



Building  
Momentum for  
**GROWTH**



Quarterly Accounts (un-audited)

For the quarter and nine months ended September 30, 2020

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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 - (Chief Financial Officer) Executive Director  
Ahsan Iqbal – (Secretary)

### Board Audit Committee

Kamran Nishat (Chairman)  
Shafiq Ahmed  
Inam Ur Rahman  
Kiran Hassan (Secretary)

### Board HR & Remuneration Committee

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

### Board Investment Committee

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

### Chief Financial Officer

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)  
Syeda Humaira Akhtar (Senior Investment Analyst)  
Zulqarnain (Manager)

\*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, Khekashan,  
Clifton, Karachi

### Rating Agency

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

### Bankers

Bank Al Habib Limited  
Bank Al Falah Limited  
Habib Bank 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 period ended September 30, 2020.

### Economic Review and Outlook

The new financial year started on a strong footing as the spread Covid-19 reflected a downward trend due to smart-lockdown policies of the government. As a result, different sectors of the economy resumed their operations with strong demand. Further, the macroeconomic variables also showed signs of strong recovery.

The Current Account Deficit (CAD) remained positive during 2MFY21 where it posted account surplus of USD 805 million against the deficit of USD 1.2 billion in the same period last year. Further, the remittances showed robust growth of 31% during 2MFY21 where it managed to stay above USD 2 billion per month during the new fiscal year. The Large-Scale Manufacturing resumed its positive trajectory where it posted a growth of 5.02% YoY and 9.54% MoM in the month of Jul'20. Federal Board of Revenue (FBR) net revenue crossed PKR 1 trillion mark during 3QCY20 surpassing its target of PKR 970 billion. The average CPI inflation for 1QFY21 clocked in at 8.8% against 10.1% in the same period last year. The reading remained in the SBP's target range of 7-9% for ongoing fiscal year.

We believe that the uncertainty prevailing around the second phase of Covid-19 may hamper the economic activities within the country if the spread and severity of the virus goes out of hand. Thus, it is essential to contain the virus to continue the recovery path.

### Stock Market Review and Outlook

The KSE-100 Index posted a return of 17.9%, during quarter taking 9MCY20 return to negative 0.4%. The stock market remained upbeat during the quarter on the back of decline in Covid-19 cases in the country and strong recovery in different sectors of the economy such as autos, cement, and textiles. Market activity remained strong during 9MCY20 where average daily traded value of the local bourse increased to PKR 11.2 billion as compared to PKR 4.7 billion in 9MCY19. Likewise, the average daily traded volume increased to 307.7 million shares in 9MCY20 as compared to 121.2 million shares in the same period last year.

The international portfolio investors remained net sellers during 3QCY20 as they sold shares worth USD 94.7 million as compared to the net buying of USD 23.4 million in the same period last year. Foreigners' net selling totalled USD 387.6 million during 9MCY20. Amongst local investors, individuals and insurance companies remained the largest buyers as they purchased shares of worth USD 181.5 million and USD 167.8 million during 9MCY20, respectively.

Going forward, we believe that political uncertainty and the second wave of novel coronavirus in the country may inhibit growth of equity markets in the short term, however, the economic fundamentals which are already showing signs of economic recovery will set the long term path of direction. Currently, the KSE-100 Index is trading at an attractive trailing PE multiple of 11.0x against an average regional valuation of 19.1x, representing a significant discount of 42.6%.

## Company Performance

During the period ended September 30, 2020 the company posted a reduced loss per share of Rs.0.29 compared to a loss of Rs.2.45 in the corresponding period in 2019.

The equity portfolio maintained a balance between high growth and high yield investments. To this effect, investments were made in Oil and Gas Marketing Companies, Technology and Communication, Vanaspati and Allied Industries, Cements, Power Generation and Distribution and Commercial Banks.

The company recorded income on investment of Rs.126 million compared to loss on investment of Rs.82 million in the similar period last year.

