



Third Quarterly Accounts (un-audited) cyan®

For The Nine Months Ended September 30, 2021

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COMPANY INFORMATION

Board of Directors

Hasan Reza-ur Rahim - (Chairman) Independent 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 (Chief Executive)
Faisal Nadeem (Chief Financial Officer)
Ahsan Iqbal (Company Secretary)
Kiran Hassan (Head of Internal Audit)
Syeda Humaira Akhtar (Investment Associate)
Muhammad Anas Karimi (Senior Manager Finance)
Muhammad Hassaan Khan (Investment Analyst)
Faisal Irfan (Investment Analyst)
Zulqarnain (Manager HR)

*As determined by the Board of Directors

Auditors

A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-C,
I.I. Chundrigar Road, Karachi.
Website: www.pwc.com/pk

Tax Consultants

A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-C,
I.I. Chundrigar Road, Karachi.
Website: 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
Website: www.cdcrsl.com

Legal Advisors

Mohsin Tayebally & Co.
1st 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
National Bank of Pakistan
MCB Bank Limited
Habib Metropolitan Bank Limited

Registered Office

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

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 nine months ended September 30, 2021.

Economic Review and Outlook

Strong demand and subsequent higher imports coupled with steep rise in global commodity prices has led to pressure on external account lately. The Current Account deficit clocked in at USD 2.29 billion in 2MFY22 against a surplus of USD 838 million in 2MFY21. The pressure on the external account triggered local currency devaluation (depreciated by 7.7% against the greenback during 1QFY22) along with increased inflationary pressures. The CPI clocked in at 8.98% during Sep'21. Cumulatively, the average inflation for 1QFY22 stood at 8.58% compared to 8.84% in the same period last year. Looking ahead, the inflation is expected to remain elevated in the near-term.

A host of measures to moderate economic growth and demand side pressures, curb non-essential imports and facilitate exports have already been introduced by the Central bank. This also includes recent increase in policy rate by 25bps to 7.25%. We expect gradual monetary tightening going ahead to curb the demand side pressure.

Stock Market Review and Outlook

The KSE-100 index posted a return of negative 5.19% during the quarter taking the 9MCY21 return to 2.62%. The index declined mainly on account of increasing Current Account deficit, local currency depreciation against the greenback, MSCI's decision to downgrade Pakistan to frontier market and initiation of monetary tightening cycle by increasing 25bps policy rate.

The average daily traded value during 9MCY21 increased to PKR 19.3 billion from PKR 11.2 billion in the same period last year. Likewise, the average daily traded volumes during the 9MCY21 increased to 545.2 million shares from 307.7 million shares in 9MCY20.

The foreign investors remained net sellers during 9MCY21 as they sold shares worth USD 192.1million. Amongst local investors, Individuals, companies, and other organizations (Government Retirement Funds) remained net buyers of USD 205.5 million, USD 59.6 million and USD 68.6 million, respectively.

Going forward, resumption of the IMF program is expected to bring stability to the economy and may lead to improved investors' interest in select sectors amid possibility of further policy rate hike in upcoming monetary policy. The market is currently trading at an attractive forward P/E multiple of 5.19x against the regional average of 15.27x and offers a dividend yield of 8.20% against the regional average of 3.07%.

Company Performance

During the nine months ended September 30, 2021 the company posted earnings per share of PKR 7.44 compared to loss per share of PKR 0.29 in the corresponding period in 2020.

During the period, Cyan's active equity portfolio outperformed the KSE 100 Index by 24% (26.62% Vs 2.62%) in 9MCY21. The equity portfolio was maintained in high growth sectors. To this effect, investments were made in Technology and Communication, Food & Personal Care Products, Pharmaceuticals, Cement, chemicals, Oil and Gas Marketing Companies and Engineering.

