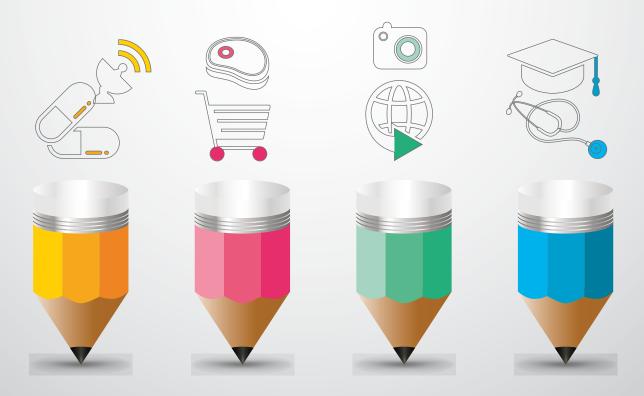


DEFINING Growth



ANNUAL REPORT 2017



Cyan Limited is a public listed company which emerged in the year 2011 after the revocation of the insurance license of Central Insurance Company Limited, established in Pakistan on 23rd April, 1960.

The objective of Cyan is to invest in companies with high growth potential through a process of recognizing opportunities and implementing strategies so that they progress with sustained growth.

An entrepreneurial dream is made from desire and passion. We at Cyan cultivate and recognize that passion and invest in its desire. We believe that through our platform, we can nourish companies with potential to go beyond their objectives. Our precision based strategies are focused on the development of the sectors and organizations where we invest. With our ability, experience and leadership, we can not only identify potential success, but also develop that potential for the future betterment of the company and also help in building the economy of Pakistan.

As a company, Cyan operates on core values of corporate social responsibility. We express these values through local involvement in education, community, and philanthropic efforts. Our passion, endeavor and ability, gives us the niche to make an organization with high growth potential, into a quantifiable, measurable and a sustainable success model.







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COMPANY INFORMATION

Board of Directors

Hasan Reza-ur Rahim (Chairman) Non-Executive Director Kulsum Dawood Non-Executive Director Inam Ur Rahman Non-Executive Director Kamran Nishat Independent Director Shafiq Ahmed Non-Executive Director Sulaiman S. Mehdi (Chief Executive) Executive Director Faisal Nadeem Executive Director

Board Audit Committee

Kamran Nishat (Chairman) Shafiq Ahmed Inam Ur Rahman

Board HR & Remuneration Committee

Kamran Nishat (Chairman) Inam Ur Rahman Hasan Reza-ur Rahim

Board Investment Committee

Hasan Reza-ur Rahim (Chairman) Inam Ur Rahman Shafiq Ahmed

CFO & Company Secretary

Faisal Nadeem

Head of Internal Audit

Ayman Anwer

Executives*

Sulaiman S. Mehdi (CEO) Faisal Nadeem (CFO & CS) Muhammad Anas Karimi (Senior Manager Finance) Ayman Anwer (Head of Internal Audit) Naresh Kumar (Investment Associate) Marvi Shaikh (Investment Analyst)

*As determined by the Board of Directors

Auditors

A.F. Ferguson & Co. (Chartered Accountants) State Life Building 1-C, I.I. Chundrigar Road, Karachi. Website: www.pwc.com/pk

Tax Consultants

A.F. Ferguson & Co. (Chartered Accountants) State Life Building 1-A, I.I. Chundrigar Road, Karachi. Website: www.pwc.com/pk

Share Registrar/Transfer Agent

Central Depository Company of Pakistan Limited CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi – 74400 Tel: 111-111-500 Fax: (92-21) 34326053

Legal Advisors

Mohsin Tayebally & Co. 1st Floor, Dime Centre, BC-4, Block 9, Khekashan, Clifton, Karachi

Rating Agency

JCR – VIS Credit Rating Agency VIS House, 128/C, 25th Lane Off Khayaban-e-Ittehad, Phase VII, DHA, Karachi

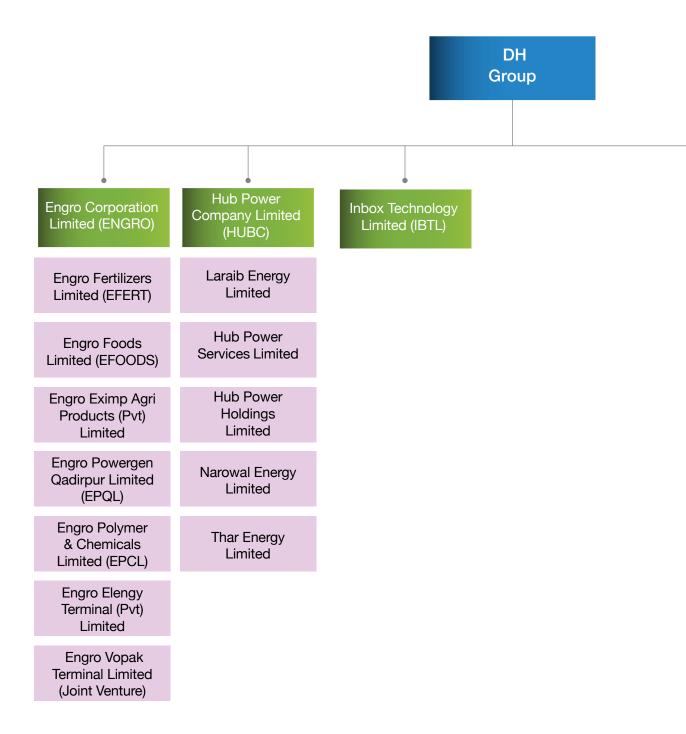
Bankers

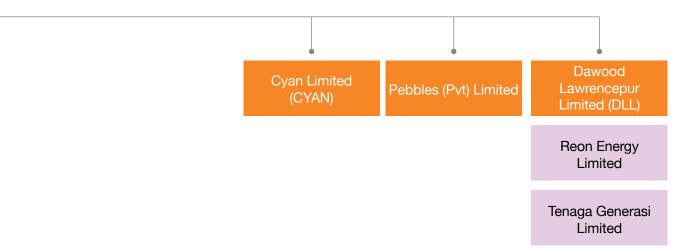
Allied Bank Limited Bank Al Habib Limited Bank Al Falah Limited Habib Bank Limited BankIslami Pakistan Limited Summit Bank Limited National Bank of Pakistan MCB Bank Limited

Registered Office

Dawood Centre, M.T. Khan Road Karachi-75530 Website: www.cyanlimited.com

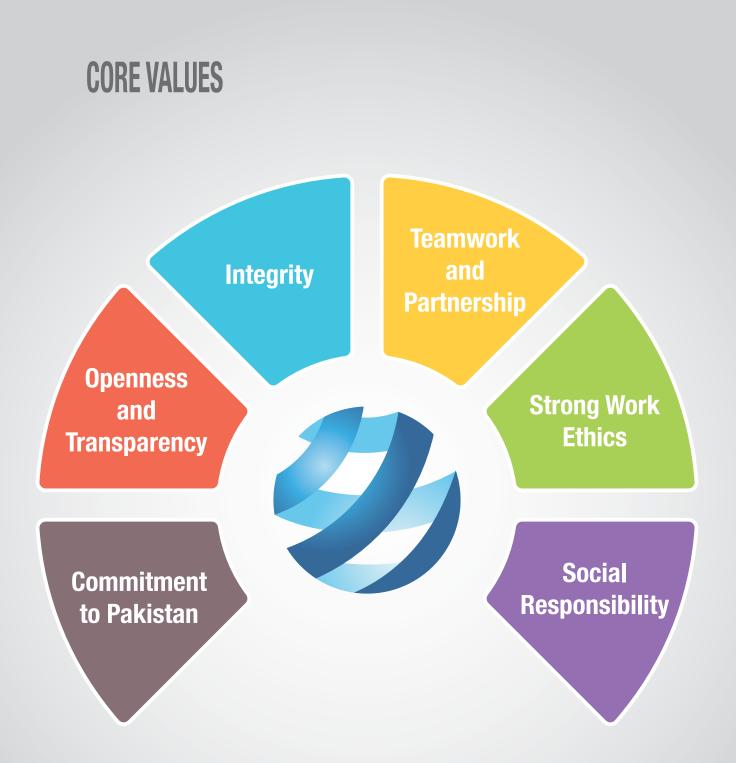
GROUP STRUCTURE





GEOGRAPHICAL PRESENCE ONLY IN KARACHI





STRATEGIC OBJECTIVES

Overall strategic objectives, management's objectives and strategies for meeting those objectives

At Cyan Limited, our aim is to solicit our strategic objectives in such a manner that our approach and endeavor to create a positive impact, remains intact.

Focus: Generate attractive returns on Equity Portfolio

Our success is a result of achieving growth through indepth analysis and management of risk while taking into account the ever changing investment environment. As we move ahead, our focus remains steadfast and impeccable. We are committed to generate attractive returns on the Equity Portfolio.

Aim: Maximize Shareholders' Wealth

Our aim is to maximize shareholders' wealth as we believe that our growth projectiles and their success are all with the trust and confidence that we get from our shareholders. Our strong business strategies only work with superior execution, so we endeavor that our strategic planning is aligned with the increase in wealth of our stakeholders.

Pursue: Private Transactions

Cyan Limited believes committing employees, capital and ideas to help entrepreneurs and high potential companies to thrive in Pakistan. We further believe that by taking private PSX can help better growth prospects for the target companies.

STRATEGY TO MEET OBJECTIVE

Monitoring our portfolio of investments frequently.

Maximizing resource utilization in the best possible manner.

2

Continuously seeking profitable avenues in high-growth sectors.

3

CODE OF CONDUCT

FOR EMPLOYEES:

This code is developed and adopted with a view to develop and promote the highest standards of ethical behavior, professionalism, integrity and commitment amongst the employees of the company. It is adopted with the end view of promoting good corporate governance.

The company makes it mandatory for all its employees to perform their duties and responsibilities in accordance with this code.

The company is guided by the following principles in all activities for attainment of the organizational objectives:

1. ABIDANCE OF LAWS / RULES

- a. All employees shall conform to and abide by the company policies, applicable laws, regulations and directives which may from time to time be in force.
- b. The employees shall not take part in, subscribe in aid of, or assist in any way, any political movement that is in disinterest of Cyan.

2. INTEGRITY

- a. Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, investors and employees, and not engage in acts discreditable to Cyan and the profession. If they become aware of any irregularity that might affect the interests of Cyan, they shall inform the senior management immediately.
- b. Maintain all books, data, information and records with scrupulous integrity, reporting in an accurate and timely manner all transactions/reports.
- c. Avoid all such circumstance in which there is personal interest conflict, or may appear to be in conflict, with the interests of Cyan or its clients.
- d. Not use their employment status to seek personal gain from those doing business or seeking to do business with Cyan, nor accept such gain, gift, favor, entertainment or other benefits, if offered.

3. CONFIDENTIALITY

Maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities/law. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefits of any individual(s). Inside information about Cyan's clients/affairs shall not be used for their own gain, or for that of others either directly or indirectly.

4. PROFESSIONALISM

Serve Cyan honestly and faithfully and strictly serve Cyan's affairs and the affairs of its constituents. Disclose and assign to Cyan all interest in any invention, improvement, discovery or work of authorship that they may make or conceive and which may arise out of their employment with Cyan. If their employment is terminated, all rights to property and information generated or obtained as part of their employment relationship will remain the exclusive property of Cyan.

5. BUSINESS/WORK ETHICS

- a. Respect fellow colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work.
- b. Ensure good attendance and punctuality and demonstrate a consistently good record in this area.
- c. Maintain a standard of personal hygiene and dress appropriately for attendance at work.
- d. As a personal responsibility, safeguard both the tangible and intangible assets of Cyan that are under their personal control and shall not use Cyan assets for their personal benefits except where permitted by Cyan.
- e. Not indulge in any kind of harassment including sexual harassment or intimidation whether committed by or against any senior/junior, coworker, customer, vendor or visitor. They shall not use language, written or spoken in intra office communication(s) or communication(s)

with individual(s) outside the office that may contain any statement or material that is offensive to others.

- f. Employees shall also not indulge in any of the following activities except with the prior permission of the competent authority:
 - i. Borrow money from or in any way place themselves under pecuniary obligation to broker or money lender or any employee of Cyan or any firm or person having dealings with Cyan;
 - Buy or sell stock, share or securities of any description without funds to meet the full cost in the case of purchase or scrip's for delivery in the case of sale. However, they can make a bona fide investment of their own funds in such stock, shares and securities in line with the employees trading policy;
 - Lend money in their private capacity to a constituent of Cyan or have personal dealings with a constituent in the purchase or sale of bills of exchange, Government paper or any other securities;
 - iv. Guarantee in their private capacity the pecuniary obligation of another person or agree to indemnify in such capacity any person from loss;
 - Act as agent for an insurance company otherwise than as agent for on behalf of Cyan;
 - vi. Be connected with the formation or management of a joint stock company;
 - vii. Engage in any other commercial business or pursuit either on their own account or as agent for another or others;
 - viii. Accept or seek any outside employment or office whether stipendiary or honorary; and
 - ix. Undertake part time work for a private or public body or private person, or accept fee thereof.

FOR DIRECTORS:

The Code is developed and adopted with a view to focus the Board and each Director on areas of

ethical risk; provide guidance to directors to help them recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty and accountability.

1. CONFLICT OF INTEREST

Directors including the Chairman must avoid any conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the the Board of Directors. A "conflict of interest" can occur when:

- A director's personal interest is adverse to or may appear to be adverse to – the interests of the Company as a whole;
- A director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as a director of the Company;

Some of the more common conflicts which directors should avoid are listed below:

- c. Relationship of Company with thirdparties. Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with Cyan. A director shall recuse him or herself from any Company Board decision involving another firm or Company with which the director is affiliated;
- d. Compensation from non-Company sources. Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company;
- e. Gifts. Directors may not offer, give or receive gifts from persons or entities who deal with Cyan in those cases where any such gift is being made in order to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest; and
- f. Personal use of Company assets. Directors may not use Company assets, labor or information for personal use unless approved by the Chairman of the Board or as part of a compensation or expense reimbursement program available to all directors.

2. CORPORATE OPPORTUNITIES

Directors are prohibited from:

- a. Taking for themselves or their companies opportunities that are discovered through the use of Company property, Company information or position as a director;
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities. However, if the Company is disinterested and the directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may then do so.

3. CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all non-public information relating to the Company.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS; FAIR DEALING.

Directors must comply, and oversee compliance by employees, officers and other directors,

with laws, rules and regulations applicable to the Company, including insider trading laws. Directors must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.

5. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR.

Directors should promote ethical behavior and take steps to ensure the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; and
- Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel.

6. COMPLIANCE STANDARDS

Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action(s) will be taken in the event of any violations of the Code.

CYAN SEVEN



Committed Management Team Company has a strong management team with demonstrated commitment to ethical values and a proven track record. Sizeable Market Share • Company has a sizebale market share or a clearly defined road-map to achieve one. **Scalable Business Model** • Company has a proven and scalable business model with an operational record of at least three years. • **Target Margin** Company has an EBITDA of at least PKR 200 million and has remained positive for the past three years. **Target Revenue** • Company has revenues of at least PKR 500 million or a tangible growth plan to achieve this target in the short term. **Minimum Investment Size** • The Company is seeking to raise at least PKR 100 million. • **Exit Potential** The ability of an exit for Cyan i.e. to sell its stake in 1-3 years via trade sale, IPO, share buy back/ redemption, etc.

CYAN EXPERTISE

1

2

3

Capital market expertise of \$50mn public equities portfolio managed over the last 6 years and a team that has combined 50 years' experience in public equities.

Knowledge base of various industries (Agribusiness, Power, Consumers etc.) and Operations (Governance, Board Level Involvement) due to the DH group platform.

Combining the two, Cyan can help to formalize and grow companies leading their way to list themselves on the PSX for increased representation of companies on the stock exchange.

ANIMAL PROTEIN

CAGR: 10% (Last 5 Years)

Livestock makes up 11% of Pakistan's GDP and contributes 58% to the agriculture sector. It is nation's source of animal protein in the form of various types of meat. Per capita local consumption of meat stands at 19.55 Kg.



According to Cyan's estimate, the size of the meat industry in Pakistan is around PKR 1,562 billion (USD 15 billion). As per the Economic Survey of Pakistan, beef is the largest meat produced in Pakistan with a 51.3% share, followed by poultry with 31.4% share and mutton with 17.3% share.

DID YOU KNOW?

- Annual growth in livestock population since 2012 is 8% against the growth of 2.40% of human population.
- Eggs consumed per day per person in Pakistan are 0.23, which is higher than India's 0.18.



MEAT EXPENDITURE (PKR BILLION)

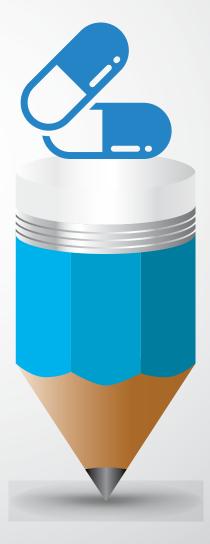


LOCAL CONSUMPTION PER CAPITA (KG)

PHARMACEUTICAL

CAGR: 12% (Last 5 Years)

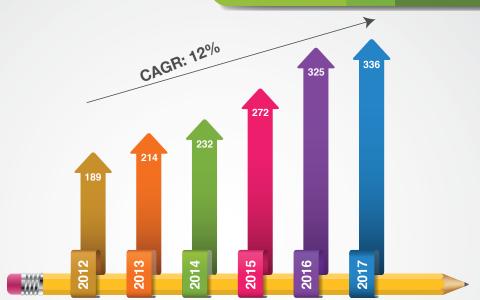
The Pharmaceutical industry contributes 1% to Pakistan's GDP. The industry has been growing at a five year CAGR of 12% on the back of rising demand in the country led by the increasing population. Currently valued at USD 3.2 Billion, the industry shelters more than 700 pharmaceutical manufacturing units. Among the regional countries, Philippines has the highest spending per capita of USD 34, while Bangladesh has the lowest with spending per capita of USD 13.



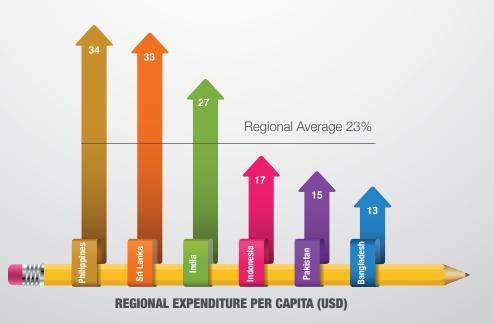
The pharmaceutical industry in Pakistan is valued at around PKR 336 billion (USD 3.2 billion). Pakistan's per capita pharmaceutical expenditure is USD 15, lower than the regional average of USD 23 per capita.

DID YOU KNOW?

- The top 50 firms in the industry hold 89% of the market share.
- Pakistan has zero laboratories for R&D which meet FDA or WHO standards.



PHARMACEUTICAL MARKET SIZE (PKR BILLION)



Source: Pakistan Pharmaceutical Manufacturers' Association, Pakistan Economic Survey and State Bank of Pakistan

HEALTHCARE

Quality of healthcare is a fundamental metric to assess the developmental stage of a country. According to Pakistan Economic Survey (2016-17), total hospitals in Pakistan are 1,215 including both public and private sectors. Pakistan shelters 131,171 hospital beds, 195,896 registered doctors, and 99,288 nurses. Accordingly, population per doctor is 1,061, per hospital bed is 1,584 and per nurse is 2,094. CAGR: 10% (Last 5 Years)



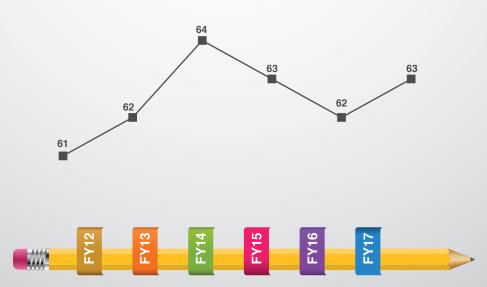
The size of the healthcare service industry is cumulatively valued at PKR 879 billion (USD 8.4 billion) in FY17, constituting 3% of Pakistan's GDP. The demand for healthcare services in Pakistan has increased steadily due to rising income levels, high population growth, increase in lifestyle diseases such as diabetes and cardiac and increasing accessibility within rural areas.

DID YOU KNOW?

- Infant mortality rate in Pakistan is 54 per thousand births.
- In 2017, Pakistan has witnessed a staggering growth of 42% in people diagnosed with HIV/AIDs.







Source: Pakistan Pharmaceutical Manufacturers' Association, Pakistan Economic Survey and State Bank of Pakistan

EDUCATION

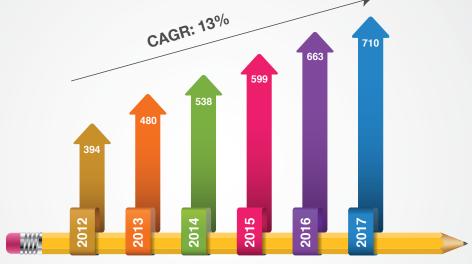
According to the latest Pakistan Economic Survey, the literacy rate of the population (10 years and above) is 58% thus, clearly indicating lack of penetration of education in the country. Province wise, Punjab has the highest literacy rate of 62% followed by Sindh with 55%, K.P. at 53% and Baluchistan with 41%. CAGR: 13% (Last 5 Years)



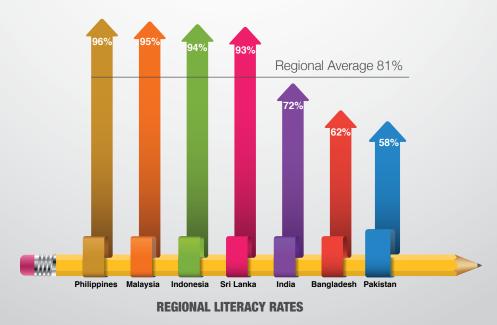
The education industry (public) in Pakistan is valued at PKR 710 billion (USD 6.8 billion), contributing 2.2% to Pakistan's GDP. However, in absolute terms, expenditure on education is growing at a CAGR of 13% since FY12. The sector is divided between public and private institutions, along with a number of non-government organizations running charitable education foundations. The Government of Pakistan is determined to enhance the resources available to education sector by ensuring proper and timely utilization of funds in order to achieve the target of Education sector to be 4% of GDP by the end of 2018.

DID YOU KNOW?

- Pakistan is home to 23 million children, who are out of school.
- Pakistan has the lowest literacy rate among its regional peers. (Philippines, Malaysia, Indonesia, Sri Lanka, India and Bangladesh)



TOTAL PUBLIC EXPENDITURE (PKR BILLION)



Source: Paklstan Economic Survey, State Bank of Pakistan & UNESCO

LOGISTICS

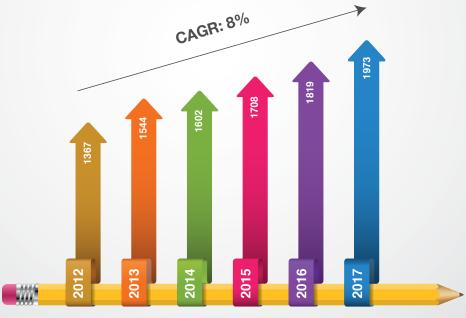
The size of Logistics industry is around 6.2% of Pakistan's GDP with a significant share of the sector outside the formal economy. The sector is marred with fragmentation, unorganized businesses, low margins and poor infrastructure. With the advent of CPEC and resulting upgradation of infrastructure, the sector is expected to grow at a very fast pace. Secondly, the sector might experience increased share of formal industry as a result of increasing infrastructure activity. CAGR: 8% (Last 5 Years)



According to Cyan's estimates the market size of the industry is around PKR 1,973 billion (USD 19 billion). Road transport services comprise 77% of the total market followed by sea transportation comprising 19%, while air transport, rail transport and warehousing form the rest of the industry. The sector has overdependence on road transportation due to weak rail infrastructure, which if countered, could make the industry more profitable and efficient.

DID YOU KNOW?

- Majority of Pakistan's trucking fleet is of Bedford make; the company closed its operations in Pakistan in 1986.
- World Bank has ranked Pakistan at 68th Position in Global Logistics Ranking 2016, which is below China, India, Indonesia and Malaysia.



LOGISTICS EXPENDITURE (PKR BILLION)

TECHNOLOGY

Compared to other sectors, the Technology industry in Pakistan is growing at an unparalleled CAGR of 26% since FY12, which is evident from the fact that Pakistan currently has the 13th largest broadband user base in the world. The sector can be divided into two sub sectors: IT Solutions and E-Commerce. The former has witnessed significant spike in terms of remittances, while the latter has seen numerous startups in the past few years. With 3G, 4G and LTE technologies incorporated a little less than 4 years ago and more technology being adopted systematically by various industries, it is likely that this industry will be witnessing exponential growth in the years to come.

CAGR: 26% (Last 5 Years)



The total market size of IT Exports and E-Commerce is PKR 360 billion (USD 3.4 billion), forming 1.1% of the GDP, with major contribution coming from IT Exports which is estimated to be USD 2.8 billion. The domestic revenue of IT sector is estimated at USD 0.5 billion and it is expected to grow rapidly as major initiatives are being taken at the government level for digitization of public sector entities.

DID YOU KNOW?

- People within the age bracket of 25-34 are most inclined to use technology for shopping.
- Nigeria, Ghana and Bangladesh skipped the landline era as less than 1% of the households in those countries had landline connections. However, in Pakistan, an estimated 10% of the households still have landline services installed.



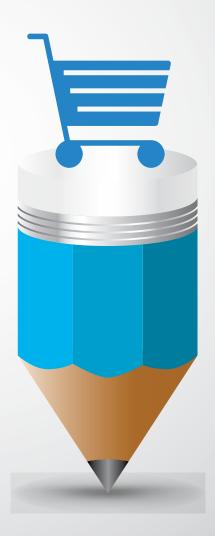
TECHNOLOGY INDUSTRY (PKR BILLION)

Source: State Bank of Pakistan, Pakistan Economic Survey, Kamyu (now known as Daraz) and Ministry of Information Technology

RETAIL

Retail sector contributes 18.5% in GDP and is also the largest subsector of the services sector having a share of 31%. Retail sector grew by 11% in FY17 compared to 5% in FY16 signifying booming consumerism and services growth. A subsector of retail: e-commerce has also witnessed an uptick in the recent years due to numerous startups opening up as Pakistan continues its progression towards the digital age and takes a more optimistic approach towards the era of technology. This is supported by the fact that the broadband penetration has increased to 21% compared to 16% last year.

CAGR: 10% (Last 5 Years)



The retail sector is valued at PKR 5,895 billion (USD 56 billion). The fundamental growth in the sector is backed by the recent digitization of retail via e-commerce and opening up of new malls such as Lucky One, Packages and Emporium in the last two years, numerous food chains entering the market with older ones expanding nationally and hefty discounts being offered by leading clothing brands more frequently than ever. The major sectors include food and beverages, apparel, footwear, health and beauty, electronics and home furnishings.

DID YOU KNOW?

• According to Bloomberg, going forward Pakistan will be the world's fastest growing retail market with an expected growth rate of 8.2% p.a.



RETAIL EXPENDITURE (PKR BILLION)

Source: Pakistan Economic Survey & State Bank of Pakistan

CAGR: 17% (Last 5 Years)

MEDIA & ENTERTAINMENT

Increasing income levels of the Pakistani populace has led to an increase in urbanization, leading to a change in the demographic and economic patterns. An increase has been witnessed in the total number of households from 32 million to 35 million. The daily average TV viewership per person is 3.6 hours (a rise of 10%) compared to FY 2015-16). Number of TV channels currently stand at 98 channels of which news channels comprise of 37%, entertainment channels 21%, regional channels 12% and remaining 30% is others category*.

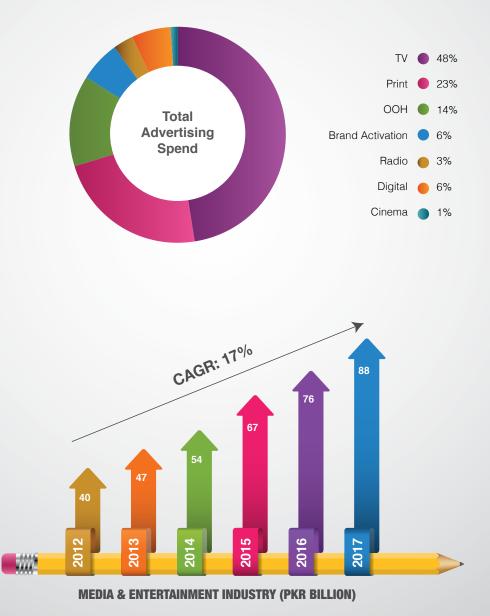


* Others category includes channels of Sports, Cooking, Religious, Education, Movies and Music

Advertising has been identified as the major source of revenue for Media and Entertainment, with FMCG companies comprising of 80% of the total advertising expenditure, which has been growing at a CAGR of 17% since FY12. The sectoral share of advertising spends is as follows: TV – 48%, Print – 23%, Radio – 3% and others – 26%.

DID YOU KNOW?

- Regardless of more airtime minutes for news, local entertainment still retains its high viewership ratings.
- Pakistan has a lower cable penetration of 35% in comparison to India's 60%.



Source: Aurora, Medialogic, State Bank of Pakistan

NOTICE OF THE FIFTY EIGHT (58TH) ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Eight (58th) Annual General Meeting (AGM) of Cyan Limited will be held at Karachi at 11:30 a.m. on Thursday the March 29, 2018 at TDF Business Hub to transact the following businesses:

ORDINARY BUSINESS

- 1. To confirm the minutes of the 57th Annual General Meeting of the Company held on April 28, 2017.
- 2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2017 together with the Auditors' and Directors' Reports thereon.
- 3. To appoint Auditors for the year ending December 31, 2018 and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if deemed fit, approve the amendment in the Memorandum of Association of the Company as mentioned in detail in the Statement under Section 134 of the Companies Act, 2017; and pass the following resolutions, with or without modifications, as Special Resolutions:

"RESOLVED that subject to the passing of the Special Resolutions by the shareholders, confirmation of the alteration of the Memorandum of Association by the SECP and clearance by the Pakistan Stock Exchange Limited, the alteration to the Memorandum of Association of the Company be and is hereby recommended;

FURTHER RESOLVED that subject to the passing of the Special Resolutions by the shareholders and clearance from Pakistan Stock Exchange Limited, for confirmation of alteration of Memorandum of Association in terms of Section 32 of the Companies Act, 2017, the Chief Executive Officer and the Company Secretary be and are hereby jointly and severally authorized to fulfill all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association.

FURTHER RESOLVED that a formal application be filed with the SECP under Sections 32 to 35 of the Companies Act, 2017, read with Rules 3 and 30 of the Companies (General Provisions and Forms)

Rules, 1985, along with all requisite documents, affidavits, statements, etc. for confirmation of alteration of Memorandum of Association for which purpose, the Chief Executive Officer and the Company Secretary be and are hereby jointly and severally authorized to fulfill all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association."

5. To transact any other business with the permission of the Chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134(3) of the Companies Act, 2017 setting forth all material facts concerning the resolution contained in item No.4 of the notice which will be considered for adoption at the Meeting.

By order of the Board

FAISAL NADEEM Company Secretary

Karachi, March 08, 2018

NOTES: CLOSURE OF SHARE TRANSFER BOOKS

The Share transfer books of the Company will remain closed from Friday March 23, 2018 to Thursday March 29, 2018 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000, by the close of business (5:00 p.m.) on Thursday March 22, 2018 will be treated in time for the purpose of attending and voting at the AGM.

PARTICIPATION IN THE ANNUAL GENERAL MEETING

A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend and vote. A Corporation being a member may appoint any person, whether or not a member of the Company, as its Proxy. A Proxy, duly appointed, shall have such rights as respects speaking and voting at the Meeting as are available to a member.

In order to be effective, Proxy Forms, duly filled and

signed, must be received at the Registered Office of the Company, not less than forty-eight (48) hours before the Meeting. A blank Proxy Form is attached at the end of the report.

CDC account holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. FOR ATTENDING THE MEETING

- In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- ii. Attested copies of valid CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.
- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the forms.

CNIC NUMBER

As instructed by Securities & Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/ Misc./2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares were requested to submit copies of their valid CNICs/NTN Certificates along with the folio numbers to the Company's Share Registrar: M/s. Central Depository Company of Pakistan Limited., CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers, failing which we will not be responsible if we are not able to pay the dividend.

DIVIDEND MANDATE

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance")

The Government of Pakistan through Finance Act, 2017 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on amount of dividend paid to shareholders. These tax rates are as under:

- (a) For filers of income tax returns 15.00%
- (b) For non-filer of income tax returns 20.00%

Withholding tax on Dividend in case of Joint Account Holders

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher side, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.



Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000 to collect / enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend.

Consent for Video Conference Facility

Members can also avail video conference facility. In this regard please fill the following and submit to registered address of the Company at least 10 days before holding the general meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We,			of
	, beir	ng a membe	er of Cyan
Limited, holder of			ordinary
share (s) as per	Register	Folio/CDC	Account
No ł	nereby opt	for video co	onference
facility at			

Signature of members

Change of Address

Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Company's Registrar. All the shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their participants.

STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2017

ITEM (4) OF THE AGENDA

To give effect to the above, clause III(5) of the Memorandum of Association of the company is proposed to be amended as follows:

Clause No.	Existing Text	Proposed Amended Text	Remarks
III(5)	To operate, conduct, accomplish and establish services for or relating to financial consultancy, technical consultancy, management services, capital growth, trading and investments in securities, including research programs, systems analysis, electronic data processing for industrial trading and commercial activities.	To operate, conduct, accomplish and establish services, including research programs, for or relating to financial consultancy, technical consultancy, management services, capital growth, trading and investments in securities, and to provide advisory service in connection with the public issue of securities and to act as consultant to the issue of securities, either singly or jointly with one or more consultants to the issue, as per laws, rules and regulations as may be applicable from time to time and to obtain and maintain any license to provide such services as may be allowed to the company under any such license.	To alter existing clause III (5) of the Memorandum of Association to add the business as Consultant to the Issue as required in terms of Public Offering (Regulated Securities Activities Licensing) Regulations, 2017.

DIRECTORS' REPORT

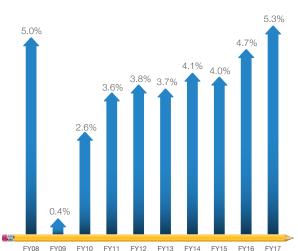
The Board of Directors is pleased to present the 58th Annual Report of the company together with the audited financial statements for the financial year ended December 31, 2017.

Economy Review

Pakistan economic performance continued its upward trajectory in FY17, posting a decade high GDP growth of 5.3% and for the first time in history the economy has crossed USD 300 billion. This tremendous growth is primarily attributed to Service and Industrial sector growth of 5.9% and 5.0% respectively, whereas Agricultural sector growth was 3.5%.

The Service sector emerged as the main driver of economic growth in FY17 by surpassing the targeted growth of 5.7% and the Agriculture sector rebounded to 3.5% growth as compared to muted growth last year, due to the increases in support price for production, credit to agriculture sector and better arrangements for the provision of inputs like seed and fertilizers.

Large Scale Manufacturing (LSM) on the other hand, registered a growth of 5.6% YoY in FY17 compared to 3.2% in FY16. This is the highest rate of increase recorded during the last four years, which reflects the revival of growth in large industries' production. The growth in FY17 is highly attributable to the highest growth rate of 20.5% in Iron and Steel industry, followed by electronics 17.0%, food & beverages and tobacco 11.5%, automobiles 11.2% and pharmaceuticals 9.2%. The LSM sector benefitted from the continued improvement in the supply of electricity and gas coupled with the expansion in credit to the private sector.

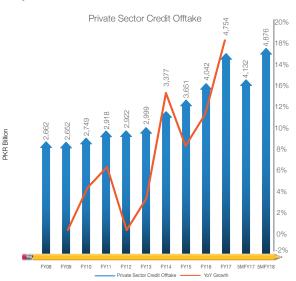


GDP Growth Rate

Inflation too, increase to 4.2% in FY17 compared to 2.9% in the preceding year. The uptick in inflation is due to the revival of international commodity prices, particularly oil as evident by 16% YoY increase in Brent Oil to USD 50.9/barrel and an increase in domestic demand on the back of rising economic activities. Moreover, SBP has set a target of 6% inflation for FY17-18 and currently average inflation is 3.75% compared to 3.88% in 1HFY17.

Multiyear low interest rates and improved law & order situation also translated into increases in private sector credit offtake by PKR 712 billion as compared to PKR 391 billion in FY16 (Up 82%YoY) during FY17. Similarly, total investment to GDP ratio increased to 15.8% in FY17 as compared to 15.2% in the preceding year. The total savings to GDP ratio slightly decreased to 13.1% in FY17 against 14.3% last year.



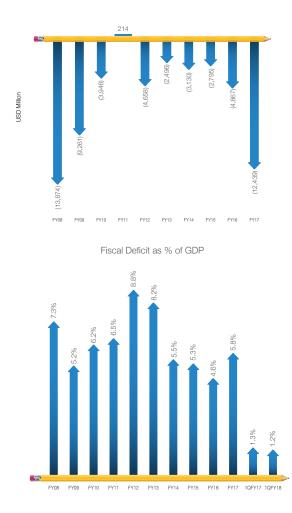


However, pressures on the external front and an expansionary fiscal policy remained in check. Current Account Deficit (CAD) widened to USD 12 billion in FY17 compared to USD 4.8 billion in FY16. This was due to escalating trade deficit on the back of rising imports both for CPEC and non-CPEC related energy and infrastructure projects. Encouragingly, the IMF program, albeit with some hitches, was completed in FY17 where the Government by and large managed to meet its performance criteria in each quarter resulting in timely disbursements of USD6.6 billion under the Extended Fund Facility (EFF) program. Moreover, FY18 also commenced with further escalating pressures on the current account as the deficit stands at USD 6.4 billion in 5MFY18, up by 0.9x against the same period last year. The month of December 2017 witnessed devaluation of PKR against USD by around 5%. However, given the likely evolution of the current account, further depreciation of PKR cannot be ruled out.

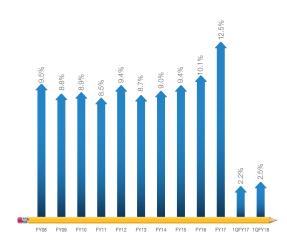
Current Account Deficit

On the fiscal front, budget deficit increased significantly to 5.8% of GDP for FY17 against government's revised target deficit of 4.2% of GDP. This widening of the fiscal deficit was largely attributed to a notable increase in development expenditures, and below budget tax and non-tax revenues. FBR revenue witnessed YoY growth of 8% which is significantly less than targeted amount. FBR provisionally collected taxes worth PKR 753.4 billion (+2.1%YoY) during the 1QFY18. Keeping in view uncertainties in international commodity and financial markets and its subsequent impact on country's key macroeconomic indicators, SBP decided to leave policy rate unchanged at 5.75% in its September and November 2017 announcements.





Tax Revenue as % of GDP



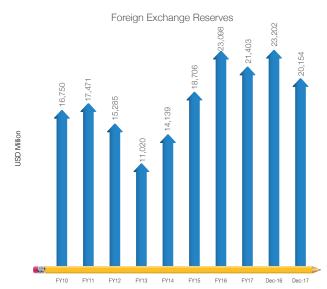
In the largest-ever transaction, Pakistan raised USD 2.5 billion in November 2017 from global capital markets by issuing a five-year Sukuk and a 10-year Eurobond at relatively low rates. The primary purpose for the Eurobond and Sukuk issue was to shore up FX reserves. Total liquid foreign exchange reserves stood at USD 20.154 billion as on 29 December 2017.

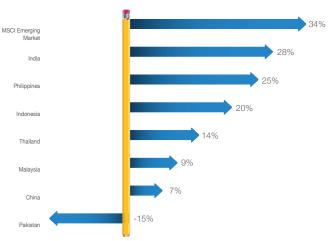
Going ahead, 2018 is likely to address political concerns to a great extent as the general elections will give the new government a fresh tenure to restart the waning economic reforms program. Corporate earnings are expected to keep growth momentum and being in the election year significant public-sector expenditure are expected which will drive economic growth. GDP is projected at 6% for FY18 as real economic activity is expected to continue to benefit from accommodative macroeconomic policies, activities related to CPEC and consistently improving domestic energy supply and security situation.

After providing a stunning return of 45.7% last year and an average return of 21.82% in the past

5 years, the KSE-100 Index dropped by 15.35% (20.2% in USD) in CY17 to close at 40,471 points. 2017 started with peak optimism for the investors, as MSCI upgraded PSX to the Emerging Markets Index after nine years of exclusion, projects under CPEC were being announced and macro situation was relatively stable. However, instead of inflow, PSX witnessed an outflow of USD 82 million on the day of reclassification. To make matters worse, the macro situation started to worsen, the budget disappointed and the MSCI upgrade turned out to be an anti-climax. Also, political turmoil due to the disgualification of then Prime Minister Nawaz Sharif and post disgualification related events along with concerns over economy, particularly on the external account continued to hurt investors' sentiments.

Consequently, the average daily volumes also suffered with average daily turnover declining to 236 million shares per day (declined 16% YoY); however, average traded value improved to USD 158 million per day (up 13% YoY).





Regional Countries in MSCI Emerging Market Index Performance in CY17

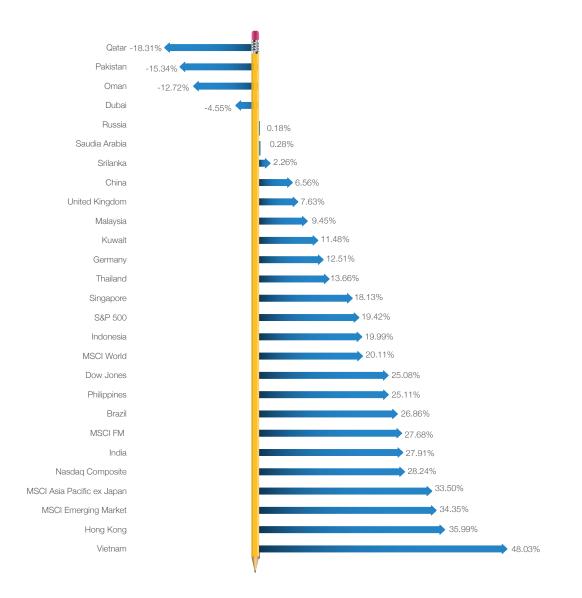


Foreign participation was expected to increase in 2017 on inclusion of Pakistan in the MSCI EM index but it saw another round of foreign selling that has now stretched over 3 years. This year's outflow is the highest ever as foreign investors pulled out USD 487 million worth of investments from PSX. Dissection of FIPI on a sector-wise basis revealed major selling was witnessed in Cements (USD 169 million), Other Sectors (USD 116 million), Commercial Banks (USD 101 million) and Power Generation & Distribution (USD 51 million).

We understand that political noise is expected to remain escalated with general elections due in 2018. However, the democratic process will be continued and elections will take place on time. The forward P/E multiple of KSE-100 index is 9.6x, representing a significant discount to the regional markets which are trading at average P/E multiple of 13.8x. Entry into a new IMF program and looming PKR devaluation will restore the con¬fidence of foreign fund managers who are yet to take a meaningful position in PSX post entry in Emerging Market Index. Thus, KSE-100 index is expected to post double digit return in 2018.

Worldwide Indices Performance in CY17

CY17 Absolute Return



Sector Reviews

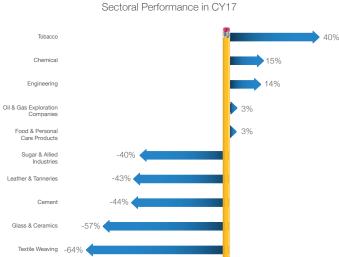
In 2017, Tobacco, Chemical, Engineering, Oil & Gas Exploration and Food & Personal Care Products sectors outperformed the KSE-100 index. However, the worst performing sectors were Textile Weaving, Glass & Ceramics, Cement, Leather & Tanner and Sugar & Allied products.

Sectors which weigh down the index most in terms of weight were Cements, Banks, Power and Pharmaceuticals; whereas, Oil & Gas Exploration and Engineering sectors contributed positively to the KSE-100 index.

Despite record volumetric sales, Cement sector declined the most owing to rise in international coal prices, fear of margin contraction and drop in cement prices in some parts of the country. Power sector remained under pressure after the abrupt decision of government to cease FO based generation and lower multiyear tariff for K-Electric Limited. Underperformance of Pharma sector was attributable to concerns over margins on account of possible PKR devaluation.

Hefty foreign selling in index heavy-weight (Habib Bank Limited) on account of failure to comply with regulations in its New York branch and resultant penalty of USD 225 million dampened the investors' sentiments and the overall Banking Sector had borne the brunt.

Higher international oil prices (up by 30% YoY) on account of OPEC and non-OPEC producers' agreement to extend oil output cut and disruptions in major oil producing countries along with looming PKR devaluation resulted in strong performance of Oil & Gas Exploration sector. Capacity additions, improved earnings on account of enhanced margins and imposition of anti-dumping duties helped engineering sector to outperform the index



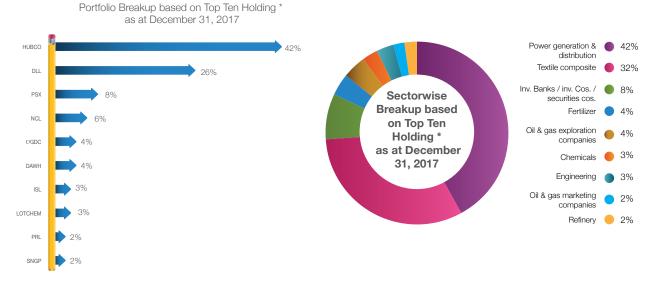
Company Performance

During the year the company maintained its exposure towards public equities at 98% (average), whereas 2% was vested towards mutual funds and Government Securities. The equity exposure was based on overall improvement in the key macroeconomic metrics, particularly FX reserves and inflation in single digits. The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, sizable investments were made in textile composite, power generation & distribution, Banks, oil and gas marketing companies and Engineering. Dividends from our equity portfolio decreased by 26% to Rs.147 million for the year 2017 as opposed to Rs.199 million earned last year. The reduction in dividend income is mainly due to lower dividend declaration from HUBCO and DAWH. The company also earned realized capital gains of Rs.85 million (2016: Rs.259 million) and unrealized loss of Rs.677 million as opposed to Rs.364 million unrealized gain in the corresponding period last year.

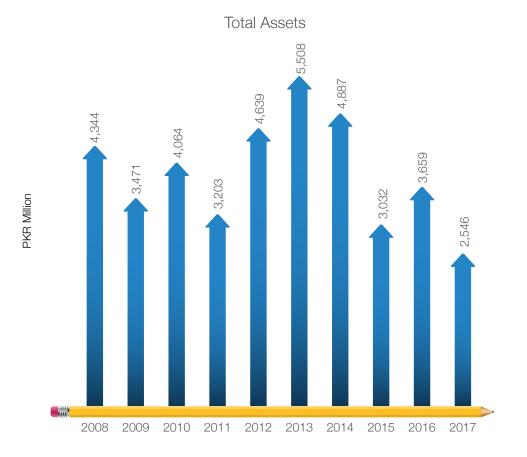
During 2017 loss after tax stood at Rs.538 million as compared to profit of Rs.711 million reported last year.

The brief summary of the financial highlights for the year ended December 31, 2017 and 2016 is as under:

· · · · · · · · · · · · · · · · · · ·			Rs. in Million
Particular	2017	2016	Change
Return on investments	150	202	(26%)
(Loss) / Gain on sale of investments - net	85	259	(67%)
Other income	17	35	(51%)
	252	496	(49%)
Unrealized (diminution) / appreciation	(677)	364	(286%)
	(425)	860	(149%)
Operating & administrative expenses	(96)	(113)	15%
Financial charges	(15)	(13)	(15%)
(Loss) / profit before tax	(536)	734	(173%)
Taxation	(2)	(23)	91%
(Loss) / profit after tax	(538)	711	(176%)
(Loss) / earnings per share – Rupees	(9.17)	12.13	(176%)



*Top Ten Holdings represent 93% of Total Equity Portfolio



(Loss) / Earnings per Share

During the year the company posted loss per share of Rs.9.17 compared to earnings per share of Rs.12.13 in 2016.

Appropriation and Dividend

The Company's loss after tax for the year ended December 31, 2017 stood at Rs.538 million compared to profit after tax of Rs.711 million last year. Due to loss the Company has not declared any dividend.

Objectives and Corporate Strategy

Company's sound and satisfactory performance for last five years is backed by achievement of our corporate objectives. We are committed to mounting good asset quality portfolio and continuously build the Company at sound footing with diversified pool of income stream. We are perusing consultant to the issue & corporate finance advisory business for adding new stream of income. The key elements of our corporate strategy have been to effectively employ available resources and maximize profitability while managing and mitigating related risks.

Liquidity, Cash Flows and financing arrangement

The Company has an effective cash management system, powered by a team of dedicated and competent employees, preparing forecasts and regularly monitoring Company's cash needs. Inflows and outflows of cash and other liquid assets, including investments, are managed on net adjusted return basis. The Company has running finance facility of Rs. 3,000 million which has been partially utilized during the year and will be used as and when any investment opportunity arises.

Capital Structure

In the past years the Company has issued bonus shares which increased paid-up capital of the Company to Rs.586.28 million. Shareholders' fund at the year-end totaled Rs. 2,270 million. The liquidity position of the Company remains strong with a yearend current ratio of 9.

Risk management & Strategy for Mitigating Risks

Company also manages a portfolio of short term investments, made after thorough financial evaluation. The credit risk in short term investments is minimized through diversification in investments among Government Securities and highly rated money market mutual funds. Short term investments include public equities having good financial health and highly rated money market mutual funds.

Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Company's credit risk mainly arises from deposits with banks, loan to employees, Investments in mutual funds and trade and other receivables. For banks and financial institutions, management keeps deposits with reputed institutions. For investment in mutual funds, management keeps surplus funds in high rated mutual funds. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. Further, risk of investment in mutual funds is also minimal as Company is exposed to high rated money market funds for liquidity management.

Market risk

Market risk is the risk of change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. However, the Company is exposed to interest rate risk and equity price risk.

The Company is exposed to market risk with respect to its investments, long term loans, short term deposits and bank balances. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the equity market. The market risks associated with the Company's business activities are interest rate risk and price risk. The Company is not exposed to material currency risk.

Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has a substantial exposure towards money market mutual funds therefore it is exposed to interest rate risk, however the same is mitigated via investing in these funds with less than 90 days duration.

Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified on the Statement of Financial Position as available for sale and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks.

Foreign currency risk

The Company is not materially exposed to risk from foreign currency exchange rate fluctuations.

Relationships with Stakeholders

The Company recognizes and respects the rights of each and every stakeholder including shareholders, employees, creditors, local communities and others. The Company encourages active participation of shareholders in all general meetings of the Company and values their views towards better governance and operational management. The Company is also aware of its legal and constructive obligations towards its stakeholders where it operates and takes proper actions to timely respond to their expectations after taking into account a realistic view of their interests associated with the Company. A detailed overview is made at all shareholders meeting for keeping them abreast with the overall performance of the Company.

Information Technology

We strongly believe that role of IT is very important for progress of any business. In order to achieve better market infrastructure and implementations of sound techniques for controls of risks, the role of IT is very important. The company implemented certain key applications, i.e. human resource management, enterprise general ledger and fixed assets module. Due to implementation of above modules, the operational capabilities of relevant department of the Company improved and these developments supported the improvement of internal controls and effective management information system.

Human Resources Development, Training & Succession Planning

The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods and benchmark surveys to further strengthen organization structure and effectiveness.

Staff training is carried out on a continuous basis throughout the year, based on the employee training need particularly in the area of knowledge enhancement and skills. Training and human resources development always remains very important for the Company. The Company HR Manual is designed in such a way that always gives proper reward, sense of encouragement and motivation amongst the staff members. The Company not only attracts the best talent in the company but also grooms and develops their abilities for future leadership roles. The Company believes in empowering employees by providing them with challenging opportunities to enhance their potential and develop their abilities. Clear roles and job descriptions are defined, based on which, succession plan is prepared for sensitive and critical positions in the Company.

Internal Control

The internal control framework has been effectively implemented through an in-housed Internal Audit function established by the Board which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company. The Internal Audit function has carried out its duties under the charter defined by the audit Committee. The Audit Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Corporate Social Responsibility (CSR)

Sustainable and responsible development is not only binding by local laws on corporate entities, but it is more about moral obligation which needs to be followed and practiced with the best spirit. Cyan strongly believes that improving its environmental and social performance is inevitable for its financial success. The Company always emphasizes on culture of excellence, good governance, transparency, integrity and accountability. We continued with our CSR program with focus on:

- Education
- Health Sector
- Community Building
 - Children Welfare
 - Heritage Preservation
 - Relief Activities

Energy Conservation

The Company's energy conservation measures include usage of energy savers all around the Company areas and shutting down auxiliaries and equipment's wherever possible.

Occupational Health, Safety & Environment Protection

We are committed to achieve excellence in health, safety and environment across our business. Cyan maintains a safe working environment and takes responsibility for the health and wellbeing of its staff and stakeholders. All new employees are required to go through a compulsory medical checkup at the time of appointment.

Community investment & welfare schemes

Support of community development continued to be a significant element of Cyan's CSR policy. The Company is committed to work with community in a way that delivers positive and lasting change for people in need.

Corporate Relations

Corporate relations promote efficiency, productivity and decent work. Indeed, a participative and mutually respecting relations, advance cooperation, enhance productivity and promote trust thereby reducing dislike and exploitation.

Employment of special persons

Being a caring employer, Cyan takes special interest in creating employment opportunities for special persons.

Business Ethics and Anti-Corruption Measures

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. Unethical practices of any sort are not to find their way into our business. All employees must act at all times in the interest of Company's shareholders and no employee shall ever commit an illegal or an unethical act, or instruct and encourage another employee to do so.

The Company has communicated the Code of Conduct to all its directors and employees and has also placed it on its website.

Contribution to National Exchequer

Cyan made a sizeable contribution of Rs.37.67 million to the National Exchequer by way of taxes, during the year 2017.

Credit Rating

On December 27, 2017 JCR-VIS Credit Rating Company Limited has reaffirmed the entity ratings of 'A/A-1' (A /A-One) to Cyan Limited (CL). Outlook on ratings is 'Stable'.

Related Party Transactions

During the year all transactions made with associated companies/related parties were duly recommended by Board's Audit Committee and approved by the Board of Directors of the Company. All transactions with related parties are on arm's length basis.

Board of Directors

The Board comprises of Seven Directors.

Changes in the Board

Two casual vacancies occurred due to resignation of Mr. Ghias Uddin Khan and Mr. Shahzada Dawood on the Board before Board of Directors election held on April 28, 2017, The Board would like to place on record its appreciation for the dedication, commitment and valuable contribution made by them as members of the Board.

The Board also welcomes Mr. Inam Ur Rahman and Mr. Faisal Nadeem who joined as members in place of the outgoing Directors.

Conflict of Interest among BOD Members

Any conflict of interest is managed as per provisions of the Acts, Ordinance and rules and regulations of SECP and Pakistan Stock Exchange.

CEO Performance Review

Appointment of the Chief Executive Officer (CEO) is made by the Board of Directors for tenure of three years. During the year, the Board of Directors of Cyan Limited at their meeting held on August 21, 2017 has re-appointed Mr. Sulaiman S. Mehdi as the Chief Executive Officer of the company for a term of three years with effect from August 26, 2017.

Each year, the Board reviews performance of the CEO against pre-determined operational and strategic goals. The Board adopts the monitoring role, giving full authority to the CEO to manage the Company, implement strategic decisions and policies of the Board and align the Company's direction.

Directors Training Programme

All seven directors have a minimum of fourteen years of education. All the directors have obtained certification under the directors' training program stipulated in the Code of Corporate Governance as contained in the PSX Rule Book.

Safeguarding of Company Records

Due to increasing dependence on IT for recording and reporting of financial transactions, due attention has been given to IT enabled tools for security of financial records. We archived financial and supporting record using Cloud services enabling timely and convenient retrieval of relevant documents. For ensuring safety of documentation, the Company has hired services of Data Recall, an organization responsible for maintaining documents in a sealed box at the state of the art designed facility. At the location, each box and cabinet are bar coded providing efficient and effective traceability.

Board Meetings

During the year under review, five (5) meetings of the Board of Directors were held, which were all presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings required by the Code of Corporate Governance as contained under the PSX Rule Book. Attendance by each director was as follows:

	No. of meetings held	No. of meetings attended
Hassan Reza-ur Rahim (Chairman)	5	4
Kulsum Dawood (Director)	5	3
Sulaiman S. Mehdi (CEO/Director)	5	5
Kamran Nishat (Director)	5	4
Shafiq Ahmed (Director)	5	4
Shahzada Dawood (Director)*	1	1
Inam Ur Rahman (Director)**	4	4
Ghias Uddin Khan (Director)**	1	-
Faisal Nadeem (Director)*	4	4

- * Faisal Nadeem appointed as Director on the Board of Cyan Limited on April 12, 2017 in place of Shahzada Dawood.
- ** Inam Ur Rahman appointed as Director on the Board of Cyan Limited on March 29, 2017 in place of Ghias Uddin Khan.

Board Audit Committee Meetings

	No. of	No. of
	meetings	meetings
	held	attended
Kamran Nishat (Chairman)	6	6
Ghias Uddin Khan (Member)*	2	-
Hasan Reza-ur Rahim (Member)**	3	2
Inam Ur Rahman (Member)	4	4
Shafiq Ahmed (Member)	6	6

- Resigned effective March 29, 2017.
- ** Elected Chairman on April 30, 2017.

Board Investment Committee Meetings

	No. of	No. of
	meetings	meetings
	held	attended
Hasan Reza-Ur Rahim (Chairman)	1	1
Inam Ur Rahman (Member)	1	1
Shafiq Ahmed (Member)	1	1

Board HR & Remuneration Committee Meetings

	No. of	No. of
	meetings	meetings
	held	attended
Hasan Reza-Ur Rahim (Chairman/Member)	4	4
Ghias Uddin Khan (Member/Chairman)*	1	-
Inam Ur Rahman (Member)	3	3
Kamran Nishat (Member)	4	4

* Resigned effective March 29, 2017.

Code of Conduct

The board of directors adopted the Code of Conduct for Directors and for employees and the same has been circulated to board members and employees in terms of requirement of the code of corporate governance. The code of conduct is also placed at the company's website.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company, present fairly its State of Affairs, the Results of its Operations, Cash Flows and Statement of Changes in Equity.
- b) The Company has maintained proper books of accounts as required under the Companies Ordinance, 1984.
- c) The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. All changes, wherever made during the year have been adequately disclosed and accounting estimates are on the basis of prudent and reasonable judgment.

- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The fundamentals of the Company are strong and it has the ability to continue as a going concern free from uncertainties.
- g) The Company has followed the best practices of the Corporate Governance as laid down in the PSX Rule Book and there has been no material departure there from.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding except in the ordinary course of business and described in the financial statements.
- i) The value of investments of the Provident Fund as maintained by the Company on the basis of audited accounts as on June 30, 2017 is Rs.23.07 million.
- j) There was no trading of shares by Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses and minor children during the year.
- K) All of the company directors are Certified Directors under Directors' Training Program from approved institutes as prescribed by SECP.

Ownership

As at December 31, 2017, there were 1,830 shareholders on the record of the Company.

Pattern of Shareholding

The pattern of Shareholding of the Company as at December 31, 2017, along with the necessary information is available at the end of this report.

Auditors

The present auditors M/s. A.F. Fergusons & Co. (Chartered Accountants) being eligible, has provided their consent for appointment at the 58th annual general meeting. The Audit Committee has recommended the appointment of M/s. A.F. Ferguson & Co. as Statutory Auditors of the company for the year ending December 31, 2018. The Board has endorsed this recommendation.

Key operating and financial data

A Statement summarizing the key financial and operating data for the last nine years along with the current year is included in the report.

Forward Looking Information

Pakistan's economy is on track with CPEC turning from a dream to reality, Pakistan has attained serious attention from the world at large. There is optimism within the business community and overall improved economic activity. The Company is actively undertaking portfolio management business and corporate finance advisory business and the outlook is positive. The management team under its CEO is fully committed to deliver a superior risk adjusted return to the shareholders.

Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unswerving commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Hasan Reza Ur Rahim Chairman Sulaiman S. Mehdi CEO

Karachi: February 19, 2018

CEO'S MESSAGE

After five consecutive years of positive returns, the benchmark KSE-100 Index plunged by 15.35% (20% in USD terms) in CY17 to close at 40,471 points. This is the worst year for equities since 2008 market crash, after making high of 52,874 points.

Political uncertainty which kept growing during the year owing to 'Panama leaks' and the eventual disqualification of ex-PM, Nawaz Sharif, worrying economic indicators, widening current account deficit and possible depreciation of PKR against USD had played a dominant role in the market's fall in 2017.

Foreign participation was expected to increase in 2017 on inclusion of Pakistan in the MSCI EM Index but it saw another round of foreign selling that has now stretched over 3 years. Among last three years, this year's outflow is the highest as foreign investors pulled out USD 487 million worth of investments from PSX amid concerns over PKR devaluation.

Cement Sector topped the list of worst performers, followed by Power and Pharmaceuticals. Despite record volumetric sales, Cement sector declined the most owing to rise in international coal prices and drop in cements' prices in some parts of the country. Power sector remained under pressure after the abrupt decision of government to cease FO based generation and lower multiyear tariff for K-Electric Limited. Underperformance of Pharma sector was attributable to concerns over margins on account of possible PKR depreciation.

Accordingly, the portfolio of your Company decreased by 21.56% during the year, against KSE-100 Index decline of 15.35%. The underperformance was primarily due to below market performance of HUBCO having a higher allocation of 37% in the total portfolio. Average exposure to equities during the year remained at 98%, whereas 2% was invested in mutual funds and Government Securities. The equity portfolio was aligned towards high growth investments and to this effect investments were made in textile composite, Steel, Chemical and Oil & Gas exploration and Marketing companies.

Achieving Milestones

Six years ago, the market capitalization of the Company was Rs.1.95 billion. During this period; the Company managed to pay a total dividend of Rs.5.30 billion providing the shareholders with total return of 272%. The benchmark KSE-100 Index provided a return of 257% during the same period reflecting Cyan's outperformance of 15%. This translates into a 5-year Compounded Annual Growth Rate (CAGR) of 24%.

Engaging New opportunities

We are also aggressively looking to explore corporate advisory services for adding new stream of revenue.

Economic Outlook

Economic growth trajectory will keep up its upward momentum as the investments in power and infrastructure projects in the light of CPEC and private sector expansions would not be impacted by the recent political developments. We believe that industrial activity to further pick-up as more and more electricity is added to the national grid. Increased spending by the government to complete development projects before the upcoming general elections and rising business activity in associated industries will be witnessed in this year.

With real economic activity gaining further traction, the import demand, both for machinery and raw materials as well as consumer goods, is expected to remain strong during 2018 and may put pressure on external accounts.

Going ahead, abundant domestic liquidity, lower returns on other asset classes, improving macroeconomic indicators and attractive valuations will continue to attract investors towards stock market. We prefer sectors which will benefit from PKR devaluation and companies having ability to pass on the impact of PKR devaluation and have direct exposure to infrastructure i.e. CPEC projects.

Acknowledgments

I would like to take this opportunity to thank all our Shareholders and the Board of Directors for their immense support. The Company's accomplishments and present standing could not have been possible without the commitment and efforts of our employees who deserve full compliment. I am confident that the team will continue to grow and constantly deliver on expectations of all stakeholders.

Sulaiman S. Mehdi

Chief Executive Officer

Karachi: February 19, 2018

CHAIRMAN'S REVIEW

I am pleased to present to you the Annual Report of Cyan Limited for the year ended December 31, 2017.

In 2017, real GDP growth of 5.3% was the highest during the last ten years. This growth was led by a rebound in agriculture and a broad-based increase in value addition by the services sector. Favorable macroeconomic policies continued to support expansion in the economy and the impetus to economic activity was primarily from an accommodative monetary policy. Consequently, private sector credit grew, farm incomes recovered, development spending increased and infrastructure and energy projects under China Pakistan Economic Corridor (CPEC) continued at a fast pace.

The stock market is usually the barometer for the Country's economy, however, 2017 marked a watershed year where the Pakistan Stock Exchange ("PSX") yielded negative returns for the first time in five years. Despite strong macro- economic performance, the benchmark KSE-100 Index declined by 15.35%, shedding approximately USD 21 billion in market capitalization from its all-time high, to USD 73.5 billion. During the first five months of 2017, the KSE-100 index posted a positive return of 5.8% due to the anticipated increase in foreign portfolio flows expected from the formal inclusion of PSX in MSCI's Emerging Markets Index. However, between May and December 2017, there was a 20% downturn in the KSE-100 due to unprecedented outflow of foreign portfolio investment of USD 487 million (highest ever). The volatility in the Market was caused by domestic political upheaval, unabated selling by foreign portfolio investors who were expecting currency devaluation and lukewarm corporate earnings growth.

Going forward, the Government's push towards energy reforms, CPEC and improvement in law and order situation will bode well for economic prosperity of the country. However, rising imports, falling reserves and deteriorating current account deficit are some of the immediate concerns that the current government needs to address.

During the year, the Board of Directors of Cyan Limited performed its duties diligently and in conformity with the Companies Act 2017 (previously Companies Ordinance 1984) and the Code of Corporate Governance contained in the Rule Book of the PSX, where the Company is listed. It upheld the best interests for the shareholders and provided adequate advice and oversight to management. The key areas that were focused upon and assessed included, but were not limited to, the strategic process, key business drivers & performing milestones, impact of global & domestic economic environments, operational & reputational risks affecting business, Board dynamics, managerial capability and information flows. All significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision-making process, which led to a harmonious partnership with management.

I would like to conclude by extending my gratitude and thanks to the Directors, for their energy, knowledge, advice and earnest contributions towards the advancement of Cyan Limited. I am also thankful to you, the Shareholders for placing your trust in the Board and management's ability to deliver results. Furthermore, the Board also thanks the entire management team for its selfless contributions as we look forward to future successes in the Company's endeavors.

Hasan Reza Ur Rahim

Chairman

Karachi: February 19, 2018

CORPORATE SOCIAL RESPONIBILITY

At Cyan, we consider it our social responsibility to build a more enlightened and empowered society in Pakistan that can contribute towards the progress and growth of the country as a whole. Whilst we continue to make efforts to grow our business, we also recognize that our success in the long-term is defined by our ability to add value to all our stakeholders, which includes those involved in our business operations, as well as those who are part of the larger community in which we co-exist.



Since inception, Cyan's Corporate Social Responsibility (CSR) efforts in Pakistan have been multi-pronged and have included a drive to protect our natural environment and to ensure that our businesses operate in an ethical, sound and responsible manner.