## 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: October 19, 2020

## ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر، 2020 کو ختم ہونے والی سہ ماہی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

### معاشی جائزہ اور آثار

نئے مالی سال کا آغاز مستحکم انداز سے ہوا جب حکومت کی اسمارٹ لاک ڈاؤن کی پالیسیوں کے باعث COVID-19 کی وبا کے پھیلاؤ میں کمی کارجان سامنے آیا۔ نتیجتاً معیشت کے مختلف شعبہ جات نے صارفین کی جانب سے بھرپور طلب کے ساتھ اپنی سرگرمیوں کا دوبارہ آغاز کیا۔ اس کے علاوہ میکرو اکنامک متغیرات میں بھی بحالی کے مستحکم اشاریے سامنے آئے۔

مالی سال 2021 کے ابتدائی دو ماہ میں کرنٹ اکاؤنٹ خسارہ (CAD) بدستور مثبت رہا جب اس نے گزشتہ سال کی اسی مدت کے 1.2 ارب امریکی ڈالر کے خسارے کے مقابلہ میں 805 ملین امریکی ڈالر کا اکاؤنٹ سرپلس ظاہر کیا۔ مزید برآں، ترسیلات زر میں مالی سال 2021 کے ابتدائی دو ماہ میں 31 فیصد کا زبردست اضافہ سامنے آیا اور نئے مالی سال میں ترسیلات زر ہر ماہ دو ارب امریکی ڈالر سے زائد پر برقرار رہیں۔ بڑے پیمانے کی پیداوار کی مثبت رفتار دوبارہ بحال ہوئی جب اس میں جولائی 2020 میں 5.02 فیصد سال بہ سال اور 9.54 فیصد ماہ بہ ماہ کی نمو ریکارڈ کی گئی۔ فیڈرل بورڈ آف ریونیو (FBR) کے خالص محصولات نے کیلنڈر سال 2020 کی تیسری سہ ماہی میں ایک کھرب پاکستانی روپے کا ہدف عبور کر لیا جو اس کے 970 ارب روپے کے متوقع ہدف سے زیادہ رہا۔ اوسط کنزیومر پرائس انڈیکس (CPI) افراط زر مالی سال 2021 کی پہلی سہ ماہی میں گزشتہ سال کی اسی مدت کے 10.1 فیصد کے مقابلہ میں 8.8 فیصد رہا۔ موجودہ مالی سال کے لئے یہ شرح اسٹیٹ بینک آف پاکستان کی متوقع حد 7-9 فیصد رہنے کی توقع ہے۔

ہمیں یقین ہے کہ اگر وائرس کا پھیلاؤ اور شدت قابو سے باہر ہوگی تو COVID-19 کی موجودہ غیر یقینی صورتحال ملک میں معاشی سرگرمیوں میں رکاوٹ کا باعث بن سکتی ہے۔ لہذا وائرس کے پھیلاؤ کا سدباب ضروری ہے کیونکہ اسی طریقے سے ہم بحالی کے راستے پر گامزن رہ سکتے ہیں۔

### اسٹاک مارکیٹ کا جائزہ اور آثار

KSE-100 انڈیکس نے 17.9 فیصد منافع ظاہر کیا جس سے کیلنڈر سال 2020 کے 9 ماہ کا منافع منفی 0.4 فیصد ہو گیا۔ ملک میں COVID-19 کے کیسز میں کمی اور معیشت کے مختلف شعبوں جیسے آٹوز، سیمنٹ اور ٹیکسٹائلز کی مستحکم بحالی کے باعث زیر جائزہ سہ ماہی میں اسٹاک مارکیٹ میں اضافہ کارجان رہا۔ کیلنڈر سال 2020 کے 9 ماہ میں مارکیٹ میں مستحکم سرگرمی دیکھنے میں آئی جب مقامی

مارکیٹ کی اوسط یومیہ تجارتی قدر کیلنڈر سال 2019 کے 9 ماہ کے 4.7 ارب روپے کے مقابلہ میں بڑھ کر 11.2 ارب روپے ہو گئی۔ اسی طرح اوسط یومیہ تجارتی حجم کیلنڈر سال 2020 کے 9 ماہ میں 307.7 ملین شیئرز رہا جو کہ گزشتہ سال کی اسی مدت میں 121.2 ملین شیئرز تھا۔

