

CLOVER PAKISTAN LIMITED
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED
31 DECEMBER 2019 (UN-AUDITED)



CLOVER PAKISTAN LIMITED

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Company Information

Board of Directors

Mr. Muhammad Jamshed Azmet
Mr. Abu Talib Haideri
Mr. Nadeem Ahmed Butt
Mr. Khawar Jamil Butt
Mr. Shehzad Mohsin
Mr. Abdul Wahab Kodvavi
Mr. Irfan Ali Hyder
Mr. Rashid Ahmed Jafer

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. Basit Habib

CHIEF FINANCIAL OFFICER

Mr. Muhammad Asim

EXTERNAL AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR

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

WEBSITE

www.clover.com.pk

CLOVER PAKISTAN LIMITED

DIRECTORS' REPORT

For the half-year ended December 31, 2019

The Directors present the 2nd Quarter 2019 Report together with the Company's Financial Statements for the half year ended December 31, 2019.

OPERATING RESULTS

The operating results of the Company for half year were as following

	Six months period ended		Three months period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000')		(Rupees in '000')	
Revenue - net	335,110	891,032	245,677	439,527
Cost of sales	(226,466)	(596,227)	(206,884)	(301,769)
Gross profit	108,644	294,805	38,793	137,758
Administrative and selling expenses	(32,036)	(59,542)	(1,571)	(20,773)
Operating profit	76,608	235,263	37,222	116,985
Finance cost	(1,247)	(1,667)	(1,111)	(380)
Exchange (loss)/gain	(727)	(2,238)	90	-
Other income	23,922	2,203	15,157	1,591
Profit before income tax	98,556	233,561	51,358	118,196
Taxation	(25,748)	(41,742)	(18,096)	(22,200)
Profit for the period	72,808	191,819	33,262	95,996
Earnings per share - Basic and diluted	----- (Rupees) -----		----- (Rupees) -----	
	2.92	(Restated) 7.70	1.33	(Restated) 3.85

The second quarter net Revenue of the Company at Rs. 245.67 million shows a decrease of 62% over the same period last year which is reflective of the general economic conditions. However, strict control over costs and other related measures taken by the management kept the things under control. The EPS-basic for Six months' period was Rs. 2.92 versus Rs.7.70 for the same period of 2018.

PERFORMANCE REVIEW

Impact of Market Trends & Macro Economic Environment

The prevailing financial slowdown in the Country's overall economy together with significant exchange rate fluctuations, high inflation and strict statutory/other measures taken by the Government, have negatively impacted almost all sectors. The results of almost all leading conglomerates and SME enterprises for this Quarter- October to December- announced recently show significantly reduced Revenues and profitability.

Revenue and Cost Reduction

Our Company, too, has obviously been affected and our top line shows a decline of 62% over net revenues for 2019 as compared to same period of 2018.

To offset these, the Management made changes to its cost structure, streamlined operations in the short term and also reduced costs where possible. These measures have positive impact over controls.

FUTURE PROSPECTS AND NEW SEGMENT

Our future strategy is driven by relying on our traditional business segments that are driven by innovation and emphasizing on diversification of our product portfolio and customer base. The Clover Pakistan Limited during the last quarters of 2019 started Chemical Business and is expected to provide strong backing to the overall performance of the Company for the year ending June 30th 2020.

ACKNOWLEDGEMENT

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 regulations for their continued support and direction.

For and on behalf of the Board of Directors



Muhammad Jamshed Azmet
Director



Mr. Abu Talib Haideri
Chief Executive

Karachi.

Dated: 28th February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Clover Pakistan Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Clover Pakistan Limited** as at **December 31, 2019** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the interim financial statements). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

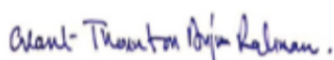
Emphasis of Matter

We draw attention to contents of note 14.1 of the condensed interim financial statements in respect of recoverability of customs duty refundable of Rs. 20.998 million. Our opinion is not qualified in respect of this matter.

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months period ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2019.

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



Grant Thornton Anjum Rahman
Chartered Accountants

Karachi

Date: 28 February 2020.