Over the past years we have continued supporting our beliefs by contributing with the renowned institutions who strive to generate maximum social value to build a better, more sustainable realm for all. They include;

- The Dawood Foundation
- The Citizen Foundation (TCF)
- Marie Adelaide Leprosy Centre (MALC)
- Fatimid Foundation
- Indus Hospital
- SIUT
- Patients Aid Foundation
- Make A Wish Foundation
- Education Trust Nasra School
- HANDS
- Layton Rahmatulla Benevolent Trust (LRBT)
- Patients Behbood Society

Cyan considers the following factors while shortlisting the project:

- Associating to a cause which is in-line with the identified sectors
- Credibility and repute of the charity organization seeking assistance

The focus of our endeavors includes following areas;

- Education
- Health Sector
- Community Building
 - Children Welfare
 - Sports Development
 - Relief Activities
 - Women Empowerment
 - Heritage Preservation

EDUCATION

During the past few years, Pakistan's adult literacy rate has declined from 60% to 58%, clearly indicating decreasing penetration in the country. Education is a state responsibility as per the constitution; however, quality education remains accessible to only a few with the Net Primary Enrolment Ratio static at 57% since past five years. 65% of all primary school children do not end up studying further than 5th grade. 30% of the adult population has not received even a single year of schooling. And to accommodate new population, Pakistan needs ~3.3 schools per hour for the next 5 years.



At Cyan, we certainly believe that the way to uplift Pakistan is by investing in the education of our future generations.



HEALTH SECTOR

The accessibility and quality of healthcare is a common metric to assess the developmental stage of a country. According to estimates provided by the Pakistan Bureau of Statistics, there are 1,283 hospitals, 5,438 labs & diagnostic centers, 196,000 clinics and over 7,300 pharmacies. However, the quality of healthcare infrastructure ranks low amongst peer countries. There are 2,000 people per hospital bed in Pakistan. On average, only 3,500 beds are added while ~4 million people are added to population each year. There are twice the numbers of doctors in the country than nurses.

Cyan is cognizant of the fact that healthcare system should exist as a fundamental element that assures life and high standards of living, and it should be available to everyone.

COMMUNITY BUILDING

Cyan also encourages and participates in efforts to build and sustain the culture and community of Pakistani society. Our endeavors are aimed at sustaining values of society by preserving the richly diversified culture and heritage of Pakistan.



Women Empowerment

Women empowerment is the appropriation of the feminist philosophy, allowing for the full participation of women in all economic and social sectors of society. Despite all the progress, there are still some countries that are experiencing cultural lag; unfortunately, Pakistan is one of them. According to the statistics, the female population in Pakistan is estimated as 49.2% whereas women participation in labor force is only 28%. Furthermore, violence against women and girls remains routine. According to the Human Rights Watch Report 2017, an estimated of 1,000 honor killings take place every year. The Human Rights Commission of Pakistan reports a total of 2,246 cases of domestic violence against women, and 6,179 cases of sexual violence, dating from 2004-2017.

The company recognizes women empowerment as one of the building blocks of any nation and considers it as a priority area for its CSR activities.

Children Welfare

The child should be fully prepared to live an individual life in society, in the spirit of peace, dignity, tolerance, freedom, equality and solidarity. Unfortunately in Pakistan, lack of education, child labor and healthcare have always been the obstacles for children development and their well-being. According to an estimate of Child Rights Movement (CRM) National Secretariat, 12.5 million children in Pakistan victimized in forced labor. According to International Labor Organization (ILO), poverty is the primary and major reason behind the menace of child labor. Coupled with lack of education it worsens the impacts; Pakistan has the second-largest population of out-of-school children in the world. According to Pakistan Education Statistics launched by the National Education Management Information System (NEMIS) only 30% children remain enrolled from class 1 till 10th.

We realize that the demand for children welfare is already high and it needs accelerated programs and initiatives for faster and more meaningful change.

Sports Development

Over the years, almost all sports have experienced a sharp slump in our country. There are thousand different reasons why Pakistan is falling from being a powerhouse in sports like hockey and squash to the point of becoming an also-ran in these games. In various countries around the world, one can observe the unlimited recreational facilities provided by the government to ensure the youth's health, and safety. In Pakistan, on the other hand, we have a significant lack of recreational facilities and this contributes as the major cause of this fall.

We are certain that this is expedient that the government should take effective measures in promoting sports activities at school and colleges level and such sports clubs should be formed that go a long way in spotting talent and highlighting them at the international level. Thus, corporate officialdoms should extend their support for such maneuver.

Relief Activities

Pakistan had unfortunately witnessed multiple natural disasters over the past years. It includes, worst of floods and earthquakes causing immense damage to life and property and leaving millions homeless and heavy monsoon rains affecting millions in many districts. Beyond the immediate physical damage and loss of life, these catastrophes have also caused potential damage to disaster survivors and communities for the decades to come. Government relief can be an effective bulwark against some of this long-term damage.

We take pride that Cyan has proactively contributed in the humanitarian response and relief efforts and supported such initiatives as part of its civic duty.

Heritage Preservation

Culture is the art and custom that characterize a particular society or nation and so it contributes as an essential pillar of corporate social responsibility and efforts to safeguard and highlight the ethos of Pakistan for future generations should be a continuous bustle trend.

At Cyan we believe in reviving our culture and traditions to empower our heritage and boost our national values. Our endeavors are aimed at sustaining values of society by preserving the richly diversified culture and heritage of Pakistan.

We recognize that our social, economic and environmental responsibilities to these stakeholders are integral to business. We aim to demonstrate these responsibilities through our actions and our corporate policies. We take seriously all feedback, complaints and compliments that we receive from our stakeholders and, where possible maintain open dialogue to ensure that we fulfill the defined summonses.

Cyan will, where reasonable, make the necessary resources available to realize our corporate responsibilities associated with the continued well-being of our employees; from whom we build our reputation, the communities we operate in; that are the focus of our endeavors and the larger society in general, for present and future generations so that we are able to thrive and sustain a society of which we are a vital cog.

CALENDAR OF NOTABLE EVENTS



RISK AND OPPORTUNITY REPORT SWOT ANALYSIS

The Company's business activities are subject to significant risk factors that could affect Company's operations, earnings, cash flows and other financial performance. Cyan management strives to manage risks in an organized manner in order to conduct business in a well-controlled environment.

STRENGTHS

Successful track record of managing public equities portfolio

We aim to generate consistent alpha by constructing a portfolio based on proprietary fundamental and quantitative research. The portfolio combines our style exposures with unrecognized value identified through both top-down and bottom-up approaches by maintaining strict risk control measures.

Group foot print in multiple sectors

The Dawood Hercules (DH) Group is one of the largest Pakistani conglomerates having presence in various sectors of the economy comprising Fertilizers, Real Estate, Food, Power Generation, Technology, Financial Services and Petrochemicals. This diversity allows the Group to develop human and intellectual capital across multiple industries and helps Cyan in various business engagements.

Team with diversified skill sets

Our greatest asset is the team we have assembled at Cyan. We believe that diversity of ideas and experiences contribute to the development of the company. Our team has a thorough understanding of myriad industries and high-growth companies operating in private space. Our team is fully resourced and capable of meeting the demands required by the changing financial landscape.

Successful history of PIPE deals

Private Investments in Public Equity (PIPE) deals have become an important source of financing for many public companies. These are appealing for public companies because they usually face fewer hurdles than stock offerings. Cyan in tandem with the Group has executed a couple of PIPE deals which has resulted in considerable value for the shareholders.

• Good understanding of high potential sectors:

Footprint of DH group in food, energy and infrastructure sectors enables us to have profound knowledge of potential sectors such as Retail, Food, Health, Education, Logistics and Pharma. Besides, our team has extensive experience and brings a combination of deep industry knowledge and expert perspectives from other industries to offer our shareholders sustainable return.

WEAKNESSES

• Quality Human Resource

Cyan seeks candidates who are not only qualified and possess technical abilities, but also competent to meet given deadlines. Keeping pace with rapid changes in technology is a cause of concern amongst talent management. Despite better hiring practices and training programmes, finding and retaining high-caliber talent is difficult and hinders Cyan from realizing its full potential.

Small Capital

Cyan operates with a small capital which impedes its capacity to undertake stake in large entities in private space. Additionally, as a small investor, it's difficult to build diversified portfolio and spread capital across various industries.

OPPORTUNITIES

Using network to identify new investment opportunities

DH Group has established various business concerns in fertilizer, real estate, IT and power generation sectors and has proved its business standing by virtue of its outstanding achievements. Capitalizing on the wide network of group, Cyan can explore and tap huge investment potential.

• Targeting new high potential growth sectors

It is widely acknowledged that Pakistan has immense economic potential. It has an abundance of natural resources. Nature has blessed the country with many types of fossil fuels and minerals which can put the country on a path to prosperity. We strongly believe that there are many industries which have not yet been evaluated to its full potential and can be targeted to achieve spectacular returns.

• Turnaround Companies

To succeed and maintain that success every business needs a combination of several factors. But not each one of it is able to that due to lack of funds, ineffective teams or inefficient products and services. Cyan's team is dedicated to working with companies experiencing financial and structural challenges and has the expertise to bringing these companies' performance on track.

THREATS

• Key Team members being poached

Like every business, employee turnover is one of the most profound risks our business faces and can cut across every major area of exposure. It is possible that our top talent may be at a risk of being enticed away by a competitor. A succession plan which includes training existing staff and planning other risk-management activities help us to cope with this threat.

CORPORATE GOVERNANCE SHAREHOLDERS' INFORMATION

Registered Office

Cyan Limited 4th Floor, Dawood Centre, M. T. Khan Road, Karachi. Tel # (92-21) 35634290-3 Fax # (92-21) 35680218 Email: info@cyanlimited.com Web site: www.cyanlimited.com

Share Registrar Office

Central Depository Company of Pakistan CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400 Tel # (92-21) 111-111-500 Fax: (92-21) 34326053 Email: info@cdcpak.com Website: www.cdcpakistan.com

Listing on Stock Exchanges

Cyan shares are listed on Pakistan Stock Exchange (PSX).

Listing Fees

The annual listing fee for the financial year 2017-2018 has been paid to the stock exchange within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of Cyan at PSX is CYAN.

Investor Service Centre

CYAN share department is operated by Central Depository Company of Pakistan, Registrar Services. It also functions as an Investor Service Centre and is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registrar function. The team is headed by Mr. Abdul Samad at the Registrar Office and Company Secretary at Cyan Registered Office.

Cyan share department has online connectivity with Central Depository Company of Pakistan Limited. The share department undertakes activities pertaining to dematerialization of shares, shares transfer and transmission, issue of duplicate/ re-validated dividend warrants, issue of duplicate / replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Share Registrar Office.

Contact Person:

Cyan Limited Mr. Ahsan Iqbal Tel# (92-21) 35634290-3 Email: ahsan.iqbal@cyanlimited.com

Contact Person:

Registrar Office Mr. Mohsin Rajab Ali Tel # (92-21) 111-111-500 Email: mohsin_rajabali@cdcpak.com

Services Standards

Cyan has always endeavored to provide investors with prompt services. Well reputed and experienced firm of the share registrar services has been entrusted with the responsibility of ensuring that services related to transfer of shares and other securities are rendered within the specified time limits.

Statutory Compliance

During the year the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant information as required under the Companies Ordinance, 1984 and allied laws and rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations, wherever applicable.

Withholding of Tax on Dividend:

The Government of Pakistan through Finance Act, 2017 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rated are prescribed for deduction of withholding tax on amount of dividend paid to a shareholders. These tax rates are as under:

(a)	For filers of income tax returns:	15%
(b)	For non-filer of income tax returns:	20%

General Meetings & Voting Rights

Pursuant to section 132 of The Companies Act, 2017, Cyan holds a General Meeting of Shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Sindh.

All shares issued by the Company carry equal voting rights. Generally, matters at the General Meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company, can appoint another person as his / her proxy to attend and vote instead of himself / herself.

The instrument appointing proxy, duly signed by the shareholder appointing that proxy should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Web Presence

The website of the Company has been maintained in accordance with directives of SECP vide various SROs. Updated information regarding the Company can be accessed at Cyan web site, www.cyanlimited. com. The web site contains the latest financial results of the Company.

CRITICAL PERFORMANCE INDICATOR

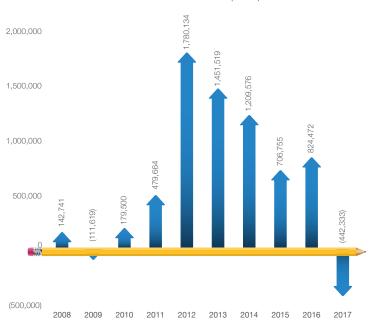
KEY FINANCIAL HIGHLIGHTS

Ten Years at a Glance

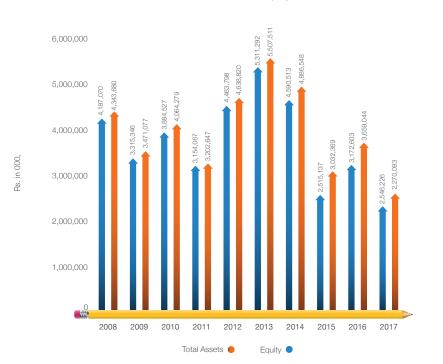
Particulars	2008	2009	2010	2011	
Earnings					
Investments income / (loss)	142,741	(111,619)	179,500	479,664	
Profit / (loss) before taxation	133,687	(844,897)	114,268	(172,089)	
Profit / (loss) after taxation	116,421	(855,118)	108,312	(197,508)	
Pay Out Information %					
Cash dividend	20	20	25	25	
Stock dividend	20	25	50	40	
Balance Sheet					
Paid up capital	184,581	203,039	279,179	390,851	
Equity	4,187,070	3,315,346	3,884,527	3,154,067	
Investments	1,991,293	3,272,032	3,927,349	2,947,025	
Cash & cash equivalents	64,773	65,136	10,296	19,230	
Fixed assets	3,187	2,558	1,944	1,590	
Total assets	4,343,680	3,471,077	4,064,279	3,202,647	
Operating Performance					
Earning / (Loss) per share (Rupees)	5.73	(30.63)	2.77	(3.37)	
Break up value per share (Rupees)	227.13	163.29	139.14	80.7	
Absolute return on investments %	3.11	(3.43)	4.57	(3.00)	
Return on investments %	2.80	(22.80)	3.01	(5.61)	
- • -		· /		(<i>)</i>	

2012	2013	2014	2015	2016	2017
		Rupees in	n '000		
1,780,134	1,451,519	1,209,576	706,755	824,472	(442,333)
1,503,026	1,212,275	1,027,245	495,907	734,281	(535,857)
1,428,207	1,176,049	898,787	335,035	711,233	(537,901)
40 50	100 -	675 -	40 -	50 -	-
586,277	586,277	586,277	586,277	586,277	586,277
4,463,798	5,311,292	4,590,513	2,515,137	3,172,603	2,270,093
4,533,865	5,383,322	4,780,356	2,825,317	3,612,508	2,440,890
13,494	17,835	21,844	159,891	906	5,269
26,194	22,814	18,752	15,623	14,017	15,088
4,638,820	5,507,511	4,886,548	3,032,369	3,659,044	2,546,226
24.36	20.06	15.33	5.71	12.13	(9.17)
76	91.00	78.30	42.90	54.11	38.72
58.89	32.14	18.15	9.43	25.00	(23.70)
37.49	24.10	22.47	14.78	29.18	(18.12)

KEY FINANCIAL HIGHLIGHTS

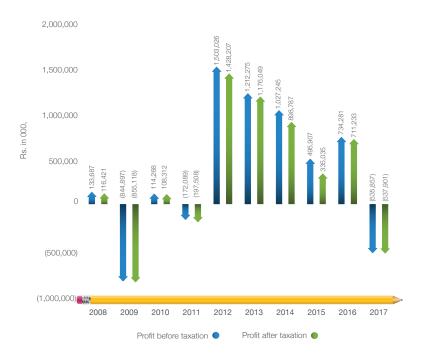


Investments Income / (Loss)

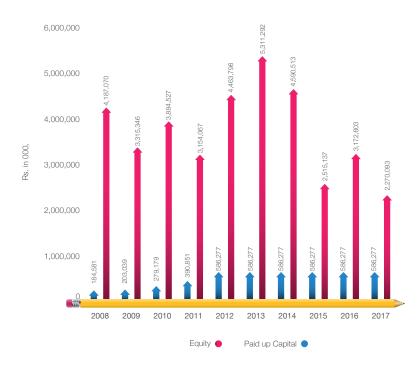


Total Assets and Equity

Profit/ (Loss) before & after Tax



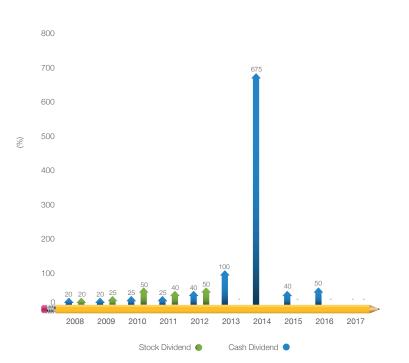
Paid Up Capital & Total Equity



KEY FINANCIAL HIGHLIGHTS



Cash & Stock Dividend



RATIOS

Ratios	Unit	2012	2013	2014	2015	2016	2017
Profitability							
Profit before tax ratio	%	87	83	84	70	85	126
Gross yield on earning assets	%	38	27	25	24	24	(17)
Cost / income ratio	%	13	17	16	30	15	(26)
Return on equity	%	32	22	20	13	22	(24)
Return on capital employed	%	37	24	18	9.43	25	(20)
Liquidity Ratios							
Current ratio	Times	30	34	18	6	8	9
Investment / Market Ratios							
Earnings / (loss) per share - Basic	Rs.	24.36	20.06	15.33	5.71	12.13	(9.17)
Price earnings ratio	Times	2.18	3.84	5.60	15.60	6.35	(3.66)
Price to book ratio	Times	0.70	0.85	1.10	1.72	1.24	0.77
Dividend yield ratio	%	8	13	79	4	6.49	-
Dividend payout ratio	Times	0.16	0.50	4.40	0.70	0.41	-
Dividend cover ratio	%	37	50	440	70	41	-
Market Value per share							
• At the end of the year	Rs.	53	77	85.92	89.10	77.08	33.56
 High during the year 	Rs.	91	85	138.50	150.50	94.90	91.70
 Low during the year 	Rs.	48	47	71.79	65.17	62.50	31.50
Capital Structure Ratios							
Earning assets to total assets ratio	Times	0.98	0.98	0.99	0.99	0.99	0.96
Net assets per share	Times	76	91	78.30	42.90	54.11	38.72

COMMENTS ON RATIOS

Comments on six years Earning Asset Ratios

Above 95% of the assets of the Company contributed towards the earnings of the Company during the preceding five years indicating the efficient use of assets.

Comments on six years Profitability Ratios

The Company started active portfolio management after the revocation of insurance license in 2011 which can be seen from the volatility in profitability of the Company. The negative ratios in 2017 is attributed to negative performance of the KSE-100 Index which saw its worst annual returns since 2008 on account of political uncertainty, unabated foreign outflow and weak economic fundamentals.

Comments on six years Balance Sheet Analysis

Total assets and equity decreased by 30% and 28% in CY17 respectively over the previous year as more than 95% of the assets remain invested in equity markets. The market depicted negative performance in CY17.

Comments on six years Liquidity Ratios

The Company has retained its current ratio to more than 1.0x throughout the previous five years demonstrating sufficient capacity to pay its short term obligations. Further, all investments are categorized as short term investment with an objective to use these funds for the private investments as and when required.

Comments on six years Profit and Loss Analysis

The factors contributing to the earnings of the Company are dependent on the performance of equity market. Consequently, variation in the net income can be witnessed from CY12 to CY17 between a loss Rs. 538 million to a profit of Rs. 711 million

Apart from that, dividends and capital appreciation (realized and unrealized capital gains) in value of the overall portfolio including the strategic investments are the main contributors for revenues and hence profitability.

SHARE PRICE SENSITIVITY ANALYSIS

Cyan Share Price on the PSX

MONTH	HIGHEST	LOWEST	VOLUME
JAN-17	91.7	76	2,258,500
FEB-17	85.3	66.53	1,181,500
MAR-17	71	65.73	410,000
APR-17	73.49	64	368,500
MAY-17	74.17	67	501,500
JUNE-17	68.8	56.22	305,000
JUL-17	63.5	56.1	216,000
AUG-17	64.79	44.25	452,500
SEP-17	46.4	41	139,000
OCT-17	44	33.8	325,500
NOV-17	40.22	36	169,500
DEC-17	39.9	31.5	179,500

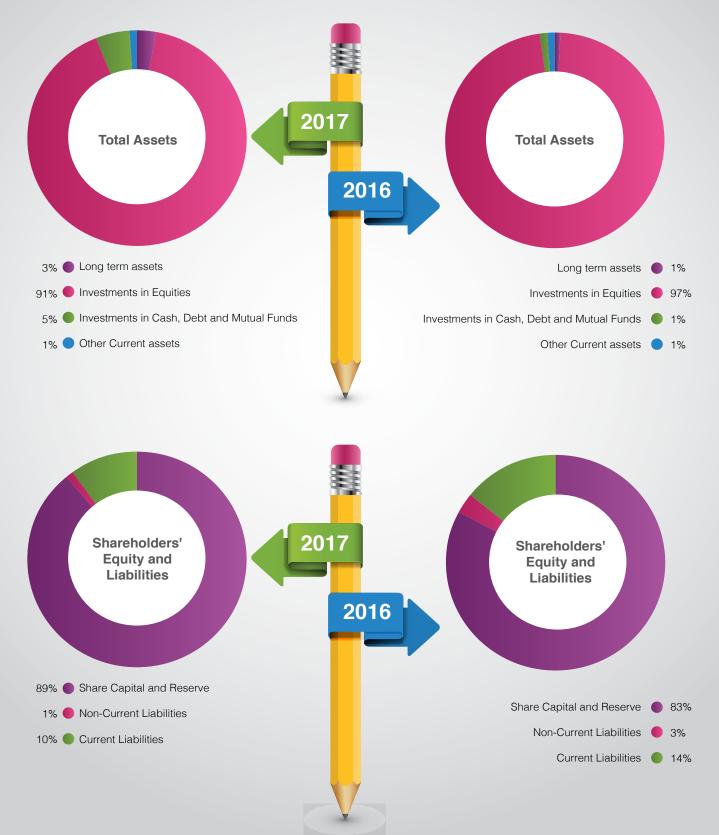
STATEMENT OF VALUE ADDITION

Value added	0017		0010	_
value added	2017	0/	2016	0/
	Rs . 000	%	Rs. 000	%
Return on investments	149,603		201,844	
Capital gain	85,493		258,629	
Unrealized (loss) / gain - Net	(677,429)		363,999	
Other income	17,525		35,882	
Gross Revenue	(424,808)		860,354	
Less: Administrative expenses	61,835		65,698	
	(486,643)	100	794,656	100
Value Allocated				
To Employees				
Salaries, allowances and other benefits	46,505	-10%	57,697	7%
	,	, .	.,	. , 0
To Shareholders				
Cash Dividend	146,569	-30%	381,080	48%
Bonus	-	0070		4070
Donus				
To Government				
Company Taxation	2,044	-1%	23,048	3%
	2,044	170	20,040	0 /0
To Society				
Workers' Welfare Fund				
Workers Wenare Fund		· ·	-	
To expansion				
	2 700	-1%	0.670	
Depreciation and amortization	2,709	-1%	2,678	-
To growth				
As Reserve and Retained earning	(684,470)	142%	330,153	42%
As neserve and netallied earning				
	(486,643)	100%	794,656	100%

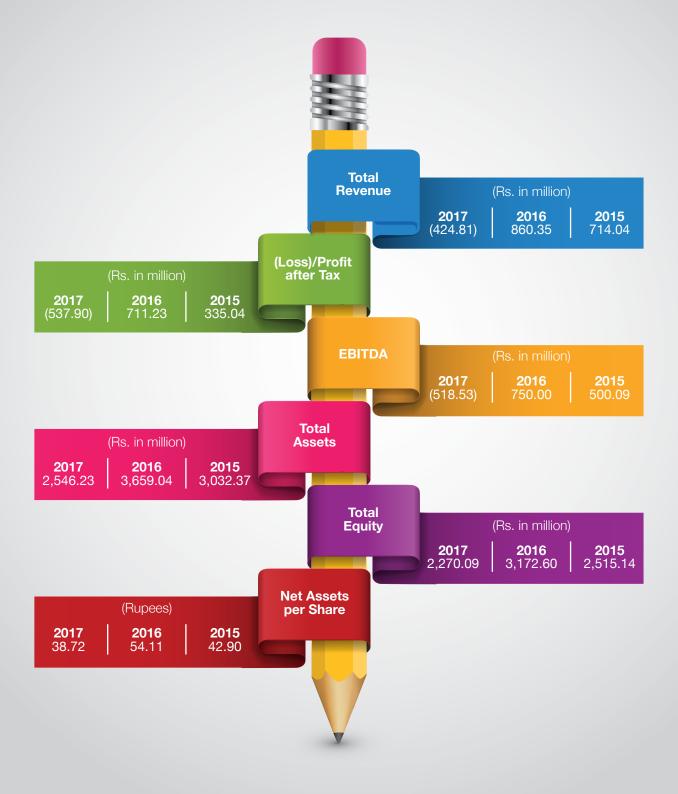
KEY OPERATING HIGHLIGHTS



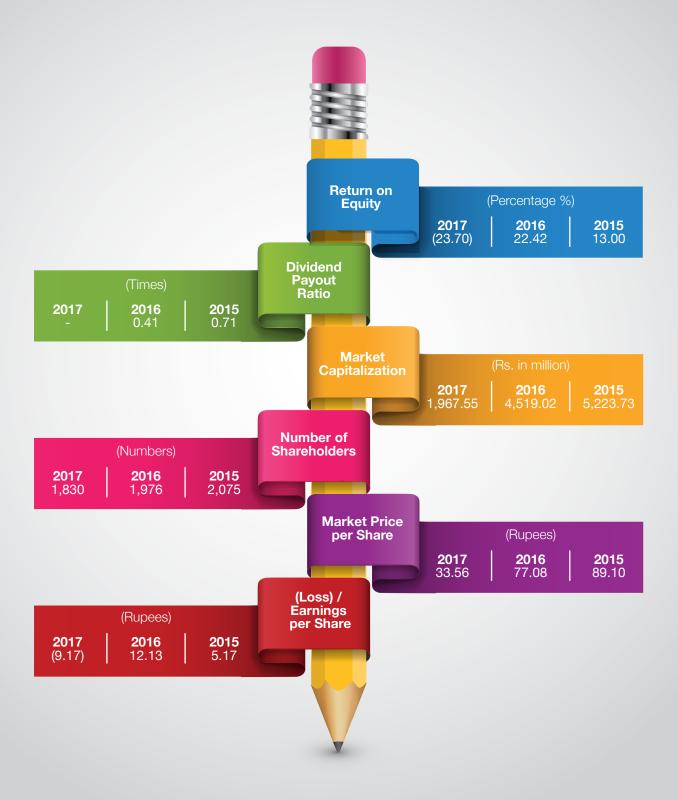
BALANCE SHEET COMPOSITION



KEY FIGURES & HIGHLIGHTS







HORIZONTAL ANALYSIS

Balance Sheet

Particulars	2012	2013	2014
	Rupees in '000		
Cash and bank deposits	13,494	17,835	21,844
Loan to employee	7,492	6,960	16,020
Investments	4,533,865	5,383,322	4,780,356
Deferred tax	-	-	-
Premiums due but unpaid	13	-	-
Amounts due from other insurers / reinsurers	28,780	18,144	2,464
Accrued investment income	1,471	400	-
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	22,105	52,630	41,706
Fixed assets	26,194	22,814	18,752
Total Access	4 600 000	5 507 514	4 000 540
Total Assets	4,638,820	5,507,511	4,886,548
Issued, subscribed and paid up share capital	586,277	586,277	586,277
Unappropriated profit	3,688,477	4,395,503	3,535,458
Reserves	133,088	133,088	133,088
Remeasurement of post employees benefits	(610)	(1,726)	(3,697)
Surplus on Revaluation - AFS investments	56,566	198,150	339,387
Provision for outstanding claims [including IBNR]	9,025	9,025	8,805
Deferred liabilities	4,824	8,858	9,377
Deferred tax	20,103	26,890	16,171
Amounts due to other insurers / reinsurers	1,725	587	587
Accrued expenses	75,543	85,037	68,880
Other creditor and accruals	36,590	25,573	28,337
Accrued mark-up	-	-	-
Short term running finance	-	-	-
Taxation - net	15,873	31,448	143,659
Unclaimed dividend	11,339	8,801	20,219
Total Shareholders' Equity and Liabilities	4,638,820	5,507,511	4,886,548

2015	2016	2017	13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16
R	upees in '000)		Per	centage Cha	nge	
159,891	906	5,269	32.17%	22.48%	631.97%	-99.43%	<mark>481.</mark> 57%
14,060	12,315	10,463	-7.10%	130.17%	-12.25%	-12.41%	-15.0 4%
2,825,317	3,612,508	2,440,890	18.74%	-11.20%	-40.90%	27.86%	<mark>-32.4</mark> 3%
-	-	52,235	-	-	-	-	100.00%
-	-	-	-100.00%	-	-	-	-
2,464	2,464	2,464	-36.96%	-86.42%	-	-	-
-	-	3,875	-72.81%	-100.00%	-	-	100.00%
5,406	5,406	5,406	-	-	-	-	-
9,608	11,428	10,536	138.09%	-20.76%	-76.96%	18.94%	-7.81%
15,623	14,017	15,088	-12.90%	-17.80%	-16.69%	-10.28%	7.6 4%
3,032,369	3,659,044	2,546,226	18.73%	-11.27%	-37.94%	20.67%	<mark>-30.41</mark> %
586,277	586,277	586,277	-	-	-	-	-
1,378,815	1,708,968	1,0 24,498	19.17%	-19.57%	-61.00%	23.94%	-40.05%
133,088	133,088	133,088	-	-	-	-	-
(3,480)	(2,611)	(2,142)	182.95%	114.19%	5.87%	-24.97%	<mark>-17.96</mark> %
420,437	746,881	528,372	250.30%	71.28%	23.88%	77.64%	<mark>-29.2</mark> 6%
8,805	8,805	8,805	-	-2.44%	-	-	-
8,369	10,528	12,237	83.62%	5.86%	-10.75%	25.80%	16.23%
45,166	13,803		33.76%	-39.86%	179.30%	-69.44%	-10 0.00%
587	587	587	-65.97%	-	-	-	-
136,190	20,400	4,836	12.57%	-19.00%	97.72%	-85.02%	-76.29%
109,105	27,712	788	-30.11%	10.81%	285.04%	-74.60%	-97.16 %
-	1,796	400	-	-	-	-	-77.73%
-	183,265	-	-	-	-	-	-
179,522	187,197	217,809	98.12%	356.81%	24.96%	4.28%	16.35%
29,488	32,348	30,671	-22.38%	129.74%	45.84%	9.70%	-5.18%
3,032,369	3,659,044	2,546,226	18.73%	-11.27%	-37.94%	20.67%	- <mark>30.41</mark> %

VERTICAL ANALYSIS

Balance Sheet

Particulars	2012	2013	2014	2015
		F	Rupees in '000)
Cash and bank deposits	13,494	17,835	21,844	159,891
Loan to Employee	7,492	6,960	16,020	14,060
Investments	4,533,865	5,383,322	4,780,356	2,825,317
Deferred tax	-	-	-	-
Premiums due but unpaid	13	-	-	-
Amounts due from other insurers / reinsurers	28,780	18,144	2,464	2,464
Accrued investment income	1,471	400	-	-
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	22,105	52,630	41,706	9,608
Fixed assets	26,194	22,814	18,752	15,623
Total Assets	4,638,820	5,507,511	4,886,548	3,032,369
Issued, subscribed and paid up share capital	586,277	586,277	586,277	586,277
Unappropriated profit	3,688,477	4,395,503	3,535,458	1,378,815
Reserves	133,088	133,088	133,088	133,088
Remeasurement of post employees benefits	(610)	(1,726)	(3,697)	(3,480)
Surplus on revaluation - AFS investments	56,566	198,150	339,387	420,437
Provision for outstanding claims [including IBNR]	9,025	9,025	8,805	8,805
Deferred liabilities	4,824	8,858	9,377	8,369
Deferred tax	20,103	26,890	16,171	45,166
Amounts due to other insurers / reinsurers	1,725	587	587	587
Accrued expenses	75,543	85,037	68,880	136,190
Other creditor and accruals	36,590	25,573	28,337	109,105
Accrued mark-up	-	-	-	-
Short term running finance	-	-	-	-
Taxation - net	15,873	31,448	143,659	179,522
Unclaimed dividend	11,339	8,801	20,219	29,488
Total Shareholders' Equity and Liabilities	4,638,820	5,507,511	4,886,548	3,032,369

