

possibilities unlimited

Condensed Interim Financial Information (Un-audited)
for the Quarter ended March 31, 2014





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Company Information

Board of Directors

Shabbir Hussain Hashmi (Chairman)
Shahid Hamid Pracha
Shafiq Ahmed
M. Jawaid Iqbal
Ruhail Yousuf Muhammad
A. Samad Dawood (Chief Executive)
Faisal Nadeem Mangroria

Board Audit Committee

Shahid Hamid Pracha (Chairman)
Shafiq Ahmed
Ruhail Yousuf Muhammad

Board HR & Remuneration Committee

Shabbir Hussain Hashmi (Chairman)
A. Samad Dawood
Shahid Hamid Pracha

Board Investment Committee

Shabbir Hussain Hashmi (Chairman)
M. Jawaid Iqbal
Ruhail Yousuf Muhammad
Faisal Nadeem Mangroria

COO & Company Secretary

Sulaiman S. Mehdi

CFO

Faisal Nadeem Mangroria

Head of Internal Audit & Compliance

Ghulam Haider

Executives*

A. Samad Dawood (CEO)
Sulaiman S. Mehdi (COO & CS)
Faisal Nadeem Mangroria (CFO)
Isfandiyar Shaheen (Principal / HOGE)
Umar Habib (Vice President)
Ghulam Haider (Head of IA & Compliance)
Muhammad Anas Karimi (Manager Finance)
Farid Madhani (Senior Investment Analyst)
Muhammad Ali Heemani (Investment Analyst)
Azam Khan (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

Internal Auditor

The Internal Audit Function has been outsourced to Anjum Asim Shahid Rahman (Chartered Accountants)

Share Registrar/Transfer Agent

Technology Trade (Pvt.) Ltd.
Dagja House, 241-C, Block-2,
P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi.
Tel: (92-21) 34391316-7, 19 & 34387960-1
Fax: (92-21) 34391318

Legal Advisors

Zahid & Tariq Advocates
65, Hussain Manzil, Chestnut Street,
Garden East, Karachi

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Barclays Bank PLC Pakistan

Registered Office

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

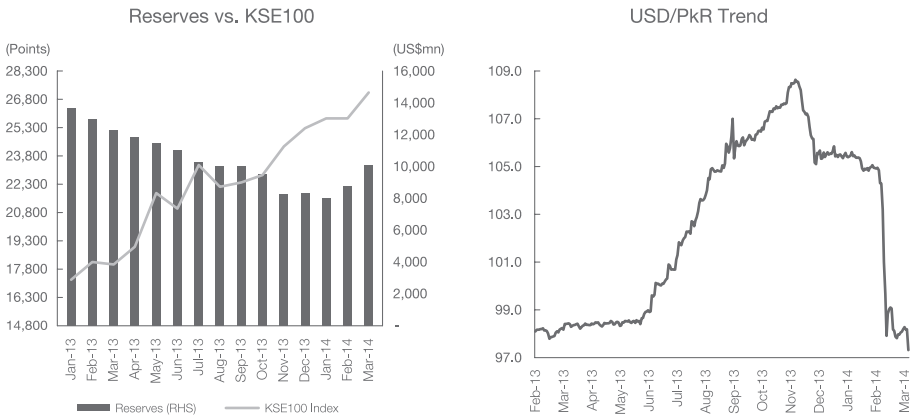
Directors' Review

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial information of the company for the quarter ended March 31, 2014.

Economy Review

In the days ahead, 1QCY14 may be pinpointed as the time period when the Pakistan Economy turned the corner and emerged from a period of stagflation towards an era of high growth/low inflation. In this regard, key macro metrics depicted improvement, particularly FX reserves which crossed the US\$10bn mark, while inflation remained in single digits. This macro improvement has been captured by the 7.9% CYTD appreciation of the PkR versus the US\$.

