



DEFINING

G r o w t h



half yearly report june 30, 2018

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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 & Company Secretary

Faisal Nadeem

Head of Internal Audit

Ayman Anwer

Executives*

Sulaiman S. Mehdi (CEO)
Faisal Nadeem (CFO & Company Secretary)
Muhammad Anas Karimi (Senior Manager Finance)
Ayman Anwer (Head of Internal Audit)
Naresh Kumar (Investment Associate)
Marvi Shaikh (Investment Analyst)

Auditors

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

Tax Consultants

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

Share Registrar/Transfer Agent

Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi – 74400
Tel: 111-111-500
Fax: (92-21) 34326053

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
BankIslami Pakistan Limited
National Bank of Pakistan
MCB Bank Limited

Registered Office

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

*As determined by the Board of Directors

Directors' Review

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial Statement of the company for the nine months ended September 30, 2018.

Economic Review and Outlook

The smooth transition of power to the newly elected government cleared the political uncertainty and the new government is well placed to implement its economic reforms agenda that aims to put the economy on a self-sustaining growth path. However, deteriorating economic indicators mainly twin deficit, unfavorable economic development on the global front, increasing oil prices, and external debt servicing will continue to pose challenge to our economy.

Stock Market Review and Outlook

KSE-100 index posted a negative return of 2.18% during 3QCY18, closing at 40,999 points. Lack of clarity on the reforms being enacted by the new government, continued pressure on foreign reserves, twin account deficits and weak results of the companies led to the unimpressive performance of the bourse.

Going ahead, the market is expected to remain volatile unless concrete measures are adopted by the government to tackle the economic woes. The entry of government into a fresh IMF program may raise investors' confidence in the stock market thereby attracting ample local liquidity which is sitting on the sideline. We believe that addressing external account problems are also likely to minimize foreign portfolio outflows. The KSE-100 index is trading at a forward PE of 8.47x and offering a dividend yield of 6.21%.

Company Performance

During the nine months ended September 30, 2018 the company posted an earnings per share of Rs.2.07 compared to loss per share of Rs.4.19 in the corresponding period in 2017.

The equity portfolio was maintained to have a balance between high growth and high yield investments. Dividend income decreased by 40% to Rs.69 million for the nine months ended September 30, 2018 as opposed to Rs.116million earned in the corresponding period last year, which were primarily due to offload of HUBCO and lower than expected dividend from DLL.

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 18, 2018

اظہار تشکر

ہم اپنے تمام شریکانِ کار، بالخصوص اپنے قابلِ قدر سرمایہ کاران کے تہہ دل سے مشکور ہیں جنہوں نے ہم پر اپنے اعتماد کا اظہار 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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے بھی ان کے مسلسل تعاون اور اشتراک کے لئے تہہ دل سے مشکور ہیں۔

منجانب بورڈ

حسن رضا الرحیم

سلیمان الیس مہدی

چیئرمین

سی ای او

کراچی: 18 اکتوبر، 2018

ڈائریکٹرز کا تجزیہ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر، 2018 کو ختم ہونے والے 9 ماہ کے لئے کمپنی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

معاشی جائزہ اور آثار

نو منتخب شدہ حکومت کو ہموار اور باقاعدہ انداز سے اقتدار کی منتقلی سے سیاسی غیر یقینی کا خاتمہ ہوا اور اب نئی حکومت اپنے معاشی اصلاحات کے اس ایجنڈے پر عمل درآمد کے لئے تیار ہے جس کا مقصد ملکی معیشت کو خود انحصاری کی راہ پر گامزن کرنا ہے۔ تاہم انحطاط پذیر معاشی اشارے بالخصوص دوہرا خسارہ، عالمی سطح پر ناموافق معاشی پیش رفت، تیل کی بڑھتی ہوئی قیمتیں اور بیرونی قرضہ جات بدستور ہماری معیشت کے لئے چیلنج رہیں گے۔

