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**BETTER TOMORROW**



**HALF YEARLY ACCOUNTS (un-audited)**

**For the six months and quarter ended June 30, 2019**

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## COMPANY INFORMATION

### Board of Directors

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

### Board Audit Committee

Kamran Nishat (Chairman)  
Shafiq Ahmed  
Inam Ur Rahman

### Board HR & Remuneration Committee

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

### Board Investment Committee

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

### CFO

Faisal Nadeem

### Company Secretary

Ahsan Iqbal

### Head of Internal Audit

Kiran Hassan

### Executives\*

Sulaiman S. Mehdi (CEO)  
Faisal Nadeem (CFO)  
Ahsan Iqbal (Company Secretary)  
Kiran Hassan (Head of Internal Audit)  
Muhammad Anas Karimi (Senior Manager Finance)  
Naresh Kumar (Investment Associate)  
Marvi Shaikh (Investment Analyst)  
Zulqarnain (Assistant Manager)  
Uzair Azmat (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-C,  
I.I. Chundrigar Road, Karachi.  
Website: [www.pwc.com/pk](http://www.pwc.com/pk)

### Share Registrar/Transfer Agent

CDC Share Registrar Services Limited  
CDC House, 99 – B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi-74400  
Tel # (92-21) 111-111-500  
Fax: (92-21) 34326053  
Email: [info@cdcrsl.com](mailto:info@cdcrsl.com)  
Website: [www.cdcrsl.com](http://www.cdcrsl.com)

### Legal Advisors

Mohsin Tayebally & Co.  
1<sup>st</sup> Floor, Dime Centre,  
BC-4, Block 9, Kheকাশan,  
Clifton, Karachi

### Rating Agency

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

### Bankers

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

### 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 statements of the company for the half year ended June 30, 2019.

### Economic Review and Outlook

The GDP growth slowed down to 3.3% in FY19 owing to the demand compression policies which weighed on the overall economic activity. The pressure on the external account and fiscal account created macro-economic imbalance that led to the initiation of stabilization program. Headline inflation increased to 7.34% during FY19 compared to 3.92% witnessed in FY18. It is attributed to the lagged impact of PKR depreciation, surge in energy tariffs and greater government borrowing from the State Bank of Pakistan (SBP). On the back of these cost-push measures, the SBP adopted the contractionary monetary policy by raising the policy rate to 13.25%.

The Pakistani rupee weakened by 13.2% against the USD during 1HCY19. The impact of exchange rate adjustment along with the increase in import duties resulted in the curtailment of Current Account Deficit (CAD) that was recorded at USD 13.59 billion in FY19 against USD 19.9 billion in FY18. Furthermore, the remittances witnessed a robust growth of 9.7% and reached USD 21.84 billion in FY19. The financial support provided by the friendly countries during the year ameliorated the pressure on foreign exchange reserves.

To bring stabilization, most of the adjustments required in the exchange rate and the policy rate have already taken place before the approval of IMF's three-year Extended Fund Facility program. The FY20's budget pursues to limit the trend of fiscal deterioration by addressing fundamental weaknesses in the taxation system and enhancing documentation of informal economic activities.

### Stock Market Review and Outlook

The stock market remained depressed during 2QCY19 as it generated a negative return of 12.3%, taking 1HCY19 return to negative 8.5%. The dismal performance was the result of expected stringent conditions associated with the bailout package from the IMF, hike in utility prices, rising interest rates, volatile exchange rate; and lower GDP growth forecast for FY20. Market activity remained dull during 1HCY19 where average daily traded value of KSE-100 index declined to PKR 4.5 billion compared to PKR 6.1 billion in 1HCY18. Moreover, the average daily traded volume slightly declined to 89.5 million shares as compared to 89.7 million shares in 1HCY18.

The international portfolio investors remained net buyers during 2QCY19 as they purchased shares of worth USD 17.03 million as compared to the net selling of USD 164.64 million in the same period last year. Thus, foreigners' net buying remained USD 48 million in 1HCY19. Among locals, mutual funds remained the largest sellers as they divested shares of worth USD 116.5 million during 1HCY19.

Looking ahead, it is expected that the macro-economic stabilization period to continue for the foreseeable future. If implemented successfully, this will put the economy on a self-sustaining growth path that will ultimately augment the companies' earnings. KSE-100 index is currently trading at an attractive trailing PE multiple of 7.9x (forward PE of 5.9x) against average regional of 19.5x, representing a significant discount of 59%.

## Company Performance

During the half year ended June 30, 2019 the company posted a loss per share of Rs.0.95 compared to earnings per share of Rs.2.65 in the corresponding period in 2018.

The equity portfolio was maintained to have a balance between high growth and high yield investments. To this effect, investments were made in Textile Composite, Commercial Banks, Food and Personal Care Products, Oil and Gas Marketing Companies and Technology sectors.