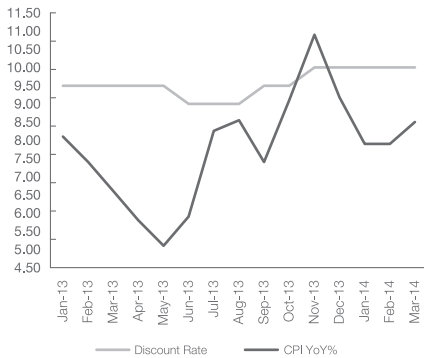
Multiple positives were witnessed on the external front while the Current Account deficit remained contained (deficit of US\$2.02bn in 8MFY14; 0.80% of GDP), the country's FX reserves rose to US\$10bn by end-Mar'14, up from a low of US\$7.9bn in mid-Jan'14. This sharp uptick largely arose on the back of US\$1.5bn gift from Saudi Arabia into the newly formed Pakistan Development Fund and similar such flows going forward cannot be ruled out. This, along with expectations of further foreign flows particularly through the recent Eurobond auction (amount of US\$2bn raised versus initial target of US\$500mn) and other sources such as the 3G auction and privatization proceeds (OGDC, PPL and UBL in particular), should result in FX reserves rising to multi-year highs across the calendar year. This tangible improvement coupled with an increased belief in the execution capability of the Government of Pakistan (GoP) has resulted in the PkR appreciating by 7.9%CYTD to 97.31 vs. the US\$ where 1) any surprise inflows may lead to further appreciation and/or 2) consistent inflows may lead to a contained rate of depreciation going forward versus the historical depreciation run rate of 6%-7%pa.



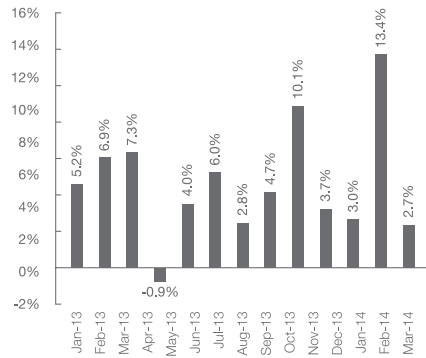
At the same time, there has been a noticeable uptick in output – 1QFY14 GDP growth clocked in at 5% where the World Bank has recently indicated it expects full-year FY14 GDP growth at 4%. The main impetus to GDP growth has come in from the real side where a combination of energy sector reforms and improved business confidence has propelled the LSM sector to post growth of 2.7%YoY in 7MFY14. In this regard, impetus has arisen from Foods, selected Autos, Fertilizers and Electronic Goods, among others. This improvement in output coupled with reduction in imported inflation has

led headline CPI to average 8.1%YoY in 1QCY14, bringing the 9MFY14 CPI average to 8.63%YoY. Relatively benign price pressures (led by contained food inflation) together with improvement on the external front encouraged the State Bank of Pakistan (SBP) to keep the Discount Rate unchanged at 10% in 1QCY14. Going forward, provided inflation remains in check and the GoP continues to deliver on macro reforms, the SBP may find room to again bring benchmark interest rates back into single digits across the course of the year.

DR vs. CPI YoY%



LSM Growth Rate



Stock Market Review 1QCY14 & Outlook

The KSE 100 Index gained 7.52% in 1QCY14, with US\$ gains registering at 7.9%. In this regard, after witnessing decline in Feb'14 owing to an escalation in militant activity, the market delivered a strong rebound in Mar'14 as the GoP entered into a ceasefire with the TTP, allowing improving macros to come to the fore. At the same time, corporate results largely continued to be inline, with normalized 1QCY14 growth estimated at 18%YoY. One of the key reasons for strong market performance was the sustained bullish stance by foreign investors with net 1QCY14 FPI coming in at US\$36mn. This dovetailed with average volumes clocking in at 255mn shares CYTD, up by 19%YoY/58%QoQ.

Within the mainboard sectors, top performers during 1QCY14 included Chemicals (+28% after the listing and strong price performance of Engro Fertilizer Limited (EFERT)), Non-Life Insurance (+20% on a buoyant equity market performance), Autos (+18% following a strong PKR), Multi-utilities (+14% on lower reported UFG) and Pharmaceuticals (+13% on a reported increase in product prices). On the flipside, laggards included Electricity (-4% on a weak set of results on high maintenance charges), Oil & Gas (-4% on supply concerns post OGDC/PPL offerings under the privatization program) and Textile (-1% on concerns on spinners' margins). Other mainboard sectors including Banks, Cements, Food Producers and Telecoms broadly performed in line with the market.