اسٹاک مارکیٹ کا جائزہ اور آثار

کیلنڈر سال 2018 کی تیسری سہ ماہی میں KSE-100 انڈیکس نے 2.18 فیصد کا منفی ریٹرن ظاہر کیا اور 40,999 پوائنٹس پر بند ہوا۔ نئی حکومت کی جانب سے کی جانے والی اصلاحات کے حوالے سے غیر مبہم صورت حال نے غیر ملکی زرمبادلہ پر مسلسل دباؤ جاری رکھا، دوہرا اکاؤنٹ خسارہ اور کمپنیوں کے غیر مستحکم نتائج مارکیٹ کی غیر متاثر کن کارکردگی کا باعث بنے۔

مزید برآں، جب تک حکومت معاشی مسائل پر قابو پانے کے لئے ٹھوس اقدامات نہیں کرتی، اس وقت تک مارکیٹ کے غیر مستحکم رہنے کی توقع ہے۔ حکومت کی نئے آئی ایم ایف پروگرام میں شمولیت سرمایہ کاروں کے اعتماد میں اضافہ کا باعث ہو سکتی ہے جو کثیر مقامی سرمائے کو متوجہ کرنے کا باعث ہوگی جو فی الوقت مارکیٹ کا حصہ نہیں ہے۔ ہمیں توقع ہے کہ بیرونی اکاؤنٹ کے مسائل پر قابو پانے سے بیرونی سرمائے کے اخراج میں بھی کمی واقع ہوگی۔ KSE-100 انڈیکس اس وقت 8.47x PE فاؤرڈ پریئرڈ کر رہا ہے اور 6.21 فیصد کا ڈیویڈنڈ منافع پیش کر رہا ہے۔

کمپنی کی کارکردگی

30 ستمبر، 2018 کو ختم ہونے والے نو ماہ کے دوران کمپنی نے 2.07 روپے فی حصص آمدنی ظاہر کی جو کہ 2017 کی اسی مدت میں 4.19 روپے فی حصص خسارہ تھا۔

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۔ ڈیویڈنڈ کی آمدنی 30 ستمبر، 2018 کو ختم ہونے والے 9 ماہ میں 40 فیصد کمی کے بعد 69 ملین روپے ہو گئی جو کہ گزشتہ سال کی اسی مدت میں 116 ملین روپے تھی، اور اس کمی کی بنیادی وجہ HUBCO کی فروخت اور DLL سے توقع سے کم ڈیویڈنڈ کا حصول تھی۔

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

		(Un-audited) September 30 2018	(Audited) December 31 2017
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property and equipment	5	13,946	14,951
Intangible assets	6	83	137
Deferred taxation		17,775	52,235
Long term loans	7	6,776	8,133
Long term deposits		2,500	2,500
		<u>41,080</u>	<u>77,956</u>
Current assets			
Short term investments	8	2,419,848	2,440,890
Long term loans - current portion	7	2,330	2,330
Trade and other receivables		27,325	16,242
Advances and short term prepayments		3,067	3,539
Cash and bank balances	9	26,098	5,269
		<u>2,478,668</u>	<u>2,468,270</u>
TOTAL ASSETS		<u><u>2,519,748</u></u>	<u><u>2,546,226</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2017: 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		999,538	1,024,498
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(2,142)	(2,142)
Surplus on revaluation of available-for-sale investments		<u>470,765</u>	<u>528,372</u>
		<u>2,187,526</u>	<u>2,270,093</u>
Non-current liabilities			
Deferred liability - gratuity		14,646	12,237
Current liabilities			
Creditors, accrued expenses and other liabilities		165,820	15,016
Accrued mark - up		2,791	400
Unclaimed dividend		30,282	30,671
Short term borrowing	10	4,381	-
Taxation - net		<u>114,302</u>	<u>217,809</u>
		<u>317,576</u>	<u>263,896</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,519,748</u></u>	<u><u>2,546,226</u></u>
CONTINGENCIES AND COMMITMENTS			
	11	-	-

The annexed notes from 1 to 17 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 (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2018