The company recorded investment income including capital gains of Rs.663 million compared to Rs.115 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 22, 2021

ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر، 2021 کو ختم ہونے والے نو ماہ کے لئے کمپنی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

معاشی جائزہ اور آثار

طلب میں اضافہ اور اس کی وجہ سے بڑھتی درآمدات، اور اس کے ساتھ عالمی سطح پر اجناس کی بڑھتی ہوئی قیمتیں حالیہ عرصہ میں بیرونی اکاؤنٹ پر دباؤ کا باعث بنیں۔ کرنٹ اکاؤنٹ خسارہ مالی سال 2022 کے پہلے دو ماہ میں 2.29 ارب امریکی ڈالر رہا جبکہ 2021 کے پہلے دو ماہ میں 838 ملین امریکی ڈالر اضافہ ہوا تھا۔ بیرونی اکاؤنٹ پر دباؤ سے مقامی کرنسی کی قدر میں کمی آنا شروع ہوگئی (مالی سال 2022 کے پہلی سہ ماہی میں ڈالر کے مقابلہ میں 7.7 فیصد کمی ہوئی) اور افراط زر میں اضافہ ہوا۔ ستمبر 2021 کے دوران کنزیومر پرائس انڈیکس 8.98 فیصد ریکارڈ کی گئی۔ مجموعی طور پر افراط زر کی اوسط شرح مالی سال 2022 کی پہلی سہ ماہی میں گزشتہ سال کی اسی مدت 8.84 فیصد کے مقابلہ میں 8.58 فیصد رہی۔ مستقبل قریب میں بھی افراط زر کی شرح زیادہ رہنے کی توقع ہے۔

معاشی ترقی اور طلب کے دباؤ کو متوازن رکھنے، غیر ضروری درآمدات کو روکنے اور برآمدات میں سہولت دینے کے لئے مرکزی بینک کی جانب سے متعدد اقدامات متعارف کروائے گئے ہیں جس میں پالیسی شرح میں 25 پیسز پوائنٹس کا حالیہ اضافہ بھی شامل ہے، جس کے بعد پالیسی شرح 7.25 فیصد ہوگئی ہے۔ ہمیں توقع ہے کہ طلب کے دباؤ کو روکنے کے لئے آگے چل کر بتدریج مزید سخت مالیاتی اقدامات کئے جائیں گے۔

اسٹاک مارکیٹ کا جائزہ اور آثار

زیر جائزہ سہ ماہی کے دوران KSE-100 انڈیکس نے 5.19 فیصد کی منفی آمدنی ظاہر کی جس سے کیلنڈر سال 2021 کے پہلے نو ماہ کی آمدنی 2.62 فیصد ہوگئی۔ بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ، ڈالر کے مقابلہ میں مقامی کرنسی کی قدر میں کمی، MSCI کی جانب سے پاکستانی مارکیٹ کی فرنٹیر کے درجہ میں تنزلی اور پالیسی شرح میں 25 پیسز پوائنٹس اضافہ کر کے مالیاتی اقدامات سخت کرنے جیسے عوامل انڈیکس میں کمی کا سبب بنے۔

کیلنڈر سال 2021 کے نو ماہ کے دوران اوسط یومیہ تجارتی قدر گزشتہ سال کی اسی مدت کے 11.2 ارب روپے کے مقابلہ میں بڑھ کر 19.3 ارب روپے رہی۔ اسی طرح اوسط یومیہ تجارتی حجم کیلنڈر سال 2020 کے نو ماہ کے 307.7 ملین حصص کے مقابلہ میں کیلنڈر سال 2021 کے نو ماہ میں 545.2 ملین حصص ہوگیا۔

کیلنڈر سال 2021 کے نو ماہ کے دوران غیر ملکی سرمایہ کار اصل فروخت کنندہ رہے اور انہوں نے 192.1 ملین امریکی ڈالر مالیت کے حصص فروخت کئے۔ مقامی سرمایہ کاران میں افراد، کمپنیاں اور دیگر ادارے (حکومتی ریٹائرمنٹ فنڈز) بدستور اصل خریدار رہے اور انہوں

نے بالترتیب 205.5 ملین امریکی ڈالر، 59.6 ملین امریکی ڈالر اور 68.6 ملین امریکی ڈالر کے حصص کی خریداری کی۔