Outlook

With the economy seemingly headed for an upturn, continued valuation rerating appears likely particularly as the market's forward P/E at 7.4x remains un-stretched relative to both the 10yr average (9x+) and the region (MSCI Asia Pacific Index: 11.2x). In this regard, the recent uptick in the market has been triggered by a noticeable increase in FPI participation where net inflow of US\$55mn in the two weeks of Apr'14 compares favorably against 1QCY14 net inflow of US\$93mn. This appears to be a function of the ongoing macro turnaround and the weightage increase for Pakistan going

forward in the MSCI FM Index (headed for ~9% vs. less than 4.5% at present). Bullish sentiment can sustain if the GoP continues to deliver on the macro front and if the SBP reinitiates monetary easing. Within the backdrop of a turnaround in the economy, it is felt that cyclical industries such as financials, cements and autos may outperform other sectors. In terms of risks, law & order concerns particularly in the aftermath of the end of the ceasefire with militants pose the potential to curb ongoing valuation rerating.

Company Performance

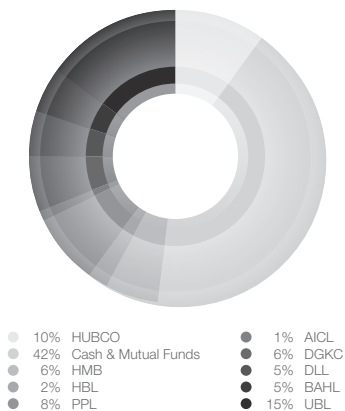
During the quarter the company adopted an aggressive stance on the public equities and increased its exposure to 69% (average), whereas 31% was vested towards mutual funds and Government Securities. The increase in equity exposure was based on overall improvement in the key macroeconomic metrics, particularly FX reserves, inflation in single digits and continuous flows from foreign investors.

The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, sizable investments were made in banks, energy, oil and gas, cements, personal goods and money market mutual funds. Due to alignment of company's portfolio towards blue chip stocks, the dividend income increased by 20% to Rs.101 million for the quarter ended March 31, 2014 as opposed to Rs.85 million earned in the corresponding period last year. Un-realized gains of Rs.171million were recorded during the quarter as compared Rs.210 million reported in the corresponding quarter in 2013. The major contributor to the unrealized gain was UBL (Rs.141 Million). The company also earned capital gains of Rs.23 million during the quarter as opposed to Rs.86 million recorded in the corresponding period in 2013.

The brief summary of the financial highlights for the quarter ended March 31, 2014 and 2013 is as under:

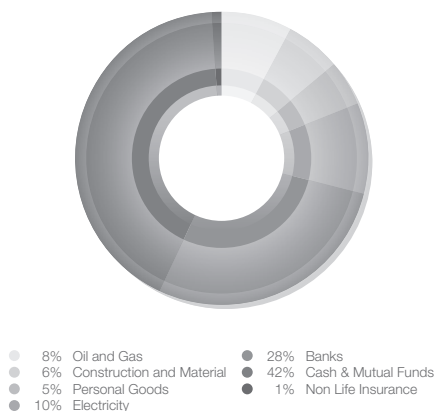
	March 31, 2014	March31, 2013	Change
			Rs. '000
Return on Investments	102,549	85,269	20%
Gain on Sale of Investments - Net	22,789	86,098	(74%)
Other Income	665	393	69%
	126,003	171,760	(27%)
Unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit and loss-net	171,210	210,344	(19%)
	297,213	382,104	(22%)
Operating & Administrative Expenses	(54,594)	(48,854)	(12%)
Profit before tax	242,619	333,250	(27%)
Taxation	(1,378)	(12,938)	89%
Profit after tax	241,241	320,312	(25%)
Loss from discontinued Operations – net of tax	-	(180)	(100%)
Net Profit for the quarter	241,241	320,132	(25%)
EPS – Rupees	4.11	5.46	(25%)

Portfolio Holding* March 31, 2014



*Top Ten Holding represent 94% of total portfolio

Sector Breakup - Top Ten Holdings* March 31, 2014



Earnings per Share

During the quarter ended March 31, 2014 the company posted earnings per share of Rs.4.11 compared to Rs.5.46 in the corresponding period in 2013.

