



possibilities  
unlimited

Condensed Interim Financial Information (Un-audited)  
for the Quarter and Nine Months ended September 30, 2014





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## Company Information

### Board of Directors

Kulsum Dawood (Chairperson)  
A. Samad Dawood\*  
Ghias Uddin Khan  
Hasan Reza-ur Rahim  
Jonathan Bilal Lenihan  
Kamran Nishat  
Sulaiman S. Mehdi (Chief Executive)

\* Resigned on October 27, 2014

### Board Audit Committee

Kamran Nishat (Chairman)  
Hasan Reza-ur Rahim  
Ghias Uddin Khan

### Board HR & Remuneration Committee

Ghias Uddin Khan (Chairman)  
Kamran Nishat  
Hasan Reza-ur Rahim

### Board Investment Committee

Hasan Reza-ur Rahim (Chairman)  
Kulsum Dawood  
Jonathan Bilal Lenihan  
A. Samad Dawood\*

### CFO & Company Secretary

Faisal Mangroria

### Head of Internal Audit & Compliance

Ghulam Haider

### Executives\*\*

Sulaiman S. Mehdi (CEO)  
Faisal Mangroria (CFO & CS)  
Ghulam Haider (Head of IA & Compliance)  
Muhammad Anas Karimi (Manager Finance)  
Muhammad Ali Heemani (Senior Investment Analyst)  
Azam Khan (Senior 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](http://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](http://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

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

### Bankers

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

### Registered Office

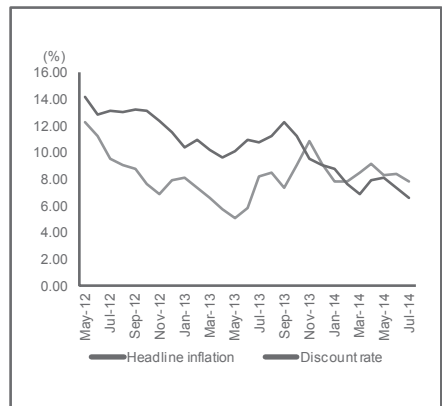
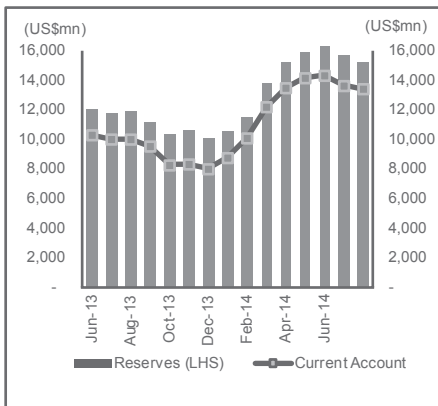
Dawood Centre, M.T. Khan Road  
Karachi-75530  
Website: [www.cyanlimited.com](http://www.cyanlimited.com)

# Directors' Review

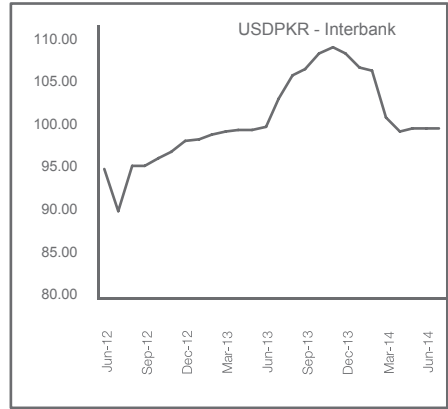
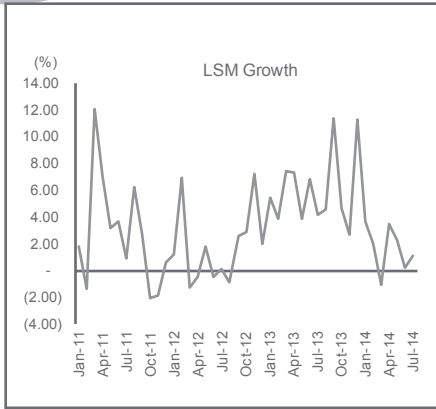
The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial information of the company for the quarter and nine months ended September 30, 2014.