کیلنڈر سال 2020 کی تیسری سہ ماہی میں بین الاقوامی سرمایہ کار اصل فروخت کنندہ رہے اور انہوں نے 94.7 ملین امریکی ڈالرز کے شیئرز فروخت کئے، جبکہ گزشتہ سال کی اسی مدت میں انہوں نے 23.4 ملین امریکی ڈالرز کے شیئرز کی خریداری کی تھی۔ کیلنڈر سال 2020 کے 9 ماہ میں غیر ملکی سرمایہ کاروں کی جانب سے اصل فروخت 387.6 ملین امریکی ڈالرز رہی۔ مقامی سرمایہ کاروں کے درمیان انفرادی حصہ دار اور انشورنس کمپنیاں سب سے بڑے خریدار رہے جب انہوں نے کیلنڈر سال 2020 کے 9 ماہ میں بالترتیب 181.5 ملین امریکی ڈالرز اور 167.8 ملین امریکی ڈالرز کے شیئرز کی خریداری کی۔

ہم سمجھتے ہیں کہ آگے چل کر ملک میں سیاسی غیر یقینی اور نول کرونا وائرس کی دوسری لہر مختصر عرصہ کے لئے ایکویٹی مارکیٹس کی نمو میں رکاوٹ کا باعث بن سکتی ہے۔ تاہم بنیادی معاشی اشاریے، جو پہلے ہی معاشی بحالی کے آثار ظاہر کر رہے ہیں، طویل مدت کے لئے راہ کا تعین کریں گے۔ حالیہ طور پر KSE-100 انڈیکس 19.1x کی علاقائی قدر کے مقابلہ میں 11.0x Trailing PE ملٹی پل پر تجارت کر رہا ہے، جو کہ 42.6 فیصد کے نمایاں ڈسکاؤنٹ کی نشاندہی کرتا ہے۔

### کمپنی کی کارکردگی

30 ستمبر، 2020 کو ختم ہونے والی مدت میں کمپنی نے گزشتہ سال کی اسی مدت کے 2.45 روپے فی حصص خسارے کے مقابلہ میں 0.29 روپے فی حصص خسارہ ظاہر کیا۔

زیادہ نمو کی حامل اور زیادہ منافع بخش سرمایہ کاریوں میں توازن قائم رکھنے کے لئے ایکویٹی پورٹ فولیو برقرار رکھا گیا۔ اس مقصد کے لئے آئل اینڈ گیس مارکیٹنگ کمپنیز، ٹیکنالوجی اور کمیونٹی کیشن، بنا سیتی اور الائیڈ اینڈ سٹریٹس، سیمنٹ، پاور جنریشن اینڈ ڈسٹری بیوشن اور کمرشل پینکس کے شعبہ جات میں سرمایہ کاری کی گئی۔

30 ستمبر، 2020 کو ختم ہونے والی سہ ماہی میں سرمایہ کاری کی آمدنی 126 ملین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں 82 ملین روپے کا خسارہ ریکارڈ کیا گیا 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، سکیورٹیز 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 الیس مہدی

حسن رضا الرحیم

سی ای او

چیئرمین

کراچی: 19 اکتوبر، 2020

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
------(Rupees in '000)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	30,297	39,236
Intangible assets	7	278	109
Deferred taxation		75,178	83,815
Long term investments	9.1	43,620	42,248
Long term loans	8	3,502	4,282
Long term deposits		2,500	2,500
		155,375	172,190
<b>Current assets</b>			
Short term investments	9.2	2,538,087	2,325,275
Long term loans - current portion	8	1,325	2,094
Trade and other receivables		26,687	11,976
Advances and short term prepayments		8,528	8,298
Cash and bank balances	10	1,739	1,869
		2,576,366	2,349,512
<b>TOTAL ASSETS</b>		<b>2,731,741</b>	<b>2,521,702</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
100,000,000 (2019: 100,000,000) Ordinary shares of Rs 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital		615,591	586,277
Unappropriated profit		652,178	757,785
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(384)	(384)
Surplus on revaluation of investment carried at fair value through other comprehensive income		543,850	639,564
		1,944,323	2,116,330
<b>Non-current liabilities</b>			
Deferred liability - gratuity		21,135	17,358
Lease liability against right-of-use asset		1,921	9,143
		23,056	26,501
<b>Current liabilities</b>			
Trade and other payable		63,683	68,174
Current portion of lease liability against right-of-use asset		9,436	8,023
Unclaimed dividend		25,571	26,727
Short term borrowings	11	584,217	195,446
Taxation - net		81,455	80,501
		764,362	378,871
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,731,741</b>	<b>2,521,702</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

## CYAN LIMITED

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Quarter Ended		Nine Months Ended	
		September 30,		September 30,	
		2020	2019	2020	2019
------(Rupees in '000)-----					
Return on investments	13	23,148	24,944	43,002	76,043
Gain / (loss) on sale of investments - net		166,950	(3,672)	(3,462)	2,766
Other income		3,374	3,866	10,409	11,998
		<u>193,472</u>	<u>25,138</u>	<u>49,949</u>	<u>90,807</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		<u>364,169</u>	<u>(151,510)</u>	<u>75,600</u>	<u>(172,834)</u>
		<u>557,641</u>	<u>(126,372)</u>	<u>125,549</u>	<u>(82,027)</u>
<b>Expenses</b>					
Operating and administrative expenses		(39,564)	(26,277)	(95,505)	(84,235)
Financial charges		(11,339)	(28)	(33,042)	(3,646)
		<u>(50,903)</u>	<u>(26,305)</u>	<u>(128,547)</u>	<u>(87,881)</u>
<b>Profit / (Loss) for the period before taxation</b>		<u>506,738</u>	<u>(152,677)</u>	<u>(2,998)</u>	<u>(169,908)</u>
Taxation	14	(80,694)	57,385	(14,667)	18,838
<b>Profit / (Loss) for the period after taxation</b>		<u>426,044</u>	<u>(95,292)</u>	<u>(17,665)</u>	<u>(151,070)</u>
<b>Other comprehensive income for the period</b>					
<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		89,110	31,682	(95,714)	118,868
<b>Total comprehensive income / (loss) for the period</b>		<u>515,154</u>	<u>(63,610)</u>	<u>(113,379)</u>	<u>(32,202)</u>
<b>Basic and diluted Earnings / (loss) per share</b>	15	<u>6.92</u>	<u>(1.55)</u>	<u>(0.29)</u>	<u>(2.45)</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

	Share Capital	Capital reserves			Revenue reserves		Remeasurement on post retirement benefits obligation-net of tax	Surplus 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)								
<b>Balance as at January 1, 2019</b>	586,277	10,535	-	2,553	120,000	659,843	(1,855)	456,777	1,834,130
Net loss for the period	-	-	-	-	-	(151,070)	-	-	(151,070)
Other comprehensive income	-	-	-	-	-	-	-	118,868	118,868
	-	-	-	-	-	(151,070)	-	118,868	(32,202)
<b>Balance as at September 30, 2019</b>	<b>586,277</b>	<b>10,535</b>	<b>-</b>	<b>2,553</b>	<b>120,000</b>	<b>508,773</b>	<b>(1,855)</b>	<b>575,645</b>	<b>1,801,928</b>
<b>Balance as at January 1, 2020</b>	<b>586,277</b>	<b>10,535</b>	<b>-</b>	<b>2,553</b>	<b>120,000</b>	<b>757,785</b>	<b>(384)</b>	<b>639,564</b>	<b>2,116,330</b>
Transfer to reserve for issue of bonus shares	-	-	29,314	-	-	(29,314)	-	-	-
Issue of bonus shares @ 5% for the year ended Dec 31, 2019	29,314	-	(29,314)	-	-	-	-	-	-
Final dividend @ Rs.1 per share for the year ended Dec 31, 2019	-	-	-	-	-	(58,628)	-	-	(58,628)
	29,314	-	-	-	-	(87,942)	-	-	(58,628)
Net loss during the period	-	-	-	-	-	(17,665)	-	-	(17,665)
Other comprehensive loss	-	-	-	-	-	-	-	(95,714)	(95,714)
	-	-	-	-	-	(17,665)	-	(95,714)	(113,379)
<b>Balance as at September 30, 2020</b>	<b>615,591</b>	<b>10,535</b>	<b>-</b>	<b>2,553</b>	<b>120,000</b>	<b>652,178</b>	<b>(384)</b>	<b>543,850</b>	<b>1,944,323</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**CYAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,998)	(169,908)
<b>Adjustment for non cash charges and other items:</b>		
Depreciation / amortisation	10,137	3,910
Capital Loss / (Gain) on sale of investments - net	3,462	(2,766)
Gain on sale of property and equipment	(33)	(989)
Amortisation income on government securities	(1,371)	(2,804)
Financial charges	33,042	3,646
Gratuity provision	3,777	3,684
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(75,600)	172,834
	(26,586)	177,515
Operating (loss) / profit before working capital changes	(29,584)	7,607
<b>(Increase) / decrease in operating assets</b>		
Trade and other receivables	(14,711)	26,461
Long term loan	1,549	1,452
Advances and short term prepayments	(230)	(4,078)
	(13,392)	23,835
<b>(Decrease) / increase in operating liabilities</b>		
(Decrease)/ increase in trade and other payable	(4,491)	(12,667)
Deferred liability	-	-
	(47,467)	18,775
Taxes paid	(5,075)	(24,669)
Gratuity paid	-	(482)
Financial charges paid	(27,507)	(9,964)
<b>Net cash used in operating activities</b>	<b>(80,049)</b>	<b>(16,340)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	3,830,809	3,511,440
Investment in securities	(4,067,198)	(3,264,822)
Capital expenditure incurred	(1,391)	(15,853)
Proceeds from sale of property and equipment	56	1,626
<b>Net cash (used) in / generated from investing activities</b>	<b>(237,724)</b>	<b>232,391</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal portion of lease liability against right-of-use asset dividend paid	(5,809)	-
	(59,784)	(5,859)
Net cash utilised in financing activities	(65,593)	(5,859)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(383,366)</b>	<b>210,192</b>
Cash and cash equivalents at the beginning of the year	(185,113)	(199,230)
<b>Cash and cash equivalents at the end of the period</b>	<b>(568,479)</b>	<b>10,962</b>
	10.1	