CLOVER PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) (Rupees in '000')	June 30, 2019 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	8	27,120	26,912
Intangible assets	9	549,162	549,186
Deferred tax asset-net	10	5,837	16,034
Total non - current assets		582,119	592,132
CURRENT ASSETS			
Stock in trade		68,855	77,824
Trade debts - unsecured	11	342,480	199,247
Loans and advances - considered good	12	51,455	42,390
Trade deposits and short term prepayments	13	30,687	26,065
Short term investments	14	16,360	12,619
Other receivables	15	23,413	123,737
Advance tax - net		12,598	23,397
Cash and bank balances	16	260,058	43,315
Total current assets		805,906	548,594
TOTAL ASSETS		1,388,025	1,140,726
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 40,000,000 (June 30, 2019: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid-up share capital	17	249,145	249,145
Reserves		850,886	778,078
Total shareholders' equity		1,100,031	1,027,223
NON-CURRENT LIABILITIES			
Lease liabilities		5,195	3,682
Deferred liabilities		8,848	9,209
Total non-current liabilities		14,043	12,891
CURRENT LIABILITIES			
Trade and other payables	18	259,912	92,237
Advance from customers		96	818
Sales tax payable- net		7,918	1,777
Current portion of lease liabilities		2,063	1,127
Unclaimed dividend		3,962	4,653
Total current liabilities		273,951	100,612
TOTAL EQUITY AND LIABILITIES		1,388,025	1,140,726
Contingencies and commitments			
The annexed notes from 1 to 28 form and integral part of these condensed interim financial statements.			



Chief Executive



Chief Financial Officer



Director



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

	Note	Six months period ended		Three months period	
		December 31, 2019 (Rupees in '000')	December 31, 2018	December 31, 2019 (Rupees in '000')	December 31, 2018
Revenue - net	20	335,110	891,032	245,677	439,527
Cost of sales	21	(226,466)	(596,227)	(206,884)	(301,769)
Gross profit		108,644	294,805	38,793	137,758
Administrative and selling expenses		(32,036)	(59,542)	(1,571)	(20,773)
Operating profit		76,608	235,263	37,222	116,985
Finance cost		(1,247)	(1,667)	(1,111)	(380)
Exchange (loss)/gain		(727)	(2,238)	90	-
Other income		23,922	2,203	15,157	1,591
Profit before income tax		98,556	233,561	51,358	118,196
Taxation		(25,748)	(41,742)	(18,096)	(22,200)
Profit for the period		72,808	191,819	33,262	95,996
		(Restated)		(Restated)	
Earning per share - Basic and diluted	22	2.92	7.70	1.33	3.85

The annexed notes from 1 to 28 form and integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director



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

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>December</u>	<u>December 31,</u>	<u>December</u>	<u>December 31,</u>
	<u>31, 2019</u>	<u>2018</u>	<u>31, 2019</u>	<u>2018</u>
	<u>(Rupees in '000')</u>		<u>(Rupees in '000')</u>	
Profit for the period	72,808	191,819	33,262	95,996
Other comprehensive income				
<i>Items that may be reclassified to the statement of profit or loss in subsequent periods</i>	-	-	-	-
<i>Items that will not be reclassified to the statement of profit or loss in subsequent periods</i>	-	-	-	-
Total comprehensive income	72,808	191,819	33,262	95,996

The annexed notes from 1 to 28 form and integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



CLOVER PAKISTAN LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

		Six months period ended	
	Note	December 31, 2019	December 31, 2018
(Rupees in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	23	225,813	70,501
Finance cost paid		(1,247)	(1,851)
Income tax paid		(4,755)	(41,180)
Payment to outgoing employee - gratuity fund		(362)	(126)
Interest received		38	909
<i>Net cash flows generated from operating activities</i>		219,487	28,253
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property and equipment		(754)	(7,142)
Dividend received		150	119
Short-term investment made		-	(14,951)
<i>Net cash flows used in investing activities</i>		(604)	(21,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(691)	(3)
Repayment of lease liability		(1,449)	-
<i>Net cash flows used in financing activities</i>		(2,140)	(3)
Net increase in cash and cash equivalents		216,743	6,276
Effects of exchange rate changes on cash and cash equivalents		-	(2,203)
Cash and cash equivalents at the beginning of the period		43,315	78,795
Transfer from Hascombe Business Solutions (Private) Limited		-	5,811
Cash and cash equivalents at the end of the period	16	260,058	88,679