The company earned an investment income of Rs.44 million compared to Rs. 256 million in the similar period last year because last year company had booked one of sizeable capital gain from the Hubco's shares disposal.

## Acknowledgement

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

On behalf of the Board

**Hasan Reza Ur Rahim**  
Chairman

**Sulaiman S. Mehdi**  
CEO

Karachi: August 19, 2019

## ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 جون، 2019 کو ختم ہونے والے نصف سال کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

### معاشی جائزہ اور آثار

مالی سال 2019 میں عمومی ترقیاتی پیداوار (GDP) کی شرح تخفیف طلب کی پالیسیوں کے باعث کم ہو کر 3.3 فیصد ہو گئی جس سے مجموعی معاشی سرگرمی پر برے اثرات مرتب ہوئے۔ بیرونی اکاؤنٹ اور مالیاتی اکاؤنٹ پر دباؤ نے میکرو اکنامک عدم توازن پیدا کیا جس نے Stabilization پروگرام کے آغاز کی راہ ہموار کی۔ مالی سال 2019 میں مجموعی افراط زر کی شرح بڑھ کر 7.34 فیصد ہو گئی جو کہ مالی سال 2018 میں 3.92 فیصد ریکارڈ کی گئی تھی۔ افراط زر میں اس اضافے کی وجہ پاکستانی روپے کی قدر میں کمی کے اثرات، توانائی کی قیمتوں میں اضافہ اور حکومت کا اسٹیٹ بینک آف پاکستان (SBP) سے بھاری قرضوں کا حصول تھا۔ قیمتوں میں اضافے کا باعث بننے والے ان اقدامات کی وجہ سے اسٹیٹ بینک آف پاکستان کو ایک سخت مالیاتی پالیسی اختیار کرنی پڑی اور اس نے پالیسی شرح بڑھا کر 13.25 فیصد کر دی۔

کیلنڈر سال 2019 کے پہلے نصف میں پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 13.2 فیصد کمی واقع ہوئی۔ زرمبادلہ کی شرح میں ایڈجسٹمنٹ کے اثرات بشمول درآمدی ڈیویٹیز میں اضافے کے نتیجے میں کرنٹ اکاؤنٹ کے خسارے (CAD) میں کمی واقع ہوئی جو مالی سال 2018 کے 19.9 ارب ڈالر کے مقابلے میں 13.59 ارب امریکی ڈالر ریکارڈ کیا گیا۔ مزید برآں، مالی سال 2019 میں ترسیلات زر 9.7 فیصد کے زبردست اضافے کے بعد 21.84 ارب امریکی ڈالر تک پہنچ گئیں۔ دوران سال دوست ممالک کی جانب سے ملنے والی مالی امداد کے بعد زرمبادلہ کے ذخائر پر دباؤ کی صورت حال میں بہتری آئی۔

معاشی استحکام کے حصول کے لئے زرمبادلہ کی شرح اور پالیسی شرح میں درکار بیشتر adjustments آئی ایم ایف کے تین سالہ توسیعی مالی سہولت کے پروگرام کی منظوری کے بغیر ہی کر لی گئیں۔ مالی سال 2020 میں ٹیکسوں کے نظام میں بنیادی کمزوریوں کے خاتمے اور غیر رسمی معاشی سرگرمیوں کی دستاویز سازی کے ذریعے مالی انحطاط کے رجحان کو کم کرنے پر توجہ مرکوز رکھی جائے گی۔

### اسٹاک مارکیٹ کا جائزہ اور آثار

کیلنڈر سال 2019 کی دوسری سہ ماہی میں اسٹاک مارکیٹ مندی کا شکار رہی اور 12.3 فیصد کی منفی آمدنی ظاہر کی۔ جس سے کیلنڈر سال 2019 کے پہلے نصف کی آمدنی منفی 8.5 فیصد ہو گئی۔ آئی ایم ایف کے بیل آؤٹ پیچ سے متعلق کڑی متوقع شرائط، اشیائے صرف کی قیمتوں میں اضافہ، بڑھتی شرح سود، غیر مستحکم شرح تبادلہ اور مالی سال 2020 کے لئے مجموعی ترقیاتی پیداوار کی متوقع کم شرح اس مایوس کن کارکردگی کی وجوہات تھیں۔ کیلنڈر سال 2019 کے پہلے نصف میں مارکیٹ کی سرگرمی بدستور کم رہی جب KSE-100 انڈیکس کی اوسط یومیہ تجارتی قدر کیلنڈر سال 2018 کے پہلے نصف کے 6.1 ارب روپے کے مقابلے میں کم ہو کر 4.5 ارب روپے ہو گئی۔ مزید برآں، اوسط یومیہ تجارتی حجم کیلنڈر سال 2018 کے پہلے نصف کے 89.7 ملین حصص کے مقابلے میں قدرے کم ہو کر 89.5 ملین حصص رہ گیا۔

