</b>	<b>-</b>
	2019	2018
	----- Amount in USD '000 -----	
Trade creditors	-	-
<b>Off statement of financial position exposures</b>		
Letter of credit	-	1,279
<b>Net exposure</b>	<b>-</b>	<b>1,279</b>

The following significant exchange rates were applied during the year.

	2019	2018
	Rupee per Euro	
Reporting date rate	182.32	-
	Rupee per USD	
Reporting date rate	-	121.73

**Foreign currency sensitivity analysis**

A 10 percentage strengthening of the PKR against the USD and EURO at June 30, 2019 and 2018 would have effect on the equity and statement of profit or loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2019.

	2019	2018
	----- (Rupees'000) -----	
Strengthening of PKR against respective currencies	6,158	15,569
Weakening of PKR against respective currencies	6,158	15,569

A 10 percentage weakening of the PKR against the USD and EURO at June 30, 2019 and 2018 would have had the equal but opposite effect on USD and EURO to the amounts shown above, on the basis that all other variables remain constant.

**34.1.2 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. The Company has a equity investment Rs. 12.62 million.

A 10 percentage strengthening or weakening of the price of the equity investment would have effect on the equity, short-term investments and statement of profit or loss by Rs. 1.26 million.



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**34.1.3 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 long term finance lease. The local currency loans carry mark up at the prevailing rate of 6 months KIBOR + 2.5% p.a. Applicable interest rates for financial assets and liabilities are given in respective notes.

		2019			Non mark-up / profit bearing	Total
		Mark-up / profit bearing				
		Less than one year	One year to Five years	Over five years		
		(Rupees'000)				
<b>Financial assets</b>		Note				
<b>At amortised cost</b>						
Trade debts	10	-	-	-	199,247	199,247
Trade deposits	12	-	-	-	25,009	25,009
Other receivables	14	-	-	-	102,739	102,739
Cash and bank balances	16	-	-	-	43,315	43,315
		-	-	-	370,310	370,310
<b>Fair value through profit or loss</b>						
Short term investments	13	-	-	-	12,619	12,619
<b>Financial liabilities</b>						
<b>At amortised cost</b>						
Trade and other payables	20	-	-	-	91,392	91,392
Liabilities against assets subject to finance lease-Islamic	18	1,127	3,682	-	-	4,809
Unclaimed dividend		-	-	-	4,653	4,653
		1,127	3,682	-	96,045	100,854
<b>On statement of financial position gap</b>		(1,127)	(3,682)	-	286,884	282,075
<b>Off statement of financial position gap</b>						
Commitments		-	-	-	13,261	13,261

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		2018			Non mark-up / profit bearing	Total
		Mark-up / profit bearing				
		Less than one year	One year to five years	Over five years		
Note		----- (Rupees'000) -----				
<b>Financial assets</b>						
<b>At amortised cost</b>						
Long term deposits		-			10	10
Trade debts	10	-			103,836	103,836
Trade deposits	12	-			88,279	88,279
Cash and bank balances	16	-	-	-	78,795	78,795
		-	-	-	270,920	270,920
<b>Financial liabilities</b>						
<b>At amortised cost</b>						
Trade and other payables	20	-	-	-	58,659	58,659
Unclaimed dividend		-	-	-	4,162	4,162
		-	-	-	62,821	62,821
<b>On statement of financial position gap</b>		-	-	-	208,099	208,099
<b>Off statement of financial position gap</b>						
Commitments		-	-	-	155,690	155,690

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

(b) Effective rates of return/mark-up on financial liabilities are as follows:

	2019	2018
<b>Financial liabilities</b>		
	6 month KTBOR + 2.5% p.a	Nil
Liabilities against assets subject to finance lease		

**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.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Cash flow sensitivity analysis for variable rate instruments**

At June 30, 2019, 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. 0.048 million (2018: Rs. Nil) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

**34.2 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 except for Hascof Petroleum Limited from whom receivable amounts to Rs. 132.57 million. 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:

		2019	2018
Financial assets	Note	(Rupees'000)	
Long-term deposits		-	10
Trade debts	10	199,247	103,836
Trade deposits	12	25,009	88,279
Other receivables	14	102,739	-
Bank balances	16	42,925	78,785
		<u>369,920</u>	<u>270,910</u>

The ageing of trade debts has been disclosed in note 10.1 of these financial statements.