توقع ہے کہ آگے چل کر آئی ایم ایف پروگرام کی بحالی معیشت کے استحکام کا باعث بنے گی اور آئندہ مالیاتی پالیسی میں پالیسی شرح میں مزید اضافہ کی توقعات کے ساتھ مخصوص شعبوں میں سرمایہ کاروں کی دلچسپی میں اضافہ کی بھی توقع ہے۔ مارکیٹ اس وقت 15.27x کی علاقائی قدر کے مقابلہ میں 5.19x کے پرکشش P/E ملٹی پل پر تجارت کر رہی ہے اور 3.07 فیصد کے علاقائی اوسط کے مقابلہ میں 8.20 فیصد کا نمایاں ڈیویڈنڈ منافع پیش کر رہی ہے۔

کمپنی کی کارکردگی

30 ستمبر، 2021 کو ختم ہونے والے نو ماہ میں کمپنی نے سال 2020 کی اسی مدت کے 0.29 روپے فی حصص خسارے کے مقابلہ میں 7.44 روپے فی حصص آمدنی ظاہر کی۔

زیر جائزہ مدت کے دوران Cyan کے فعال ایکویٹی پورٹ فولیو نے KSE-100 انڈیکس میں کیلنڈر سال 2021 کے نو ماہ میں 24 فیصد (26.62 فیصد بمقابلہ 2.62 فیصد) کے ساتھ بہترین کارکردگی کا مظاہرہ کیا۔ ایکویٹی پورٹ فولیو زیادہ نمو کے حامل شعبوں میں برقرار رکھا گیا۔ اس مقصد کے لئے ٹیکنالوجی اور کمیونی کیشن، فوڈ اینڈ پرسنل کیئر پروڈکٹس، فارماسیوٹیکلز، سیمنٹ، کیمیکلز، آئل اینڈ گیس مارکیٹنگ کمپنیز اور انجینئرنگ کے شعبہ جات میں سرمایہ کاری کی گئی۔

زیر جائزہ مدت میں کمپنی کی سرمایہ کاری کی آمدنی 663 ملین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں سرمایہ کاریوں پر 115 ملین روپے کی آمدنی ریکارڈ کی گئی تھی۔

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، سیکریٹریز 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

چیرمین

کراچی: 22 اکتوبر، 2021

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property and equipment	6	20,303	28,074
Intangible assets	7	147	246
Long term investments	8	45,659	44,110
Long term loans		-	3,445
Long term deposits		2,500	2,500
		68,609	78,375
Current assets			
Short term investments	9	2,739,254	2,902,210
Long term loans - current portion		-	917
Trade and other receivables		100,017	11,872
Advances and short term prepayments		6,839	3,193
Cash and bank balances	10	3,205	7,803
		2,849,315	2,925,995
TOTAL ASSETS		2,917,924	3,004,370
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2020: 100,000,000) Ordinary shares of Rs 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital		615,591	615,591
Unappropriated profit		888,846	1,027,125
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		1,831	1,831
Surplus on revaluation of investment carried at fair value through other comprehensive income		492,180	674,723
		2,131,536	2,452,358
Non-current liabilities			
Deferred liability - gratuity		22,688	19,235
Deferred taxation		10,887	17,147
		33,575	36,382
Current liabilities			
Trade and other payable		24,613	171,586
Current portion of lease liability against right-of-use asset		1,824	9,144
Unpaid Dividend		369,355	-
Unclaimed dividend		27,165	25,519
Short term borrowings	11	233,221	225,924
Taxation - net		96,635	83,457
		752,813	515,630
TOTAL EQUITY AND LIABILITIES		2,917,924	3,004,370
CONTINGENCIES AND COMMITMENTS			
	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 PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