2016	2017	2012	2013	2014	2015	2016	2017
F	Rupees in '000			Perc	centage Chang	je	
906	5,269	0.29%	0.32%	0.45%	5.27%	0.02%	0.21%
12,315	10,463	0.16%	0.13%	0.33%	0.46%	0.34%	0.41 %
3,612,508	2,440,890	97.74%	97.75%	97.83%	93.17%	98.73%	95.86 %
-	52,235	-	-	-	-	-	2.05%
-	-	-	-	-	-	-	-
2,464	2,464	0.62%	0.33%	0.05%	0.08%	0.07%	0.10%
-	3,875	0.03%	0.01%	-	-	-	0.15%
5,406	5,406	0.12%	0.10%	0.11%	0.18%	0.15%	0.21%
11,428	10,536	0.48%	0.96%	0.85%	0.32%	0.31%	0.42%
14,017	15,088	0.56%	0.41%	0.38%	0.52%	0.38%	0.59%
3,659,044	<mark>2,5</mark> 46,226	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
586,277	586,277	12.64%	10.65%	12.00%	19.33%	16.02%	23.03%
1,708,968	1,024,498	79.51%	79.81%	72.35%	45.47%	46.71%	<mark>40.2</mark> 4%
133,088	133,088	2.87%	2.42%	2.72%	4.39%	3.64%	5.23%
(2,611)	(2,142)	-	-0.03%	-0.08%	-0.11%	-0.07%	-0.08%
746,881	<mark>5</mark> 28,372	1.22%	3.60%	6.95%	13.86%	20.41%	20.75%
8,805	8,805	0.19%	0.16%	0.18%	0.29%	0.24%	0.34%
10,528	12,237	0.10%	0.16%	0.19%	0.28%	0.29%	0.48%
13,803	_	0.43%	0.49%	0.33%	1.49%	0.38%	-
587	587	0.04%	0.01%	0.01%	0.02%	0.01%	0.02%
20,400	4,836	1.63%	1.54%	1.41%	4.49%	0.56%	0.19%
27,712	788	0.79%	0.46%	0.58%	3.60%	0.76%	0.03%
1,796	400	-	-	-	-	0.05%	0.02%
183,265	-	-	-	-	-	5.00%	-
187,197	217,809	0.34%	0.57%	2.94%	5.92%	5.12%	8.55%
32,348	30,671	0.24%	0.16%	0.41%	0.97%	0.88%	1.20%
3,659,044	2,546,226	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

HORIZONTAL & VERTICAL ANALYSIS

Horizontal Analysis (Profit and Loss Account)

Particulars	2012	2013	2014
	F	Rupees in '000	
Investment income / (Loss)	1,780,134	1,451,519	1,209,576
Provision for impairment	(50,506)	-	-
Other income	5,938	5,595	17,901
Financial charges	(209)	(235)	(140)
General and administration expenses	(232,331)	(244,604)	(200,092)
Taxation	(74,819)	(36,226)	(128,458)
Profit / (Loss) after tax	1,428,207	1,176,049	898,787
Earnings / (Loss) per share - Rupees (Basic)	24.36	20.06	15.33

Vertical Analysis (Profit and Loss Account)

Particulars	2012	2013	2014	2015
		Rupees i	n '000	
Investment income / (Loss)	1,780,134	1,451,519	1,209,576	706,755
Provision for impairment	(50,506)	-	-	-
Other income	5,938	5,595	17,901	7,319
Financial charges	(209)	(235)	(140)	(83)
General and administration expenses	(232,331)	(244,604)	(200,092)	(218,084)
Taxation	(74,819)	(36,226)	(128,458)	(160,872)
Profit / (Loss) after tax	1,428,207	1,176,049	898,787	335,035

2015	2016	2017	13 Over 12	14 Over 13	15 Over 14	16 Over 15	17 Over 16
Ru	Rupees in '000 Percentage Change						
706,755	824,472	(442,333)	-18.46%	-16.67%	-41.57%	16.66%	-15 4%
-	-	-	100.00%	-	-	-	-
7,319	35,882	17,525	-5.78%	219.95%	-59.11%	390.26%	-51%
(83)	(13,040)	(14,622)	12.44%	-40.43%	-40.71%	15610.84%	12%
(218,084)	(113,033)	(96,427)	5.41%	-17.94%	8.99%	-48.17%	-15%
(160,872)	(23,048)	(2,044)	-51.58%	254.61%	25.23%	-85.67%	-91%
335,035	711,233	(537,901)	-17.66%	-23.60%	-62.7%	112.00%	-176%
5.71	12.13	(9.17)	-17.65%	-23.60%	-62.7%	112.00%	-176%

2016	2017	2012	2013	2014	2014 2015		2017
I	Rupees in '000			Pe	rcentage Chan	ge	
824,472	(442,333)	124.64%	123.42%	134.58%	210.95%	115.92%	82.23%
-	-	-3.54%	-	-	-	-	-
35,882	17,525	0.42%	0.48%	1.99%	2.18%	5.04%	-3.26%
(13,040)	(14,622)	-0.01%	-0.02%	-0.02%	-0.02%	-1.83%	2.72%
(113,033)	(96,427)	-16.20%	-20.73%	-22.26%	-65.09%	-15.89%	17.93%
(23,048)	(2,044)	-5.24%	-3.08%	-14.29%	-48.02%	-3.24%	0.38%
711,233	(537,901)	100%	100%	100%	100%	100.00%	100.00%

COMMENT ON HORIZONTAL & VERTICAL ANALYSIS

Comments on Horizontal Analysis of Balance Sheet

The volatility in investments during the last six years is due to correlation of investment portfolio with KSE-100 index. Deferred liabilities grew over past six years as Company operates an unfunded approved gratuity scheme for all permanent employees. Fixed Assets of the Company has been reduced during the last six years in order to reduce cost. Reserves remained constant during the last six years on account of unchanged general reserve and reserve for exceptional losses. The continuous increase in surplus on revaluation could not sustain last year due to negative performance of KSE-100 index and hence the Portfolio.

Comments on Vertical Analysis of Balance Sheet

Above 90% of the assets of the Company contributed towards the earnings of the Company during the preceding years indicating the efficient use of assets. Ratio of fixed assets remained below 1% during the last six years. Ratio of surplus on revaluation has been increased over the years due to better performance of KSE-100 index.

Comments on Horizontal Analysis of Profit & Loss

The investment income varied in accordance with KSE-100 index's performance during the last six year. General and administrative expenses have been reduced during the last six yeas on account of higher efficiencies and productivity of team. The Company reported loss during the last year on account of unrealized loss on investments.

Comments on Vertical Analysis of Profit & Loss

Ratio of investment income decreased as compared to last year due to sub-par performance of KSE-100 index.

SUMMARY OF SIX YEARS CASH FLOW AT A GLANCE

	2012	2013	2014	2015	2016	2017
			Rupee	es in '000		
Cash & Cash equivalents at the beginning of the year	8,330	13,494	17,835	24,844	162,891	(179,359)
Net Cash used in operating activities	8,251	(491,672)	(1,692,674)	(2,520,881)	(505,975)	(173,198)
Net Cash flow from investing activities	(3,087)	496,013	1,699,683	2,658,928	163,725	360,826
Net increase / (decrease) in cash & cash equivalent	5,164	4,341	7,009	138,047	(342,250)	187,628
Cash & Cash equivalents at the end of the year	13,494	17,835	24,844	162,891	(179,359)	8,269

Comments

Over the years, the company has effectively managed its cash flows as reflected in the above summary.

Cash Flow generated from operating activities has been negative over the years because of consistent dividends paid out to the shareholders and capital gain on sale of investments.

Cash Flow from investing activities has remained positive since 2013 as proceeds from sale of investments exceeds the investments in securities.

QUARTERLY ANALYSIS

For the Year Ended December 31, 2017

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
		F	Rupees in 000		
Revenue	279,745	(261,819)	(160,122)	(282,612)	(424,808)
Return on investments	3,483	81,569	31,118	33,433	149,603
Gain / (Loss) on sale of investments - net	220,524	(23,131)	(64,692)	(47,208)	85,493
Other income Unrealised appreciation / (diminution on re-measurement of investments classified as financial assets at fair	8,307	7,975	254	989	17,525
value through profit or loss - net	47,431	(328,232)	(126,802)	(269,826)	(677,429)
Profit / (Loss) after taxation	217,265	(292,810)	(170,397)	(291,959)	(537,901)
Net assets	3,136,031	2,845,747	2,591,607	2,270,093	2,270,093

Comments

Analysis of Quarterly results

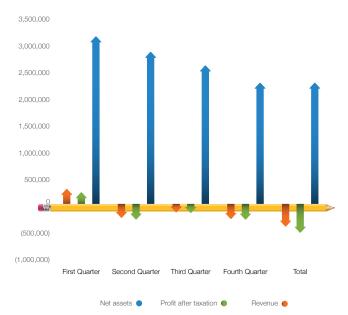
Significant portion of the Company's investments are marked to market; and the interim operating results of the Company reflect the fluctuations in the capital market and shifts in allocations. Moreover, dividend income is essentially seasonal as dividend announcements are generally made periodically and accrued as income through a consistently followed accounting policy.

Operating revenues:

After giving positive returns in each of the calendar years during 2012 to 2016, KSE-100 index lost 15% in 2017. Accordingly, the company registered a negative revenue of Rs. 424.81 million in 2017. This was primarily due to unrealized losses on investments. In second quarter, unrealized loss was higher as compare to third and fourth quarters due to continued net foreign outflow despite entry in EM Index and heating up of domestic political landscape on account of Panama Leaks.

Profit after tax:

Except for first quarter, all three quarters generated unrealized loss on investments and were the main contributors in negative performance.



DUPONT ANALYSIS

Year	Asset Turnover Ratio	Equity Mulitplier	Net Profit Magin (%)	ROE (%)
2016 2017	0.24	1.15	82.67% 126.62%	(23.70)

As per DuPont Analysis, ROE has plummeted from 22.42% in 2016 to negative 23.70% in 2017 mainly due to Asset Turnover Ratio.

Negative return on investments (revenue) was reported in 2017 as the performance of Cyan is highly correlated with stock market which has provided negative return during the year.

Equity Multiplier slightly decreased due to drop in total assets on account of higher unrealized losses in value of investments.

BOARD OF DIRECTORS



HASAN REZA-UR RAHIM (Chairman)

Mr. Rahim is an accomplished professional who has over 30 years of domestic and international experience in the Banking and Financial Services industry. In addition to being the Chairman of Cyan Limited he serves on the Boards of Dawood Hercules Corporation Limited and Dawood Lawrencepur Limited. Previously, he was the Executive Director in-charge of the Chairman's Corporate Office of the Dawood Hercules Group, which consists of several listed companies on the Pakistan Stock Exchange having a market capitalization exceeding USD 3.5 Billion and is one of the largest entrepreneurial groups in Pakistan.

During his 15-year career with JPMorgan, Mr. Rahim held several senior roles in Pakistan and abroad. He assisted in establishing and heading the Global Corporate Bank in Bahrain, Qatar and Saudi Arabia, re-establishing the Firm's fully integrated equity franchise in Pakistan and was an integral part of the Regional Corporate Finance team based in Singapore. He has originated, led and executed large complex M&A transactions and Privatizations totaling USD 5.0 billion, Sovereign Debt and Bond issues of over USD 2.0 billion in the Telecom, Airlines, O&G and Petrochemical industries.

Mr. Rahim, previously also held senior roles with MashreqBank psc, ANZ Grindlays Bank plc and commenced his career with Exxon Chemical Pakistan Limited. He was also posted and lived in Zurich, Singapore, Bahrain and Dubai and received his degree from the University of Delaware in USA.



KULSUM DAWOOD (Director)

Kulsum Dawood is a philanthropist, and primarily supports charities in education, & skills development. She is a certified Director of Corporate Governance from the Pakistan Institute of Corporate Governance (PICG), and a graduate from Government College of Home Economics, Karachi.

Kulsum Dawood is a regular participant at the Annual Meeting of the World Economic Forum in Davos, over the last two decades.

She has attended Family Business courses in 2004 and 2005 at the International Institute for Management Development (IMD), Switzerland and at the Institute European d'Administration des Affaires (INSEAD) in 2007.

Kulsum Dawood is the Lead Trustee on the Board of The Dawood Foundation, established in 1961 to promote and help society through education. It is now moving to undertake projects that are more content and technology based in its knowledge dissemination.



SHAFIQ AHMED (Director)

Mr. Shafiq Ahmed joined The Dawood Group in 2007 and has worked for several Group concerns in different senior positions, including the Chief Executive Officer of Dawood Lawrencepur Limited and Tenaga Generasi Limited and currently looking after the Group's Finance function and Corporate Affairs at the Holding Company Level as Chief Financial Officer and Company Secretary. He is also serving on the Board of Directors of Dawood Lawrencepur Limited, Tenaga Generasi Limited, and Reon Alpha Limited.

Prior to joining Dawood Group, he served in senior management position in Pakistan National Shipping Corporation and has also been associated with Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants for nine years. Having a flair for textiles, energy and accounting, his career spans over 20 years working with industry leaders and pioneers in these fields.

He is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan and a degree in Law from University of Karachi. Shafiq is also a certified director from Pakistan Institute of Corporate Governance.



KAMRAN NISHAT (Director)

Mr. Kamran Nishat is a qualified Chartered Accountant and currently serving M&P Pakistan as its Chief Executive Officer. In addition to being a Director of AGPL, he serves on the boards of ABL Asset Management Company Limited, Briogene Private Limited and Cyan Limited while serving as the CEO of M&P Express Logistics (Private) Limited (formely known as OCS Pakistan Private Limited), Tech Sirat (Private) Limited, TechSirat Technologies (Pvt) Limited, OCS road and rail cargo (Pvt) Ltd, Logex (Pvt) Ltd and VeriBest brands (Pvt) Ltd.

Moreover, Mr. Nishat has had variety of experiences which include being the member of Accounting and Auditing Standards Committee (South) of the Institute of Chartered Accountants of Pakistan, member of Information Technology Committee (South) of the Institute of Chartered Accountants of Pakistan, member of Management Association of Pakistan, President of American Business Counsel, Senior Manager at Sidat Hyder Morshed Associates (Private) Limited from the years 1997 till 1999, Group Financial Controller at MIMA Group in 1997, General Manager Corporate Affairs at Dawood Hercules Chemicals Limited, Deputy Managing Director at Central Cotton Mills Limited from 1988 till 1996 and Manager Finance at Al-Ghazi Tractors.

BOARD OF DIRECTORS



SULAIMAN S. MEHDI (Director / CEO)

Sulaiman is the Chief Executive of Cyan Limited (formerly Central Insurance Company Limited -CICL). He joined CICL as the COO and Company Secretary (CS) on October 01, 2010 and led the insurance license revocation process for CICL. The revocation of CICL's insurance license and its business restructuring from CICL to Cyan is a landmark transaction, and the first of its kind in Pakistan.

He has Sixteen years' experience of working with leading Financial Services Groups in senior positions in the area of investments, operations, marketing, legal and corporate affairs. He has the privilege of serving two of the largest conglomerates of Pakistan.

Before Cyan, he served as the COO and CS for ABL Asset Management Company Limited from January 01, 2008 to September 30, 2010 and during his tenure the assets under management grew from a start-up fund of USD 18 million to USD130 million. Before ABL AMC he was associated with Allied Bank Limited - Corporate and Investment Banking Group as Senior Vice President (SVP) from June 2007 till December 31, 2007, and was primarily responsible for the formation of ABL AMC. Before joining ABL, he served as the COO and CS of PICIC Asset Management Company Ltd. - one of the leading Asset Management Company of Pakistan from July 2004 to June 2007 and was primarily responsible for the formation of PICIC AMC. During his tenure the assets under management in the form of closed end funds grew from USD 45 million to USD190 million.

He has also served on the Board of Dawood Lawrencepur Limited, Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd., Inbox Corporation (Pvt.) Ltd., and was also a Director for FOCUS Pakistan. Presently he is Director on the Board of Cyan Limited, Sach International (Pvt.) Ltd. and Chairman of Pebbles Pvt. Ltd. – the real estate arm of Dawood Hercules (DH) Group and is leading all real estate initiatives of the Group.

Sulaiman holds a Master's degree and is also a Fellow member of the Institute of Corporate Secretaries of Pakistan (FCISP). He is also a certified director from the Pakistan Institute of Corporate Governance (PICG).



INAM UR RAHMAN (Director)

Inam ur Rahman is currently the Chief Executive Officer at Dawood Hercules Corporation. In the recent past, he has led the renewable businesses of the Dawood Group as CEO of Reon Energy Limited and Tenaga Generasi Limited. With more than 25 years of professional experience Mr. Rahman showcases his diverse business expertise dominating a wide spectrum of industries which include renewable energy, food sciences & production, textiles, fashion & apparel, lifestyle, and business consultancy.

His portfolio of directorships includes Engro Corporation Limited, Hub Power Company Limited, Sui Northern Gas Pipelines Limited, Dawood Hercules Chemicals Limited, Dawood Lawrencepur Limited, Sind Engro Coal Mining Company, Laraib Energy Limited, SACH International Limited, and Pebbles Private Limited.

He holds a Bachelors of Electronic Engineering from University of Engineering & Technology from Lahore sealed with Masters of Business Administration from Lahore University of Management Sciences (LUMS). Inam ur Rahman was also adjunct faculty at LUMS, teaching Strategy, Management and Marketing. He is an environmentalist at heart and his passion is to make all energy renewable and free.

MANAGEMENT TEAM



FAISAL NADEEM (Director / Chief Financial Officer & Company Secretary)

Mr. Faisal is a Certified Director of Corporate Governance from the Pakistan Institute of Corporate Governance (PICG) and a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP). He has professional experience at the executive cadre in the leading Financial Institutions where he was involved in the areas of core finance, risk management and internal audit. Presently he is Director on the Board of Cyan Limited and Pebbles Pvt. Ltd. – the real estate arm of Dawood Hercules (DH) Group.

Before joining Cyan, he served as the Chief Financial Officer and Company Secretary at ABL Asset Management Company Limited, a subsidiary of Allied Bank Limited.

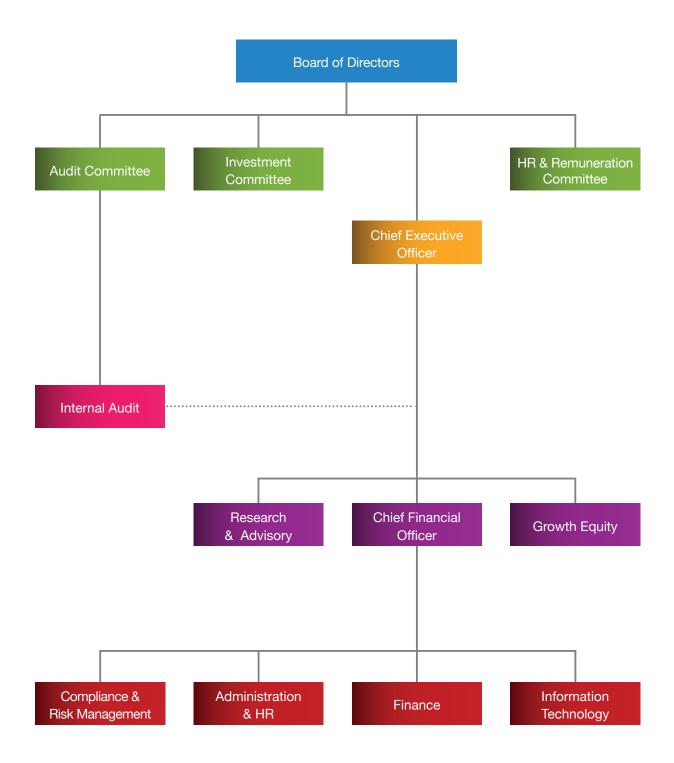


NARESH KUMAR (Investment Associate)

Mr. Kumar has joined Cyan in August 2017. He is a CFA Charter holder and a member of Association of Chartered Certified Accountants (ACCA). He has more than eight years of diversified experience of portfolio management, investment advisory and wealth management.

Prior to joining Cyan, he was working with ABL Asset Management Company Limited as an Equity Fund Manager where he managed equity funds of worth USD 120 million. Before ABL AMC, he was associated with Magnus Investment Advisors Limited where he spearheaded various departments including the Portfolio Management Department.

ORGANIZATIONAL STRUCTURE



BOARD COMMITTEES

The Board has established three Committees namely Board Audit Committee, Board HR & Remuneration Committee and Board Investment Committee for effective governance of the Company.

The compositions, role and responsibilities of the Board Committees are clearly defined in their respective Terms of References.

Board Audit Committee

The Board Audit Committee is composed of the following Directors:

- Mr. Kamran Nishat
 Chairman
- Mr. Inam Ur Rahman
 Member
- Mr. Shafiq Ahmed Member

Terms of Reference

The Committee shall ensure that adequate internal control policies and procedures for safeguarding of company's assets have been developed by the company. The Committee shall review the efficiency and effectiveness of the operations including nonfinancial control of the entity.

It shall perform the following functions:

a. External Audit Function

- i. The Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the company in addition to audit of its financial statements;
- ii. The Committee shall evaluate on an annual basis, the qualification, independence, performance and scope of work of the external auditor; and
- iii. The Committee shall ensure that significant findings and recommendations made by external auditor and management response thereon are discussed and appropriately acted upon.

b. Internal Controls

The Committee shall:

- i. Ascertain that the integrity of internal control system including financial and operational controls, risk management, accounting system and reporting structure are adequate and effective;
- ii. Determine the appropriateness of measures to safeguard the Company's assets;
- iii. Evaluate the security of computer systems and applications and any contingency plans for processing financial and other information in the event of a computer systems breakdown;
- iv. Review the Company's system for monitoring compliance with laws, regulations and other external requirements and with management policies and directives and other internal requirements;
- v. Review the details of any investigation, review or inquiry made by any statutory body concerning the conduct of the Company's activities or the preparation of its financial statements; and
- vi. Monitor the compliance with the best practices of Corporate Governance and identification of significant violations thereof.

c. Internal Audit Function

The Committee shall:

- Review and discuss the adequacy of structure, responsibilities, staffing, resources and functioning of the Company's internal audit department;
- Review the preparation, execution and results of the Company's annual internal audit work program;
- iii. Review and discuss the periodical internal audit reports; and
- iv. Ensure that significant internal audit findings and recommendations and Management's responses are considered.

d. Financial Reporting

- The Committee shall review the quarterly, halfyearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on;
- ii. Significant accounting and reporting issues, including professional and regulatory pronouncements and assess their impact on the Company's financial statements;
- iii. Legal matters which could significantly impact the financial statements;
- iv. Annual financial statements and assess whether the financial statements reflect appropriate accounting principles;
- v. The judgments made in preparing the Company's financial statements, including any valuation of assets and liabilities, litigation, and other commitments and contingencies;
- vi. Significant or unusual events or transactions or adjustments resulting from the audit;
- vii. The going-concern assumption; and
- viii. Changes in accounting policies & practices and compliance with applicable accounting standards.

e. Other responsibilities

Other responsibilities of the Committee shall also include:

- i. Review of preliminary announcements of results prior to publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- iii. Review of management letter issued by external auditors and management's response thereto;
- iv. Ensuring coordination between the internal and external auditors of the Company;
- v. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to

consider remittance of any matter to the external auditors or to any other external body;

- vi. Consideration of any other issue or matter as may be assigned by the Board of Directors;
- vii. Appointment of the Head of Internal Audit shall be made by the BOD subject to recommendation of the Committee; and
- viii. Details of all related party transactions shall be placed before the Audit Committee of the Company for review and recommendation to the Board of Directors. The related party transactions which are not executed at arm's length price will also be placed separately at each Board meeting along with necessary justification for consideration and approval of the Board after clearance from the Audit Committee of the Company.

Board HR & Remuneration Committee

The Board HR & Remuneration Committee is composed of the following Directors:

- Mr. Kamran Nishat
 Chairman
- Mr. Inam Ur Rahman
 Member
- Mr. Hasan Reza-ur Rahim Member

Terms of Reference

The general duties and responsibilities of the Committee shall be as follows:

- To develop the compensation philosophy for Executive Management and present the recommendations to the Board for approval;
- (ii) To meet with Executive Management to establish Corporate objectives and, subsequently, to meet independently of Executive Management to assess progress in relation to these objectives;
- (iii) To undertake the performance evaluation of the CEO and review for each member of the Executive Management in consultation with the Chair of the Board;
- (iv) To review, establish and recommend to the Board, approval of the compensation of each member of the Executive Management;
- (v) To recommend to the Board for consideration, approval and establishment of stock option

plans, incentive plans or employee benefit plans to be granted to, Executive Management and other key employees of the Company and guidelines with respect thereto. The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;

- (vi) To review and recommend compensation packages for the Executive Directors that realistically reflect the responsibilities and risks involved in being an Executive Director;
- (vii) To consider and make recommendations to the Board for its approval on all matters concerning perquisites and benefits to be granted to Executive Management, including levels and types of benefits, within guidelines, if any, established by the Board with respect thereto;
- (viii) To review and recommend compensation packages for the non-executive directors and the Chair of the Board that realistically reflect the responsibilities and risks involved in being a non-executive director;
- (ix) To regularly review the organization structure and report any significant organization changes to the Board;
- (x) To review succession plans for Executive Management, including specific development plans, methods of achieving recommended action, and career planning for potential successors; and
- (xi) To engage, through its Chair and in appropriate circumstances, at the expense of the Company, independent counsel and advisors; and to fulfill such other powers and duties as delegated to it by the Board.

Board Investment Committee

The Board Investment Committee is composed of the following Directors:

- Mr. Hasan Reza-ur Rahim Chairman
- Mr. Inam Ur Rahman Member
- Mr. Shafiq Ahmed Member

Terms of Reference

The Board Investment Committee shall:

- (i) Recommend asset allocation strategy for liquid and illiquid investments to the Board;
- (ii) Review and monitor business development activities for illiquid investments;
- (iii) Recommend sector focus for illiquid investments;
- (iv) Recommend all illiquid transactions to the Board for approval;
- (v) Recommend Employees Trading Policy for approval of the Board;
- (vi) Recommend Investment Policy for approval of the Board;
- (vii) Continually review the Investment Policy, Employee Trading Policy and approve changes (if necessary) subject to ratification of the BOD;
- (viii) Consider any other issue or matter as may be assigned by the BOD; and

The BIC will periodically review the performance of the MIC for company's liquid investments in purview of the various classes of assets and on overall basis, based on the following factors:

- (i) Achievement of budgetary revenues;
- (ii) Adherence to investment policy objectives;
- (iii) Compliance with laws and regulations;
- (iv) Performance relative to hurdles / benchmarks approved by the BOD; and
- (v) Performance vis-a-vis industry performance.

CRITERIA TO EVALUATE BOARD'S PERFORMANCE

A Company's success is ultimately reflective of the capacity of its directors to provide direction which is in line with the vision in order to expand and flourish. The Company, hence, endeavors to develop the capacity of its Board of Directors to improve both their personal and collective contributions to the overall development of the Company.

A quality Board that really adds value is not just a panel of high performing individuals but a balanced team with harmonizing skill sets and a culture that allows them to function as a single unit to make the most effective decisions for the Company. While the guidance from the Chair is the key, the participation of every Board member is also vital for its effectiveness.

One of the most significant responsibilities of the Board of Directors is to ensure that the company has a strong leadership and an effective executive management. The Board establishes company policies and then delegates authority and responsibility to the CEO for the organization's smooth operations.

Performance evaluation continues to gain profile and momentum within Boardrooms. Regulators and institutional investors increasingly endorse performance evaluation as a prerequisite for good corporate governance. The Board of Directors acts as a guardian of the shareholders money and translates the same into the Company's mission and goals. In order to uphold the trust of stakeholders, the Board of Directors' performance warrants assessment.

The evaluation of the performance will examine those key areas where the Board requires clarity in order to provide high level oversight, including: the strategic process; key business drivers and performance milestones; the global economic environment and competitive context in which the Company operates; the risks faced by the business; Board dynamics; capability and alignment; reputation; and information flows.

The Board of Directors has set the following evaluation criteria to judge its performance;

- Compliance with the legislative system in which Company operates, including Companies Ordinance 1984, Regulations of Pakistan Stock Exchange; and the Memorandum and Articles of Association of the Company;
- Active participation in strategic planning process, enterprise risk management system, policy development, financial structure, monitoring and approval;
- Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive.
- Appropriate constitution of Board Committees with members possessing adequate technical know-how and experience;
- Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities;
- Ensuring presence of required quorum in Board and Committees' meeting; and
- Ensuring orientation and training of Board of Directors to enable them to perform their duties in an effective manner

ROLES AND RESPONSIBILITIES OF CHAIRMAN

The Chairman is responsible for leadership of the Board. In particular, he will:

- 1. Manage the business of the Board and preside over its meetings and all general body meetings.
- 2. Ensure that minutes of the meetings of the Board of Directors and all general body meetings are appropriately recorded and circulated within the prescribed time.
- 3. Set the agenda, style and tone of Board discussions (taking full account of the issues and the concerns of all Board members) to promote constructive debate and effective decision-making.
- 4. Ensure that members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable effective performance of their duties.
- 5. Manage the Board's time to ensure that sufficient time is allowed for discussion of complex or contentious matters.
- 6. Build an effective and complementary Board, initiating change and planning succession on Board and executive appointments.
- 7. Ensure that all Board committees are properly established, composed and operated.
- 8. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- 9. Facilitate the effective contribution of non- executive directors and ensure constructive relationships and open communication, both between non- executive directors and executive directors and between the Board and investors.
- 10. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
- 11. Monitor and address the development needs of individual directors and of the Board as a whole and ensure that the performance of individual directors and of the Board and its committees are formally evaluated at least once a year.
- 12. Monitor progress towards the timely and effective achievement and implementation of the objectives, policies and strategies set by the Board and of other decisions taken by or on behalf of the Board.
- 13. Ensure effective communication with shareholders and other relevant constituencies and that the views of these groups are understood by the Board.
- 14. Establish a constructive, harmonious and open relationship with the Chief Executive Officer and support him in the development of strategy and, more broadly advise the Chief Executive.
- 15. Lead the ongoing monitoring and annual evaluation of the performance of the Chief Executive Officer.
- 16. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.

ROLES AND RESPONSIBILITIES OF CEO

The Chief Executive is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

- 1. Manage the day to day business of the Company, taking account of the policies and directions of the Board and its Committees.
- 2. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.
- 3. Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.
- 4. Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.
- 5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
- 6. Ensure that such actions are taken as are necessary to secure the timely and effective implementation of the objectives, policies and strategies set by the Board and of other decisions taken by the Board or by its Committees on its behalf and be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies.
- 7. Act as Chairman of the Management Committee(s), set agendas, taking full account of the issues and concerns of members of the Committee(s), and ensure that Management Committee members receive clear and timely information.
- 8. Lead the executive team; monitor and address the development needs of the team and ensure

that the performance of individuals is evaluated at least once a year.

- 9. Ensure that the financial results, business strategies and, where appropriate, targets and milestones are communicated to the investment community.
- 10. Develop and promote effective communication with shareholders and other relevant constituencies.
- 11. Ensure that business performance is consistent with the Business Principles.
- 12. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
- 13. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.
- 14. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Group's trading activities.
- 15. Ensure that the flow of information to the Board is accurate, timely and clear. Ensure an effective dialogue between the executives and the Board and in particular ensure that the Chairman and the Board are regularly updated on matters affecting the Company's performance, competitive position and risk profile;
- 16. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

CEO'S PERFORMANCE REVIEW

The Board of Directors of Cyan Limited regularly evaluates the performance of the CEO based on the financial and non-financial KPIs presented by him and agreed by the Board at the start of the year. The Board has reviewed the performance of the CEO for the current financial year and is truly content with the achievements for the year. The Board wishes to further report that Mr. Sulaiman S. Mehdi is committed to following best practices and the Code of Corporate Governance in true spirit. All Board meetings are attended by Mr. Sulaiman S. Mehdi, where he provides details and explanations for each agenda item. The Board has full confidence in his abilities to manage the affairs of the Company in the most professional and competent manner. He is also responsible for setting the corporate objectives and its alignment with the KPIs for his management team and regularly updates the Board about the performance of the management team in achieving the desired results. The Board ensures that the vision and mission sets the direction for the overall corporate strategy and Cyan's future endeavors in making investments in organizations with realized high growth potential as well as to remain committed in maximizing the wealth of its shareholders. The Board is pleased to note that Mr. Sulaiman Mehdi's endeavors result from following and applying the corporate strategy that is conceived with the aid of the Company's vision and mission. The entire organization is connected and driven by this purpose and it serves as the main decision making criterion.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS DURING THE YEAR 2017

Board of Directors

	Name			No. of	No. of			
S. No.		22/2/17	24/4/17	30/4/17	21/8/17	23/10/17	meetings held	meetings attended
1	Shahzada Dawood*						1	1
2	Kulsum Dawood						5	3
3	Ghias Uddin Khan**						1	-
4	Inam Ur Rahman**						4	4
5	Hassan Reza-ur Rahim						5	4
6	Kamran Nishat						5	4
7	Shafiq Ahmed						5	4
8	Sulaiman S. Mehdi						5	5
9	Faisal Nadeem*						5	5

* Faisal Nadeem appointed as Director on April 12, 2017 in place of Shahzada Dawood. **Inam Ur Rahman appointed as Director on March 29, 2017 in place of Ghias Uddin Khan.

Board Audit Committee

• • • •		Dates							No. of
S. No	Name	23/1/17	20/2/17	20/4/17	17/8/17	19/10/17	21/12/17		meetings attended
1	Kamran Nishat				\checkmark	\checkmark	\checkmark	6	6
2	Shafiq Ahmed	\checkmark		\checkmark	\checkmark	\checkmark	\checkmark	6	6
3	Ghias Uddin Khan*							2	-
4	Hasan Reza-ur Rahim**							3	2
5	Inam Ur Rahman				\checkmark	\checkmark	\checkmark	4	4

" Resigned effective March 29, 2017.

** Elected Chairman of the Board of Directors.

Board HR & Remuneration Committee

		23/1/17	17/8/17	7/9/17	21/12/17	No. of meetings held	No. of meetings attended
1	Ghias Uddin Khan*					1	-
2	Kamran Nishat	\checkmark	\checkmark	\checkmark	\checkmark	4	4
3	Hasan Reza-ur Rahim	\checkmark	\checkmark	\checkmark	\checkmark	4	4
4	Inam Ur Rahman		\checkmark	\checkmark	\checkmark	3	3

* Resigned effective March 29, 2017.

