



Quarterly Report March 31, 2016

Investing into growth



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COMPANY INFORMATION

Board of Directors

Shahzada Dawood (Chairman)
Kulsum Dawood
Hasan Reza-Ur Rahim
Ghias Uddin Khan
Kamran Nishat
Shafiq Ahmed
Sulaiman S. Mehdi (Chief Executive)

Board Audit Committee

Kamran Nishat (Chairman)
Shafiq Ahmed
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
Shahzada Dawood
Shafiq Ahmed

CFO & Company Secretary

Faisal Nadeem Mangroria

Head of Internal Audit

Ayman Anwer

Executives*

Sulaiman S. Mehdi (CEO)
Faisal Nadeem Mangroria (CFO & CS)
Shahab Farooq (Head of Research)
Ayman Anwar (Head of Internal Audit)
Muhammad Anas Karimi (Manager Finance)
Narender Lakhwani (Investment Associate)
Wahaj Ghulam Hussain (Manager Compliance & Risk Management)
Ali Akber Zafar (Senior Investment Analyst)
Sheikh Zulqarnain (Assistant Manager)

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

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, Khekashan,
Clifton, Karachi

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
BankIslami Pakistan Limited
Habib Bank Limited

Registered Office

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

Rating Agency

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

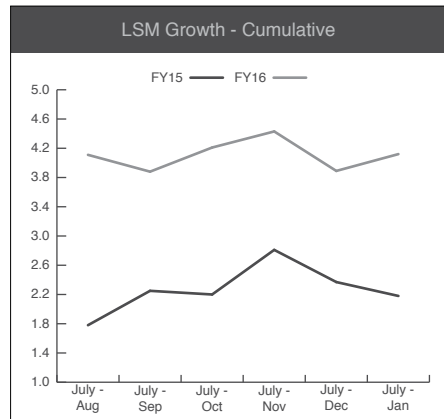
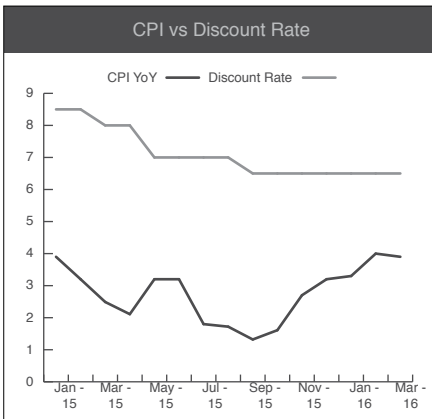
*As determined by the Board of Directors

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, 2016.

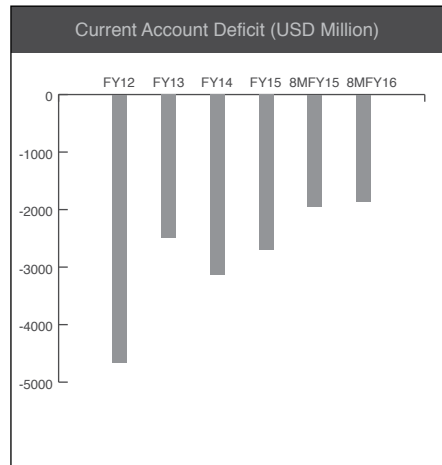
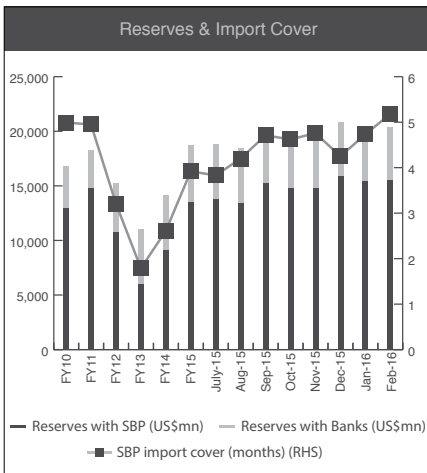
Economy Review