The annexed notes from 1 to 28 form and integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

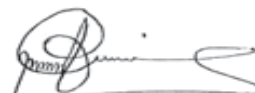
CLOVER PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Issued, Subscribed and Paid up Share Capital	Capital to be issued pursuant to amalgamation	Reserves			Total reserves	Total equity
			Capital Reserve	Revenue reserve			
			Share premium	General Reserve	Unappropriated profit		
----- Rupees in '000' -----							
Balance as at July 1, 2018	94,349	-	-	64,600	38,975	103,575	197,924
Profit after taxation for the period ended December 31, 2018	-	-	-	-	191,819	191,819	191,819
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	191,819	191,819	191,819
Capital to be issued pursuant to Amalgamation	-	605,251	-	-	-	-	605,251
Transaction with owners, recognised directly in equity							
Interim dividend for the period ended 30 September 2018 @ Rs. 3.00 per share	-	-	-	-	(28,305)	(28,305)	(28,305)
Balance as at December 31, 2018	94,349	605,251	-	64,600	202,489	267,089	966,689
Balance as at July 01, 2019	249,145	-	450,455	64,600	263,023	778,078	1,027,223
Profit after taxation for the period ended December 31, 2019	-	-	-	-	72,808	72,808	72,808
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	72,808	72,808	72,808
Balance as at December 31, 2019	249,145	-	450,455	64,600	335,831	850,886	1,100,031

The annexed notes from 1 to 28 form and integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1 LEGAL STATUS AND OPERATIONS

Clover Pakistan Limited (the Company) was incorporated in Pakistan on September 30, 1986 as a public limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Fossil Energy (Private) Limited (the 'Holding Company') which holds 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 is to manufacture and sell 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.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

a) During the period, the Company has entered into new business line by importing industrial chemical and sale to local industries.

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

3 STATEMENT OF COMPLIANCE

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

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

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

4 BASIS OF PREPARATION

These condensed interim financial statements of the Company do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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

5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

5.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019, except for the adoption of IFRS 16 "Leases". The accounting policy adopted by the Company is as follows:

5.1.1 IFRS 16 'Leases' replaces the previous lease standard "IAS 17 Leases". It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases has been removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The associated Right-of-use (RoU) for finance leases were measured on a retrospective basis as if the new rules had always been applied.

Management of the Company has assessed the changes laid down by these standards and determined that these do not have any significant impact on these condensed interim financial statements of the Company.

The change in accounting policy affected the following items in the condensed interim statement of financial position and it has no effect on statement of profit or loss:

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	(Rupees in '000')	
Operating fixed assets – decreased by	(8,317)	(5,457)
Right-of-use asset – increased by	8,317	5,457
Liability against assets subject to finance lease - decreased by	(7,258)	(4,809)
Lease liabilities - increased by	7,258	4,809

The above figures have been reclassified wherever necessary to reflect more appropriate presentation.

5.1.2 LEASE LIABILITY AND RIGHT-OF-USE ASSET

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

CLOVER PAKISTAN LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method at the rates given in note 6 to the annual financial statements for the year ended June 30, 2019. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

6 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgments and associated assumptions used in the preparation of these condensed interim financial statement are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

7 FUNCTIONAL AND PRESENTATION CURRENCY

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



CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		(Rupees in '000')	
8 PROPERTY AND EQUIPMENT			
Operating fixed assets	8.1	18,803	21,455
Right of use asset	8.1	8,317	5,457
		<u>27,120</u>	<u>26,912</u>

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

	(Un-audited)			
	Additions		Disposals	
	---At Cost---		-----At Net Book Value-----	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000')			
Owned assets				
Leasehold improvements	-	5,108	-	-
Furniture and fittings	-	3,297	-	-
Motor vehicles	345	11,686	-	-
Other equipment	135	11,314	-	-
Computer & IT equipment				-
- held by the Company	274	10,377	-	-
- held by third parties	-	169	-	(36)
Right-of-use asset				
Vehicles	3,897	-	-	-
	<u>4,651</u>	<u>41,951</u>	<u>-</u>	<u>(36)</u>

