

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM**  
**FINANCIAL INFORMATION**  
**FOR THE NINE MONTHS PERIOD**  
**ENDED 31 MARCH 2020 (Un-audited)**



**CLOVER PAKISTAN LIMITED**



# Contents

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



## **Company Information**

### **Board of Directors**

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

### **AUDIT COMMITTEE**

Mr. Abdul Wahab Kodvavi (Chairman)  
Mr. Asif Saeed Sindhu  
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.

### **SHARE REGISTRAR**

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

### **WEBSITE**

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

# CLOVER PAKISTAN LIMITED

## DIRECTORS' REPORT

### For the nine months period ended March 31, 2020

The Directors of Clover Pakistan Limited present herewith the Directors' report of the Company together with interim condensed financial statements for the quarter and nine months period ended 31<sup>st</sup> March 2020.

### OPERATING RESULTS

The operating results of the Company for Nine Month ended were as following

	Nine months period ended		Three months period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in '000')		(Rupees in '000')	
Revenue – net	385,071	1,131,177	49,960	240,146
Cost of sales	(254,644)	(728,735)	(28,178)	(132,209)
<b>Gross profit</b>	<b>130,427</b>	<b>402,742</b>	<b>21,782</b>	<b>107,937</b>
Administrative and selling expenses	(78,227)	(88,148)	(46,191)	(28,606)
<b>Operating profit/(loss)</b>	<b>52,200</b>	<b>314,594</b>	<b>(24,409)</b>	<b>79,331</b>
Finance cost	(1,544)	(2,022)	(297)	(355)
Exchange loss	(804)	(3,024)	(77)	(786)
Other income	31,312	2,855	7,390	652
<b>Profit/(loss) before Taxation</b>	<b>81,164</b>	<b>312,403</b>	<b>(17,393)</b>	<b>78,842</b>
Taxation	(23,538)	(45,181)	2,210	(3,439)
<b>Profit/(loss) for the period</b>	<b>57,626</b>	<b>267,222</b>	<b>(15,183)</b>	<b>75,403</b>
	----- (Rupees) -----		----- (Rupees) -----	
Earnings/(loss) per share - Basic and diluted	2.31	10.73	(0.61)	3.03



The revenue for the nine months period was recorded at Rs 385.071 million depicting a decrease of 66% over the same period last year which is reflective of the general economic conditions. Together with the general economic conditions, turmoil of epidemic coronavirus (COVID-19) has impacted the businesses. Accordingly, the business of the Company across different segments have suffered and resultantly the Company has posted a loss in the third quarter of the financial year. The loss per share for the third quarter comes out to Re 0.61 bringing the earning per share for nine months period to Rs 2.31 per share. The earning per share for the nine months is reported at Rs 2.31 per share as compared to earnings per share of Rs 10.73 reported in the same period last year.

## **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. Further, the turmoil of epidemic coronavirus has caused the environment of uncertainty. The implications of the same from the longer-term perspective are still being assessed and currently the experts are puzzled with respect to the extent of the damage that will affect not only Pakistan businesses, but also globally. Likewise, the turmoil has started affecting our business and the duration and extent of the same is still not known.

### **Revenue and Cost Reduction**

Our Company, too, has obviously been affected and our top line shows a decline of 66% over net revenues for 2019 (same period).

To offset these, the Management made changes to its cost structure, streamlined operations in the short term and also reduced costs where possible. Despite all the measures, the effect of slowdown cannot be nullified and accordingly the same was translated into loss for the third quarter of the financial year..

## **FUTURE PROSPECTS**

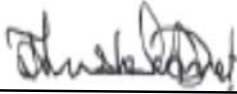
The future prospects of the Company in particular and the economy in general is dependent on the impact COVID-19 will have on the business. Further, extension(s) in lockdown period(s) is also causing uncertainty on the economic front. The management of the Company has already adopted the cost reduction measures so that we can pass through these difficult times. The prospects of the businesses that your Company is engaged will be clear once the uncertainties pertaining to COVID-19 are clear and impacts are assessed.