Building on gains from the previous year, macroeconomic indicators depicted consistent improvement during 1QCY16 as economic activity remained robust with Large Scale Manufacturing (LSM) gaining traction, inflation remained benign despite resurgence during the quarter under review and continued fiscal consolidation. In addition, successful completion of Tenth International Monetary Fund (IMF) review under its Extended Fund Facility (EFF) Program and disbursements from multilateral and bilateral sources provided further buffer to Pakistan's external account. Improvement in private sector credit offtake along with improving security situation is indicative of enhanced investor and consumer confidence. Subdued commodity prices especially in the energy sector, resultant improvements in power supply, increased activity in relation to the China-Pakistan Economic Corridor (CPEC) and acceleration of credit growth are the main drivers underpinning the expected GDP growth of 4.5% in FY16.



LSM recorded growth of 4.1% in July-Jan FY16 as compared to 2.2% in July-Jan FY15. The improvements were due to acceleration in construction activity, impressive growth in the automobile sector on account of lower interest rates and a benign commodity market, all working in unison to boost activity in the sector. Private sector credit offtake has shown an improvement of 10% increasing to PKR3.8 trillion in Feb 2016 from PKR3.5 trillion in Feb 2015 on the back of lower financing rates, multiple capacity expansion initiatives within the private sector and better business environment encouraged firms to avail credit. Hearteningly this growth has been fueled primarily by long term capital investment projects duly complemented by financing to bridge short-term working capital requirements.

Headline inflation clocked in at 3.9% in March 2016. Major factors contributing to current inflation levels primarily include commodity prices and further ease in supply side constraints. However, global oil price trends remain key downside risk to inflationary outlook. SBP expects average inflation to remain in the 3% - 4% range in FY16. In view of the above, SBP in its recent Monetary Policy Statement in April 2016 decided to maintain status quo and kept discount rate at 6.5% (Target Rate 6%).



On the external front, Pakistan's overall balance of payment (BoP) position continued to strengthen as Current Account Deficit (CAD) narrowed to USD 1.9 billion during 8MFY16 versus USD 2 billion in SPLY due to persistent decline in international oil price and steady growth in workers' remittances despite decline in exports.

Going forward, expected increase in Foreign Direct Investment (FDIs) and multilateral fund flows will help strengthen foreign exchange reserves further. Economic activity in the country is expected to increase due to implementation of power and infrastructure development projects under CPEC. Key risks to this thesis include reversal in commodities prices, delays in implementation of CPEC related projects and higher than expected PKR depreciation. Continued slowdown in global economies may exert further pressure on the country's exports where persistent slump in oil prices may pose a risk to sustainability of remittances.

Stock Market Review 1QCY16 & Outlook

Bucking the overall trend of the previous two years, the KSE-100 Index recorded a return of only 1% in 1QCY16. The KSE-100 index, however, managed to close up by 5.7% in Mar. '16 on MoM basis, paring losses from Jan. '16. Foreign Portfolio Investment recorded an outflow of US\$100 million during Jan-Mar 2016. Encouraging performance in emerging markets and significant MoM decline in FIPI outflows as new foreign investors are entering the market ahead of the potential reclassification of PSX in the MSCI Emerging Markets Index allowed broad-based local liquidity flows to steer the market up (local banks were an exception).

Outlook

We believe the market is expected to post recovery on the back of an expectation of re-entry of PSX into the MSCI Emerging Markets Index which shall aid in generating increased investor activity and boost investor sentiments in the local bourse and result in the long-awaited multiple rerating of the market. Progress on the privatization front may prove to be a key sentiment driver going forward. Moreover, the manufacturing sector is likely to generate positive results, especially in the cement and other construction and infrastructure related sectors. Lower international oil prices, improving current account deficit, rising remittances coupled with benign inflationary outlook are all expected to generate positive momentum in the local bourse.