Private Equity Update

During the quarter all efforts were focused on conducting due diligence of a transaction in the Pharma sector. In addition to the above the company is at an advance stage of transaction evaluation in the Transportation/Logistics sector.

Appropriation and Dividend

The Company's profit after tax for the quarter ended stood at Rs.241.24 million and the Board has declared no interim cash dividend for the quarter ended March 31, 2014.

Credit Rating

On December 01, 2011 JCR-VIS Credit Rating Company Limited has withdrawn the Insurer Financial Strength (IFS) rating of 'A' (Single A) assigned to Formerly Central Insurance Company Limited. The Company has already appointed JCR-VIS on August 16, 2013 for the assignment of its new credit rating and the process has been completed and the rating is awaited.

Related Party Transactions

During the quarter all transactions made with associated companies/related parties were duly approved by the Board of Directors of the company. All transactions with related parties are on arms length basis.



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 unwavering commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, the management of the Karachi and Lahore Stock Exchanges and the Auditors for their continued support and cooperation.

On behalf of the Board

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO

Karachi: April 25, 2014

Condensed Interim Statement of Financial Position

As at March 31, 2014

	Note	March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	19,514	20,237
Intangible assets	6	2,275	2,577
Long term loan		5,462	5,628
Long term deposits		2,500	2,500
		<u>29,751</u>	<u>30,942</u>
CURRENT ASSETS			
Investments	7	5,477,848	5,383,322
Long term loan - current portion		1,555	1,332
Trade and other receivables		253,771	71,973
Advances and short term prepayments		1,915	2,107
Cash and bank balances		18,834	17,835
		<u>5,753,923</u>	<u>5,476,569</u>
TOTAL ASSETS		<u>5,783,674</u>	<u>5,507,511</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2013: 100,000,000)			
Ordinary shares of Rs. 10/- each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up share capital			
		586,277	586,277
Unappropriated profit		4,636,744	4,395,503
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(1,726)	(1,726)
Surplus on revaluation of available-for-sale investments		228,621	198,150
		<u>5,583,004</u>	<u>5,311,292</u>
NON-CURRENT LIABILITIES			
Deferred liability -gratuity		<u>9,833</u>	<u>8,858</u>
Deferred taxation		<u>14,741</u>	<u>26,890</u>
		24,574	35,748
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		<u>140,710</u>	<u>129,023</u>
Taxation-net		<u>35,386</u>	<u>31,448</u>
		176,096	160,471
TOTAL EQUITY AND LIABILITIES		<u>5,783,674</u>	<u>5,507,511</u>
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO

Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2014 - (Un-audited)

	Note	March 31, 2014	March 31, 2013
		----- (Rupees in '000) -----	
CONTINUING OPERATIONS			
Return on investments		102,549	85,269
Gain on sale of investments - net		22,789	86,098
Other income		665	393
		<u>126,003</u>	<u>171,760</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit and loss - net		171,210	210,344
		<u>297,213</u>	<u>382,104</u>
EXPENSES			
Operating and administrative expenses		<u>(54,594)</u>	<u>(48,854)</u>
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		242,619	333,250
Taxation - current		(13,527)	(14,797)
- deferred		12,149	1,859
		<u>(1,378)</u>	<u>(12,938)</u>
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		241,241	320,312
DISCONTINUED OPERATIONS			
(Loss) from discontinued operations - (net of tax)	9	-	(180)
NET PROFIT FOR THE QUARTER		<u>241,241</u>	<u>320,132</u>
Basic and diluted earnings / (loss) per share	10		
		(Rupees)	
From continuing operations		4.11	5.46
From discontinued operations		-	-
Total		<u>4.11</u>	<u>5.46</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO

Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2014 - (Un-audited)

	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----	
Profit after tax	241,241	320,132
<i>Items that may be reclassified subsequently to profit and loss</i>		
Surplus on revaluation of available-for-sale	30,471	22,087
Total comprehensive income for the quarter	<u><u>271,712</u></u>	<u><u>342,219</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO

Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2014 - (Un-audited)