## Economy Review

Macroeconomic recovery has continued in the previous quarter but has hit stumbling blocks, with the rise in political noise inevitably affecting the reforms process and flash floods shoving an estimated 0.2%-0.4% off GDP. While the country continues to benefit from steps taken in the first half of the year, including Eurobond issuance, 3G/4G license auction and restart of privatization, which led to the PkR strengthening against the US\$, nascent risks have emerged over the last few months. Specifically, the 4th IMF tranche of US\$550mn has been delayed after the GoP refrained from raising power tariffs in consideration of political expediency while OGDC's GDR has also been challenged in the courts.



Although there are silver linings in the shape of falling international oil prices (down 26% from CYTD peak) coupled with strong remittances (19.5%YoY growth in 1QFY15), external a/c stability is hinged on continued reforms leading to release of IMF tranches, successful closure to targeted privatization deals and issuance of a global Sukuk. Successful execution should take the country's fx reserves back to US\$14.5bn by end-Dec'14 which would likely keep the PkR/US\$ parity stable. On the flipside, slippages could see fx reserves trailing off towards the US\$12bn mark which would likely add pressure on the PkR/US\$ parity where 4.2%FYTD depreciation has limited CYTD appreciation to just 2.3%. These concerns ostensibly compelled the SBP to maintain the DR at 10% in its last MPS, even as 1QFY15 CPI has averaged 7.5%YoY on contained food inflation. Going forward, while the impact of floods is expected to manifest in sequential price pressures over the next month or so, a high base implies CPI is likely to stay within the < 8%YoY range by the end of the calendar year.



On the real rise, incremental uncertainty on the macroeconomic front coupled with persistent energy shortages has ostensibly led to a slowdown with Jul'14 LSM growth clocking in at 1.14%YoY vs. average growth of 1.75%YoY in 1HCY14. In this regard, drag has been felt by Textiles, Autos and Cements, although there is an element of seasonality in play where improvement can be expected over in the next 3-6 months. This is underpinned by sustainability of double-digit growth in private sector credit offtake (+11.4%YoY in Aug'14). Risks going forward continue to emanate from the energy front where systemic circular debt is reportedly approaching Pkr600bn.

### Stock Market Review 9MCY14 & Outlook

The benchmark KSE-100 Index gained 17.7% in 9MCY14, mostly generated in the first half of the year, with 3QCY14 returns clocking in at just 0.25%. The latter was largely due to political noise which took the Index down to a 3QCY14 low of 27,774 points before a rebound as investor attention moved away from politics towards corporate results which depicted a strong quarter, led by E&P and Banks. The market's rebound was underpinned by strong foreign buying, net FPI inflow of US\$157.3mn in 3QCY14 bringing the 9MCY14 net inflow to US\$426.8mn.

Within the mainboard sectors, top performers during 9MCY14 included Autos (+65% on a weaker JPY and launch of new models), Pharmaceuticals (+42% on one-off price increase and lobbying for annual price increases), Non Life Insurance (+15%, inline with the market) and Construction & Materials (+8% in absence of price war concerns). On the flipside, laggards included Fixed Line Telecommunication (-38% on ICH dissolution), Oil & Gas (on lower international oil prices), Textiles (-20% on stronger Pkr and slowdown in yarn exports) and Food Producers (-13%YoY due to an industry wide slowdown).

### Outlook

While the market has climbed back to its all-time highs, continuation of the bullish momentum is contingent on consistent macro reforms and performance of world equity markets. In the absence of reforms, the Pakistan story will again be confined to a bottom-up theme despite an attractive forward P/E of 8.4x. At the same time, global growth concerns are manifesting in weak global equity markets and are also leading to incremental foreign selling pressure – the first half of Oct'14 has seen net outflow of US\$7.8mn from the Pakistan Market, even as strong local buying has kept Index levels intact. Nevertheless, Pakistani equities are expected to enter a challenging period over the next 3 to 6 months where key checkpoints include 1) GoP success in executing macro reforms/targeted transactions, 2) domestic corporate profitability and 3) global investor sentiment regarding equities in general. Within this backdrop, strategies focused on defensive, high D/Y themes coupled with astute stock selection may outperform.

