

CLOVER PAKISTAN LIMITED
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED 31 MARCH 2021 (UN-AUDITED)



CLOVER PAKISTAN LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Salim Chamdia (Chairman)
Mr. Sohail Allana
Ms. Rima Athar
Mr. Khawar Jamil Butt
Mr. Shehzad Mohsin
Mr. Farid Shamim
Mr. Zohaib Yaqoob

AUDIT COMMITTEE

Mr. Zohaib Yaqoob (Chairman)
Mr. Salim Chamdia
Mr. Khawar Jamil Butt

HUMAN RESOURCE COMMITTEE

Ms. Rima Athar (Chairman)
Mr. Salim Chamdia
Mr. Shehzad Mohsin

COMPANY SECRETARY

Hassan Khurshid

CHIEF FINANCIAL OFFICER

Muhammad Asim

EXTERNAL AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR

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

WEBSITE

www.clover.com.pk



CLOVER PAKISTAN LIMITED

DIRECTORS' REPORT

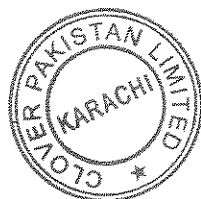
For the nine months period ended March 31, 2021

On behalf of the Board, I present my review on the performance of the Company for the nine months period ended March 31, 2021.

Operating Results

The operating results of the Company for the nine months period ended were as following:

	Nine months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	------(Rupees in "000")-----		------(Rupees in "000")-----	
Revenue – net	348,886	385,071	131,785	49,960
Cost of sales	(326,614)	(254,644)	(99,006)	(28,178)
Gross profit	22,272	130,427	32,779	21,782
Administrative and selling expenses	(115,190)	(78,227)	(28,744)	(46,191)
Operating (loss)/profit	(92,918)	52,200	4,035	(24,409)
Finance cost	(149)	(1,544)	(3)	(297)
Exchange loss	(602)	(804)	(80)	(77)
Other income	1,309	31,312	768	7,390
(Loss)/profit before income tax	(92,360)	81,164	4,720	(17,393)
Taxation	(5,233)	(23,538)	(1,976)	2,210
(Loss)/profit for the period	(97,593)	57,626	2,744	(15,183)
	------(Rupees)-----		------(Rupees)-----	
(Loss)/earnings per share - Basic and diluted	(3.13)	2.31	0.09	(0.61)





CLOVER PAKISTAN LIMITED

The revenue for the nine months period ended March 31, 2021 was recorded at Rs 349 million as compared to Rs 385 million for the nine months period ended March 31, 2020. After accounting for administrative and selling expenses, finance cost, exchange loss, other income and income tax, the Company has reported a loss of Rs 98 million for the nine months period ended March 31, 2021 as compared to the profit of Rs 58 million for the corresponding period last year. This translates to loss per share of Rs (3.31) versus Rs 2.31 earnings per share for the corresponding period last year.

The comparison of quarters' operating results of the Company for the three months period ended are as following:

	Three months period ended	
	March 31, 2021	December 31, 2020
	------(Rupees in "000")-----	
Revenue – net	131,785	88,941
Cost of sales	(99,006)	(112,839)
Gross profit/(loss)	32,779	(23,898)
Administrative and selling expenses	(28,744)	(52,537)
Operating profit/(loss)	4,035	(76,435)
Finance cost	(3)	(113)
Exchange loss	(80)	-
Other income	768	7
Profit/(loss) before income tax	4,720	(76,541)
Taxation	(1,976)	(1,335)
Profit/(loss) for the period	2,744	(77,876)
	------(Rupees)-----	
Earnings/(loss) per share - Basic and diluted	0.09	(2.50)





CLOVER PAKISTAN LIMITED

Performance Review

Impact of Market Trends & Macro Economic Environment:

The impact of Covid-19 has been an evolving situation since late 2019. Management has determined that there is no material uncertainty that casts doubt upon the Company's ability to expand and grow business segments in future.

Revenue and Cost Reduction:

Company has maintained decent sales volume despite thin profit margin owing to the direct costs incurred on material/chemical that the Company was not able to pass on to the customers.

To offset these, the Management has made changes to its cost structure, streamlined operations in the short term and also reduced costs where possible. These measures have made positive impact over controls and also resulted in net profit of Rs 3 million for the three months period ended March 31, 2021.