		Nine Months Ended		Quarter Ended	
	Note	September 30		September 30	
		2018	2017	2018	2017
		------(Rupees in '000)-----			
Return on investments	12	70,660	116,170	19,772	31,118
Gain / (loss) on sale of investments - net		263,539	132,701	11,199	(64,692)
Other income		9,057	16,536	3,251	254
		<u>343,256</u>	<u>265,407</u>	<u>34,222</u>	<u>(33,320)</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(87,593)	(407,603)	(31,565)	(126,732)
Unrealised gain on re-measurement of derivatives - net		-	-	(2,496)	(70)
		<u>255,663</u>	<u>(142,196)</u>	<u>161</u>	<u>(160,122)</u>
Expenses					
Operating and administrative expenses		(82,151)	(74,299)	(28,518)	(21,571)
Financial charges		(8,280)	(14,190)	(2,791)	(3,379)
		<u>(90,431)</u>	<u>(88,489)</u>	<u>(31,309)</u>	<u>(24,950)</u>
Profit / (loss) for the period before taxation		<u>165,232</u>	<u>(230,685)</u>	<u>(31,148)</u>	<u>(185,072)</u>
Taxation - current year		(9,162)	(49,861)	(2,846)	5,980
- prior year		-	(23,668)	-	(2,766)
- deferred		(34,461)	58,272	162	11,461
		<u>(43,623)</u>	<u>(15,257)</u>	<u>(2,684)</u>	<u>14,675</u>
Profit / (loss) for the period after taxation		<u>121,609</u>	<u>(245,942)</u>	<u>(33,832)</u>	<u>(170,397)</u>
		------(Rupees)-----			
Basic and diluted earnings / (loss) per share	13	<u>2.07</u>	<u>(4.19)</u>	<u>(0.58)</u>	<u>(2.91)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2018

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees in '000) -----</u>			
Profit / (loss) after taxation	121,609	(245,942)	(33,832)	(170,397)
Items that may be reclassified subsequently to profit or loss				
(Deficit) / surplus on revaluation of available-for-sale investments	(57,607)	(188,485)	(20,380)	(83,743)
Total comprehensive income / (loss) for the period	<u>64,002</u>	<u>(434,427)</u>	<u>(54,212)</u>	<u>(254,140)</u>

The annexed notes from 1 to 17 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 AND QUARTER ENDED SEPTEMBER 30, 2018

	Share Capital	Capital reserves		Revenue reserves		Remesurement 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	Capital gain reserve	General reserve	Unappropriated profit			
(Rupees in '000)								
Balance as at January 1, 2017	586,277	10,535	2,553	120,000	1,708,968	(2,611)	746,881	3,172,603
Final dividend @ Rs.2.50 per share for the year ended Dec 31, 2016	-	-	-	-	(146,569)	-	-	(146,569)
Net loss for the period ended September 30, 2017	-	-	-	-	(245,942)	-	-	(245,942)
Other comprehensive income	-	-	-	-	-	-	(188,485)	(188,485)
Total comprehensive income for the period ended Sep. 30, 2017	-	-	-	-	(245,942)	-	(188,485)	(434,427)
Balance as at September 30, 2017	586,277	10,535	2,553	120,000	1,316,457	(2,611)	558,396	2,591,607
Balance as at January 1, 2018	586,277	10,535	2,553	120,000	1,024,498	(2,142)	528,372	2,270,093
Interim dividend @ Rs.2.50 per share for the half year ended June 30, 2018	-	-	-	-	(146,569)	-	-	(146,569)
Net profit for the period ended September 30, 2018	-	-	-	-	121,609	-	-	121,609
Other comprehensive income	-	-	-	-	-	-	(57,607)	(57,607)
Total comprehensive income for the period ended Sep. 30, 2018	-	-	-	-	121,609	-	(57,607)	64,002
Balance as at September 30, 2018	586,277	10,535	2,553	120,000	999,538	(2,142)	470,765	2,187,526

The annexed notes from 1 to 17 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, 2018