## Company Performance

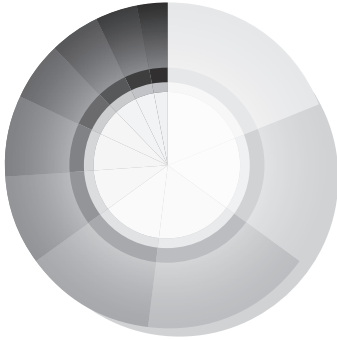
As at September 30, 2014, the company adopted an aggressive stance on the public equities and maintained its exposure at 72% (average), whereas 28% was vested towards mutual funds and Government Securities. The increase in equity exposure was based on overall improvement in the key macroeconomic metrics, 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 stocks and money market mutual funds. Due to alignment of company's portfolio towards blue chip stocks, the dividend income increased by 6% to Rs.180 million for the nine months ended September 30, 2014 as opposed to Rs.170 million earned in the corresponding period last year. Un-realized gains of Rs.294 million were recorded during the nine months as compared to Rs.517 million reported in the corresponding period in 2013. The major contributors to the unrealized gain were United Bank Limited (Rs.76 Million), Habib Bank Limited (Rs. 50 Million), Habib Metropolitan Bank (Rs.48 Million) and Faysal Bank Limited (Rs.33 Million).The company also earned capital gains of Rs.373 million during the period as opposed to Rs.355 million recorded in the corresponding period in 2013 whereby the major contributors were United Bank Limited (Rs.201 Million), Bank Alhabib Limited (Rs.29 Million), Habib Metropolitan Bank (Rs.23 Million) and Pak Suzuki Motor Company (Rs.23 Million).

The brief summary of the financial highlights for the nine months ended September 30, 2014 and 2013 is as under:

	September 30, 2014	September 30, 2013	Change
			Rs.'000
Return on Investments	183,255	173,717	5%
Gain on Sale of Investments - Net	372,535	355,020	5%
Other Income	16,807	4,449	278%
	572,597	533,186	7%
Unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit and loss-net	293,739	516,769	(43%)
	866,336	1,049,955	(17%)
Operating & Administrative Expenses	(135,102)	(154,344)	(12%)
PBT	731,234	895,611	(18%)
Taxation	(101,949)	(24,480)	316%
PAT	629,285	871,131	(28%)
Loss from discontinued Operations – net of tax	-	(570)	(100%)
Net Profit for the period	629,285	870,561	(28%)
EPS – Rupees	10.73	14.85	(28%)

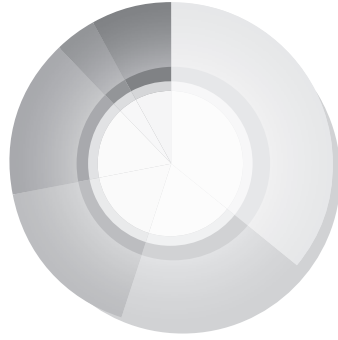
Top 10 Holdings\* by Companies - September 30, 2014



- 19% Cash & Mutual Funds
- 17% PPL
- 16% HUBCO
- 13% NBP
- 9% UBL

- 8% DLL
- 6% HMB
- 5% HBL
- 4% DGKC
- 3% B AHL

Top 10 Holdings\* by Sector - September 30, 2014



- 36% Banks
- 19% Cash & Mutual Funds
- 17% Oil and Gas
- 16% Electricity

- 4% Construction and Material
- 8% Personal Goods

\*Top Ten Holding represent 91% of total portfolio

## Earnings per Share

During the nine months ended September 30, 2014 the company posted earnings per share of Rs.10.73 compared to Rs.14.85 in the corresponding period in 2013.

## Credit Rating

On May 16, 2014 JCR-VIS Credit Rating Company Limited has assigned initial entity ratings of 'A+/A-1' (A Plus/A-One) to Cyan Limited (CL). The assigned ratings take into account adequate capitalization and strong liquidity profile of the company. Outlook on ratings is 'Stable'.

