



Annual Report 2021



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	17
8	STATEMENT OF VALUE ADDED	25
9	YEARWISE FINANCIAL HIGHLIGHTS	26
10	SIX YEAR AT A GLANCE	27
12	STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)	28
13	INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT	30
14	INDEPENDENT AUDITOR'S REPORT	32
15	STATEMENT OF FINANCIAL POSITION	37
16	STATEMENT OF PROFIT OR LOSS	38
17	STATEMENT OF COMPREHENSIVE INCOME	39
18	STATEMENT OF CHANGES IN EQUITY	40
19	STATEMENT OF CASH FLOW	41
20	NOTES TO THE FINANCIAL STATEMENTS	42
21	PATTERN OF SHAREHOLDING	79
22	PROXY FORM	82

Company Information

Board of Directors

Mr. Salim Chamdia – Chairman
Mr. Khawar Jamil Butt
Mr. Shahzad Mohsin
Ms. Rima Athar
Mr. Zohaib Yaqoob
Mr. Asadullah Azizi – (Later on Resigned)
Mr. Sohail Allana – (Later on Resigned) – (Now Mr. Javaid Iqbal)

Audit Committee

Mr. Zohaib Yaqoob – Chairman
Mr. Salim Chamdia
Mr. Khawar Jamil Butt

Human Resource Committee

Mr. Asadullah Azizi – Chairman
Mr. Salim Chamdia
Mr. Khawar Jamil Butt

Company Secretary

Mr. Hassan Khurshid – (Later on Resigned) – (Now Mr. Muhammad Bilal)

Chief Financial Officer

Mr. Hassan Khurshid – (Later on Resigned) – (Now Mr. Owais Ali Khan)

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

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 the 35th Annual General Meeting

Notice is hereby given that the 35th Annual General Meeting (AGM) of the shareholders of Clover Pakistan Limited (the Company) will be held on Thursday, February 24, 2022, at 11:00 a.m. via video conference facility due to Pandemic of COVID-19 to transact the following businesses:

Ordinary Business:

- To confirm the minutes of the Company's Annual General Meeting held on January 20, 2021.
- To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' reports thereon.
- To appoint auditors of the Company for the Financial Year ending June 30, 2022, and to fix their remuneration. The Company's Board of Directors has recommended retiring auditors M/S. Grant Thornton Anjum Rahman, Chartered Accountants, for their re-appointment as external auditors for the year ending June 30, 2022. The retiring auditors, being eligible, have offered themselves for re-appointment for the year ending June 30, 2022.

Any Other Business:

- To transact any other business as may be placed before the meeting with the permission of the Chair.

By order of the Board



Muhammad Bilal
Company Secretary

Date: January 28, 2022

Place: Karachi

Notes:

1. Participation in the AGM Proceeding via Video Conference Facility:

Due to the recent increase in COVID-19 Omicron variant cases in Karachi and to avoid large indoor public gatherings at one place to control the spread of the virus and in compliance with the decisions of the National Command and Operations Centre (NCOC), the Sindh government banned all types of indoor gatherings, with effect from January 24, 2022, in Karachi, the Company shall hold its AGM through video conference facility in pursuance to the letter issued on December 15, 2021, by the Securities and Exchange Commission of Pakistan (SECP).

The members/proxies interested in participating in the AGM are requested to share the below information at company-secretary@cloverpk.com with the subject "Registration for 35th AGM of Clover Pakistan Limited" along with a valid copy of CNIC (both sides).

Shareholder Name	Folio/CDC Number	CNIC Number	Cell Number	Registered Email Address

Video link and login details will be shared with those whose emails contain all the required particulars will be received at the given email address before 05:00 p.m. on February 17, 2022. The members can also provide their comments and suggestion to the agenda item of AGM at the email address: company-secretary@cloverpk.com.

The login facility will be opened at 10:45 a.m. on February 24, 2022, enabling the shareholders to join the meeting, which will start at 11:00 a.m. sharp.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from February 18, 2022, to February 24, 2022 (both days inclusive). Transfers received in order by our Share Registrar, M/S. FAMCO Associates Private Limited, 8-F, Near Hotel Faran, Nursery, Block-6, PECHS, Shahra-e-Faisal, Karachi, Pakistan, by the close of business on February 17, 2022, will be considered in time for attending the meeting.

3. Appointment of Proxies and Attending AGM:

- A member entitled to attend and vote at the meeting may appoint another member as their proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

- ii. A blank instrument of proxy (in English and Urdu) is attached in the Annual Report. The form of proxy is also available on the Company's website.
- iii. A duly completed instrument of proxy to be valid must be deposited at the registered office not less than 48 hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the proxy shall be furnished with the Proxy Form.
- iv. The instrument of proxy should be duly signed, stamped and witnessed by two persons with their names, addresses, CNIC numbers and signatures.
- v. Central Depository Company (CDC) account holders are also required to follow the guidelines as laid down in Circular No.1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).
- vi. In the case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be submitted at the registered office not less than 48 hours before the time of the meeting.

4. Change in Members Addresses:

Members are requested to notify any change in their addresses immediately to the Share Registrar M/S. FAMCO Associates Private Limited.

5. Availability of Financial Statements and Reports on the Website:

The Company's Annual Report for the year ended June 30, 2021, has been placed on the Company's website, and the same is circulated to the members through CD.

6. Transmission of Annual Financial Statements and Notice of Meeting through email:

In pursuance to S.R.O.787(I)/2014 dated September 08, 2014, the SECP has permitted companies to circulate annual audited financial statements along with notice of AGM to its members through email. Accordingly, members who desire to receive annual financial statements and notices of the Company through email in the future (instead of receiving them through CD) are requested to submit their consent on the form duly filled to the Company's Share Registrar. The consent form has been uploaded to the Company's website. Any change to such arrangement(s) should be communicated to the Company on the standard request form.

7. Electronic Mode:

Under the provisions of section 242 of the Companies Act 2017, a listed company is required to pay cash dividends only through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information on an E-Dividend Mandate Form available at the Company's website to the share registrar for future dividend payment. The CDC account holders must submit their information directly to their broker (participant) / M/S FAMCO Associates Private Limited.

8. Shareholding Proportion:

The FBR has clarified that in the case of the joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted based on shareholding of each joint holder as may be notified by the Shareholder, in writing as follows, to the Company's share registrar. Otherwise, it will be assumed that the joint shareholders equally hold the shares:

Company Name	Folio/CDC Account Number	Total Shares	Principal Shareholder	Joint Shareholder(s)
			Name & CNIC Shareholding proportion (No. of shares)	Name & CNIC Shareholding proportion (No. of shares)

9. Special Notice to the Shareholders for Conversion of Physical Shares into Book-Entry Form:

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into the Book-Entry form. Given the above requirement, shareholders of the Company having physical folios/ share certificates are requested to convert their shares from the physical form into Book-Entry form as soon as possible.

Conversion of physical shares into Book-Entry form would facilitate the shareholders in many ways, i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate the risk of loss & damage, easy & secure transfer with lesser formalities as compared to physical shares. The Company's shareholders may contact Share Registrar of the Company [i.e. M/S. FAMCO Associates Private Limited] for assistance in converting physical shares into Book-Entry Form.

پینتیسویں سالانہ اجلاس عام کی اطلاع

بزرگیہ ہذا ہر خاص و عام کو مطلع کیا جاتا ہے کہ کلوز پاکستان لمیٹڈ (کمپنی) کا پینتیسواں سالانہ اجلاس عام بروز جمعرات مورخہ 24 فروری 2022 بوقت 11:00 بجے دن کو ڈی 19 و باء کی وجہ سے بذریعہ ویڈیو کانفرنس سہولت درج ذیل کاروباری امور کی انجام دہی کیلئے منعقد ہوگا:

عمومی کاروبار:

- ☆ 20 جنوری 2020 کو منعقد شدہ کمپنی کے سالانہ اجلاس عام کی کاروائی کی توثیق۔
- ☆ 30 جون 2021 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی ان پر غور اور ان پر عمل کرنا۔
- ☆ 30 جون 2022 کو ختم ہونے والے مالیاتی سال کیلئے کمپنی کے آڈیٹرز کی تقرری۔ کمپنی کے بورڈ آف ڈائریکٹرز نے تجویز دی ہے کہ ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھارن، انجم حمن، چارٹرڈ اکاؤنٹنٹس کو ختم 30 جون 2022 کو ہونے والے سال کیلئے بطور ریٹائرڈ آڈیٹرز دوبارہ تعینات کیا جائے۔ ریٹائر ہونے والے آڈیٹرز نے اہلیت کی بناء پر 30 جون 2022 کو ختم ہونے والے سال کیلئے کوڈ دوبارہ تقرری کیلئے پیش کیا ہے۔

دیگر کاروبار:

- ☆ چیئرمین کی اجازت سے اجلاس کے روبرو پیش ہونے والے دیگر امور پر غور۔

حسب حکم بورڈ



محمد بلال

کمپنی سیکریٹری

28 جنوری 2022

کراچی۔

نوٹس:

- ۱۔ ویڈیو کانفرنس سہولت کے ذریعے سالانہ اجلاس عام کی کاروائی میں شرکت۔

کراچی میں کوڈ 19 اومی کروں کے پھیلاؤ میں حالیہ تیزی کی وجہ سے اور وائرس کے پھیلاؤ کو روکنے کیلئے ایک جگہ پر ان ڈور بڑے عوامی اجتماعات سے گریز اور نشٹل کمانڈ اینڈ آپریشنز سینٹر (این سی اوی) کے فیصلوں پر عملدرآمد کیلئے، سندھ حکومت نے 24 جنوری 2022 سے کراچی میں ہر قسم کے ان ڈور اجتماعات پر پابندی عائد کر دی ہے۔

لہذا کمپنی، سیکورٹی اینڈ ایجنٹس کی پیشکش (ایس ڈی سی پی) کے جاری کردہ لیٹر، تاریخ 15 دسمبر 2021 عملدرآمد کیلئے اپنا سالانہ اجلاس عام ویڈیو کانفرنس کے ذریعے منعقد کرے گی۔

سالانہ اجلاس عام میں شرکت کے خواہشمند ممبران پراسیکور سے درخواست ہے کہ وہ مندرجہ ذیل معلومات "کلوز پاکستان لمیٹڈ کے پینتیسویں سالانہ اجلاس عام کی رجسٹریشن" کے عنوان کے ساتھ company-secretary@clover.com پر بھیجیں بشمول موثر ای این آئی سی کی نقل (دونوں اطراف کی)۔

شیرٹراؤٹ کا نام	فولیو ایس ڈی سی نمبر	سی این آئی سی نمبر	موبائل نمبر	رجسٹرڈ ای میل ایڈریس

ویڈیولنک اور لاگ ان کی تفصیلات صرف ان افراد سے شیرٹراؤٹ کی جائیں گی جن کی ای میل پر بشمول تمام درکار معلومات درج بالا ای میل ایڈریس پر 17 فروری 2022 کو شام 5 بجے سے قبل موصول ہوں گی۔

سالانہ اجلاس عام کے ایجنڈے آئیٹم سے متعلق اپنے تبصرے اور تجاویز کو ممبران ای میل ایڈریس company-secretary@clover.com پر بھیج سکتے ہیں۔

لاگ ان کی سہولت 24 فروری 2022 کو صبح 10:4 پر کھولی جائے گی تاکہ شیرٹراؤٹرز ٹھیک صبح 11 بجے شروع ہونے والے اجلاس میں شریک ہو سکیں۔

۲۔ شیرٹراؤٹس کی بندش:

کمپنی کی شیرٹراؤٹس 18 فروری 2022 سے 24 فروری 2022 تک (دونوں بشمول) بند رہیں گی۔ باضابطہ ٹرانسفر بذریعہ شیرٹراؤٹس رجسٹر اریمرز فیکو ایسوسی ایشن پرائیویٹ لمیٹڈ، B-F نزد ہوٹل فاران، نرسری بلاک 6، پی ای سی ایچ ایس شاہراہ فیصل کراچی پاکستان میں 17 فروری 2022 کو کاروباری اختتام تک وصول کی جائیں گی جنہیں اجلاس میں شرکت کیلئے بروقت غور کیا جائے گا۔

۳۔ پراسیکور کا تقرر اور سالانہ اجلاس عام میں شرکت

- (i) ممبر جو اجلاس میں شرکت اور ووٹ ڈالنے کا حقدار ہے وہ دوسرے ممبر کو اپنی جگہ شرکت، بولنے اور ووٹ ڈالنے کیلئے پراسیکور مقرر کر سکتا ہے۔
- (ii) سالانہ رپورٹ میں ایک خالی جگہ پراسیکور کے دستاویز (انگریزی اور اردو میں) ساتھ منسلک ہے کمپنی کی ویب سائٹ پر بھی فارم دستیاب ہے۔

- (iii) موٹھ ہونے کیلئے باضابطہ مکمل شدہ پراسی دستاویز اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹر شدہ دفتر پر موصول ہونا لازمی ہیں۔ پراسی فارم کے ہمراہ ممبر اور پراسی کے مورخ سی این آئی سی یا سپورٹ کی تصدیق شدہ نقول فراہم کرنا ہوں گی۔
- (iv) پراسی فارم پر دو اشخاص کی گواہی ہوگی۔ جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج کئے جائیں گے۔
- (v) سی ڈی ڈی کھاتہ داروں کیلئے ضروری ہے کہ وہ 2000 کا سکلر نمبر 1 ایس ای سی پی کا جاری کردہ، مورخہ 26 جنوری 2000 کے جاری شدہ مندرجہ ذیل راہنما اصولوں پر عمل کریں۔
- (vi) کارپوریٹ ادارے کی صورت میں کمپنی کے پاس پراسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا بورڈ آف انٹرنیٹ، مع کارپوریٹ ادارے کی جانب سے نمائندگی کرنے کیلئے نامزد شخص کے نمونہ دستخط رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کرنا ضروری ہیں۔

۳۔ ممبران کے پتے کی تبدیلی

ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی کی صورت میں چوری طور پر کمپنی کے شیئر رجسٹر اریسرز فیمکو ایسوسی ایشن پرائیویٹ لمیٹڈ کو مطلع کیا کریں۔

۵۔ ویب سائٹ پر مالی گوشواروں اور رپورٹس کی دستیابی۔

30 جون 2021 کو اختتام شدہ سالانہ رپورٹ کمپنی سالانہ رپورٹ کمپنی کی ویب سائٹ پر لگائی گئی ہے اور اس کو سی ڈی کے ذریعے ممبران کو بھیج بھی دیا گیا ہے۔

۶۔ ای میل کے ذریعے سالانہ مالی گوشواروں اور اجلاس کے اطلاع کی ترسیل

ایس ای سی پی نے مورخہ 8 ستمبر 2014 کو اپنی نوٹیفیکیشن ایس۔ آر۔ 2014 / (1) 787 کے ذریعے کمپنیوں کو بذریعہ ای میل آڈٹ کردہ مالی گوشواروں کے ساتھ ساتھ سالانہ اجلاس عام کا نوٹس اپنے ممبران میں تقسیم کرنے کی اجازت دی ہے۔ لہذا ممبران جو مستقبل میں (سی ڈی کے ذریعے وصولی کے بجائے) ای میل کے ذریعے کمپنی کے سالانہ اجلاس کی اطلاع وصول کرنے کے خواہشمند ہیں، وہ باضابطہ مکمل شدہ فارم پر اپنی رضامندی کمپنی کے شیئر رجسٹر اریسرز کو جمع کرائیں۔ رضامندی فارم کمپنی کی ویب سائٹ پر اپلوڈ کر دیا گیا ہے۔ مذکورہ انتظام میں کسی بھی تبدیلی کے بارے میں موزوں ریکویسٹ فارم کے ذریعے کمپنی کو مطلع کریں۔

۷۔ الیکٹرونک طریقہ۔

یکمبیر 2017 کے سیکشن 242 کے احکامات کے تحت کمپنیوں کیلئے ضروری ہے کہ وہ کیش ڈیویڈنڈ کی ادائیگی حقدار شیئر ہولڈرز کے منتخب کردہ بینک اکاؤنٹ میں براہ راست الیکٹرونک طریقے کے ذریعے کریں۔ شیئر ہولڈرز سے یہ گزارش کی جاتی ہے کہ وہ مستقبل کی ڈیویڈنڈ وصولی کیلئے کمپنی کی ویب سائٹ پر دستیاب شدہ ای ڈیویڈنڈ مینڈیٹ فارم کو پر کریں اور شیئر رجسٹر اریسرز کو ارسال کریں۔ سی ڈی سی اکاؤنٹ ہولڈرز کیلئے اپنی تفصیلات براہ راست اپنے بروکر (شرکت کنندہ) میسرز فیمکو ایسوسی ایشن پرائیویٹ لمیٹڈ کو جمع کرنا لازمی ہے۔