Board Investment Committee

		21/12/2017	No. of meetings held	No. of meetings attended
1	Hasan Reza-ur Rahim		1	1
2	Inam Ur Rahman		1	1
3	Shafiq Ahmed		1	1

WHISTLE BLOWING POLICY

Cyan ("the Company") has an established Code of Conduct which sets out the standards of conduct expected in the management of its business. All employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of circumstances which are not in compliance with the Code then they should communicate their suspicions using the "whistle blowing" policy.

The term "whistle blowing" is most commonly used to describe when an employee discloses wrong doing within the Company. Such wrong doing can include unlawful conduct, financial malpractice or dangers to the public or the environment. Public disclosure of confidential information about the company could clearly be a breach of an employee's contract, therefore special arrangements are needed to protect both the employee and the company. It is important that the employee's concerns about illegal or unethical activities can be raised without fear of victimization and that the company is alerted to malpractice early so that it can be stopped and the perpetrators dealt with.

A whistle blowing procedure allows employees to raise concerns with management about the conduct of others which they consider to be in some way damaging to the company or others within it.

There may sometimes be circumstances in which people feel uncomfortable raising issues directly with their managers/superiors. Hence we plan to provide a confidential "whistle blowing" mechanism throughout the Company which the Cyan stakeholders i.e. Employees, Service Providers, Contractors, Dealers, Customers as well as Vendors will be able to use to report to the management instances of unethical behavior / acts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The purpose of this document is to provide a framework to promote responsible and secure whistle blowing. It protects the stakeholders wishing to raise a concern about serious irregularities within the Company. The policy neither exempts employees from their duty of confidentiality in the course of their work, nor it is a route for taking up personal grievance / act with a malafide intentions against fellow employee.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to developing a culture where it is safe for stakeholders i.e. employees, Service Providers, Contractors, dealers, customers as well as vendors for Cyan to raise concerns about any poor or unacceptable practice and any event of misconduct.

There is no any incidence reported during the year 2017 to the Audit Committee.

IT GOVERNANCE POLICY

Cyan Limited has a well conceived and implemented IT Governance Policy which seeks to ensure that IT is aligned with Cyan's organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning Cyan's IT investments and operations. Specifically the policy aims to establish the IT governance structure and its associated procedures, roles, and responsibilities, as a critical component of the overall IT Management (ITM) Framework, which guides the management, implementation, and monitoring of IT investments for Cyan Limited. Cyan's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how information technology can add value to the organization;
- Establishing information technology goals, and the strategies for achieving those goals;
- Establishing principles and guidelines for making information technology decisions and managing initiatives;
- Overseeing the management of institutional information technology initiatives;
- Establishing and communicating organizational information technology priorities;
- Determining information technology priorities in resource allocation;
- Establishing, amending and retiring, as necessary, organizational information technology and other technology related policies, and
- Determining the distribution of responsibility between the IT Department and end users.

LEVEL OF MATERIALITY

The board of directors shall define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive subcommittee of the board that may be set up for the purpose.

International Standard on Auditing (UK and Ireland) 320 "Materiality in planning and performing an audit" (ISA 320) explains that misstatements and omissions, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users of the financial statements. The users are considered as a group of users of the financial statements rather than as individual users.

Judgment comes into play when deciding whether a misstatement or omission is immaterial, as although it may be below the calculated materiality level, by its very nature it is material to the users of the financial statements and should therefore be adjusted and/or disclosed in the financial statements e.g. related party transactions.

The first consideration when calculating materiality is the assessed risk associated with the business. There is an inverse relationship between risk and materiality. The higher the assessed risk of material misstatement within the financial statements, the lower the materiality and vice versa. This means that larger samples will be selected in response to the higher assessed risk and as such low materiality results in larger samples, higher materiality levels result in smaller sample sizes.

There are a number of benchmarks which can be selected to help calculate materiality and a range of materiality percentages that could be used when calculating materiality. ISA 320 doesn't specifically mention the ranges of percentages that can be used as again this is left to the auditor's judgment, however, common percentages used are shown below. Ideally the one selected by the auditor should be the benchmark that most represents the needs of the users of the financial statements. Examples of the more common benchmarks and percentages are as follows:

- Revenue (0.5% to 1%)
- Total Assets (1% to 2%)
- Net assets (2% to 5%)
- Profit after tax (5% to10%)

Keeping in view that Cyan limited is a company mainly involved in investing in public and private equities, therefore the appropriate materiality level should be calculated based on percentage of Net Assets. The Board has recommended minimum percentage allocation of 0.5% of Net Assets as Material level. However, this level does not include the related party transactions. The auditors should verify the all transactions entered into with related parties and ensure compliance with the related parties' policy approved by the Board of Directors.

The Board of Directors has decided the materiality level however; it does not restrict the auditors to verify the transactions below the materiality level if in case they find any greater risk into any head of accounts.

INVESTORS' RELATIONS POLICY

Policy Statement

The Investors' Relations policy has been developed to define broad parameters on how Cyan Limited ("the Company") shall deal with the investors in context of general awareness, complaints and communications.

Broad Parameters

This Investor Relations Policy (IRP) will:

- Serve as a statement to the shareholders and other stakeholders of how Cyan intends to keep them informed of material developments, and maintain effective communications with them.
- Provide a framework of processes and procedures upon which Cyan can successfully implement its Investor Relations program. This Policy is meant to serve the company's shareholders and stakeholders.

General Principles

Cyan strives to maintain its corporate credibility and instill investor confidence by practicing a structured approach to the communication of price sensitive information. The Investor Relations program, which is designed to be both proactive and interactive, will be based on Cyan's commitment to:

- always report its financial results and material developments to the Exchange, its shareholders and other stakeholders in a timely, open and comprehensive manner.
- communicate only through its Company Secretary or CEO.
- proactively address reports and rumors, so as to avoid unnecessary volatility in the stock price
- use its website as an additional communications channel.

The company has setup an Investor Service Centre for the facilitation of shareholders.

• Communications

Cyan will make every effort to ensure that all price sensitive information concerning the company is made accessible. The company's communication will be characterized by the following attributes:

- Transparency: price sensitive information will be released, whether it is favorable or not, in a balanced and fair manner that is not misleading.
- Consistency: all stakeholders will receive the same information, only formats may differ depending on the audience and forum.
- Accuracy: information shall be complete and accurate when released and material errors will be immediately corrected and clarified, if any.
- Timeliness: price sensitive information will be released as soon as it is known, unless there are exceptional legitimate reasons to withhold, which will be no longer than absolutely necessary.
- Non-selective: equality of access to price sensitive information will be achieved through broad public dissemination; no stakeholder will be given undisclosed price sensitive information in any form.

• Spokesperson

Cyan has a well-defined structure for governance and management which provides specific authority and responsibility for policy implementation. The Company shall designate Head of Compliance / Manager Compliance or in their absence any other senior management officer whose name shall be available in the Annual Report and on the website to handle investor complaints, grievances. The Company Secretary shall also be responsible for communication to the shareholders regarding announcements of general meetings, dividends, and any other price sensitive information.

Price Sensitive Information

The Company will always fully comply with its disclosure obligations in line with regulatory requirements Information shall be considered price sensitive if it falls in the definition of price sensitive information as provided in Section 96 of the Securities Act, 2015 or any superseding Act/Ordinance together with taking into account all the circulars or notifications by the Exchange or Commission.

Confidentiality

In general, all information regarding the Company, its operations, financial condition and future prospects, should be regarded as material and price sensitive, and must be treated as confidential unless it is already in the public domain.

Employees and third parties, such as the Company's auditors, bankers, lawyers or other professional advisors who require such information to properly execute their duties, are to protect the confidentiality of such information.

Major Corporate Developments

The Company will strictly enforce its procedures for the protection of confidentiality until such time as the development of any major corporate development, such as a merger or acquisition or the launch of a significant new business, has received all requisite approvals. Thereafter, special attention will be paid to ensure the widest and most complete dissemination of information concerning the development, in line with the provisions of this Policy, Companies Act and the Listing Regulations of the Exchange.

• Amendment

The BOD may on its own motion or on recommendation of the BAC, if it considers that it would be in the interest of the Company to do so, alter, amend, modify or relax any restriction or terms and conditions of the IRP as it may deem fit.

Any provision(s) of this IRP in contravention of any applicable rules and regulation and any guidelines or circulars issued from time to time by the Securities and Exchange Commission of Pakistan (SECP)/ Regulators, the latter shall supersede and prevail over the provisions contained in the IRP.

HEALTH & SAFETY POLICY

In order to improve job satisfaction of the workforce, ensuring a safe and secure environment for employees is always considered important for any organization. To improve the safety and health conditions on an on-going basis, it is necessary to continuously monitor the health and safety issues in the environment and update the current procedures accordingly.

Commonsense and basic good housekeeping are the predominant factors influencing the maintenance of high standards of health and safety in offices and staff should always be conscious of dangers to themselves and their colleagues, presented by their working environment and activities.

Any unsafe conditions, e.g. faulty lifts, faulty fire doors, missing fire extinguishers, missing Fire Notices, defective equipment (particularly defective gas connections), poor lighting, damaged floor coverings, unsafe furniture and so on, should be reported at once to immediate supervisor, admin officer or safety officer so that necessary remedial action can be taken.

Recognizing the importance of employee health and safety, the Company is committed to ensure that employees must know and follow all health and safety requirements of their specific job requirement.

The following items are considered for incorporation of Health & Safety Policy:

- Health and safety are to be given equal consideration with all other business functions.
- Health and safety are everyone's responsibility. Employees shall actively participate in all elements of the Health & Safety program.
- The organization is committed to comply with all corporate policies, procedures and applicable legislation.
- Health and safety are among our highest values and a key indicator of organizational excellence.
- All work-related injuries and illness are preventable by identifying and controlling risks.
- Hazard identification, risk assessment and risk control represent the foundation of a successful Health & Safety management system.
- Our Health & Safety management system is based on continuous improvement.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Cyan recognizes that we must integrate our business values and operations to meet the expectations of our stakeholders. They include customers, employees, suppliers, the community and the environment.

- We recognize that our social, economic and environmental responsibilities to these stakeholders are integral to business. We aim to demonstrate these responsibilities through our actions and within our corporate policies.
- We take seriously all feedback, complaints and compliments that we receive from our stakeholders and, where possible maintain open dialogue to ensure that we fulfill the requirements outlined within this policy.
- We shall be open and honest in communicating our policies, strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development.
- Cyan will, where reasonable, make the necessary resources available to realize our corporate responsibilities. The responsibility for delivery lies with all employees.
- In relation to community involvement, Cyan will identify a charity each year and staff will work together to raise funds and aid the charity as and when possible in a practical way.
- In selecting either a charity for this support or working with a charity in a team building scenario, Cyan will only support programs which are inclusive in nature and reach across all social and community backgrounds. Support will not be given to individuals or groups with political or sectarian connections.

CSR activity undertaken by Cyan staff will be reported in the Annual Report circulated to all stakeholders.

Cyan CSR activities will be focused on the following areas:

- Education
- Health Sector
- Community Building
- √ Children Welfare
- √ Women Empowerment
- ✓ Sports Development
- ✓ Heritage Preservation
- √ Relief Activities

Cyan considers the following factors while shortlisting the project:

- Associating to a cause which is in-line with the identified sectors
- Credibility and repute of the charity organization seeking assistance

INSIDER TRADING POLICY

Cyan Limited has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly-traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

i. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in the Code of Corporate Governance, within the Closed Periods announced by the Company.

ii. No insider may purchase or sell any Company's security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.

iii. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.

iv. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has concluded its annual review of the conduct and operations of the Company during 2017, and reports that:

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All cores & other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended December 31, 2017, which present fairly the State of Affairs, Results of Operations, Profits, Cash Flows and Changes in Equities of the Company for the year under review.
- The Chief Executive and the Chief Financial Officer have reviewed the Financial Statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgments. Proper and adequate accounting records have been maintained by the Company. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However as allowed by the SECP vide its circular no. 23 of 2017 dated October 04, 2017, these financial statements comply with the requirements of the Fourth Schedule to the Companies Ordinance, 1984. Further, the external reporting is consistent with Management processes and adequate for shareholder needs.
- All Directors have access to the Company Secretary. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, limiting the Directors, the Chief Executive and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

INTERNAL AUDIT

- The internal control framework has been effectively implemented; the Board has established an effective internal audit function within the Company.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.

- The Internal Audit function has carried out its duties under the charter approved by the Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the function has all necessary access to Management and the right to seek information and explanations.

EXTERNAL AUDITORS

- The statutory Auditors of the Company, A. F. Ferguson & Company, Chartered Accountants, have completed their Audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended December 31, 2017 and shall retire on the conclusion of the 58th Annual General Meeting.
- The Audit Committee has reviewed and discussed Audit observations with the External Auditors.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the Annual General Meetings of the Company during the year and have confirmed attendance of the 58th Annual General Meeting scheduled for March 29, 2018 and have indicated their willingness to continue as Auditors.
- The Audit Committee has recommended the appointment of A.F. Ferguson & Co. Chartered Accountants as External Auditors of the Company for the year ending December 31, 2018.

Karachi: February 17, 2018

Kamran Nishat Chairman - Audit Committee

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of listing regulations of the Pakistan Stock Exchange (PSX) Rule Book for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names		
Independent Director	Kamran Nishat		
Executive Directors	Sulaiman S. Mehdi Faisal Nadeem		
Non-Executive Directors	Kulsum Dawood Inam Ur Rahman Hasan Reza-Ur Rahim Shafiq Ahmed		

The independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG..

- 2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable.)
- 3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to Banking Company, a DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that Stock Exchange.
- 4. Two casual vacancies occurred on the Board on

29th March 2017 and 12th April 2017 were filled up by the directors within 90 days.

- 5. 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.
- 6. The Board has developed a vision/mission statement and overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained
- 7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, Other Executive and Non-Executive Directors, have been taken by the Board.
- 8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9. The Company is compliant in respect of certification of all directors under the directors' training program offered by institutions that meet criteria specified by SECP.
- 10. No new appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit was made during the year.
- 11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

- 12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
- 13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
- 15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an independent director.
- 16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference (TOR) of the committee have been formed and advised to the committee for compliance.
- 17. The Board has formed HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
- 18. The Board has set up an effective internal audit function managed by suitably qualified and experienced professionals who are conversant with the policies and procedures of the Company.
- 19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants

(IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

- 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to the directors, employees and PSX.
- 22. Material/price-sensitive information has been disseminated among all market participants at once through the PSX
- 23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24. We confirm that all other material principles enshrined in the CCG have been complied with...

Sulaiman S. Mehdi CEO

Karachi: February 19, 2018

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors ('Board') of Cyan Limited ('the Company') for the year ended December 31, 2017 to comply with the requirements of Listing Regulations No. 5.19 of the Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended December 31, 2017.

Chartered Accountants Karachi Dated: February 21, 2018

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of Cyan Limited as at December 31, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
- (i) the statement of financial position and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied; and
- (ii) the expenditure incurred during the year was for the purpose of the company's business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at December 31, 2017 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Chartered Accountants Engagement Partner: Shahbaz Akbar Dated: February 21, 2018 Karachi

STATEMENT OF FINANCIAL POSITION As at December 31, 2017

	Note	2017 (Rupees	2016 in '000)
ASSETS		(,	
Non-current assets Property and equipment Intangible assets Deferred taxation Long term loans Long term deposits	6 7 16 8	14,951 137 52,235 8,133 2,500 77,956	13,751 266 9,985 2,500 26,502
Current assets Short term investments Long term loans - current portion Trade and other receivables Advances and short-term prepayments Cash and bank balances	9 8 10 11 12	2,440,890 2,330 16,242 3,539 5,269 2,468,270 2,546,226	3,612,508 2,330 11,619 5,179 906 3,632,542 3,659,044
EQUITY AND LIABILITIES			
Share capital and reserves Authorised share capital 100,000,000 (2016: 100,000,000) Ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital Unappropriated profit Reserves Remeasurement on post retirement benefits obligation - net of tax Surplus on revaluation of available-for-sale investments	13 14	586,277 1,024,498 133,088 (2,142) 528,372	586,277 1,708,968 133,088 (2,611) 746,881
Non-current liabilities Deferred liability - gratuity Deferred taxation	15 16	2,270,093 12,237 -	3,172,603 10,528 13,803
Current liabilities Creditors, accrued expenses and other liabilities Accrued mark - up Short term borrowing Taxation - net	17 18 19	12,237 45,687 400 - 217,809 263,896	24,331 89,852 1,796 183,265 187,197 462,110
TOTAL EQUITY AND LIABILITIES		2,546,226	3,659,044
CONTINGENCIES AND COMMITMENTS	20		
The annexed notes 1 to 35 form an integral part of these financial st	atements	6	

Faisal Nadeem

Chief Financial Officer

Sulaiman S. Mehdi **Chief Executive**

k Kamran Nishat Director

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2017

	Note	2017 (Rupees	2016 in '000)
Return on investments Gain on sale of investments - net Other income	21 22 _	149,603 85,493 17,525 252,621	201,844 258,629 35,882 496,355
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		<u>(677,429)</u> (424,808)	<u>363,999</u> 860,354
EXPENSES			
Operating and administrative expenses Financial charges	23	(96,427) (14,622) (111,049)	(113,033) (13,040) (126,073)
(Loss) / profit before taxation		(535,857)	734,281 💉
Taxation - current year - prior year - deferred	24 24 24	(44,616) (23,668) 66,240 (2,044)	(54,856) 31,808 (23,048)
Net (loss) / profit for the year		(537,901)	711,233
		(Rup	ees)
Basic and diluted (loss) / earnings per share	31 _	(9.17)	12.13

The annexed notes 1 to 35 form an integral part of these financial statements

Faisa Nadeem Chief Financial Officer

Sulaiman S. Mehdi Chief Executive

Kamran Nishat

Director

STATEMENT OF COMPREHENSIVE INCOME For the year ended December 31, 2017

	2017 (Rupees	2016 s in '000)
(Loss) / profit after taxation	(537,901)	711,233
Items that may be reclassified subsequently to profit or loss		
(Deficit) / surplus on revaluation of available-for-sale securities	(218,509)	326,444
Items that will not be reclassified to profit or loss		
Remeasurement of post retirement benefits obligation - net of tax	469	869
Total comprehensive (loss) / income for the year	(755,941)	1,038,546
The annexed notes 1 to 35 form an integral part of these financial statements		

Faisal Nad em Chief Financial Officer

Sulaiman S. Mehdi Chief Executive

Kamran Nishat Director

STATEMENT OF CHANGES IN EQUITY For the year ended December 31, 2017

	Share capital	Capital re	eserves	Revenue	reserves	Remeasur- ement	Surplus on	
	Issued, subscribed and paid- up	Reserve for exceptional losses	Capital gain reserve	General reserve	Unappropr- iated profit	on post retirement benefits	revaluation of available for sale investments	Total
				(Rupee:	s in '000)			
Balance as at January 1 , 2016	586,277	10,535	2,553	120,000	1,378,815	(3,480)	420,437	2,515,137
Total comprehensive income for the year ended December 31, 2016								
Net profit for the year	-	2	_	-	711,233	-	~	711,233
Other comprehensive income		-	2	2	2	869	326,444	327,313
Transactions with owners recorded	-		-		711,233	869	326,444	1,038,546
directly in equity								19
Final dividend of Rs.4 per share for the					1001 511			1004 5111
year ended December 31, 2015	-	-	-		(234,511)	-	-	(234,511)
Interim dividend of Rs.2.50 per share for the					(146,569)	1.1	1	(146,569)
half year ended June 30, 2016	-	-	-		(381,080)			(381,080)
Balance as at December, 31 2016	586,277	10,535	2,553	120,000	1,708,968	(2,611)	746,881	3,172,603
Total comprehensive income for the year ended December 31, 2017		~						-
Net loss for the year	-	č.,	-	70	(537,901)	-	-	(537,901)
Other comprehensive loss	-	-	-	-	-	469	(218,509)	(218,040)
Transactions with owners recorded directly in equity		×.		-	(537,901)	469	(218,509)	(755,941)
					141			
Final dividend of Rs.2.5 per share for the year ended December 31, 2016	-	-		-	(146,569)		-	(146,569)
Balance as at December 31, 2017	586,277	10,535	2,553	120,000	1,024,498	(2,142)	528,372	2,270,093

The annexed notes 1 to 35 form an integral part of these financial statements

Faisa Nacem Chief Financia Officer

Sulaiman S. Mehdi Chief Executive

Kamran Nishat Director

STATEMENT OF CASH FLOWS For the year ended December 31, 2017

	Note	2017 (Rupees	2016 in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(535,857)	734,281
Adjustment for non cash charges and other items: Depreciation Amortisation Gain on sale of property and equipment Capital gain on sale of investments - net Amortisation of premium on government securities Financial charges Net unrealised diminution / (gain) on revaluation of investments classified as at fair value through profit or loss		2,580 129 (899) (85,493) (2,532) 14,622 677,429 605,836	2,645 33 (7) (258,629) (2,909) 13,040 (363,999) (609,826)
Operating profit before working capital changes		69,979	124,455
 (Increase) / decrease in operating assets Trade and other receivables Long term loans Advances and short-term prepayments (Decrease) / increase in operating liabilities Deferred liability Trade and other payables 	[(4,623) 1,852 1,640 (1,131) 2,378 (42,488) (40,110)	(638) 1,745 (1,182) (75) 3,473 (197,183) (193,710)
Net cash generated / (used in) from operations		28,738	(69,330)
Taxes paid Financial charges paid Dividend paid Net cash used in operating activities	31	(37,672) (16,018) (148,246) (173,198)	(47,181) (11,244) (378,220) (505,975)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments Investment in securities Capital expenditure incurred Proceeds from sale of property and equipment Net cash generated from investing activities	[4,425,310 (4,061,603) (3,980) 1,099 360,826	7,742,419 (7,577,629) (1,166) 101 163,725
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the year	-	187,628 (179,359)	(342,250) 162,891
Cash and cash equivalents at the end of the year	12.2	8,269	(179,359)
The annexed notes 1 to 35 form an integral part of these financial s			

Faisal Nad em Chief Financial Officer

AMMANIN Sulaiman S. Mehdi Chief Executive

K Kamran Nishat Director



For the year ended December 31, 2017

1 STATUS AND NATURE OF BUSINESS

Cyan Limited, a DH Group Company ("the Company"), is a Public Limited Company incorporated in Pakistan on 23 April 1960 under the Companies Act, 1913 (now Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 4th Floor Dawood Centre, Molvi Tamizuddin Khan Road, Karachi. Dawood Corporation (Private) Limited is the parent company of the entity.

The Company is engaged in making equity investments in companies with high growth potential.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the repealed Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR (II)/2017 dated October 4, 2017 issued by SECP, companies the financial year of which closes on or before December 31, 2017 are required to prepare their financial statements in accordance with the provisions of the Ordinance. Accordingly approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for certain investments which are measured at fair value as described in note 4.4 and certain staff retirement benefits which are carried at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest thousand rupees.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

(a) Classification of investments (note 4.4 and 9).

(b) Accounting for defined benefit plan (note 4.1 and 15).

(c) Depreciation / amortisation of operating fixed assets (note 4.9, 6 and 7)

(d) Provision for taxation (current and prior years) and deferred taxation (note 4.10, 16 and 24)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.



For the year ended December 31, 2017

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are effective in the current period

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on January 1, 2017. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

3.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

IFRS 9 'Financial instruments' is effective for annual periods beginning on or after July 1, 2018. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value or OCI without recycling. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. The Company is yet to assess the full impact of the standard.

IFRS 15 'Revenue from contracts with customers' is effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Company is yet to assess the full impact of the standard.

There are other standards and amendments to the published standards that are not yet effective and are also not relevant to the Company's financial statements and operations and therefore, have not been presented in these financial statements.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless stated otherwise.

4.1 Employee benefits

4.1.1 Defined contribution plan

The Company operates a recognised contributory provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at the rate of 10% of the basic salary.



For the year ended December 31, 2017

4.1.2 Defined benefit plan

The Company operates an unfunded approved gratuity scheme for all permanent employees who have completed the minimum qualifying period of service. Contributions to the scheme are made in accordance with an independent actuarial valuation using the Projected Unit Credit Method. Amounts arising as a result of remeasurements, representing actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

4.1.3 Employees' compensated absences

The Company accounts for the liability in respect of employees compensated absences in the period in which they are earned.

4.2 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods or services received, whether or not billed to the Company.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, stamps in hand, deposits, short term placements with banks and short term borrowings which form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.4 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase and classifies its investments as at fair value through profit or loss, available for sale, held to maturity and loans and receivables. The classification depends on the purpose for which the investments were acquired.

4.4.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in prices or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting appreciation or diminution recognised directly in the profit and loss account. Transaction costs are charged to the profit and loss account when incurred.

4.4.2 Available-for-sale

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment loss are recognised in other comprehensive income and presented in the surplus on revaluation of available-for-sale investments in the statement of changes in equity. When an investment is derecognised, the gain and loss accumulated in equity is reclassified to the profit and loss account.



For the year ended December 31, 2017

4.4.3 Held-to-maturity

Held-to-maturity investments are non-derivative financial instruments with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held to maturity are recognised initially at cost plus attributable transaction costs. Subsequently, these are measured at amortised cost.

Gains and losses are recognised in income when the investments are derecognised or impaired. Premium and discount on held-to-maturity investments are amortised using the effective interest rate method and are recognised in the profit and loss account.

4.4.4 Loans and recievables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables comprise of loans, finances, other receivables and cash and cash equivalents.

4.5 Regular way contracts

Regular purchases and sale of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset.

4.6 Impairment

4.6.1 Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of an asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. A significant or prolonged decline in the fair value of a listed equity instrument below its cost is also considered as an objective evidence of impairment.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss is recognised in the profit and loss account, the reversal of the previously recognised impairment loss is recognised in the profit and loss account. However, any subsequent recovery in the fair value of an impaired available for sale equity security is recognised in other comprehensive income.

4.6.2 Non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.7 Financial instruments

Financial instruments carried on the statement of financial position include investments, deposits, loans, advances, cash and bank, sundry receivables, loans to employees, accrued expenses, other creditors and accruals, unclaimed dividends and short term borrowings.



For the year ended December 31, 2017

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at their fair values plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

4.8 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to offset the recognised amount and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.9 Property and equipment

4.9.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Maintenance and normal repairs are charged to the profit and loss account as and when incurred. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Depreciation on tangible fixed assets is charged to the profit and loss account by applying the reducing balance method whereby the depreciable amount of an asset is written-off over its estimated useful life at the rates specified in note 6. Depreciation is charged on additions from the date the asset is available for use whereas depreciation on disposals is charged till the date of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end. Gain or loss on disposal of fixed assets is charged to the profit and loss account.

4.9.2 Intangible

Intangible assets comprise software license, and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the useful life of the asset on a systematic basis to profit and loss account by applying the straight line method at the rates specified in note 7 to the financial statements.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively.

4.10.1 Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.



For the year ended December 31, 2017

4.10.2 Deferred

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.11 Revenue recognition

Return on Investments

- i) Dividend income on equity securities is recognised in the profit or loss account when the right to receive the dividend is established.
- ii) Realised capital gain / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.
- iii) Unrealised capital gains / (losses) arising on marking to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.
- iv) Income on government securities is recognised on time proportion basis using the effective yield method.

Other income

- v) Income on long term loans, bank deposits and placements is recognised on accrual basis.
- vi) Income on advisory services is recognised on delivery of deliverable.

4.12 Earnings per share (EPS)

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 period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4.13 Foreign currencies

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the reporting date. Exchange gains or losses, if any, are taken to the profit and loss account.

4.14 Dividend declaration and reserve appropriations

Dividend distribution and reserve appropriations are recorded in the period in which the distribution and appropriations are approved.



For the year ended December 31, 2017

4.15 Discontinued operations

A discontinued operation is a separate major line of business, which is a distinct part of the business both operationally and for financial reporting purposes and which is in the process of being discontinued by the entity. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

5 DISCONTINUED OPERATIONS

In 2011, the Board of Directors and shareholders of the Company in their respective meetings held on January 27, 2011 and March 10, 2011 had approved a business restructuring plan (BRP), by virtue of which the Company discontinued its insurance business and continues to undertake only strategic and portfolio investment business and investments in other financial instruments. On November 30, 2011, the Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers under section 9 (2) of the Insurance Ordinance, 2000, de-registered the Company as an insurer and revoked its insurance license to carry on insurance business.

6 PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Vehicles	Total
Year ended December 31, 2017		(Rupees i	n '000)	
Opening net book value Additions during the year Disposals during the year	10,045 594	2,970 678	736 2,708	13,751 3,980
Cost Accumulated deprciation	-	(121) 81	(1,466) 1,306	(1,587) 1,387
Depreciation charge for the year	(1,013)	(40) (1,160)	(160) (407)	(200) (2,580)
Closing net book value	9,626	2,448	2,877	14,951
As at December 31, 2017				
Cost Accumulated depreciation	16,367 (6,741)	10,594 (8,146)	4,309 (1,432)	31,270 (16,319)
Closing net book value	9,626	2,448	2,877	14,951
Year ended December 31, 2016				
Opening net book value Additions during the year Disposals during the year	11,165 -	3,508 897	920	15,593 897
Cost Accumulated depreciation	-	(633) 539	-	(633) 539
Depreciation charge for the year	(1,120)	(94) (1,341)	(184)	(94) (2,645)
Closing net book value	10,045	2,970	736	13,751
As at December 31, 2016				
Cost Accumulated depreciation	15,773 (5,728)	10,037 (7,067)	3,067 (2,331)	28,877 (15,126)
Closing net book value	10,045	2,970	736	13,751
Rate of depreciation	10%	33% & 50%	20%	



For the year ended December 31, 2017

6.1 Details of property and equipment disposed of are as follows:

	2017									
	Cost	Accumulated depreciation	Net book value	proceeds	Method or	f disposal				
Book value not exceeding Rs. 50,000 each		(Hupees	6 m 000) ·							
Office equipment Motor vehicles	121 <u>1,466</u> <u>1,587</u>	81 <u>1,306</u> <u>1,387</u>	40 160 200	49 <u>1,050</u> <u>1,099</u>	Vari Vari					
				Note	Computer 2017 (Rupees	2016				
INTANGIBLE ASSETS										
Year ended December 31										
Opening net book value					266	3				
Additions during the year					-	26				
Disposals during the year										
Cost Accumulated amortisation					_	_				
Amortisation charge for the year					- (129)	-				
Closing net book value					137	26				
As at December 31										
Cost Accumulated amortisation					7,068 (6,931)	7,06 (6,80				
Closing net book value					137	26				
Rate of amortisation					33.33%	33.339				

7.1 Included in cost of intangibles are fully amortised items which are still in use aggregating to Rs 6.86 million (2016: Rs 6.72 million).

8 LONG TERM LOANS

7

Considered good			
-due from executives	8.1	10,463	12,315
		10,463	12,315
Current portion of long-term loans		(2,330)	(2,330)
		8,133	9,985

8.1 House loans given to chief executive officer and chief financial officer, which are repayable in ten years in equal monthly installments at a mark-up of 6% per annum.

For the year ended December 31, 2017

8.2 Following is the movement of long term loans to employees:	Note	2017 2016 (Rupees in '000)
Long term Opening balance Amount disbursed Repayments Add: Interest receivable Closing balance	8.3	12,315 14,060 (2,330) (2,348) 478 603 10,463 12,315
8.3 The maximum aggregate amount of loans and advances outstanding of financial position was Rs 12.315 million (2016 : Rs 14.06 million).		since the previous statement
9 SHORT-TERM INVESTMENTS		
 Investments comprise of the following: Held-to-maturity investments Available-for-sale investments Investments carried at fair value through profit or loss Loans and receivables 	9.1 9.2 9.3 9.4	44,643 44,367 646,314 864,822 1,746,933 2,700,319 3,000 3,000 2,440,890 3,612,508
9.1 Held-to-maturity investments		2,440,890 3,612,508
Face value Coupon Particulars (Rupees) rate (%)		
45,000,000 5.96 Treasury Bills Tenure - 1 Year		44,643 44,367

Market value as at December 31, 2017 of Government Securities is Rs. 44.624 million (2016: Rs 44.361 million). These are placed with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000 and will be released once the outstanding claims and balances relating to insurance are settled.