		Quarter Ended		Nine Months Ended	
		September 30,		September 30,	
		2021	2020	2021	2020
Note		(Rupees in '000)			
Return on investments	13	2,286	23,148	51,133	43,002
Gain / (loss) on sale of investments - net		153,467	166,950	539,957	(3,462)
Other income		4,708	3,374	11,694	10,409
		160,461	193,472	602,784	49,949
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(543,922)	364,169	71,561	75,600
Unrealised appreciation on re-measurement of derivatives-net		2,412	-	40	-
		(381,049)	557,641	674,385	125,549
Expenses					
Operating and administrative expenses		(30,331)	(39,564)	(102,345)	(95,505)
Financial charges		(6,830)	(11,339)	(24,230)	(33,042)
		(37,161)	(50,903)	(126,575)	(128,547)
(Loss) / Profit for the period before taxation		(418,210)	506,738	547,810	(2,998)
Taxation	14	39,473	(80,694)	(89,933)	(14,667)
(Loss) / Profit for the period after taxation		(378,737)	426,044	457,877	(17,665)
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Surplus / (Deficit) on revaluation of investments carried at fair value through other comprehensive income		1,121	89,110	(111,843)	(95,714)
Total comprehensive (loss) / Income for the period		(377,616)	515,154	346,034	(113,379)
Basic and diluted (loss) / Earnings per share	15	(6.15)	6.92	7.44	(0.29)

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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	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) -----									
Balance as at January 1, 2020	586,277	10,535	-	2,553	120,000	757,785	(384)	639,564	2,116,330
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 for the period ended September 30, 2020	-	-	-	-	-	(17,665)	-	-	(17,665)
Other comprehensive loss	-	-	-	-	-	-	-	(95,714)	(95,714)
	-	-	-	-	-	(17,665)	-	(95,714)	(113,379)
Balance as at September 30, 2020	615,591	10,535	-	2,553	120,000	652,178	(384)	543,850	1,944,323
Balance as at January 1, 2021	615,591	10,535	-	2,553	120,000	1,027,125	1,831	674,723	2,452,358
Transfer to reserve on gain on sale of investment	-	-	-	-	-	80,995	-	(70,700)	10,295
Final dividend @ Rs.5 per share for the year ended Dec 31, 2020	-	-	-	-	-	(307,796)	-	-	(307,796)
Interim dividend @ Rs.6 per share for the year ending Dec 31, 2021	-	-	-	-	-	(369,355)	-	-	(369,355)
	-	-	-	-	-	(596,156)	-	(70,700)	(666,856)
Net Profit for the period ended September 30, 2021	-	-	-	-	-	457,877	-	-	457,877
Other comprehensive loss	-	-	-	-	-	-	-	(111,843)	(111,843)
	-	-	-	-	-	457,877	-	(111,843)	346,034
Balance as at September 30, 2021	615,591	10,535	-	2,553	120,000	888,846	1,831	492,180	2,131,536

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 CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

Note	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	547,810	(2,998)
Adjustment for non cash charges and other items:		
Depreciation / amortisation	9,550	10,137
Capital (Gain) /Loss on sale of investments - net	(539,957)	3,462
Gain on sale of property and equipment	(60)	(33)
Amortisation income on government securities	(1,549)	(1,371)
Financial charges	24,230	33,042
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(71,561)	(75,600)
Unrealised appreciation on re-measurement of derivatives-net	(40)	-
	(579,387)	(30,363)
Operating loss before working capital changes	(31,577)	(33,361)
(Increase) / decrease in operating assets		
Trade and other receivables	(88,105)	(14,711)
Long term loan	4,362	1,549
Advances and short term prepayments	(3,646)	(230)
	(87,389)	(13,392)
(Decrease) / increase in operating liabilities		
(Decrease)/ increase in trade and other payable	(146,973)	(4,491)
Deferred liability	3,453	3,777
	(262,486)	(47,467)
Taxes paid	(83,015)	(5,075)
Financial charges paid	(26,178)	(27,507)
Net cash used in operating activities	(371,679)	(80,049)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	6,253,867	3,830,809
Investment in securities	(5,580,944)	(4,067,198)
Capital expenditure incurred	(1,700)	(1,391)
Proceeds from sale of property and equipment	81	56
Net cash generated from / (used) in investing activities	671,304	(237,724)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease liability against right-of-use asset	(7,318)	(5,809)
Dividend paid	(306,150)	(59,784)
Net cash utilised in financing activities	(313,468)	(65,593)
Net decrease in cash and cash equivalents	(13,843)	(383,366)
Cash and cash equivalents at the beginning of the year	(206,282)	(185,113)
Cash and cash equivalents at the end of the period	10.1 (220,125)	(568,479)

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 NINE MONTHS ENDED SEPTEMBER 30, 2021

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, 2020.