## 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

Hasan Reza-ur Rahim  
Director

Sulaiman S. Mehdi  
CEO

Karachi: October 27, 2014



# Condensed Interim Statement of Financial Position

As at September 30, 2014

	Note	September 30, 2014 (Un-audited) ------(Rupees in '000) -----	December 31, 2013 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	18,524	20,237
Intangible assets	6	1,497	2,577
Long term loans		13,883	5,628
Long term deposits		2,500	2,500
		<u>36,404</u>	<u>30,942</u>
<b>CURRENT ASSETS</b>			
Short term investments	7	5,784,584	5,383,322
Long term loans - current portion		2,733	1,332
Trade and other receivables		150,254	71,973
Advances and short term prepayments		1,985	2,107
Cash and bank balances	8	16,646	17,835
		<u>5,956,202</u>	<u>5,476,569</u>
<b>TOTAL ASSETS</b>		<u><u>5,992,606</u></u>	<u><u>5,507,511</u></u>
<b>EQUITY AND LIABILITIES</b>			
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		3,265,956	4,395,503
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(1,779)	(1,726)
Surplus on revaluation of available-for-sale investments		312,863	198,150
		<u>4,296,405</u>	<u>5,311,292</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability - gratuity		6,224	8,858
Deferred taxation		24,820	26,890
		<u>31,044</u>	<u>35,748</u>
<b>CURRENT LIABILITIES</b>			
Creditors, accrued expenses and other liabilities		1,542,631	129,023
Taxation - net		122,526	31,448
		<u>1,665,157</u>	<u>160,471</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>5,992,606</u></u>	<u><u>5,507,511</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

# Condensed Interim Profit and Loss Account

For the quarter and nine months ended September 30, 2014 - (un-audited)

Note	Nine Months Ended		Quarter Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	------(Rupees in '000)-----			
<b>CONTINUING OPERATIONS</b>				
Return on investments	183,255	173,717	60,553	79,618
Gain on sale of investments - net	372,535	355,020	179,509	235,894
Other income	16,807	4,449	779	371
	<u>572,597</u>	<u>533,186</u>	<u>240,841</u>	<u>315,883</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	293,739	516,769	(58,677)	(150,852)
	<u>866,336</u>	<u>1,049,955</u>	<u>182,164</u>	<u>165,031</u>
<b>EXPENSES</b>				
Operating and administrative expenses	(135,102)	(154,344)	(31,084)	(54,942)
	<u>(135,102)</u>	<u>(154,344)</u>	<u>(31,084)</u>	<u>(54,942)</u>
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>	<u>731,234</u>	<u>895,611</u>	<u>151,080</u>	<u>110,089</u>
Taxation - current year	(104,073)	(39,176)	(35,943)	(23,157)
- deferred	2,124	14,696	24,554	27,646
	<u>(101,949)</u>	<u>(24,480)</u>	<u>(11,389)</u>	<u>4,489</u>
<b>PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS</b>	<u>629,285</u>	<u>871,131</u>	<u>139,691</u>	<u>114,578</u>
<b>DISCONTINUED OPERATIONS</b>				
Loss from discontinued operations - net of tax	-	(570)	-	(198)
<b>NET PROFIT FOR THE PERIOD</b>	<u>629,285</u>	<u>870,561</u>	<u>139,691</u>	<u>114,380</u>
	------(Rupees)-----			
Basic and diluted earnings / (loss) per share	10			
From continuing operations	10.73	14.86	2.38	1.95
From discontinued operations	-	(0.01)	-	-
<b>Total</b>	<u>10.73</u>	<u>14.85</u>	<u>2.38</u>	<u>1.95</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

# Condensed Interim Statement of Comprehensive Income

For the quarter and nine months ended September 30, 2014 - (un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2014	2013	September 30, 2014	2013
	------(Rupees in '000)-----			
Profit after taxation	629,285	870,561	139,691	114,380
Items that may be reclassified subsequently to profit or loss				
Surplus / (deficit) on revaluation of available-for-sale investments - net of tax	114,713	102,066	1,396	41,643
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post retirement benefits obligations - net of tax	(53)	-	-	-
Total comprehensive income for the period	<u>743,945</u>	<u>972,627</u>	<u>141,087</u>	<u>156,023</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