	Share capital	Capital reserves			Revenue reserves		Remeasurement on post retirement benefits obligation-net of tax	Surplus / (deficit) on revaluation of available for sale investment	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General reserve	Unappropriated profit			
------(Rupees in ,000)-----									
Balance as at January 01, 2013	586,277	10,535	-	2,553	120,000	3,688,477	-	56,566	4,464,408
Net profit for the quarter ended March 31, 2013	-	-	-	-	-	320,132	-	-	320,132
Total comprehensive income	-	-	-	-	-	-	-	22,087	22,087
Final dividend @ Rs.3.00 per share for the year ended December 31, 2012	-	-	-	-	-	(175,883)	-	-	(175,883)
	-	-	-	-	-	(175,883)	-	-	(175,883)
Balance as at March 31, 2013	586,277	10,535	-	2,553	120,000	3,832,726	-	78,653	4,630,744
Balance as at January 01, 2014	586,277	10,535	-	2,553	120,000	4,395,503	(1,726)	198,150	5,311,292
Net Profit for the quarter ended March 31, 2014	-	-	-	-	-	241,241	-	-	241,241
Total comprehensive income	-	-	-	-	-	-	-	30,471	30,471
Balance as at March 31, 2014	586,277	10,535	-	2,553	120,000	4,636,744	(1,726)	228,621	5,583,004

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO

Condensed Interim Cash Flow Statement

For the quarter ended March 31, 2014 - (Un-audited)

	March 31, 2014	March 31, 2013
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period (including Discontinued Operations)	242,619	333,070
Adjustment for non cash charges and other items:		
Depreciation/Amortization	1,229	1,380
Gain on sales of property and equipment	(20)	-
Capital gain on sale of investments - net	(22,789)	(86,098)
Amortisation of premium on government securities	(1,064)	(339)
Unrealized gain on revaluation of investments carried at fair value through profit or loss-net	(171,210)	(210,344)
	(193,854)	(295,401)
Operating profit before working capital changes	<u>48,765</u>	<u>37,669</u>
(Increase)/Decrease in operating assets		
Trade and other receivables	(36,995)	(59,001)
long term loan	(57)	261
Other deposits	-	2,000
Advances and short term prepayments	192	209
	(36,860)	(56,531)
Increase in deferred liability	975	-
Increase in trade and other payables	11,687	18,278
Net cash generated from / (used in) operations	<u>24,567</u>	<u>(584)</u>
Taxes Paid	(9,589)	(11,066)
Net cash generated from (used in) / operating activities	<u>14,978</u>	<u>(11,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,501,531	2,473,572
Investment in securities	(2,515,326)	(2,459,992)
Capital expenditure incurred	(229)	(2,032)
Proceeds from sale of property and equipment	45	20
Net cash (used in) /generated from investing activities	<u>(13,979)</u>	<u>11,568</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	999	(82)
Cash and cash equivalents at the beginning of the period	<u>17,835</u>	<u>13,494</u>
Cash and cash equivalents at the end of the period	<u>18,834</u>	<u>13,412</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO



Notes to and forming part of the Condensed Interim Financial Information

For the quarter ended March 31, 2014 - (Un-audited)

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 Ordinance, 1984). The Company is listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Dawood Centre, Molvi Tamizuddin Khan Road, Karachi.

2. BASIS OF PRESENTATION

This condensed interim financial information is un-audited and is being presented to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard - 34 “Interim Financial Reporting”. This condensed interim financial information does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2013.

These condensed interim financial information have been presented in Pakistan rupee, which is also the Company’s functional currency and rounded to the nearest thousand rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2013.

3.2 New standards, amendments to standards and interpretations that are applicable for the financial year beginning on or after January 1, 2014, are either currently not relevant to the Company or do not have any significant effect on the Company’s financial information.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the condensed interim financial information in conformity with approved Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company’s accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The significant judgments made by the management in applying the company’s accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended December 31, 2013.