Future Prospects and Conclusion

Macroeconomic indicators of the country are challenging for every industry due to consequential impact of lockdown on economy. However, overall condition is improving. According to Federal Government, the situation of Corona Virus (COVID-19) is under control as it is evident with signs of improvement in the Country's economy and accordingly the management believes that the same will be reflected in Company's financials towards the end of this financial year. The management has also successfully streamlined the operations and reduced costs where ever possible. Our future strategy is to focus on our high margin business segments that are driven by value creation and emphasizing on diversification of our product portfolio and customer base. Further, Company is endeavoring to improve sales, profitability and diversity in its operations through value creation and offers quality products to customers at competitive prices through an efficient delivery system.

Acknowledgement

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

For and on behalf of the Board of Directors

Salim Chamdia
Chairman

Karachi.
Dated: April 26, 2021




CLOVER PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Notes	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property and equipment	7	16,549	22,139
Intangible assets	8	386,223	386,259
Long term deposits		1,541	4,485
Deferred tax asset	9	19,934	19,934
Total non - current assets		424,247	432,817
Current assets			
Stock-in-trade		183,590	335,526
Trade debts	10	68,619	68,360
Loans and advances	11	97,257	24,806
Trade deposits and short term prepayments	12	7,260	18,634
Short-term investments		-	7,780
Other receivables	13	21,174	21,759
Taxation - net		52,752	50,869
Cash and bank balances	14	6,540	6,763
Total current assets		437,192	534,497
Total assets		861,439	967,314
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share Capital & Reserves			
Authorized capital 40,000,000 (June 30, 2020: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid-up share capital	15	311,431	311,431
Reserves		463,124	560,717
Total shareholders' equity		774,555	872,148
Non-current liabilities			
Deferred liabilities		-	9,918
Current liabilities			
Trade and other payables	16	77,406	79,450
Advance from customers		225	238
Sales tax payable - net		5,317	1,624
Unclaimed dividend		3,936	3,936
Total current liabilities		86,884	85,248
Total liabilities		86,884	95,166
Total equity and liabilities		861,439	967,314
Contingencies and commitments	17		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

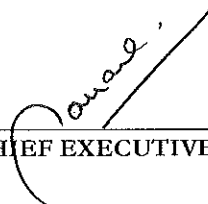

CHIEF FINANCIAL OFFICER


DIRECTOR

CLOVER PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Notes	Nine Months Ended		Three Months Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		-----Rupees in '000-----		-----Rupees in '000-----	
Revenue - net	18	348,886	385,071	131,785	49,960
Cost of sales	19	(326,614)	(254,644)	(99,006)	(28,178)
Gross profit		22,272	130,427	32,779	21,782
Administrative and selling expenses		(115,190)	(78,227)	(28,744)	(46,191)
Operating (loss)/profit		(92,918)	52,200	4,035	(24,409)
Finance cost		(149)	(1,544)	(3)	(297)
Exchange loss		(602)	(804)	(80)	(77)
Other income		1,309	31,312	768	7,390
(Loss)/profit before taxation		(92,360)	81,164	4,720	(17,393)
Taxation		(5,233)	(23,538)	(1,976)	2,210
(Loss)/profit for the period		(97,593)	57,626	2,744	(15,183)
		-----Rupees -----		-----Rupees -----	
(Loss)/Earnings per share - basic and diluted	20	(3.13)	2.31	0.09	(0.61)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE OFFICER

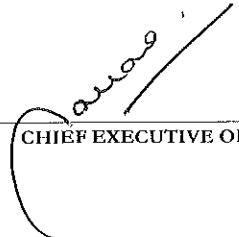

 CHIEF FINANCIAL OFFICER


 DIRECTOR

CLOVER PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees in '000'-----		-----Rupees in '000'-----	
(Loss) / profit for the period	(97,593)	57,626	2,744	(15,183)
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequent period</i>	-	-	-	-
<i>Items that will not be reclassified to statement of profit or loss subsequent period</i>	-	-	-	-
Total comprehensive (loss)/income	(97,593)	57,626	2,744	(15,183)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