# Condensed Interim Statement of Changes in Equity

For the nine months ended September 30, 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 investments	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Capital gain reserve	General reserve	Unappropriated profit				
	(Rupees in '000)								
Balance as at January 1, 2013 as previously reported	586,277	10,535	2,553	120,000	3,688,477	(610)	56,566	4,463,798	
Net Profit for the nine months ended September 30, 2013	-	-	-	-	870,561	-	-	870,561	
Other comprehensive income	-	-	-	-	-	-	102,066	102,066	
Final dividend @ Rs.3.00 per share for the year ended Dec 31, 2012	-	-	-	-	(175,884)	-	-	(175,884)	
Interim dividend of Rs. 5.00 per share for the half year ended June 30, 2013	-	-	-	-	(293,139)	-	-	(293,139)	
<b>Balance as at September 30, 2013</b>	<b>586,277</b>	<b>10,535</b>	<b>2,553</b>	<b>120,000</b>	<b>4,090,015</b>	<b>(610)</b>	<b>158,632</b>	<b>4,967,402</b>	
Balance as at December 31, 2013	586,277	10,535	2,553	120,000	4,395,503	(1,726)	198,150	5,311,292	
Net Profit for the nine months ended September 30, 2014	-	-	-	-	629,285	-	-	629,285	
Other comprehensive income	-	-	-	-	-	(53)	114,713	114,660	
Final dividend @ Rs.5.00 per share for the year ended Dec 31, 2013	-	-	-	-	(293,139)	-	-	(293,139)	
Interim dividend of Rs. 25.00 per share for the half year ended June 30, 2014	-	-	-	-	(1,465,693)	-	-	(1,465,693)	
<b>Balance as at September 30, 2014</b>	<b>586,277</b>	<b>10,535</b>	<b>2,553</b>	<b>120,000</b>	<b>3,265,956</b>	<b>(1,779)</b>	<b>312,863</b>	<b>4,296,405</b>	

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

# Condensed Interim Statement of Cash Flows

For the nine months ended September 30, 2014 - (un-audited)

	Nine Months Ended	
	September 30,	
	2014	2013
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation (including Discontinued Operations)	731,234	895,041
Adjustment for non cash charges and other items:		
Depreciation / Amortisation	3,822	4,385
Gain on sale of property and equipment	(397)	(9)
Provision for impairment in value of investments	-	-
Capital gain on sale of investments - net	(372,535)	(355,020)
Amortization income on government securities	(3,126)	(1,597)
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(293,739)	(516,769)
	(665,975)	(869,009)
Operating (profit) / loss before working capital changes	65,259	26,032
<b>Decrease / (Increase) in operating assets</b>		
Trade and other receivables	7,715	(23,585)
Long term loan	(9,656)	680
Short term deposits	-	2,000
Advances and short term prepayments	122	(491)
	(1,819)	(21,396)
(Decrease) in creditors, accrued expenses and other liabilities	(33,400)	(4,988)
Increase in deferred liability	(2,634)	1,709
Net cash generated from / (used in) operations	27,406	1,357
Taxes paid	(37,241)	(24,313)
Dividend paid	(287,578)	(175,884)
<b>Net cash used in operating activities</b>	(297,413)	(198,840)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	11,863,444	7,457,065
Investment in securities	(11,566,588)	(7,215,828)
Capital expenditure incurred	(2,028)	(2,592)
Proceeds from sale of property and equipment	1,396	84
<b>Net cash generated from investing activities</b>	296,224	238,730
<b>Net (decrease) / increase in cash and cash equivalents</b>	(1,189)	39,890
Cash and cash equivalents at the beginning of the period	17,835	13,494
<b>Cash and cash equivalents at the end of the period</b>	<b>16,646</b>	<b>53,384</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

# Notes to and Forming part of the Condensed Interim Financial Information

For the quarter and nine months ended September 30, 2014 - (un-audited)

## 1. LEGAL 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.

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

## 2. BASIS OF PRESENTATION

### 2.1 Statement of Compliance

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.

### 2.2 Basis of measurement

This condensed interim financial information has been prepared on the historical cost basis, except for certain investments which are measured at fair value.

### 2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani rupee, which is also the Company's functional and presentation currency.

### 2.4 Rounding off

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

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.

#### 4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with approved Accounting Standards requires the management to make estimates, judgements, assumptions 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 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

September 30,    December 31,  
2014                    2013  
(Un-audited)        (Audited)  
------(Rupees in '000)-----

Opening book value	20,237	22,393
Additions during the period / year	1,952	2,310
	22,189	24,703
Less: Written down value (WDV) of disposal during the period / year	(995)	(83)
Less: Depreciation for the period / year	(2,670)	(4,383)
	(3,665)	(4,466)
	<u>18,524</u>	<u>20,237</u>

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

##### Additions-Cost

Furniture and Fixtures	-	1,229
Office Equipment	1,952	1,081
	<u>1,952</u>	<u>2,310</u>