5. Property and equipment

	March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees in '000) -----	
Opening book value	20,237	22,393
Add: addition during the quarter / year	153	2,310
	<u>20,390</u>	<u>24,703</u>
Written down value of disposal during the quarter / year	(25)	(119)
Depreciation for the quarter/ year	(852)	(4,347)
	<u>(876)</u>	<u>(4,466)</u>
	<u>19,514</u>	<u>20,237</u>

The details of additions and disposals during the quarter / year are as follows:

Additions-Cost

Furniture and fixtures	-	1,229
Office Equipment	153	1,081
Vehicles	-	-
	<u>153</u>	<u>2,310</u>

Disposal-Cost

Office Equipment	71	49
Vehicles	-	70
	<u>71</u>	<u>119</u>

6. Intangible assets

Opening book value	2,577	3,801
Additions during the quarter / year	76	300
	2,653	4,101
Amortization for the quarter / year	(378)	(1,524)
	<u>(378)</u>	<u>(1,524)</u>
	<u>2,275</u>	<u>2,577</u>

The details of additions during the quarter / year are as follows:

Additions-Cost

Computer Software / License	76	300
	<u>76</u>	<u>300</u>

7. INVESTMENTS

The investments comprise of the following:

	Note	March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
----- (Rupees in '000) -----			
Held-to-maturity investments- Government Securities		44,809	44,748
Available-for-sale investments	7.1	356,213	325,741
Investments carried at fair value through profit and loss	7.2	5,076,826	5,012,833
		<u>5,477,848</u>	<u>5,383,322</u>

7.1 Available-for-sale investments

Un-quoted shares	7.1.1	-	-
Collective Investment Schemes	7.1.2	36,155	32,241
Un-quoted debentures	7.1.3	-	-
Quoted shares - related parties	7.1.4	320,058	293,500
		<u>356,213</u>	<u>325,741</u>

7.1.1 Un-quoted shares

Name of investee company	Number of Shares		Cost	
	31-Mar-2014	31-Dec-2013	31-Mar-2014	31-Dec-2013
(Rupees in '000)				
Bankers Equity Limited	13,465	13,465	117	117
Saifi Development Corporation Limited	8,900	8,900	34	34
Cost			151	151
Provision for Impairment			(151)	(151)
Carrying Value			-	-

Unquoted companies in which the Company has made investments are in the process of liquidation, therefore, the names of respective Chief Executives are not available.

7.1.2 Mutual Funds

Name of Fund	Number of Units		Cost	Market Value	
	31-Mar-2014	31-Dec-2013	31-Mar-2014	31-Mar-2014	31-Dec-2013
----- Rupees '000'-----					
National Investment Unit Trust (NIT)	240,500	240,500	3,131	13,423	11,962
Golden Arrow Selected Stock Fund	2,405,532	2,405,532	8,798	22,732	20,279
			<u>11,929</u>	<u>36,155</u>	<u>32,241</u>
Provision for Impairment			(2,279)		
Carrying Value			<u>9,650</u>		
Market Value as at 31 March 2014			<u>36,155</u>		
Unrealized Gain on Mutual Funds			<u>26,505</u>		

7.1.2.1 NIT units amounting to Rs. 13.42 million (2013: 11.962 million), are under lien against a bank guarantee issued by Habib Bank Limited.

7.1.3 Unquoted Debenture

	Number of Bonds		Cost	
	31-Mar-2014	31-Dec-2013	31-Mar-2014	31-Dec-2013
			---- Rupees '000'----	
Hyson Sugar Mills Limited	240,500	240,500	60	60
Provision for Impairment			(60)	(60)
Carrying Value			-	-

7.1.4 Quoted shares - related parties

Name of investee company	Number of Shares		Cost	Market Value	
	31-Mar-2014	31-Dec-2013	31-Mar-2014	31-Mar-2014	31-Dec-2013
				----- Rupees '000'-----	
Chemicals					
Dawood Hercules Corporation Limited Equity held: 0.17% (2013: 0.17%)	794,380	794,380	47,653	68,055	44,580
Personal Goods					
Dawood Lawrencepur Limited Equity held: 5.02% (2013: 5.02%)	2,965,095	2,965,095	222,110	252,003	248,920
			<u>269,763</u>	<u>320,058</u>	<u>293,500</u>
Provision for Impairment			<u>(151,821)</u>		
Carrying Value			<u>117,942</u>		
Market Value as at 31 March 2014			<u>320,058</u>		
Unrealized Gain on Quoted Share			<u>202,116</u>		