The annexed notes from 1 to 20 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 NINE MONTHS ENDED SEPTEMBER 30, 2020**

**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 Limited. 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, 2019.

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

**2.2.1 Standards, interpretations and amendments to published approved accounting and reporting standards that are effective in the current period:**

There are certain amendments to the published approved accounting and reporting standards that are mandatory for the Company's condensed interim financial statements. However, these do not have any significant impact on the Company's operations and therefore have not been detailed in these financial statements.

**2.2.2 Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective:**

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

**2.2.3** These condensed interim financial statements include the condensed interim statement of financial position as at September 30, 2020 and the condensed interim profit or loss account and other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the nine months period then ended.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2019 has been extracted from the audited financial statements of the Company for the year ended December 31, 2019. The comparative condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine months period ended September 30, 2019 have been extracted from the condensed interim financial statements of the Company for the nine months period then ended.

**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 same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2019.

## 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, 2019.

## 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, 2019.

## 6 PROPERTY AND EQUIPMENT

Opening book value  
Additions during the period / year  
  
Less: Written down value of disposals during the period / year  
Less: Depreciation for the period / year

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees in '000)-----	
	39,236	13,405
	1,139	39,812
	40,375	53,217
	(24)	(636)
	(10,054)	(13,345)
	(10,078)	(13,981)
	30,297	39,236

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

### Additions - cost

Vehicles	-	12,629
Office equipment	1,139	3,333
Furniture and Fixture	-	403
Right of use asset		23,447
	1,139	39,812

### Disposals - cost

Vehicles	-	39
Office equipment	-	1,047
	-	1,086

## 7 INTANGIBLE ASSETS

Opening book value  
Additions during the period / year  
Less: Amortisation for the period / year

Additions - cost  
Software, License

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees in '000)-----	
	109	66
	252	141
	(83)	(98)
	278	109
	252	141
	252	141

## 8 LONG TERM LOANS

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

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
------(Rupees in '000)-----			
<b>9 INVESTMENTS</b>			
Long term investment	9.1	43,620	42,248
Short term investment	9.2	2,538,087	2,325,275
		<u>2,581,707</u>	<u>2,367,523</u>

### 9.1 Long term investment

Investments carried at amortised cost	9.1.1 & 9.1.2	43,620	42,248
		<u>43,620</u>	<u>42,248</u>

**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. 50 million and market value of Rs.50.10 million as at September 30, 2020. 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, 2019: Rs. 13.71% per annum) payable at six months interval. These PIB's are maturing on July 12, 2023 .