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, 2021 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, 2020 has been extracted from the audited financial statements of the Company for the year ended December 31, 2020. The comparative condensed interim statement of 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, 2020 have been extracted from the condensed interim financial statements of the Company for the nine months then ended. The comparative condensed interim statement of profit or loss account and other comprehensive income for the quarter ended September 30, 2020 are also included 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 same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2020.

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, 2020.

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, 2020.

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, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----	
28,074	39,236
1,700	2,365
29,774	41,601
(20)	(92)
(9,451)	(13,435)
(9,471)	(13,527)
20,303	28,074

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

Additions - cost

Office equipment
Furniture and Fixture

Disposals - cost

Office equipment

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, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----	
1,664	2,283
36	82
1,700	2,365
937	609
937	609
246	109
-	252
(99)	(115)
147	246
-	252
-	252

	Note	(Un-audited) September 30, 2021 ------(Rupees in '000)-----	(Audited) December 31, 2020	
8 Long term investment				
Investments carried at amortised cost	8.1 & 8.2	45,659	44,110	
		<u>45,659</u>	<u>44,110</u>	
8.1.1	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.49.07 million as at September 30, 2021. These will be released once the outstanding claims and balances relating to insurance business are settled.			
8.1.2	These carry a profit yield at 13.71% per annum (December 31, 2020: Rs. 13.71% per annum) payable at six months interval. These PIB's are maturing on July 12, 2023 .			
	Note	(Un-audited) September 30, 2021 ------(Rupees in '000)-----	(Audited) December 31, 2020	
9 Short term investment				
Investments carried at amortised cost	9.1	10,500	10,500	
Investments carried at fair value through other comprehensive income	9.2	584,272	792,665	
Investments carried at fair value through profit or loss	9.3	2,144,482	2,099,045	
		<u>2,739,254</u>	<u>2,902,210</u>	
9.1 Investments carried at amortised cost				
Deposits maturing within one month	9.1.1	3,000	3,000	
Deposits maturing within one year	9.1.2	7,500	7,500	
		<u>10,500</u>	<u>10,500</u>	
9.1.1	These 'Term Deposit Receipts' carry mark-up at 5.5% per annum (December 31, 2020: 5.5% per annum) and are due to mature on October 16, 2021.			
9.1.2	These 'Term Deposit Receipts' carry mark-up at 6.8% per annum (December 31, 2020: 7.3% per annum) and are due to mature on April 16, 2022.			
	Note	(Un-audited) September 30, 2021 ------(Rupees in '000)-----	(Audited) December 31, 2020	
9.2 Investments carried at fair value through other comprehensive income				
Quoted shares - related parties	9.2.1	584,272	792,665	
		<u>584,272</u>	<u>792,665</u>	
9.2.1 Quoted Shares - Related Parties				
Name of investee company	Note	Number of Shares 30-Sep-21 31-Dec-20	Cost 30-Sep-21	Market value 30-Sep-21 31-Dec-20
Inv. Banks/Inv. Cos/ Securities Cos.				
Dawood Hercules Corporation Limited Equity held: 0.00% (2020: 0.17%)		- 794,380	-	- 96,550
Dawood Lawrencepur Limited Equity held: 5.02% (2020: 5.02%)		2,965,095 2,965,095	222,111	584,272 696,115
			<u>222,111</u>	<u>584,272</u>
Less : Provision for impairment			(130,018)	<u>792,665</u>
Carrying value			<u>92,093</u>	
Market value as at September 30, 2021			<u>584,272</u>	
Unrealised gain on quoted shares			<u>492,179</u>	
	Note	Market Value (Un-audited) September 30, 2021 ----- Rupees '000'-----	(Audited) December 31, 2020	
9.3 Investment carried at fair value through profit or loss				
Quoted shares	9.3.1	2,142,194	2,096,757	
Mutual funds	9.3.2	2,288	2,287	
		<u>2,144,482</u>	<u>2,099,044</u>	