۸۔ شیئر ہولڈنگ کا تناسب۔

ایف بی آر نے واضح کیا ہے کہ جوینٹ اکاؤنٹ ہونے کی صورت میں ہر ہولڈر کو ایک فائلر کے طور پر انفرادی تصور کیا جائیگا اور ہر جوینٹ ہولڈر کی حصہ داری کی بنیاد پر ٹیکس کا نانا جائیگا، جیسا کہ شیئر ہولڈر نے تحریری طور پر شیئر رجسٹر اریسرز کو درج ذیل تفصیلات دی ہوں۔ بصورت دیگر جوینٹ شیئر ہولڈرز کے مساوی شیئرز کی حصہ داری سمجھی جائیگی۔

کمپنی کا نام	فولیوسی ڈی سی اکاؤنٹ نمبر	مجموعی شیئرز	پریسل شیئرز ہولڈر	جوینٹ شیئرز ہولڈر
			نام اور سی این آئی سی شیئرز ہولڈر کا تناسب (شیئرز کی تعداد)	نام اور سی این آئی سی شیئرز ہولڈر کا تناسب (شیئرز کی تعداد)

۹۔ شیئر ہولڈرز کیلئے خصوصی اطلاع برائے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا۔

ایس ای سی پی نے اپنے خط CSD/ED/Misc/2016-639-644 مورخہ 26 مارچ

2021 کے ذریعے تمام کمپنیوں کو مشورہ دیا ہے کہ وہ یکمبیر 2014 سیکشن 72 کے تحت اپنے موجودہ جاری کردہ فزیکل شیئرز کو بک انٹری فارم میں جاری کردہ فزیکل شیئرز کو بک انٹری فارم میں اپنے فزیکل شیئر کو تبدیل کر لیں۔

شیئر ہولڈرز کیلئے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے بہت سے فائدے ہیں مثلاً۔ شیئرز کی محفوظ تحویل، شیئرز کی فوری خرید و فروخت کیلئے مارکیٹ میں ہمہ وقت دستیابی، کھونے اور خراب ہونے سے محفوظ اور فزیکل شیئرز کے مقابلے میں کم تقاضوں کے ساتھ آسان اور محفوظ ٹرانسفر کمپنی کے شیئر ہولڈرز اپنے فزیکل شیئرز کی بک انٹری شکل میں تبدیلی سے متعلق معاونت کیلئے کمپنی کے شیئر رجسٹر اریسرز فیمکو ایسوسی ایشن پرائیویٹ لمیٹڈ سے رابطہ کر سکتے ہیں۔

Review Report by the Chairman

For the year ended June 30, 2021

On behalf of the Board of Directors of Clover Pakistan Limited, I am pleased to present the report and audit the Company's Financial Statements for the year ended June 30, 2021.

Impact of COVID-19 And Impairment of Goodwill

In this financial year, a pandemic COVID-19 continuously affected the Global economy significantly, resulting in a lockdown in Pakistan. The economy's slowdown adversely affected the commercial & industrial sectors; consequently, industrial chemicals and equipment sales fell significantly. During the year, the net revenue of the Company decreased to Rs. 374.437 million. The Company reported a net loss of Rs 604.999 million for the year after accounting for goodwill impairment amounting to Rs 385.985 million.

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

Performance Overview

Following its strategic plan, the Company has curtailed its business and trading activities during the period under review. The net revenue of the Company decreased to Rs. 374.437 million resulting in a gross loss of 24.066 million and a net loss of Rs 604.999 million. Loss per share basic and diluted was Rs. 19.43 for the year. Due to the above scenario, no dividend has been proposed.

The Company's revenue stream was impacted significantly due to the closure of the FMCG Business Segment during the year. The Company had two marts, named Nisht Mart and Sahar Mart, located at Khayaban-e-Nishat and Khayaban-e-Sehar. The Company's Mart was flooded with rainwater during the heavy rain.

The industrial and commercial chemical division has been added to the Company's revenue stream with solid prospects, but the impact of COVID-19 has restricted the Company's growth in this division. The Company is also engaged in supplying goods and maintenance services to the energy sector. However, COVID-19 impacted the business significantly. The Business Solutions division and Petrotech Division of the Company also affected greatly.

Lubricants sales also fell during the year, averaging around 20,000 litres per month. Lubricants procurement is currently managed through toll blending arrangements, initially geared towards the low-end market segment. The Company's focus remains the domestic market segmented into High-Street and Industrial Consumers (B2B & B2Ci). Lubricants remains a high margin product for the Company.

Technology

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

Governance

The Company's Board of Directors meets frequently enough to discharge its responsibilities. The Independent and Non-executive directors are equally involved in important decisions. For the financial year ended June 30, 2021, the Board's overall performance and effectiveness have been assessed as satisfactory. This assessment is in the process but based on an evaluation of integral components, including the vision, mission and values; engagement in strategic planning; formulation of policies; monitoring of business activities, and effective fiscal oversight.

Directors' Training Programme

Directors of the Company have attended the Directors' Training Program conducted by the Institute of Cost and Management Accountants of Pakistan (ICMA) through an online platform. ICMA is a member of the International Corporate Governance Network.

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 about 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. While focusing on revival in the existing Petrotech, Business Solutions, Lubricant and Auto Care segments, the Company intends to further build upon its strengths and the Clover brand.

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

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

For and on behalf of the Board



Salim Chamdia
Chairman

Karachi: January 21, 2022

چیئر مین کی جائزہ رپورٹ

برائے سال تختہ 30 جون 2021

کلوور پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے مالیاتی گوشوارے برائے سال تختہ 30 جون 2021 کی آڈٹ رپورٹ اور اپنی رپورٹ پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

COVID-19 کے اثرات اور ساکھ میں فرسودگی

اس مالیاتی سال میں ایک وباء COVID-19 نے عالمی معیشت کو مسلسل بہت زیادہ متاثر کیا جس کے نتیجے میں پاکستان میں لاک ڈاؤن لگ گیا۔ معاشی سست روی نے تجارتی اور صنعتی شعبوں پر ناموافق اثرات مرتب کئے، جس کے نتیجے میں صنعتی کیمیکلز اور ساز و سامان کی فروخت قابل ذکر حد تک کمی آگئی۔ سال کے دوران کمپنی کی خالص فروخت کم ہو کر 374.437 ملین روپے رہ گئی۔ 385.985 ملین روپے کی ساکھ کی فرسودگی نکالنے کے بعد کمپنی کو 604.999 ملین روپے کا خالص خسارہ ہوا۔

فروخت میں قابل ذکر کمی کے نتیجے میں کمپنی کا کیمیکل اور FMCG شعبہ متاثر ہوا۔ مزید برآں، کمپنی کے کاروباری شعبہ جات ابھی ابتدائی مراحل میں ہیں اور COVID کے بعد کی صورتحال نے ان کی فروخت کو مزید متاثر کیا ہے۔

کارکردگی کا جائزہ

جائزہ مدت کے دوران اپنی کلیدی منصوبہ پر عمل کرتے ہوئے کمپنی نے اپنی کاروباری اور خرید و فروخت کی سرگرمیوں میں کمی کر دی۔ کمپنی کی خالص فروخت کم ہو کر 374.437 ملین روپے رہ گئی جس کے نتیجے میں 24.066 ملین روپے کا خسارہ ہوا اور 604.99 ملین روپے کا خالص خسارہ رہا۔ سال کا خسارہ فی حصص بنیادی اور رقیبت 19.43 فی حصص رہا۔ مذکورہ بالا منظر نامہ کو مدنظر رکھتے ہوئے کسی منافع منقسمہ کو تجویز نہیں کیا گیا۔

سال کے دوران FMCG کاروباری شعبہ کی بندش کی وجہ سے کمپنی کی فروخت کے دھارے پر قابل ذکر ناموافق اثرات مرتب ہوئے۔ کمپنی کے دو مارٹ تھے جو کہ خیابان نشاط اور خیابان سحر میں تھے۔ کمپنی کے مارٹ میں شدید بارشوں کی وجہ سے سیلابی پانی چلا گیا۔

صنعتی اور تجارتی کیمیکل ڈویژن مضبوط امکانات کے ساتھ کمپنی کی فروخت کے دھارے میں شامل ہوا لیکن COVID-19 نے کمپنی کے اس ڈویژن کی نمو کو محدود کر دیا۔ کمپنی توانائی کے شعبے کو سامان اور مینٹیننس سروس فراہم کرنے میں مصروف عمل ہے۔ تاہم COVID-19 نے کاروبار کو قابل ذکر متاثر کیا۔ کمپنی کاربنس سولیشنز ڈویژن اور پیٹروٹیک ڈویژن بھی بہت زیادہ متاثر ہوا۔

لبریکیشن کی فروخت سال کے دوران کم ہو گئی جو کہ اوسطاً 20,000 لیٹر ماہانہ رہی۔ لبریکیشن کی خریداری کا اہتمام آمیزش مرکب کے ذریعے کیا جا رہا ہے، ابتدائی طور پر مارکیٹ کے زیری حصے کی جانب۔ کمپنی کی توجہ مارکیٹ کے مقامی شعبوں سے ہائی اسٹریٹ اور صنعتی صارفین (B2C اور B2B) تک مرکوز ہے۔ لبریکیشن کمپنی کے اعلیٰ منفعت کی حامل مصنوعات ہیں۔

ٹیکنالوجی

جاری شاندار پیشقدمی کے طور پر کمپنی نے SAP S4 HANA ERP کاروباری سوفٹ ویئر کو نافذ کیا ہے۔ SAP سولیشن ہماری گروپ کمپنیوں کی کارکردگی اور نگرانی کو بہتر بنانے، اضافی چلک پذیری کے ذریعے لاگتوں میں کمی، مالیاتی انتظام میں اضافہ میں قابل ذکر سہولت فراہم کرے گا اور بدلتی ہوئی صنعتی ضروریات کو پورا کرنے میں معاون ہوگا۔ اس مقصد کے لئے EY فورڈر ہوڈز کو بطور نفاذی شراکت دار مقرر کیا گیا ہے اور انہیں ادارتی حکمت عملی، ڈیزائن، پروسیس، ری انجینئرنگ، تعیناتی اور نفاذ کے بعد کے کنٹرول کے لئے ایک سرے سے دوسرے سرے تک ضروری تعاون فراہم کر دیا گیا ہے۔

نظم و ضبط

اپنی ذمہ داریوں سے عہدہ برآں ہونے کے لئے کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاس منعقد ہوتے ہیں۔ آزاد اور نان ایگزیکٹو ڈائریکٹران بیکساں طور پر اہم فیصلوں میں شریک ہوتے ہیں۔ مالیاتی سال 30 جون 2021 کے لئے بورڈ کی مجموعی کارکردگی اور اثر پذیری کی تشخیص تسلی بخش پائی گئی۔ یہ تشخیص زیر تکمیل ہے لیکن یہ انفرادی اجزاء بشمول نصب العین، مشن اور اقدار، کلیدی منصوبہ بندی میں مشغولیت، پالیسیوں کی ترتیب بندی، کاروباری سرگرمیوں کی نگرانی اور موثر مالیاتی نگرانی کی بنیاد پر ہے۔

ڈائریکٹرز ٹریننگ پروگرام

کمپنی کے ڈائریکٹران نے انسٹیٹیوٹ آف کاسٹ اور مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMA) کے ڈائریکٹرز ٹریننگ پروگرام میں آن لائن طریقے سے شرکت کر لی ہے۔ ICMA انٹرنیشنل کارپوریٹ گورننس نیٹ ورک کا ایک ممبر ہے۔

مستقبل کی پیش بینی

امکان ہے کہ ملکی معیشت میں حالیہ سست روی، بڑھتی ہوئی شرح سود اور روپے کی قدر میں کمی پاکستان کے مجموعی کاروباری شعبے کے لئے ایک چیلنج رہیں گے۔ تاہم اپنی ازسرنو سست بندی کے ذریعے ہم چیلنجز سے نمٹنے کے لئے پرامید ہیں۔

ہماری مستقبل کی حکمت اختراع، بنیادی شعبوں میں وسعت اور مصنوعات کے پورٹ فولیو میں تنوع اور گاہکوں پر مرکوز ہے۔ موجودہ پیٹرنٹیک، بزنس سولیشنز، لبریکینٹ اور آٹو کیئر شعبوں کی بحالی پر توجہ مرکوز کرتے ہوئے کمپنی کا ارادہ ہے کہ اپنی صلاحیتوں اور کلوور کے برانڈ کو مستحکم بنائے۔

کلوور میں ہم کمپنی کو ازسرنو مستحکم کرنے اور متعلقین کے لئے قدر پیدا کرنے کے لئے کوشاں ہیں۔ اس بحالی کو کاروباری بہتری، گاہکوں کی اچھی طمانیت اور ہمارے تمام شعبوں میں لاگتوں میں بہتری کے ذریعے حاصل کیا جائے گا۔

اعتراف

بورڈ کی جانب سے میں اس موقع پر اپنے حصص یافتگان اور گاہکوں کی مسلسل سرپرستی پر ان کا مشکور ہوں۔ ہم اپنے ملازمین کی خدمات اور جدوجہد کی انتہائی قدر کرتے ہیں جنہوں نے ہمارے گاہکوں کو بہتر خدمت فراہم کرنے کے لئے انتھک محنت کی۔ میں اس موقع پر تمام قرض دہندگان اور انضباطی اداروں کے مسلسل تعاون اور ہدایات پر ان کے مشکور ہیں۔

برائے و مخانب



سلیم چاٹھیا

چیئر مین

کراچی، یکم جنوری 2022

DIRECTORS' REPORT

The Directors present the Annual Report together with the Company's Financial Statements and the Auditors Report for the year ended June 30, 2021.

Financial Results

Financial highlights for 2021

The loss of financial statement for the year ended June 30, 2021, after providing selling and distribution expenses, financial and other charges amount to be:

	2021	2020
	----- (Rupees'000) -----	
Loss before taxation	(567,123)	(152,742)
Taxation	(37,876)	(2,476)
Loss for the year	(604,999)	(155,218)
	----- (Rupees) -----	
Loss per share – basic and diluted	(19.43)	(4.98)

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

During the year, the net revenue of the Company decreased to Rs. 374.437 million from Rs. 394.428 million resulting in a gross loss of Rs. 24.066 million. The Company reported a net loss of Rs 604.999 million for the year after accounting for total goodwill impairment amounting to Rs 385.985 million. This loss translated to Rs 19.43 per share compared to Rs 4.98 per share last year.

2020-21 was a challenging year with the impact of COVID-19 2nd and 3rd wave in the country and globally. The Pandemic affected the global industries in two key ways; by causing drastic reductions in the demand and a sharp decline in the product price. Pakistan industry was also adversely impacted, and due to local currency devaluation, the industry also had to account for high inventory loss and exchange loss.

The decline in revenue is due to multiple factors the Company faced. The Company's Chemical Business Division was significantly impacted as the post COVID-19 outbreak, the price of the Chemical was highly volatile and frequently changed the national and international market environment. Further, the devaluation of Rupees against the Dollar in the period also increased the market's uncertainty.

Further, the net loss for 2020-21 was also significantly impacted by the losses incurred due to shut down the FMCG Business Segment during the year. The Company had two marts, named Nisht Mart and Sahar Mart, located at Khayaban-e-Nishat and Khayaban-e-Sehar. The Company's Mart was flooded with rainwater during the heavy rain. The mart was full of fresh inventories, and packing materials caused stock damage and subsequently expired, resulting in written-off stock and closure of both of the marts.

IMPAIRMENT OF GOODWILL

The Clover Pakistan Limited (Clover) merged with Hascombe Business Solutions Private Limited (Hascombe) effective April 01, 2018. Based on the merger scheme duly approved by the Sindh Court, Goodwill recognized amounting to Rs. 548.9 million. Goodwill represented the difference between the cost of acquisition (Rs. 605.3 million) and the carrying value of net assets (Rs. 56.4 million) acquired at the merger.