**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	2019	2018
		(Rupees'000)	
Allied Bank Limited	A1+	2	2
Bank Al Habib	A1+	424	-
Bank Al Falah	A1+	4,040	1
BankIslami Pakistan Limited	A1	23,128	-
Habib Bank Limited	A1:	2	3
Habib Metropolitan Bank Limited	A1:	3,728	18,096
MCB Bank Limited	A1+	6	6
Meezan Bank Limited	A1+	3,883	-
National Bank Of Pakistan	A1+	15	16
Soneri Bank Ltd	A1+	20	-
Summit Bank Limited	SUSPENDED	7,677	60,661
		<u>42,925</u>	<u>78,785</u>

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**34.3 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:

	2019	2018
	----- (Rupees'000) -----	
<b>Financial liabilities</b>		
Trade and other payables	91,392	58,659
Unclaimed dividend	4,653	4,162
Liabilities against assets subject to finance lease-Islamic	4,809	-
	<u>100,854</u>	<u>62,821</u>

**34.4 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- 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 basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2019:

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019			
	Level 1	Level 2	Level 3	Total
	(Rupees'000)			
<b>Financial assets</b>				
Financial investments: FVTPL	12,619	-	-	12,619
	2018			
	Level 1	Level 2	Level 3	Total
	(Rupees'000)			
<b>Financial assets</b>				
Financial investments: FVTPL	-	-	-	-

**35 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 manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. The gearing ratio as at June 30, 2019 is Rs. Nil (2018: Nil).

**36 TRANSACTION 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:

	Percentage of holding	2019	2018
		(Rupees'000)	
<b>Associated Company - Haseol Petroleum Limited (Common directorship)</b>			
- Sale of goods and services	0%	609,721	-
<b>Associated Company - VOS Petroleum Limited</b>			
- Sale of goods and services	0%	354,351	-
<b>Holding Company - Fossil Energy (Private) Limited</b>			
- Sale of goods	83%	69,100	-
<b>Associated Company - Market 786 (Private) Limited</b>			
- Sale of goods	0%	252	-

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Percentage of holding	2019 ----- (Rupees'000) -----	2018 -----
<b>Key management personnel</b>			
- Director's fee		<u>100</u>	<u>100</u>
- Managerial remuneration		<u>2,758</u>	<u>-</u>
<b>Balances</b>			
<b>Associated Company - Hascol Petroleum Limited</b>			
- Receivable from associate	0%	<u>132,565</u>	<u>-</u>
<b>Associated Company - VOS Petroleum Limited</b>			
- Receivable from associate	0%	<u>37,880</u>	<u>-</u>
<b>Holding Company - Fossil Energy (Private) Limited</b>			
- Loan from associate	83%	<u>-</u>	<u>-</u>
- Intercompany receivable to associate	83%	<u>102,499</u>	<u>-</u>
<b>Associated Company - Market 786 (Private) Limited</b>			
- Receivable from associate	0%	<u>6</u>	<u>-</u>

**37 CORRESPONDING FIGURES**


Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards and fourth schedule of Companies Act, 2017.

**38 NON ADJUSTING EVENTS AFTER THE REPORTING DATE**


The board in its meeting held on 2<sup>nd</sup> October 2019 has proposed dividend in respect of the year ended June 30, 2019 of Rs. Nil per share (2018: Re. Nil) for approval of the members at the annual general meeting. The financial statements for the year ended June 30, 2019 do not include the effect of proposed dividend which will be accounted for in the financial statement for the year ending June 30, 2020.