---

## 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*

A handwritten signature in black ink, appearing to read "Muhammad Jamshed Azmet", positioned above a horizontal line.

**Muhammad Jamshed Azmet**  
*Chairman*

Karachi.

Dated: 29<sup>th</sup> April 2020

---



## CLOVER PAKISTAN LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

		(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	8	39,071	26,912
Intangible assets	9	549,150	549,186
Deferred tax asset	10	5,837	16,034
<b>Total non-current assets</b>		<b>594,058</b>	<b>592,132</b>
<b>Current assets</b>			
Stock-in-trade		123,209	77,824
Trade debts	11	159,173	199,247
Loans and advances	12	31,188	42,390
Trade deposits and short term prepayments	13	48,715	26,065
Short-term investments		11,860	12,619
Other receivables	14	22,633	123,737
Advance tax - net		26,357	23,397
Cash and bank balances	15	149,330	43,315
<b>Total current assets</b>		<b>572,465</b>	<b>548,594</b>
<b>Total assets</b>		<b>1,166,523</b>	<b>1,140,726</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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	16	249,145	249,145
Reserves		835,704	778,078
<b>Total shareholders' equity</b>		<b>1,084,849</b>	<b>1,027,223</b>
<b>Non-current liabilities</b>			
Lease liabilities		3,811	3,682
Deferred liabilities		8,848	9,209
<b>Total non-current liabilities</b>		<b>12,659</b>	<b>12,891</b>
<b>Current liabilities</b>			
Trade and other payables	17	58,295	92,237
Advance from customers		4,417	818
Sales tax payable- net		1,175	1,777
Current portion of leases liabilities		1,166	1,127
Unclaimed dividend		3,962	4,653
<b>Total current liabilities</b>		<b>69,015</b>	<b>100,612</b>
<b>Total equity and liabilities</b>		<b>1,166,523</b>	<b>1,140,726</b>
<b>Contingencies and commitments</b>	18		
The annexed notes from 1 to 27 form and integral part of these condensed interim financial statements.			

The annexed notes from 1 to 27 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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Note	Nine months period ended		Three months period ended	
		March 31,	March 31,	March 31,	March 31,
		2020	2019	2020	2019
		-----Rupees in '000-----		-----Rupees in '000-----	
Revenue - net	19	385,071	1,131,177	49,960	240,146
Cost of sales	20	(254,644)	(728,435)	(28,178)	(132,209)
<b>Gross profit</b>		<b>130,427</b>	<b>402,742</b>	<b>21,782</b>	<b>107,937</b>
Administrative and selling expenses		(78,227)	(88,148)	(46,191)	(28,606)
<b>Operating profit/ (loss)</b>		<b>52,200</b>	<b>314,594</b>	<b>(24,409)</b>	<b>79,331</b>
Finance cost		(1,544)	(2,022)	(297)	(355)
Exchange loss		(804)	(3,024)	(77)	(786.00)
Other income		31,312	2,855	7,390	652
<b>Profit/ (loss) before taxation</b>		<b>81,164</b>	<b>312,403</b>	<b>(17,393)</b>	<b>78,842</b>
Taxation		(23,538)	(45,181)	2,210	(3,439)
<b>Profit/ (loss) for the period</b>		<b>57,626</b>	<b>267,222</b>	<b>(15,183)</b>	<b>75,403</b>
		------(Rupees) -----		------(Rupees) -----	
Earnings/ (loss) per share - basic and diluted	21	2.31	10.73	(0.61)	3.03

The annexed notes from 1 to 27 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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine months period ended		Three months period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees in '000-----		-----Rupees in '000-----	
Profit/ (loss) for the period	57,626	267,222	(15,183)	75,403
<b>Other comprehensive income:</b>				
<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>	-	-	-	-
<b>Total comprehensive income/ (loss)</b>	<b>57,626</b>	<b>267,222</b>	<b>(15,183)</b>	<b>75,403</b>