 CHIEF EXECUTIVE OFFICER



 CHIEF FINANCIAL OFFICER



 DIRECTOR

CLOVER PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine months period ended	
		March 31, 2021	March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(92,360)	81,164
<i>Adjustments for:</i>			
Depreciation		5,938	7,327
Amortization		36	29
Impairment		-	8
Gain on sale of short term investment		(520)	-
Dividend income		-	(150)
Finance cost		149	1,544
Profit on bank deposit		(23)	(46)
Net unrealised or realized gain on revaluation		-	(3,741)
Exchange loss		602	804
		<u>6,182</u>	<u>5,775</u>
Operating (loss)/profit before working capital changes		(86,178)	86,939
(Increase)/decrease in current assets			
Stock in trade		151,936	(45,385)
Trade debts		(259)	40,074
Loan and advances		(72,451)	11,202
Trade deposits and short term prepayments		11,374	(22,650)
Other receivables		585	101,104
		<u>91,185</u>	<u>84,345</u>
Increase/(decrease) in current liabilities			
Trade and other payables		(2,646)	(33,942)
Advance from customers		(13)	3,599
Sales tax payable- net		3,693	(602)
		<u>1,034</u>	<u>(30,945)</u>
Net cash generated from operations		6,041	140,339
Finance cost paid		(149)	(1,544)
Income tax paid		(7,116)	(26,304)
Payment to outgoing employee - gratuity fund		(9,918)	(362)
Interest received		23	9,144
		<u>(17,160)</u>	<u>(19,066)</u>
Net cash generated from operating activities		(11,119)	121,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property and equipment		(348)	(15,488)
Dividend received		-	150
Proceeds from short term investment		8,300	4,500
Long term deposit received		2,944	-
Net cash generated from / (used in) investing activities		10,896	(10,838)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(691)
Repayment of lease liability		-	(3,729)
Net cash used in financing activities		-	(4,420)
Net (decrease)/increase in cash and cash equivalents		(223)	106,015
Cash and cash equivalents at the beginning of the period		6,763	43,315
Cash and cash equivalents at the end of the period	14	6,540	149,330

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

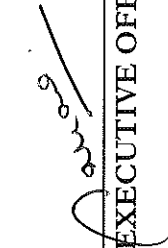

CHIEF FINANCIAL OFFICER

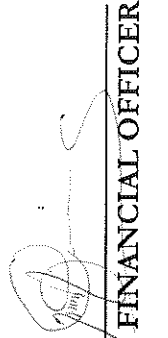

DIRECTOR

**CLOVER PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Reserves					Total shareholders' equity
	Share capital	Capital Reserve	Revenue reserve		Total reserves	
		Share premium	General reserve	Unappropriated profit/(loss)		
	----- Rupees in '000 -----					
Balance as at July 01, 2019	249,145	450,455	64,600	263,166	778,221	1,027,366
Profit for the nine months period ended March 31, 2020	-	-	-	57,626	57,626	57,626
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	57,626	57,626	57,626
Balance as at March 31, 2020	249,145	450,455	64,600	320,792	835,847	1,084,992
Balance as at July 01, 2020	311,431	388,169	64,600	107,948	560,717	872,148
Loss for the nine months period ended March 31, 2021	-	-	-	(97,593)	(97,593)	(97,593)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(97,593)	(97,593)	(97,593)
Balance as at March 31, 2021	311,431	388,169	64,600	10,355	463,124	774,555

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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 58.46% (June 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, Filak Incline, Jacob Road, Hyderabad Sindh, 71000 (Administrative Office).
- 5) Plot No. 24 C, Khayaban-e-Nisbat, Phase-VI, DHA, Karachi (Clover Nisbat Mart).

The principal business of the Company includes sale of food products, consumer durables, and also import & trade of gantry equipment's air/oil filter, lubricants 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

During the period, the Company has entered into new business line by importing industrial chemical and sale to local industries. For detailed discussion about the Company's performance, please refer Director's report.

In the month of August 2020, due to urban flooding in Karachi, two of the Company's Mart namely Clover Nisbat Mart and Clover Sehar Mart located at Khayaban-e-Nisbat and Khayaban-e-Sehar respectively, were flooded with the rain water. Consequently, damage occurred to the inventory and furniture at the Marts. However, the management is of the view that the damages will be recovered through insurance cover.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These condensed interim financial statements of the Company 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.

Wherever, the requirements of the Companies Act 2017 or directives issued by SECP differ with the requirements of IAS 34, the requirements of Companies Act 2017 or directives issued by SECP then Companies Act 2017 or directives issued by SECP shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.

3.2 Functional and Presentation Currency

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

4 Standards, Amendments and Interpretations to Approved Accounting Standards

4.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	June 1, 2020

Adoption of the above standard have no significant effect on the amounts for the period ended March 31, 2021.

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

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

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 9 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
IAS 16 - Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
IAS 41 - Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022

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.

4.1.2 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	Effective Date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts' (amendments to IFRS 17)	January 1, 2023
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates/judgments and associated assumptions used in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2020.

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, 2020.

6 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2020.