				Marke	et Value
Available-for-sale investments			Note	2017 (Rupees	2016 s in '000)
Un-quoted shares Un-quoted debentures Quoted shares - related parties			9.2.1 9.2.2 9.2.3	- 646,314 646,314	
Un-quoted Shares					
	Note	Number	of Shares	Cost	
Name of investee company		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
				(Rupees	s in '000)
Bankers Equity Limited	9.2.1.1	13,465	13,465	117	117
Cost as on December 31				117	117
Less: Provision for Impairment				(117)	(117)
Carrying Value				-	-
	Un-quoted shares Un-quoted debentures Quoted shares - related parties Un-quoted Shares Name of investee company Bankers Equity Limited Cost as on December 31 Less: Provision for Impairment	Un-quoted shares Un-quoted debentures Quoted shares - related parties Un-quoted Shares Name of investee company Bankers Equity Limited Cost as on December 31 Less: Provision for Impairment	Un-quoted shares Un-quoted debentures Quoted shares - related parties Un-quoted Shares Name of investee company Bankers Equity Limited Cost as on December 31 Less: Provision for Impairment	Available-for-sale investmentsUn-quoted shares9.2.1Un-quoted debentures9.2.2Quoted shares - related parties9.2.3Un-quoted Shares9.2.3Un-quoted Shares9.2.3Bankers Equity Limited9.2.1.1Cost as on December 319.2.1.1Less: Provision for Impairment9.2.1.1	Available-for-sale investmentsNote2017 (RupeerUn-quoted shares Un-quoted debentures Quoted shares - related parties9.2.1 9.2.2 9.2.3-Un-quoted Shares Outed Shares9.2.2 646,314 646,314-Un-quoted Shares Name of investee companyNoteNumber of Shares 31-Dec-17Bankers Equity Limited Cost as on December 31 Less: Provision for Impairment9.2.1.113,465117 117

9.2.1 The company is in the process of liquidation, therefore, the name of the Chief Executive is not available.

Maulcat Value



For the year ended December 31, 2017

Un-quoted debentures							
Name of investor company				er of Bond			
Name of investee company			31-Dec-1	7 31-De	ec-10 3	1-Dec-17	<u>31-Dec-16</u> n '000'
Hyson Sugar Mills Limited			240,50	0 240),500	60	60
Less: Provision for Impairment Carrying Value						60 (60) 	60 (60) -
Quoted Shares - Related Parties							
Name of investee company	3	Number of 31-Dec-17	Shares 31-Dec-1	Cc 6 31-De	ec-17 3	Market v 1-Dec-17	31-Dec-16
					Ri	upees in '000'	
Fertilizer Dawood Hercules Corporation Limited Equity held: 0.17% (2016: 0.17%)		794,380	794,38	0 47	7,652	88,875	114,653
Textile Composite Dawood Lawrencepur Limited Equity held: 5.02% (2016: 5.02%)		2,965,095	2,965,09	5 22 2	2,111	557,439	750,169
				269	9,763	646,314	864,822
Less: Provision for Impairment Carrying Value				(15	1,821) 7,942	0.0,011	001,022
Market Value as at December 31, 2017	7			646	6,314		
Unrealised gain				528	3,372		
Investments carried at fair value through	orofit or los	S		Nc		Market \ 2017 'Rupees i	2016
Quoted shares Mutual funds	orofit or los	S		9.3 9.3	3.1 1 3.1	2017	2016 in '000' 2,697,752 2,567
Quoted shares	orofit or los	S		9.3	3.1 1 3.1	2017 'Rupees i 1,682,761 64,172 1,746,933	2016 in '000' 2,697,752 <u>2,567</u> 2,700,319
Quoted shares Mutual funds		S of Shares	Carrying Value	9.3	3.1 1	2017 'Rupees i 1,682,761 64,172	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee
Quoted shares Mutual funds Quoted Shares Name of investee company	Number		Value	9.3 9.3 Market	3.1	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment	2016 in '000' 2,697,752 2,567 2,700,319 Investment as a percentage of paid-up capital of
Quoted shares Mutual funds Quoted Shares Name of investee company	Number	of Shares	Value	9.3 9.3 Market	3.1 3.1 value 31-Dec-16	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment	2016 in '000' 2,697,752 2,567 2,700,319 Investment as a percentage of paid-up capital of investee
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery	Number 31-Dec-17	of Shares 31-Dec-16	Value 31-Dec-17 3	9.3 9.3 Market 1-Dec-17 pees '000'-	3.1 3.1 value <u>31-Dec-16</u>	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee company
Quoted shares Mutual funds Quoted Shares Name of investee company	Number	of Shares 31-Dec-16	Value 31-Dec-17 3 Ru 59,919	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180	3.1 3.1 value 31-Dec-16	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited	Number 31-Dec-17	of Shares 31-Dec-16	Value 31-Dec-17 3	9.3 9.3 Market 1-Dec-17 pees '000'-	3.1 3.1 value <u>31-Dec-16</u>	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee company
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery	Number 31-Dec-17	of Shares 31-Dec-16	Value 31-Dec-17 3 Ru 59,919	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180	3.1 3.1 value <u>31-Dec-16</u>	2017 'Rupees i 64,172 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee company
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies	Number <u>31-Dec-17</u> 1,000,000	of Shares 31-Dec-16	Value 31-Dec-17 3 Ru 59,919 59,919	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180	3.1 value 31-Dec-16	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee company
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies Sui Northern Gas Pipeline Limited Engineering	Number 31-Dec-17 1,000,000 500,000	of Shares 31-Dec-16	Value 31-Dec-17 3 Ru 59,919 59,919 64,990 64,990	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180 47,305 47,305	3.1 value 31-Dec-16 	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94% 1.94%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentag of paid-up capital of investee company 0.349
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies Sui Northern Gas Pipeline Limited Engineering International Steels Limited	Number 31-Dec-17 1,000,000 500,000 500,000	of Shares 31-Dec-16 1,648,000 	Value 31-Dec-17 3 Ru 59,919 59,919 64,990	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180 47,305	3.1 value 31-Dec-16 	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94% 2.18%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentag of paid-up capital of investee company 0.349
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies Sui Northern Gas Pipeline Limited Engineering	Number 31-Dec-17 1,000,000 500,000	of Shares 31-Dec-16	Value 31-Dec-17 3 Ru 59,919 59,919 64,990 64,990 75,664 -	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180 47,305 47,305 53,185 -	3.1 value 31-Dec-16 	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94% 2.18%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentage of paid-up capital of investee company
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies Sui Northern Gas Pipeline Limited Engineering International Steels Limited Aisha Steel Mills Limited	Number 31-Dec-17 1,000,000 500,000 500,000	of Shares 31-Dec-16 1,648,000 	Value 31-Dec-17 3 Ru 59,919 59,919 64,990 64,990	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180 47,305 47,305	3.1 value 31-Dec-16 	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94% 2.18%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentag of paid-up capital of investee company 0.349
Quoted shares Mutual funds Quoted Shares Name of investee company Refinery Pakistan Refinery Limited Oil and Gas Marketing Companies Sui Northern Gas Pipeline Limited Engineering International Steels Limited	Number 31-Dec-17 1,000,000 500,000 500,000	of Shares 31-Dec-16 1,648,000 	Value 31-Dec-17 3 Ru 59,919 59,919 64,990 64,990 75,664 -	9.3 9.3 Market 1-Dec-17 pees '000'- 35,180 35,180 47,305 47,305 53,185 -	3.1 value 31-Dec-16 	2017 'Rupees i 1,682,761 64,172 1,746,933 Market value as a percentage of total value of Investment 1.44% 1.44% 1.94% 2.18%	2016 in '000' 2,697,752 2,567 2,700,319 Investmen as a percentag of paid-up capital of investee company 0.349 0.089

For the year ended December 31, 2017

Name of investee company	Number of Shares		Market value as a Carrying Market value percentag Value of total valu of Investme		Market value		valu Market value perco of to		Investment as a percentage of paid-up capital of investee company
	31-Dec-17	31-Dec-16		31-Dec-17					
Cement				Rupees '000					
D.G Khan Cement Company Limited	200,000	1,000,000	45,837	26,744	221,730	1.10%	0.02%		
Thatta Cement Limited	-	500,000		í – 1	19,690		-		
			45,837	26,744	241,420	1.10%			
Textile Composite									
Nishat Mills Limited	-	1,000,000	-	-	152,270		-		
Nishat Chunian Limited	3,000,000	3,000,000	193,153	137,310	187,290		1.25%		
Gul Ahmad Textile Mills Limited	-	3,600,000	- 193,153	-	184,212 523,772		-		
Oil and Gas Marketing Companies			193,153	137,310	023,112	5.03%			
Oil & Gas Development Company Limited	500,000	_	83,362	81,395	_	3.33%	0.01%		
on a das Development Company Limited	500,000		83,362	81,395		3.33%	0.0170		
Inv. Banks / Inv. Cos. / Securites Cos.				01,000		0.0070			
Pakistan Stock Exchange Limited	7,929,330	-	222,021	177,617	-	7.28%	0.99%		
	,,		222,021	177,617	-	7.28%			
Technology & Communication									
Media Times Limited	5,000,000	5,000,000	24,750	8,500	24,750	0.35%	2.80%		
TRG Pakistan Limited	1,000,000	-	56,963	29,600	-	1.21%	0.18%		
			81,713	38,100	24,750	1.56%			
Power Generation & Distribution									
The Hub Power Company Limited (related party)	10,000,000	10,000,000	1,234,800	910,000	1,234,800	37.28%	0.86%		
Equity held: 0.86% (2016: 0.86%) K-Electric Limited	5,000,000		40,405	21 550		1.29%	0.05%		
R-Electric Limited	5,000,000	-	49,495	31,550 941,550	- 1,234,800		0.03%		
Commercial Banks			1,204,230	341,000	1,204,000	00.01 /0			
Askari Bank Limited	_	2,000,000	_	_	49,900	-	-		
Bank of Punjab Limited	2,490,000	2,490,000	36,000	20,517	43,949		0.09%		
JS Bank Limited	-	10,000,000	-		108,100	-	-		
MCB Bank Limited	-	200,000	-	-	47,564	-	-		
National Bank of Pakistan	-	2,002,000	-		149,930	-	-		
			36,000	20,517	399,443	0.84%			
Cable and Electrical Goods									
Singer Pakistan Limited	500,000	-	36,951	18,210	-	0.75%	1.10%		
			36,951	18,210	-	0.75%			
Chemical	10.000.000		101.040	71 700		0.040/	0.000/		
Lotte Chemical Pakistan Limited	10,000,000	-	121,049	71,700	-	2.94%	0.66%		
Glass & Ceremics			121,049	71,700	-	2.94%			
Tarig Glass Industries Limited	200,000	-	25,676	18,998	-	0.78%	0.27%		
	200,000		25,676	18,998	-	0.78%	0.2170		
Transport				,					
Pakistan International Bulk Terminal Limited	1,000,000	-	29,798	14,950	-	0.61%	0.07%		
			29,798	14,950	-	0.61%			
			2,360,428	1,682,761	2,697,752	67%			

9.3.1.1 5 million shares (2016: Nil) of K-Electric Limited having market value of Rs. 31.55 million (2016: Nil) as at December 31, 2017 and 1 million shares of TRG Pakistan Limited (2016: Nil) having market value of Rs 29.60 million have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



For the year ended December 31, 2017

9.3.2 Mutual Funds

	Note	Number	of Units	Carrying Value	Marke	t value
Name of fund		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-17	31-Dec-16
					Rupees '000'-	
HBL Money Market Fund		239,712	-	25,000	25,007	-
NAFA Government Securities Liquid Fund	9.3.2.1	260,170	246,349	2,707	2,713	2,567
NAFA Money Market Fund		3,600,238	-	36,227	36,452	-
Carrying Cost as at December 31, 2017				63,934	64,172	2,567
Market Value as at December 31, 2017				64,172		
Unrealised gain on mutual funds				238		

^{9.3.2.1 223,871} units (December 31, 2016: 223,871 units) of NAFA Government Securities Liquid Fund having a market value of Rs. 2.334 million (December 31, 2016: Rs.2.332 million) have been kept under pledge with National Bank of Pakistan pending settlement of a claim in litigation.

9.4	Loans and receivables	INOTE	(Rupees in '000)	
	Deposits maturing within one month		3,000	3,000

Term Deposit Receipts carry mark-up at 5.25% (2016: 5.25%) per annum and are due to mature on January 30, 2018.

10 TRADE AND OTHER RECEIVABLES

	Amounts due from other insurers / reinsurers - Discontinued Operations Reinsurance recoveries against outstanding claims - Discontinued	10.1	2,465	2,465
	Operations		5,406	5,406
	Dividend recievable		3,875	-
	Sundry receivables	10.2		3,748
			16,242	11,619
10.1	Amounts due from other insurers / reinsurers - unsecured			
	Considered good - foreign		542	542
	- local		1,923	1,923
	Considered doubtful	-	74	74
			2,539	2,539
	Provision against amounts due from other insurers / reinsurers	-	(74)	(74) 2,465
10.2	Cundre reasinghies	=	2,465	2,405
10.2	Sundry receivables			
	Profit on bank deposits			
	- Savings accounts		5	6
	- Term deposits		1	1
	Others	-	4,490	<u>3,741</u> 3,748
		=	4,496	3,748
11	ADVANCES AND SHORT-TERM PREPAYMENTS			
	Advances and deposits		2,313	3,339
	Prepayments		934	1,298
	Club Membership - employees (related party)		292	542
			3,539	5,179
12	CASH AND BANK BALANCES			
	Cash in hand		36	20
	Current and other accounts	г	010	
	Current accounts	12.1	213 5,020	886
	Savings accounts	12.1	5,020	886
			0,200	000
		-	5,269	906
		=		

12.1 These balances are placed under mark-up arrangement with mark-up ranging between 2.78% to 4.00% (December 31, 2016: 4.0% to 5.5%) per annum

For the year ended December 31, 2017

12.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of the following:

	Note	2017 (Rupees	2016 in '000)
 Cash and bank balances Short term borrowing Term deposit receipts 	9.4 _	5,269 - 3,000 8,269	906 (183,265) <u>3,000</u> (179,359)

13 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016
	20.0
(Number o	f shares)

250,000 58,377,722	250,000 Ordinary shares of Rs. 10 each fully paid in cash 58,377,722 Ordinary shares of Rs. 10 each issued as fully	2,500	2,500
	paid bonus shares	583,777	583,777
58,627,722	58,627,722	586,277	586,277

13.1 As at December 31, 2017, related parties hold 39,682,826 (2016: 41,470,337) ordinary shares of Rs. 10 each.

13.2 As at December 31, 2017, Dawood Corporation (Private) Limited holds 62.03% (2016: 62.03%) holding in Cyan Limited.

14 RESERVES

	Capital reserves
14.1 10,535 10,535	 Reserve for exceptional losses
2,553 2,553	- Capital gain reserve
13,088 13,088	
	Revenue reserve
120,000 120,000	- General reserve
133,088 133,088	
2,553 2,55 13,088 13,08 120,000 120,000	- Capital gain reserve Revenue reserve

14.1 The reserve for exceptional losses is a specific purpose reserve created to provide for possible losses on exceptional insurance claims which the Directors do not consider to be available for dividend distribution.

15 DEFERRED LIABILITY

15.1 Defined Benefit Plan

As explained in note 4.1.2 the Company operates an unfunded approved gratuity scheme for all permanent employees.

The latest actuarial valuation of the gratuity scheme was carried out as of December 31, 2017. The principal actuarial assumptions used for the purpose of the valuation were as follows:

Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

	2017	2016
a. Valuation discount rate b. Salary increase rate	<u>9.25%</u> 9.25%	10.50%
c. Average expected service length of employees (in years)	4.10	3.61

d. Assumption regarding future mortality experience are based on actuarial recommendations and published statistics. The rates assumed are based on the SLI 2001-05 mortality rates, related down by one year.



For the year ended December 31, 2017

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

15.2 The amount recognised in the Statement of financial position is determined as follows:

		2017 (Rupees	2016 in '000)
	Present value of defined benefit obligation	12,237	10,528
15.3	Reconciliation of payable to defined benefit plan		
	Present value of defined benefit obligation Net actuarial gains / (losses) not recognised	12,237	10,528
	Balance at the end of the year	12,237	10,528
15.4	Movement in liability recognized in the balance sheet		
	At January 1 Current service cost Interest expense / (income)	10,528 2,224 1,058	8,369 2,646 <u>836</u>
	Remeasurements: - Gain from change in demographic assumptions - Gain from change in financial assumptions - Experience adjustments	13,810 54 (27) (698)	- 24 (1,338)
	Benefit payments At December 31	(671) (902) 12,237	(1,314) (9) 10,528

15.5 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	2017 Impact on defined benefit obligation - Increase / (decrease)				2016 ict on defined b n - Increase / (d	
	0		Change in assumption	Increase in assumption	Decrease in assumption	
			Rupee	es in '000		
Discount rate Salary increase rate	+/(-) 100 bps +/(-) 100 bps	10,719 14,052	(14,047) (10,686)	+/(-) 100 bps +/(-) 100 bps	9,766 11,385	(11,363) (9,740)

The above sensitivities analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the balance sheet.

- 15.6 The weighted average duration of the defined benefit obligation is 14 years.
- 15.7 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

For the year ended December 31, 2017

	At December 31, 2017	Less than a year	Between 1-2 years	Between 2-5 years - Rupees in '00	Over 5 years	Total
	Gratuity	669	1,434	2,577	248,390	253,070
15.7.1	Historical information		2016	2015 - Rupees in '00	2014	2,013
	Defined benefit obligation Fair value of plan assets	12,237	10,528	8,369	9,377	8,858
	(Surplus) / Deficit	12,237	10,528	8,369	9,377	8,858
	Remeasurement (Gain) / Loss on obligation	(669)	(1,314)	(645)	3,033	1,717
	Remeasurement (Gain) / Loss on plan assets	-	-	-	-	-
		(669)	(1,314)	(645)	3,033	1,717

15.7.2 Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 3.53 million as per the actuarial valuation report of the Company as of December 31, 2017.

15.8 The disclosure made in notes 15.1 to 15.7.2 are based on the information included in the actuarial valuation report of the Company as of December 31, 2017.

16	DEFERRED TAXATION	Note	2017 (Rupees	2016 in '000)
	Deductible temporary differences Staff gratuity Leave encashment		3,671 	3,158 862
	Taxable temporary differences Revaluation of investments Accelerated tax depreciation		4,529 48,644 (938) 47,706 52,235	4,020 (16,982) (841) (17,823) (13,803)
16.1	Reconciliation of deferred tax liability			(10,000)
	Opening balance Recognised in profit and loss account Recognised in equity Closing balance		(13,803) 66,240 (202) 52,235	(45,166) 31,808 (445) (13,803)
17	CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES			
	Amounts due to other insurers / reinsurers - Discontinued Operations Accrued expenses Provision for outstanding claims - Discontinued Operations Payable against purchase of investment - net	17.1 17.2	587 4,836 8,805	587 20,400 8,805 24,911
	Other creditors and accruals Unclaimed dividend	17.3	788 30,671 45,687	2,801 32,348 89,852
17.1	Amounts due to other insurers / reinsurers			

This includes amounts due to local companies.

17.2 The amount includes balance of compensated absences of key management personel amounting to Rs 2.86 million as at December 31, 2017 (2016: Rs 2.87 million).

17.3 Other creditors and accruals

Premium refundable to policy holders - Discontinued Operations	171	171
Brokerage payable	-	2,034
Sundry creditors	617	596
	788	2 801



For the year ended December 31, 2017

18 ACCRUED MARK - UP

Accrued mark - up comprises mark up on short term borrowings from Bank Al Habib Limited.

19 SHORT TERM BORROWINGS

2017 2016 (Rupees in '000)

2

183,265

Secured

Short term running finance

- **19.1** The Company has running finance facility of Rs. 500 million (December 2016: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 months KIBOR plus 0.65% per annum (December 31, 2016: 3 month KIBOR + 0.85% per annum) and will expire on March 31, 2018.
- **19.2** The Company has a facility of Rs. 500 million (December 31, 2016: Rs. 500 million) under Share Murabaha arrangement with Bank Islami Pakistan Limited. The facility carries profit calculated at relevant KIBOR plus 0.8% per annum (December 31, 2016: 3 month KIBOR + 0.80% per annum) and will expire on April 30, 2018.
- **19.3** The Company has running finance facility of Rs.1,000 million (December 2016: Rs. Nil) under mark-up arrangement with National Bank of Pakistan Limited. The facility carries mark-up at 3 months KIBOR plus 0.20% per annum and will expire on May 31, 2018.
- **19.4** The Company has running finance facility of Rs.1,000 million (December 2016: Rs. Nil) under mark-up arrangement with MCB Bank Limited. The facility carries mark-up at 3 months KIBOR plus 0.25% per annum and will expire on April 30, 2018.

20 CONTINGENCIES AND COMMITMENTS

Contingencies and commitments other than those disclosed elsewhere in these financial statements are as follows:

20.1	Guarantees issued on behalf of the Company by commercial bank.	2,800	2,800
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20.2 Matters relating to taxation are given in note 24.1.

21 RETURN ON INVESTMENTS

Held-to-maturity Amortisation on - Treasury bills	2,532	2,909
Available-for-sale and held for trading Dividend income: - Related parties - Others	93,003 54,068 147,071	153,727 45,208 198,935
OTHER INCOME	149,603	201,844
Income from financial assets Profit on bank deposits	343	3,448
Income from non-financial assets Gain on sale of property and equipment Income from long term loans Reversal of Sindh Workers Welfare Fund Advisory income from related party	899 478 	7 603 31,824 - 35,882

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For the year ended December 31, 2017

23	OPERATING AND ADMINISTRATIVE EXPENSES	Note	2017 (Rupees	2016 in '000)
23	Salaries, wages and other benefits Levy, cess and insurance Rent, rates and taxes Depreciation Amortisation Legal and professional charges Printing and stationery Utilities Vehicle running expenses Advertisement, promotion and event expenses Security guards expenses Advertisement, promotion and event expenses Security guards expenses Auditors' remuneration Entertainment Travelling and communication expenses Fees and subscription Postage and telegram Books and periodicals Repairs, renewal and decoration Brokerage, commission and advisory expense Bank and settlement charges Employee training fee Research expense Other expenses	23.1 & 23.2 6 7 23.3	$\begin{array}{r} 46,505\\ 1,246\\ 8,273\\ 2,580\\ 129\\ 3,628\\ 2,307\\ 1,391\\ 193\\ 1,573\\ 1,129\\ 2,268\\ 2,570\\ 1,955\\ 3,750\\ 347\\ 7\\ 1,461\\ 9,354\\ 1,783\\ 203\\ 2,177\\ 1,598\\ \end{array}$	57,697 1,114 7,824 2,645 33 1,064 2,581 1,889 170 493 998 1,893 2,633 1,957 4,229 385 13 1,171 18,719 1,991 376 1,961 1,197
		=	96,427	113,033

- 23.1 This includes Rs.2.57 million (2016: Rs.2.48 million) in respect of employees' provident fund.
- 23.2 This includes Rs.3.28 million (2016: Rs.3.48 million) in respect of employees' gratuity fund.

23.3 Auditors' remuneration

Annual audit fee Review and certifications Taxation services Sindh sales tax on services	436 301 1,391 2,128 59	411 324 986 1,721 59
Out of pocket expenses		113
	2,268	1,893

24 TAXATION

Current year Prior years Deferred	(44,616) (23,668) <u>66,240</u>	(54,856)
	(2.044)	(23.048)

24.1 Tax returns have been filed up to the Tax year 2017 (Accounting year December 31, 2016) which are deemed as assessments completed in terms of section 120(1) of the Income Tax Ordinance 2001 (ITO). However, the Company and the Department have filed appeals in respect of certain assessment years which relate to the following:



For the year ended December 31, 2017

For the Tax year 2007, the return filed by the Company was amended by the Deputy Comissioner of Income Tax by making additions to taxable income on account of proration of expenses allocated under section 67 of the Income Tax Ordinance 2001, disallowance of amortisation of computer software and addition on account of non-deduction of witholding tax from commission and provision for incurred but not reported claims (IBNR) resulting in additional tax demand of Rs. 13.03 million. These additions were disputed by the Company at various apellate levels. Currently, a Miscellaneous application has been filed with the Appellate Tribunal Inland Revenue (ATIR) for rectification of additional tax demand of Rs. 1.01 million arising out of disallowance of amortisation of computer software and non-deduction of withholding tax from commission. Further, the Commissioner Inland Revenue has filed appeal in the High Court of Sindh against the order of the learned ATIR on deletion of addition on account of proration of expenses allocated under section 67 of the Income Tax Ordinance, 2001 of Rs 37.42 million, which was adjudicated in favour of the Company. The Commissioner Inland Revenue filed a civil review petition in the Supreme Court of Pakistan against the judgment of the High Court of Sindh.

For the Tax Year 2009, Additional Commissioner Inland Revenue (ACIR) Audit has passed amended order under Section 122(5A) of Income Tax Ordinance, 2001 and treated dividend income amounting to Rs. 102 million as normal business income and charged normal tax rate i.e. 35% instead of reduced rate of 10%. thus creating tax demand of Rs. 30 million. The Company has filed an appeal against the said order before the ATIR. Subsequently, a stay was granted by ATIR subject to 15% payment of the demand amount, amounting to Rs. 4.53 million. Thereafter, an order was issued by ATIR confirming that tax on dividend for insurance companies must be charged at reduced rate of 10% and therefore the tax liability of Rs. 30 million is no more payable. The tax department has filed a civil petition in the Sindh High court against the order.

For the Tax Year 2010, the Commissioner Inland Revenue (Appeals) vide appellate order deleted the proration of expenses against dividend income and exempt capital gains. However, the CIR (Appeals) has maintained the disallowance of the provision for IBNR amounting to Rs. 7.46 million having tax implications of Rs. 2.61 million. The Company has filed appeal before the ATIR which is pending. The department has also filed appeal before the ATIR against the deletion of proration of expenses against dividend income and exempt capital gains. The disallowance of provision for IBNR.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters and hence, no additional provision has been considered necessary in these financial statements.

24.2 Relationship between tax expense and accounting profit

The numerical reconcilation between income tax expense and accounting profit for the year has not been presented as the current tax charge for the year pertains to tax collected as final tax under various provisions of the Income Tax Ordinance, 2001.

For the year ended December 31, 2017

25 REMUNERATION OF DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements for the year for remuneration, including all benefits, to the directors and executives of the Company are as follows:

	Chief E	xecutive	Direc	tors	Exec	utives	То	tal
	2017	2016	2017	2016	2017	2016	2017	2016
				(Rupees	s in '000)			
Fees	-	-	1,450	1,850	-	-	1,450	1,850
Managerial remuneration	11,953	16,028	-	-	12,151	18,120	24,104	34,148
House rent, conveyance and other allowances	7,769	7,376	-	-	8,101	8,595	15,870	15,971
Contribution to provident fund	1,195	1,135	-	-	1,133	1,113	2,328	2,248
	20,917	24,539	1,450	1,850	21,385	27,828	43,752	54,217
Number of persons	1	1	4	4	10	9	15	14

26 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, defined contribution plan and defined benefit plan, directors and key management personnel. Transactions with related parties are entered into at rates negotiated with them. Remuneration to key management personnel are in accordance with their terms of engagement. Transactions with related parties other than those which have been disclosed elsewhere in the financial statements are as follows:

	2017 (Rupees in f	
Rent paid Dividend received Dividend paid Service charges Advisory income from related party Contribution to provident fund Charge for staff retirement gratuity scheme	8,273 93,003 98,157 1,231 15,750 2,569 3,282	7,824 153,727 255,208 - 2,479 3,482
Key management personnel and close family members Dividend paid Remuneration Directors fee	5,519 42,302 1,450	14,349 52,367 1,850
Employee loan recovery Prepaid club membership amortized during the year. Security deposit with related party	2,330 250 1,740	2,348 250 1,740
Balances Employee loan to Chief Executive Officer Employee loan to other Executives Receivable from related parties Payable to related parties	2,960 7,503 1,458 321	3,940 8,375 755 5,094

Investments in and balance outstanding with related parties have been disclosed in the specific notes to the financial statements.



For the year ended December 31, 2017

27 FINANCIAL INSTRUMENTS BY CATEGORY

As at December 31, 2017, the financial assets carried on the statement of financial position are categorised either as 'Loans and receivables', 'financial assets at fair value through profit or loss', 'held to maturity' or 'available for sale'. The financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

	As at December 31, 2017					
	Loans and receivables	Held to maturity	Financial assets available for sale	Financial assets at fair value through profit or loss	Total	
Financial assets Loans to employees Long term deposits Trade and other receivables Advances Cash and bank balances Investments	10,463 2,500 16,242 2,605 5,269 <u>3,000</u>	- - - - 44,643		- - - 1,746,933	10,463 2,500 16,242 2,605 5,269 2,440,890	
	40,079	44,643			2,477,969	
				ecember 31	<u>, 2017</u>	
			Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total	
The second state of the se			R	upees in '00)0	
Financial liabilities Deferred liability Creditors, accrued expenses and or Accrued mark-up	ther liabilities		-	12,237 45,687 <u>400</u> 58,324	12,237 45,687 <u>400</u> 58,324	
		As at	December 3 ⁻	1, 2016		
	Loans and receivables		Financial assets available for sale	profit or loss	Total	
Financial assets	receivables	maturity	assets available for	assets at fair value through profit or loss		
Financial assets Loan to employees Long term deposits Trade and other receivables Advances Cash and bank balances Investments		maturity	assets available for sale Rupees in '00 - - - - - -	assets at fair value through profit or loss	Total 12,315 2,500 11,619 3,881 906 3,612,508	

For the year ended December 31, 2017

	As at D	ecember 31,	2016
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
	R	upees in '000)
Financial liabilities Deferred liability Creditors, accrued expenses and other liabilities Accrued mark-up		10,528 89,852 <u>1,796</u> 102,176	10,528 89,852 <u>1,796</u> 102,176

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest/ mark-up rate risk, foreign exchange risk and equity price risk). The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company actively monitors the key factors that affect the stock market. The Company consistently manages its exposure to financial risk in the manner described in the notes below.

28.1 Risk management framework

The Board of Directors has the overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Company's credit risk mainly arises from deposits with banks, loan to employees, advances and trade and other receivables. For banks and financial institutions, management keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The details on account of certain classified equity and debt securities and provision held thereagainst are stated in note 9.2.1, 9.2.2 and 9.2.3 to these financial statements. Investments amounting to Rs: 44.643 million (2016: Rs: 44.367 million) relate to Government Securities and are not considered as exposed to credit risk due to government guarantee.



For the year ended December 31, 2017

28.2.1 Exposure to credit risk

The book value of financial assets represents the maximum credit exposure, as specified below:

Financial assets	Note	2017 (Rupees	2016 in '000)
Long term loan Long term deposits	28.2.1.4	10,463 2,500	12,315 2,500
Trade and other receivables Advances	28.2.1.1	16,242 2,605	11,619 3,881
Bank balances	28.2.1.3	5,233	886
Investments		3,000	3,000
		40,043	34,201

28.2.1.1 The maximum exposure to credit risk for trade and other receivables at the balance sheet date are as follows:

		2017			2016	
	Gross	Impairment	Net	Gross	Impairment	Net
			(Rupees	s in '000)		
Not past due	8,371	-	8,371	3,748	-	3,748
Past due but not impaired	7,871	-	7,871	7,871	-	7,871
Past due and impaired	74	(74)	-	74	(74)	-
	16,316	(74)	16,242	11,693	(74)	11,619

28.2.1.2 The maximum exposure to credit risk for premium receivable and amount due from other insurers / reinsurers as at December 31 by geographic region was:

Foreign	542	542
Domestic	1,923	1,923
Domodio	2,465	2,465

28.2.1.3 The credit quality of the Company's bank balances other than statutory deposits with SBP can be assessed with reference to external credit ratings as follows:

2017	Rating Short term Lor	ng term	Rating Agency	(Rupees in '000)
Habib Bank Limited Bank Islami Pakistan Limited Summit Bank Limited Bank Al Falah Limited Allied Bank Limited Bank AL Habib Limited MCB Bank Limited National Bank of Pakistan	A-1+ A-1 A1+ A1+ A1+ A1+ A1+ A1+	AAA A+ AA+ AA+ AA+ AAA AAA	JCR - VIS PACRA JCR - VIS PACRA PACRA PACRA PACRA PACRA	1,205 11 10 17 24 3,753 199 14 5,233
2016	Rating Short term Lo	ng term	Rating Agency	(Rupees in '000)
Habib Bank Limited Bank AL Habib Limited Summit Bank Limited Bank Al Falah Limited Allied Bank Limited	A-1 A-1 A1+	AAA A+ A- AA AA+	JCR - VIS PACRA JCR - VIS PACRA PACRA	830 8 9 16 23 886

28.2.1.4 The credit risk on long term loan is minimal as these loans are given to employees and are deductible from their remuneration.

For the year ended December 31, 2017

28.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration in terms of the overall funding mix.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

			20	17		
	Carrying	Contractual	Less than	1-2 years	2-5 years	Over 5
	amount	cash flows	one year			years
			(Rupees	in '000)		
On balance sheet financial liabilities and others						
Deferred liability	12,237	12,237	-	-	-	(12,237)
Creditors, accrued expenses and other liabilities	45,687	45,687	(45,687)	-	-	-
Accrued mark-up	400	400	(400)	-	-	-
	58,324	58,324	(46,087)	-	- \	(12,237)
			20	16		
	Carrying	Contractual	Less than	1-2 years	2-5 years	Over 5
	amount	cash flows	one year			Years
			(Runees	in '000)		
			(i iupcos	iii 000)		
On balance sheet financial liabilities and others			(i iupeee	- III 000)		
On balance sheet financial liabilities and others Deferred liability	10,528	10,528	-	-	-	(10,528)
	10,528 89,852	10,528 89,852	(89,852)		-	(10,528)
Deferred liability	- /	,	-	- - -	- -	(10,528) - -

28.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. However, the Company is exposed to interest rate risk and equity price risk.

The Company is exposed to market risk with respect to its investments, long term loan, short term deposits and bank balances. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the equity market. The market risks associated with the Company's business activities are interest rate risk and price risk. The Company is not exposed to material currency risk.

28.4.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

				ffective interest rate in %	
Financial Assets	2017	2016	2017	2016	
Fixed rate instruments - Government Securities - TDR	44,643 3,000	44,367 3,000	5.96% 5.25%	6.20% 5.25%	
Variable rate instruments - Saving accounts	5,020	886	2.78% to 4.00%	3.03% to 5.5%	

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would increase or decrease net assets by Rs.0.013 million (2016: Rs.0.009 million). The analysis assumes that all other variables remain constant.