Company Performance

During the quarter the company adopted an aggressive stance on the public equities and increased its exposure to 93% (average), whereas 7% 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 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 Power Generation and Distribution, Technology and Communication, Textile Composite, Cements and Oil and Gas Marketing Companies. Due to alignment of company's portfolio towards dividend yielding stocks, the dividend income increased by 27% to Rs.75 million for the quarter ended March 31, 2016 as opposed to Rs.59 million earned in the corresponding period last year. Un-realized loss of Rs.80 million was recorded during the quarter and the same was reported in the corresponding quarter in 2015. The company also earned capital gains of Rs.42 million during the quarter as opposed to Rs.101 million recorded in the corresponding period in 2015.

The brief summary of the financial highlights for the quarter ended March 31, 2016 and 2015 is as under:

	Rs.'000		
	March 31, 2016	March 31, 2015	Impact
Return on investments	75,700	60,413	25%
Gain on sale of investments - net	42,253	101,356	(58%)
Other income	2,288	621	268%
	120,241	162,390	(26%)
Unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit and loss-net & derivative contracts	(80,362)	(79,701)	(1%)
	39,879	82,689	(52%)
Operating & administrative expenses	(25,603)	(21,465)	(19%)
Financial charges	(1,389)	-	(100%)
Profit before tax	12,887	61,224	(79%)
Taxation	1,539	(45)	3520%
Net profit for the period	14,426	61,179	(76%)
EPS – Rupees	0.25	1.04	(76%)



■ HUBCO	46%
■ DLL	17%
■ TRG	13%
■ HASCOL	6%
■ DAWH	4%
■ DGKC	4%
■ GATM	3%
■ PAEL	3%
■ SSGC	2%
■ NBP	2%



■ Power generation & distribution	46%
■ Textile composite	20%
■ Technology & communication	13%
■ Oil & gas marketing companies	8%
■ Fertilizer	4%
■ Cement	4%
■ Oil & gas exploration companies	3%
■ Commercial banks	2%

*Top Ten Holdings represent 90% of total Portfolio

Earnings per Share

During the quarter ended March 31, 2016 the company posted earnings per share of Re.0.25 compared to Rs.1.04 in the corresponding period in 2015.

Credit Rating

On October 06, 2015 JCR-VIS Credit Rating Company Limited has assigned entity ratings of 'A/A-1' (A/A-One) to Cyan Limited (CL). 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 and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Kamran Nishat
Director

Sulaiman S. Mehdi
CEO

Karachi: April 19, 2016

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at March 31, 2016

	Note	March 31, 2016 (Un-audited) (Rupees in '000)	December 31, 2015 (audited) (Rupees in '000)
ASSETS			
Non-current assets			
Property and equipment	5	14,957	15,593
Intangible assets	6	24	30
Long term loans		11,174	11,712
Long term deposits		2,500	2,500
		<u>28,655</u>	<u>29,835</u>
Current assets			
Short term investments	7	2,693,617	2,825,317
Long term loans - current portion		2,330	2,348
Trade and other receivables		85,350	10,981
Advances and short term prepayments		4,010	3,997
Cash and bank balances	8	67,043	159,891
		<u>2,852,350</u>	<u>3,002,534</u>
TOTAL ASSETS		<u>2,881,005</u>	<u>3,032,369</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 100,000,000 (2015: 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		1,158,730	1,378,815
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(3,480)	(3,480)
Surplus on revaluation of available-for-sale investments		376,278	420,437
		<u>2,250,893</u>	<u>2,515,137</u>
Non-current liabilities			
Deferred liability - gratuity		9,225	8,369
Deferred taxation		33,773	45,166
		<u>42,998</u>	<u>53,535</u>
Current liabilities			
Creditors, accrued expenses and other liabilities		315,895	284,175
Short term running finance		82,324	-
Taxation - net		188,895	179,522
		<u>587,114</u>	<u>463,697</u>
TOTAL EQUITY AND LIABILITIES		<u>2,881,005</u>	<u>3,032,369</u>
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The annexed notes from 1 to 12 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 ended March 31, 2016 - (un-audited)