##### Disposals-Cost

Office Equipment	1,994	49
Vehicles	-	70
	<u>1,994</u>	<u>119</u>

	September 30, 2014 (Un-audited) ------(Rupees in '000)-----	December 31, 2013 (Audited)
<b>6. INTANGIBLE ASSETS</b>		
Opening book value	2,577	3,801
Additions during the period / year	76	300
	<u>2,653</u>	<u>4,101</u>
Less: Written down value (WDV) of disposal during the period / year	(3)	-
Less: Amortisation for the period / year	(1,153)	(1,524)
	<u>(1,156)</u>	<u>(1,524)</u>
	<u><u>1,497</u></u>	<u><u>2,577</u></u>

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

<b>Additions-Cost</b>		
Computer software	76	300
	<u>76</u>	<u>300</u>
<b>Disposal-Cost</b>		
Computer software	9	-
	<u>9</u>	<u>-</u>

	Note	September 30, 2014 (Un-audited) ------(Rupees in '000)-----	December 31, 2013 (Audited)
<b>7. INVESTMENTS</b>			
Held-to-maturity investments - Short term	7.1	42,793	44,748
Available-for-sale investments	7.2	440,455	325,741
Investments carried at fair value through profit or loss	7.3	5,301,336	5,012,833
		<u>5,784,584</u>	<u>5,383,322</u>
		<u><u>5,784,584</u></u>	<u><u>5,383,322</u></u>
<b>7.1 Held-to-maturity investments - Short term</b>			
Treasury Bill pledged with SBP	7.1.1	42,793	44,748
7.1.1 These are Treasury bill placed with 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. These will be released once the outstanding claims and balances relating to insurance are settled.			
<b>7.2 Available-for-sale investments</b>			
Un-quoted shares	7.2.1	-	-
Mutual funds	7.2.2	38,100	32,241
Un-quoted debentures	7.2.3	-	-
Quoted shares - related parties	7.2.4	402,355	293,500
		<u>440,455</u>	<u>325,741</u>



### 7.2.1 Un-quoted Shares

Name of investee company	Note	Number of Shares		Cost	
		31-Dec-13	30-Sep-14	30-Sep-14	31-Dec-13
----- Rupees '000'-----					
Bankers Equity Limited	7.2.1.1	13,465	13,465	117	117
Saifi Development Corporation Limited	7.2.1.1	8,900	8,900	34	34
				151	151
Less: Provision for Impairment				(151)	(151)
Carrying Value				-	-

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

### 7.2.2 Mutual Funds

Name of fund	Note	Number of Units		Cost		Market value	
		30-Sep-14	31-Dec-13	30-Sep-14	30-Sep-14	31-Dec-13	
----- Rupees '000'-----							
National Investment Unit Trust (NIT)	7.2.2.1	240,500	240,500	3,131	14,093	11,962	
Golden Arrow Selected Stock Fund		2,405,532	2,405,532	8,798	24,007	20,279	
				11,929	38,100	32,241	
Less : Provision for impairment				(2,279)			
Carrying value				9,650			
Market value as at 30 September 2014				38,100			
Unrealised gain on mutual funds				28,450			

7.2.2.1 NIT units amounting to Rs.14.093 million (2013: 11.962 million), are under lien against a bank guarantee issued by Habib Bank Limited

### 7.2.3 Un-quoted debentures

Name of investee company	Number of Debentures		Cost	
	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
----- Rupees '000'-----				
Hyson Sugar Mills Limited	240,500	240,500	60	60
			60	60
Less: Provision for Impairment			(60)	(60)
Carrying value			-	-

### 7.2.4 Quoted Shares - Related Parties

Name of investee company	Number of Shares		Cost		Market value	
	30-Sep-14	31-Dec-13	30-Sep-14	30-Sep-14	31-Dec-13	
----- Rupees '000'-----						
<b>Chemicals</b>						
Dawood Hercules Corporation Limited Equity held: 0.17% (2013: 0.17%)	794,380	794,380	47,653	56,536	44,580	
<b>Personal Goods</b>						
Dawood Lawrencepur Limited Equity held: 5.02% (2013: 5.02%)	2,965,095	2,965,095	222,110	345,819	248,920	
			269,763	402,355	293,500	
Less: Provision for impairment			(151,821)			
Carrying value			117,942			
Market value as at 30 September 2014			402,355			
Unrealised gain on quoted shares			284,413			