کیلنڈر سال 2019 کی دوسری سہ ماہی میں بین الاقوامی سرمایہ کار حصص کے خریدار رہے کیونکہ انہوں نے گزشتہ سال کی اسی مدت کی 164.64 ملین امریکی ڈالر حصص فروخت کے مقابلے میں 17.03 ملین امریکی ڈالر کے حصص خریدے۔ لہذا، کیلنڈر سال 2019 کے پہلے نصف میں غیر ملکی خریداری 48 ملین امریکی ڈالر رہی۔ مقامی سرمایہ کاروں میں میوچل فنڈز سب سے بڑے فروخت کنندہ رہے اور انہوں نے کیلنڈر سال 2019 کے پہلے نصف میں 116.5 ملین امریکی ڈالر مالیت کے حصص فروخت کئے۔

آگے چل کر توقع اس بات کی ہے کہ میکرو اکنامک استحکام کا دور مستقبل میں بھی جاری رہے گا۔ اگر کامیابی سے اس کا اطلاق کر لیا گیا تو یہ معیشت کو خود انحصاری پر مبنی ترقی کی راہ پر گامزن کر دے گا جس کے نتیجے میں کمپنیوں کی آمدنی میں بھی اضافہ ہوگا۔ KSE-100 انڈیکس اس وقت علاقائی اوسط  $19.5 \times$  کے مقابلے میں  $7.9 \times$  کے PE ملٹی پل (فارورڈ PE  $5.9 \times$ ) پر کام کر رہا ہے جو 59 فیصد کے نمایاں ڈس کاؤنٹ کی نشاندہی کرتا ہے۔

کمپنی کی کارکردگی

30 جون 2019 کو ختم ہونے والے نصف سال کے دوران کمپنی نے 0.95 فی حصص کا خسارہ ظاہر کیا جبکہ 2018 کی اس مدت کے دوران 2.65 روپے فی حصص کی آمدنی ظاہر کی تھی۔

زیادہ تیزی سے ترقی کرنے والی اور زیادہ منافع بخش سرمایہ کاریوں میں توازن قائم رکھنے کے لئے ایکویٹی پورٹ فولیو کو برقرار رکھا گیا اس مقصد کے لئے ٹیکسٹائل کمپوزٹ، کمرشل بینکس، فوڈ اور پرنٹل کیٹر مصنوعات، آئل اور گیس مارکیٹنگ کمپنیوں اور ٹیکنالوجی کے شعبہ جات میں سرمایہ کاری کی گئی۔

زیر جائزہ مدت میں کمپنی کی سرمایہ کاری کی آمدنی گزشتہ سال کی اسی مدت کے 256 ملین روپے کے مقابلے میں 44 ملین روپے رہی، کیونکہ گزشتہ سال کمپنی نے (HUBCO) کے حصص کی فروخت سے خاصا بڑا منافع حاصل کیا تھا۔

اظہار تشکر

ہم اپنے تمام شریکان کار بالخصوص اپنے قابل قدر سرمایہ کاروں کے تہہ دل سے مشکور ہیں جنہوں نے ہم پر اعتماد کیا اور اس کے ساتھ ہی ہم اپنی انتظامیہ کی غیر متزلزل وابستگی اور انتھک محنت کی بھی دل سے قدر کرتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز، سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے بھی اس کے مسلسل تعاون اور اشتراک کے تہہ دل سے مشکور ہیں۔

بحکم بورڈ

سلیمان ایس مہدی

سی ای او

حسن رضا الرحیم

چیئر مین



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE MEMBERS OF CYAN LIMITED ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of Cyan Limited (the Company) as at June 30, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended June 30, 2019 and June 30, 2018 in the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion on them.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Shahbaz Akbar**.