	Note	March 31, 2016	March 31, 2015
		(Rupees in '000)	
REVENUES			
Return on investments		75,700	60,413
Gain on sale of investments - net		42,253	101,356
Other income		2,288	621
		120,241	162,390
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net & Derivative Contracts			
		(80,362)	(79,701)
		39,879	82,689
EXPENSES			
Operating and administrative expenses		(25,603)	(21,465)
Financial charges		(1,389)	-
		(26,992)	(21,465)
PROFIT BEFORE TAXATION FROM OPERATIONS			
		12,887	61,224
Taxation - Current			
- deferred		(9,854)	(41,108)
		11,393	41,063
		1,539	(45)
NET PROFIT FOR THE PERIOD			
		14,426	61,179

(Rupees)

BASIC AND DILUTED EARNINGS PER SHARE	0.25	1.04
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The annexed notes from 1 to 12 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 ended March 31, 2016 - (un-audited)

	March 31, 2016	March 31, 2015
	(Rupees in '000)	
Profit after taxation	14,426	61,179
Items that may be reclassified subsequently to profit or loss		
Deficit on revaluation of available-for-sale investments - net of tax	(44,159)	(39,017)
Items that will not be reclassified subsequently to profit or loss		
Remeasurment of post retirement benefits obligations - net of tax	-	-
Total comprehensive (loss) / income for the period	<u>(29,733)</u>	<u>22,162</u>

The annexed notes from 1 to12 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 quarter ended March 31, 2016 - (un-audited)

	Share Capital	Capital reserves			Revenue reserves		Remeasurment 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	Reserve for bonus shares	Capital gain reserve	General reserve	"Unappropriated profit"			
	(Rupees in '000)								
Balance as at January 01, 2015	586,277	10,535	-	2,553	120,000	3,535,458	(3,697)	339,387	4,590,513
Net Profit for the quarter ended March 31, 2015	-	-	-	-	-	61,179	-	-	61,179
Other comprehensive income	-	-	-	-	-	-	-	(39,017)	(39,017)
Final dividend @ Rs.42.50 per share for the year ended December 31, 2014	-	-	-	-	-	(2,491,678)	-	-	(2,491,678)
	-	-	-	-	-	(2,491,678)	-	-	(2,491,678)
Balance as at March 31, 2015	586,277	10,535	-	2,553	120,000	1,104,959	(3,697)	300,370	2,120,997
Balance as at January 01, 2016	586,277	10,535	-	2,553	120,000	1,378,815	(3,480)	420,437	2,515,137
Net Profit for the quarter ended March 31, 2016	-	-	-	-	-	14,426	-	-	14,426
Other comprehensive income	-	-	-	-	-	-	-	(44,159)	(44,159)
Final dividend @ Rs.4.00 per share for the year ended Dec 31, 2015	-	-	-	-	-	(234,511)	-	-	(234,511)
	-	-	-	-	-	(234,511)	-	-	(234,511)
Balance as at March 31, 2016	586,277	10,535	-	2,553	120,000	1,158,730	(3,480)	376,278	2,250,893

The annexed notes from 1 to12 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 quarter ended March 31, 2016 - (un-audited)

	March 31, 2016	March 31, 2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Interest and taxation	12,887	61,224
Adjustment for non cash charges and other items:		
Depreciation / amortisation	667	1,108
Capital gain on sale of investments - net	(42,253)	(101,356)
Amortization income on government securities	(815)	(1,089)
Interest expense	1,389	-
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net & Derivative Contracts	80,362	79,701
	39,350	(21,636)
Operating profit before working capital changes	52,237	39,588
Decrease / (Increase) in operating assets		
Trade and other receivables	(74,369)	(26,051)
Long term loan	556	168
Advances and short term prepayments	(13)	285
	(73,826)	(25,598)
(Decrease) in creditors, accrued expenses and other liabilities	(212,636)	(41,493)
Increase in deferred liability	856	811
Net cash used in operations	(233,369)	(26,692)
Taxes paid	(481)	(730)
Interest paid	(1,044)	-
Net cash used in operating activities	(234,894)	(27,422)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,182,112	5,381,321
Investment in securities	(1,122,365)	(5,358,227)
Capital expenditure incurred	(25)	(248)
Net cash generated from investing activities	59,722	22,846
Net decrease in cash and cash equivalents	(175,172)	(4,576)
Cash and cash equivalents at the beginning of the period	162,891	24,844
Cash and cash equivalents at the end of the period	8.1 (12,281)	20,268

The annexed notes from 1 to 12 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 ended March 31, 2016 - (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 Pakistan Stock Exchange. 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 Pakistan Stock Exchange. 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, 2015.