## 7.3 Investment Carried at fair value through profit or loss

	Note	Market Value	
		September 30, 2014 (Un-audited) ----- Rupees '000'-----	December 31, 2013 (Audited) (Audited) ----- Rupees '000'-----
Quoted shares	7.3.1	3,307,420	3,598,329
Mutual funds	7.3.2	1,993,916	1,414,504
		<u>5,301,336</u>	<u>5,012,833</u>

### 7.3.1 Quoted Shares

Name of investee company	Note	Number of Shares		Carrying Value	Market value	
		30-Sep-14	31-Dec-13	30-Sep-14	30-Sep-14	31-Dec-13
----- Rupees '000'-----						
<b>Oil &amp; Gas</b>						
Pakistan Oil Fields Limited (POL)		200,000	400,000	99,542	106,288	199,084
Pakistan Petroleum Limited (PPL)		3,000,000	2,070,000	652,343	678,150	442,897
Pakistan State Oil Limited (PSO)		-	400,000	-	-	132,888
Oil & Gas Development Company Limited (OGDCL)		-	200,000	-	-	55,272
<b>Construction &amp; Materials</b>						
D.G Khan Cement Limited (DGKC)	7.3.1.2	1,799,700	2,000,000	149,972	143,436	171,460
Maple Leaf Cement Company Limited		-	7,475,500	-	-	205,053
Lafarge Pakistan Cement Limited		2,500,000	-	42,893	41,275	-
<b>Electricity</b>						
The Hub Power Company Limited (HUBCO) - (related party)	7.3.1.1	10,000,000	10,000,000	607,200	639,800	607,200
Equity held: 0.86% (2013 : 0.86%)						
Pakgen Power Limited		-	2,000,000	-	-	43,420
<b>Personal Goods</b>						
Nishat Mills Limited (NML)		-	2,863,300	-	-	364,327
<b>Travel and Leisure</b>						
Pakistan International Airlines Corporation-A		1,000,000	-	7,698	5,850	-
<b>Commercial Banks</b>						
National Bank of Pakistan (NBP)	7.3.1.2	9,000,000	-	537,043	544,500	-
United Bank Limited (UBL)	7.3.1.2	1,900,000	5,166,939	282,122	357,846	684,878
Bank Al Habib Limited	7.3.1.2	3,100,000	6,525,000	117,095	140,337	271,114
Habib Bank Limited		1,000,000	750,000	159,024	209,180	124,973
Habib Metropolitan Bank Limited	7.3.1.2	7,435,500	11,669,500	186,408	234,218	292,554
Faysal Bank Limited		8,000,000	-	110,879	143,840	-
NIB Bank Limited		30,000,000	-	83,589	62,700	-
<b>Technology Hardware and Equipment</b>						
TPL Trakker Limited (TPL)		-	431,847	-	-	3,209
Carrying value as at 30 September 2014				<u>3,035,808</u>	<u>3,307,420</u>	<u>3,598,329</u>
Market Value as at 30 September 2014				3,307,420		
Unrealised Gain on Quoted Shares				<u>271,612</u>		

7.3.1.1 5,000,000 (December 31, 2013: 5,000,000) shares of The Hub Power Company Limited having market value of Rs. 319.90 million (December 31, 2013: Rs. 303.60 million) as at September 30, 2014 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

7.3.1.2 The Company has running finance facility of Rs.500 million (December 2013: 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.

The facility is secured against pledge of 4.5 million (market value: Rs. 287.91 million), 1.5 million (market value: Rs.282.51 million), 1 million (market value: Rs.79.70 million), 5 million (market value: Rs.302.50 million), and 7 million (market value: Rs.220.50 million) ordinary shares of HUBCO, UBL, DGKC, NBP and HMB respectively.