Note	Nine Months Ended	
	September 30, 2018	September 30, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	165,232	(230,685)
Adjustment for non cash charges and other items:		
Depreciation / amortisation	1,906	1,918
Loss / (gain) on sale of property and equipment	14	(891)
Capital gain on sale of investments - net	(263,539)	(132,701)
Amortisation income on government securities	(2,083)	(1,890)
Financial charges	8,280	14,190
Unrealised diminution on re-measurement of investments		
classified as financial assets at fair value through profit or loss - net	87,593	407,603
Unrealised gain on re-measurement of derivatives - net	-	-
	(167,829)	288,229
Operating (loss) / profit before working capital changes	(2,597)	57,544
(Increase) / decrease in operating assets		
Trade and other receivables	(11,083)	(36,926)
Long term loan	1,357	1,261
Advances and short term prepayments	472	1,428
	(9,254)	(34,237)
(Decrease) / increase in operating liabilities		
Creditors, accrued expenses and other liabilities	4,235	(39,722)
Deferred liability	2,409	1,931
	(5,207)	(14,484)
Taxes paid	(112,668)	(17,997)
Financial charges paid	(5,889)	(13,544)
Net cash used in operating activities	(123,764)	(46,025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	4,404,648	4,155,192
Investment in securities	(4,263,186)	(3,905,428)
Capital expenditure incurred	(974)	(3,301)
Proceeds from sale of property and equipment	113	1,050
Net cash generated from investing activities	140,601	247,513
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(389)	(148,242)
Net cash utilised in financing activities	(389)	(148,242)
Net decrease in cash and cash equivalents	16,448	53,246
Cash and cash equivalents at the beginning of the year	8,269	(179,359)
Cash and cash equivalents at the end of the period	24,717	(126,113)

The annexed notes from 1 to 17 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 AND QUARTER ENDED SEPTEMBER 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Cyan Limited, a DH Group Company ("the 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. Dawood Corporation (Private) Limited is the parent company of the entity.

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.

The disclosures made in this condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial statements does 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, 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

The Companies Act, 2017 (the Act) has brought certain changes with regards to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in nomenclature of primary statements and change in presentation of unclaimed dividend etc.

Further, the disclosure requirements contained in the Fourth Schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

Keeping in view of the above, the presentation of these condensed interim financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact on the recognition and measurement of the amounts included in these condensed interim financial statements of the Company.

b) Standards, interpretations and amendments to published approved accounting standards

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018, that may have an impact on the financial statements of the Company:

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management believes that the impact of changes laid down by these standards does not have a significant impact on the Company's 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, 2017.

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, 2017.

5 PROPERTY AND EQUIPMENT

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	----- (Rupees in '000) -----	
Opening book value	14,951	13,751
Additions during the period / year	974	3,980
	15,925	17,731
Less: Written down value of disposals during the period / year	(127)	(200)
Less: Depreciation for the period / year	(1,852)	(2,580)
	(1,979)	(2,780)
	13,946	14,951

(Un-audited) (Audited)
September 30, December
2018 31, 2017
------(Rupees in '000)-----

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

Additions - cost

Motor vehicles	-	2,708
Office equipment	974	678
Furniture and Fixture	-	594
	<u>974</u>	<u>3,980</u>

Disposals - cost

Motor vehicles	-	1,466
Office equipment	-	121
	<u>-</u>	<u>1,587</u>

6 INTANGIBLE ASSETS

Opening book value	137	266
Additions during the period / year	-	-
Less: Amortisation for the period / year	<u>(54)</u>	<u>(129)</u>
	<u>83</u>	<u>137</u>

7 These represent loans given to executives and other employees disbursed under mark-up arrangements.

(Un-audited) (Audited)
September 30, December
2018 31, 2017
------(Rupees in '000)-----

8 INVESTMENTS

Held-to-maturity investments	8.1	44,907	44,643
Available-for-sale investments	8.2	588,707	646,314
Investments carried at fair value through profit or loss	8.3	1,783,234	1,746,933
Loans and receivables	8.4	<u>3,000</u>	<u>3,000</u>
		<u>2,419,848</u>	<u>2,440,890</u>

8.1 These are Treasury Bills 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 Treasury Bills have a face value of Rs. 45 million and market value of Rs. 44.900 million as at September 30, 2018 (December 31, 2017: market value of Rs. 44.624 million). These will be released once the outstanding claims and balances relating to insurance business are settled.