*Afferguson*

Chartered Accountants

Karachi

Dated: August 28, 2019

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
------(Rupees in '000)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	25,680	13,405
Intangible assets	7	162	66
Deferred taxation		32,290	74,051
Long term investments	9.1	37,224	-
Long term loans	8	5,117	6,154
Long term deposits		2,500	2,500
		<u>102,973</u>	<u>96,176</u>
<b>Current assets</b>			
Short term investments	9.2	1,850,948	2,108,946
Long term loans - current portion	8	2,330	2,330
Trade and other receivables		57,303	43,772
Advances and short term prepayments		7,583	3,291
Cash and bank balances	10	6,139	9,570
		<u>1,924,303</u>	<u>2,167,909</u>
<b>TOTAL ASSETS</b>		<u><u>2,027,276</u></u>	<u><u>2,264,085</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		1,000,000	1,000,000
100,000,000 (2018: 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		604,065	659,843
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(1,855)	(1,855)
Surplus on revaluation of investments carried at fair value through other comprehensive income		543,963	456,777
		<u>1,865,538</u>	<u>1,834,130</u>
<b>Non-current liabilities</b>			
Deferred liability - gratuity		17,255	15,281
<b>Current liabilities</b>			
Trade and other payables		16,518	38,549
Unclaimed dividend		26,811	32,599
Short term borrowings	11	141	218,146
Taxation - net		101,013	125,380
		<u>144,483</u>	<u>414,674</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,027,276</u></u>	<u><u>2,264,085</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2019

	Note	Half Year Ended		Quarter Ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----					
Return on investments	13	51,099	50,888	38,922	16,466
Gain / (loss) on sale of investments - net		6,438	252,340	(62,628)	13,359
Other income		8,132	5,806	4,898	3,352
		<u>65,669</u>	<u>309,034</u>	<u>(18,808)</u>	<u>33,177</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(21,324)	(56,028)	(67,083)	(161,548)
Unrealised gain on re-measurement of derivatives - net		-	2,496	-	2,496
		<u>44,345</u>	<u>255,502</u>	<u>(85,891)</u>	<u>(125,875)</u>
<b>Expenses</b>					
Operating and administrative expenses		(57,958)	(53,633)	(28,851)	(24,002)
Financial charges		(3,618)	(5,489)	(141)	(1,441)
		<u>(61,576)</u>	<u>(59,122)</u>	<u>(28,992)</u>	<u>(25,443)</u>
<b>(Loss) / profit for the period before taxation</b>		<u>(17,231)</u>	<u>196,380</u>	<u>(114,883)</u>	<u>(151,318)</u>
Taxation	14	(38,547)	(40,939)	(6,438)	14,053
<b>(Loss) / profit for the period after taxation</b>		<u>(55,778)</u>	<u>155,441</u>	<u>(121,321)</u>	<u>(137,265)</u>
----- (Rupees) -----					
<b>Basic and diluted (loss) / earnings per share</b>	15	<u>(0.95)</u>	<u>2.65</u>	<u>(2.07)</u>	<u>(2.34)</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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\_\_\_\_\_  
Chief Financial Officer

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Chief Executive Officer

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Director

CYAN LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2019

	Half Year Ended		Quarter Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	------(Rupees in '000)-----			
(Loss) / profit after taxation	(55,778)	155,441	(121,321)	(137,265)
<b>Items that will not be reclassified to profit or loss</b>				
Surplus / (deficit) on revaluation of investments carried at fair value through other comprehensive income	87,186	-	(12,303)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Surplus / (deficit) on revaluation of available-for-sale investments	-	(37,227)	-	9,811
<b>Total comprehensive income / (loss) for the period</b>	<b>31,408</b>	<b>118,214</b>	<b>(133,624)</b>	<b>(127,454)</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

*Alfred*

\_\_\_\_\_  
Chief Financial Officer

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Chief Executive Officer

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Director

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2019**

Share Capital	Capital reserves		Revenue reserves		Remeasurement on post retirement benefits obligation-net of tax	Surplus on revaluation of investments at fair value through OCI	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, 2018	586,277	10,535	2,553	120,000	1,024,498	(2,142)	528,372	2,270,093
Net profit for the half year ended June 30, 2018	-	-	-	-	155,441	-	-	155,441
Other comprehensive loss	-	-	-	-	-	-	(37,227)	(37,227)
Total comprehensive income for the half year ended June 30, 2018	-	-	-	-	155,441	-	(37,227)	118,214
<b>Balance as at June 30, 2018</b>	<b>586,277</b>	<b>10,535</b>	<b>2,553</b>	<b>120,000</b>	<b>1,179,939</b>	<b>(2,142)</b>	<b>491,145</b>	<b>2,388,307</b>
Balance as at January 1, 2019	586,277	10,535	2,553	120,000	659,843	(1,855)	456,777	1,834,130
Net loss for the half year ended June 30, 2019	-	-	-	-	(55,778)	-	-	(55,778)
Other comprehensive income	-	-	-	-	-	-	87,186	87,186
Total comprehensive income for the half year ended June 30, 2019	-	-	-	-	(55,778)	-	87,186	31,408
<b>Balance as at June 30, 2019</b>	<b>586,277</b>	<b>10,535</b>	<b>2,553</b>	<b>120,000</b>	<b>604,065</b>	<b>(1,855)</b>	<b>543,963</b>	<b>1,865,538</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2019**