The Goodwill supports the assumption made by the Company on the merger, and FS 2019-20 were as follows:

- Revenue from Petrotech sales would increase on account of new sites (fuel stations) of Fossil Energy Private Limited (Fossil) corroborated with annual maintenance contracts attached to that.
- Based on the license (OGRA-19(3)/(145)/217) approved by OGRA to open fuel stations in Punjab, Fossil is planning to set up 578 fuel stations in Punjab in 5 years.
- Clover sells fuel dispensers units (FDU), digital screens, canopy board, generator, and other equipment to each fuel station. The types of equipment include "Tank Overfill Protection Alarm System" & Submersible Set.
- Based on the analysis of gross profit margin for the year ended June 30, 2019, it was concluded that the gross profit margins remained stable and increased in the upcoming years.
- Based on the service income earned from OMCs in past years, it was expected that the Company would continue to generate revenue with an increase of 10%-15% from each pump from the first year of the projection. OMCs have 500 pumps.

- Annual maintenance contracts were expected to increase two, three and four times each year, compared to the 1st year. The contracts income expectations increased due to the sale of an equal number of FDU in the following years compared to the 1st year.

The Company made an assumption based on the historical figures of the Hascombe and future projection according to the Company's business plans, including inflation impacts to the Company.

However, in 2019-20, the COVID-19 outbreak resulted in the lockdown in Pakistan significantly impacted the Company's business plan. The COVID-19 affected the Company's assessments, estimates, and judgements regarding the recoverable amount based on the Company's business plan and prospects. Based on the crisis in 2019-20, the Company impaired Goodwill by amount Rs. 162.9 million and recognized Goodwill by only Rs. 385.9 million in their Financial Statements.

The COVID-19 impact continued in 2020-21, resulting in Oil Marketing Companies (OMC) being in crisis. Due to these crises, the OMCs sale declined, resulting in a decrease in Petrotech business with OMCs.

Further, due to COVID-19, the product import policies and terms were tightened along with the volatility of exchange rates and uncertain business conditions.

In COVID-19, OMCs business suffered and decayed in 2020-2021, that's why OMCs did not expand their retail sites and tried to manage their business with a previous number of sites, and it directly impacted our Petrotech Division of Clover and not received expected orders for FDUs and Submersible Sets from OMCs.

Furthermore, due to COVID-19 sales in our Gestetner Business Division (Gestetner) also dropped, two main reasons are mentioned below:

- Government Offices and Embassies were working on/off in 2020-2021 just because of COVID-19; due to this, Gestetner products usage was reduced in Embassies and not opened purchasing tenders by Government departments.
- Most companies shifted their work online, half-staff was presented in lockdowns of 2020-2021, usage of photocopiers and innovative office equipment dropped significantly, and paperwork was transferred into emails.

Though there is a likelihood of Clover Pakistan Limited business renewal in the financial year 2022 – 2023, management now feels it is prudent to write off Goodwill in its entirety.

RISK MITIGATION

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

STRATEGIC RISK

Strategic risk relates to the Company's future business plans and strategies, including the risks associated with the macro-environment it operates, like demand for its products, competitive threats, technology and product innovation, et cetera. The Company regularly keeps track of the changing market trends and seeks feedback from the Company's regular and prospective customers. The Company ensures that its products best suit its customers' current and future needs at competitive prices with the finest quality to counter the competition and retain and improve its market share.

OPERATIONAL RISKS

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;

- risk mitigation, including insurance where this is effective; and

The plant and equipment supplier's operational and qualitative track record and related service providers.

Business continuity plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where required while ensuring adequate controls to ensure that Company's information assets are adequately protected from emerging cyber threats.

FINANCIAL RISK

Credit Risk

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

Liquidity Risk

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

Foreign Exchange Risk

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

CUSTOMER FOCUSING

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

The Company has maintained proper books of accounts.

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

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

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

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

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

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

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

BOARD OF DIRECTORS

The composition of the Board is as follows:

Male:	6
Female:	1
Independent Directors:	Mr Zohaib Yaqoob Mr Asadullah Azizi (Later on Resigned)
Other Non-executive Directors:	Mr Salim Chamdia Mr Shehzad Mohsin Ms Rima Athar
Executive Directors:	Mr Khawar Jamil Butt Mr Sohail Allana (Later on Resigned)

After the year-end, Mr Asadullah Azizi and Mr Sohail Allana have resigned from the Company Board. The casual vacancy will be filled within the due time as per the regulatory requirements. Mr Sohail Allana, CEO of the Company, resigned and replaced Mr Javaid Iqbal.

Board Committees**a) Audit Committee:**

Mr Zohaib Yaqoob - Chairman
Mr Salim Chamdia
Mr Khawar Jamil Butt

b) Human Resource and Remuneration Committee:

Mr Asadullah Azizi – Chairman
Mr Salim Chamdia
Mr Khawar Jamil Butt

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:

Name of Director	Meetings Attended
Mr Salim Chamdia	6
Mr Khawar Jamil Butt	3
Ms Rima Athar	3
Mr Farid Shamim – (Later on Resigned)	2
Mr Zohaib Yaqoob	2
Mr Sohail Allana – (Later on Resigned)	5
Mr Shahzad Mohsin	5
Mr Abu Talib Haidery – (Later on Resigned)	1
Mr Irfan Ali Hyder – (Later on Resigned)	3
Mr Nadeem Ahmed Butt – (Later on Resigned)	3
Mr Muhammad Jamshed Azmat – (Later on Resigned)	2

Audit Committee Meetings

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

Name of Audit Committee Member	Meetings Attended
Mr Muhammad Jamshed Azmat - (Later on Resigned)	2
Mr Nadeem Ahmed Butt – (Later on Resigned)	2
Mr Abdul Wahab Kodvavi – (Later on Resigned)	1
Mr Rasheed Ahmed Jaffar – (Later on Resigned)	1
Mr Abdul Rahim Suriya – (Later on Resigned)	1
Mr Salim Chamdia	2
Mr Shahzad Mohsin – (Later on Resigned)	1
Mr Zohaib Yaqoob	1
Mr Khawar Jamil Butt	0

Human Resource and Remuneration Committee Meetings

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

Name of the Human Resource Committee Member	Meetings Attend
Mr Muhammad Jamshed Azmat - (Later on Resigned)	1
Mr Salim Chamdia	1
Mr Irfan Ali Hyder – (Later on Resigned)	1
Mr Khawar Jamil Butt	2
Mr Asadullah Azizi – (Later on Resigned)	1

Directors' Remuneration

The Board of Directors has a formal policy and transparent procedures for directors' remuneration following the Companies Act, 2017 and Code of Corporate Governance. The Board itself approves the remuneration of the Board members. However, under the Code of Corporate Governance, it is ensured that no Director takes part in the proceedings of the Board Meetings in deciding his remuneration. The Company does not pay remuneration to non-executive directors except for attending the meetings. The Company's remuneration policies are structured according to prevailing industry trends and business practices. The details of the Directors and CEO's remuneration are adequately disclosed in respective notes to the Financial statements

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND ECONOMY

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

EXTERNAL AUDITORS

The present auditors Messrs. Grant Thornton Anjum Rahman, Chartered Accountants, retire after the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Company's Board of Directors 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 has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan.

PATTERN OF SHAREHOLDING

A statement showing the Company's shareholding and additional information as of June 30, 2021, is annexed with this report.

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

FUTURE PROSPECTS

The recent slowdown in the country's economy, high inflation, rising interest rates and Rupee devaluation coupled with post COVID scenario is likely to pose a challenge to the overall business sector in Pakistan. The same has already affected your Company in terms of lower revenue and resulting net loss. However, the Company makes efforts in short to medium terms measures as part of the Company's plan related to the business revival and financial restructuring plan.

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

RELATED PARTY TRANSACTIONS

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

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



Shehzad Mohsin
Director



Javaid Iqbal
Chief Executive

Karachi.

Dated: January 21, 2022

ڈائریکٹران کی رپورٹ

ڈائریکٹران اپنی سالانہ رپورٹ کے ساتھ کمپنی کے مالیاتی گوشوارے اور آڈیٹرز رپورٹ برائے مختتمہ 30 جون 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مالیاتی نتائج

مالیاتی نتائج برائے 2021

فروخت اور تقسیمی اخراجات، مالیاتی اور دیگر اخراجات کی رقم نکالنے کے بعد مختتمہ سال 30 جون 2021 کے مالیاتی گوشواروں کے خسارہ درج ذیل ہے:

2020	2021	
(روپے ہزاروں میں)		
(152,742)	(567,123)	خسارہ قبل از ٹیکس
(2,476)	(37,876)	ٹیکس
<u>(155,218)</u>	<u>(604,999)</u>	خسارہ بعد از ٹیکس
	روپے	
<u>(4.98)</u>	<u>(19.43)</u>	خسارہ فی حصص - بنیادی اور رفتی

مصارف اور ذخائر سرمایہ میں تبدیلی کو سالانہ رپورٹ کے ایکویٹی میں تبدیلیوں کے بیان میں منکشف کیا گیا ہے۔

سال کے دوران کمپنی کی خالص آمدنی 394.428 بلین روپے کے مقابلے میں کم ہو کر 374.437 بلین روپے رہ گئی جس کے نتیجے میں 24.066 روپے کا خام خسارہ ہوا۔ سال کے دوران کل ساکھ کی فرسودگی 385.985 بلین روپے شامل کرنے کے بعد کمپنی کا خالص خسارہ 604.999 بلین روپے رہا۔ اس خسارہ کی عکاسی 19.43 روپے فی حصص سے ہوتی ہے جو کہ گزشتہ سال 4.98 روپے فی حصص تھا۔

ملکی اور عالمی سطح پر COVID-19 کی دوسری اور تیسری لہر کے اثرات کی وجہ سے سال 2020-21 دشوار گزار رہا۔ وباء نے عالمی صنعتوں کو دو طریقوں سے متاثر کیا، طلب میں شدید کمی سے اور دوسرے مصنوعات کی قیمت میں شدید کمی سے۔ پاکستان کی صنعت بھی ناموافق اثرات کی وجہ سے متاثر ہوئی اور کرنسی کی موجودہ فرسودگی کی وجہ سے صنعت کو بھی ذخائر کا خسارہ اور مبادلہ کا خسارہ ہوا۔

فروخت میں کمی کے کئی عوامل ہیں جن کا کمپنی کو سامنا ہے۔ کمپنی کا کیمیکل بزنس ڈویژن خاص طور پر COVID-19 کے پھیلاؤ کے بعد بہت زیادہ متاثر ہوا، کیمیکل کی قیمت انتہائی متزلزل رہی اور قومی اور عالمی مارکیٹ کی فضا اکثر تبدیل ہوتی رہی۔ مزید برآں، ڈالر کے مقابلے میں روپے کی قدر میں کمی سے مارکیٹ میں غیر یقینی پیدا ہوئی۔

مزید برآں، سال کے دوران FMCG کاروباری شعبہ کے بند ہو جانے سے 2020-21 کے خالص خسارہ میں قابل پر اثرات پڑے۔ کمپنی کے دو مارٹس ہیں، جن کے نام نشاط مارٹ اور سحر مارٹ ہیں جو کہ خیابان نشاط اور خیابان سحر میں واقع ہیں۔ کمپنی کے مارٹ شدید بارشوں کے دوران سیلابی کیفیت سے متاثر ہوئے۔ مارٹ میں دستیاب تمام تازہ سامان اور پیکنگ مٹیریل کا سامان خراب ہو گیا اور بعد ازاں اس کی معیاد ختم ہو گئی، جس کے نتیجے میں اسٹاک ختم کرنا پڑا اور دونوں مارٹ بند ہو گئے۔

ساکھ کو نقصان

کلور پاکستان لمیٹڈ (کلور) کا الحاق پیکسکو موب بزنس کا سویلوشنز پرائیویٹ لمیٹڈ (پیکسکو موب) سے یکم اپریل 2018 ہو گیا تھا۔ الحاقی اسکیم کو سندھ کورٹ نے باضابطہ منظور کیا، ساکھ کو 54.9 ملین روپے تسلیم کیا گیا ہے۔ الحاق کی لاگت اور الحاق کی خالص اثاثی میزانی قدر (56.4 ملین روپے) کے درمیان فرق ساکھ کی قدر کی نشاندہی کرتی ہے۔

ساھ کمپنی کے طے کردہ الحاق کے مفروضے کی تائید کرتی ہے اور FS 2019-20 میں درج ذیل رہا:

☆ پیٹرولٹیک کی فروخت فوسل انرجی پرائیویٹ لمیٹڈ (فوسل) کی نئی سائٹوں (فیول اسٹیشنز) کے ساتھ ساتھ اس سے ملحقہ میٹیننس کے ٹھیکوں میں اضافہ کی وجہ سے بڑھے گی۔

☆ OGRA کے پنجاب میں فیول اسٹیشنز کھولنے کے منظور کردہ لائسنس (OGRA-19(3)/(145)/217) کی بنیاد پر فوسل اگلے پانچ سالوں میں پنجاب میں 578 فیول اسٹیشنز قائم کرنے کی منصوبہ بندی کر رہی ہے۔

☆ کلور فیول ڈسپنسرز یونٹ (FDU)، ڈیجیٹل اسکرین، کینوپی بورڈ، جزیٹور دیگر سامان ہر فیول اسٹیشن کو فروخت کرتی ہے۔ اس قسم کے ساز و سامان میں ”ٹینک اوورفل پریوینشن الارم سسٹم“ اور سہ سہیل سیٹ شامل ہیں۔

☆ سال ختمہ 30 جون 2019 کے خام منافع کی شرح کی بنیاد پر یہ نتیجہ اخذ کیا گیا ہے کہ خام منافع مستحکم رہے گا اور آنے والے سالوں میں اضافہ ہوگا۔

☆ گزشتہ سالوں میں حاصل ہونے والی سروس آمدن کی بنیاد پر توقع ہے کہ کمپنی کی فروخت میں پہلے سال کی بہ نسبت ہر پمپ سے 10-15 فیصد اضافہ ہوگا۔ OMCs کے 500 پمپ ہیں۔

☆ سالانہ میٹریٹنس ٹھیکوں میں توقع ہے کہ پہلے سال کے مقابلے میں ہر سال دو، تین اور چار گنا بڑھیں گے۔ ٹھیکوں کی آمدنی توقع ہے کہ FDU کی یکساں تعداد کے حساب سے پہلے سال کے مقابلے میں آنے والے سالوں میں بڑھے گی۔

☆ کمپنی کے کاروباری منصوبوں، بشمول کمپنی پر افراط زر کے مطابق مستقبل کے امکانات اور ہیسکو مپ کے تاریخی اعداد و شمار کی بنیاد پر کمپنی نے ایک مفروضہ قائم کیا تھا۔

☆ تاہم 2019-20 میں COVID-19 کے پھیلاؤ کے نتیجے میں پاکستان میں لاک ڈاؤن کے قابل ذکر اثرات کمپنی کے کاروباری منصوبے پر پڑے۔ COVID-19 نے قابل بازیابی رقم کے سلسلے میں کمپنی کی تنزیہات، تخمینوں اور فیصلوں کی بنیاد پر کاروباری منصوبوں اور امکانات کو متاثر کیا۔ 2019-20 کے بحران کی وجہ سے کمپنی کی ساھ میں 162.9 ملین روپے کی کمی ہوئی اور مالیاتی گوشواروں میں 385.9 ملین روپے کی ساھ تسلیم کی گئی۔

☆ COVID-19 کے اثرات 2020-21 میں بھی جاری رہے جس کے نتیجے میں آئل مارکیٹنگ کمپنیاں (OMC) بحران میں رہیں۔ اس بحران کی وجہ سے OMCs کی فروخت میں کمی ہوئی جس کے نتیجے میں OMCs کے ساتھ پروٹیک کے کاروبار میں بھی کمی ہوئی۔

☆ مزید برآں، COVID-19 کی وجہ سے مصنوعات کی درآمدی پالیسیوں اور شرائط و ضوابط سخت ہونے کے ساتھ ساتھ مبادلہ کے نرخ بھی متزلزل رہے اور کاروباری صورتحال غیر یقینی رہی۔

☆ COVID-19 نے OMCs کے کاروبار کو متاثر کیا ہے اور 2020-21 میں زوال پذیر رہا جس کی وجہ سے OMCs اپنی ریٹیل سائٹوں کی تعداد میں اضافہ نہ کر سکیں اور سائٹس کی سابقہ تعداد کے انتظام میں ہی لگی رہیں اور اس نے براہ راست کلوور کے اپنے پروٹیک ڈویژن کو متاثر کیا اور اسے OMCs سے FUs اور سہ سہیل سیٹس کے متوقع آرڈرز نہیں ملے۔