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Notes	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
-----Rupees in '000-----			
7	PROPERTY AND EQUIPMENT		
	Operating assets	7.1	16,549
		<u>16,549</u>	<u>22,139</u>

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

	Additions		Disposals	
	----At Cost----		----At Cost----	
	(Un-Audited) March 31, 2021	(Audited) June 30, 2020	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----		-----Rupees in '000-----	
Machinery	-	2,870	-	-
Furniture and fittings	348	1,096	-	-
Vehicles	-	2,530	-	-
Office equipment	-	16	-	-
Computer & IT equipment	-	1,169	-	-
	<u>348</u>	<u>7,681</u>	<u>-</u>	<u>-</u>

7.2 Depreciation charge for the period

	5,938	7,327
	<u>5,938</u>	<u>7,327</u>

8 INTANGIBLE ASSETS

Goodwill	8.1	385,985	385,985
Software		238	274
		<u>386,223</u>	<u>386,259</u>

8.1 Goodwill has been recognized on the amalgamation of Hascombe Business Solutions (Private) Limited by the Company.

9 DEFERRED TAX ASSET- NET

	19,934	19,934
	<u>19,934</u>	<u>19,934</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 on the basis of projections provided by the management.

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
10 TRADE DEBTS - Unsecured		
Considered good		
-Trade debts	69,594	69,335
Trade debts - gross	<u>69,594</u>	<u>69,335</u>
Allowance for expected credit loss - opening balance	(975)	(975)
Charge for the period / year	-	-
Allowance for expected credit loss - closing balance	<u>(975)</u>	<u>(975)</u>
Trade debts - net	<u>68,619</u>	<u>68,360</u>
11 LOANS AND ADVANCES		
Advances -unsecured		
-employees	1,954	-
-suppliers	95,303	24,806
	<u>97,257</u>	<u>24,806</u>
12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Trade deposits	3,649	4,184
Margin deposits	-	12,900
Short term prepayments	3,611	1,550
	<u>7,260</u>	<u>18,634</u>
12.1 It represented amount deposit against import letter of credit.		
13 OTHER RECEIVABLES		
Considered good		
Duty refundable due from Government	20,998	20,998
Others	176	761
	<u>21,174</u>	<u>21,759</u>

- 13.1** 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 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 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 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.

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

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

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

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
14 CASH AND BANK BALANCES		
Cash in hand	640	1,078
Cash at banks:		
- current accounts - conventional	2,848	5,255
- Islamic	2,611	229
- saving accounts - conventional	441	201
	<u>5,900</u>	<u>5,685</u>
	<u>6,540</u>	<u>6,763</u>
15 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
Ordinary shares of Rs.10 each		
-fully paid in cash	39,000	39,000
-issued as bonus shares	117,635	117,635
-issued in lieu of amalgamation	154,796	154,796
	<u>311,431</u>	<u>311,431</u>
	Number of shares	
Ordinary shares of Rs.10 each		
-fully paid in cash	3,900,000	3,900,000
-issued as bonus shares	11,763,492	11,763,492
-issued in lieu of amalgamation	15,479,567	15,479,567
	<u>31,143,059</u>	<u>31,143,059</u>
15.1 Fossil Energy (Private) Limited (a related party) holds 18,205,121 shares (June 2020: 22,211,121 shares) which are 58.46 % (June 2020: 71 %) of the total shares of the Company.		
16 TRADE AND OTHER PAYABLES		
Trade creditors	66,907	73,561
Accrued liabilities	4,425	1,237
Payable to provident fund	5,482	4,525
Withholding tax payable	592	127
	<u>77,406</u>	<u>79,450</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

The current status of the contingencies is same as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2020, except for the below mentioned updates.

During the period, a case was registered 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 involvement of Rs 17.407 million. The case was disclosed in note 24.2 of the annual audited financial statements of the Company for the year ended June 30, 2020 for which the legal advisor gave his opinion that the ongoing proceedings were not likely to culminate in incrimination of the Company.

Subsequently, the Collector of Customs passed an order dated December 08, 2020 disposing off the show cause notice and imposing a minute penalty on the owner of the warehouse, the importers and their clearing agents. However, the Custom House filed an appeal against such order.

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
17.2 Commitments		
Outstanding letters of credit for stock in trade	-	21,906
Ijarah financing	<u>5,704</u>	<u>8,122</u>

	Nine months period ended (Un-Audited) (Un-Audited) March 31, March 31, 2021 2020		Three months period ended (Un-Audited) (Un-Audited) March 31, March 31, 2021 2020	
	-----Rupees in '000-----		-----Rupees in '000-----	