The annexed notes from 1 to 27 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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Nine months period ended		Three months period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees in '000-----		-----Rupees in '000-----	
Profit/ (loss) for the period	57,626	267,222	(15,183)	75,403
<b>Other comprehensive income:</b>				
<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>	-	-	-	-
<b>Total comprehensive income/ (loss)</b>	<b>57,626</b>	<b>267,222</b>	<b>(15,183)</b>	<b>75,403</b>

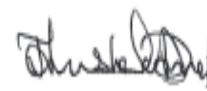
The annexed notes from 1 to 27 form and integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

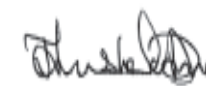


Issued, Subscribed and Paid up Share Capital	Capital to be issued pursuant to amalgamation	Reserves				Total shareholders' equity
		Capital Reserve	Revenue reserve		Total reserves	
		Share premium	General Reserve	Unappropriated profit		
----- Rupees in '000 -----						
94,349	-	-	64,600	38,975	103,575	197,924
-	-	-	-	267,222	267,222	267,222
-	-	-	-	-	-	-
-	-	-	-	267,222	267,222	267,222
-	605,251	-	-	-	-	605,251
-	-	-	-	(28,305)	(28,305)	(28,305)
154,796	(605,251)	450,455	-	-	450,455	-
249,145	-	450,455	64,600	277,892	342,492	1,042,092
249,145	-	450,455	64,600	263,023	778,078	1,027,223
-	-	-	-	57,626	57,626	57,626
-	-	-	-	-	-	-
-	-	-	-	57,626	57,626	57,626
249,145	-	450,455	64,600	320,649	835,704	1,084,849

The annexed notes from 1 to 27 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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

		Nine months period ended	
		March 31, 2020	March 31, 2019
Note		-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Cash generated from operations after working capital changes	140,339	311,067
	Finance cost paid	(1,544)	(2,206)
	Income tax paid	(26,304)	(48,479)
	Payment to outgoing employee - gratuity fund	(362)	(236)
	Interest received	9,144	1,466
	<b><i>Net cash flows generated from operating activities</i></b>	<b>121,273</b>	<b>261,612</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Additions in property and equipment	(15,488)	(7,444)
	Dividend received	150	119
	Proceeds from short term investments	4,500	-
	Short-term investment made	-	(279,951)
	<b>Net cash used in investing activities</b>	<b>(10,838)</b>	<b>(287,276)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Dividend paid	(691)	(27,493)
	Repayment of lease liability	(3,729)	-
	<b><i>Net cashflows used in financing activities</i></b>	<b>(4,420)</b>	<b>(27,493)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>106,015</b>	<b>(53,157)</b>
	Effects of exchange rate changes on cash and cash equivalents	-	(3,024)
	Cash and cash equivalents at beginning of the period	43,315	78,795
	<b>Transfer from Hascombe Business Solutions (Private) Limited</b>	<b>-</b>	<b>5,811</b>
	<b>Cash and cash equivalents as at end of the period</b>	<b>149,330</b>	<b>28,425</b>

The annexed notes from 1 to 27 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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

---

**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 71% 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.

The figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the relevant notes to the condensed interim financial statements for the nine-months period ended March 31, 2020 are not audited. Further, the figures for the three-months period ended March 31, 2020 and 2019 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have also not been reviewed by the auditors.

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**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 profit and loss account :

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>March 31,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>(Rupees in '000')</b>	
Operating fixed assets – decreased by	(7,494)	(5,457)
Right-of-use asset – increased by	7,494	5,457
Liability against assets subject to finance lease - decreased by	(4,977)	(4,809)
Lease liabilities - increased by	4,977	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.

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.