☆ مزید برآں، COVID-19 کی وجہ سے ہمارے جیسٹنر بزنس ڈویژن (جیسٹنر) کی فروخت کم ہوئی جن کی بنیادی وجوہات درج ذیل ہیں:

☆ صرف سرکاری دفاتر اور سفارت خانے 2020-21 میں COVID-19 میں کام کر رہے تھے جس کی وجہ سے جیسٹنر کی مصنوعات کا استعمال سفارت خانوں میں کم ہو گیا اور سرکاری محکموں نے کوئی ٹینڈر نہیں کھولے۔

☆ زیادہ تر کمپنیاں آن لائن پر منتقل ہو گئیں، 2020-2021 کے لاک ڈاؤن میں آدھا عملہ دفتر میں حاضر رہا، فوٹو کاپی اور اختراعی دفتری سامان کے استعمال میں کمی آئی اور کاغذی کام ای میل پر چلا گیا۔

اگرچہ کہ کلور پاکستان لمیٹڈ کی کاروباری تجدید کا منصوبہ مالیاتی سال 2022-2023 ہے تاہم انتظامیہ محسوس کرتی ہے کہ بطور ساکھ کو مکمل طور پر ختم کر دیا جائے۔

خطرات میں کمی

بورڈ آف ڈائریکٹرز، بورڈ کی آڈٹ کمیٹی اور انسانی وسائل و معاوضہ کمیٹی اعلیٰ انتظامیہ پر مشتمل ہے اور کمپنی کے آپریشنز کی نگرانی اور متحرک نہ حکمت عملی ترتیب دینے کی ذمہ دار ہے تاکہ امکانی ناموافق اثرات کو کم کیا جاسکے۔ قابل ذکر خطرات سے متعلق معلومات اور خطرات کو کم کرنے والے عوامل درج ذیل ہیں:

کلیدی خطرات

کلیدی خطرات میں کمپنی کے مستقبل کے کاروباری منصوبے اور حکمت عملیاں بشمول بڑے معاشی خطرات سے ملحقہ خطرات جیسے مصنوعات کی طلب، مسابقت خطرات، ٹیکنالوجی اور مصنوعات میں جدت میں شامل ہیں۔ کمپنی باقاعدگی سے مارکیٹ کی بدلتی ہوئی صورتحال پر نگاہ رکھتی ہے اور کمپنی کے باقاعدہ اور مستقبل کے کسٹمرز سے فیڈ بیک کی خواہش رہتی ہے۔ کمپنی ایسی مصنوعات کو یقینی بناتی ہے کہ جوگا بھوں کے موجودہ اور مستقبل کی ضروریات کو انتہائی مسابقتی قیمتوں پر اعلیٰ معیار کے ساتھ مسابقت پر پورا اتریں اور اس کے ساتھ مارکیٹ میں اپنے حصے میں بہتری اور برقرار رکھیں۔

کاروباری خطرات

کاروباری خطرات ایک بالواسطہ یا بلاواسطہ خطرہ ہے جو کہ کئی اقسام کے اسباب سے کھڑا ہوتا ہے جن کا تعلق پروسیس، ٹیکنالوجی اور انفراسٹرکچر سے معاون کمپنی کی سرگرمیاں ہیں، یا تو اندرونی طور پر کمپنی کے اندر یا باہر موجود ہوتے ہیں، بیرونی عوامل میں قرضہ، مارکیٹ اور روایت کے خطرات شامل ہیں جو کہ قانونی اور انضباطی ضروریات سے موجود ہیں اور عمومی تسلیم شدہ آپریشن کے رویہ سے ہوتے ہیں۔ کاروباری خطرات میں کمپنی کی تمام سرگرمیاں شامل ہیں۔ کمپنی کے مقاصد کاروباری خطرات کا انتظام ہے جس میں مالیاتی خساروں اور ساکھ کے نقصان کو محدود کرتے ہوئے متوازن کرنا اور شامل ہے اس کے ساتھ ساتھ کاروباری مقاصد کا حصول اور سرمایہ کاروں کے منفعت فراہم کرنا ہے۔ کاروباری خطرات پر گرفت کے نفاذ اور ترویج کی بنیادی ذمہ داری کمپنی کی انتظامیہ کی ہے۔ یہ ذمہ داری مندرجہ ذیل شعبوں میں گرفت پر نگاہ رکھتی ہے:

- مختلف افعال، کردار اور ذمہ داریوں کی مناسب تقسیم کی ضروریات
- ٹرانزیکشنز کی نگرانی اور درستگی کرنے کی ضروریات
- انضباطی اور دیگر قانونی ضروریات کی پاسداری
- گرفت اور طریقہ کار کی دستاویز
- لاحق کاروباری خطرات کی وقفہ جاتی تشخیص اور کنٹرول اور طریقہ کار کی موزونیت کی ضروریات تاکہ درج ذیل شناخت شدہ خطرات کازالہ کیا جاسکے
- اخلاقی اور کاروباری معیارات
- خطرات میں کمی، بشمول انشورنس جہاں پر فعال ہو
- پلانٹ اور ساز و سامان کے فراہم کنندہ کا ملحقہ سروس پرووائیڈرز اور ریکارڈ میں معیاری ماضی رہا ہے۔
- متعلقہ شعبوں کے کاروباری تسلسل کے منصوبے موجود ہیں اور آزمائش شدہ ہیں۔

مالی خطرات

قرضہ جاتی خطرہ

قرضہ جاتی خطرے کا تعلق ایسا خطرہ ہے جس کا سامنا کمپنی کو فریق مخالف کی جانب سے شدہ شرائط قرضوں اور اپنی ذمہ داریوں کو پورا نہ کرنے پر ہوتا ہے۔ ’’کیش ان پیڈ‘‘ کے علاوہ کمپنی کے تمام مالیاتی اثاثوں کو قرضہ جاتی خطرہ لاحق ہوتا ہے۔ کمپنی کے پاس موثر انداز میں قرضہ جاتی خطرہ سے نمٹنے کے لئے انتہائی ترتیب شدہ قرضہ جاتی حکمت عملی موجود ہے۔

روانیت کا خطرہ

روانیت کا خطرہ اس وقت ہوتا ہے جب کمپنی کے پاس ناکافی دستیاب نقد ہو اور اسے اپنی مالیاتی ذمہ داریوں کو پورا کرنے میں دشواری ہو۔ روانیت کے خطرہ کو کسی بھی کاروباری حالات میں مالیاتی ذمہ داریوں اور وعدوں کو کافی فنڈز کی دستیابی کو یقینی بنا کر کیا جاسکتا ہے۔

بیرونی زرمبادلہ کا خطرہ

کمپنی کو اس وقت خام مال اور پلانٹ اینڈ مشینری کی درآمدات پر کوئی خاص زرمبادلہ کا خطرہ نہیں ہے جس کا تصفیہ قلیل مدت میں کر لیا جائے گا۔ طویل مدتی ٹھیکوں میں کمپنی جہاں تک ممکن ہوتا ہے زرمبادلہ کے خطرہ کا مقابلہ کرنے کا اہتمامات رکھتی ہے۔

اسٹمپر پر مرکز توجہ

کمپنی اس بات پر یقین رکھتی ہے کہ اس کے قابل قدر گاہک اس کی کاروباری کامیابی کی بنیاد ہیں۔ کمپنی پالیسیاں مکمل طور پر گاہکوں پر مرکوز ہیں۔ مارکیٹ اور گاہکوں کے ساتھ ہمیشہ اچھا رابطہ کمپنی کو گاہکوں کی ضروریات کو سمجھنے کے قابل بناتی ہے تاکہ گاہکوں کو بہترین مصنوعات اور خدمات کی سطح فراہم کر کے کمپنی کو اپنا پسندیدہ انتخاب بنا لیں۔

ادارتی نظم و ضبط کے ضابطہ کی پاسداری

ڈائریکٹران یہ بتاتے ہوئے اظہار مسرت کرتے ہیں تمام ادارتی نظم و ضبط کی ضروریات کی پاسداری سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ضروریات کے مطابق کی ہے۔ ادارتی نظم و ضبط کی پاسداری سے متعلق بیان رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ادارتی اور مالیاتی رپورٹنگ فریم ورک

درج ذیل میں ادارتی اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان دیا گیا ہے:

- ☆ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی شفافیت کے ساتھ پیش کرتے ہیں۔
- ☆ کمپنی میں حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ☆ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- ☆ مالیاتی گوشواری کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو معقول انداز میں منکشف اور وضاحت کی گئی ہے۔
- ☆ اندرونی نگرانی کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- ☆ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔

- ☆ لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بھی بڑا انحراف نہیں کیا گیا ہے۔
- ☆ گزشتہ چھ سالوں کے مختصراً اہم کاروباری اور مالیاتی اعداد و شمار اس سالانہ رپورٹ میں شامل کئے گئے ہیں۔
- ☆ ٹیکسوں، ڈیوٹیوں، محصولات اور اخراجات کی مد میں کوئی آئینی ادائیگی ۳۰ جون ۲۰۲۱ کو واجب الادا نہیں تھی سوائے جنہیں مالیاتی گوشواروں میں منکشف کیا گیا ہے۔

بورڈ آف ڈائریکٹرز

بورڈ کی تشکیل بندی درج ذیل ہے:

حضرات 6

خاتون 1

آزاد ڈائریکٹر	مسٹر زوہیب یعقوب
دیگر نان ایگزیکٹو ڈائریکٹران	مسٹر اسد اللہ عزیزی (بعد ازاں استعفیٰ دے دیا)
	مسٹر سلیم چاٹھیا
	مسٹر شہزاد محسن
ایگزیکٹو ڈائریکٹران	مسٹر خاور جمیل بٹ
	مسٹر سہیل الانہ (بعد ازاں استعفیٰ دے دیا)
خاتون ڈائریکٹر	مس ریما الطہر

سال کے خاتمہ کے بعد مسٹر اسد اللہ عزیزی اور مسٹر سہیل الانہ نے کمپنی کے بورڈ سے استعفیٰ دے دیا۔ اتفاقاً آسامی کو انضباطی ضروریات کے مطابق درست وقت کے اندر پر کیا جائے گا۔ مسٹر سہیل الانہ، کمپنی کے CEO نے استعفیٰ دیا اور ان کی جگہ مسٹر جاوید اقبال آئے۔

بورڈ کی کمیٹیاں

(a) آڈٹ کمیٹی

مسٹر زوہیب یعقوب - چیئر مین

مسٹر سلیم چاٹھیا

مسٹر خاور جمیل بٹ

(b) انسانی وسائل و معاوضہ کمیٹی کے اجلاس

مسٹر اسد اللہ عزیزی - چیئر مین

مسٹر سلیم چاٹھیا

مسٹر خاور بٹ

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

اجلاسوں کی تعداد	ڈائریکٹر کا نام
6	مسٹر سلیم چاٹریا
3	مسٹر خاور جمیل بیٹ
3	مس ریما اطہر
2	مسٹر فرید شمیم (بعد ازاں استعفیٰ دے دیا)
2	مسٹر زوہیب یعقوب
5	مسٹر سہیل الانہ (بعد ازاں استعفیٰ دے دیا)
5	مسٹر شہزاد محسن
1	مسٹر ابوتراب حیدری - (بعد ازاں استعفیٰ دے دیا)
3	مسٹر عرفان علی حیدر (بعد ازاں استعفیٰ دے دیا)
3	مسٹر ندیم احمد بٹ - (بعد ازاں استعفیٰ دے دیا)
2	مسٹر محمد جمشید عظمت (بعد ازاں استعفیٰ دے دیا)

آڈٹ کمیٹی کے اجلاس

کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ بورڈ آف ڈائریکٹرز نے کمیٹی کی ذمہ داریوں کا تعین کیا ہے۔ آڈٹ کمیٹی کے چار (4) اجلاس سال کے دوران ہوئے۔ ہر ممبر کی حاضری درج ذیل رہی:

اجلاسوں کی تعداد	آڈٹ کمیٹی ممبر کا نام
2	مسٹر محمد جمشید عظمت (بعد ازاں استعفیٰ دے دیا)
2	مسٹر ندیم احمد بٹ - (بعد ازاں استعفیٰ دے دیا)
1	مسٹر عبدالوہاب کوڈواوی (بعد ازاں استعفیٰ دے دیا)
1	مسٹر رشید احمد جعفر (بعد ازاں استعفیٰ دے دیا)
2	مسٹر عبدالرحیم سوریا (بعد ازاں استعفیٰ دے دیا)
1	مسٹر سلیم چاٹریا
1	مسٹر شہزاد محسن (بعد ازاں استعفیٰ دے دیا)
1	مسٹر زوہیب یعقوب
0	مسٹر خاور جمیل بٹ

انسانی وسائل و معاوضہ کمیٹی کے اجلاس

سال کے دوران HR کمیٹی کے دو اجلاس ہوئے۔ ہر ممبر کی حاضری درج ذیل رہی:

حاضر اجلاسوں کی تعداد

انسانی وسائل کمیٹی ممبر کا نام

1	جناب محمد جمشید عظمت (بعد از اس استعفیٰ دے دیا)
1	مسٹر سلیم چانڈیا
1	مسٹر عرفان حیدر (بعد از اس استعفیٰ دے دیا)
2	مسٹر خاور جمیل بٹ
1	مسٹر اسد اللہ عزیز (بعد میں استعفیٰ دے دیا)

ڈائریکٹران کا معاوضہ

بورڈ آف ڈائریکٹرز کے پاس ڈائریکٹران کے معاوضہ کے لئے ایک باضابطہ پالیسی اور شفاف طریقہ کار کا مینیز ایکٹ 2017 اور ادارتی نظم و ضبط کے ضابطہ کے تحت موجود ہے۔ بورڈ نے بذات خود بورڈ ممبران کا معاوضہ منظور کیا۔ تاہم کوڈ آف کارپوریٹ گورننس کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کوئی ڈائریکٹر اپنے معاوضہ سے متعلق فیصلہ سازی کی کارروائی میں شریک نہ ہو۔ کمپنی نان ایگزیکٹو ڈائریکٹران کا کوئی معاوضہ ادا نہیں کرتی سوائے اجلاسوں میں حاضری کے۔ کمپنی کے معاوضہ کی پالیسیوں کی ساخت موجودہ صنعتی رجحانات اور کاروباری طور طریقوں کے مطابق ہے۔ ڈائریکٹران اور CEO کے معاوضہ کی تفصیلات مالیاتی گوشواروں کے متعلقہ نوٹس میں منکشف کی گئی ہیں۔

قومی خزانے اور معیشت میں معاونت

آپ کی کمپنی نے درآمدی ڈیویڈنڈوں، جنرل سیلز ٹیکس، انکم ٹیکس اور دیگر سرکاری لیویز کی مد میں قومی خزانے میں معاونت کی۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس آنے والے اجلاس عام کے بعد سبکدوش ہو جائیں گے اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر آنے والے سالانہ اجلاس عام میں گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے گرانٹ تھورنٹن کو کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ دی ہے۔

حصص داری کی ساخت

کمپنی کی حصص داری سے متعلق بیان اور اضافی معلومات برائے 30 جون 2021 اس رپورٹ کے ساتھ منسلک کی گئی ہیں۔

ڈائریکٹران/ چیف ایگزیکٹو، CFO، کمپنی سیکریٹری اور ان کے شریک حیات اور چھوٹے بچوں نے سال کے دوران کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

مستقبل کے امکانات

ملکی معیشت میں حالیہ سست روی، بلند افراط زر، بڑھتی ہوئی شرح سود اور روپے کی قدر میں کمی کے ساتھ ساتھ COVID کے بعد کی صورتحال پاکستان میں

مجموعی کاروباری شعبہ کے لئے ایک چیلنج ہے۔ اس نے پہلے آپ کی کمپنی کو زیریں فروخت سے متاثر کیا ہوا ہے اور جس کے نتیجے میں خسارہ ہوا ہے۔ تاہم کمپنی نے اپنے منصوبہ برائے کاروباری بحالی اور منصوبہ برائے مالیاتی ساخت بندی منصوبہ کے تحت قلیل سے درمیانی مدت کے اقدامات ہیں۔


ہماری مستقبل کی حکمت عملی لاگتوں پر گرفت رکھنے اور کاروباری شعبوں کو ان کے ابتدائی مراحل میں رواں رکھنے کی ہے۔ آپ کی کمپنی تمام کوششیں بروئے کار لا رہی ہے، خاص طور پر لبریکیشن میں۔ توقع ہے کہ ان اقدامات سے کمپنی کے مثبت نتائج حاصل ہونگے اور کمپنی کی مجموعی طور پر صحیح سمت میں آجائے گی۔