18 REVENUE - NET

	Nine months period ended (Un-Audited) (Un-Audited) March 31, March 31, 2021 2020		Three months period ended (Un-Audited) (Un-Audited) March 31, March 31, 2021 2020	
	-----Rupees in '000-----		-----Rupees in '000-----	
Revenue from				
- Sale of goods	421,204	323,560	159,346	37,583
- Services	1,277	121,626	382	20,130
Revenue - gross	422,481	445,186	159,728	57,713
Less				
- Sales tax	(64,263)	(57,084)	(25,385)	(6,992)
- Cartage	(9,332)	(3,031)	(2,558)	(761)
	<u>(73,595)</u>	<u>(60,115)</u>	<u>(27,943)</u>	<u>(7,753)</u>
	<u>348,886</u>	<u>385,071</u>	<u>131,785</u>	<u>49,960</u>

19 COST OF SALES

Cost of goods sold	319,350	221,742	97,090	20,918
Cost of services	7,264	32,902	1,916	7,260
	<u>326,614</u>	<u>254,644</u>	<u>99,006</u>	<u>28,178</u>

CLOVER PAKISTAN LIMITED
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	Nine months period ended		Three months period ended	
	(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020	(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
20 EARNING PER SHARES - basic and diluted				
Basic earnings per share				
(Loss)/profit for the period	<u>(97,593)</u>	<u>57,626</u>	<u>2,744</u>	<u>(15,183)</u>
Number of shares				
Weighted average number of ordinary shares in thousand	<u>31,143</u>	<u>24,914</u>	<u>31,143</u>	<u>24,914</u>
	-----Rupees-----		-----Rupees-----	
Basic (loss)/earnings per share	<u>(3.13)</u>	<u>2.31</u>	<u>0.09</u>	<u>(0.61)</u>

20.1 There is no dilutive effect on the basic (loss)/earnings per share of the Company

21 TRANSACTION WITH RELATED PARTIES

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

	(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
	-----Rupees in '000'-----	
Transactions		
Associated Company - Hascol Petroleum Limited (Common directorship)		
- Sale of goods and services	<u>609,721</u>	<u>609,721</u>
Associated Company - VOS Petroleum Limited		
- Sales of goods and servicing income	<u>-</u>	<u>11,250</u>
Holding Company - Fossil Energy (Private) Limited		
- Sales of goods and servicing income	<u>299</u>	<u>18,030</u>
Associated Company - Market 786 (Private) Limited		
-Sale of goods	<u>-</u>	<u>301</u>
Directors' fee & management remuneration	<u>10,048</u>	<u>16,639</u>

CLOVER PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
Balances		
Holding Company - Fossil Energy (Private) Limited		
- Trade receivable	-	-
Associated Company - VOS Petroleum Limited		
- Trade receivable	-	-
Associated Company - Market 786 (Private) Limited		
- Trade receivable	-	-

22 FAIR VALUE MEASUREMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2020.

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

The different levels have been defined as follows:

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

The Company held the following financial assets at fair value;

	March 31, 2021			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	----- Rupees in '000'-----				
Short term investments	-	-	-	-	7,780
	-	-	-	-	7,780

22.1 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2020.

23 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:

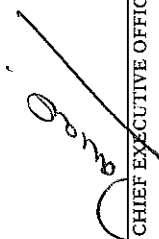
Description	Nine months period ended March 31, 2021					Nine months period ended March 31, 2020						
	Business automation and related services	Petrotech and related services	Chemicals	Lubricants	Others	Total	Business automation and related services	Petrotech and related services	Chemicals	Lubricants	Others	Total
Revenue - net	22,467	725	275,866	49,327	501	348,886	52,044	99,001	210,141	-	25,885	385,071
Cost of sales	(12,346)	(2,139)	(281,597)	(27,588)	(2,944)	(326,614)	(35,418)	(27,900)	(186,864)	-	(4,462)	(254,644)
Gross profit	10,121	(1,414)	(5,731)	21,739	(2,443)	22,272	16,626	71,101	23,277	-	19,423	130,427
Administrative and selling expenses	(14,617)	(15,974)	(19,201)	(6,259)	(59,139)	(115,190)	(13,816)	(10,498)	(9,760)	-	(44,153)	(78,227)
Operating (loss) / profit	(4,496)	(17,388)	(24,932)	15,480	(61,582)	(92,918)	2,810	60,603	13,517	-	(24,730)	52,200
Other income						1,309						31,312
Exchange loss						(602)						(804)
Finance cost						(149)						(1,544)
(Loss) / profit before taxation						(92,360)						81,164
Taxation						(5,233)						(23,538)
(Loss) / profit for the year						(97,593)						57,626

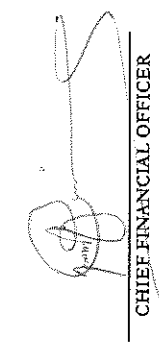
24 GENERAL

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

25 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 2020 by the Board of Directors of the Company.


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR