

**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM**  
**FINANCIAL INFORMATION**  
**FOR THE SIX MONTHS PERIOD**  
**ENDED 31 DECEMBER 2018 (Un-audited)**



**CLOVER PAKISTAN LIMITED**



# Contents

Company Information	1
Directors' Report to the members	2
Auditors' Report to the members on Review of Condensed Interim Financial Information	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to Condensed Interim Financial Statements	10



## **Company Information**

### **Board of Directors**

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

### **AUDIT COMMITTEE**

Mr. Abdul Wahab Kodvavi (Chairman)  
Mr. Asif Saeed Sindhu  
Mr. Muhammad Jamsheed Azmet  
Mr. Nadeem Ahmed Butt

### **HUMAN RESOURCE COMMITTEE**

Mr. Irfan Ali Hyder (Chairman)  
Mr. Muhammad Jamsheed Azmet  
Mr. Abu Talib Haideri  
Mr. Khawar Jamil Butt

### **COMPANY SECRETARY**

Mr. Zeeshan Ul Haq

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Asim

### **EXTERNAL AUDITORS**

Grant Thornton Anjum Rahman  
Chartered Accountants

### **REGISTERED OFFICE**

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

### **SHARE REGISTRAR**

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

### **WEBSITE**

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

## Directors Report to the Members

On behalf of the Board of Directors of Clover Pakistan Limited, I am pleased to present the report and condensed interim financial statements of Clover Pakistan Limited (CPL) for the half-year ended December 31, 2018.

### Financial Performance

The financial performance of the Company for the six months ended December 31, 2018 is summarized below:

	<b>Six Months Period Ended</b>	
	<b>31-Dec-18</b>	<b>31-Dec-17</b>
	<i>(Rupees in '000)</i>	
Revenue - Net	891,032	-
Cost of Sales	(596,227)	-
<b>Gross Profit</b>	<b>294,805</b>	-
Admin and Selling Expenses	(59,542)	(1,744)
Other Charges/Income	(1,702)	3,608
<b>Profit before tax</b>	<b>233,561</b>	<b>1,864</b>
Taxation	(41,742)	868
<b>Profit after tax</b>	<b>191,819</b>	<b>2,732</b>
	<b><u>(Rupees)</u></b>	<b><u>(Rupees)</u></b>
Earnings per share - basic	20.33	0.29
Earnings per share - diluted	7.70	-

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

### Performance Overview

In accordance with its strategic plan, the Company has revived its business and trading activities during the period under review. The net revenue of the Company swelled to Rs. 891 million resulting in a Gross profit of Rs. 294.8 million and a Profit after tax of Rs. 191.8 million. EPS-basic and diluted was an impressive Rs. 20.33 and Rs. 7.70 respectively.

The revenue stream of the Company was fuelled by strong growth in the Petrotech trading and services division of the Company. This division excelled in providing vital equipments, supplies and maintenance services to the energy sector. Equipment supplied included rotary pumps and motors, fuel dispensers, flow meters and allied equipment. The Business Solutions division of the Company also contributed strongly to the bottom line. Being leading distributors of renowned office technology brands such as Ricoh, Dell and Marvel etc. During the period under review, the Clover Car Care segment also took off on a sound footing. Attractive margins were derived from the sale of auto accessories and car filters which were marketed through retail stores and different marts located at petrol stations of various oil marketing companies.



Administration and selling expenses at Rs. 59.5 million were reflective of the growing organization and related increase in the workforce in the Company to cater for expanding business as compared to a mostly dormant last year. Major elements within this head included employee salaries and benefits, travelling, depreciation and office related costs.

### **Future Outlook**

Our future strategy is driven by innovation, expanding core segments and diversification. Whilst continuing to focus on strong growth in the existing Petrotech, Business Solutions and Auto Care segments, the Company intends to build upon its strengths and the Clover brand by venturing into other business sectors including food and Lubricants.

Our food business will leverage off the Clover franchise which is a globally recognized brand. The Clover brand and logo is a proprietary trademark of CPL and registered in Pakistan. At this stage, all the food products will be manufactured by leading food manufacturers in Pakistan in their respective facilities and marketed under the Clover brand name. While CPL will manage the brand, distribution and marketing. Based on a compelling strategy, we aim to succeed in an evolving marketplace through quality and reliability in our product range which will initially include spices, jams, pastes, sauces, pickles and bottled water. This segment is expected to be selectively launched by the first quarter of 2019 after obtaining necessary certifications and licenses.