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, 2015.

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 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, 2015.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2016 - (un-audited)

	Note	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
5	PROPERTY AND EQUIPMENT	(Rupees in '000)	
	Opening book value	15,593	17,644
	Additions during the quarter / year	25	1,036
		15,618	18,680
	Less: Written down value (WDV) of disposal during the quarter / year	-	(62)
	Less: Depreciation for the quarter / year	(661)	(3,025)
		(661)	(3,087)
		<u>14,957</u>	<u>15,593</u>
	The details of additions and disposals during the quarter / year are as follows:		
	Additions-Cost		
	Furniture and Fixtures	-	19
	Office Equipment	25	1,017
		<u>25</u>	<u>1,036</u>
	Disposals-Cost		
	Office Equipment	-	170
		<u>-</u>	<u>170</u>
6	INTANGIBLE ASSETS		
	Opening book value	30	1,108
	Additions during the quarter / year	-	-
		30	1,108
	Less: Written down value (WDV) of disposal during the quarter / year	-	-
	Less: Amortisation for the quarter / year	(6)	(1,078)
		(6)	(1,078)
		<u>24</u>	<u>30</u>
7	SHORT TERM INVESTMENTS		
	Investments comprise of the following:		
	Held-to-maturity investments	7.1	87,273
	Available-for-sale investments	7.2	44,077
	Investments carried at fair value through profit or loss	7.3	497,351
	Term Deposit Receipts	7.4	548,028
		2,105,993	2,230,212
		3,000	3,000
		<u>2,693,617</u>	<u>2,825,317</u>
		<u>2,693,617</u>	<u>2,825,317</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2016 - (un-audited)

7.1 Held-to-maturity investments 87,273 44,077

Market value as at March 31, 2016 of Government Securities is Rs.87.283 million (2015: Rs 44.20 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. Above amount includes Rs. 44 million that will be released on April 14, 2016 and the remaining amount of Rs. 43 million will be released once the outstanding claims and balances relating to insurance are settled.

7.2 Available-for-sale investments

Un-quoted shares	7.2.1	-	-
Mutual funds	7.2.2	15,216	38,301
Un-quoted debentures	7.2.3	-	-
Quoted shares - related parties	7.2.4	482,135	509,727
		<u>497,351</u>	<u>548,028</u>

7.2.1 Un-quoted Shares

Name of investee company	Note	Number of Shares		Cost	
		31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Bankers Equity Limited	7.2.1.1	13,465	13,465	117	117
Less: Provision for Impairment				117	117
Carrying Value				-	-

-----Rupees '000'-----

7.2.1.1 Unquoted company in which the Company has made investments is in the process of liquidation, therefore, the name of the respective Chief Executive is not available.

7.2.2 Mutual Funds

Name of fund	Note	Number of Units		Cost	Market value	
		31-Mar-16	31-Dec-15	31-Mar-16	31-Mar-16	31-Dec-15
National Investment Unit Trust (NIT)	7.2.2.1	240,500	240,500	3,131	15,216	15,208
Golden Arrow Selected Stock Fund	-	-	2,405,532	-	-	23,093
				3,131	15,216	38,301
Carrying value				3,131		
Market value as at 31 March 2016				15,216		
Unrealised gain on mutual fund				12,085		

7.2.2.1 NIT units amounting to Rs.15.216 million (2015: 15.208 million), are under lien against a bank guarantee issued by Habib Bank Limited

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2016 - (un-audited)

7.2.3 Un-quoted debentures

Name of investee company	Number of Debentures		Cost	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
			Rupees '000'	
Hyson Sugar Mills Limited	240,500	240,500	60	60
Less: Provision for Impairment			60	60
Carrying value			(60)	(60)
			-	-