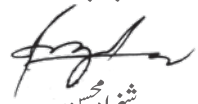
ملحقہ پارٹی کے سودے

متعلقہ ضوابط کے تحت کمپنی کے ملحقہ فریقین کے ساتھ سودے بورڈ آف ڈائریکٹرز نے منظور کئے جو کہ عمومی طریقہ کار کے مطابق انجام پائے۔ تمام ملحقہ فریقین کے ساتھ کئے گئے سودوں کو مالیاتی گوشواروں کے نوٹس میں منکشف کیا گیا ہے۔

اعتراف

ہم اس موقع پر ان تمام لوگوں کے مشکور ہیں جنہوں نے سال بھر ہمیں اپنے قابل قدر تعاون سے نوازا۔


جاوید اقبال
چیف ایگزیکٹو آفیسر

منجانب بورڈ

شہزاد محسن
ڈائریکٹر

کراچی

مورخہ: 21 جنوری 2022

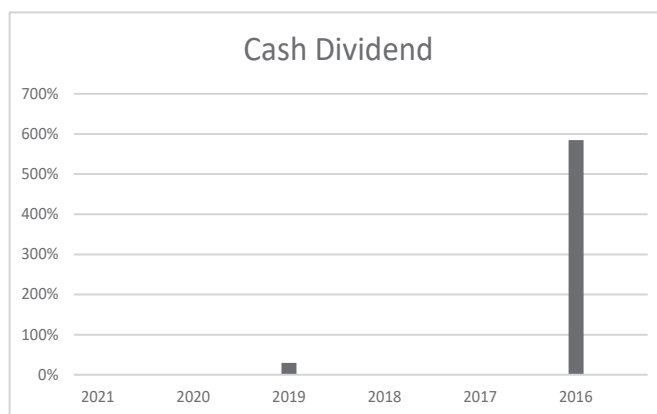
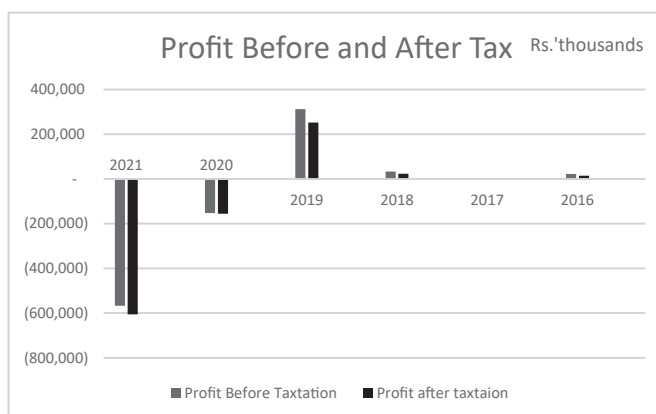
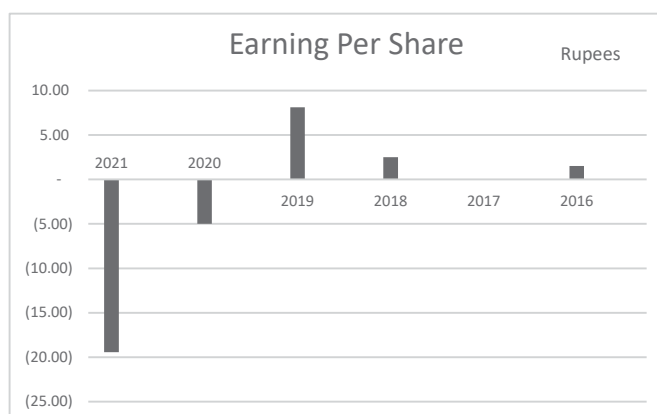
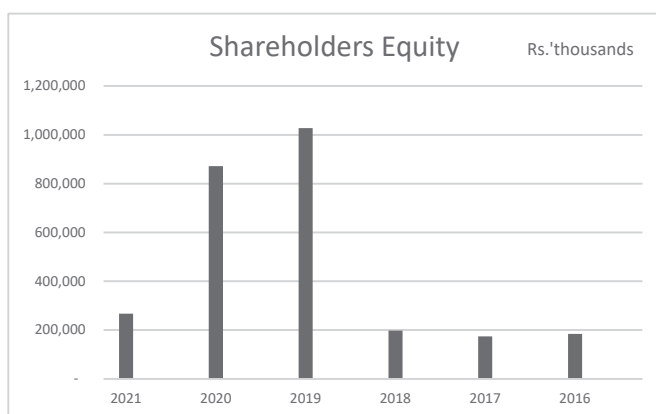
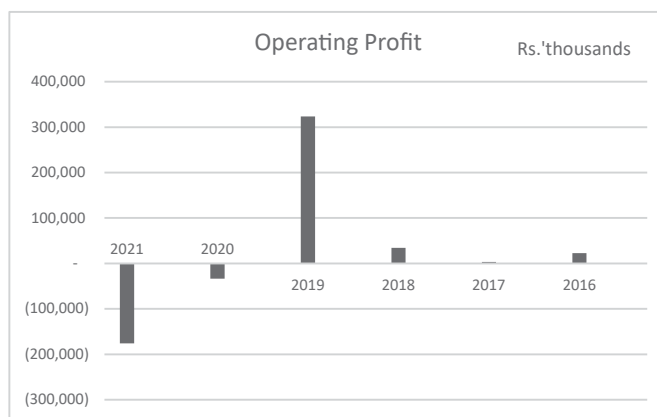
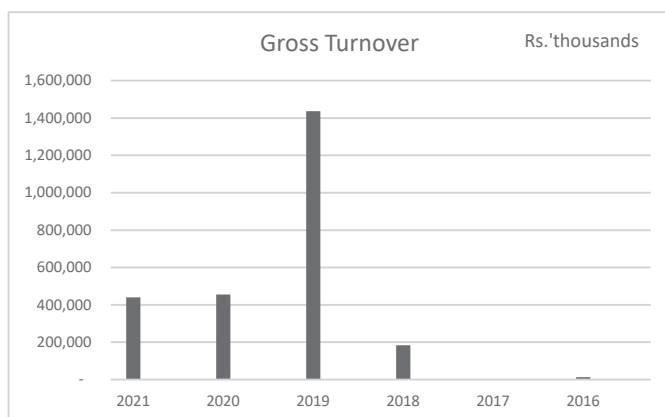
Statement Of Value Added

	June 30, 2021 Rupees	June 30, 2020 Rupees
Wealth Generated		
Total Revenue	377,540,000	447,520,000
Bought-in-Material & Services	(398,591,473)	(366,914,000)
	<u>(21,051,473)</u>	<u>80,606,000</u>
Wealth distributed		
To Employees	59,423,000	61,995,000
To Government		
Duties & Taxes	72,939,000	94,275,000
To Providers Of Capital		
Dividend To Shareholders	-	717,000
Mark-up/interest Expense on		
Interest Expense on borrowed funds	1,499,000	3,046,000
Utilized/Retained for reinvestment & future growth		
Depreciation & retained profit for future growth	<u>(154,912,473)</u>	<u>(79,427,000)</u>
	<u>(21,051,473)</u>	<u>80,606,000</u>

Yearwise Financial Highlights

	2021	2020	2019	2018	2017	2016
------(Rupees in `000)-----						
BALANCE SHEET						
Fixed & intangibles assets - property, plant & equipment	21,456	428,332	586,864	508	-	31
Long security deposits	1,210	4,485	4,110	10	10	20
Current assets	283,139	534,497	545,087	307,549	179,109	189,497
Currents liabilities	38,656	85,248	99,486	110,143	4,670	5,595
	244,483	449,249	445,601	197,406	174,439	183,902
	267,149	882,066	1,036,575	197,924	174,449	183,953
Equity	267,149	872,148	1,027,366	197,924	174,449	183,953
Liabilities against assets subject to finance lease	-	9,918	9,209	-	-	-
Deferred liabilities	-	-	-	-	-	-
	267,149	882,066	1,036,575	197,924	174,449	183,953
PROFIT AND LOSS ACCOUNTS						
Gross turnover	439,819	455,060	1,436,907	183,972	716	13,126
Less: Sales tax	(64,928)	(60,632)	(192,942)	26,731	117	1,932
trade discounts	(454)	-	-	-	-	190
	(65,382)	(60,632)	(192,942)	26,731	117	2,122
Net turnover	374,437	394,428	1,243,965	157,241	600	11,013
Cost of sales	(398,503)	(309,444)	(789,311)	125,658	487	11,692
Gross profit/loss	(24,066)	84,984	454,654	31,583	113	(679)
Distributions & marketing expenses	(63,681)	(62,386)	(26,465)	(164)	-	(1,835)
Administrative expenses	(88,473)	(56,158)	(104,783)	(3,988)	(4,707)	(7,690)
Other operating expenses	(6,522)	(6,351)	(7,101)	-	-	(371)
Other operating income	3,103	53,092	2,506	7,007	8,109	33,333
Impairment of goodwill	(385,985)	(162,877)				
Financial charges	(1,499)	(3,046)	(6,984)	(1,115)	(86)	(386)
Profit/loss before taxation	(567,123)	(152,742)	311,827	33,323	3,429	22,372
Taxation	(37,876)	(2,476)	(59,331)	(9,668)	(3,097)	(7,949)
Profit/loss after taxation	(604,999)	(155,218)	252,496	23,655	332	14,423
Earning/loss per share						
- basic and diluted (Rupees)	(19.43)	(4.98)	8.11	2.51	0.04	1.52
Cash dividend	0%	0%	30%	0%	0%	585%
Operating profit/loss	(176,220)	(33,560)	323,406	34,438	3,514	22,758
Issued & paid up capital of Rs. 10 each	311,431	311,431	249,145	94,349	94,349	94,349

Six Year at a Glance



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Clover Pakistan Limited Year ending June 30, 2021

Clover Pakistan Limited Year ended June 30, 2021 (hereinafter referred to as ‘The Company’) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner:

1. The total number of Directors are (7) as per the following:
 - a) Male: 6
 - b) Female: 1
2. The composition of the Board is as follows:
 - i. Independent Directors*: Mr Zohaib Yaqoob
Mr Asadullah Azizi
 - ii. Non-Executive Directors: Mr Salim Chamdia
Mr Shehzad Mohsin
Ms Rima Athar
 - iii. Executive Directors: Mr Sohail Allana
Mr Khawar Jamil Butt

*During the year, the company did not fulfil the requirement of at least two or one third members of the Board, whichever is higher, as independent directors. Further, the company is actively looking forward the third one in order to round up the number.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised, and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors under the Act and these Regulations;
9. The Board has arranged Directors’ Training program for the following:
 - Mr Salim Chamdia;
 - Mr Sohail Allana;
 - Mr Shehzad Mohsin;
 - Ms Rima Athar;
 - Mr Zohaib Yaqoob; and
 - Mr Asadullah Azizi
10. The Board has approved the appointment of a Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:
- a) Audit Committee:
- | | |
|----------------------|----------|
| Mr Zohaib Yaqoob | Chairman |
| Mr Salim Chamdia | Member |
| Mr Khawar Jamil Butt | Member |
- b) HR and Remuneration Committee:
- | | |
|----------------------|----------|
| Mr Asadullah Azizi | Chairman |
| Mr Salim Chamdia | Member |
| Mr Khawar Jamil Butt | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half-yearly/yearly) of the committee was as per the following, -
- a) Audit Committee Quarterly
- b) HR and Remuneration Committee Yearly
15. The Board has set up an effective internal audit function;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners comply with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except under the Act, these Regulations or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non Compliance	Explanation	Subsequent to reporting date
As per Chapter VII Section 24: "Chief Financial Officer and Company Secretary shall not be the same persons of a listed company."	During the year, Chief Financial Officer had resigned from his position dated June 11, 2021. Therefore, management decided to hand over charge to Current Company Secretary to look after Company financial Matters till next suitable individual appointed to fill the position.	Currently, Chief Financial Officer and Company Secretary position hold by two separate eligible person.



SALIM CHAMDIA
Chairman



INDEPENDENT AUDITOR'S 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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Clover Pakistan Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirement contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in paragraph 2 and 19 where these are stated in the Statement of Compliance:

**Grant Thornton Anjum
Rahman**

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Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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S.No.	Reference	Description
1	As per Chapter II section 6 (1): "It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors."	Independent directors are not in accordance with the required Regulations.
2	As per Chapter VII Section 24: "Chief Financial Officer and Company Secretary shall not be the same persons of a listed company."	Chief Financial Officer and Company Secretary are same persons as at June 30, 2021


Chartered Accountants

Dated: January 31, 2022
Karachi



INDEPENDENT AUDITOR'S REPORT

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

**Grant Thornton Anjum
Rahman**
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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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, 2021**, 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, 2021 and of the loss 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 7.1.2 to the financial statements in respect of fully impaired goodwill.



- Note 15.2 to the financial statements in respect of recoverability of custom duty refundable amounting to Rs. 20.998 million.

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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation of stock in trade</p> <p>As at June 30, 2021, the Company held stock in trade amounting to Rs. 142.021 million (2020: Rs. 335.526 million) net of stock written-off this year, as disclosed in note 10 of the financial statements. The value of stock-in-trade is based on purchase price using weighted average method, except items in transit, which are stated at cost comprising 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</p>	<p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> • Reviewed the management procedures for valuation of stock-in-trade and evaluating the NRV of stock in trade. • Observed physical counts at major locations to ascertain the condition and existence of stock in trade along with identification of stock written-off. • Tested the valuation method used by the management in valuation of stock-in-trade. • Reviewed stock in trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock in trade, tested the accuracy of the aging analysis of stock in trade, on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock in trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to



S. No.	Key Audit Matter	How the matter was addressed in our audit
	judgments involved in estimating the NRV of underlying stock in trade.	<p>identify any indicators of obsolesce.</p> <ul style="list-style-type: none"> • 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. • Assessed the adequacy of the disclosures on stock in trade in the financial statements.