**39 DATE OF AUTHORIZATION**

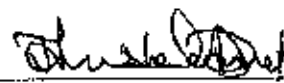
These financial statements were authorized for issue on 2<sup>nd</sup> October 2019 by the board of directors of the Company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# CLOVER PAKISTAN LIMITED

## PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2019

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		Total Shares
	FROM	TO	
786	1	100	17,575
353	101	500	120,095
166	501	1,000	143,219
200	1,001	5,000	469,105
36	5,001	10,000	261,894
19	10,001	15,000	240,162
7	15,001	20,000	126,300
2	20,001	25,000	45,500
5	25,001	30,000	134,200
4	30,001	35,000	126,800
2	35,001	40,000	76,000
1	40,001	45,000	40,200
5	45,001	50,000	248,300
2	50,001	55,000	102,800
5	55,001	60,000	291,100
2	70,001	75,000	148,600
1	75,001	80,000	75,500
1	80,001	85,000	84,500
1	95,001	100,000	96,000
1	110,001	115,000	111,000
1	125,001	130,000	129,200
1	145,001	150,000	149,500
1	185,001	190,000	188,500
1	215,001	220,000	217,500
1	600,001	605,000	602,000
1	20,665,001	20,670,000	20,668,897
<b>1,605</b>			<b>24,914,447</b>

# CLOVER PAKISTAN LIMITED

AS AT JUNE 30, 2019

Information as required under Code of Corporate Governance

Shareholders Category	No. of Shareholder	No. of Share held
<b>Associated Companies, Undertaking and Related Parties (name wise details)</b>		
FOSSIL ENERGY (PRIVATE) LIMITED	1	20,668,897
<b>TOTAL</b>	<b>1</b>	<b>20,668,897</b>
<b>Mutual Funds (name wise details)</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Directors and their spouse (to be confirmed by company)</b>		
MR. MUHAMMAD JAMSHED AZMET	1	1,000
MR. ABDUL WAHAB GHAFAR KODVAVI	1	500
MR. IRFAN ALI HYDER	1	500
MR. NADEEM AHMED BUTT	1	6
<b>TOTAL</b>	<b>4</b>	<b>2,006</b>
<b>Executives (To be confirmed by company)</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Public Sector Companies and Corporations</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions,</b>		
<b>Insurance Companies, Takaful, Modaraba and Pension Funds</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)</b>		
FOSSIL ENERGY (PRIVATE) LIMITED	1	20,668,897
<b>TOTAL</b>	<b>1</b>	<b>20,668,897</b>



# CLOVER PAKISTAN LIMITED

## CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2019

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	4	2,006	0.01
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	1	20,668,897	82.96
3	NTF and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions			
5	Insurance Companies			
6	Moderabas and Mutual Funds			
7	Share holders holding 10%	1	20,668,897	82.96
8	General Public : a. local b. Foreign	1,575 -	3,468,737 -	13.92 -
9	Others	25	774,807	3.11
Total (excluding : share holders holding 10%)		1,605	24,914,447	100.00





CLOVER PAKISTAN LIMITED

## FORM OF PROXY

THIRTY-THIRD (33<sup>rd</sup>) ANNUAL GENERAL MEETING 2019

The Company Secretary  
 Clover Pakistan Limited  
 Banglow No. 23-B, Lalazar,  
 Off M. T. Khan Road,  
 Karachi.

I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being member(s) of CLOVER PAKISTAN LIMITED and holder of \_\_\_\_\_  
 ordinary shares as per Share Register Folio No. \_\_\_\_\_ and / or CDC  
 Participant I. D. No. and Sub Account / IAS Account No. \_\_\_\_\_  
 hereby appoint \_\_\_\_\_  
 of \_\_\_\_\_ or failing him / her \_\_\_\_\_  
 of \_\_\_\_\_ as my / our proxy in my / our absence to attend  
 and vote for me / us and on my / our behalf at the Thirty-Third (33<sup>rd</sup>)  
 Annual General Meeting of the Company to be held on Friday, 25th October  
 2019, and at any adjournment thereof.

As witness my / our hands / seal this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Signature \_\_\_\_\_

Affix  
 Five Rupees  
 Revenue  
 Stamp

(Signature should agree with the specimen  
 signature registered with the Company)

## Witness 1

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

## Witness 2

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_

## Important

1. This proxy form, duly completed and signed, must be received at the registered office of the Company at Banglow No. 23-B, Lalazar, Off M. T. Khan Road, Karachi, not less than 48 hours before the time of holding the Meeting.

2. Members are requested:

- (a) To affix Revenue Stamp of Rs. 5/- at the place indicated above; and
- (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.