### 7.3.2 Mutual Funds

Name of fund	Note	Number of Units		Cost		Market value	
		30-Sep-14	31-Dec-13	30-Sep-14	30-Sep-14	31-Dec-13	31-Dec-13
		----- Rupees '000' -----					
ABL Cash Fund (related party)		-	19,594,908	-	-	-	196,045
AKD Cash Fund		1,001,928	1,254,406	50,000	51,282	62,765	
BMA Empress Cash Fund		1,928,399	-	20,000	20,000	-	
Atlas Money Market Fund		203,254	204,492	104,000	104,337	102,809	
HBL Money Market Fund		828,624	-	84,500	84,922	-	
JS Cash Fund		1,813,105	-	187,000	189,324	-	
Lakson Money Market Fund		168,164	-	17,000	17,192	-	
Pakistan Cash Management Fund		3,174,147	2,017,931	160,000	162,090	100,947	
PICIC Cash Fund		6,404,479	4,699,347	650,082	655,515	473,053	
Alfalah GHP Cash Fund		-	306,368	-	-	153,343	
Primus Daily Reserve Fund		4,571,575	2,219,454	462,000	468,359	222,191	
NAFA Government Securities Liquid Fund	7.3.2.1	223,871	215,055	2,160	2,299	2,160	
NAFA Money Market Fund		9,229,907	10,107,227	93,842	94,424	101,191	
NAFA Government Securities Savings Fund		14,105,199	-	141,205	144,172	-	
Carrying Cost as at 30 September 2014				1,971,789	<u>1,993,916</u>	<u>1,414,504</u>	
Market Value as at 30 September 2014				1,993,916			
Unrealised Gain on Mutual Funds					<u>22,127</u>		

7.3.2.1 223,871 units (December 31, 2013: 215,055) of NAFA Government Liquid Fund having a market value of Rs. 2.251 million (December 31, 2013: 2.16 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

	September 30, 2014 (Un-audited) ----- (Rupees in '000) -----	December 31, 2013 (Audited)
<b>8. CASH AND BANK BALANCES</b>		
Cash in hand	50	16
Stamps in hand	-	28
Cash at bank	<u>16,596</u>	<u>17,791</u>
	<u>16,646</u>	<u>17,835</u>
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
Guarantees issued on behalf of the Company by commercial banks	<u>5,205</u>	<u>5,205</u>
<b>10. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
<b>Profit after tax for the period</b>		
Continuing Operations	629,285	871,131
Discontinued Operations	-	(570)
<b>Net profit for the period</b>	<u>629,285</u>	<u>870,561</u>
	<b>(Number of shares)</b>	
Weighted average number of ordinary shares outstanding as at the period end	<u>58,627,722</u>	<u>58,627,722</u>
	------(Rupees)-----	
<b>Earnings per share</b>		
Continuing Operations	10.73	14.86
Discontinued Operations	-	(0.01)
	<u>10.73</u>	<u>14.85</u>

#### 11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, staff retirement fund, 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 condensed interim financial information are as follows:

Transactions	Nine Months Ended		Quarter Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	(Un-audited)			
	------(Rupees in '000)-----			
Premiums (refund) /underwritten	-	(16)	-	-
Premiums collected	-	13	-	-
Rent paid	4,458	4,053	1,582	1,438
Dividend income	65,794	98,584	40,000	47,964
Dividend paid	1,179,825	321,055	981,571	200,659
Bonus shares received (face value)	7,417	14,029	-	6,600
Brokerage	1,024	646	248	194
Purchase of units	752,000	1,510,124	140,000	487,086
Sale of units	918,688	1,269,079	142,178	371,385
Services charges	900	491	300	-
Contribution to provident fund	2,607	2,345	759	813
Charge for staff retirement gratuity scheme	2,927	1,709	976	573
<b>Key Management Personnel</b>				
Dividend paid	51,750	10,073	44,187	6,296
Remuneration excluding bonus	39,190	37,834	13,515	13,704
Director Meeting fee	400	900	100	200
Club Membership Issued	750	-	750	-
Employee Loan Recovery	1,177	893	306	223
Employee Loan Issued	10,400	-	-	-
			September 30, 2014	December 31, 2013
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
<b>Balances</b>				
Loan to executive			16,616	6,960
Payable to Related Parties			1,150	1,186

## 12 AUTHORISATION FOR ISSUE

- 12.1 This condensed interim financial information was authorised for issue on October 27, 2014 by the Board of Directors of the Company.

## 13 CORRESPONDING FIGURES

Corresponding information has been reclassified, rearranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. However no significant re-arrangements have been made.

## 14 GENERAL

- 14.1 The figures in this condensed interim financial information have been rounded off to the nearest thousand rupees unless otherwise stated.

Kamran Nishat  
Director

Sulaiman S. Mehdi  
CEO

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