7.2 Investments carried at fair value through profit and loss

	Note	Market Value	
		March 31, 2014	December 31, 2013
		(Un-audited)	(Audited)
		----- (Rupees in '000)-----	
Quoted Shares	7.2.1	3,132,736	3,598,329
Mutual Funds	7.2.2	1,944,090	1,414,504
		<u>5,076,826</u>	<u>5,012,833</u>

7.2.1 Quoted shares

Name of investee company	Number of Shares		Carrying Value		Market Value	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Mar-14	31-Dec-13	
			----- Rupees '000'-----			
Oil & Gas						
Oil & Gas Development Company Limited	-	200,000	-	-	-	55,272
Pakistan Oil Fields Limited	200,000	400,000	99,542	108,836	199,084	
Pakistan Petroleum Limited	2,000,000	2,070,000	427,920	447,520	442,897	
Pakistan State Oil Limited	-	400,000	-	-	-	132,888
Construction & Materials						
D.G Khan Cement Limited	3,250,000	2,000,000	288,952	299,065	171,460	
Cherat Cement Company Limited	275,000	-	21,032	20,422	-	
Maple Leaf Cement Company Limited	-	7,475,500	-	-	-	205,053
Personal Goods						
Nishat Mills Limited	-	2,863,300	-	-	-	364,327
Automobile and Parts						
Pak Suzuki Motors Company Limited	339,400	-	64,247	69,343	-	
Electricity						
The Hub Power Company Limited (related party) Equity held: 0.86% (2013: 0.86%)	10,000,000	10,000,000	607,200	531,700	607,200	
Pakgen Power Limited	-	2,000,000	-	-	-	43,420
Commercial Banks						
Bank Al Habib Limited	7,177,500	6,525,000	271,114	266,357	271,114	
Faysal Bank Limited	4,237,000	-	56,360	59,487	-	
Habib Bank Limited	715,000	750,000	108,310	124,632	124,973	
Habib Metropolitan Bank Limited	11,669,500	11,669,500	292,554	311,459	292,554	
United Bank Limited	4,813,439	5,166,939	638,021	778,959	684,878	
Non Life Insurance						
Adamjee Insurance Company Limited	1,500,000	-	64,811	70,410	-	
IGI Insurance Company Limited	240,000	-	46,800	44,546	-	
Technology Hardware and Equipment						
TPL Trakker Limited	-	431,847	-	-	-	3,209
Carrying Cost			<u>2,986,863</u>	<u>3,132,736</u>	<u>3,598,329</u>	
Market Value as at 31 March 2014			<u>3,132,736</u>			
Unrealised Gain on Quoted Shares			<u>145,873</u>			

- 7.2.1.1 5 million shares of The Hub Power Company Limited having market value of Rs. 266 million as at March 31, 2014 (December 31, 2013: Rs.304 Million) have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 7.2.1.2 The Company has running finance facility of Rs.500 million (December 2013: Rs.500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.85% and will be expired on March 31, 2015.
- 7.2.1.3 The facility is secured against pledge of 4.5 million (market value: Rs. 239.27 million), 2.5 million (market value: Rs.404.58 million), 1 million (market value: Rs.223.76 million) and 10 million (market value: Rs.266.9 million) ordinary shares of HUBCO, UBL, PPL and HMB respectively.
- 7.2.2 Mutual Funds

Name of Funds	Number of Units		Carrying Value		Market Value	
	Note	31-Mar-14	31-Dec-13	31-Mar-14	31-Mar-14	31-Dec-13
				Rupees '000'		
ABL Cash Fund (related party)		15,503,719	19,594,908	152,348	155,189	196,045
AKD Cash Fund		1,012,174	1,254,406	49,898	50,956	62,765
Askari Sovereign Cash Fund		994,216	-	100,000	100,338	-
PICIC Cash Fund		3,705,353	4,699,347	365,349	372,463	473,053
Al Falah GHP Cash Fund		198,132	306,368	98,606	99,185	153,343
Atlas Money Market Fund		208,690	204,492	102,809	104,963	102,809
Pakistan Cash Management Fund		-	2,017,931	-	-	100,947
NAFA Government Securities Liquid Fund	7.2.2.1	219,407	215,055	2,160	2,204	2,160
NAFA Money Market Fund		17,475,915	10,107,227	172,390	174,904	101,191
First Habib Cash Fund		501,121	-	50,000	50,179	-
Lakson Money Market Fund		501,060	-	50,000	50,165	-
Primus Daily Reserve Fund		4,174,264	2,219,454	411,193	417,967	222,191
PIML - Islamic Money Market Fund		1,000,000	-	100,000	100,870	-
UBL Liquid Plus Fund (related party)		2,630,053	-	264,000	264,707	-
				<u>1,918,753</u>	<u>1,944,090</u>	<u>1,414,504</u>
Carrying Cost as at 31 March 2014						
Market Value as at 31 March 2014					<u>1,944,090</u>	
Unrealised Gain on Schemes					<u>25,337</u>	