	Note	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
		(Rupees in '000')	
8.2 Depreciation charge for the period		<u>4,440</u>	<u>4,989</u>

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		(Rupees in '000')	
9 INTANGIBLE ASSETS			

Goodwill (acquisition through amalgamation)	9.1	548,862	548,862
Software	9.2	300	324
		<u>549,162</u>	<u>549,186</u>

9.1 Goodwill was recognized on the amalgamation of Hascombe Business Solutions (Private) Limited by the Company in April, 2018 . Goodwill has been treated as having an indefinite useful life, consequently, the goodwill will not be amortized. However, goodwill will be tested for impairment annually.



CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		(Rupees in '000')	
9.2	Following is the movement of other intangibles:		
	Opening balance	324	387
	Amortization charged	(24)	(63)
	Closing balance	300	324
10	DEFERRED TAX ASSET - NET	5,837	16,034
	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.		
	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		(Rupees in '000')	
11	TRADE DEBTS - UNSECURED		
	Considered good		
	-Trade debt local	11.1 343,723	200,222
	Trade debts - gross	343,723	200,222
	Allowance for expected credit loss - opening balance	(975)	-
	Charge for the period / year	(268)	(975)
	Allowance for expected credit loss - closing balance	(1,243)	(975)
	Trade debts - net	342,480	199,247
11.1	These include Rs. 0.3 million (June 30, 2019: Rs. 170.4 million) receivable from related parties.		
		(Un-audited) December 31, 2019	(Audited) June 30, 2019
12	LOANS AND ADVANCES	(Rupees in '000')	
	Considered good		
	- Loans to employees	2,007	1,628
	- Advances to suppliers	49,448	40,762
		51,455	42,390
13	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	Trade deposits	9,070	8,890
	Margin deposits	10,171	16,119
	Short-term prepayments	11,446	1,056
		30,687	26,065
14	SHORT TERM INVESTMENTS		
	Investment in quoted shares	16,360	12,619



CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	(Rupees in '000')	
15 OTHER RECEIVABLES			
Considered good			
Receivable from associated companies		-	102,499
Duty refundable due from Government	15.1	20,998	20,998
Amount with broker		240	240
Interest accrued on TDR		1,798	-
Others		377	-
		23,413	123,737

- 15.1** The Federal Government issued SRO 787(1)/2008 dated July 26, 2008 under Section 19 of the Customs Act, 1969 (the Act) whereby, the Customs duty on import of crystalline sugar was brought down to zero, as against 25% given in the First Schedule to the Act. The Company had imported crystalline sugar from July 26, 2008 to October 15, 2008 and paid customs duty of Rs.17.012 million and Rs.3.986 million without availing the benefit of the subject SRO. Thereafter, the refund claims were filed by the Company with the Customs Authorities and recognised in the books of account during the year ended June 30, 2009. The refund claims were rejected by the Additional Collectorate on the ground that the incidence of duty and taxes has been passed on to the end consumers by incorporating it in the cost of the product.

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

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

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
16 CASH AND BANK BALANCES		(Rupees in '000')	
Cash in hand		478	390
Cash at banks			
- in current accounts		7,034	42,696
- in deposit accounts		2,546	229
- in term deposit receipts	16.1	250,000	-
		259,580	42,925
		260,058	43,315

16.1 During the period the Company has purchase term deposit receipt from Habib Metropolitan Bank Limited at an interest rate of 12.5% per annum and having monthly rollover (June 30, 2019 : Nil).

17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	(Un-audited) December 31, 2019	(Audited) June 30, 2019	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Number of shares		(Rupees in '000')	
Ordinary shares of Rs. 10 each:				
- fully paid in cash	3,900,000	3,900,000	39,000	39,000
- issued as bonus shares	5,534,880	5,534,880	55,349	55,349
- issued pursuant to amalgamation	15,479,567	15,479,567	154,796	154,796
	24,914,447	24,914,447	249,145	249,145

Fossil Energy (Private) Limited (a related party) holds 20,668,897 shares (2019: 20,668,897 shares) which are 82.96 % (2019: 82.96 %) of the total shares of the Company.