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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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


Chartered Accountants

Karachi

Date: January 31, 2022

CLOVER PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property and equipment	6	16,883	22,139
Intangible assets	7	224	386,259
Long term deposits	8	1,210	4,485
Deferred tax asset	9	4,349	19,934
Total non-current assets		22,666	432,817
Current assets			
Stock-in-trade	10	142,021	335,526
Trade debts - unsecured	11	43,272	68,360
Loans and advances	12	28,723	24,806
Trade deposits and short term prepayments	13	3,720	18,634
Short-term investments	14	-	7,780
Other receivables	15	21,334	21,759
Taxation-net	16	36,589	50,869
Sales tax receivable- net		434	-
Cash and bank balances	17	7,046	6,763
Total current assets		283,139	534,497
Total assets		305,805	967,314
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized share capital 40,000,000 (2020: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid-up share capital	18	311,431	311,431
Reserves	19	(44,282)	560,717
Total shareholders' equity		267,149	872,148
Non-current liabilities			
Deferred liabilities	20	-	9,918
Current liabilities			
Trade and other payables	21	34,488	79,450
Advance from customers - unsecured		232	238
Sales tax payable- net		-	1,624
Unclaimed dividend		3,936	3,936
Total current liabilities		38,656	85,248
Total liabilities		38,656	95,166
Total equity and liabilities		305,805	967,314
Contingencies and commitments			
	22		

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
Revenue - net	23	374,437	394,428
Cost of sales	24	(398,503)	(309,444)
Gross (loss) / profit		(24,066)	84,984
Selling and distribution expenses	25	(63,681)	(62,386)
Administrative expenses	26	(88,473)	(56,158)
Operating loss		(176,220)	(33,560)
Other operating expenses	27	(1,984)	(1,616)
Other income	28	3,103	53,092
		(175,101)	17,916
Exchange loss		(522)	(4,735)
Finance cost		(1,499)	(3,046)
Impairment of trade receivable	11	(4,016)	-
Impairment of goodwill	7.1	(385,985)	(162,877)
Loss before taxation		(567,123)	(152,742)
Taxation	29	(37,876)	(2,476)
Loss for the year		(604,999)	(155,218)
		----- (Rupees) -----	
Loss per share - basic and diluted	30	(19.43)	(4.98)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
Loss for the year	(604,999)	(155,218)
Other comprehensive income:		
<i>Items that may be reclassified subsequently 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 other comprehensive income	-	-
Total comprehensive loss for the year	(604,999)	(155,218)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Issued, subscribed and paid-up share capital	Reserves				Total reserves	Total shareholders' equity
	Capital reserve	Revenue reserve		Total reserves		
	Share premium	General reserve	Accumulated Losses / Unappropriated profit			

----- (Rupees in '000) -----

Balance as at July 01, 2019- (Restated)	249,145	450,455	64,600	263,166	778,221	1,027,366
Loss for the year	-	-	-	(155,218)	(155,218)	(155,218)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(155,218)	(155,218)	(155,218)
<i>Transactions with owners recorded directly in equity - distributions</i>						
Issuance of bonus shares in proportion of 1 share for every 4 shares	62,286	(62,286)	-	-	(62,286)	-
Balance as at June 30, 2020	311,431	388,169	64,600	107,948	560,717	872,148
Loss for the year	-	-	-	(604,999)	(604,999)	(604,999)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(604,999)	(604,999)	(604,999)
Balance as at June 30, 2021	311,431	388,169	64,600	(497,051)	(44,282)	267,149

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	
Note	----- (Rupees in '000) -----		
Cash generated from operations	31	14,620	668
Finance cost paid		(1,499)	(3,046)
Taxation paid	16	(8,011)	(33,643)
Gratuity paid	20.1	(9,918)	(361)
		(19,428)	(37,050)
Net cash used in operating activities		(4,808)	(36,382)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(5,240)	(7,681)
Sale proceed of property and equipment		4,200	-
Sales proceed from investments		8,451	9,751
Dividend income from short term investment	28	-	150
Net cash generated from investing activities		7,411	2,220
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(717)
Ijarah payments		(2,320)	(1,673)
Net cash used in financing activities		(2,320)	(2,390)
Net increase / (decrease) in cash and cash equivalents		283	(36,552)
Cash and cash equivalents at beginning of the year		6,763	43,315
Cash and cash equivalents as at end of the year		7,046	6,763

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 **58% (2020: 71%)** shares of the Company. The registered office and geographical location of business units of the Company are as follows:

- 1) Banglow No.23-B, Lalazar, Off M.T. Khan Road, Karachi. (Head Office).
- 2) 5th Floor, LSE Building 19-Khayaban-e-Aiwan-e-Iqbal, Lahore (Administrative office).
- 3) Ground floor - Qamar plaza, IJP road. Rawalpindi (Administrative office).
- 4) New Church Building, Tilak Incline, Jacob Road, Hyderabad Sindh, 71000 (Administrative Office).
- 5) Plot No B-10 Zeeshan Housing Scheme Qasimabad, Hyderabad (Warehouse).
- 6) Plot No 25/A-1 Nadirabad Phaatak Main Industrial State Road Multan (Warehouse).
- 7) House No AK-487, Sector 6-B B-186 Mehran Town Korangi Karachi (Warehouse).

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

- a) During the year, the Company has closed its Nishat and Sehar mart located in Karachi and consequently the Company has written off stock as disclosed in note 26.3 of these financial statements.
- b) The amount of Goodwill have been impaired as disclosed in note 7.1.2.
- c) Case registered during the year by the custom authorities dated September 03, 2020 against the Company and its Directors for the unauthorized withdrawal of VAM from the Bonded Warehouse having duty involving Rs. 17.407 million has been decided in favor of the Company vide order dated September 29,2021.

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

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

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 thousand.

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

3.4.1 Standards, amendments and interpretations to the published standards that may be 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.

Standard or interpretation	Effective Date (Annual periods beginning on or after)
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, and IAS 39 - Interest Rate Benchmark Reform - Phase I	January 1, 2020

Adoption of the above standard have no significant effect on the amounts for the year ended June 30, 2021.

3.4.2 Standards, amendments and interpretations to the published standards that may be 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.

Standard or interpretation	Effective Date (Annual periods beginning on or after)
IBOR Reform and its Effects on Financial Reporting—Phase 2	January 01, 2021
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 01, 2022
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 01, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 01, 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 01, 2022

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Standard or interpretation	Effective Date (Annual periods beginning on or after)
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 01, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 01, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 01, 2023
Disclosure Initiative—Accounting Policies	January 01, 2023

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.

3.4.3 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.

Standard or interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts' (amendments to IFRS 17)	January 01, 2023
Amendments to IFRS 17 Insurance Contracts	January 01, 2023
IFRS 1 - First time adoption of International Financial Reporting Standards	July 01, 2009

4 Use of critical accounting estimates and judgments

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

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

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:

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

a)	property and equipment	5.1
b)	intangible assets	5.2
c)	stock in trade	5.4
d)	impairment of financial assets	5.5.5
e)	trade debts and other receivables	5.7
f)	impairment of non-financial assets	5.12
g)	employees' benefits	5.13
h)	taxation	5.14
i)	provisions	5.15
j)	contingent liabilities	5.23

5 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.

5.1 Property and equipment

5.1.1 Owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Impairment losses if any are recorded on the basis as defined in note 5.12.

Depreciation is charged on straight line basis at the rates specified in note no. 6 of these financial statements. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month immediately preceding the month of disposal.

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

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

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

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses if any are recorded on the basis as defined in note 5.12.

5.1.2 Assets held under ijarah financing

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.2 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.

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

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

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

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight line basis at the rate specified in note 7 of these financial statements. Amortization on additions is charged from the month in which the asset is available for use and on disposals up to the month the respective asset was in use. Impairment losses if any are recorded on the basis as defined in note 5.12.

Goodwill represent the difference between the cost of acquisition paid and carrying value of the net assets acquired. Impairment losses if any are recorded on the basis as defined in note 5.12.

5.3 Long term deposits

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

5.4 Stock in trade

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

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

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

5.5 Financial instruments - initial recognition and subsequent measurement

5.5.1 Initial recognition

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.5.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

5.5.3 Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

5.5.4 Subsequent measurement

i) Financial assets at FVTOCI

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

ii) Financial assets and liabilities at amortized cost

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

iii) Financial assets and liabilities at FVTPL

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

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

5.5.5 Impairment of financial assets

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

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

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

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

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

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.5.6 Derecognition

i) Financial assets

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

ii) Financial liabilities

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

5.5.7 Off-setting of financial assets and liabilities

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

5.6 Investments

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

5.7 Trade debts and other receivables

These are measured at original invoice amount less an estimate made for allowance for expected credit loss based on the probability of default at reporting period. Bad debts are written off when identified. Impairment losses if any are recorded on the basis as defined in note 5.5.5.

5.8 Trade and other payables

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

5.9 Contract assets

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.10 Contract liabilities

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

5.11 Cash and cash equivalents

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

5.12 Impairment of non-financial assets

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

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

5.13 Employees' benefits

Provident fund

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Gratuity

The Company operates an unfunded defined benefit gratuity scheme. The scheme provides for a graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary for each completed year of service and best estimates of the management. Refer to the note 20 of these financial statements.

5.14 Taxation

5.14.1 Current

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

5.14.2 Deferred

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited to the statement of profit or loss.

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

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

5.15 Provisions

Provision is recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

5.16 Warranties

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

5.17 Foreign currency translation

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

5.18 Revenue from contract with customers

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

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

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

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

Other income

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

5.19 Dividends and appropriation to reserve

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.20 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.

5.21 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.

5.22 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.

5.23 Contingent liabilities

Contingent liability is disclosed when:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24 Selling and distribution, administrative and operating expenses

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

5.25 Segment reporting

Segments are reported in a manner consistent with the internal reporting provided to the Company's chief executive decision maker in order to assess each segment's performance and to allocate resources to them. The basis of segmentation and reportable segments presented in these financial statements are the same which are presented to the Board of Directors of the Company. Assets and liabilities are not segment wise reported to the Board of Directors. Refer note 35 for brief description of reportable segment.

6	PROPERTY AND EQUIPMENT	2021	2020
		----- (Rupees in '000) -----	
	Operating assets	<u>16,883</u>	<u>22,139</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

June 30, 2021	Leasehold improvements	Machinery	Furniture and fittings	Office equipments	Computers	Vehicles	Total
----- Rupees in '000 -----							
As at June 30, 2020							
Cost	5,108	2,870	4,901	11,980	13,787	14,216	52,862
Accumulated depreciation	(2,813)	(201)	(1,680)	(9,074)	(10,294)	(6,661)	(30,723)
Net book value	2,295	2,669	3,221	2,906	3,493	7,555	22,139
June 30, 2021							
Opening net book value	2,295	2,669	3,221	2,906	3,493	7,555	22,139
Additions	2,405	-	-	-	489	2,346	5,240
Disposals							
Cost	-	-	(127)	-	-	(2,346)	(2,473)
Accumulated depreciation	-	-	42	-	-	-	42
	-	-	(85)	-	-	(2,346)	(2,431)
Depreciation charge for the year	(603)	(574)	(652)	(1,159)	(1,523)	(3,554)	(8,065)
Closing net book value	4,097	2,095	2,484	1,747	2,459	4,001	16,883
As at June 30, 2021							
Cost	7,513	2,870	4,774	11,980	14,276	14,216	55,629
Accumulated depreciation	(3,416)	(775)	(2,290)	(10,233)	(11,817)	(10,215)	(38,746)
Net book value	4,097	2,095	2,484	1,747	2,459	4,001	16,883
Depreciation rate (%)	10%	20%	10% - 25%	25%	25% - 33%	25%	

June 30, 2020	Leasehold improvements	Machinery	Furniture and fittings	Office equipments	Computers	Vehicles	Total
----- Rupees in '000 -----							
As at June 30, 2019							
Cost	5,108	-	3,805	11,964	12,618	11,686	45,181
Accumulated depreciation	(2,305)	-	(1,172)	(7,756)	(8,864)	(3,629)	(23,726)
Net book value	2,803	-	2,633	4,208	3,754	8,057	21,455
June 30, 2020							
Opening net book value	2,803	-	2,633	4,208	3,754	8,057	21,455
Additions	-	2,870	1,096	16	1,169	2,530	7,681
Disposals							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Depreciation charge for the year	(508)	(201)	(508)	(1,318)	(1,430)	(3,032)	(6,997)
Closing net book value	2,295	2,669	3,221	2,906	3,493	7,555	22,139
As at June 30, 2020							
Cost	5,108	2,870	4,901	11,980	13,787	14,216	52,862
Accumulated depreciation	(2,813)	(201)	(1,680)	(9,074)	(10,294)	(6,661)	(30,723)
Net book value	2,295	2,669	3,221	2,906	3,493	7,555	22,139
Depreciation rate (%)	10%	20%	10% - 25%	25%	25% - 33%	25%	

6.1 The depreciation expense has been allocated as follows:

	2021	2020
	----- (Rupees in '000) -----	
Cost of sales	24.2	2,435
Selling and distribution expenses	25	2,689
Administrative expenses	26	1,873
	8,065	6,997

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6.2 Office Equipments include printers installed at customers premises i.e. International Schools and A.F. Ferguson & Co. having net book value of Rs. 6,755 (2020: 9,006). Such equipments are part of copier business plan where the Company provide copier services to its customers.

6.3 Following are the particulars of the disposed assets having a book value of rupees five hundred thousand or more.

Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees in '000.....							
<i>Vehicles</i>							
<i>Honda Civic</i>							
2,346	-	2,346	4,163	1,817	Shaikh Touseef Ahmed	Independent	Negotiations
2,346	-	2,346	4,163	1,817			

6.4 Aggregate of assets disposed off having net book value below rupees five hundred thousand.

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
-----Rupees in '000-----					
Furniture and fixture	127	42	85	37	(48)
Sub-total	127	42	85	37	(48)
2021 - total	2,473	42	2,431	4,200	1,769
2020 - total	-	-	-	-	-

7 INTANGIBLE ASSETS

	2021	2020
Goodwill	-	385,985
Software	224	274
	224	386,259

7.1 Details of intangible assets are as follows:

2021	Goodwill	Software	Total
As at June 30, 2020			
Cost	548,862	500	549,362
Accumulated amortization	-	(226)	(226)
Impairment	(162,877)	-	(162,877)
Net book value	385,985	274	386,259

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2021	Note	Goodwill	Software	Total
June 30, 2021				
Opening net book value		385,985	274	386,259
Additions		-	-	-
Impairment	7.1.2	(385,985)		(385,985)
Amortization charge		-	(50)	(50)
Closing net book value		-	224	224
As at June 30, 2021				
Cost		548,862	500	549,362
Accumulated amortization		-	(276)	(50)
Accumulated impairment		(548,862)	-	(548,862)
Net book value		-	224	224
Amortization rate (%)			10%	
2020				
As at June 30, 2019				
Cost		548,862	500	549,362
Accumulated amortization		-	(176)	(176)
Net book value		548,862	324	549,186
June 30, 2020				
Opening net book value		548,862	324	549,186
Additions		-	-	-
Impairment	7.1.2	(162,877)	-	(162,877)
Amortization charge		-	(50)	(50)
Closing net book value		385,985	274	386,259
As at June 30, 2020				
Cost		548,862	500	549,362
Accumulated amortization		-	(226)	(226)
Impairment		(162,877)	-	(162,877)
Net book value		385,985	274	386,259
Amortization rate (%)			10%	

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

7.1.1 The software has finite useful life of 10 years.

7.1.2 During the current year, the Company's assessment, estimates and judgements regarding the recoverable amount based on financial business plan and future prospects of the business has been changed. Hence, the management has fully impaired the goodwill on prudent basis.

	2021	2020
	----- (Rupees in '000) -----	
8 LONG TERM DEPOSITS		
Rent deposits	369	3,315
Ijarah deposits	841	1,170
	<u>1,210</u>	<u>4,485</u>

9 DEFERRED TAX ASSET

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

Property and equipment	881	3,672
Carry forward tax losses	3,353	9,401
Provisions	115	3,159
Short term investments	-	590
Minimum tax	-	3,112
	<u>4,349</u>	<u>19,934</u>

The movement in temporary differences are as follows:

	Balance as at July 1, 2019	Recognized in Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2020	Recognized in Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021
	-----Rupees'000'-----						
Property and equipment	2,666	1,006	-	3,672	(2,791)	-	881
Carry forward tax losses	10,882	(1,481)	-	9,401	(6,048)	-	3,353
Provisions	2,674	485	-	3,159	(3,044)	-	115
Short term investments	-	590	-	590	(590)	-	-
Minimum tax	-	3,112	-	3,112	(3,112)	-	-
	<u>16,222</u>	<u>3,712</u>	-	<u>19,934</u>	<u>(15,585)</u>	-	<u>4,349</u>

9.1 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 prepared by the management. The amount of deferred tax asset has been restricted to Rs. 4.349 million (2020: Rs. 19.93 million) on prudent basis.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
10 STOCK-IN-TRADE			
Stock-in-trade	10.1	160,488	335,526
Stock written-off	26.3	(18,467)	-
Stock-in-trade - net		<u>142,021</u>	<u>335,526</u>
10.1	The slow moving/obselete/damage has been written off during the year amounting to Rs. 18.47 million (2020: Nil).		
11 TRADE DEBTS - UNSECURED		2021	2020
		----- (Rupees in '000) -----	
Considered good			
-Trade debt - related party		16,035	-
-Trade debt - other		32,228	69,335
Trade debts - gross		<u>48,263</u>	<u>69,335</u>
Allowance for expected credit loss - opening balance		(975)	(975)
Charge for the year		(4,016)	-
Allowance for expected credit loss - closing balance		(4,991)	(975)
Trade debts - net		<u>43,272</u>	<u>68,360</u>
11.1 Age analysis			
Not more than 3 months		19,600	60,715
More than 3 months but not more than 6 months		19,929	4,497
More than 6 months but not more than 1 year		3,743	4,117
More than 1 year		4,991	6
		<u>48,263</u>	<u>69,335</u>
11.2	Due from related parties which are not impaired includes the following:		
Fossil Energy (Private) Limited			
<i>Not more than 3 months</i>		-	-
<i>More than 3 months but not more than 6 months</i>		16,013	-
<i>More than 6 months but not more than 1 year</i>		22	-
<i>More than 1 year</i>		-	-
		<u>16,035</u>	<u>-</u>
11.3	The maximum amount outstanding at any time during the year calculated with reference to month end balances are as follows:		
		2021	2020
		----- (Rupees in '000) -----	
VOS Petroleum Limited		-	11,250
Market 786 (Private) Limited		-	301
Fossil Energy (Private) Limited		<u>17,605</u>	<u>18,030</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
12 LOANS AND ADVANCES			
Advances - unsecured			
- employees and directors	12.1	2,992	-
- suppliers - advance to suppliers		25,731	24,806
		<u>28,723</u>	<u>24,806</u>

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

		2021	2020
		----- (Rupees in '000) -----	
12.1.1 Movement in advances to directors			
Balance at the beginning of the year		-	-
Disbursements		200	-
Receipts		(150)	-
Balance at the end of the year		<u>50</u>	<u>-</u>

12.1.2 The amount is due from Salim Chamdia (Chairman). The maximum aggregate amount outstanding at any time during the year is Rs. 0.15 million (2020: Rs. Nil) and Rs. 0.05 million (2020: Rs. Nil) from Sohail Allana and Salim Chamdia respectively.