**CLOVER PAKISTAN LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

---

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 NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Notes	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
		-----Rupees in '000-----	
<b>8 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	8.1	31,577	21,455
Right of use asset	8.1	7,494	5,457
		<u>39,071</u>	<u>26,912</u>

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

	<b>Additions</b>		<b>Disposals</b>	
	-----At Cost-----		-----At Cost-----	
	(Un-Audited) March 31, 2020	(Audited) June 30, 2019	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees in '000-----		-----Rupees in '000-----	
<b>Owned assets</b>				
Leasehold improvements	-	-	-	-
Machinery	2,750	-	-	-
Furniture and fittings	1,095	393	-	-
Motor vehicles	10,812	1,420	-	-
Other equipment	135	4,458	-	-
Computer & IT equipment	696	3,592	-	-
<b>Right-of-use assets</b>				
Motor vehicles	3,897	5,706	-	-
	<u>19,385</u>	<u>15,569</u>	<u>-</u>	<u>-</u>

	(Un-Audited) March 31, 2020	(Un-Audited) March 31, 2019
	-----Rupees in '000-----	
8.2 Depreciation charge for the period	<u>7,327</u>	<u>6,659</u>

	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees in '000-----	

**9 INTANGIBLE ASSETS**

Goodwill (acquisition through amalgamation)	9.1	548,862	548,862
Software		288	324
		<u>549,150</u>	<u>549,186</u>

9.1 Goodwill has been recognized on the amalgamation of Hascombe Business Solutions (Private) Limited by the Company. Goodwill has been treated as having an indefinite useful life, consequently, the said intangibles will not be amortized. However these intangible assets will be tested for impairment annually.

**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.



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
		-----Rupees in '000-----	
<b>11 TRADE DEBTS - UNSECURED</b>			
Considered good			
Trade debt - gross	11.1	160,416	200,222
Allowance for expected credit loss		(1,243)	(975)
Trade debt - net		<u>159,173</u>	<u>199,247</u>
<b>11.1</b>	This include Rs. nil (June 30, 2019: Rs. 170.45 million) receivable from related parties.		
<b>12 LOANS AND ADVANCES</b>			
Considered good			
-advances to employees		888	1,628
-advances to suppliers		30,300	40,762
		<u>31,188</u>	<u>42,390</u>
<b>13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits		7,792	8,890
Margin deposits		36,859	16,119
Short term prepayments		<u>4,064</u>	<u>1,056</u>
		<u>48,715</u>	<u>26,065</u>
<b>14 OTHER RECEIVABLES</b>			
<b>Considered Good</b>			
Receivable from associated companies		-	102,499
Duty Refundable due from Government	14.1	20,998	20,998
Others		<u>1,635</u>	<u>240</u>
		<u>22,633</u>	<u>123,737</u>

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

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

**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

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 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.

	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
<b>15 CASH AND BANK BALANCES</b>		-----Rupees in '000-----	
Cash in hand		456	390
Cash at banks:			
- in current accounts		32,098	42,696
- in deposit accounts		201	229
- in term deposit receipts	15.1	116,575	-
		<u>149,330</u>	<u>43,315</u>

- 15.1 During the period the Company has purchase term deposit receipt from Habib Metropolitan Bank Limited at an interest rate of 11.0% per annum and having monthly rollover (June 30, 2019 : Nil).

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

Ordinary shares of Rs.10 each		
-fully paid in cash	39,000	39,000
-issued as bonus shares	55,349	55,349
-issued pursuant to amalgamation	154,796	154,796
	<u>249,145</u>	<u>249,145</u>
	<b>Number of shares</b>	
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 pursuant to amalgamation	15,479,567	15,479,567
	<u>24,914,447</u>	<u>24,914,447</u>

Fossil Energy (Private) Limited (a related party) holds 17,768,897 shares which are 71.32% of the total shares of the Company.

**17 TRADE AND OTHER PAYABLES**

Trade creditors	53,718	90,042
Accrued liabilities	4,081	1,290
Withholding tax payable	496	845
Other liabilities	-	60
	<u>58,295</u>	<u>92,237</u>

**CLOVER PAKISTAN LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020****18 CONTINGENCIES AND COMMITMENTS****18.1 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.

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 the above 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 in 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.