7.2.4 Quoted Shares - Related Parties

Name of investee company	Number of Shares		Cost	Market value	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Mar-16	31-Dec-15
				Rupees '000'	
Fertilizer					
Dawood Hercules Corporation Limited	794,380	794,380	47,653	96,732	94,643
Equity held: 0.17% (2015: 0.17%)					
Personal Goods					
Dawood Lawrencepur Limited	2,965,095	2,965,095	222,110	385,403	415,084
Equity held: 5.02% (2015: 5.02%)					
			269,763	482,135	509,727
Less: Provision for impairment			(151,821)		
Carrying value			117,942		
Market value as at 31 March 2016			482,135		
Unrealised gain on quoted shares			364,193		

	Note	Market Value	
		March 31, 2016	December 31, 2015
		(Un-audited)	(Audited)
		Rupees '000'	
7.3 Investment Carried at fair value through profit or loss			
Quoted shares	7.3.1	2,073,954	2,124,447
Mutual funds	7.3.2	32,039	105,765
		2,105,993	2,230,212

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
for the quarter ended March 31, 2016 - (un-audited)

7.3.1 Quoted Shares

Name of investee company	Number of Shares		Carrying Value	Market value	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Mar-16	31-Dec-15
			(Rupees in '000)		
Oil & Gas					
Oil & Gas Development Company Limited	500,000	-	57,219	57,220	-
Oil and Gas Marketing Companies					
Hascol Petroleum Limited	971,200	1,091,200	140,096	136,240	157,406
Sui Southern Gas Co. Limited	2,000,000	2,000,000	74,700	55,120	74,700
Refinery					
Pakistan Refinery Limited	500,000	500,000	22,605	21,490	22,605
Attock Refinery Limited	200,000	-	44,701	46,074	-
Construction & Materials					
D.G Khan Cement Limited	452,000	250,000	74,994	78,567	36,898
Dewan Cement Limited	2,854,500	1,500,000	37,248	37,965	19,425
Maple Leaf Cement Company Limited	-	1,000,000	-	-	74,580
Pioneer Cement Limited	250,000	-	24,496	24,730	-
Personal Goods					
Gul Ahmad Textile Mills Limited	1,694,500	1,000,000	63,382	59,324	36,240
Automobile Parts and Accessories					
General Tyre and Rubber Company of Pakistan Limited	200,000	200,000	34,316	29,922	34,316
Automobiles Assembler					
Honda Atlas Cars (Pakistan) Limited	-	101,200	-	-	24,181
Support Services					
TRG Pakistan Limited	10,525,000	10,000,000	364,972	299,226	346,500
Pakistan Telecommunication Company Limited	1,000,000	-	15,394	15,020	-
Electricity					
The Hub Power Company Limited (related party) Equity held: 0.86% (2015: 0.86%)	10,000,000	10,000,000	1,026,000	1,045,400	1,026,000
Pakgen Power Limited	500,000	500,000	14,715	13,490	14,715
Japan Power Generation Limited	-	3,000,000	-	-	11,880
K-Electric Limited	1,000,000	-	6,950	7,100	-
Commercial Banks					
Bank of Punjab	1,500,000	-	13,347	13,215	-
National Bank of Pakistan	1,000,000	-	59,239	51,660	-
MCB Bank Limited	-	100,000	-	-	21,684
United Bank Limited	-	350,000	-	-	54,232
Cable and Electrical Goods					
Pak Elektron Limited	8,500	500,000	529	514	31,270
TPL Trakker Limited	1,000,000	1,000,000	14,930	12,900	14,930
Pharma and Bio Tech					
GlaxoSmithKline Pakistan Limited	-	200,000	-	-	44,004
Non Life Insurance					
Adamjee Insurance Company Limited	500,000	500,000	28,255	26,765	28,255
IGI Insurance Limited	190,100	214,000	44,972	42,012	50,626
Carrying Cost as at 31 March 2016			<u>2,163,060</u>	<u>2,073,954</u>	<u>2,124,447</u>
Market Value as at 31 March 2016			<u>2,073,954</u>		
Unrealised Loss on Quoted Shares			(89,106)		
Unrealized gain on Derivative Contracts			8,323		
Total Unrealized loss			<u>(80,783)</u>		