The Company is also in the process of launching specialized lubricants through toll blending arrangements, initially geared towards the low-end market segment. The focus of the company will be the domestic market which will be segmented into Hi Street and Industrial Consumers (B2B & B2C). Necessary license has been obtained from the Oil and Gas regulatory authority by the Company. We are expecting significant volumes from this high margin product.

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

### **Acknowledgements**

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

For and on behalf of the Board

Chairman  
March 1, 2019

Chief Executive Officer

## INDEPENDENT AUDITOR'S REVIEW REPORT

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

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Clover Pakistan Limited ("the Company")** as at **December 31, 2018** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

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

### Conclusion

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

### Emphasis of Matter

We draw attention to contents of note 15.1 of the condensed interim financial statements in respect of recoverability of customs duty refundable of Rs. 20,998 million. Our conclusion is not qualified in respect of this matter.

### Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months period ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2018.

The financial statements for the year ended June 30, 2018 and December 31, 2017 were audited / reviewed by another firm of Chartered Accountants who in their audit report dated September 25, 2018 expressed an un-modified opinion.

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

*Grant Thornton Anjum Rahman*

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Date: March 1, 2019



## CLOVER PAKISTAN LIMITED

### CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	------(Rs. in '000)-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	8	22,186	508
Intangible assets	9	549,213	-
Long-term security deposits		-	10
Deferred tax asset	10	27,960	-
Total non - current assets		599,359	518
<b>CURRENT ASSETS</b>			
Stock in trade	11	63,675	-
Trade debts - unsecured	12	325,259	103,836
Loan and advances - considered good	13	84,149	851
Trade deposits and short term prepayments	14	46,668	89,319
Short term investment		19,684	-
Other receivables	15	25,871	20,998
Sales tax receivable - net		-	4,017
Advance tax - net		19,725	9,733
Cash and bank balances	16	88,679	78,795
Total current assets		673,710	307,549
<b>TOTAL ASSETS</b>		<b>1,273,069</b>	<b>308,067</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 40,000,000 (June 30, 2018: 10,000,000) shares of Rs. 10 each		400,000	100,000
Issued, subscribed and paid-up share capital	17	94,349	94,349
Capital to be issued pursuant to amalgamation		605,251	-
Unappropriated profit		267,089	103,575
Shareholders' equity		966,689	197,924
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	128,984	105,981
Short term loan	19	130,216	-
Payable to retirement fund		14,716	-
Dividend payable		32,464	4,162
<b>Total current liabilities</b>		<b>306,380</b>	<b>110,143</b>
Contingencies and commitments	20		
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,273,069</b>	<b>308,067</b>

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

Chief Executive

Chief Financial Officer

Director



**CLOVER PAKISTAN LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Note	Six months period ended		Three months period ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- (Rs. in '000) -----		----- (Rs. in '000) -----	
Revenue - net	21	891,032	-	439,527	-
Cost of sales	22	<u>(596,227)</u>	<u>-</u>	<u>(301,769)</u>	<u>-</u>
<b>Gross profit</b>		<b>294,805</b>	<b>-</b>	<b>137,758</b>	<b>-</b>
Administrative and selling expenses		<u>(59,542)</u>	<u>(1,744)</u>	<u>(20,773)</u>	<u>(709)</u>
<b>Operating profit</b>		<b>235,263</b>	<b>(1,744)</b>	<b>116,985</b>	<b>(709)</b>
Finance cost		(1,667)	(4)	(380)	(2)
Exchange loss		(2,238)	-	-	-
Other income		2,203	3,612	1,591	1,761
<b>Profit before income tax</b>		<u>233,561</u>	<u>1,864</u>	<u>118,196</u>	<u>1,050</u>
Taxation		(41,742)	868	(22,200)	1,423
<b>Profit for the period</b>		<u>191,819</u>	<u>2,732</u>	<u>95,996</u>	<u>2,473</u>
		----- (Rupees) -----		----- (Rupees) -----	
Earning per share - Basic	23.1	<u>20.33</u>	<u>0.29</u>	<u>10.17</u>	<u>0.26</u>
Earning per share - Diluted	23.2	<u>7.70</u>	<u>-</u>	<u>3.85</u>	<u>-</u>

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



Chief Executive



Chief Financial Officer



Director



**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE**  
**INCOME (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