- 7.2.2.1 The Company provided lien on NAFA Government Securities Liquid Fund in respect of fire claims lodged by Safdar Cotton Ginner, settlement of which is pending in the High Court.

8. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended December 31, 2013.

9 DISCONTINUED OPERATIONS

	March 31, 2014 (Un-audited)	March 31, 2013 (Audited)
	----- (Rupees in '000) -----	
Results of discontinued operations:		
Net Expenses	-	(180)
(Loss) before tax	-	(180)
Taxation - deferred	-	-
(Loss) after tax	<u>-</u>	<u>(180)</u>

10 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax for the period		
Continuing Operations	241,241	320,312
Discontinued Operations	-	(180)
	<u>241,241</u>	<u>320,132</u>

(Number of shares)

Weighted average number of ordinary shares outstanding as at the period end	<u>58,627,722</u>	<u>58,627,722</u>
--	-------------------	-------------------

----- (Rupees) -----

Earnings per share

Continuing Operations	4.11	5.46
Discontinued Operations	-	-
	<u>4.11</u>	<u>5.46</u>

11 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise related group companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and staff retirement benefits fund.

Material transactions with related parties are given below:

	Note	March 31, 2014	March 31, 2013
----- (Rupees in '000) -----			
Premiums (refund) / underwritten		-	(16)
Premiums collected		-	13
Rent expense		1,438	1,307
Dividend income		25,000	50,620
Bonus shares received (face value)		5,622	3,360
Dividend paid / Payable		-	124,173
Brokerage		470	284
Purchase of units		314,000	740,619
Sale of units		95,000	188,407
Service Charges		300	-
Contribution to Provident Fund	11.1	887	756
Charge for staff retirement gratuity scheme	11.1	976	573
Key Management Personnel			
Remuneration	11.2	12,838	7,735
Director Fee		50	300
Employee Loan Issued		400	-
Employee Loan Recovery		426	335

11.1 Contribution to the provident fund and staff retirement benefits are in accordance with the terms of employment

11.2 Remuneration to the key management personnel are in accordance with the terms of their employment.

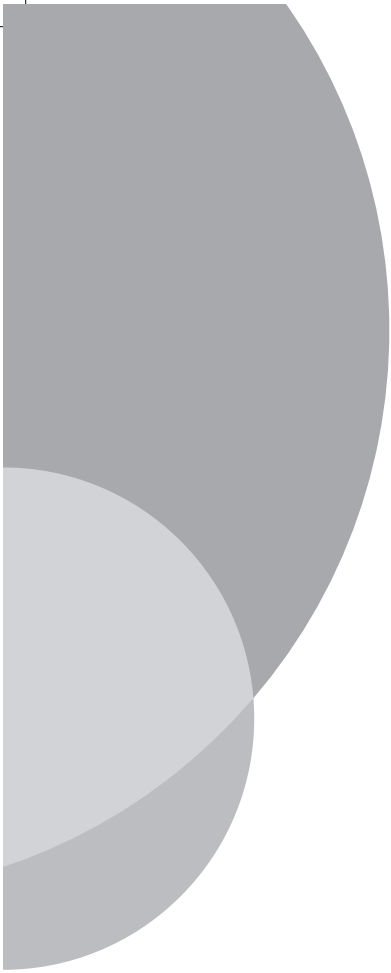
12 AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 25, 2014 by the Board of Directors of the Company.

Shabbir Hussain Hashmi
Chairman

A. Samad Dawood
CEO





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