7.3.1.1 5,000,000 (December 31, 2015: 5,000,000) shares of The Hub Power Company Limited having market value of Rs. 522.700 million (December 31, 2015: Rs. 513.00 million) as at March 31, 2016 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2016 - (un-audited)

7.3.1.2 The Company has a facility of Rs.500 million under Share Murabahah arrangement with BankIslami Pakistan Limited. The facility carries profit calculated at the relevant KIBOR plus 0.8% and will be expired on December 31, 2016.

The facility is secured against pledge of 4.555 million (market value: Rs.476.18 million) ordinary shares of HUBCO.

7.3.2 Mutual Funds

Name of fund	Note	Number of Units		Cost	Market value	
		31-Mar-16	31-Dec-15	31-Mar-16	31-Mar-16	31-Dec-15
		-----Rupees '000'-----				
AKD Cash Fund		-	487,282	-	-	25,108
Atlas Money Market Fund		23,356	67,602	12,133	12,301	35,118
Meezan Islamic Income Fund		323,378	323,378	17,023	17,239	17,023
NAFA Government Securities Liquid Fund	7.3.2.1	236,220	236,220	2,462	2,499	2,462
NAFA Money Market Fund		-	2,572,465	-	-	26,054
				31,618	32,039	105,765
Carrying Cost as at 31 March 2016				32,039		
Market Value as at 31 March 2016				421		
Unrealised Gain on Mutual Funds						

7.3.2.1 236,220 units (December 31, 2015: 236,220 units) of NAFA Government Liquid Fund having a market value of Rs. 2.499 million (December 31, 2015: 2.462 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

	Note	March 31,	December 31,
		2016	2015
		(Un-audited)	(Audited)
		Rupees '000'	
7.4 Term Deposit Receipts	7.4.1	3,000	3,000

7.4.1 Term Deposit Receipts carry mark-up at 5.5% per annum (2015: 5.5%) per annum and maturity on April 30, 2016 (January 28, 2016).The company has pledged the TDR with Bank Alhambra against Rs. 2.8 million guarantee pending settlement of claim in litigation

8 CASH AND BANK BALANCES

Cash in hand	50	6
Cash at bank	66,993	159,885
	<u>67,043</u>	<u>159,891</u>

	Note	March 31,	March 31,
		2016	2015
		(Un-audited)	(Un-audited)
		Rupees '000'	

8.1 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	67,043	17,268
Term deposit receipts	3,000	3,000
Short term running finance	(82,324)	-
	<u>(12,281)</u>	<u>20,268</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2016 - (un-audited)

	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
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Rupees '000'

9 CONTINGENCIES AND COMMITMENTS

Guarantees issued on behalf of the Company by commercial banks

<u>5,205</u>	<u>5,205</u>
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10 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:

	March 31, 2016 (Un-audited)	March 31, 2015 (Un-audited)
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Rupees '000'

Transactions		
Rent expense	1,885	1,582
Dividend income	<u>59,825</u>	<u>40,000</u>
Dividend payable / paid	<u>157,052</u>	<u>1,668,671</u>
Brokerage	-	746
Services charges	-	300
Contribution to provident fund	<u>551</u>	<u>519</u>
Charge for staff retirement gratuity scheme	<u>856</u>	<u>811</u>
Key Management Personnel		
Dividend payable/ paid	8,830	17,850
Remuneration excluding bonus	<u>9,897</u>	<u>8,293</u>
Director Meeting fee	<u>750</u>	<u>200</u>
Employee Loan Recovery	<u>699</u>	<u>898</u>
Employee Loan Issued	-	<u>530</u>

11 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 19, 2016 by the Board of Directors of the Company.

12 GENERAL

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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Website: www.cyanlimited.com



4th Floor, Dawood Centre, M.T. Khan Road, Karachi-75530
Ph: (92-21) 35684019, 35681491 Fax: (92-21) 35680218