Note	Six months period ended		Three months period ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rs. in '000) -----		----- (Rs. in '000) -----	
<b>Profit for the Period</b>	<b>191,819</b>	<b>2,732</b>	<b>95,996</b>	<b>2,473</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to statement of profit or loss subsequently</b>				
Unrealised gain on revaluation of available for sale investments at fair value	-	481	-	204
Transferred to profit or loss account on sale	-	(155)	-	26
	-	326	-	230
<b>Items that will not be reclassified to statement of profit or loss</b>	-	-	-	-
<b>Other comprehensive income</b>	-	326	-	230
<b>Total comprehensive income</b>	<b>191,819</b>	<b>3,058</b>	<b>95,996</b>	<b>2,703</b>

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

Chief Executive

Chief Financial Officer

Director

**CLOVER PAKISTAN LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

		<u>Six months period ended</u>	
		<u>December 31,</u>	<u>December 31,</u>
		<u>2018</u>	<u>2017</u>
	Note	------(Rs. in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations after working capital changes	24	70,501	(1,046)
Finance cost paid		(1,851)	(4)
Taxes paid		(41,180)	(126)
Payment to outgoing employee - provident fund		(126)	-
Interest received		909	-
<b>Net cash flows generated from / (used in) operating activities</b>		<u>28,253</u>	<u>(1,176)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in Property and Equipment		(7,142)	-
Dividend received		119	-
Short-term investment made		(14,951)	(534,179)
Proceeds from disposals of held to maturity investments		-	206,000
Proceeds from disposals of available for sale investments		-	325,367
Proceeds from redemption of available for sale investments		-	800
<b>Net cash flows used in investing activities</b>		<u>(21,974)</u>	<u>(2,012)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(3)	(6)
<b>Net cashflows used in financing activities</b>		<u>(3)</u>	<u>(6)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>6,276</u>	<u>(3,194)</u>
Effects of exchange rate changes on cash and cash equivalents		(2,203)	-
<b>Cash and cash equivalents at the beginning of the period</b>		78,795	4,142
<b>Transfer from Hascombe Business Solutions (Private) Limited</b>		5,811	-
<b>Cash and cash equivalents at the end of the period</b>		<u>88,679</u>	<u>948</u>

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

  
Chief Executive

  
Chief Financial Officer

  
Director



**CLOVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Issued, subscribed and paid-up capital	Capital to be issued pursuant to amalgamation	Reserves			Total reserves	Total equity
			General reserve	Available for sale reserves	Un-appropriated profit		
------(Rs. in '000)-----							
<b>Balance as at July 1, 2017</b>	94,349	-	64,600	181	15,320	80,101	174,450
Profit after taxation for the period ended December 31, 2017	-	-	-	-	2,732	2,732	2,732
Other comprehensive income for the period	-	-	-	326	-	326	326
Total comprehensive income for the period	-	-	-	326	2,732	3,058	3,058
<b>Balance as at December 31, 2017</b>	<b>94,349</b>	<b>-</b>	<b>64,600</b>	<b>507</b>	<b>18,052</b>	<b>83,159</b>	<b>177,508</b>
<b>Balance as at July 1, 2018</b>	94,349	-	64,600	-	38,975	103,575	197,924
Profit after taxation for the period ended December 31, 2018	-	-	-	-	191,819	191,819	191,819
Interim dividend for the period ended 30 September 2018 @ Rs. 3.00 per share	-	-	-	-	(28,305)	(28,305)	(28,305)
Capital to be issued pursuant to Amalgamation	-	605,251	-	-	-	-	605,251
Total comprehensive income for the period	-	<b>605,251</b>	-	-	<b>163,514</b>	<b>163,514</b>	<b>768,765</b>
<b>Balance as at December 31, 2018</b>	<b>94,349</b>	<b>605,251</b>	<b>64,600</b>	<b>-</b>	<b>202,489</b>	<b>267,089</b>	<b>966,689</b>

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

Chief Executive

Chief Financial Officer

Director

## **CLOVER PAKISTAN LIMITED**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

#### **1 LEGAL STATUS AND OPERATIONS**

- 1.1 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 55% shares of the Company. The registered office and geographical location of the Company is situated at Banglow No.23-B, Lalazar, Off M.T. Khan Road, Karachi.
- 1.2 The principal business of the Company is to manufacture and sale food products, consumer durables, and also import & trade of gantry equipment's air/oil filter and other car care products. However, after amalgamation with Hascombe Business Solutions (Pvt) Limited, the company is involved in marketing & distribution and after sales support of office automation products, fuel dispensers, vending machines and digital screens.
- 1.3 On September 18, 2018, the Board of Directors of the Company had passed a resolution to approve the merger between Hascombe Business Solutions (Private) limited (HBSPL) with and into the Company. The scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board of Directors and shareholders of the Company and HBSPL.