Note (Un-audited) (Audited)
September 30, December
2018 31, 2017
------(Rupees in '000)-----

8.2 Available-for-sale investments

Quoted shares - related parties	8.2.1	<u>588,707</u>	<u>646,314</u>
		<u>588,707</u>	<u>646,314</u>

8.2.1 Quoted Shares - Related Parties

Name of investee company		Note	Number of Shares		Cost	Market value	
			30-Sep-18	31-Dec-17	30-Sep-18	30-Sep-18	31-Dec-17
----- Rupees '000'-----							
Fertiliser							
Dawood Hercules Corporation Limited			794,380	794,380	47,652	84,641	88,875
Equity held: 0.17% (2017: 0.17%)	10.2						
Textile Composite							
Dawood Lawrencepur Limited			2,965,095	2,965,095	222,111	504,066	557,439
Equity held: 5.02% (2017: 5.02%)							
					269,763	588,707	646,314
Less : Provision for impairment					(151,821)		
Carrying value					117,942		
Market value as at Sep 30, 2018					588,707		
Unrealised gain on quoted shares					470,765		

		Market Value	
		(Un-audited)	(Audited)
	Note	September 30, 2018	December 31, 2017
		----- Rupees '000'-----	
8.3	Investment carried at fair value through profit or loss		
	Quoted shares	8.3.1	1,780,426
	Mutual funds	8.3.2	2,808
			64,172
			1,783,234
			1,746,933

8.3.1 Quoted Shares

Name of investee company	Number of Shares		Carrying Value	Market value	
	30-Sep-18	31-Dec-17	30-Sep-18	30-Sep-18	31-Dec-17
	Rupees '000'				
Oil & Gas Exploration					
Oil and Gas Development Company Limited	-	500,000	-	-	81,395
Oil and Gas Marketing					
Sui Northern Gas Pipeline Limited	-	500,000	-	-	47,305
Cable & Electrical Goods					
Singer Pakistan Limited	-	500,000	-	-	18,210
Refinery					
Pakistan Refinery Limited	-	1,000,000	-	-	35,180
Cement					
D. G. Khan Cement Limited	-	200,000	-	-	26,744
Textile Composite					
Nishat Chunian Limited	-	3,000,000	-	-	137,310
Insurance					
Adamjee Insurance Company Limited	1,752,500	-	87,625	78,792	-
Food & Personal Care Products					
At-Tahur Limited	2,500,000	-	79,300	63,000	-
Matco Foods Limited	1,000,000	-	37,706	30,180	-
Leasing Companies					
Orix Leasing Pakistan Limited	361,500	-	15,760	15,602	-
Inv. Banks / Inv. Cos. / Securities Cos.					
Pakistan Stock Exchange Limited	-	7,929,330	-	-	177,617
Glass & Ceremics					
Shabbir Tiles & Ceremics Limited	982,000	-	24,941	18,511	-
Tariq Glass Industries Limited	-	200,000	-	-	18,998
Transport					
Pakistan International Bulk Terminal Limited	-	1,000,000	-	-	14,950
Technology & Communication					
Media Times Limited	5,000,000	5,000,000	8,500	7,550	8,500
Avanceon Limited	293,500	-	23,657	24,349	-
Netsol Technologies Limited	1,019,000	-	141,833	135,670	-
TRG Pakistan Limited	-	1,000,000	-	-	29,600