9.3.1 Quoted Shares

Name of investee company	Note	Number of Shares		Carrying Value	Market value	
		30-Sep-21	31-Dec-20	30-Sep-21	30-Sep-21	31-Dec-20
		Rupees '000'				
Paper and board						
Century Paper and Board Mills Limited		-	20,000	-	-	2,503
Oil and Gas Marketing						
Pakistan State Oil Company Limited	9.3.1.2	750,000	-	178,413	150,743	-
Cement						
Maple Leaf Cement Factory Limited	9.3.1.5	2,500,000	2,500,000	117,211	88,000	112,525
DG Khan Cement Company Limited	9.3.1.5	1,000,000	-	130,292	88,420	-
Fauji Cement Company Limited		2,500,000	-	62,487	44,875	-
Textile Composite						
Gul Ahmed Textile Mills Limited		500,000	1,029,000	28,488	27,405	37,816
Engineering						
Aisha Steel Mills Limited		1,734,500	-	44,563	36,095	-
Amreli Steels Limited		500,000	-	22,061	19,575	-
International Industries Limited		100,000	-	21,622	16,677	-
Pharmaceuticals						
Searle Pakistan Limited		-	13,000	-	-	3,240
Citi Pharma Limited		5,520,500	-	231,160	247,981	-
Technology & Communication						
Hum Network Limited		-	5,000,000	-	-	27,200
Avanceon Limited	9.3.1.2	1,000,000	-	111,666	123,360	-
Worldcall Telecom Limited		10,000,000	-	42,114	27,200	-
TRG Pakistan Limited	9.3.1.3 & 9.3.1.4	3,449,639	10,000,000	324,341	557,703	914,100
Commercial Banks						
Habib Bank Limited		-	1,000,000	-	-	132,280
United Bank Limited		500,000	-	59,973	59,280	-
Meezan Bank Limited		-	1,000,000	-	-	104,440
Chemical						
Nimir Resins Limited		2,779,500	-	95,343	76,103	-
Lotte Chemical Pakistan Ltd		-	-	-	-	-
Cable & Electrical Goods						
WAVES Singer Pakistan Limited	9.3.1.2	1,009,000	-	27,677	19,050	-
Automobile Assembler						
Pak Suzuki Motors Company Limited		50,000	-	15,000	13,377	-
Food & Personal Care Products						
Unity Foods Limited	9.3.1.1 & 9.3.1.3	17,500,000	23,788,298	558,223	546,350	762,653
				2,070,634	2,142,194	2,096,757
Unrealised gain on Quoted Shares				71,560		

9.3.1.1 6 million shares of Unity Foods Limited having market value of Rs. 187.32 million as at September 30, 2021 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

9.3.1.2 0.75 million shares of Pakistan State Oil Company Limited having a market value of Rs. 150.743 million, 0.5 million shares of Avanceon Limited having a market value of Rs. 61.680 million and 1 million shares of Waves Singer Pakistan Limited having a market value of Rs. 18.88 million as at September 30, 2021 have been pledged with MCB Bank Limited as collateral against running finance facility obtained from the Bank.

9.3.1.3 1 million shares of TRG Pakistan Limited having a market value of Rs. 161.67 million and 1 million shares of Unity Foods Limited having a market value of Rs. 31.22 million as at September 30, 2021 have been pledged with Bank Al-Habib Limited as collateral against running finance facility obtained from the Bank.

9.3.1.4 2 million shares of TRG Pakistan Limited having a market value of Rs. 323.34 million as at September 30, 2021 have been pledged with National Bank of Pakistan as collateral against running finance facility obtained from the Bank.