### 9.2 Short term investment

Investments carried at amortised cost	9.2.1	10,500	10,500
Investments carried at fair value through other comprehensive income	9.2.2	661,792	757,506
Investments carried at fair value through profit or loss	9.2.3	1,865,795	1,557,269
		<u>2,538,087</u>	<u>2,325,275</u>

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
------(Rupees in '000)-----			

### 9.2.1 Investments carried at amortised cost

Deposits maturing within one month	9.2.1.1	3,000	3,000
Deposits maturing within one year	9.2.1.2	7,500	7,500
		<u>10,500</u>	<u>10,500</u>

**9.2.1.1** These 'Term Deposit Receipts' carry mark-up at 5.5% per annum (December 31, 2019: 11.25% per annum) and are due to mature on October 29, 2020.

**9.2.1.2** These 'Term Deposit Receipts' carry mark-up at 7.3% per annum (December 31, 2019: 11.7% per annum) and are due to mature on April 28, 2021.

### 9.2.2 Investments carried at fair value through other comprehensive income

Quoted shares - related parties	9.2.2.1	661,792	757,506
		<u>661,792</u>	<u>757,506</u>

### 9.2.2.1 Quoted Shares - Related Parties

Name of investee company	Note	Number of Shares		Cost	Market value	
		30-Sep-20	31-Dec-19		30-Sep-20	31-Dec-19
----- Rupees '000'-----						
<b>Inv. Banks/Inv. Cos/ Securities Cos.</b>						
Dawood Hercules Corporation Limited		794,380	794,380	47,652	98,424	122,501
Equity held: 0.17% (2019: 0.17%)						
<b>Textile Composite</b>						
Dawood Lawrencepur Limited		2,965,095	2,965,095	222,111	563,368	635,005
Equity held: 5.02% (2019: 5.02%)						
				269,763	661,792	757,506
Less : Provision for impairment				(151,821)		
Carrying value				117,942		
Market value as at September 30, 2020				661,792		
Unrealised gain on quoted shares				543,850		

### 9.2.3 Investment carried at fair value through profit or loss

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees '000'-----			
Quoted shares	9.2.3.1	1,863,510	1,554,984
Mutual funds	9.2.3.2	2,285	2,285
		<u>1,865,795</u>	<u>1,557,269</u>

**9.2.3.1 Quoted Shares**

Name of investee company	Number of Shares		Carrying Value	Market value	
	30-Sep-20	31-Dec-19	30-Sep-20	30-Sep-20	31-Dec-19
Rupees '000'					
<b>Oil &amp; Gas Exploration</b>					
Oil and Gas Development Company Limited	-	500,000	-	-	71,160
<b>Oil and Gas Marketing</b>					
Sui Nothern Gas Pipelines Limited	9.2.3.1.2	2,899,000	1,250,000	225,413	179,187
Pakistan State Oil Company Limited	9.2.3.1.2	950,000	550,000	183,275	190,190
<b>Cement</b>					
Lucky Cement Limited	9.2.3.1.2	250,404	200,000	145,627	162,029
Attock Cement Pakistan Limited		252,000	-	45,135	38,475
<b>Power Generation &amp; Distribution</b>					
K-Electric Limited		12,500,000	-	52,799	52,625
The Hub Power Company Limited	9.2.3.1.2	1,500,000		125,118	117,690
<b>Textile Composite</b>					
Gul Ahmed Textile Mills Limited	9.2.3.1.2	1,029,000	-	44,258	38,402
<b>Food &amp; Personal Care Products</b>					
At-Tahur Limited		-	2,756,050	-	57,739
Fauji Foods Limited		5,250,000	-	97,529	84,105
<b>Pharmaceuticals</b>					
Searle Pakistan Limited	9.2.3.1.2	200,000	250,000	49,070	51,262
<b>Technology &amp; Communication</b>					
Netsol Technologies Limited		-	1,218,400	-	80,244
Pakistan Telecommunication Company Lt	9.2.3.1.3	10,000,000	-	107,015	108,100
TRG Pakistan Limited	9.2.3.1.4	8,500,000	6,000,000	309,680	443,360
<b>Commercial Banks</b>					
Bank Alfalah Limited		-	5,000,000	-	228,500
Faysal Bank Limited		-	8,305,000	-	157,961
Habib Bank Limited	9.2.3.1.2	500,000	1,000,000	78,725	65,370
Meezan Bank Limited	9.2.3.1.2	1,000,000	2,000,000	86,482	82,210
United Bank Limited		-	600,000	-	98,700
<b>Vanaspati &amp; Allied Industries</b>					
Unity Foods Limited	9.2.3.1.1	15,045,298	2,000,000	237,785	250,505
				1,787,911	1,863,510
				75,599	1,554,984
Unrealised loss on Quoted Shares				75,599	