For the year ended December 31, 2017

28.4.1.1 Maturity profile of financial assets and liabilities

				2017		
		Int	erest / mark-up b	pearing		
	Profit rate % per annum	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
				(Rupees in '	000)	
Financial assets						
Loan to employees	6.00%	699	1,631	8,133	-	10,463
Long term deposits		-	-	-	2,500	2,500
Advances		-	-	-	2,605	2,605
Investments	5.25% to 5.96%	3,000	44,643	-	2,393,247	2,440,890
Trade and other receivables			-	-	16,242	16,242
Cash and bank balances	2.78% to 4.00%		-	-	36	5,056
		8,719	46,274	8,133	2,414,630	2,477,756
Financial liabilities Deferred liability Creditors, accrued expenses		-	-	-	12,237	12,237
and other liabilities			_		45,687	45,687
Accrued mark-up		_	_	_	400	400
, loor dod mant up		-	-	-	58,324	58,324
On-balance sheet gap (a)		8,719	46,274	8,133	2,356,306	2,419,432
Off-balance sheet financial instrum	ients	-	-	-	-	-
Off-balance sheet gap (b)						-
Total interest rate sensitivity gap (a) + (b)	8,719	46,274	8,133	2,356,306	2,419,432
Cumulative interest rate sensitivity gap)	8,719	54,993	63,126		

				2016		
		Int	erest / mark-up b	bearing		
	Profit rate % per		More than		Not exposed to	
	annum	Upto three	three months	More than one	yield / interest	Total
		months	and up to one	year	rate risk	
			year	(Puppos in f		
Financial assets				(nupees in (500)	
Loan to employees	6.00%	699	1,631	9,985	-	12,315
Long term deposits		-	-	-	2,500	2,500
Advances		-	-	-	3,881	3,881
Investments	5.25% to 6.20%	3,000	44,367	-	3,565,141	3,612,508
Trade and other receivables		-	-	-	11,619	11,619
Cash and bank balances	3.03% to 5.5%	886	-	-	20	906
		4,585	45,998	9,985	3,583,161	3,643,729
Financial liabilities Deferred liability					10,500	10.500
Creditors, accrued expenses		-	-	-	10,528	10,528
and other liabilities		_	-	-	89,852	89,852
Accrued mark-up		-	-	-	1,796	1,796
	· · · · · · · · · · · · · · · · · · ·	-	-	-	102,176	102,176
On-balance sheet gap (a)		4,585	45,998	9,985	3,480,985	3,541,553
Off-balance sheet financial instrum	nents	-	-	-	-	-
Off helence sheet see (b)						
Off-balance sheet gap (b)						
Total interest rate sensitivity gap (a	ı) + (b)	4,585	45,998	9,985	3,480,985	3,541,553
Cumulative interest rate sensitivity	gap	4,585	50,583	60,568		



For the year ended December 31, 2017

28.4.2 Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified on the Statement of Financial Position as available for sale and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks.

In case of 5% increase / decrease in KSE 100 index on December 31, 2017, net profit for the year would increase / decrease by Rs. 28.300 million (2016: Rs. 35.128 million) as a result of gains / losses on equity securities at fair value through profit or loss and available for sale.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2017 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of the KSE 100 index.

28.4.3 Foreign currency risk

The Company is not materially exposed to risk from foreign currency exchange rate fluctuations.

29 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.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 13, the Company shall classify 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 following levels:

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

Investment carried at fair value are categorized as follows:



For the year ended December 31, 2017

ASSETS	As at December 31, 2017 Level 1 Level 2 Level 3 Total Rupees in '000				
Investment in securities - financial assets at fair value through profit or loss - Quoted shares - Mutual fund units	1,682,761 64,172	-	-	1,682,761 64,172	
Investment in securities - financial assets available for sale - Quoted shares	646,314	-	-	646,314	
ASSETS	As a Level 1 L				
		Rupees i	in '000		
Investment in securities - financial assets at fair value through profit or loss - Quoted shares - Mutual fund units	2,697,752 2,567	-		2,697,752	

30 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

31	(LOSS) / EARNINGS PER SHARE – basic and diluted	2017 (Rupees	2016 in '000)
	Net (loss) / profit for the year attributable to ordinary shareholders	(537,901)	711,233
		(Numbers	of share)
	Weighted average number of ordinary shares outstanding during the year	58,627,722	58,627,722
		(Rup	ees)
	Basic (loss) / earnings per share	(9.17)	12.13

For the year ended December 31, 2017

32 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on the latest unaudited financial statements of the Fund for the half year ended December 31, 2017:

	2017 (Rupees ir	2016 n '000)
Size of the fund - Total assets	24,927	20,269
Cost of investments made	24,873 _	20,196
Percentage of investments made	99.78% _	99.64%
Fair value of investments	24,873 _	20,196

32.1 The break-up of fair value of investments is

	2017	20	10
	(Rupees in '000)%	(Rupees in '000)	%
Cash and Bank deposits	24,873 100	<u>% 20,196</u>	100%

The investments of the provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33 NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2017 and 2016 respectively are as follows:

	2017 No of em	2016 ployees
Average number of employees during the year	15	16
Number of employees as at December 31	15	16

34 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. There were no significant reclassifications / restatements during the year.

35 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 19, 2018 by the Board of Directors of the Company.

em Chief Financial Officer

Auminant

Sulaiman S. Mehdi Chief Executive

Kamran Nishat Director

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PATTERN OF SHAREHOLDING As at December 31, 2017

Disclosure Requirement under the Code of Corporate Governance

S. No.	Categories of Shareholders	Share held	Percentage
1	Directors & CEO (inculding holding of their spouses and minor children) Hussain Dawood Kulsum Dawood	5,108,356 4,688,356 420,000	8.71
2	Associated Companies, undertakings and related parties. Dawood Corporation (Pvt) Limited Dawood Industries (Pvt) Limited Pebbles (Pvt) Limited Asian Co-operative Socieity Limited Trustee-Hajiani Hanifa Bai Memorial Society	39,262,826 36,364,680 3,433 1,564,383 513,330 817,000	66.97
3	NIT & ICP Investment Corporation of Pakistan IDBL (ICP Unit)	570 40 530	_
4	Banks Development Financial Insititutions, Non Banking Financial Institutions. United Bank Limited Union Bank Limited Habib Bank Limited	22,042 2,233 18,388 1,421	0.04
5	Insurance Companies Reliance Insurance Company Limited	21,658 21,658	0.04
6	Modarabas and Mutual Funds Growth Mutual Funds Limited	1,194 1,194	-
7	Public Sector Companies and Corporation Ghee Corporation of Pakistan Limited Burma Oil Mills Limited Pakistan Industrial Development Corporation	38,805 2,820 7,740 28,245	0.07
8	Others	293,197	0.50
9	General Public a. Local b. Foreign	13,879,074 13,769,165 109,909	23.67
	Total	58,627,722	100.00
	Shareholders holding 5% or more voting rights Dawood Corporation (Pvt) Limited Hussain Dawood	36,364,680 4,688,356	62.03 8.00

PATTERN OF SHAREHOLDING As at December 31, 2017

No. of Shareholders	Shareholding Range		Total Shares
	From	То	held
324	1	100	6,608
346	101	500	147,510
321	501	1000	301,926
526	1001	5000	1,376,03 ⁻
135	5001	10000	
48	10001	15000	1,034,284
40 26	15001	20000	603,746
20			473,743
	20001	25000	445,434
17	25001	30000	482,583
10	30001	35000	324,250
10	35001	40000	383,522
3	40001	45000	125,336
5	45001	50000	246,70
3	50001	55000	156,963
4	55001	60000	238,058
5	65001	70000	337,949
2	70001	75000	140,653
2	75001	80000	156,704
3	80001	85000	245,813
1	85001	90000	88,500
2	90001	95000	186,132
2	100001	105000	207,200
1	105001	110000	106,059
1	110001	115000	112,486
1	120001	125000	124,000
1	170001	175000	172,07
1	190001	195000	190,500
1	415001	420000	420,000
1	495001	500000	500,000
1	510001	515000	513,33
1	815001	820000	817,000
1	1560001	1565000	1,564,383
1	1775001	1780000	1,777,603
1	1780001	1785000	1,780,09
1	1785001	1790000	1,787,51
1	4685001	4690000	4,688,356
1	36360001	36365000	36,364,680

58,627,722

1,830



PATTERN OF SHAREHOLDING As at December 31, 2017

S.No.	Caegories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
1	Banks Development Financial Instituations, Non Banking Financial Instituations.	3	22,042	0.04
2	Insurance Companies	1	21,658	0.04
3	Directors, Chief Executive Officer and their spouse and minor children	3	5,108,356	8.71
4	Associated Companies, undertaking and related parties	5	39,262,826	66.97
5	NIT & ICP	2	570	-
6	Modarbas and Mutual Funds	1	1,194	-
7	Public Sector Companies and Corporation	3	38,805	0.07
8	Foreign Investors	3	109,909	0.19
9	Others	19	293,197	0.50
10	Individuals	1,790	13,769,165	23.48
		1,830	58,627,722	100.00

GLOSSARY

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Abbreviatio	n	Description
AuM	As	sets under Management
AGM	An	nual General Meeting
BOD	Bo	ard of Directors
BIC		ard Investment Committee
BAC		ard Audit Committee
		ard HR & Remuneration
BHR & RC		mmittee
CEO	Ch	ief Executive Officer
CS	-	mpany Secretary
CFO		ief Financial Officer
Ci O		
		mpany
Co-worker		mpany worker
CAGR		mpound Annual Growth Rate
CNIC	Co	mputerized National Identity
CDC		ntral Depository Company
CY 17		lendar Year 2017
CPI		insumer Price Index
CYTD		
		lendar year to date
CSR		rporate Social Responsibility
CCG		de of Corporate Governance
DH Group		wood Hercules Group
DR		scount Rate
DFI		velopment Financial Institution
EBITDA		rnings before interest, taxes, preciation and amortization
EFF		tended Fund Facility
		-
EU GSP		ropean Generalised System of eferences
EPS/(LPS)	Ea	rnings per share/(Loss per share)
Ext. Hardrive	Ex	ternal hardrive
FY 17	Fis	cal Year 2017
FX Reserves	Fo	reign Exchange Reserves
FPI		reign Portfolio Investment
GDP		oss Domestic Product
GoP	-	vernment of Pakistan
HR		man Resource
1HFY17		st Half Year 2017
2HCY 17		cond Half Calendar Year 2017
IA & C		ernal Audit and Compliance
Info.		ormation
IPO		ial Public Offering
Incl		luding
IMF		ernational Monetary Fund
ICH		ernational Clearing House
		<u> </u>
IFRS		ernational Financial Reporting andards
IBNR	Inc	urred but not reported
IFAC	Inte	ernational Federation of
	Ac	countants

IAS	International Accounting Standards
KG	Kilo Grams
KPK	Khyber Pakhtunkhwa
Labs	Laboratories
LSM	Large Scale Manufacturing
LBT	Loss before tax
MIC	Management Investment Committee
Mgmt.	Management
NTN	National Tax Number
NBFI	Non-Bank Financial Institution
NIT	National Investment Trust
PkR	Pakistani Rupee
P/E	Price Earnings Ratio
PAT/(LAT)	Profit after tax/(Loss after tax)
PBT	Profit before tax
SME	Small and medium enterprises
SOEs	State Owned Enterprise
TOR	Terms of Reference
YoY	Year-over-year
5yr	Five years

Description

Abbreviation

اظهارتشكر

ہم اپنے تمام شریکانِ کار، بالخصوص اپنے قابل قدر سرمایہ کاران کے تہہ دل سے مشکور ہیں جنہوں نے ہم پر اعتاد کیا اور اس کے ساتھ ہی مینجہنٹ ٹیم کے غیر متزلزل وابستگی اور انتخاب محنت کے لئے ان کی کاوشوں کو سراہتے ہیں۔ بورڈ سیکو رٹیز اینڈ ایکچینچ کمیشن آف پا کستان، اسٹیٹ بینک آف پا کستان اور پا کستان اسٹاک ایکچینج کی انتظامیہ کو بھی ان کے تعاون اور رہنمائی کے لئے خراج تحسین پیش کرتا ہے۔

منجانب بورڈ

حسن رضاالرحيم

سی ای او

سليمان السمهدي

چيئر **مي**ن ب

كراچى: 19 فرورى،2018

ڈائریکٹرز ہیں۔

ملکیت 31 دسمبر 2017 تک کمپنی کےریکارڈ پر حص یافتگان کی تعداد 1,830 تھی۔

حصص یافگی کی ساخت 31 دسمبر 2017 تک سمپنی کی صص یافگی کی ساخت بمعہ ضروری معلومات اس رپورٹ کے اختدام پر دستیاب ہے۔

آ ڈیٹرز موجودہ آ ڈیٹرز میسرز اے ایف فرگون اینڈ کمپنی (چارٹرڈ اکاونٹنٹس)نے اہل ہونے کے باعث 58 ویں سالا نہ اجلاس عام میں اپنی تقرری کی رضامندی ظاہر کی ہے۔آ ڈٹ کمیٹی نے 31 دسمبر 2018 کوختم ہونے والے سال کے لئے میسرز اے ایف فرگون اینڈ کمپنی کی بطور قانونی آ ڈیٹرز تقرری کی تجویز پیش کی ہے۔بورڈ نے اس تجویز کی توثیق کردی ہے۔

> عملی کارکردگی اور مالیات کی اہم معلومات گزشتہ نوسال بشمول زیر جائز ہسال کی عملی کارکردگی اور مالیات کی اہم معلومات کامختصر بیان اس رپورٹ میں شامل ہے۔

مستقتبل کےآ ثارکی معلومات

پاک چین اقتصادی راہداری (CPEC) کا خواب اب ایک حقیقت بن کر سامنے آ رہا ہے اور اس کے ساتھ ہی پاکستانی معیشت بھی بہتری کی راہ پر گامزن ہے، جس کے باعث پاکستان عالمی توجہ کا مرکز بن چکا ہے۔کاروباری برادری اور بحیثیت مجموعی معاشی سرگرمی کے حوالے سے آ ثار خوش آ ئند ہیں۔ کمپنی سرگرمی سے پورٹ فولیو مینجمنٹ اور کار پوریٹ فنانس ایڈوائزری برنس کرر بی ہے اور آئندہ آ ثار مثبت نظر آتے ہیں۔ مینجمنٹ ٹیم اپنے سی ای اوکی قیادت میں اپنے صحص یافتگان کو بہترین رسک ایڈ جنڈ منافع فراہم کرنے کے لئے پڑ من ہے۔

ضابطهاخلاق

دوران سال، بورڈ آف ڈائر یکٹرز نے ڈائر یکٹرز اور ملاز مین کے لئے ایک ضابطہ اخلاق اختیار کیا ہے اور کوڈ آف کار پوریٹ گورنٹس کی ضروریات کے مطابق اسے تمام مبران کے درمیان تقسیم کیا گیا ہے۔ضابطہ اخلاق کمپنی کی ویب سائٹ پر بھی جاری کیا گیا ہے۔

) کمپنی کے تمام ڈائریکٹرز SECP کی تصریحات کے مطابق منظور کردہ اداروں سے ڈائریکٹرزٹریننگ پروگرام کے تحت سر ٹیفائیڈ منعقدہ اجلاس کی تعداد سے حاضری کی تعداد کامران نشاط (چیئر مین) 6 6 غياث الدين خان (ممبر)* 2 -حسن رضاالرحيم (ممبر)** 3 2 انعامالرحن(ممبر) 4 4 شفيق احمد (ممبر) 6 6 * 29مارچ،2017 كوستعفى ہوگئے ** بورد آف دائر يكٹرز کے چيئر مين بن گئے

بورڈ انویسٹمنٹ کمیٹی کے اجلاس

حاضری کی تعداد	منعقدہ اجلاس کی تعداد	
1	1	حسن رضاالرحيم (چيئرمين)
1	1	انعام الرحمٰن(ممبر)
1	1	شفیق احمد (ممبر)

بورڈ HR اور مشاہرہ کمیٹی کے اجلاس

حاضری کی تعداد	منعقده اجلاس کی تعداد	
4	4	حسن رضاالرحيم (ممبر/چيئر مين)
-	1	غیاث الدین خان(چیئر مین/ممبر)*
3	3	انعام الرحمٰن (ممبر)
4	4	كامران نشاط(ممبر)
		*29 مارچ، 2017 سے مستعفیٰ ہو گئے



محفوظ کیا ہے جس سے متعلقہ دستاویزات کی بروفت اور آسان باز گیری ممکن ہوگئی ہے۔ دستاویزات کی حفاظت کویقینی بنانے کے لئے ، کمپنی نے ڈیٹاری کال نامی تنظیم کی خدمات حاصل کی ہیں ، بیادارہ جد بیدترین طرز پر تیار کی گئی ییلیٹی پر دستاویزات کوسر بمہر بکس میں مرتب رکھنے کے فرائض انجام دیتا ہے۔ اس مقام پر ہر بکس اور کیبنٹ بارکوڈ ڈہے جس سے بھر پوراور مؤثر تلاش میں مدد ملتی ہے۔ بورڈ کے اجلاس

ز بر جائزہ سال میں بورڈ آف ڈائر یکٹرز کے پانچ (5) اجلاس منعقد ہوئے اوران تمام کی صدارت چیئر مین نے گی۔ پاکستان اسٹاک ایسچینج کی دستور کی کتاب میں موجود کوڈ آف کار پوریٹ گورننس کی ضروریات کے مطابق چیف فنانشل آفیسراور کمپنی سیکریٹری نے بھی ان تمام مجالس میں شرکت کی۔ ہرڈائر یکٹر کی حاضری کی تفصیلات درج ذیل ہیں:

حاضری کی تعداد	منعقدهاجلاس كي تعداد	
4	5	حسن رضاالرحيم (چيئر مين/ ڈائر يکٹر)
3	5	کلثوم داؤد(ڈائر یکٹر)
5	5	سلیمان ایس مهدی (سی ای او/ ڈائر کیٹر)
4	5	کامران نشاط(ڈائر کیٹر)
4	5	شفیق احمہ (ڈائر یکٹر)
1	1	شهزاده داؤد(ڈائر یکٹر/ چیئر مین)*
4	4	انعامالرحمٰن(ڈائر یکٹر)**
-	1	غياث الدين خان (ڈائر يکٹر)**
4	4	فیصل ندیم (ڈائر یکٹر)*

* فیصل ندیم کو12 اپریل، 2017 کوشنزادہ داؤد کی جگہ سیان کمیٹڈ کے بورڈ میں بطورڈ ائر یکٹر مقرر کیا گیا۔ ** انعام الرحن کو29 مارچ، 2017 کوغیاث الدین خان کی جگہ سیان کمیٹڈ کے بورڈ میں بطورڈ ائر یکٹر مقرر کیا گیا۔

استعنیٰ کے باعث دواسا میاں خالی ہوئیں، بورڈ بطور ممبران ان کی لگن، وابستگی اور قابلِ قدر خدمات کے لئے ان کو با قاعدہ خراج تحسین پیش کرتا ہے، بورڈ جناب انعام الرحمٰن اور جناب فیصل ندیم کو بھی خوش آمدید کہتا ہے جنہوں نے جانے والے ڈائر یکٹرز کی جگہ بورڈ میں شمولیت اختیار کی ہے۔

بورڈ آف ڈائر یکٹرز کے مبران کے درمیان مفادات کا تصادم سی قتم کے مفادات کے تصادم کوقانون کی شقوں اور SECP اور پاکستان اسٹاک ایک چینج کے قواعد وضوابط کے مطابق منظم کیا جاتا ہے۔

CEO کی کارکردگی کاجائزہ چیف ایگزیکٹو آفیسر (CEO) کی تعیناتی تین سال کی مدت کے لئے بورڈ آف ڈائزیکٹرز کی جانب سے کی جاتی ہے۔ اس سال ، CYAN لمیٹڈ کے بورڈ آف ڈائزیکٹرز نے اپنے اجلاس منعقدہ 21 اگست، 2017 میں جناب سلیمان ایس مہدی کو 26 اگست، 2017 سے تین سال کی مدت کے لئے کمپنی کے چیف ایگزیکٹو آفیسر کے طور پر دوبارہ منتخب کیا ہے۔

ہر سال بورڈ پہلے سے متعین کردہ عملیاتی اور تزویراتی مقاصد کی بنیاد پر ی ای او کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ جائزہ کار کا کر داراختیار کرتے ہوئے سی ای اوکو کمپنی کے ظلم ونسق، تزویراتی فیصلوں اور بورڈ کی پالیسیوں کے اطلاق اور کمپنی کا رخ متعین کرنے کی کمل آ زادی فراہم کرتا ہے۔

ڈائر کیٹرز کی تر ہیت کے پروگرام تمام سات ڈائر کیٹرز کم از کم 14 سالہ تعلیم کے حامل ہیں۔تمام ڈائر کیٹرز نے پاکستان اسٹاک ایکیچینج کے دستور میں موجود کوڈ آف کارپوریٹ گورننس میں بیان کردہ ڈائر کیٹرزٹریننگ پروگرام کے تحت سرٹیفکیشن حاصل کر لی ہے۔

سم<mark>پنی کے ریکارڈ ز کی حفاظت</mark> مالیاتی لین دین کے ریکارڈ اور معلومات رکھنے کے لئے انفار میشن ٹیکنالوجی پر بڑھتے ہوئے انحصار کے باعث، مالیاتی ریکارڈ ز کی حفاظت کے لئے انفار میشن ٹیکنالوجی کے آلات پر مناسب توجہ دی جاتی ہے۔ہم نے کلا وُ ڈسر وسز استعال کرتے ہوئے مالیاتی اور معاون ریکارڈ کو



کاروباری اخلاقیات اورانسداد بدعنوانی کے اقدامات کاروبار کوائیا نداری، دیانتداری اوراعلیٰ ترین اخلاقی اور قانونی معیارات کے مطابق چلانا کمپنی کی اساسی پالیسی ہے۔ کسی بھی قتم کے غیراخلاقی رویوں کی ہمارے کاروبار میں کوئی تنجائش نہیں ہے۔ تمام ملاز مین کو ہمیشہ کمپنی کے حصص یافتگان کے مفاد کے لئے کام کرنا چاہئے اور کسی بھی ملازم کو نہ تو کوئی غیر قانونی وغیر اخلاقی کام خود کرنا چاہئے اور نہ ہی کسی دوسرے ملازم کواس کی ہدایت اور ترغیب دین چاہئے -حیاہئے نے اینا ضابطہ اخلاق تمام ڈائر کیٹرز اور ملاز مین کو فراہم کردیا ہے اور اسے اپنی و یہ سائٹ پر بھی جاری کردیا ہے۔

> **قو می خزانے کو حصہ** Cyan نے سال 2017 کے دوران ٹیکسوں کی شکل میں قو می خزانے میں 37.67 ملین روپے کا خاصا بڑا حصہ ڈالا ہے۔

کریڈٹ ریٹنگ JCR-VIS کریڈٹ ریٹنگ سمپنی کمیٹڈ نے 27 دسمبر 2017 کو سیان کمیٹڈ (CL) کی اینٹٹی ریٹنگ A/A-one (A/A-one) کی دوبارہ توثیق کی ہے۔ریٹنگ کے آثار^د مشتحکم' ہیں۔

متعلقہ فریقین سے لین دین اس سال کے دوران شریک کار کمپنیوں/متعلقہ فریقین سے کی جانے والی تمام ترلین دین بورڈ کی آ ڈٹ کمیٹی کی جانب سے تجویز کردہ اور کمپنی کے بورڈ آ ف ڈائر یکٹرز کی جانب سے منظور کر دہتھی۔متعلقہ پارٹیوں سے تمام لین دین مناسب فاصلے کی بنیا د پر کیا گیا۔

> **بورڈ آفڈائر یکٹرز** بورڈ آفڈائر یکٹرزسات ڈائر یکٹرز پرمشتل ہے۔

بورڈ میں تبدیلیاں 28 اپریل، 2017 کومنعقد ہونے والے بورڈ آف ڈائر یکٹرز کے انتخابات سے قبل جناب غیاث الدین خان اور جناب شنرادہ داؤد کے

بچوں کی فلاح و بہبود ثقافتی ور شکا تحفظ امدادی سرگرمیاں

توانائی کی بچپت ^{کمپ}نی کی جانب سے توانائی کی بچپت کے اقدامات میں ^{کمپ}نی کے تمام مقامات پرانر جی سیورز کا استعال اور جہاں تک ممکن ہوامدادی توانائی اور آلات کی بندش شامل ہیں۔

پیشہ درانہ صحت ، تحفظ اور ماحول کی حفاظت ہم اپنے کار دبار میں صحت ، تحفظ اور ماحول کے شعبوں میں امتیاز کے حصول کے لئے پڑ عزم ہیں۔ Cyan کام کے لئے ایک محفوظ ماحول برقر اررکھتی ہے اور اپنے عملے اور حصہ داران کی صحت اور بہبود کی ذمہ دار ہے۔تقرر کی کے وقت تمام نئے ملاز مین کوایک لازمی میڈیکل چیک اپ اور ٹمیٹ کے مل سے گز اراجا تا ہے۔

س**اجی تعاون اور فلاح و بہبود کی اسکیمیں** ساجی بہبود میں مسلسل تعاون سیان کمیٹڈ کی CSR پالیسی کا ایک اہم عنصر ہے۔ کمپنی کمیونٹ کے ساتھ ایسے طریقے سے کا م کرنے کے لئے پڑعزم ہے جس سے ضرورت مندافراد کی زند گیوں پرمثبت اور دیر پااثر ات مرتب ہوں۔

کاروباری مراسم کاروباری مراسم استعداد، پیداواریت اور مناسب کام کے فروغ میں مدد دیتے ہیں۔ سرمایہ کاران کے ساتھ شراکت کارانہ اور باہمی احتر ام پرینی تعلقات اور اضافی تعاون پیداواریت اور باہمی اعتماد میں اضافہ کرتے ہیں جس سے ناپسندیدگی اور استحصال میں کمی آتی ہے۔ ملاز **مت برائے خصوصی افراد** ایک ذمہ دار آجرکی حیثیت سے CYAN خصوصی افراد کے لئے ملاز مت کے مواقع پیدا کرنے میں خاص دلچے ہی رکھتی ہے۔

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ادارہ نہ صرف بہترین صلاحیتوں کے حامل افراد کو شامل کرتا ہے بلکہ ستقبل میں قائدانہ کردار کے لئے ان کی صلاحیتوں میں نکھاراورار تقا پیدا کرتی ہے۔ کمپنی اپنے ملاز مین کوآ زمائش مواقع فراہم کر کے انہیں باصلاحیت بنانے پریفتین رکھتی ہے تا کہ ان کی استعداد میں اضافہ اور صلاحیتوں میں بہتری لائی جائے۔ واضح فرائض منصبی اور ملازمت کی تصریحات متعین کی جاتی ہیں جن کی بنیاد پر کمپنی کے حساس اور نہایت اہم عہدوں کے لئے سکسیشن کا منصوبہ تیار کیا جاتا ہے۔

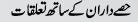
انترن کنٹرول کے لائح ممل کا اطلاق بورڈ کی جانب سے قائم کردہ ایک خود محتارا ندرونی انٹرنل آڈٹ فنکشن کے ذریعے مؤثر انداز سے کیا گیا ہے جوا یک طرنل آڈٹ فنکشن سے آزاد ہے۔ کمپنی کا انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے منتحکم ہے اور اس کی فعالیت اور موز وندیت کی تسلسل کے ساتھ جانچ کی جاتی ہے۔ آڈٹ کمپنی نے آپریشنل ، کمپلا تنس ، رسک مینجد نے ، فنانشل رپورٹنگ اور کنٹرول کے مقاصد ک حصول اور کمپنی کے تمام تر اثاثوں اور کمپنی نے آپریشنل ، کمپلا تنس ، رسک مینجد نے ، فنانشل رپورٹنگ اور کنٹرول کے مقاصد ک نے کمپٹی کے مقرر کردہ منشور کے مطابق این فرائض انجام دیتے ہیں۔ کمپنی نے انٹرنل آڈٹ کے تفوی بنایا ہے۔ انٹرنل آڈٹ فنکشن اقد امات کے ہیں یا جہاں ضرورت ہو معاملات کو بورڈ کے سامنے پیش کیا ہے۔ ایک ٹرنل اور انٹرنل آڈیٹرز کے درمیان ، ہم آ بنایا گیا تا کہ استعداد کا راور کمپنی کے مقاصد ، بشمول اعتبار مالیاتی رپورٹنگ نظام کے قیام اور تر این ہوں ہے مقابی ہے انٹرنل آ

كار بوريد ساجى ذمەدارى (CSR)

پائیداراور قابل اعتمادتر تی کے لئے نہ صرف کاروباری اداروں کو مقامی قوانین کے ذریعے پابند کیا گیا ہے بلکہ اس سے بڑھ کر بیا یک اخلاقی ذمہ داری ہے جس پراس کی پوری روح کے مطابق پیروی اورعمل درآ مد کیا جانا چاہئے۔ Cyan اس بات پر پختہ یقین رکھتی ہے کہ اس ک مالی کا میابی کے لئے اس کی ماحولیاتی اور ساجی کار کردگی میں اضافہ ناگز رہے ہے۔ کمپنی ہمیشہ مہارت، بہتر تنظیم، شفافیت، دیا نتداری اور احتساب کی روایات پرزوردیتی ہے۔ہم نے اپنا SCR پروگرام درج ذیل شعبوں پر توجہ مرکوز کرتے ہوئے جاری رکھا ہوا ہے: تعلیم

ساجی بہبود

جائے۔



سمپنی کوتمام حصدداران بشمول حصص یافتگان، ملاز مین، قرض د ہندگان، مقامی آبادیوں اور دیگر یے حقوق کا بخوبی ادراک ہے اور کمپنی ان کا احتر ام کرتی ہے۔ کمپنی، اپنے ہر اجلاس عام میں تصص یافتگان کی بھر پور شرکت کی حوصلدافزائی کرتی ہے اور بہتر انتظام کاری اور عملیاتی انتظام سے متعلق ان کے خیالات کی قدر کرتی ہے۔ کمپنی جہاں بھی کام کرتی ہے اپنے حصد داران کے متعلق اپنی قانونی اور اصلاحی ذملہ داریوں سے بخوبی آگاہ ہے اور کمپنی سے وابستہ ان کے مفادات کے حقیقت پینداند منظر کو سامنے رکھتے ہوئے ان کی تو قعات پر بروفت پور ااتر نے کے لئے مناسب اقد امات کرتی ہے۔

انفار میشن میکنالوجی ہم اس بات پر پختہ یقین رکھتے ہیں کہ کسی بھی کا روبار کی ترقی میں انفار میشن ٹیکنا لوجی کا کر دارنہایت اہم ہے۔ بہتر مار کیٹ انفر ااسٹر کچر کے حصول اور رسک کنٹرول کے لئے موزوں طریقوں کی تشکیل کے لئے انفار میشن ٹیکنا لوجی کا کر دار مسلمہ ہے۔ اس کے ساتھ ساتھ دیگر بنیا دی ایپلی کیشنز کے اطلاق کے لئے اہم پیش رفت کی گئی ہے جیسے کہ ہیومن ریسورس مینجمنٹ ، رسک مینجمنٹ ، انٹر پر ائز جنز ل لیجر اور فکسڈ ایسٹس موڈیول وغیرہ مندرجہ بالا موڈیولز کے اطلاق کے باعث کمپنی کے متعلقہ شعبے کی ممل کا رصلاحیتوں میں بہتری آئی ہے اور ریپیش رفت انٹرنل کنٹرول اور موڑ شینجمنٹ سٹم کی بہتر کا میں معاون ثابت ہوگی ۔

ہیومن ریسور مزڈو ملیپہنٹ، ٹریڈنگ اور سکسیشن پلانگ کمپنی میں آ گے آنے والے چیلنجز سے نمٹنے کے لئے تجربہ کار اور قابل افر ادکو ملاز مت فرا بہم کی جاتی ہے۔ کمپنی اپنی ٹیم کو مزید مضبوط کرنے کی منصوبہ بند کی کررہ ہی ہے، ملاز مین کی کار کر دگی کی جائج کے لئے جائزے اور نیخ مارک سروے کا استعال کرتے ہوئے ادارے کی نظیمی ساخت اور تا شیر کو مزید مشتحکم کیا جاتا ہے۔ عملے کی تربیت کاعمل پورا سال تسلسل سے جاری رہتا ہے جس کی بنیا د تربیت کی ضروریات کی تشخیص بالخصوص معلومات اور مہار توں میں اضافے کے شعبہ جات پر استوار ہوتی ہے۔ تربیت اور ہیؤن ریسور سز ڈویلپہنٹ ہمیشہ کینی کی لئے نہایت اہمیت کے حال رہ بی کی کار سر تر غیب فرا بہم کرتے ہیں۔

منی مارکیٹ فنڈ زیسے متعارف ہے۔

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مار کیٹ رسک مار کیٹ رسک کا مطلب مار کیٹ کی قیمتوں جیسے کہ غیر ملکی زرمبادلہ کی نثر ح، نثر ح سوداورا یکویٹی کی قیمتوں میں تبدیلی کا خطرہ ہے جو کمپنی کی آمد نی یاان کے مالیاتی ذرائع کی ملکیت کی قدر پراثر انداز ہو سکتا ہے۔ مار کیٹ رسک مینجہنٹ کا مقصد منافع میں اضافہ کے ساتھ قابل قبول گنجائش کے اندرر بیتے ہوئے مار کیٹ رسک ایکسپوز رکی تنظیم اور اس پر قابو پانا ہے تا ہم کمپنی کو نثر ح سوداورا یکویٹی پرائس رسک کا سامنا