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

(Un-Audited) (Audited)  
December 31, June 30,  
2019 2019  
-----Rupees in '000-----

**18.2 Commitments**

Outstanding letters of credit for stock in trade

68,452 13,261

**19 REVENUE - NET**

Revenue from  
- sale of goods  
- services

Nine months period ended  
(Un-Audited)  
March 31, March 31,  
2020 2019  
(Rupees in '000')

Three months period ended  
(Un-Audited)  
March 31, March 31,  
2020 2019  
(Rupees in '000')

Less: Sales tax  
Cartage

323,560	1,161,217	37,583	221,510
121,626	173,951	20,130	57,119
445,186	1,335,168	57,713	278,629
(57,084)	(203,991)	(6,992)	(38,483)
(3,031)	-	(761)	-
(60,115)	(203,991)	(7,753)	(38,483)
385,071	1,131,177	49,960	240,146

**20 COST OF SALES**

Cost of sales  
Cost of services

221,742	694,813	20,918	125,281
32,902	33,622	7,260	6,928
254,644	728,435	28,178	132,209

		Nine months period ended (Un-Audited) (Un-Audited)	
		March 31, 2020	March 31, 2019
		(Rupees in '000')	
21	<b>EARNING PER SHARE - BASIC AND DILUTED</b>		
	Profit for the period	<u>57,626</u>	<u>267,222</u>
	Weighted average number of ordinary shares in thousand	<u>24,914</u>	<u>24,914</u>
		-----Rupees-----	
	<b>Basic and diluted earnings per share</b>	<u>2.31</u>	<u>10.73</u>
21.1	There is no dilutive effect on the basic earnings per share of the Company		
21.2	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.		
		Nine months period ended March 31, March 31, 2020 2019 (Rupees in '000')	
22	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Profit before income tax	81,164	312,403
	<i>Adjustment for</i>		
	Depreciation	7,327	6,586
	Amortization	29	50
	Impairment	8	-
	Dividend income	(150)	(119)
	Finance cost	1,544	2,022
	Profit on bank deposit	(46)	(1,466)
	Net unrealised and realised gain on revaluation	(3,741)	(1,060)
	Exchange loss	804	3,024
		<u>5,775</u>	<u>9,037</u>
	<b>Operating profit before working capital changes</b>	<u>86,939</u>	<u>321,440</u>
	<b>(Increase)/ decrease in current assets</b>		
	Stock-in-trade	(45,385)	(3,039)
	Trade debts	40,074	(18,508)
	Loans & advances	11,202	(54,800)
	Trade deposits and short term prepayments	(22,650)	85,594
	Other receivables	101,104	(3,548)
	Sales tax receivable- net	-	7,756
	<b>Increase/(decrease) in current liabilities</b>		
	Trade and other payables	(33,942)	(23,828)
	Advance from customers	3,599	-
	Sales tax payable- net	(602)	-
	<b>Net cash generated from operations after working capital changes</b>	<u>140,339</u>	<u>311,067</u>



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**23 TRANSACTION 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)	
		March 31, 2020	March 31, 2019
		-----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	Sale of goods	301	-
VOS Petroleum Limited-			
Associated company	Sale of goods and servicing income	11,250	322,379
Hascol Petroleum Limited-			
Associated company	Sale of goods and servicing income	-	66,285
Key management personnel	Director's fee & management remuneration	18,700	75
		(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
		-----Rupees in '000'-----	
Balances			
Fossil Energy (Private)			
Limited-Holding Company	Intercompany receivable	-	102,499
Market 786 (Private)			
Limited-Associated	Receivable against goods	-	6
VOS Petroleum Limited-			
Associated company	Receivable against goods	-	37,880
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.

**24 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.

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;



**CLOVER PAKISTAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

March 31, 2020				June 30, 2019
(Level 1)	(Level 2)	(Level 3)	Total	
-----Rupees-----				
Short term investments	11,860	-	-	11,860
	11,860	-	-	11,860

**25 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.

**26 GENERAL**

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

**27 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 29, 2020 by the Board of Directors of the Company.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director