	<b>HALF YEAR ENDED</b>	
	<b>June 30, 2019</b>	<b>June 30, 2018</b>
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(17,231)	196,380
<b>Adjustment for non cash charges and other items:</b>		
Depreciation / amortisation	2,441	1,226
Capital gain on sale of investments - net	(6,438)	(252,340)
(Gain) / Loss on sale of property and equipment	(977)	17
Amortisation income on government securities	(2,276)	(1,285)
Financial charges	3,618	5,489
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	21,324	56,028
Unrealised gain on remeasurement of derivative assets - net	-	(2,496)
	17,692	(193,361)
Operating (loss) / profit before working capital changes	461	3,019
<b>(Increase) / decrease in operating assets</b>		
Trade and other receivables	(13,531)	343
Long term loans	1,037	974
Advances and short term prepayments	(4,292)	(53)
	(16,786)	1,264
<b>(Decrease) / increase in operating liabilities</b>		
Trade and other payable	(22,031)	11,983
Deferred liability	1,974	1,685
	(36,382)	17,951
Taxes paid	(21,153)	(105,861)
Financial charges paid	(9,823)	(4,448)
<b>Net cash used in operating activities</b>	<b>(67,358)</b>	<b>(92,358)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	3,336,359	3,150,556
Investment in securities	(3,041,009)	(3,223,018)
Capital expenditure incurred	(15,223)	(251)
Proceeds from sale of property and equipment	1,388	106
<b>Net cash generated from (used in) / investing activities</b>	<b>281,515</b>	<b>(72,607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Unclaimed dividend paid	(5,788)	(389)
Net cash utilised in financing activities	(5,788)	(389)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>208,369</b>	<b>(165,354)</b>
Cash and cash equivalents at the beginning of the period	(199,230)	8,269
<b>Cash and cash equivalents at the end of the period</b>	<b>9,139</b>	<b>(157,085)</b>
	10.1	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

**CYAN LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

**2 BASIS OF PRESENTATION**

**2.1 Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2018.

These condensed interim financial statements are un-audited. However, a review has been performed by the statutory auditors in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

**2.2 Changes in accounting standards, interpretations and pronouncements**

**a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

IFRS 9 'Financial instruments' is effective for annual and/or reporting periods ending on or after July 1, 2019. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value or other comprehensive income (OCI) without recycling. The company has adopted IFRS -9 and the same is fully covered under Note 3.1. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. The management believes that the impact of 'Expected Credit Loss (ECL)' on the assets of the Company would not be material.

IFRS 15 'Revenue from contracts with customers' is effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. There is no significant impact on the existing policy of the company.

IFRS 16 'Leases' (effective annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term lease and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. This standard will not have significant impact on the interim financial statements of the company.



**b) Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective**

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IAS 1 - 'Presentation of Financial Statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact these condensed interim financial statements of the Company on adoption. The Management is currently in the process of assessing the full impact of these amendments on the condensed interim financial statements of the Company.

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

**2.3 Basis of measurement**

These condensed interim financial statements have been prepared using the historical cost convention, except for certain investments which are measured at fair value. Further, obligations in respect of staff retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets.

**2.4 Functional and presentation currency**

These condensed interim financial statements have been presented in Pakistani rupee, which is also the Company's functional and presentation currency.

**2.5 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 statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2018, except for the adoption of IFRS 9: "Financial Instruments" as disclosed in note 3.1 below.

**3.1 IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. All equity investments are required to be measured in condensed interim statement of financial position at fair value, with gains and losses recognised in condensed interim statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income "(FVOCI)".**

The Company has made an irrevocable election on initial recognition, on an instrument-by-instrument basis on equities categorized under Available for sale, to present changes in fair value in other comprehensive income rather than profit or loss (except for equities that give the Company significant influence over an investee according to IAS 28, however the company may account for those investments under IFRS 9 if they are measured at "fair value through profit or loss"). When this election is used, fair value gains and losses recognised in other comprehensive income are not subsequently reclassified to profit or loss, including on disposal. Accordingly, investments carried as available fair sale have been designated as investments at fair value through other comprehensive income.

The effect of this change in accounting policy is as follows:

	As at December 31, 2018 (as previously stated)	Change	As at January 1, 2019	As at June 30, 2019
----- (Rupees in '000) -----				
<b>Impact on Interim Statement of Financial Position</b>				
Investments - 'Loans and receivables'	3,000	(3,000)	-	-
Investments - 'At amortised cost'	-	3,000	3,000	3,000
Investments - 'Available for Sale'	574,719	(574,719)	-	-
Investments - 'Fair Value through Other Comprehensive Income'	-	574,719	574,719	661,905

#### 4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The 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, 2018.