9.3.1.5 2.5 million shares of Maple Leaf Cement Factory Limited having a market value of Rs. 88.00 million and 1 million shares of DG Khan Cement Company Limited having a market value of Rs. 88.42 millions as at September 30, 2021 have been pledged with Habib Metropolitan Bank Limited as collateral against running finance facility obtained from the Bank.

9.3.2 Mutual Funds

9.3.2 Mutual Funds		Note	Number of Units		Carrying Value	Market value	
Name of fund			30-Sep-21	31-Dec-20	30-Sep-21	30-Sep-21	31-Dec-20
			----- Rupees '000' -----				
NAFA Government Securities Liquid Fund	9.3.2.1	223,871	223,871	2,287	2,288	2,287	
				2,287	2,288	2,287	
Market Value as at September 30, 2021				2,288			
Unrealised gain on mutual fund				1			

9.3.2.1 223,871 units (December 31, 2020: 223,871 units) of NBP Government Liquid Fund having a market value of Rs. 2.288 million (December 31, 2020: Rs. 2.287 million) have been kept under pledge with NBP Government Liquid Fund pending settlement of a claim in litigation.

10 CASH AND BANK BALANCES	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Cash in hand		50	28
Cash at bank	10.1	<u>3,155</u>	<u>7,775</u>
		<u>3,205</u>	<u>7,803</u>
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
10.1 Cash and cash equivalents		----- (Rupees in '000) -----	

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

Cash and bank balances	3,205	1,739
Term deposit receipts	3,000	3,000
Short term borrowings	<u>(226,330)</u>	<u>(573,218)</u>
	<u>(220,125)</u>	<u>(568,479)</u>
	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	

11 SHORT TERM BORROWINGS

Short term borrowings	226,330	217,085
Financial charges	6,891	8,839
	<u>233,221</u>	<u>225,924</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, 2022.

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, 2022.

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 expired on September 30, 2021.

11.4 The Company has running finance facility of Rs.300 million under mark-up arrangement with Habib Metropolitan Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.50% per annum and will expire on December 31, 2021.

12 CONTINGENCIES AND COMMITMENTS	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (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, 2020 has remained unchanged except the following:

For tax year 2016 and 2017, Assistant Commissioner (AC) Sindh Revenue Board passed an order-in-original No. 236 dated June 10, 2021 in which it levied Sindh Worker's Welfare Fund (SWWF) of Rs.25,833,948 (including penalty of Rs. 1,230,188) by holding the company as a "financial institution". The company has contested the levy of SWWF on the basis that it does not meet the definition of financial institution. In this connection, a constitutional petition No. 4043 of 2021 has been filed before the High Court. In this regard, the High Court in its order dated June 24, 2021 has directed the department to refrain from taking coercive measures for recovery of the tax demand raised. The final decision on the matter is still pending. However, the management believes that the ultimate decision of the matter will be in favour of the Company. Therefore, no provision has been recorded in these condensed interim financial statements.

16.2	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	(Rupees in '000)	
Balances outstanding		
Loan to other executive	-	4,362
Receivable from related party	1,434	1,431
Payable to related party	234	352
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, 2021 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000-----			
ASSETS				
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	2,142,194	-	-	2,142,194
- Mutual fund units	-	2,288	-	2,288
	<u>2,142,194</u>	<u>2,288</u>	<u>-</u>	<u>2,144,482</u>
Investment in securities - financial assets Through Other Comprehensive income				
- Quoted shares	584,272	-	-	584,272
	<u>584,272</u>	<u>-</u>	<u>-</u>	<u>584,272</u>
----- As at December 31, 2020 -----				
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000-----			
ASSETS				
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	2,096,757	-	-	2,096,757
- Mutual fund units	-	2,288	-	2,288
	<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	792,665	-	-	792,665
	<u>792,665</u>	<u>-</u>	<u>-</u>	<u>792,665</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 22, 2021 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive Officer

Director

Website: www.cyanlimited.com



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