For CDC account holder(s) / corporate entities

In addition to the above the following requirements have to be met:

- i) the proxy form shall be witnessed by two persons whose names, addresses and CNIC / passport numbers shall be sealed on the form;
- ii) attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form;
- iii) the proxy shall produce his / her original CNIC or original passport at the time of the meeting; and
- iv) corporate entities should produce a certified copy of the resolution pertinent to its board of directors' meeting or a power of attorney bearing signature of the nominee at the time of the Meeting, unless it has been provided earlier.

## پراسی فارم تینیسول سالانہ اجلاس عام

محترم جناب مکی سیکریٹری صاحب  
کلور پاکستان لمیٹڈ  
بک نمبر 23-23، ملالہ زار،  
آف ایب۔ لی۔ خان روڈ، کراچی۔

میں رازم \_\_\_\_\_ کلور پاکستان لمیٹڈ کے ممبر مہمان رجسٹرڈ فوئیو ممبر شرکا  
کی آئی ڈی سی ڈی سی ایلی اکاؤنٹ نمبر کے مطابق عمومی شیڈز \_\_\_\_\_ ہولڈ ہیں جو کہ بذریعہ جناب  
کونٹر ریکرٹی کرتے ہیں۔ رجسٹرڈ فوئیو ممبر شرکا کی آئی ڈی سی ڈی سی ایلی  
اکاؤنٹ نمبر \_\_\_\_\_ یا اس کے اس کی شرکت نہ کرنے کی صورت میں جناب \_\_\_\_\_  
کو بطور متاثرہ کاربر (ب) 25 اکتوبر، 2019 کو کلور پاکستان لمیٹڈ کا تینیسول سالانہ اجلاس عام اور اس کے کسی الحوا تک میری ر  
تاریکی جانب رصرفت سے دوٹ دینے اور اجلاس عام میں شرکت کرنے کا اظہار رویتا ہوں۔

بطور گواہی میں رہنما سے دستخط و مہر مودتہ \_\_\_\_\_، 2019 اکتوبر کو دیکھا کر رہے۔

پانچ روپے والے  
ریونیو اسٹیپ  
پر دستخط کریں

دستخط

دستخط مکی کی جانب سے تصدیق شدہ دستخط قابل قبول ہو گئے

گواہ نمبر ۲:

گواہ نمبر ۱:

نام: \_\_\_\_\_ نام: \_\_\_\_\_

پتہ: \_\_\_\_\_ پتہ: \_\_\_\_\_

سی ای این آئی سی ای پی سیورٹ نمبر: \_\_\_\_\_ سی ای این آئی سی ای پی سیورٹ نمبر: \_\_\_\_\_

### نوٹس:

۱۔ پانچ نام بینک سے دو دن قبل یعنی 18 ستمبر پہلے عمل کوالت اور دستخط کے ساتھ بک نمبر 23-23، ملالہ زار آف ایب۔ لی۔ خان روڈ، کراچی۔ میں تاج اور گئے۔

۲۔ مہمان کو ضروری ہدایات

(الف) مذکور بالا خانہ برائے ریونیو اسٹیپ میں رسید کی کٹ کا ضروری ہے۔

(ب) رسید کی کٹ پر مکی میں رجسٹرڈ دستخط کرنے ہو گئے۔

برائے سی ای این آئی سی ای پی سیورٹ کارپورٹ ادارے۔

مزید برآں متعدد ذیلی ضروری ہدایات پر عمل کیا جائے۔

(الف) پراسی فارم پروڈکٹس کو ان کا نام پر ادائیگی شناختی کارڈ بطور ممبر کے ضروری ہے۔

(ب) تصدیقی شدہ سی ڈی سی ایلی اکاؤنٹ نمبر کے ساتھ دستخط کریں۔

(پ) وقفہ کے وقت اس قریبی شناختی کارڈ باجی سیورٹ کا ضروری ہے۔

(ت) کارپورٹ اداروں کے لئے ڈرافٹ ڈائریکٹرز پر لازم ہے کہ بینک کے دائرہ دستخط شدہ آئین باہر آف انارٹی مشترکہ مجلس کو دیں۔ اگر ضرور  
کردہ مجلس کو پہلے اراکین کے پاس کیجئے۔

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