#### 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the financial statements for the year ended December 31, 2018.

#### 6 PROPERTY AND EQUIPMENT

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
Opening book value	13,405	14,951
Additions during the period / year	15,082	1,243
	28,487	16,194
Less: Written down value of disposals during the period / year	(411)	(171)
Less: Depreciation for the period / year	(2,396)	(2,618)
	(2,807)	(2,789)
	<u>25,680</u>	<u>13,405</u>

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

<b>Additions - cost</b>		
Vehicles	12,629	-
Office equipment	2,345	1,201
Furniture and Fixture	108	42
	<u>15,082</u>	<u>1,243</u>
<b>Disposals - cost</b>		
Motor vehicles	1,518	39
Office equipment	681	1,047
	<u>2,199</u>	<u>1,086</u>

#### 7 INTANGIBLE ASSETS

Opening book value	66	137
Additions during the period / year	141	-
Less: Amortisation for the period / year	(45)	(71)
	<u>162</u>	<u>66</u>
<b>Additions - cost</b>		
Software, License	141	-
	<u>141</u>	<u>-</u>

#### 8 LONG TERM LOANS

These represent loans given to executives disbursed under mark-up arrangements.

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
<b>9 INVESTMENTS</b>			
<b>9.1 Long term investment</b>			
Investments carried at amortised cost	9.1.1 & 9.1.2	37,224	-
		<u>37,224</u>	<u>-</u>

Alfa

9.1.1 These are five year Pakistan Investment Bonds placed with the State Bank of Pakistan as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000. The Pakistan Investment Bonds have a face value of Rs. 45 million and market value of Rs. 36.91 million as at June 30, 2019 (December 31, 2018: Nil). These will be released once the outstanding claims and balances relating to insurance business are settled.

9.1.2 These carry a profit yield at 13.71% per annum (December 31, 2018: Nil) payable at six month interval. These PIB's are maturing on July 12, 2023

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
------(Rupees in '000)-----			
<b>9.2 Short term investments</b>			
Investments carried at amortised cost	9.2.1	15,376	47,979
Investments carried at fair value through other comprehensive income	9.2.2	661,905	574,719
Investments carried at fair value through profit or loss	9.2.3	1,173,667	1,486,248
		<u>1,850,948</u>	<u>2,108,946</u>
<b>9.2.1 Investments carried at amortised cost</b>			
Treasury bills	9.2.1.1	4,876	44,979
Deposits maturing within one month	9.2.1.2	3,000	3,000
Deposits maturing within one year	9.2.1.3	7,500	-
		<u>15,376</u>	<u>47,979</u>

9.2.1.1 These 'Treasury Bills' have a face value of Rs. 5 million and market value of Rs. 4.876 million as at June 30, 2019 (December 31, 2018: 44.975 million). They carry a profit yield at 12.74% per annum (December 31, 2018: 8.74%) and are due to mature on September 12, 2019.

9.2.1.2 These 'Term Deposit Receipts' carry mark-up at 10.25% per annum (December 31, 2018: 8.00% per annum) and are due to mature on July 07, 2019.

9.2.1.3 These 'Term Deposit Receipts' carry mark-up at 11.7% per annum (December 31, 2018: Nil) and are due to mature on June 24, 2020.

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
------(Rupees in '000)-----			
<b>9.2.2 Investments carried at fair value through other comprehensive income</b>			
Quoted shares - related parties	9.2.2.1	661,905	574,719
		<u>661,905</u>	<u>574,719</u>

**9.2.2.1 Quoted Shares - Related Parties**

Name of investee company	Note	Number of Shares		Cost	Market value	
		30-Jun-19	31-Dec-18	30-Jun-19	30-Jun-19	31-Dec-18
----- Rupees '000' -----						
<b>Fertiliser</b>						
Dawood Hercules Corporation Limited	9.2.2.1.1	794,380	794,380	47,652	88,367	88,295
Equity held: 0.17% (2018: 0.17%)						
<b>Textile Composite</b>						
Dawood Lawrencepur Limited		2,965,095	2,965,095	222,111	573,538	486,424
Equity held: 5.02% (2018: 5.02%)						
				<u>269,763</u>	<u>661,905</u>	<u>574,719</u>
				(151,821)		
				<u>117,942</u>		
				<u>661,905</u>		
				<u>543,963</u>		

9.2.2.1.1 0.794 million shares (December 2018: 0.794 million) of Dawood Hercules Corporation Limited having a market value of Rs. 88.37 million (December 2018: 88.29) as at June 30, 2019, have been pledged with MCB Bank Limited as collateral against running finance facility obtained from the Bank.