Name of investee company	Note	Number of Shares		Carrying Value	Market value	
		30-Sep-18	31-Dec-17	30-Sep-18	30-Sep-18	31-Dec-17
					Rupees '000'	
Power Generation & Distribution						
The Hub Power Company Limited (related party)		-	10,000,000	-	-	910,000
Equity held: Nil (2017: 0.86%)						
K-Electric Limited		-	5,000,000	-	-	31,550
Commercial Banks						
Bank Alfalah Limited	10.1	10,780,000	-	476,966	535,119	-
Bank of Punjab Limited		5,568,500	2,490,000	66,714	65,875	20,517
Faysal Bank Limited		10,835,500	-	259,270	290,933	-
MCB Bank Limited	8.3.1.1	500,000	-	111,810	100,605	-
United Bank Limited		500,000	-	90,901	77,000	-
Engineering						
Mughal Iron & Steel Industries Limited		1,636,500	-	114,065	80,074	-
Aisha Steel Mills Limited	8.3.1.1	2,503,000	-	55,025	32,139	-
Amreli Steels Limited		1,300,000		114,438	84,435	
International Steels Limited		466,100	500,000	50,703	42,401	53,185
Chemical						
Biafo Industries Limited		197,000	-	65,203	57,721	-
Lotte Chemical Pakistan Limited		3,000,000	10,000,000	43,578	40,470	71,700
				1,867,995	1,780,426	1,682,761
Unrealised Loss on Quoted Shares				(87,569)		

8.3.1.1 2.503 million shares (Dec. 2017: Nil) of Aisha Steel Mills Limited having market value of Rs. 32.14 million as at September 30, 2018 and 0.5 million shares of MCB Bank Limited (Dec. 2017: Nil) having market value of Rs 100.61 million have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

8.3.2 Mutual Funds

		Note	Number of Units		Cost	Market value	
			30-Sep-18	31-Dec-17	30-Sep-18	30-Sep-18	31-Dec-17
Name of fund						Rupees '000'	
HBL Money Market Fund			-	239,712	-	-	25,007
NAFA Government Securities							
Liquid Fund		8.3.2.1	271,840	260,170	2,832	2,808	2,713
NAFA Money Market Fund			-	3,600,238	-	-	36,452
					2,832	2,808	64,172
Market Value as at Sep 30, 2018					2,808		
Unrealised gain on mutual funds					(24)		

8.3.2.1 223,871 units (December 31, 2017: 223,871 units) of NAFA Government Liquid Fund having a market value of Rs. 2.312 million (December 31, 2017: 2.334 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

Note	(Un-audited)	(Audited)
	September 30, 2018	December 31, 2017
8.4 Loans and receivables		
	(Rupees in '000)	
Deposits maturing within one month	8.4.1	<u>3,000</u>
		<u>3,000</u>

- 8.4.1** Term Deposit Receipts carry mark-up at 5.50% per annum (December 31 2017: 5.25%) per annum and maturity on October 21, 2018.

	Note	(Un-audited) September 30, 2018	(Audited) December 31, 2017
9 CASH AND BANK BALANCES		----- (Rupees in '000) -----	
Cash in hand		50	36
Cash at bank	9.1	26,048	5,233
		<u>26,098</u>	<u>5,269</u>

- 9.1** The balances are placed under mark-up arrangements with mark-up ranging between 2.78% to 6.50% (December 31, 2017: 2.78% to 4.00%) per annum.

9.2 Cash and cash equivalents

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

	Note	(Un-audited) September 30, 2018	(Audited) September 30, 2017
		----- (Rupees in '000) -----	
Cash and bank balances		26,098	580
Term deposit receipts		3,000	3,000
Short term borrowings		(4,381)	(129,693)
		<u>24,717</u>	<u>(126,113)</u>
		(Un-audited) September 30, 2018	(Audited) December 31, 2017
		----- (Rupees in '000) -----	

10 SHORT TERM BORROWINGS

Secured

Short term running finance

	<u>4,381</u>	<u>-</u>
--	--------------	----------

- 10.1** The Company has running finance facility of Rs. 1,000 million (December 31, 2017: 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, 2017: 3 month KIBOR + 0.25% per annum) and will expire on May 31, 2019.

The facility is secured against pledge of 7 million (market value: Rs.347.48 million) ordinary shares of Bank Alfalah Limited.

- 10.2** The Company has running finance facility of Rs. 500 million (December 31, 2017: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.65% per annum (December 31, 2017: 3 month KIBOR + 0.65% per annum) and will expire on March 31, 2019.

The facility is secured against pledge of 0.5 million (market value: Rs.77.00 million) ordinary shares of United Bank Limited.