The High Court of Sindh through its order dated February 01, 2019 has sanctioned the scheme. Pursuant to this sanction, the entire business of HBSPL including Properties, Assets, Liabilities, and the Rights and Obligations of HBSPL have been amalgamated into and vest in the Company with effect from the effective date as mentioned in the scheme i.e., on April 01, 2018. The Company is required to be issued 15,479,567 shares to the shareholders of Hascombe and allot approximately 6.06 shares to them for every one share of Hascombe held by each of the shareholders. The merger is effective from April 01, 2018 and the figures of condense interim profit and loss for the six months period ended December 31, 2018 also includes nine months business activity of Hascombe Business Solutions (Private) Limited.

#### **2 SIGNIFICANT EVENTS AND TRANSACTIONS**

As referred to in note 1.3 to the accompanying financial statements, during the period, the Company has revived its business activities and commenced trading activities in line with its strategic business plan.

#### **3 STATEMENT OF COMPLIANCE**

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

#### **4 BASIS OF PREPARATION**

These condensed interim financial statements of the company does not include all of the information and disclosure required in the annual financial statements and should be read in conjunction with the annual financial statements of the company as at and for the year ended June 30, 2018. However,



## **CLOVER PAKISTAN LIMITED**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements.

The figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the relevant notes to the condensed interim financial statements for the six months period ended December 31, 2018 and December 31, 2017 are not audited. Further, the figures for the three-months period ended December 31, 2018 and 2017 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have also not been reviewed by auditors.

#### **5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

**5.1** The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management are as follows:

##### **5.1.1 IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from sale of goods is recognized when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration).

However, the application of above standard do not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim financial statements.

#### **6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT**

Judgements and estimates made by the management in the preparation of this condensed interim financial information are same as those applied in the Company's annual financial statements for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

#### **7 FUNCTIONAL AND PRESENTATION CURRENCY**

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

## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

			(Un-audited) (Audited) December 31, June 30, 2018 2018
8	PROPERTY AND EQUIPMENT	Note	----- (Rs. in '000) -----
	Operating Fixed Assets	8.1	<u>22,186</u> 508 <u>22,186</u> <u>508</u>

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

		(Un-audited)			
		Additions - (including acquisition through amalgamation)		Disposals	
		-----At Cost/Net Book Value-----		-----At net book value-----	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		-----Rs. in '000-----		-----Rs. in '000-----	
	Owned assets				
	Leasehold improvements	5,108	-	-	-
	Furniture and fittings	3,297	-	-	-
	Motor vehicles	11,686	-	-	-
	Other equipment	11,314	-	-	-
	Computer & IT equipment				
	- held by the Company	10,377	-	-	-
	- held by third parties	169	-	(36)	-
		<u>41,951</u>	<u>-</u>	<u>(36)</u>	<u>-</u>

			(Un-audited) (Audited) December 31, June 30, 2018 2018
8.2	Depreciation charge for the period	Note	----- (Rs. in '000) -----
			<u>4,989</u> -

## 9 INTANGIBLE ASSETS

	Goodwill (acquisition through business combination)	9.1	548,863	-
	Softwares		350	-
			<u>549,213</u>	<u>-</u>

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

			(Un-audited) (Audited) December 31, June 30, 2018 2018
9.2	Following is the movement of intangibles:		----- (Rs. in '000) -----
	Opening balance		-
	Addition		549,251
	Amortization charged		(38)
	Closing balance		<u>549,213</u>



## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rs. in '000) -----	
<b>10</b>	<b>DEFERRED TAX ASSET - NET</b>	<u>27,960</u>	<u>-</u>
	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. The deferred tax asset amount has been restricted to Rs. 27.96 million (December 31, 2017: Nil) on basis of projections provided by management.		
		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rs. in '000) -----	
<b>11</b>	<b>STOCK IN TRADE</b>		
	Finished goods	<u>63,675</u>	<u>-</u>
<b>12</b>	<b>TRADE DEBTS - UNSECURED</b>		
	Considered good	<u>325,259</u>	<u>103,836</u>
<b>12.1</b>	This include Rs. 313.80 million (June 30, 2018: Rs. 103.84 million) receivable from related parties.		
		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rs. in '000) -----	
<b>13</b>	<b>LOANS AND ADVANCES</b>		
	Considered good		
	- Loan to employees	175	-
	- Advance to suppliers	<u>83,974</u>	<u>-</u>
		<u>84,149</u>	<u>-</u>
<b>14</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
	Trade deposits	6,565	1,100
	Margin deposits	38,074	87,179
	Short-term prepayments	<u>2,029</u>	<u>1,040</u>
		<u>46,668</u>	<u>89,319</u>
<b>15</b>	<b>OTHER RECEIVABLES</b>		
	Considered good		
	Receivable from associated companies	4,873	-
	Duty refundable due from Government	<u>20,998</u>	<u>20,998</u>
		<u>25,871</u>	<u>20,998</u>
<b>15.1</b>	During the year ended June 30, 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		



## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

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 recognised 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 Honourable High Court of Sindh (SHC) against the judgments of the Appellate Tribunal. Regarding the reference of Rs.17.012 million, the SHC vide its order dated May 28, 2015 had allowed the reference application and remanded the case to the Customs Appellate Tribunal for decision afresh on the basis of the evidence produced before the Tribunal to establish that the burden of tax under Section 19-A of the Act has not been passed on to the end consumer. The Customs Appellate Tribunal vide its order dated June 17, 2016 has decided the case in favour of the Company and has directed the tax department to refund the claim to the Company. The 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 Honourable Supreme Court of Pakistan (SCP) on the grounds that none of the forums above, including the SHC, had examined the evidence produced to establish that the burden of duty and taxes has not been passed on to the end consumer. The SCP in order to examine this question granted leave in the petition.

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

		(Un-audited) (Audited) December 31, June 30, 2018 2018		
16	CASH AND BANK BALANCES	Note	----- (Rs. in '000) -----	
	Cash in hand		1,350	10
	Cash at banks			
	In current accounts		69,953	78,563
	In saving accounts		17,376	222
			87,329	78,785
			88,679	78,795
17	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
		(Un-audited) (Un-audited) (Un-audited) (Un-audited) December 31, December 31, December 31, December 31, 2018 2017 2018 2017		
	Number of shares		----- (Rs. in '000) -----	
	Ordinary shares of Rs. 10 each:			
	- fully paid in cash	3,900,000	3,900,000	39,000 39,000
	- issued as bonus shares	5,534,880	5,534,880	55,349 55,349
		9,434,880	9,434,880	94,349 94,349



## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

18	TRADE AND OTHER PAYABLES	Note	(Un-audited)	(Audited)
			December 31, 2018	June 30, 2018
			------(Rs. in '000)-----	
	Creditors		59,374	57,868
	Accrued liabilities		224	791
	Advance from customers		43,165	47,322
	Sales tax payable		19,144	-
	Withholding tax payable		339	-
	Others		6,738	-
			<u>128,984</u>	<u>105,981</u>

19	<b>SHORT TERM LOAN - unsecured</b>	19.1	<u>130,216</u>	<u>-</u>
----	------------------------------------	------	----------------	----------

19.1 This represents adhoc basis interest free short term loan from its Holding Company (Fossil Energy (Private) Limited) to Hascombe Business Solutions (Private) Limited. The Holding Company is agreed to extend the financial support up to Rs. 200 million.

#### 20 CONTINGENCIES AND COMMITMENTS

##### 20.1 Contingencies

20.1.1 There is no contingency other than disclosed in note 15.1.

##### 20.2 Commitments

20.2.1 Outstanding letter of credit amount to Rs. 36,510 (June 30, 2018: Rs. 155,690).

21	REVENUE - NET	Six months period ended		Three months period ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		------(Rs. in '000)-----		------(Rs. in '000)-----	
	From sale of goods	939,707	-	471,932	-
	From services	116,832	-	40,644	-
	Less: Sales tax	(165,508)	-	(73,049)	-
		<u>891,031</u>	<u>-</u>	<u>439,527</u>	<u>-</u>

#### 22 COST OF SALES

Opening stock	-	-	65,670	-
Add:				
-Addition under scheme of merger	79,349	-	-	-
-Purchases	553,858	-	285,162	-
-Customer service plan	24,700	-	13,901	-
-Depreciation	1,994	-	711	-
	<u>659,902</u>	<u>-</u>	<u>365,444</u>	<u>-</u>
Less: Closing stock	(63,675)	-	(63,675)	-
	<u>596,227</u>	<u>-</u>	<u>301,769</u>	<u>-</u>

## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

		(Un-audited) December 31, 2018	(Un-audited) December 31, 2017
<b>23</b>	<b>EARNINGS PER SHARE - Basic and Diluted</b>		
<b>23.1</b>	<b>Earning per share - basic</b>	-----	-----
	Profit for the period	<u>191,819</u>	<u>2,732</u>
		<b>Number of shares</b>	
	Weighted average number of ordinary shares	<u>9,435</u>	<u>9,435</u>
		-----	-----
	Earning per share - Basic	<u>20.33</u>	<u>0.29</u>
<b>23.2</b>	<b>Earning per share - Diluted</b>		
	Profit for the period	191,819	-
	Dilutive Effect - net of tax	-	-
		<u>191,819</u>	<u>-</u>
	Weighted average number of ordinary shares	9,435	-
	Dilutive Effect	15,480	-
		<u>24,915</u>	<u>-</u>
		<b>Number of shares</b>	
	Earning per share - Diluted	<u>7.70</u>	<u>-</u>
		-----	-----
		<b>Six months period ended</b>	<b>(Un-audited) (Un-audited)</b>
		<b>December 31, 2018</b>	<b>December 31, 2017</b>
<b>24</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	-----	-----
	Profit before income tax	233,561	1,864
	<b>Adjustments for:</b>		
	Depreciation	4,989	-
	Amortization	38	-
	Profit on TDR	-	(188)
	Gain on sale of PIB	-	(244)
	Gain on redemption of mutual fund units	-	(16)
	Gain on sale of T-Bills	-	(1,960)
	Dividend income	(119)	-
	Finance cost	1,667	4
	Profit on bank deposit	(909)	-
	Net unrealised & realised gain/ (loss) on revaluation & sale of investments	(1,010)	-
	Exchange loss	2,203	-
	<b>Operating profit before working capital changes (C/F)</b>	<u>240,420</u>	<u>(540)</u>



## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	<u>Six months period ended</u>	
	<u>(Un-audited)</u>	<u>(Un-audited)</u>
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	----- <u>(Rs. in '000)</u> -----	
<b>Operating profit before working capital changes (B/F)</b>	<b>240,420</b>	<b>(540)</b>
<b>(Increase) / decrease in current assets</b>		
Stock in trade	15,674	-
Trade debts - unsecured	(199,982)	-
Loan and advances - considered good	(79,766)	(28)
Trade deposits and short term prepayments	69,607	(193)
Other receivables	3,246	14
Sales tax receivable - net	7,756	(46)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	13,546	(253)
<b>Net cash generated from / (used in) operations</b>	<u><b>70,501</b></u>	<u><b>(1,046)</b></u>

#### 25 TRANSACTIONS WITH RELATED PARTIES

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

Name of Related Party	Nature of transactions	<u>(Un-audited)</u>	<u>(Un-audited)</u>
		<u>December 31, 2018</u>	<u>December 31, 2017</u>
		----- <u>(Rs. in '000)</u> -----	
<b>Transactions</b>			
Fossil Energy (Private) Limited	Sale of goods and services	<u>69,100</u>	<u>-</u>
Hascol Petroleum Limited	Sale of goods and services	<u>556,009</u>	<u>-</u>
VOS Petroleum Limited	Sale of goods and services	<u>227,599</u>	<u>-</u>
Key management personnel	Director's fee	<u>-</u>	<u>100</u>
Staff retirement funds	Contribution during the period	<u>-</u>	<u>-</u>
<b>Balances</b>			
Fossil Energy (Private) Limited	Receivable against goods and services	<u>34,680</u>	<u>-</u>
	Intercompany receivable	<u>4,008</u>	<u>-</u>
Hascol Petroleum Limited	Receivable against goods and services	<u>88,296</u>	<u>-</u>
	Advance against services	<u>43,165</u>	<u>-</u>
VOS Petroleum Limited	Receivable against goods	<u>125,412</u>	<u>-</u>
Market 786 (Private) Limited	Intercompany receivable	<u>865</u>	<u>-</u>

## CLOVER PAKISTAN LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

#### 26 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

##### Financial risk factors

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently this condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

##### Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values.

#### 27 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements was authorised for issue on March 1, 2019 by the Board of Directors of the Company.

#### 28 GENERAL

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



Chief Executive



Chief Financial Officer



Director