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	Note	Market Value	
		(Un-audited) June 30, 2019	(Audited) December 31, 2018
		----- Rupees '000' -----	
<b>9.2.3 Investment carried at fair value through profit or loss</b>			
Quoted shares	9.2.3.1	1,154,417	1,483,399
Mutual funds	9.2.3.2	19,250	2,849
		<u>1,173,667</u>	<u>1,486,248</u>

**9.2.3.1 Quoted Shares**

Name of investee company	Number of Shares		Carrying Value 30-Jun-19	Market value	
	30-Jun-19	31-Dec-18		30-Jun-19	31-Dec-18
----- Rupees '000' -----					
<b>Oil and Gas Exploration Companies</b>					
Oil and Gas Development Company Limit	500,000	500,000	70,753	65,745	64,000
Pakistan Petroleum Limited	250,000	-	41,080	36,108	-
<b>Oil and Gas Marketing Companies</b>					
Sui Nothern Gas Pipeline Limited	500,000	-	38,219	34,745	-
Sui southern Gas Company Limited	2,500,000	-	50,728	51,700	-
Pakistan State Oil Company Limited	-	370,700	-	-	83,567
<b>Cement Companies</b>					
Lucky Cement Limited	-	525,000	-	-	228,202
Maple Leaf Cement Factory Limited	-	384,000	-	-	15,610
<b>Textile Composite Companies</b>					
Gul Ahmad Textile Mills Limited	-	1,000,000	-	-	46,170
Kohinoor Textile Mills Limited	-	250,000	-	-	11,270
Nishat Chunian Limited	-	1,500,500	-	-	72,894
<b>Food &amp; Personal Care Products Companies</b>					
At-Tahur Limited	2,500,000	2,500,000	47,500	49,275	47,500
Matco Foods Limited	1,540,000	1,550,000	42,811	41,611	43,044
<b>Glass and Ceremics Companies</b>					
Shabbir Tiles & Ceremics Limited	-	982,000	-	-	14,229
<b>Technology and Communication Companies</b>					
Netsol Technologies Limited	1,018,400	718,400	74,816	67,102	49,879
<b>Commercial Banks</b>					
Bank Alfalah Limited	9.2.3.1.1	5,000,000	5,000,000	202,950	217,950
Habib Bank Limited		500,000	-	62,021	56,630
Faysal Bank Limited	9.2.3.1.2	8,000,000	10,000,000	192,560	172,160
Meezan Bank Limited		3,234,350	-	265,217	281,906
United Bank Limited		-	1,050,000	-	-
<b>Engineering Companies</b>					
Mughal Iron & Steel Industries Limited		-	1,636,500	-	-
Aisha Steel Mills Limited		-	2,503,000	-	-
Amreli Steels Limited		-	1,300,000	-	-
International Steels Limited		1,000,000	466,100	43,779	39,710
<b>Chemical Companies</b>					
Biafo Industries Limited		-	229,800	-	-
Descon Oxychem Limited		1,510,500	-	26,564	24,243
Lotte Chemical Pakistan Limited		1,018,500	-	16,771	15,532
			<u>1,175,769</u>	<u>1,154,417</u>	<u>1,483,399</u>
Unrealised loss on quoted shares			<u>(21,352)</u>		

**9.2.3.1.1** 1 million shares (December 2018: Nil) of Bank Al Falah Limited having market value of Rs. 43.59 million as at June 30, 2019 (December 31, 2018: Nil) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

**9.2.3.1.2** 5 million shares (December 2018: Nil) of Faysal Bank Limited having a market value of Rs. 107.6 million (December 2018: Nil) as at June 30, 2019, have been pledged with Bank Al-Habib Limited as collateral against running finance facility obtained from the Bank.

## 9.2.3.2 Mutual Funds

Name of fund	Note	Number of Units		Cost	Market value	
		30-Jun-19	31-Dec-18	30-Jun-19	30-Jun-19	31-Dec-18
----- Rupees '000' -----						
NAFA Government Securities Liquid Fund	9.2.3.2.1	223,871	279,573	2,281	2,280	2,849
NAFA Money Market Fund		1,719,557	-	16,941	16,970	-
				19,222	19,250	2,849
Market Value as at June 30, 2019				19,250		
Unrealised gain on mutual funds				28		

9.2.3.2.1 223,871 units (December 31, 2018: 223,871 units) of NAFA Government Liquid Fund having a market value of Rs. 2.280 million (December 31, 2018: 2.281 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