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
18 TRADE AND OTHER PAYABLES	(Rupees in '000')	
Trade creditors	232,401	90,042
Accrued liabilities	480	1,290
Withholding tax payable	495	845
Other liabilities	26,536	60
	259,912	92,237

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The Trust Investment Bank Limited (TIBL) instituted a suit in the year 2016 for recovery of Rs. 40,243,097 against Hascombe Business Solutions (Private) Limited (HBSPL) whose rights and obligations have been merged with and into the Company, which is pending adjudication before the Judge Banking Court No. I, Lahore.

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

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	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
22 EARNING PER SHARE - BASIC AND DILUTED	(Rupees in '000')	
Profit for the period	<u>72,808</u>	<u>191,819</u>
	Number of shares	
		<i>(Restated)</i>
Weighted average number of ordinary shares in thousand	<u>24,914</u>	<u>24,914</u>
		<i>(Restated)</i>
	----- (Rupees) -----	
Basic and diluted earnings per share	<u>2.92</u>	<u>7.70</u>

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

22.2 The Company had issued 15,479,567 shares in respect of merger in accordance with the order of honorable high court of Sindh. The merger is effective from April 1, 2018. Therefore the share issued are treated as deemed issued on date of merger and accordingly comparative EPS has been restated.

	Six months period ended	
	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
23 CASH FLOWS FROM OPERATING ACTIVITIES	(Rupees in '000')	
Profit before income tax	98,556	233,561
Adjustments for:		
Depreciation	4,440	4,989
Amortization	24	38
Impairment	8	-
Dividend income	(150)	(119)
Finance cost	1,247	1,667
Profit on bank deposit	(38)	(909)
Net unrealised and realised loss on revaluation	(3,741)	(1,010)
Exchange loss	-	2,203
Operating profit before working capital changes	<u>100,346</u>	<u>240,420</u>
(Increase) / decrease in current assets		
Stock in trade	8,969	15,674
Trade debts - unsecured	(143,233)	(199,982)
Loans and advances - considered good	(9,065)	(79,766)
Trade deposits and short term prepayments	(4,622)	69,607
Other receivables	100,324	3,246
Sales tax receivable - net	-	7,756
Increase / (decrease) in current liabilities		
Trade and other payables	167,675	13,546
Advances from customers	(722)	-
Sales tax payable- net	6,141	-
Net cash generated from operations after working capital changes	<u>225,813</u>	<u>70,501</u>

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24 TRANSACTIONS WITH RELATED PARTIES

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

		(Un-audited)	
		December 31, 2019	December 31, 2018
		(Rupees in '000')	
Name of Related Party	Nature of transactions		
Transactions			
Fossil Energy (Private) Limited-Holding Company	Sale of goods and servicing income	18,030	69,100
Market 786 (Private) Limited-Associated Company	Sale of goods	301	-
VOS Petroleum Limited-Associated company	Sale of goods and servicing income	11,250	227,599
Hascol Petroleum Limited-Associated company	Sale of goods and servicing income	-	556,009
Key management personnel	Director's fee & management remuneration	10,949	-
Balances		(Un-audited) December 31, 2019	(Audited) June 30, 2019
		(Rupees in '000')	
Fossil Energy (Private) Limited-Holding Company	Intercompany payable	26,536	-
	Intercompany receivable	-	102,499
VOS Petroleum Limited-Associated company	Receivable against goods	-	37,880
Market 786 (Private) Limited-Associated company	Receivable against goods	301	6
Hascol Petroleum Limited-Associated Company	Receivable against goods	-	132,565

Hascol Petroleum Limited is not related party on reporting date. Therefore, only comparative period balances are disclosed.

25 FAIR VALUE MEASUREMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2019. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2019.

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.



CLOVER PAKISTAN LIMITED
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The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	December 31, 2019				June 30, 2019
	(Level 1)	(Level 2)	(Level 3)	Total	
	-----Rupees-----				
Short term investments	16,360	-	-	16,360	12,619
	16,360	-	-	16,360	12,619

26 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2019.

27 GENERAL


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

28 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 28, 2020 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director