- 10.3** The Company has running finance facility of Rs.1,000 million (December 31, 2017: 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, 2019.

The facility is secured against pledge of 0.3 million (market value: Rs.14.89 million) ordinary shares of Bank Alfalah Limited.

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
11 CONTINGENCIES AND COMMITMENTS		----- (Rupees in '000) -----	
Guarantee issued on behalf of the Company by a commercial bank		<u>2,800</u>	<u>2,800</u>

		(Un-audited)	
		September 30, 2018	September 30, 2017
		(Rupees in '000) -----	
12	RETURN ON INVESTMENTS		
	Amortisation on Treasury Bills	2,083	1,890
	Dividend income	68,577	114,280
		<u>70,660</u>	<u>116,170</u>
13	EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
	Profit / (loss) for the period after taxation	<u>121,609</u>	<u>(245,942)</u>
		(Number of shares)	
	Weighted average number of ordinary shares outstanding as at the period end	<u>58,627,722</u>	<u>58,627,722</u>
		----- (Rupees) -----	
	Earnings / (Loss) per share	<u>2.07</u>	<u>(4.19)</u>
14	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:

		(Unaudited)					
		Dawood Corporation		Group / associated		Other related parties	
		Period ended Sep 30, 2018	Period ended Sep 30, 2017	Period ended Sep 30, 2018	Period ended Sep 30, 2017	Period ended Sep 30, 2018	Period ended Sep 30, 2017
		Rupees in 000					
Transactions							
Rent paid		-	-	5,393	6,304	-	-
Dividend received		-	-	21,937	78,003	-	-
Dividend paid	90,912	90,912		7,245	7,245	1,050	5,519
Corporate advisory services		-	-	7,750	15,000	-	-
Service charges		-	-	201	1,231	-	-
Contribution to provident fund		-	-	-	-	2,046	1,893
Charge for staff retirement gratuity scheme		-	-	-	-	2,648	2,690
Remuneration to Key Management Personnel		-	-	-	-	30,547	28,617
Director meeting fee		-	-	-	-	700	1,100
Employee loan recovered		-	-	-	-	1,631	1,631

		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
		Dawood Corporation		Group / associated		Other related parties		Total	
		As at Sep 30, 2018	As at Decemb er 31, 2017	As at Sep 30, 2018	As at Decemb er 31, 2017	As at Sep 30, 2018	As at Decemb er 31, 2017	As at Sep 30, 2018	As at Decemb er 31, 2017
		Rupees in 000							
Loan to chief executive officer		-	-	-	-	2,254	2,960	2,254	2,960
Loan to other executives		-	-	-	-	6,852	7,503	6,852	7,503
Trade and other receivables		-	-	1,389	1,458	-	-	1,389	1,458
Creditors, accrued expenses and other liabilities		-	-	219	321	-	-	219	321

15 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, 2018			
	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	1,780,426	-	-	1,780,426
- Mutual fund units	2,808	-	-	2,808
	<u>1,783,234</u>	<u>-</u>	<u>-</u>	<u>1,783,234</u>
Investment in securities - financial assets available for sale				
- Quoted shares	<u>588,707</u>	<u>-</u>	<u>-</u>	<u>588,707</u>
	As at December 31, 2017			
	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	1,682,761	-	-	1,682,761
- Mutual fund units	64,172	-	-	64,172
	<u>1,746,933</u>	<u>-</u>	<u>-</u>	<u>1,746,933</u>
Investment in securities - financial assets available for sale				
- Quoted shares	<u>646,314</u>	<u>-</u>	<u>-</u>	<u>646,314</u>

16 Corresponding Figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant reclassifications have been made to the corresponding figures except the following:

Unclaimed dividend amounting to Rs. 30.282 million (December 31, 2017: Rs. 30.671 million) which was classified under creditors, accrued expenses and other liabilities has now been reclassified and shown separately on the face of condensed interim statement of financial position. This reclassification has been made to align the presentation of unclaimed dividends with the requirements of Companies Act, 2017.

17 AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on October 18, 2018 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive Officer

Director

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