	Note	(Un-audited)	(Audited)
		June 30, 2019	December 31, 2018
----- (Rupees in '000) -----			
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		26	22
Cash at bank	10.1	6,113	9,548
		6,139	9,570
		(Un-audited)	(Audited)
		June 30, 2019	June 30, 2018
<b>10.1 Cash and cash equivalents</b>		----- (Rupees in '000) -----	
Cash and cash equivalents for the purpose of cash flow comprises of the following:			
Cash and bank balances		6,139	9,912
Term deposit receipts		3,000	3,000
Short term borrowings		-	(169,997)
		9,139	(157,085)
		(Un-audited)	(Audited)
		June 30, 2019	December 31, 2018
<b>11 SHORT TERM BORROWINGS</b>		----- (Rupees in '000) -----	
<b>Secured</b>			
Short term running finance		-	211,800
Mark-up accrued		141	6,346
		141	218,146
11.1	The Company has running finance facility of Rs. 1,000 million (December 31, 2018: Rs.1,000 million) under mark-up arrangement with MCB Bank Limited. The facility carries mark-up at 3 month KIBOR plus 0.25% per annum (December 31, 2018: 3 month KIBOR + 0.25% per annum) and will expire on July 31, 2019.		
11.2	The Company has running finance facility of Rs. 500 million (December 31, 2018: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 1.00% per annum (December 31, 2018: 3 month KIBOR + 0.65% per annum) and will expire on March 31, 2020.		
11.3	The Company has running finance facility of Rs.500 million (December 31, 2018: 1,000 million) under mark-up arrangement with National Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.20% per annum and will expire on May 31, 2020.		
		(Un-audited)	(Audited)
		June 30, 2019	December 31, 2018
<b>12 CONTINGENCIES AND COMMITMENTS</b>		----- (Rupees in '000) -----	
12.1	Guarantee issued on behalf of the Company by a commercial bank	2,800	2,800

- 12.2 The status of taxation related contingencies as disclosed in note 24.2 to the annual financial statements of the Company for the year ended December 31, 2018 has remained unchanged.

		(Un-audited)	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
<b>13</b>	<b>RETURN ON INVESTMENTS</b>		
	Amortisation on Government Securities	2,276	1,285
	Interest Income on Government Securities	318	-
	Dividend income	48,505	49,603
		<u>51,099</u>	<u>50,888</u>
<b>14</b>	<b>TAXATION</b>		
	- Current year	(9,891)	(6,316)
	- Prior year	13,105	-
		<u>3,214</u>	<u>(6,316)</u>
	- Deferred	(41,761)	(34,623)
		<u>(38,547)</u>	<u>(40,939)</u>
<b>15</b>	<b>(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	(Loss) / Profit for the period after taxation	<u>(55,778)</u>	<u>155,441</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) -----	
	(Loss) / earnings per share	<u>(0.95)</u>	<u>2.65</u>

**16 TRANSACTIONS WITH RELATED PARTIES**

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

	Half year ended Jun 30		Quarter ended Jun 30	
	2019	2018	2019	2018
Un-audited				
----- (Rupees in '000) -----				
<b>Associated companies</b>				
Rendering of service	6,000	4,750	3,000	3,000
Purchase of service	4,292	4,190	2,056	1,995
Dividend Income	30,870	19,554	30,870	4,554
<b>Other related party</b>				
Provision relating to staff retirement gratuity scheme	2,456	1,765	1,228	882
Membership fee & other subscription	75	125	37	63
Contribution to staff provident fund	2,215	1,343	1,098	686
<b>Key management personnel</b>				
Director fee	450	450	200	100
Remuneration	18,616	17,448	11,163	10,513
Loan recovery	1,165	1,165	466	466

*Attn*

16.2

	June 30, 2019 (Un-audited) ----- (Rupees in '000) -----	December 31, 2018 (Audited)
<b>Balances outstanding</b>		
Loan to Chief Executive Officer	1,417	1,940
Loan to other executive	6,030	6,544
Receivable from related party	1,705	1,393
Payable to related party	242	117
Security deposit with related party	1,740	1,740

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

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

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

As per the requirements of the IFRS 13, the Company shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Investment carried at fair value are categorized as follows:

	----- As at June 30, 2019 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
<b>ASSETS</b>				
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	1,154,417	-	-	1,154,417
- Mutual fund units	19,250	-	-	19,250
	<u>1,173,667</u>	<u>-</u>	<u>-</u>	<u>1,173,667</u>
Investment in securities - financial assets at fair value through other comprehensive income				
- Quoted shares	661,905	-	-	661,905
	<u>661,905</u>	<u>-</u>	<u>-</u>	<u>661,905</u>
	----- As at December 31, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
<b>ASSETS</b>				
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	1,483,399	-	-	1,483,399
- Mutual fund units	2,849	-	-	2,849
	<u>1,486,248</u>	<u>-</u>	<u>-</u>	<u>1,486,248</u>
Investment in securities - financial assets at fair value through other comprehensive income				
- Quoted shares	574,719	-	-	574,719
	<u>574,719</u>	<u>-</u>	<u>-</u>	<u>574,719</u>

**18 CORRESPONDING FIGURES**

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

**19 AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on \_\_\_\_\_, by the Board of Directors of the Company.



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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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