**9.2.3.1.1** 5 million shares of Unity Foods Limited having market value of Rs. 83.25 million as at September 30, 2020 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

**9.2.3.1.2** 0.529 million shares of Gul Ahmed Textile Mills Limited having a market value of Rs. 19.742 million, 2.899 million shares of Sui Northern Gas Pipelines Limited having a market value of Rs. 179.187 million, 0.5 million shares of Habib Bank Limited having a market value of Rs. 65.37 million, 0.9 million shares of Meezan Bank Limited having a market value of Rs. 73.989 million, 1.5 million shares of The Hub Power Company Limited having a market value of Rs. 117.69 million, 0.25 million shares of Lucky Cement Limited having a market value of Rs. 161.768 million, 0.75 million shares of Pakistan State Oil Company Limited having a market value of Rs. 150.15 million and 0.2 million shares of The Searle Company Limited having a market value of Rs. 51.262 million as at September 30, 2020, have been pledged with MCB Bank Limited as collateral against running finance facility obtained from the Bank.

**9.2.3.1.3** 6 million shares of Pakistan Telecommunication Company Limited having a market value of Rs. 64.86 million as at September 30, 2020, have been pledged with Bank Al-Habib Limited as collateral against running finance facility obtained from the Bank.

**9.2.3.1.4** 7.5 million shares of TRG Pakistan Limited having a market value of Rs. 391.2 million as at September 30, 2020, have been pledged with National Bank of Pakistan 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-Sep-20	31-Dec-19	30-Sep-20	30-Sep-20	31-Dec-19
NAFA Government Securities Liquid Fund	9.2.3.2.1	223,871	223,871	2,284	2,285	2,285
				<u>2,284</u>	<u>2,285</u>	<u>2,285</u>
Market Value as at September 30, 2020				2,285		
Unrealised gain on mutual fund				<u>1</u>		

**9.2.3.2.1** 223,871 units (December 31, 2019: 223,871 units) of NBP Government Liquid Fund having a market value of Rs. 2.285 million (December 31, 2019: Rs. 2.285 million) have been kept under pledge with NBP Government Liquid Fund pending settlement of a claim in litigation.

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
<b>10 CASH AND BANK BALANCES</b>		----- (Rupees in '000) -----	
Cash in hand		50	22
Cash at bank	10.1	<u>1,689</u>	<u>1,847</u>
		<u>1,739</u>	<u>1,869</u>

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
<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	1,739	7,962
Term deposit receipts	3,000	3,000
Short term borrowings	<u>(573,218)</u>	<u>-</u>
	<u>(568,479)</u>	<u>10,962</u>

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
<b>11 SHORT TERM BORROWINGS</b>	----- (Rupees in '000) -----	

Short term borrowings	573,218	189,982
Markup Accrued	<u>10,999</u>	<u>5,464</u>
	<u>584,217</u>	<u>195,446</u>

**11.1** The Company has running finance facility of Rs. 1,000 million under mark-up arrangement with MCB Bank Limited. The facility carries mark-up at 1 month KIBOR plus 0.50% per annum and will expire on March 31, 2021.

**11.2** The Company has running finance facility of 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 and will expire on March 31, 2021.

**11.3** The Company has running finance facility of Rs.500 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 December 31, 2020.

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
<b>12 CONTINGENCIES AND COMMITMENTS</b>	----- (Rupees in '000) -----	

Guarantee issued on behalf of the Company by a commercial bank	<u>2,800</u>	<u>2,800</u>
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**12.1** The status of taxation related contingencies as disclosed in note 24.1 to the annual financial statements of the Company for the year ended December 31, 2019 has remained unchanged.