سمپنی کواس کی سرمایہ کاریوں،طویل مدتی قرضوں،قلیل مدتی ڈپازٹس اور بینک بیلنسز میں مارکیٹ رسک کا سامنا ہے۔ کمپنی ایک متنوع پورٹ فولیو کے قیام اورا یکویٹی مارکیٹ میں پیش رفت کی مسلسل نگرانی کے ذریعے مارکیٹ رسک کومحدود کرتی ہے۔ کمپنی کی کاروباری سرگر میوں کے متعلقہ مارکیٹ رسک میں شرح سود کارسک اورقیتوں کارسک شامل ہے کمپنی کومیٹریل کرنسی رسک کا سامنانہیں ہے۔

انٹرسٹ دیٹ رسک (شرح سود کے خطرات) شرح سود کے خطرات سے مراد مارکیٹ کی شرح سود میں تبدیلیوں کے باعث کسی مالی ذریعے کے مستقبل کے کیش فلو (Cash Flow) کی راست قدر میں اتارچڑ ھاؤ ہے۔ چونکہ نمی مارکیٹ میوچل فنڈ ز میں کمپنی کا معقول ایکسپوژ رہے لہٰذااسے شرح سود کے خطرات کا بھی سامنا ہوتا ہے، تاہم اس خطرہ کوان فنڈ ز میں 90 دن سے کم مدت کے لئے سرما بیکاریوں کے ذ ریعے محدود کرلیا جا تا ہے۔

ا یکویٹی پرائس رسک سمپنی کواس کی ملکیت میں موجود سرمایہ کاریوں اور مالیاتی حالات کے بیان میں بطور برائے فروخت درجہ بندی اور نفع اور نقصان کے ذریعے راست قدر پرا یکویٹی پرائس رسک کا سامنا ہو سکتا ہے۔ا یکویٹی سیکیو رٹیز میں سرمایہ کاریوں سے پیدا ہونے والے پرائس رسک کا انتظام کرنے کے لئے کمپنی اپنے پورٹ فولیو کو موز وں اسٹاکس کے درمیان متنوع بناتی ہے۔

> فارن کرنسی رسک سمپنی کوغیرملکی زرمبادلہ کی شرح میں اتار چڑھاؤے سے مادی طور پرکوئی رسک نہیں ہے۔

چلایا جاتا ہے جو پیٹی منصوبے تیار کرتی ہے اور کمپنی کی نفذی کی ضروریات کی مسلسل نگرانی کرتی ہے۔نفذی اور دیگر نفذا ثاثوں، بشمول سرمایہ کاریوں کے داخلی اور خارجی بہاؤ کا انتظام خالص تسویہ شدہ منافع کی بنیاد پر کیا جاتا ہے۔ کمپنی کے پاس 3,000 ملین روپے ک رننگ فنانس فیسلٹی بھی موجود ہے جسے اس سال جز وی طور پر استعال کیا گیا اور جیسے اور جہاں کوئی سرمایہ کاری کا موقع پیدا ہوگا، اسے استعال کیا جائے گا۔

سرمائے کی ترتیب گزشتہ سالوں میں کمپنی نے بونس حصص جاری کئے جس سے کمپنی کا اداشدہ سرمایہ بڑھ کر 586.28 ملین روپے ہوگیا۔سال کے اختتام تک حصص یافتگان کی رقوم 2,270 ملین روپتھیں، کمپنی کی لکویڈیٹی کی صورت حال سال کے اختتام تک 9 کے حالیہ تناسب کے ساتھ مشتکم ہے۔

رسک مینجنٹ اوررسک کی تخفیف سے لیے حکمت عملی کمپنی کم مدتی سرمایہ کاریوں کے پورٹ فولیو کا بھی انتظام کرتی ہے جو جامع مالیاتی جائزے کے بعد ترتیب دیا جاتا ہے۔قلیل مدتی سرمایہ کاریوں میں کریڈٹ رسک کوحکومتی سیکیو رٹیز اوراعلیٰ درج کے مَنی مارکیٹ میوچل فنڈ ز کے درمیان تنوع کے ذریعے کم کیا جاتا ہے۔قلیل مدتی سرمایہ کاریوں میں اچھی مالی حالت کی حامل پبلک ایکویٹیز اوراعلیٰ درج کے مٰنی مارکیٹ میوچل فنڈ ز شام ہیں۔

کریڈ ٹ رسک فریق ثانی کے معاہد ے کے مطابق کارکردگی دکھانے میں ناکامی کے نقصان کی عکاسی کرتا ہے۔ کمپنی کا کریڈ ٹ رسک خاص طور پر بینک کے ساتھ ڈپازٹس، ملاز مین کو دیئے گئے قرضوں ، میوچل فنڈ ز میں سرمایہ کاریوں اور تجارت اور دیگر قابل حصولی ا ثانہ جات سے پیدا ہوتا ہے۔ بینکوں اور مالیاتی اداروں کے لئے انتظامیہ معروف اداروں کے ساتھ ڈپازٹس رکھتی ہے۔ میوچل فنڈ ز میں سرمایہ کاری کے لئے انتظامیہ اعلیٰ در ج کے میوچل فنڈ ز میں اضافی فنڈ ز رکھتی ہے۔ قابل وصولی ڈیویڈ ٹر کے سلسلے میں کریڈ د تحفظ کے باعث انتہائی کم ہے۔ لیٹ سیکو رٹیز میں ٹرانز یک نز ترکھتی ہے۔ قابل وصولی ڈیویڈ ٹر کے سلسلے میں کریڈ کے رسک قانونی بعد تعین/ ادا کی جاتی ہیں۔ ان ٹرانز یک ٹر میں ٹرانز یک نز ترکھتی ہے۔ قابل وصولی ڈیویڈ ٹر کے سلسلے میں کریڈ دیں سرمایہ باعث کم نصور کیا جاتی ہیں۔ ان ٹرانز یک ٹنڈ ز میں سرمایہ کار کی کھی تھا ہے ہے۔ قابل وصولی ڈیویڈ ٹر کے سلسلے میں کریڈ دیں سرمایہ کا نون

كربڈٹ دسک



(15%)	(13)	(15)	مالياتی چارجز
(173%)	734	(536)	(خسارہ)/منافع قبل از ٹیکس
91%	(23)	(2)	شی <i>س</i>
(176%)	711	(538)	(خسارہ)/منافع بعداز ٹیکس
(176%)	12.13	(9.17)	(خسارہ)/ آمدنی فی خصص۔روپے

فی حصص(خسارہ)/آمدنی اس سال کمپنی کافی حصص خسارہ 9.17روپے رہاجو 2016 میں 12.13 روپے فی حصص آمدنی تھی۔

شخصیص اورڈیویڈنڈ 31 دسمبر، 2017 کوختم ہونے والے سال کے لئے کمپنی کا بعداز ٹیکس خسارہ 538 ملین روپے رہا جبکہ گزشتہ سال کمپنی نے 711 ملین روپے کا بعداز ٹیکس منافع حاصل کیا تھا۔ خسارے کے باعث کمپنی نے ڈیویڈیڈ کا اعلان نہیں کیا۔

مقاصداورکاروباری حکمت عملی کمپنی کی گزشتہ پاپنچ سال کی مشحکم اور تسلی بخش کارکردگی کی بنیاد ہمارے کاروباری مقاصد کے حصول پر ہے۔ہم ایچھے اثا ثہ جات کے معیار رپورٹ فولیو میں اضافے اور ذرائع آمدنی کے ایک متنوع مجموعے کے ذریعے کمپنی کو مضبوط بنیادوں پر استوار کرنے کے مقصد پر کاربند ہیں۔ہماری کاروباری حکمت عملی کے بنیادی عناصر میں دستیاب ریسور سز کو مؤثر انداز سے کام میں لا نااور متعلقہ رسک کا بند وبست اور اس میں تحفیف کرتے ہوئے منافع میں ہر ممکن اضافہ کر ناشامل ہیں۔

لکویڈیٹی، نفذی کا بہاؤاور مالیاتی انتظامات سمپنی نفذی کے انتظام (Cash Management) کے ایک مؤثر نظام کی حامل ہے جو پرعز م اور اہل ملاز مین کی ٹیم کے ذریعے

کمپنی کی کارکردگی

اس سال کمپنی نے پیلک ایکویٹیز کی جانب اپناا نیسپوژ ر %98 (اوسطاً) برقر اررکھا جبکہ %2 میوچل فنڈ ز اور حکومتی سیکیو رٹیز کے لئے متعین کیا۔ایکویٹی ایکسپوژ ربنیا دی میکر واکنا مک اشاروں میں مجموعی بہتری، بالحضوص زرمبادلہ کے ذخائر اور مفرد اعداد میں افراطِ زرکی بنیاد پرمتعین کیا گیا۔

زیادہ تیزی سے ترقی کرنے والی اورزیادہ منافع بخش سرما یہ کاریوں میں تو ازن قائم رکھنے کے لئے ایکو بٹی پورٹ فولیو کو دوبارہ تر تیب دیا گیا۔ اس مقصد کے لئے ٹیکسٹائل کمپوزٹ، پاور کی پیداوار اور تقشیم، بیکس، آئل اینڈ گیس مار کیئنگ کمپنیز اور انجینئر نگ کے شعبوں میں بھاری سرما یہ کاریاں کی گئیں۔ ہمارے ایکو بٹی پورٹ فولیو سے ڈیو ٹر ٹر آ مدنی سال 2017 کے دوران %26 کی کے بعد 147 ملین روپے ہوگئی جبکہ اس کے برعکس سال 2016 میں 199 ملین روپے آ مدنی حاصل ہوئی تھی۔ ڈیڈ آ مدنی میں کمی کی بنیادی وجہ اللہ HUBCO کی جانب سے کم ڈیو ٹرنڈ کا اعلان تھی۔ کمپنی نے اس مدت میں 85 ملین روپے کا موصول شدہ نفع اللہ HUBCO کی جانب سے کم ڈیو ٹرنڈ کا اعلان تھی۔ کمپنی نے اس مدت میں 85 ملین روپ کا موصول شدہ نفع (Realized Capital gain) کی بڑی موصول شدہ خسارہ کیا تھا۔

> 2017 کے دوران بنیکس کے بعد خسارہ 538 ملین روپے رہا جبکہ گزشتہ سال 711 ملین روپے کا منافع حاصل کیا گیا تھا۔ 31 دسمبر 2017اور 2016 کوختم ہونے والے سالوں کے لئے مالیاتی نکات کا مختصر خلاصہ درج ذیل ہے:

0.0.	رو چې		
تبدیلی کی شرح	2016	2017	
(26%)	202	150	سرماییکاریوں پرمنافع
(67%)	259	85	سرماییکاریوں کی فروخت پر(خسارہ/منافع) خالص
(51%)	35	17	ديگرآ مدنی
(49%)	496	252	
(286%)	364	(677)	غير موصول شده (تخفيف)/اضافه
(149%)	860	(425)	
15%	(113)	(96)	عمل کاری اورا نظامی اخراجات



گا اور عام انتخابات وقت پر ہوں گے۔100-KSE انڈیکس کا فارور ڈ P/E ملٹی پل 9.6% ہے، جو علاقائی مارکیٹس کے مقابلے میں نمایاں ڈ سکاؤنٹ کی عکاسی کرتا ہے جو 13.8% کے اوسط P/E ملٹی پل پر تجارت کرر ہی ہیں۔ نئے IMF پروگرام میں شمولیت اور پاکستانی روپے کی بڑھتی ہوئی گراوٹ بیرونی سرمائے کے نتظلین کے اعتماد کی بحالی کا باعث ہوگی، جو پاکستان اسٹاک ایکھینچ کی ایمر جنگ مارکیٹ انڈیکس میں شمولیت کے بعد سے اب تک کوئی معنی خیز کردار ادانہیں کر پائے ہیں۔لہذا تو قع کی جارہی ہے کہ 2018 میں فاہر داراد

شعبہ جاتی جائزے

سال 2017 کے دوران تمباکو، نیمیکل، انجینئر نگ، تیل وگیس کی تلاش اور غذائی اشیاء اور ذاتی آ رائش کی اشیاء کے شعبہ جات نے KSE-100 انڈیکس میں توقع سے زیادہ کارکردگی کا مظاہرہ کیا۔ تاہم بدترین کارکردگی ظاہر کرنے والے شعبہ جات میں ٹیکسٹاک ویونگ، گلاس اور سرامکس، سیمنٹ، لیدراور ٹینر اور شکر اور متعلقہ اشیاء شامل تھے۔ حجم کے اعتبار سے انڈیکس پر سب سے زیادہ دباؤ سیمنٹ، بینکس، تو انائی اور ادو بیسازی کے شعبہ جات میں سامنے آیا جکہہ تیل وگیس کی

بم لے اعتبار سے انڈیس پر سب سے زیادہ دباؤ سیمنٹ، بیٹس ، لوانایی اورا دو بیسازی کے شعبہ جات میں سامنے آیا جبلہ یک و میس کی تلاش اورانجینئر نگ کے شعبہ جات مثبت انداز سے KSE-100 انڈیکس میں معاون ثابت ہوئے۔

جم کے اعتبار سے ریکارڈ فروخت کے باوجود، سیمنٹ کا شعبہ بڑی حد تک گراوٹ کا شکارر ہاجس کی وجو ہات میں بین الاقوامی سطح پر کو ئلے کی قیمتوں میں اضافہ، منافعوں میں کمی کے خدشات اور ملک کے بعض حصوں میں سیمنٹ کی قیمتوں میں ہونے والی کمی شامل رہی۔ فیول ، آئل ہے بچلی کی پیدادار پر پابندی اور کے الیکٹرک کمیٹٹر کے کئی سالوں تک کم ٹیرف کے حکومتی فیصلے سے توانائی کا شعبہ بدستورد باؤ کا

شکارر ہا۔ پاکستانی روپے کی متوقع گراوٹ کی وجہ سے منافعوں میں کمی کے خدشات ،ادویہ سازی کے شعبے کی کم کارکر دگی کا سبب بنے۔ انڈیکس کے بڑے حجم والے (حبیب بینک کمیٹڈ) میں بھاری غیر ملکی فروخت دیکھنے میں آئی جس کی وجہ اس کی نیویارک برا پنچ کے قواعد و ضوابط پر پوراا ترنے میں ناکامی اور اس کے نتیج میں ہونے والا 225 ملین امریکی ڈالر جرمانہ تھا، جس سے سرمایہ کاروں کے رجحان کی مزید حوصلہ کھنی ہوئی اور مجموعی طرز پر بینکاری صنعت کو اس کے نتائج بھگتنا پڑے۔

تیل کی پیداوار میں کمی کے لئے او پیک اور نان او پیک پروڈ یوسرز ایگر یمنٹ اور بڑے پیانے پر تیل پیدا کرنے والے ممالک کے انتشار کے باعث عالمی سطح پر تیل کی بڑھتی ہوئی قیمتیں (%30 سال بہ سال اضافہ) بشمول پاکستانی روپے کی گراوٹ تیل وگیس کی تلاش ک شعبے کی متحکم کارکردگی کاباعث بنی۔استعدادِکار میں اضافہ، زیادہ منافعوں کے باعث بہتر آمد نی اوراینٹی ڈمپنگ ڈیوٹیز کے نفاذ کی وجہ سے انجینئر نگ کے شعبہ نے انڈیکس میں بہتر کارکردگی کا مظاہرہ کیا۔ غیر ملکی زیر مبادلہ کے ذخائر میں اضافہ تھا۔29 دسمبر 2017 تک نفذ غیر ملکی زیر مبادلہ کی سطح 20.154 ارب امریکی ڈالر پر برقر ارتھی۔ آگ بڑ سے ہوئے توقع کی جاتی ہے کہ 2018 میں سیاسی معاملات پر بڑی حد تک قابو پالیا جائے گا کیوں کہ نئی مدت کے ساتھ قائم ہونے والی نئی حکومت کمزور پڑتے ہوئے معاشی اصلاحات کے پروگرام کا از سر نو آغاز کرے گی۔کاروباری آمدنی میں اضافے ک رفتار برقر ارر ہے کی توقع ہے اور انتخابات کا سال ہونے کے باعث پلبک سیکٹر میں نمایاں اخراجات کی توقع ہے جس سے معاشی ترقی کو مہمیز ملے گی۔ باسہولت سیکٹر اکنا مک پالیسیوں ، تی پیک سیکٹر میں نمایاں اخراجات کی توقع ہے جس سے معاشی ترقی کو میں مسلسل بہتری کے شرات کی بدولت معاشی سرگر میاں جاری رہنے کی توقعات کے ساتھ مالی سال 2018 میں مجموعی قومی پیداوار (GDP) کی شرح %6 پر ہے کی توقع ہے اور انتخابات کا سال

گزشتہ سال %45.7 کا حیرت انگیز منافع اور گزشتہ پانچ سال میں %21.82 کا اوسط منافع ظاہر کرنے کے بعد مالی سال 2017 میں KSE-100 انڈیکس %15.35 (%20.2 امریکی ڈالر کے اعتبار سے) گراوٹ کے بعد 40,471 پوائنٹ پر بند ہوئی۔ سال کا آغاز سرما بیکاری کے لئے انتہائی خوش آئندانداز سے ہوا جب MSCI نے پاکستان اسٹاک ایکیچنی کونو سال کے بعد ایر جنگ مارکیٹس کے درجہ میں شامل کیا، ہی پیک کے تحت منصوبوں کا اعلان کیا جار ہاتھا اوروسینی ترصورت حال نسبتاً مستحکم تھی تا ہم دوبارہ درجہ بندی کے روز پاکستان اسٹاک ایکی پی پیک کے تحت منصوبوں کا اعلان کیا جار ہاتھا اوروسینی ترصورت حال نسبتاً مستحکم تھی تا ہم دوبارہ درجہ بندی موگ جب وسیع ترصورت حال تاریک ہونے کے بچائے 82 ملین امریکی ڈالر کا اخراج سامنے آیا۔ معاملات اس وقت مزید بدتر بوگے جب وسیع ترصورت حال تاریک ہونا شروع ہوگئی، بجٹ مایوس کن رہا اور MSCI میں شمولیت رو بدزوال ثابت ہوئی۔ اس وقت میں در پراعظم نواز شریف کی نا ابلی اور اس کے بعد پیش آنے والے واقعات بشمول معیشت کو در پیش خدشات بالخصوص میرونی اکا وزنٹ کے

نيتجنًا اوسط روزانه جم ميں 236 ملين شيئر زروزانه (%16 سال به سال کمی) کے ساتھ اوسط روزانه جم ميں کمی واقع ہوئی، تاہم اوسط تجارتی قدر بہتر ہوکر 158 ملين امريکی ڈالرروزانه (%13 سال به سال اضافہ) ہوگئ۔

2017 میں پاکستان کیMSCI EM انڈیکس میں شمولیت کے بعد توقع کی جارہی تھی کہ غیر ملکی شرکت میں اضافہ ہوگا تا ہم غیر ملکی فروخت کا ایک اور دور شروع ہوگیا۔ جواب تین سال کے عرصے پر محیط ہو چکا ہے۔ اس سال غیر ملکی سرمائے کا اخراج تاریخ میں سب سے زیادہ رہا جب غیر ملکی سرمایہ کاروں نے پاکستان اسٹاک ایکیچینج سے 487 ملین امریکی ڈالر مالیت کا سرمایہ نکالا۔ FIPI کے شعبہ جاتی تجزیح سے خاہر ہوا کہ زیادہ تر فروخت سیمنٹ (169 ملین امریکی ڈالر)، دیگر شعبہ جات (116 ملین امریکی ڈالر)، کم شل بیکس 101 ملین امریکی ڈالر) اور پاورکی پیداوار اور تقسیم (150 ملین امریکی ڈالر)، دیگر شعبہ جات (116 ملین امریکی ڈالر)، کم شل بینکس 107 ملین امریکی ڈالر) اور پاورکی پیداوار اور تقسیم (150 ملین امریکی ڈالر)) کے شعبہ جات (116 ملین امریکی ڈالر)، کم شل بینکس



کٹی سالوں سے کم نثر بح سوداور امن وامان کی بہتر صورت حال کے باعث نجی شیعیے کے قرضہ جات بڑھ کر 712 ارب روپے تک پنچ گئے جو کہ مالی سال 2016 میں 391 ارب روپ تھے جو کہ مالی سال 2017 کے دوران %28 سال بہ سال اضافہ ہے۔ اسی طرح مجموعی ترقیاتی پیداوار (GDP) کی نثر تر پر مجموعی سرمایہ کاریوں میں گزشتہ سال کے %15.2 کے مقابلے میں مالی سال 2017 میں 15.8% اضافہ ہوا۔ مجموعی ترقیاتی پیداوار کی نثر تر پر مجموعی سیونگز گزشتہ سال کے %14.3 کے مقابلے میں مالی سال 2017 کے دوران دولی میں مالی سال 2017 میں دوران معمولی کم ہوکر %13.1 ہوگئیں۔

تاہم، بیرونی سطح پر دباؤاور توسیع پذیر مالیاتی پالیسی پر کنٹرول بر قرار رہا۔ کرنٹ اکاؤنٹ خسارہ (CAD)، مالی سال 2016 کے 4.8 ارب امریکی ڈالر کے مقابلے میں مالی سال 2017 کے دوران بڑھ کر 12 ارب امریکی ڈالر ہوگیا تی پیک (CPEC) اور (NON-CPEC) توانائی اور انفر ااسٹر کچر منصوبوں کی وجہ سے بڑھتی ہوئی درآ مدات کے باعث بتدریخ بڑھتا تجارتی خسارہ اس اضافے کی اہم وجہ بنا۔ یہ بات حوصلہ افزا ہے کہ مالی سال 2017 میں پچھر کا ولوں کے باوجود IMF پروگرام کمل ہوگیا۔ جب حکومت بڑی حد تک ہر سہ ماہی میں کارکردگی کے معیار پر پور ااتری جس کا متیجہ توسیعی فنڈ فیسلٹی (EFF) پروگرام کمل ہوگیا۔ جب حکومت بڑی حد تک ہر سہ ماہی میں کارکردگی کے معیار پر پور ااتری جس کا متیجہ توسیعی فنڈ فیسلٹی (EFF) پروگرام محک ہوگیا۔ جب حکومت ڈالرکی بروفت فراہمی کی صورت میں برآ مدہوا۔ مزید بر آن، مالی سال 2018 کا آغاز کرنٹ اکاؤنٹ خسارے پر مزید بڑھتے دباؤ کے ماتھ ہوا، کیونکہ مالی سال 2018 کے دمعیار پر پور ااتری جس کا متیجہ توسیعی فنڈ فیسلٹی (EFF) پروگرام کر محمد بڑھتے دباؤ ک ماتھ ہوا، کیونکہ مالی سال 2018 کے دماہ میں بہ خسارہ 4.6 ارب امر کی ڈالرکی سطح پر مودود ہے، جوگز شتہ سال کی ای مدت کہ مقابلے ماتھ ہوا، کیونکہ مالی سال 2018 کے 5 ماہ میں بہ خسارہ 4.6 ارب امر کی ڈالرک سطح پر مودود ہے، جوگز شتہ سال کی ای مدت کہ مقابلے میں 2017 کاؤنٹ کے متوقع ارتقاء کے پیش نظر پاکستانی روپے کی قدر میں امر کی ڈالر کے مقابلے میں 30 کی کی د کھنے میں آئی مالی سطح پر، مالی سال 2017 کے دوران پاکستانی روپے میں مزید گراوٹ کے امکان کورڈیں کیا جاسکتی ہو حکومت کے حکول کے الکی کھلی ہوئی گی ہو حکومت کے حکوم کی کی محکت کے مقابلے میں ہو کی ڈالر کے مقابلے میں 30 کی کی د کھنے میں آئی

مای ٹ پر، مای سال 2017 میں بجٹ حسارہ، تمایاں اضافے کے ساتھ GDP کے 6.8% میں ٹرین کی جو طومت کے GDP کے 4.2% کے نظر ثانی شدہ ہدف سے زیادہ ہے۔ مالی خسارے میں اضافے کا سبب بننے والے عوامل میں تر قیاتی اخراجات میں نمایاں اضافہ اور بجٹ سے کم ٹیکس اور نان ٹیکس محصولات شامل ہیں۔

FBR کے محصولات میں سال بہ سال 80 اضافہ دیکھنے میں آیا جو مطلوبہ ہدف سے کافی حد تک کم ہے۔FBR نے عبوری طور پر مال سال 2018 کی پہلی سہ ماہی میں 753.4 ارب روپ (سال بہ سال %2.1+) کے شیکسز وصول کئے۔ بین الاقوامی اشیا ئے صرف اور مالی مارکیٹس کی غیریقینی صورت حال اور ملک کے بنیا دی میکر وا کنا مک اشاروں پر اس کے اثرات کے بین الاقوامی اشیائے صرف پاکستان نے تعبر اورنو مبر 2017 کے اعلانات میں پالیسی شرح بغیر تبد یلی کے %5.75 پر برقر ارر کھنے کا فیصلہ کیا۔ نو مبر 2017 میں پاکستان نے اپنی تاریخ کی سب سے بڑی ٹر انز یکٹن میں نہ بنا کہ قیمتوں میں پانچ سالہ محکوک اور دس سالہ یورو با تلہ کے اجراء کے ذریعے عالمی مارکیٹ کی پیلی مارکیٹس سے 2.5 ارب امریکی ڈالر حاصل کئے۔ یورو بوتڈ اور صوک کے اجراء کا بنیا دی مقصد

ڈائر یکٹرز کی ریورٹ

بورڈ آف ڈائر کیٹرز 31 دسمبر 2017 کوختم ہونے والے سال کے لئے 58 ویں سالا نہ رپورٹ مع آ ڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں مسرت محسوں کرتے ہیں۔

معيشت كاجائزه

پاکستانی معیشت نے مالی سال 2017 کے دوران اپنی رفتار میں اضافے کار بحان برقر اررکھااور مجموعی ترقیاتی پیداوار (GDP) کی اس دہائی کی بلند ترین سطح 3.3% ریکارڈ کی گئی۔ تاریخ میں پہلی بار پاکستانی معیشت نے 300 ارب امریکی ڈالر کا ہدف عبور کیا۔ اس زبر دست اضافے کی بنیادی وجہ خدمات کے شعبے میں %5.9 اور صنعتی شعبے میں %5.0 کی شرح سے ہونے والا اضافہ تھا، جبکہ زرعی شعبے میں %3.5 اضافہ سامنے آیا۔

مالی سال 2017 کے دوران ترقی کا مطلوبہ ہدف%5.7 عبور کرتے ہوئے شعبہ خدمات معاشی ترقی میں اہم عامل ثابت ہوا۔ پیداوار کے لئے امدادی قیمت ، زرعی شعبے کو کریڈٹ میں نمایاں اضافے اور بیچ اور کھا دجیسے وسائل کی فراہمی کے بہترا نظامات کے باعث زرعی شعبہ گزشتہ سال کی ست رفتار ترقی کے مقابلے میں %3.5 اضافے کے ساتھ الجم کر سامنے آیا۔

مالی سال 2017 میں بڑے پیانے کی پیداوار (LSM) میں اضافہ، مالی سال 2016 کے 3.2% کے مقابلے میں %5.6 سال بہ سال تک پنچ گیا۔ میگز شتہ چارسال کے دوران ریکارڈ کیا جانے والا سب سے زیادہ اضافہ ہے جو بڑے پیانے کی صنعت کی پیداوار کی ترق میں بحالی کی عکامی کرتا ہے۔ مالی سال 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں ترق میں بحالی کی عکامی کرتا ہے۔ مالی سال 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت کی پیداوار کی ترق میں بحالی کی عکامی کرتا ہے۔ مالی سال 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں ترق میں بحالی کی عکامی کرتا ہے۔ مالی سال 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں 2015 کی میں عمانی کرتا ہے۔ مالی سال 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں 2015 میں 2015 کی میں 2015 کرتا ہے۔ مالی سال 2017 میں 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں 2015 کرتی میں 2015 کا صنافہ ہے۔ مالی کرتا ہے۔ مالی سال 2017 میں 2017 میں معیشت میں ہونے والی ترقی کی بڑی وجہ سیمنٹ اور اسٹیل کی صنعت میں 2015 کر میں 2015 کر میں 2015 کر میں 2015 کر میں 2015 کرتا ہے۔ میں 2015 میں 2015 میں 2015 کر میڈ میں تو سیع بڑے پیانے کی اور اور اور اور کی کی 2015 کی گرائی میں 2015 کی میں مسلسل بہتری اور ساتھ ہی تحی ہو کر میڈ میں تو سیع بڑے پیانے کی اور اور کی میں 2015 ہو میں 2015 ہو میں 2015 ہو کی بڑے میں تو سیع بڑے کر پی کر 2015 کی معنعت کے لئے فائدہ مند ثابت ہوئی۔

دوسری جانب افراطِ زرکی شرح گزشتہ سال کے %2.9 فیصد کے مقابلے میں مالی سال 2017 میں %4.2 تک پہنچ گئی۔ افراطِ زر میں اضافہ بین الاقوامی اشیائے صرف بالحضوص تیل کی قیتوں کے بڑھنے ، جیسا کہ Brent تیل کی قیمت %16 سال بہ سال اضافے ک ساتھ 5.9 ڈالر فی بیرل ہوگئی اور بڑھتی ہوئی معاثی سرگرمیوں کے باعث تیل کی مقامی طلب میں اضافے کے باعث ہوا۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے مالی سال 18-2017 کے لئے افراطِ زرکاہدف %6 طے کیا جبکہ مالی سال 2018 کے پہلے نصف تک افراطِ زرکی اوسط شرح مالی سال 2017 کے پہلے نصف کے 3.888 کے مقابلے میں 3.75 ہے۔



ELECTRONIC DIVIDEND MANDATE FORM CYAN LIMITED

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular No. 18 of 2017 dated August 01, 2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the manner prescribed only.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, SMCHS, Main Shahrah-e-Faisal, Karachi. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/CDC.

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder	:
Folio Number/CDC Account No.	:of Cyan Limited.
Contact number of shareholder	:
Title of Account	:
IBAN (*)	:
Name of Bank	:
Bank branch	:
Mailing Address of Branch	:
CNIC No. (attach attested copy)	:
NTN (in case of corporate entity)	:

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's Signature

Date

NOTES:

* Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

P	roxy Form			C	yan
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	In addition to the at	pove the fo	llowing requirement	s have to be met.	
(i)	The proxy form sha shall be stated on t		ssed by two persor	ns whose names, addresses an	d CNIC numbers
(ii)	Attested copies of with the proxy form		e passport of the b	eneficial owners and the proxy s	shall be provided
(iii)	The proxy shall proc	duce his or	iainal CNIC or oriair	hal passport at the time of the m	eeting. In case of

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نما ئندگی کا فارم سيان لميٹڑ سیان کمیٹڈکا اٹھادنواں سالانہ اجلاس عام میں/مسلّٰی/مسلَّق ضلع بحيثت ممبر سان لميئذ، / متلَّى /مسلَّة ساكن کو بطور مختار (پراکس) مقرر کرتا ہوں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے ۵۸ سالانہ اِجلاس عام جو کہ TDF بزنس حب، گراؤنڈ فلور داؤد سینٹر کراچی میں بتاریخ ۲۹ مارچ ۲۰۱۸ بروز جمعرات بوقت صبح ۱۱:۳۰ پر منعقد ہورہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔ وستخط 1.11 بروز گواه (۱) دستخط گواہ : نام : مطلوبہ (پانچ روپے کا) قومی شاختی کارڈ نمبر یا : ریوینیو نکٹ چیپاں کریں اور دستخط کریں ياسپورٹ نمبر : گواه (۲) د ستخط سمینی کے پاس پہلے سے محفوظ د ستخطی نمونہ کے مطابق ہونے د ستخط گواہ : ضروری ہیں۔ نام : قومی شناختی کارڈ نمبر یا : ياسپورٹ نمبر : نوش : کمپنی کا ایسا حصص یافتگان/ ممبر جو اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ہو وہ اپنی جگہ کسی اور ممبر کو اجلاس میں شرکت اور ووٹ ڈالنے کے لیے نامزد کر سکتا ہے۔ تمام نامزد گیاں ای صورت میں مو ثر ہوں گی جب برائسی فارم بنام سمینی سیکرٹری ، رجسٹرڈ آفس چو تھی منزل، داؤد سینز، ایم-ٹی-خان روڈ، کراچی، کو اجلاس کے انعقاد کے مقررہ وقت سے ۴۸ گھنٹے قبل موصول ہوں۔ • CDC اكاؤنث ركف والے/كا ريوريث ممبر ان كے ليے مندرجہ بالا ضوابط كے علادہ درج زيل شرائط كو تجى يورا كرنا لازمى ہے نامزدگی فارم دو اشخاص کی گواہی، نے اور قومی شاختی کارڈ نمبر کے ساتھ پُر ہونے چاہی۔ ۲) نامزگی فارم کے ساتھ سادہ خصص مافتگان اور محاز وکیل کے شاختی کارڈ کی تصدیق شدہ نقول منسلک ہونی جاہی۔ ۳) محاذ و کیل (پراسی ہولڈر) کے اجلاس کے وقت اپنا اصل شاختی کارڈ بایا سپورٹ ضرور پیش کریں۔ ادارے کی صورت میں نامزد فارم (پراسی فارم) کے ساتھ بورڈ آف ڈائریکٹر زکی قرار دادیا مختار نامہ بمعہ نامزد کردہ صخص کے دستخطی نمونہ کے ساتھ کمپنی ہذامیں جمع کروائیں۔

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