		2021	2020
	Note	----- (Rupees in '000) -----	
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits-unsecured		1,845	4,184
Margin deposits	13.1	-	12,900
Short term prepayments		1,875	1,550
		<u>3,720</u>	<u>18,634</u>

13.1 It represents amount deposit against letter of credit for import.

14 SHORT-TERM INVESTMENTS

	2021	2020	2021	2020	
	Number of shares		Cost	Market value	Cost
			Cost	Market value	Market value
			----- Rupees in '000 -----		
Dewan Cement Limited	-	1,000,000	-	-	9,814
	-	1,000,000	-	-	9,814
Unrealized loss on investments classified as 'FVTPL'	-	-	-	-	(2,034)
Investments - net	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>7,780</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
15 OTHER RECEIVABLES			
Duty refundable due from government	15.2	20,998	20,998
Others - other receivables		336	761
		21,334	21,759

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

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

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

The said matter was fixed on January 11, 2018, on serial no. 11 before the Justice Mr. Munib Akhter and Mrs. Ashraf Jahan now next date of hearing is January 26, 2022.

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.

		2021	2020
	Note	----- (Rupees in '000) -----	
16 TAXATION - NET			
Opening balance		50,869	23,415
Tax paid / deducted at source		8,011	33,643
Provision for taxation	29	(22,291)	(6,189)
		36,589	50,869

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
17 CASH AND BANK BALANCES			
	Note	----- (Rupees in '000) -----	
Cash in hand		83	1,078
Cash at banks:			
- current accounts - conventional		6,037	5,255
- islamic		117	229
- saving accounts - conventional	17.1	809	201
		<u>7,046</u>	<u>6,763</u>

17.1 This carries mark-up ranging from 5.5% to 7.5% (2020: 6.25% to 8.5%) per annum.

18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of Shares			2021	2020
2021	2020			
-----Number in '000-----		Note	----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each:		
3,900	3,900	-fully paid for consideration paid in cash	39,000	39,000
11,763	11,763	-issued as bonus shares	117,635	117,635
		-issued as fully paid for consideration other than cash against share under scheme of amalgamation	154,796	154,796
<u>15,480</u>	<u>15,480</u>		<u>311,431</u>	<u>311,431</u>
<u>31,143</u>	<u>31,143</u>			

18.1 Fossil Energy (Private) Limited (related party) holds 18,205,121 (2020: 22,211,121) shares of the Company.

		2021	2020
19 RESERVES	Note	----- (Rupees in '000) -----	
Capital reserve			
- Share premium		388,169	388,169
Revenue reserve			
- General reserve		64,600	64,600
- Accumulated Losses / Unappropriated profit		(497,051)	107,948
		<u>(44,282)</u>	<u>560,717</u>

20 DEFERRED LIABILITIES

Provision for staff gratuity scheme - unfunded	20.1	<u>-</u>	<u>9,918</u>
--	------	----------	--------------

20.1 Movement in balances of gratuity is as follows:

Opening balance		9,918	9,209
Provision for the year		-	1,070
Payments made during the year		(9,918)	(361)
Closing balance		<u>-</u>	<u>9,918</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

20.2 During the year the Company has paid to its employees complete amount of gratuity being a full and final settlement of gratuity plan.

		2021	2020
	Note	----- (Rupees in '000) -----	
21 TRADE AND OTHER PAYABLES			
Trade creditors		19,880	73,561
Accrued liabilities		4,778	1,237
Payable to provident fund	21.2	6,941	4,525
Withholding tax payable		16	127
Other liabilities		2,873	-
		34,488	79,450

21.1 Trade and other payable include balances amounting to Rs. 0.3 million (2020: Rs. Nil) payable to Market 786 (Private) Limited and Rs. 0.12 million (2020: Rs. Nil) payable to Fossil Energy (Private) Limited.

21.2 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The un-audited information as on June 30, 2021 related to the provident fund is as follows:

	2021	2020
Size of provident fund (Rupees in '000)	12,243	11,368
Cost of investments made (Rupees in '000)	6,641	7,631
Percentage of investments made	54.24%	67.13%
Fair value of investment (Rupees in '000)	6,641	7,631

Break-up of investments - fair value:

- Balance in savings account and CDC deposit

Amount of investment (Rupees in '000)	6,641	7,631
Percentage of size of investment	54.24%	67.13%

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

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

The Trust Investment Bank Limited (TIBL) instituted a suit on August 12, 2015 for recovery of Rs. 40.243 million against Hascombe Business Solution (Private) Limited (HBSPL) whose rights and obligations had been merged with and into the Company, which is pending adjudicating before the 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 application.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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. 0.690 million on account of set off in its favor against the plaintiff bank as prayed for; whether the plaintiff is entitled for recovery of Rs. 40.243 million along with cost of suit and cost of funds as prayed for.

The Honourable Judge Banking Court No.I called the case for evidence and fixed the case for recording of evidence of TIBL. In the last hearing dated October 13, 2021, the evidence of the Company is still to be recorded for discharging the onus of proof according to the issue framed out of divergent of pleadings of the parties to the suit.

In view of the advisor opinion that after recording of evidence of the TIBL, no adverse outcome is probable from the case.

22.2 Commitments	2021	2020
	Note ----- (Rupees in '000) -----	
Outstanding letters of credit for stock in trade	<u>-</u>	<u>21,906</u>
Ijarah financing	22.2.1 <u>5,046</u>	<u>8,122</u>

22.2.1 The total of future Ijarah payments under Ijarah financing are as follows:

Not later than one year	2,068	3,046
Later than one year but not later than five years	2,978	5,076
	22.2.1.1 <u>5,046</u>	<u>8,122</u>

22.2.1.1 The Company has obtained car ijarah facility from Meezan Bank Limited of amounting to Rs. 20 million (2020: Rs. 20 million) out of which Rs. 5.05 million (2020: Rs. 8.12 million) were un-utilised as at reporting date. The ownership of the cars are with Meezan bank Limited during the tenor of the facility of each vehicle. As per requirement of IFAS-2, ijarah financing has been treated as an operating lease.

23 REVENUE - NET	2021	2020
	Note ----- (Rupees in '000) -----	
Revenue from		
- Sale of goods	456,764	363,826
- Services	1,722	105,622
Revenue - gross	458,486	469,448
Less:		
- Sales tax	(64,928)	(60,632)
- Cartage	(10,607)	(6,155)
-Sales return	(8,060)	(8,233)
-Sales discount	(454)	-
	<u>(84,049)</u>	<u>(75,020)</u>
	<u>374,437</u>	<u>394,428</u>
24 COST OF SALES		
Cost of sales	24.1 368,279	273,020
Cost of services	24.2 30,224	36,424
	<u>398,503</u>	<u>309,444</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
24.1 Cost of sales			
Opening stock		335,526	77,824
Add: Purchases		193,241	530,722
Less: Closing stock		(160,488)	(335,526)
		<u>368,279</u>	<u>273,020</u>
24.2 Cost of services			
Salaries, wages, allowances and other benefits	26.1	26,985	28,536
Consumption of repair material		416	2,971
Delivery and installation cost		-	2,482
Depreciation	6.1	2,823	2,435
		<u>30,224</u>	<u>36,424</u>
25 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages, allowances and other benefits	26.1	22,769	24,540
Depreciation	6.1	3,065	2,689
Travelling		4,176	3,623
Advertisement		3,613	3,277
Rent, rates and taxes	26.2	25,540	23,832
Miscellaneous		4,518	4,425
		<u>63,681</u>	<u>62,386</u>
26 ADMINISTRATIVE EXPENSES			
Salaries, wages, allowances and other benefits	26.1	36,654	37,415
Travelling		1,044	883
Directors' remuneration		250	225
Office expenses		3,907	2,811
Communication		2,214	1,538
Utilities		5,511	841
Rent, rates and taxes	26.2	1,922	1,867
Legal and professional charges		11,828	3,212
Insurance		1,157	4,233
Repairs and maintenance		1,852	437
Depreciation	6.1	2,177	1,873
Amortization	7.1	50	50
Stock written off	26.3	18,467	-
Miscellaneous		1,440	773
		<u>88,473</u>	<u>56,158</u>

26.1 The total amount recognised during the year in respect of provident fund expense amounting to Rs. 1.69 million (2020: Rs. 2.26 million) and Gratuity expense amounting to Nil (2020: Rs. 1.07 million).

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

26.2 This includes short term operating lease rentals, bounded warehouse rentals and ijarah lease rental amounting to Rs. 12.73 million (2020: 14.44 million), Rs. 9.11 million (2020: 5.92) and Rs. 2.32 million (2020: 2.81 million) respectively.

26.2.1 The Company had entered into an Ijarah agreement with Meezan Bank Limited for acquisition of a vehicle. Under the agreement, the term of Ijarah is 4 years. It includes ijarah rentals amounting to Rs. 2.32 million.

26.3 This includes major amount pertaining to FMCG items which is due to the urban flooding in Karachi. Both of the Company's Marts namely Clover Nishat Mart and Sehar Mart located at Khayaban-e-Nishat and Khayaban-e-Sehar respectively were flooded with the rain water. Consequently, damage occurred to the inventory at the Marts. Therefore the amount of inventory relating to FMCG items has been written off.

		2021	2020
27 OTHER OPERATING EXPENSES	Note ----- (Rupees in '000) -----		
Auditor's remuneration	27.1	1,644	1,586
Unrealized loss on revaluation of investments		-	30
Miscellaneous expenses		340	-
		<u>1,984</u>	<u>1,616</u>

27.1 Auditor's remuneration

Audit fee	900	900
Fee for half yearly review	453	436
Fee for statutory certification	116	100
Out-of-pocket expense	175	150
	<u>1,644</u>	<u>1,586</u>

28 OTHER INCOME

Income from financial assets

Profit on bank deposit / TDRs	28.1	27	10,730
Mark-up income on over due receivables		-	37,130
Realized gain on sale of shares		671	4,942
Dividend income		-	150

Income from non-financial assets

Recovery from sale of scrap	636	140
Gain on sale of property and equipment	1,769	-
	<u>3,103</u>	<u>53,092</u>

28.1 This represents profit earned on conventional bank deposits and bank balances ranging from 5.5% to 7.5% (2020: 6.25% to 8.5%) per annum.

		2021	2020
29 TAXATION	Note ----- (Rupees in '000) -----		
Current	16	6,179	6,189
Prior	16	16,112	-
Deferred	9	15,585	(3,713)
		<u>37,876</u>	<u>2,476</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

	2021	2020
30 LOSS PER SHARE - basic and diluted	Note ----- (Rupees in '000) -----	
Basic loss per share		
Loss for the year	<u>(604,999)</u>	<u>(155,218)</u>
Number of shares	Numbers in "000"	
Weighted average number of shares outstanding as at year end	<u>31,143</u>	<u>31,143</u>
	----- Rupees -----	
Basic loss per share	<u>(19.43)</u>	<u>(4.98)</u>

30.1 There is no dilutive effect on the basic loss per share of the Company as at June 30, 2021 and June 30, 2020.

	2021	2020
31 CASH FLOWS FROM OPERATING ACTIVITIES	Note ----- (Rupees in '000) -----	
Loss before taxation	(567,123)	(152,742)
Adjustment for non-cash and other items:		
Depreciation	8,065	6,997
Amortization	50	50
Exchange loss	522	4,735
Finance cost	1,499	3,046
Allowance for expected credit loss	4,016	-
Unrealized loss on revaluation of investments	-	30
Realized gain on sale of shares	27 (671)	(4,942)
Impairment of goodwill	385,985	162,877
Dividend income	28 -	(150)
Write off stock in trade	18,467	-
Gain on sale of property and equipment	(1,769)	-
Provision for gratuity	-	1,070
Operating (loss) / profit before working capital changes	<u>416,164</u>	<u>173,713</u>
	<u>(150,959)</u>	<u>20,971</u>
Working capital changes		
(Increase)/ decrease to current assets		
Long-term deposits	5,595	(375)
Stock-in-trade	175,038	(257,702)
Trade debts	21,072	130,887
Loans and advances	(3,917)	17,584
Trade deposits and short term prepayments	14,914	3,906
Sales tax receivable- net	(2,058)	-
Other receivables	425	103,652

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020				
	Note -----	(Rupees in '000) -----				
Increase / (decrease) in current liabilities						
Advance from customers - unsecured	(6)	(580)				
Sales tax payable- net	-	(153)				
Trade and other payables	(45,484)	(17,522)				
Cash generated from operations	14,620	668				
32 NUMBER OF EMPLOYEES						
Number of employees as at the year end	99	109				
Average number of employees during the year	107	124				
33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES						
	Liabilities					
	Unclaimed Dividend					
	2021	2020				
Balance as at July 01	3,936	4,653				
Payment of unclaimed dividend	-	(717)				
Balance as at June 30	3,936	3,936				
34 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES						
	2021	2020				
	Chief Executive Officer	Chief Executive Officer				
	Directors	Director				
	Executives	Executives				
	----- Rupees in '000 -----					
Managerial remuneration	6,150	-	18,034	6,000	-	15,864
Gratuity	-	-	-	-	-	336
Provident fund	90	-	603	-	-	-
Directors' fee	-	250	-	-	225	-
	6,240	250	18,637	6,000	225	16,200
Number of persons	1	3	7	1	2	6

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The allocation of above expenses are as follows:

	2021			2020		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- Rupees in '000 -----					
Selling and distribution expenses	-	-	7,372	-	-	3,645
Administrative expenses	6,240	250	11,265	6,000	225	12,555
	<u>6,240</u>	<u>250</u>	<u>18,637</u>	<u>6,000</u>	<u>225</u>	<u>16,200</u>
Number of persons	<u>1</u>	<u>3</u>	<u>7</u>	<u>1</u>	<u>2</u>	<u>6</u>

34.1 In addition to the above, Company maintained cars are provided to the directors and executives.

35 OPERATING SEGMENT

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

Business automation and related services: This segment includes selling of office equipment and provision of related services such as installation and repair and maintenance.

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

Chemicals: This segment includes selling of imported chemicals such as Mixed Xylene, Vinyl acetate monomer (VAM) and Hexane.

Lubricant: This segment includes selling lubricants and car maintenance products.

Others: This segment includes selling of Fast Moving Consumer Goods (FMCG) through marts and distributors and others.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Description	For the year ended June 30, 2021					For the year ended June 30, 2020					
	Business automation and related services	Petrotech and related services	Chemicals	Lubricant	Others	Total	Business automation and related services	Petrotech and related services	Chemicals	Others	Total
	Rupees in '000'										
Revenue - Gross	38,607	1,798	334,115	82,667	1,299	458,486	75,524	116,770	223,740	45,181	461,215
- Sales tax	(5,467)	(255)	(47,315)	(11,707)	(184)	(64,928)	(8,594)	(13,820)	(32,509)	(5,709)	(60,632)
- Cartage	(36)	(100)	(8,055)	(2,062)	(354)	(10,607)	(1,199)	(301,000)	(3,873)	(782)	(6,155)
-Sales return	-	-	(915)	(6,666)	(479)	(8,060)	-	-	-	-	-
-Sales discount	-	-	(15)	(439)	-	(454)	-	-	-	-	-
Revenue - net <i>(Disaggregated)</i>	33,104	1,443	277,815	61,793	282	374,437	65,731	102,649	187,338	38,690	394,428
Cost of sales	(21,489)	(24,179)	(294,310)	(54,874)	(3,651)	(398,503)	(56,238)	(37,477)	(180,611)	(35,118)	(309,444)
Gross (loss) / profit	11,615	(22,736)	(16,495)	6,919	(3,369)	(24,066)	9,493	65,172	6,747	3,572	84,984
Selling and distribution expenses	(17,905)	(16,644)	(4,000)	(15,904)	(11,231)	(63,681)	(10,219)	(15,791)	(30,263)	(6,113)	(62,386)
Administrative expenses	(13,149)	(912)	(27,710)	(8,244)	(38,458)	(88,473)	(9,199)	(14,219)	(27,236.0)	(5,504)	(56,158)
Operating loss	(19,439)	(40,289)	(48,205)	(15,229)	(53,058)	(1,984)	(9,925)	35,162	(50,732)	(8,045)	(33,500)
Other operating expenses	-	-	-	-	-	(1,984)	-	-	-	-	(1,616)
Other income	(19,439)	(40,289)	(48,205)	(15,229)	(53,058)	3,103	(9,925)	35,162	(50,732)	(8,045)	53,092
Exchange loss	-	-	-	-	-	(522)	-	-	-	-	(4,735)
Finance cost	-	-	-	-	-	(1,499)	-	-	(4,735)	-	(3,046)
Impairment of trade receivable	-	-	-	-	-	(4,016)	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	(385,985)	-	-	-	-	(162,877)
Loss before taxation	(19,439)	(40,289)	(48,205)	(15,229)	(53,058)	(567,123)	(9,925)	35,162	(55,487)	(8,045)	(152,742)
Taxation	-	-	-	-	-	(37,876)	-	-	-	-	(2,476)
Loss for the year	(19,439)	(40,289)	(48,205)	(15,229)	(53,058)	(604,999)	(9,925)	35,162	(55,487)	(8,045)	(155,218)

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

- 35.1** There were no intersegment sales during the year (2020: Nil).
- 35.2** During the year lubricant segment has become separate reportable segment as criteria of revenue defined in IFRS become applicable. Furthermore, all the Company's sales have been primarily made within Pakistan.
- 35.3** Following are the major customers of the Company which constituted 10 percent or more of the Company's revenue.

Name of Customers	2021 Rs. '000	Name of Customers	2020 Rs. '000
Olympic Services (Private) Limited	39,087	Khuwaja Hamid Gul	44,723
Archroma Pakistan Limited	63,774	Archroma Pakistan Limited	29,609
	<u>102,861</u>		<u>74,332</u>

36 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:

36.1 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:

36.1.1 Foreign currency risk

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

Exposure to Foreign currency risk

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

	2021	2020
	----- Amount in Euro '000 -----	
Trade creditors	-	12
Off statement of financial position exposures		
Letter of credit	-	-
Net exposure	<u>-</u>	<u>12</u>
	----- Amount in USD '000 -----	
Trade creditors	-	-
Off statement of financial position exposures		
Letter of credit	-	204
Net exposure	<u>-</u>	<u>204</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The following significant exchange rates were applied during the year.

	2021	2020
	Rupee per Euro	
Reporting date rate	<u>187.15</u>	<u>188.61</u>
Average rate	<u>187.88</u>	<u>185.47</u>
	Rupee per USD	
Reporting date rate	<u>157.54</u>	<u>168.05</u>
Average rate	<u>162.80</u>	<u>165.90</u>

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD and EURO at June 30, 2021 and 2020 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, 2021.

	2021	2020
	Note ----- (Rupees in '000) -----	
Strengthening of PKR against respective currencies	<u>-</u>	<u>3,654</u>
Weakening of PKR against respective currencies	<u>-</u>	<u>3,654</u>

A 10 percentage weakening of the PKR against the USD and EURO at June 30, 2021 and 2020 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.

36.1.2 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. As at June 30, 2021, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs 2.67 million (2020: Rs 8.72 million).

36.1.3 Interest / Mark-up rate risk

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021			Non mark-up / profit bearing	Total
		Mark-up / profit bearing				
		Less than one year	One year to Five years	Over five years		
	Note	----- (Rupees in '000) -----				
Financial assets						
At amortised cost						
Long term deposits	8	-	-	-	1,210	1,210
Trade debts	11	-	-	-	48,263	48,263
Trade deposits	13	-	-	-	1,845	1,845
Other receivables	15	-	-	-	336	336
Cash and bank balances	17	809	-	-	6,237	7,046
		809	-	-	57,891	58,700
Fair value through profit or loss						
Short term investments	14	-	-	-	-	-
Financial liabilities						
At amortised cost						
Trade and other payables	21	-	-	-	34,472	34,472
Unclaimed dividend		-	-	-	3,936	3,936
		-	-	-	38,408	38,408
On statement of financial position gap		809	-	-	19,483	20,292
Off statement of financial position gap						
Commitments		-	-	-	5,046	5,046

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2020			Non mark-up / profit bearing	Total
		Mark-up / profit bearing				
		Less than one year	One year to Five years	Over five years		
Financial assets	Note	----- (Rupees in '000) -----				
At amortised cost						
Long term deposits	8	-	-	-	4,485	4,485
Trade debts	11	-	-	-	69,335	69,335
Trade deposits	13	-	-	-	17,084	17,084
Other receivables	15	-	-	-	761	761
Cash and bank balances	17	201	-	-	6,562	6,763
		201	-	-	98,227	98,428
Fair value through profit or loss						
Short term investments	14	-	-	-	7,780	7,780
Financial liabilities						
At amortised cost						
Trade and other payables	21	-	-	-	79,323	79,323
Unclaimed dividend		-	-	-	3,936	3,936
		-	-	-	83,259	83,259
On statement of financial position gap		201	-	-	22,748	22,949
Off statement of financial position gap						
Commitments		-	-	-	30,028	30,028

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

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2021, 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. 0.016 million (2020: Rs. 0.012 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

36.2 Credit risk

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

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

		2021	2020
Financial assets	Note	----- (Rupees in '000) -----	
Long-term deposits	8	1,210	4,485
Trade debts	11	48,263	69,335
Trade deposits	13	1,845	17,084
Other receivables	15	336	761
Bank balances	17	6,963	5,685
		<u>58,617</u>	<u>97,350</u>

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss. The ageing is disclosed in note 11.1. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

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

The bank balances along with the credit ratings are tabulated below:

	Short-term Ratings	2021	2020
		----- (Rupees in '000) -----	
Allied Bank Limited	A1+	2	2
Bank Al Habib Limited	A1+	8	25
Bank Al Falah Limited	A1+	46	636
Bank Islami Pakistan Limited-Islamic	A1	713	32
Habib Bank Limited	A1+	2	2
Habib Metropolitan Bank Limited	A1+	2,276	243
MCB Bank Limited	A1+	6	6
Meezan Bank Limited	A1+	3,892	196
National Bank of Pakistan	A1+	14	15
Summit Bank Limited	SUSPENDED	1	417
Askari bank Limited	A1+	3	4,111
		<u>6,963</u>	<u>5,685</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

36.3 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:

	2021	2020
Financial liabilities	Note ----- (Rupees in '000) -----	
Trade and other payables	34,472	79,323
Unclaimed dividend	3,936	3,936
	<u>38,408</u>	<u>83,259</u>

36.4 Fair value of financial instruments

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

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

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

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

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

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

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

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing 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, 2021:

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets				
Financial investments: FVTPL	-	-	-	-
	2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets				
Financial investments: FVTPL	7,780	-	-	7,780

36.5 Financial instruments by category

	Note	2021	2020
		----- (Rupees in '000) -----	
Financial assets			
At amortized cost			
Long term deposits	8	1,210	3,315
Trade debts - unsecured	11	48,263	69,335
Trade deposits	13	1,845	17,084
Other receivables	15	336	761
Cash and bank balances	17	7,046	6,763
At fair value through profit or loss			
Short-term investments	14	-	7,780
Total financial assets		58,700	105,038
Financial liabilities			
At amortized cost			
Trade and other payables	21	34,472	79,323
Unclaimed dividend		3,936	3,936
Total financial liabilities		38,408	83,259

37 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.

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

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
Share capital	18	311,431	311,431
Reserves	19	(44,282)	560,717
		<u>267,149</u>	<u>872,148</u>

As at June 30, 2021 and 2020, the Company had surplus reserves to meet its requirements.

38 DISCLOSURES FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under paragraph 10 of Part 1 of the 4th to Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	Explanation
<i>As at June 30, 2021</i>	
1) Bank balances - Independent parties	On bank deposits-disclosed in note 36.2.
2) Deposits	Non-interest bearing-disclosed in note 8.
<i>For the year ended June 30, 2021</i>	
3) Income on bank deposits	On bank deposits-disclosed in note 28.

Disclosures other than above are not applicable to the Company

39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Key management personnel (KMP)

Name	Direct shareholding %
Mr. Zohaib Yaqoob	Nil
Mr. Asadullah Azizi	Nil
Mr. Salim Chamdia	Nil
Mr. Khawar Jamil Butt	Nil
Mr. Shehzad Mohsin	Nil
Mr. Sohail Allana	Nil
Ms. Rima Athar	Nil
Mr. Hassan Khurshid	Nil

CLOVER PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Percentage of ----- (Rupees in '000) ----- holding	
Transactions for the year:		
Holding Company - Fossil Energy (Private) Limited	58%	
-Sale of goods	22,619	10,546
-Shared expenses - paid by Holding Company on behalf of CPL	(1,100)	-
-Shared expenses - paid by CPL on behalf of Holding Company	985	-
Associated Companies under common control		
- Market 786 (Private) Limited	0%	
-Recovery of rent deposit	300	52
Balances:		
Holding Company - Fossil Energy (Private) Limited	58%	
- Trade debts	16,035	-
- Payable to Holding Company	115	-
- Market 786 (Private) Limited	0%	
- Payable to Market 786 (Private) Limited	300	-

40 CORRESPONDING FIGURES

Previous year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. Reclassification made in the financial statements are as follows:

<u>Reclassification from</u>	<u>Reclassification to</u>	<u>Rupees in '000</u>
- Sale of goods	-Sales return	8,233

41 DATE OF AUTHORIZATION

These financial statements were authorized for issue on January 21, 2022 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CLOVER PAKISTAN LIMITED

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		Total Shares
	FROM	TO	
691	1	100	10,760
538	101	500	200,471
431	501	1,000	388,760
648	1,001	5,000	1,578,637
133	5,001	10,000	1,031,071
47	10,001	15,000	594,701
22	15,001	20,000	397,027
10	20,001	25,000	233,186
7	25,001	30,000	198,125
2	30,001	35,000	70,000
8	35,001	40,000	301,375
1	40,001	45,000	45,000
5	45,001	50,000	250,000
2	50,001	55,000	107,125
1	55,001	60,000	58,000
2	65,001	70,000	134,750
2	80,001	85,000	162,500
1	90,001	95,000	90,625
2	95,001	100,000	198,500
1	100,001	105,000	101,500
3	110,001	115,000	335,625
1	115,001	120,000	120,000
1	120,001	125,000	122,000
1	130,001	135,000	133,750
1	140,001	145,000	142,000
1	155,001	160,000	160,000
1	160,001	165,000	161,500
1	165,001	170,000	169,000
1	215,001	220,000	220,000
1	240,001	245,000	245,000
1	295,001	300,000	298,500
1	370,001	375,000	375,000
1	395,001	400,000	400,000
2	595,001	600,000	1,200,000
1	600,001	605,000	602,625
1	650,001	655,000	650,025
1	700,001	705,000	700,050
1	750,001	755,000	750,750
1	2,300,001	2,305,000	2,304,000
1	15,900,001	15,905,000	15,901,121
2,577			31,143,059

CLOVER PAKISTAN LIMITED

AS AT JUNE 30, 2021

Information as required under Code of Corporate Governance

Shareholders Category	No. of Shareholder	No. of Share held
Associated Companies, Undertaking and Related Parties (name wise details)		
FOSSIL ENERGY (PRIVATE) LIMITED	1	18,205,121
TOTAL	1	18,205,121
Mutual Funds (name wise details)		
TOTAL	-	-
Directors and their spouse (to be confirmed by company)		
TOTAL	-	-
Executives (To be Filled by company)		
TOTAL	-	-
Public Sector Companies and Corporations		
TOTAL	-	-
Banks, Development Finance Institutions, Non-Banking Finance Institutions,		
Insurance Companies, Takaful, Modaraba and Pension Funds		
TOTAL	-	-
Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)		
FOSSIL ENERGY (PRIVATE) LIMITED	1	18,205,121
TOTAL	1	18,205,121

CLOVER PAKISTAN LIMITED

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2021

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)	0	0	0.00
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	2	18,205,121	58.46
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions			
5	Insurance Companies			
6	Modarabas and Mutual Funds	5	751,000	2.41
7	Share holders holding 10%	1	15,901,121	51.06
8	General Public :			
	a. local	2,539	11,093,481	35.62
	b .Foreign	-	-	-
9	Others	31	1,093,457	3.51
Total (excluding : share holders holding 10%)		2,577	31,143,059	100.00



FORM OF PROXY

THIRTY-FIFTH (35th) ANNUAL GENERAL MEETING 2021

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 - fifth (35th)
 Annual General Meeting of the Company to be held on Thursday,
 February 24, 2022 , and at any adjournment thereof.

As witness my / our hands / seal this _____ day of _____ 2022.

Signature _____

Affix
 Five Rupees
 Revenue
 Stamp

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

Witness 1

Signature _____

Name _____

Address _____

CNIC or Passport No. _____

Witness 2

Signature _____

Name _____

Address _____

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 stated 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 of 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.

پراکسی فارم

پیتھواں (35) سالانہ اجلاس عام

محترم جناب کمپنی سکریٹری صاحب
کلور پاکستان لمیٹڈ
بنگلہ نمبر B-23، لالازار،
آف ایم۔ٹی۔خان روڈ، کراچی۔

میں رہم _____ کلور پاکستان لمیٹڈ کے ممبر نمبر ان رجسٹرڈ فولیو نمبر شرکا
کی آئی ڈی سی ڈی بی اکاؤنٹ نمبر کے مطابق شیئرز _____ ہولڈر ہیں جو کہ بذریعہ ہذا جناب
کو دفتر رہرتی کرتے ہیں۔ رجسٹرڈ فولیو نمبر شرکا کی آئی ڈی سی ڈی بی
اکاؤنٹ نمبر _____ یا اس کے اس کی شرکت نہ کرنے کی صورت میں جناب _____
کو بطور مختار کاروبار (جماعت) 24 فروری، 2022 کو کلور پاکستان لمیٹڈ کا پیتھواں (35) سالانہ اجلاس عام اور اس کے کسی التوا تک میری
ہماری جانب / معرفت سے ووٹ دینے اور اجلاس عام میں شرکت کرنے کا اختیار دیتا ہوں۔

بطور گواہی میں ہمارے دستخط / مہر مورخہ _____، 2022 کو دستخط کر دیتے۔

_____ دستخط

دستخط کمپنی کی جانب سے تصدیق شدہ دستخط قابل قبول ہونگے

پانچ روپے والے
ریونیوسٹیٹ
پر دستخط کریں

گواہ نمبر ۲:

گواہ نمبر ۱:

نام:

نام:

پتہ:

پتہ:

سی این آئی سی / پاسپورٹ نمبر:

سی این آئی سی / پاسپورٹ نمبر:

نوٹس:

۱۔ پراکسی فارم میٹنگ سے دو دن قبل یعنی 48 گھنٹے پہلے مکمل کوائف اور دستخط کے ساتھ بگنمبر A-23، لالازار، آف ایم۔ٹی۔خان روڈ، کراچی۔ میں جمع ہونگے۔

۲۔ ممبران کو ضروری ہدایات

(الف) مذکورہ بالا خانہ برائے ریونیوسٹیٹ میں رسیدی ٹکٹ لگانا ضروری ہے۔

(ب) رسیدی ٹکٹ پر کمپنی میں رجسٹرڈ دستخط کرنے ہونگے۔

برائے سی ڈی بی اکانٹ ہولڈر کارپوریٹ ادارے۔

مزید برآں مندرجہ ذیل ضروری ہدایات پر عمل کیا جائے۔

(الف) پراکسی فارم پر دو گواہان مع ان کا نام، پید اور قومی شناختی کارڈ نمبر ظاہر کرنا ضروری ہے۔

(ب) تصدیق شدہ قومی شناختی کارڈ کی کاپی فارم کے ساتھ منسلک کریں۔

(پ) میٹنگ کے وقت اصل قومی شناختی کارڈ یا پاسپورٹ لانا ضروری ہے۔

(ت) کارپوریٹ اداروں کے بورڈ آف ڈائریکٹرز پر لازم ہے کہ میٹنگ کے وقت دستخط شدہ آئین یا پاور آف اتارنی مقرر کردہ شخص کو دیں۔ اگر مقرر

کردہ شخص کو پہلے فراہم نہیں کیا گیا ہو۔

Back Cover