		(Un-audited)	
		September 30,	
		2020	2019
		----- (Rupees in '000) -----	
13	<b>RETURN ON INVESTMENTS</b>		
	Amortisation on Government Securities	1,371	2,804
	Interest Income on Government Securities	3,000	1,263
	Dividend income	38,631	71,976
		<u>43,002</u>	<u>76,043</u>

		(Un-audited)	
		September 30,	
		2020	2019
		----- (Rupees in '000) -----	
14	<b>TAXATION</b>		
	- Current year	(6,030)	(9,891)
	- Prior year	-	13,105
		(6,030)	3,214
	- Deferred	(8,637)	(41,761)
		<u>(14,667)</u>	<u>(38,547)</u>

		(Un-audited)	
		September 30,	
		2020	2019
		----- (Rupees in '000) -----	
15	<b>LOSS PER SHARE - BASIC AND DILUTED</b>		
	<b>Loss for the period after taxation</b>	<u>(17,665)</u>	<u>(151,070)</u>

		(Number of shares)	
		(Restated)	
		2020	2019
		----- (Rupees) -----	
	Weighted average number of ordinary shares outstanding as at the period end	<u>61,559,108</u>	<u>61,559,108</u>
	<b>Loss per share</b>	<u>(0.29)</u>	<u>(2.45)</u>

#### 16 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 employment. Transactions with related parties other than those which have been disclosed elsewhere in the condensed interim financial statements are as follows:

##### 16.1

Transactions	Quarter ended		Nine months ended	
	September 30		September 30	
	2020	2019	2020	2019
Un-audited				
----- (Rupees in '000) -----				
<b>Associated companies</b>				
Rendering of service	3,000	3,000	9,000	9,000
Purchase of service	2,487	2,236	7,011	6,553
Dividend Income	15,832	30,870	17,421	42,149
Dividend paid	-	-	39,262	-
Bonus shares issued	-	-	19,631	-
<b>Other related parties</b>				
Dividend paid to sponsors	-	-	10,034	-
Bonus shares issued to sponsors	-	-	5,017	-
Provision relating to staff gratuity fund	1,259	1,228	3,777	3,684
Membership fee & other subscription	-	37	-	75
Contribution to staff provident fund	1,172	1,098	3,472	3,303
<b>Key management personnel</b>				
Director fee	200	200	800	650
Remuneration	10,914	11,163	32,432	27,980
Loan recovery	466	466	1,631	1,631
Dividend Distributed	-	-	428	-
Bonus shares issued	-	-	214	-

##### 16.2

	September 30, 2020	December 31, 2019
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>Balances outstanding</b>		
Loan to Chief Executive Officer	112	880
Loan to other executive	4,716	5,496
Receivable from related party	1,550	1,419
Payable to related party	649	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 September 30, 2020 -----			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in '000-----			
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	1,863,510	-	-	1,863,510
- Mutual fund units	-	2,285	-	2,285
	<u>1,863,510</u>	<u>2,285</u>	<u>-</u>	<u>1,865,795</u>
Investment in securities - financial assets Through Other Comprehensive income				
- Quoted shares	661,792	-	-	661,792
	<u>661,792</u>	<u>-</u>	<u>-</u>	<u>661,792</u>
	----- As at December 31, 2019-----			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in '000-----			
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	1,554,984	-	-	1,554,984
- Mutual fund units	-	2,285	-	2,285
	<u>1,554,984</u>	<u>2,285</u>	<u>-</u>	<u>1,557,269</u>
Investment in securities - financial assets Through Other Comprehensive income				
- Quoted shares	757,506	-	-	757,506
	<u>757,506</u>	<u>-</u>	<u>-</u>	<u>757,506</u>

## 18 CORRESPONDING FIGURES

There were no significant re-classifications / restatements during the period.

## 19 AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on October 19, 2020 by the Board of Directors of the Company.

## 20 IMPACT OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the business, operations and profitability of the Company as well as a going concern assessment. As a result of such assessment, the management has not identified any adverse impact on the profitability, liquidity and continuity of the Company due to COVID-19 pandemic situation.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director